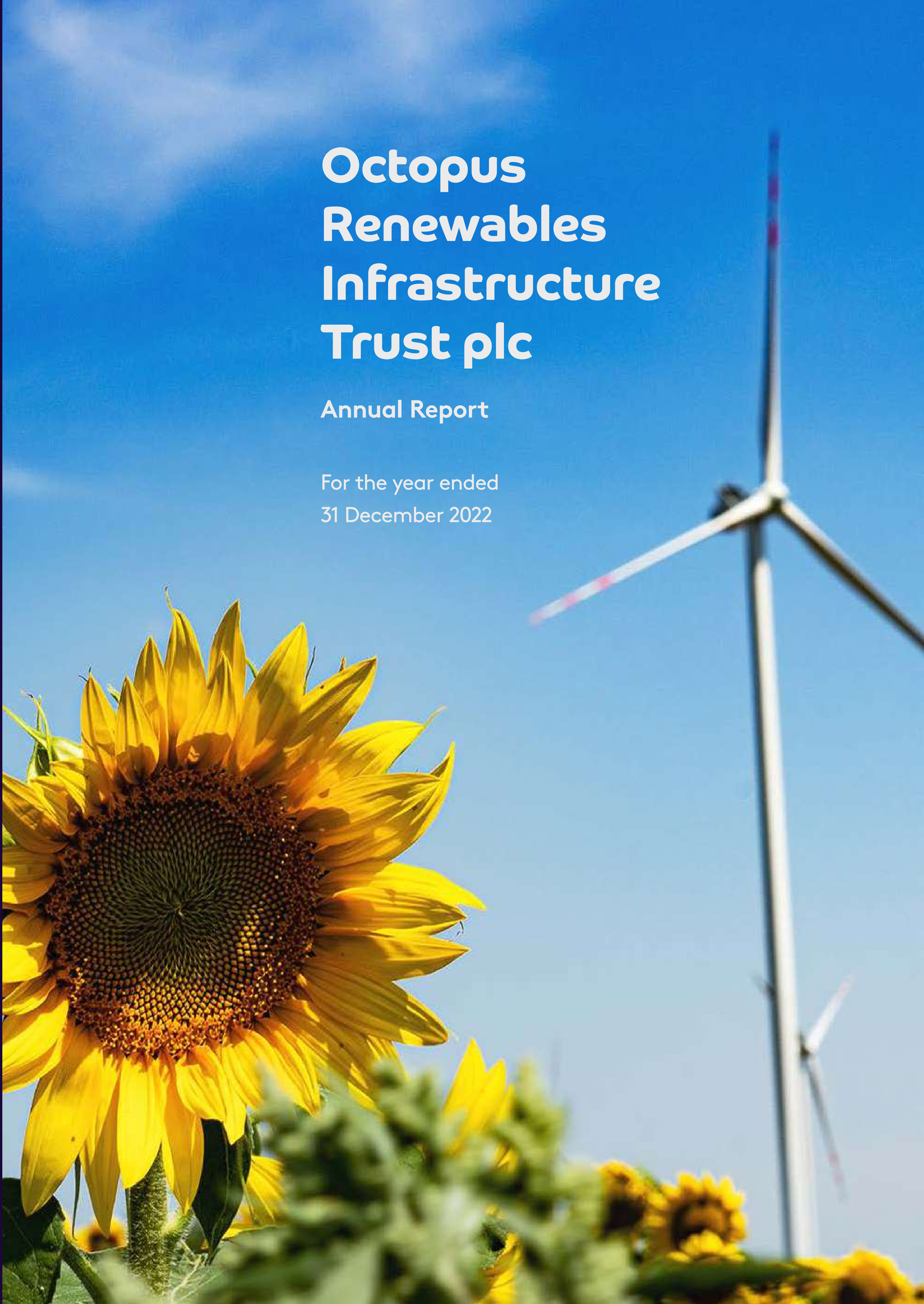
Octopus Renewables Infrastructure Trust plc

Annual Report

For the year ended
31 December 2022



Octopus Renewables Infrastructure Trust plc Annual Report

octopus energy generation

Contents

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 purpose and 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 Energy Generation (the "Investment Manager").

Highlights

As at 31 December 2022

-4.8%
Total shareholder return in the year[1 3]
2021: (+1.6%)

+12.3%
NAV total return in the year[1 2 3]
2021: (+9.3%)

5.24p
Dividend per Ordinary Share for FY 2022
FY 2021: (5.0p)

+12.1%
Total shareholder return since IPO (3.8% per annum)[1 3]
2021: (+17.7%, 8.3% per annum)

+25.9%
NAV total return since IPO (7.8% per annum)[1 2 3]
2021: (+12.1%, 5.7% per annum)

109.4p
NAV per Ordinary Share[2]
increased by 6.9% since 2021: (102.26p)

£618m
Net Asset Value ("NAV")[2]
2021: (£578m)

£1,073m
Gross Asset Value ("GAV")[1 4]
increased by 45% since 2021: (£738m)

£1,304m
Total value of all investments[1 5]
2021: (£878m)

1,740GWh
Potential Renewable Electricity[6]
2021: (1,168 GWh)

580k
Estimated tonnes of carbon avoided[6]
2021: (364k)

522k
Equivalent homes powered by clean energy[6]
2021: (337k)

Alternative Performance Measures ("APMs")
The financial information and performance data highlighted in footnote 1 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 222**.

[1] These are alternative performance measures
[2] The Net Asset Value (NAV) as at 31 December 2022 is calculated on the basis of 564,927,536 Ordinary Shares in issue
[3] Total returns in sterling, including dividends reinvested
[4] A measure of total asset value including debt held in unconsolidated subsidiaries
[5] Total asset value including total debt and equity commitments
[6] All metrics are calculated based on an estimated annual production of the whole portfolio once fully constructed and exclude conditional acquisitions

Key milestones during 2022

1
February 2022
19MW Polish onshore wind farm fully operational

2
April 2022
Commitment into development platform focussed on Finland

3
April 2022
Acquisition of 7.75% interest in 270MW UK operational offshore wind farm

4
June 2022
Acquisition of 67MW ready-to-build solar PV project in Cambridgeshire, UK

5
June 2022
Conditional acquisition of 50% stake in ready-to-build battery storage project in Bedfordshire, UK

6
July 2022
Extended the RCF to a total facility of £246m

7
September 2022
Increased interest in 270MW UK offshore wind farm from 7.75% to 15.5%

8
October 2022
Acquisition of 34.6MW operational onshore wind farm in Germany

9
November 2022
24MW French onshore wind farm operational

10
November 2022
Acquired 51% stake in 46MW operational onshore wind farm in Scotland, UK

11
November 2022
Promoted to the FTSE 250, 3 years after IPO

12
December 2022
Acquired further interest in Irish based developer, Simply Blue

13
January 2023
Completed the acquisition of a 50% stake in a the ready-to-build battery storage project in Bedfordshire, UK

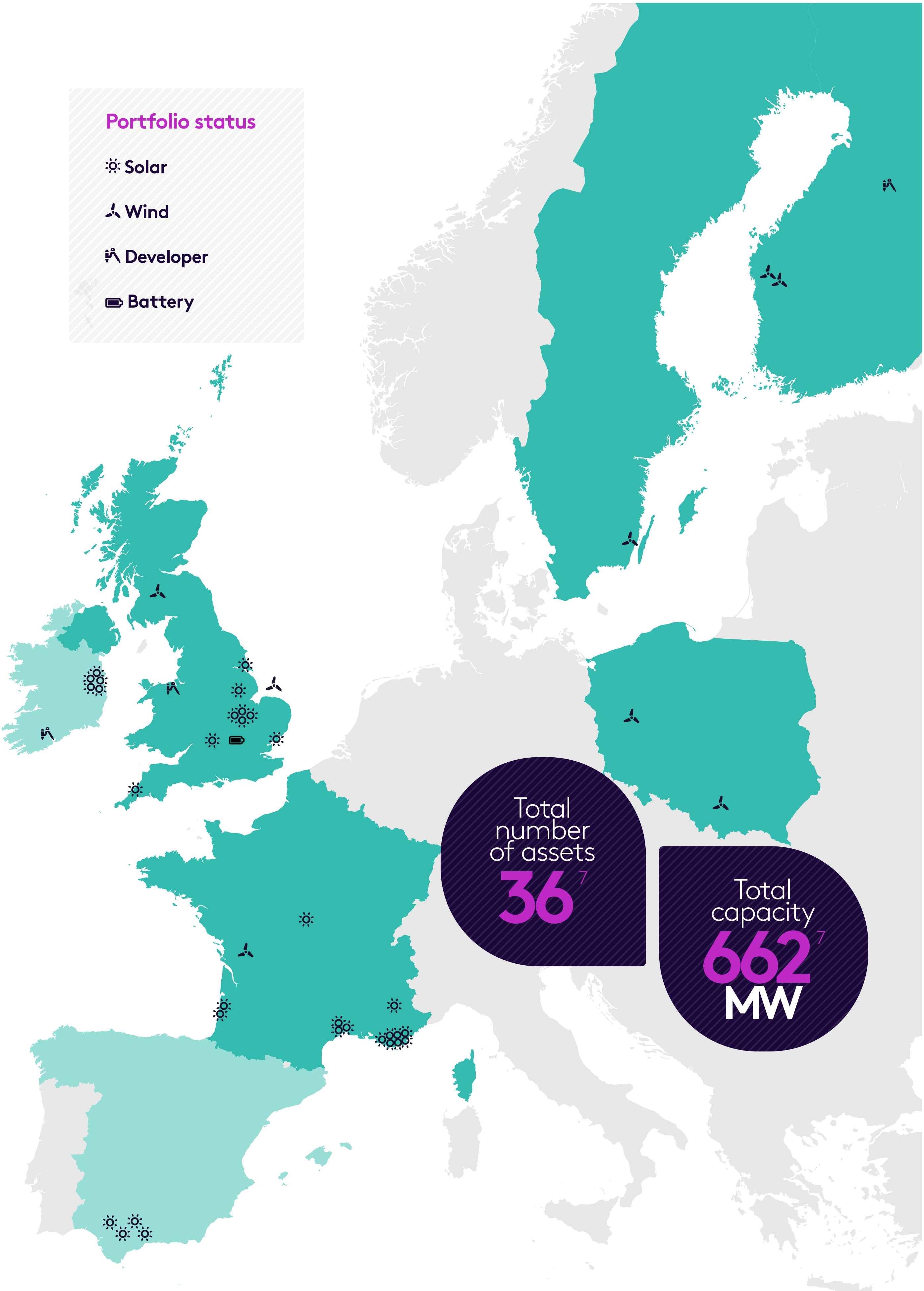
14
February 2023
Increased the RCF to a total facility of £271m and extended term for a further 3 years

15
March 2023
Secured 10 year PPA for 67MW UK solar PV project currently under construction

Portfolio at a glance

Technology	Country	Sites	Capacity (MW)*	Avg. asset life remaining (years)	Status	Key information
Onshore wind	Sweden	1	48	28.5	Operational	Fully operational as of June 2021
	France	1	24	29.9	Operational	Fully operational as of November 2021
	UK	1	50	30.0	Construction, 12 turbines	Expected to be operational in Q1 2023
		1	23	28.5	Operational	Fully operational as of June 2021
	Poland	2	59	28.7	Operational	Polish CfD from Q3 2023
	Germany	1	35	29.7	Operational	German CfD
	Finland	2	71	28.8	Operational	Fully operational as of Q1 2022
Offshore wind	UK	1	42	21.0	Operational	ROC Subsidised
Solar PV	UK	8	123	25.4	Operational	ROC Subsidised
		1	67	40.0	Construction	Expected to be operational in H2 2023
	France	14	120	29.2	Operational	FiT Subsidised
	Spain	4	175	35.0	Conditional acquisition	Expected to be operational in 2024
	Ireland	5	243	40.0	Conditional acquisition	First 200MW expected to be operational by Q3 2023
Developers	Ireland	n/a	n/a	n/a	n/a	Floating offshore wind
	UK	n/a	n/a	n/a	n/a	Onshore wind
	Finland	n/a	n/a	n/a	n/a	Onshore wind/Solar PV
Battery	UK	1	6	35	Conditional acquisition	Acquisition completed in January 2023

* Pro-rated by ownership



[7] Excludes conditional acquisitions

Chair's Statement

Philip Austin MBE
Chair,
Octopus Renewables Infrastructure Trust plc

On behalf of the Board, I am pleased to present this annual report for Octopus Renewables Infrastructure Trust plc for the year ended 31 December 2022 (the "Annual Report").

2022 was a turbulent year in the energy sector, as Russia's invasion of Ukraine drove dramatic increases in power prices, which were already high, and led to government action across Europe to cap prices or impose taxes on generators. The high inflation resulting from rising energy prices has driven central banks to raise interest rates to levels not seen since 2008, which has fed through to asset valuations via increased discount rates. Despite this, the Company has delivered strong NAV growth during the period, as well as successfully bringing projects through construction into operation, and increasing dividend cover accordingly. In a world where energy security and decarbonisation are increasingly important, the Company remains well positioned to take advantage of opportunities that will create a positive impact.

Investment Activity

During 2022 the Company committed over £350 million of capital on a gross asset value basis through eight transactions, increasing the size of the portfolio to 662MW of operational and in-construction renewable projects, with a gross asset value of £1,073 million. Should the conditional acquisition of the Irish solar portfolio complete as expected in 2023, the portfolio will stand at over 900MW of capacity, with a gross asset value of approximately £1.3 billion. The Company also has the option to acquire a portfolio of solar sites in Spain with expected additional capacity of 175MW.

The investments during the year added to the strong technological diversification within the Company's portfolio of assets. This included our first battery storage investment, a 50% stake in the 12MW, Woburn Road battery construction project in Bedfordshire, UK, and our first offshore wind investment, a 15.5% stake in the 270MW operational Lincs offshore wind farm, located off the east coast of England. The portfolio also saw the addition of a new country, with the acquisition of the 35MW operational Leeskow onshore wind farm in Germany.

The other new investments in 2022 were the acquisition of a 51% stake in the 46MW operational Crossdykes wind farm in Scotland, the acquisition of the 67MW ready-to-build Breach solar farm in Cambridgeshire, UK, and an investment of up to €3.5 million (c.£2.9m) into Nordic Renewables Limited, a developer focused on renewable energy assets in Finland. The Company also invested an additional €6.25 million (c.£5.5m) into the Simply Blue Group, with a further €6.25 million expected to be provided during 2023; and increased its commitment to the Irish solar conditional acquisition to reflect the greater value associated with a long-term fixed price PPA now in place for the sites.

At a General Meeting held on 28 July 2022, Shareholders approved a change to the Company's investment policy to include offshore wind farms in the Company's core investment focus, in addition to onshore wind farms and solar PV parks. The change allows the Company slightly greater flexibility to make additional offshore wind farm investments as part of the Company's diversified portfolio of Renewable Energy Assets.

Results

During the year NAV per share increased from 102.3p to 109.4p. In combination with the dividends paid during the year this gave rise to a NAV total return of 12.3%.

The NAV growth was driven primarily by rising inflation and power price assumptions, offset by an increase in the average discount rate applied in the portfolio valuations. The Company's prudent approach to valuations, including significant haircuts to forward power prices in the June and September valuations, meant that the dramatic volatility in power prices seen throughout the year did not lead to a corresponding level of NAV volatility. In particular the haircuts applied as part of the September valuations meant that inclusion of the UK's Electricity Generator Levy and the various EU price caps did not lead to a net fall in valuations at year end.

Total shareholder return for the year was minus 4.8%, as share price falls across the sector and beyond following the mini-budget in September and the corresponding increase in bond yields outweighed the dividends paid during the year.

The Company's operating income for the year was £77.9 million, giving rise to a profit for the period of £69.8 million. This was underpinned by EBITDA from the portfolio of operational assets totalling £ 76.3 million, arising from gross revenues of £112 million.

Dividend

The Board declared dividends of 5.24p per Ordinary Share in respect of the year, achieving the target announced in February 2022. The fourth and final interim dividend of 1.31p per Ordinary Share was paid in February 2023. The total dividends of £29.6 million paid in respect of the year were 1.73 times covered by the cash generated in the portfolio of assets, after deducting holding company costs and debt service, including principal repayments on the fully amortising debt held within the portfolio of assets.

In line with the Company's progressive dividend policy, the Board announced an increase in the target dividend to 5.79p per Ordinary Share for 2023, an increase of 10.5%. This increase marks the second consecutive year the Company has increased its dividend target in line with inflation. For 2023, the Company has elected to increase the target in line with CPI, rather than the lower CPIH. The 2023 dividend target is expected to be fully covered by cashflows generated from the Company's operating portfolios.

Portfolio Performance

During the period the Company's assets generated 1,005GWh of electricity, an increase of 189% compared with the prior year. This increase was driven by the successful transition of the Kuslin, Krzecin and Cerisou projects into operation during the period, representing 83MW of new generation capacity, as well as the acquisition of the operational Lincs, Crossdykes and Leeskow wind farms. Generation was 7% below budget, principally driven by lower than average wind speeds in northern Europe.

Construction gains of £10.7 million were recognised during the year, including from the Cumberhead wind farm in Scotland, which had four turbines erected by the end of the period. The 12th and final turbine was installed in early March 2023, and the project is in the late stages of commissioning. In addition a development gain of £4.1 million was recognised following the second investment into the Simply Blue Group, reflecting the strong progress of the business since the initial investment, with the pipeline under development of 10GW. Following the end of the period Simply Blue received their first maritime consent, for the 100MW Erebus project off the coast of Wales.

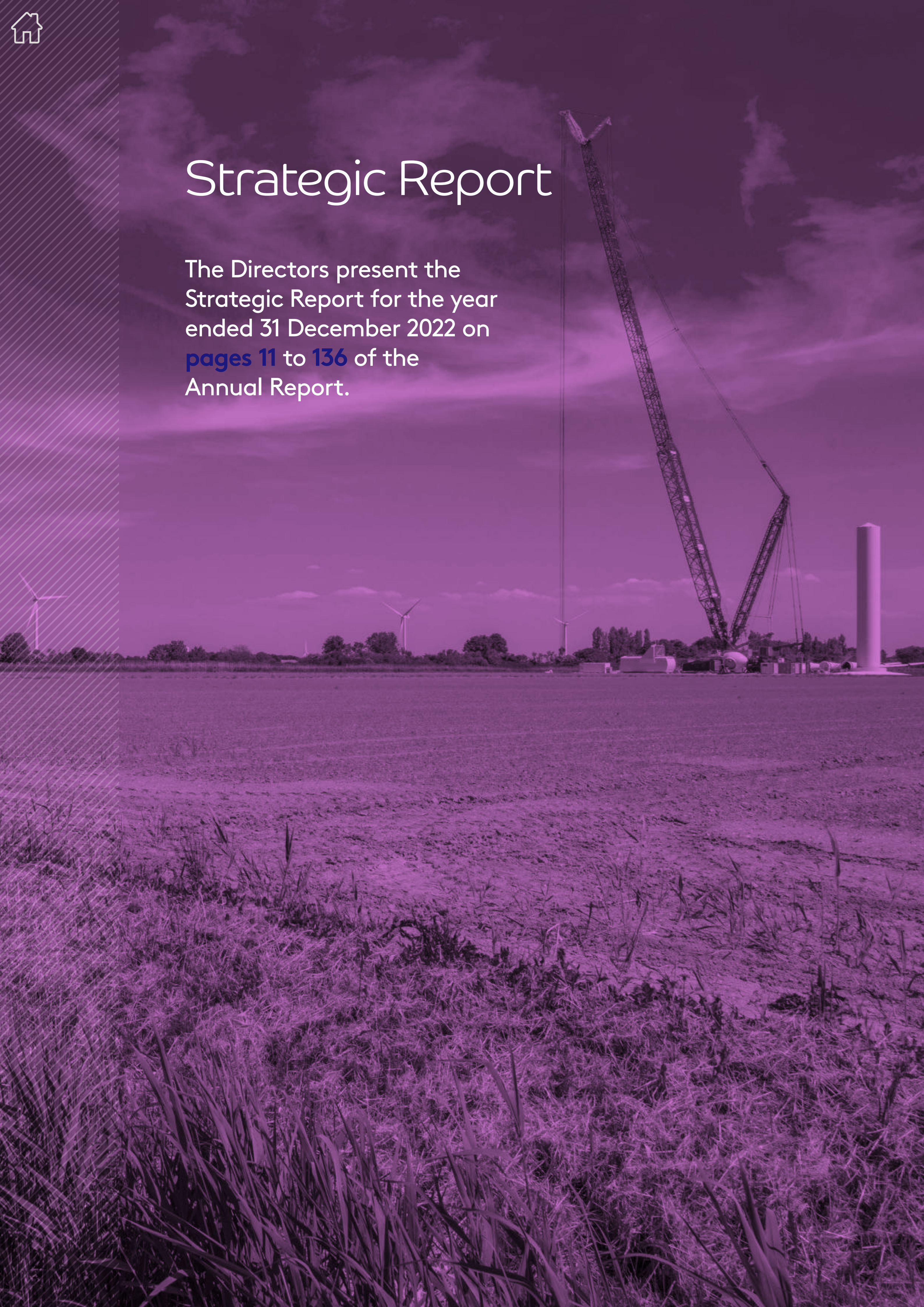
Once fully constructed, ORIT's portfolio is expected to generate sufficient electricity to power 522,000 homes. This generation will avoid CO2 emissions of approximately 580,000 tonnes per annum, the equivalent of planting 2.9 million trees.

Outlook

Within the investment trust universe, most renewable infrastructure companies are now trading at discounts to NAV, restricting the ability of the Company and its peers to fund acquisitions through new equity issuance. However the Company's Investment Strategy includes a focus on funding assets at the construction ready stage to allow the opportunity for capital growth, and this is also core to our Impact Strategy. In order to ensure we can continue to access such opportunities, the Board and the Investment Manager will therefore consider opportunistic disposals where appropriate to recycle the capital into new construction projects.

This aligns with the drive from governments across the Company's target geographies to accelerate the deployment of new renewable generation and related energy transition projects. Russia's aggression in Ukraine is continuing, reinforcing the need for Europe and the UK to reduce reliance on fossil fuels to preserve energy security. Energy prices remain high and are forecast to do so for several years, even though prices have now fallen from the peaks of 2022. Decarbonisation remains an urgent priority, as extreme weather events continue to increase in frequency.

Wind and solar generation represent a key part of the solution to all three of energy security, energy affordability and decarbonisation. Furthermore, the strong support for renewable and energy transition investments in the US as part of the Inflation Reduction Act is leading to a response from Europe to increase their backing for new clean infrastructure, in order to ensure the industry remains competitive. The tailwinds behind the sector therefore remain as strong as ever, and the Company is well positioned to play a significant part in capturing those opportunities, creating positive impact whilst delivering an attractive growing dividend to investors, alongside continued capital growth.



Strategic Report

The Directors present the Strategic Report for the year ended 31 December 2022 on pages 11 to 136 of the Annual Report.

Business Model, Objectives and KPIs

Business Model

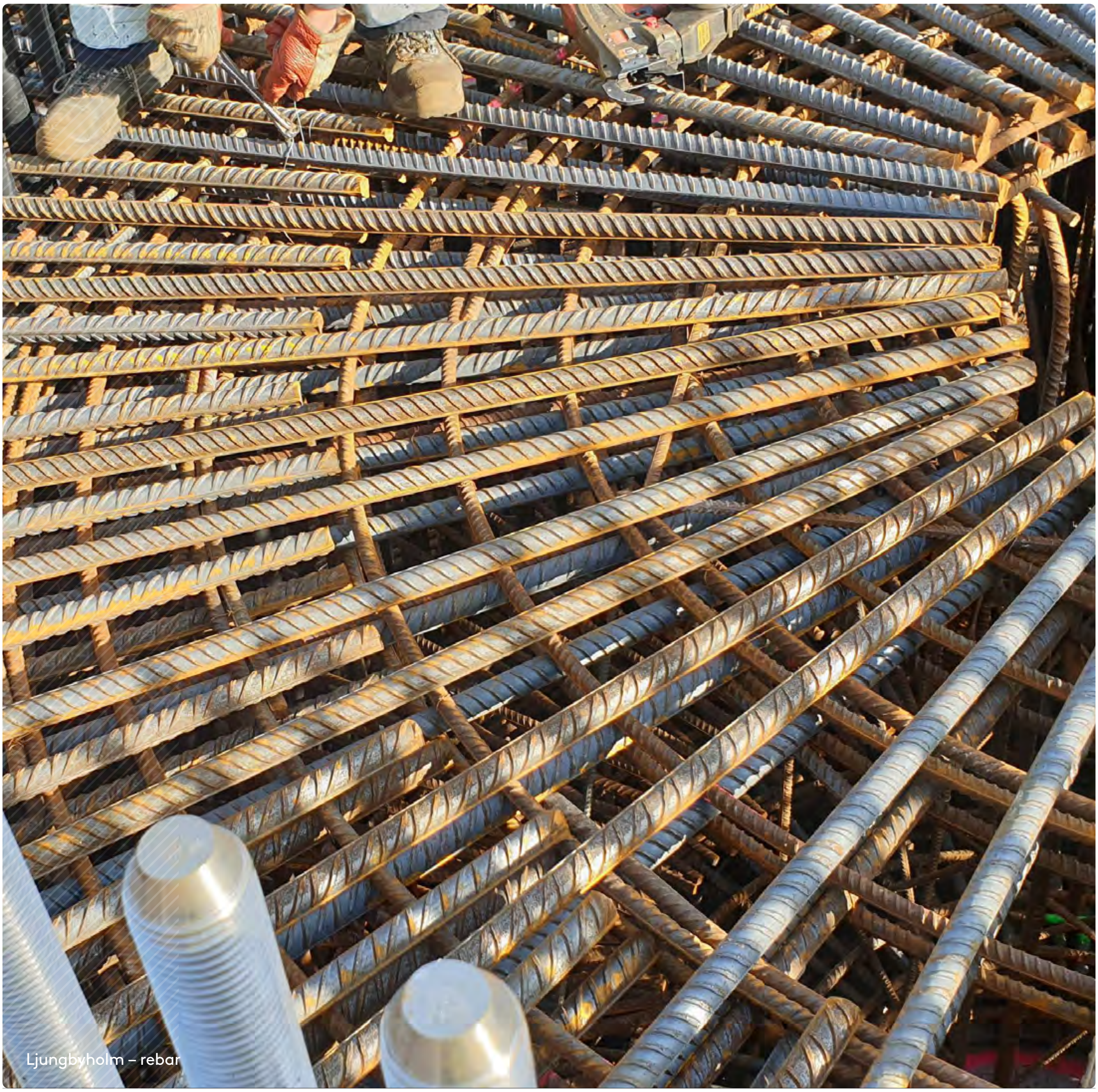
Octopus Renewables Infrastructure Trust plc was incorporated on 11 October 2019 as a public company limited by shares. The Company intends to carry on business as an investment trust within the meaning of section 1158 of the Corporation Tax Act 2010 and was listed on the premium segment of the main market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

As at 31 December 2022, the Company owns a portfolio of 36 Renewable Energy Assets (including three developer investments) totalling 662MW, 545MW of which is operational capacity and 117MW relates to assets under construction. Long-term structural debt is in place for the French solar portfolio and, as at 31 December 2022, this comprised outstanding principal amounts of €113 million provided by Allied Irish Banks, Société Générale and La Banque Postale. Cerisou Wind Farm has a €43.2 million fully amortising facility, provided by Société Générale, for the funding of the construction and commissioning of the project. The Polish wind farms have facilities in place with EBRD and Bayern LB, used to fund construction. The acquisition of the 15.5% ownership interest in the Lincs Offshore Wind Farm came with a long-term facility (£82.3 million remaining as at 31 December 2022) provided by a consortium of seven international commercial lenders and the acquisition of Leeskow Wind Farm in September 2022 included four existing long-term debt facilities of up to €61.2 million with Deutsche Kreditbank AG. Short-term debt financing is available through a £246 million Revolving Credit Facility ("RCF") held at ORIT Holdings II Limited (an intermediate holding company) and a £50 million short-term facility held at ORIT Lincs Holdings Limited (a portfolio-level holding company). As at 31 December 2022, £77 million was drawn down on the RCF and £50 million was drawn on the short-term facility.

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

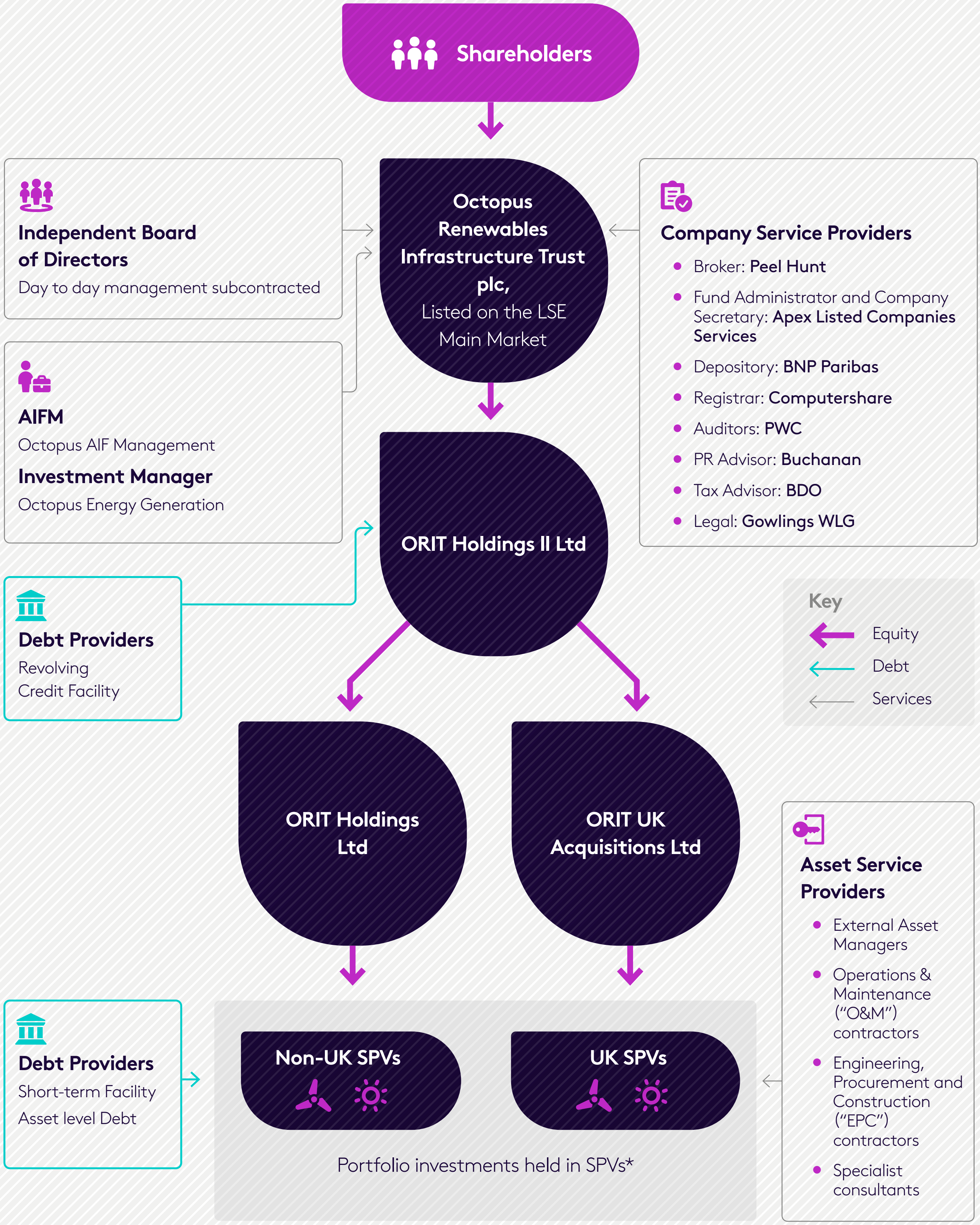
The Company has an independent board of non-executive directors and has appointed Octopus AIF Management Limited ("OAIFM") as its Alternative Investment Fund Manager ("AIFM") to provide portfolio and risk management services to the Company. The AIFM has delegated the provision of portfolio management services to the Investment Manager, Octopus Renewables Limited, whose trading name is Octopus Energy Generation ("OEGEN"). OEGEN has day to day portfolio management responsibilities. Further information on the Investment Manager is provided in the Investment Manager's Report.

As an investment trust, the Company does not have any employees and is reliant on third-party service providers for its operational requirements. Likewise, the project companies do not have any employees and services are also provided through third-party providers. Each service provider has an established track record and has in place suitable policies and procedures to ensure they maintain high standards of business conduct and corporate governance. Simply Blue Holdings Limited, a portfolio-level holdings company, does have employees and has its own policies and procedures in place to maintain similarly high standards.



Ljungbyholm – rebar

Figure 1: Company operating model



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

Objectives and KPIs

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

Financial Objectives

Objective	KPI	Performance commentary	Monitoring activities
Sustainable level of income returns • Provide investors with a dividend of 5.24 pence per Ordinary Share for FY22 • Generated from strong operational cashflows	**5.24p** dividend declared for the year, in line with target **£76.3m** EBITDA from operational assets	The dividend of 5.24p was fully covered by operational cashflows at the SPV level less costs at the plc and intermediate holding company level. The Company's dividend target is rising by 10.5% to 5.79 pence per Ordinary Share for FY23 (in line with CPI) and is expected to be progressive thereafter.[8][9] While output was lower than expectations for the year, EBITDA from operational assets was 6% above budget, principally as a result of higher power prices achieved in Poland.	The Board monitors dividend cover and ratios at each quarterly Board meeting against the targets and makes determinations on the dividends to be paid. The Investment Manager actively manages operational performance of assets on an ongoing basis with actions taken to resolve and mitigate operational issues. Financial performance of assets is reviewed monthly by the Investment Manager. Any material issues would be highlighted to the Board without delay. Operational and financial performance is reviewed quarterly by the Board.

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

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

Financial Objectives (continued)

Objective	KPI	Performance commentary	Monitoring activities
Capital preservation with element of growth • Provide investors with a net total shareholder return of 7% to 8%[10] per annum over the medium to long-term • Generated through a diversified portfolio including construction and development assets • Cost control and prudent financial management	**109.4p** **NAV per Ordinary Share** **12.1%, 3.8% per annum** Total shareholder return since IPO **25.9%, 7.8% per annum** NAV total return since IPO **4**[10] new acquisitions delivering **167MW**[10] of capacity including onshore and offshore wind, solar, construction and operational assets, together with a new developer investments, all diversified across 2 new countries **1.12%** Ongoing charges ratio **0.54%** Transaction costs as percentage of committed acquisition spend	There was strong growth of the value of the portfolio driven by high wholesale energy price forecasts and de-risking of construction assets. The acquisitions in the year include ORIT's first offshore wind farm and battery storage project along with its first investment in Germany, increasing the diversifications of ORIT's portfolio. The ongoing charges ratio has decreased to 1.12% (FY 2021: 1.15%). Transaction costs incurred on acquisitions in the period were in line with expectations in the latest KID of 0.5%.	The Board monitors both the NAV and share price performance and compares with other similar investment trusts. A review of performance is undertaken at each quarterly Board meeting and the reasons for relative under and over performance against various comparators is discussed. The Investment Manager evaluates and selects investment opportunities to deliver against the investment strategy and policy. Company level budgets are approved annually by the Board and actual spend is reviewed quarterly. Transaction budgets are approved by the Board and potential abort exposure is carefully monitored.

Ljungbyholm – base preparation

[10] Excludes conditional acquisition.

Impact Objectives

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

Objective	KPI
Performance: Build and operate a diversified portfolio of Renewable Energy Assets, mitigating the risk of losses through robust governance structures, rigorous due diligence, risk analysis and asset optimisation activities to deliver investment return resilience	**£1,304m** committed into renewables **1,740GWh** of potential annual renewable energy generation, **669GWh** of which will be additional generation from constructing assets[11] **36 assets** Financial return metrics are shown in the Financial Objectives table.
Planet: Consider environmental factors to mitigate risks associated with the construction and operation of assets, enhancing environmental potential where possible	**580k** equivalent tCO_2 avoided[12] **8.48t CO_2e** per MW estimated carbon intensity (direct and indirect) **11.52t CO_2e/£m** weighted average carbon intensity **886t CO_2e** emissions offset (all direct emissions) **100%** investments qualify as sustainable in line with EU Taxonomy[13] **87%** generating sites on renewable import tariffs
People: Evaluate social considerations to mitigate risks and promote a 'Just Transition' to clean energy	**0 RIDDORs or equivalent** relating to injuries on people[14] **396 students** benefitting from first social initiative

Further information on our Impact Strategy and performance against our Impact Objectives can be found in the Impact Report section of this strategic report from page 53 and the Company's Impact Strategy published on our website here: www.octopusrenewablesinfrastructure.com/investors/

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

[12] 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.

[13] 100% of investments are significantly contributing to climate change mitigation.

[14] RIDDOR stands for the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 and these are reportable incidents to the UK Health and Safety Executive. In the period there was 1 reported RIDDOR associated with technical equipment.

Investment Strategy and Policy

Investment Strategy

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

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


Cumberhead – blade installation

Investment Policy

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

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

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

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

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

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

Investment Restrictions

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

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

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

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

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

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

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

Borrowing Policy

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

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

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

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

Cumberhead wind farm

Currency and Hedging Policy

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

Cash Management

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

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

Changes to and Compliance with the Investment Policy

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

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

Investment Manager's Report

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

Since 2010, Octopus Energy Generation has, on behalf of its clients, invested in a diverse portfolio of assets with a capacity of over 3GW and is now the largest commercial solar investor in Europe and a leading UK investor in onshore wind, with assets under management valued at c.£5.0 billion. Of those investments c. £2.4 billion has been invested in solar and wind assets at construction stage. Octopus Energy Generation has over 100 employees in the UK across five teams: Investments and Development; Fund Management, Finance & Operations; Asset Management; and Risk and Compliance. Octopus Energy Generation is the trading name of Octopus Renewables Limited.

£5.0bn **OEGEN Assets under Management as at 31 December 2022**

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

Whilst ORIT benefits from the breadth of the Investment Manager's whole team of over 100 professionals and a range of external professional advisors, within the Investment Manager, Chris Gaydon and David Bird are the named Fund Managers for ORIT.

ORIT has continued to add high quality assets to its diverse portfolio during 2022, with over 900MW* of capacity now operational or in construction. As governments seek to stimulate acceleration of the energy transition, we look forward to bringing more green generation onto the system in the coming years.

Chris Gaydon
Investment Director

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

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

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

2022 was a dramatic year in the energy sector and in financial markets, however ORIT's portfolio has proven resilient, delivering NAV total return of 12.3% in the year. We have successfully completed construction on the Cerisou, Krzecin and Kuslin wind farms, with Cumberhead commencing operations after period end.

David Bird
Investment Director

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

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

*Including the conditional acquisition of the Irish solar assets

Investments

8
Investments made during the year

£205m
Total allocated capital to new investments (includes future construction commitments)

£1,304m
Total value of all investments

Company Developments in 2022

During the year, the Company announced eight investments including its first investments in offshore wind and battery storage. Shareholders also approved an amendment to the Investment Policy to include investments into offshore wind as part of the Company's core wind investment allocation.

In April 2022 the Company announced that it had committed to invest up to €3.5 million (c. £2.9m) to set up and fund Nordic Renewables Limited, a new development platform focused on renewable energy assets in Finland. Nordic Renewables Limited will initially target the development over the next 3-5 years of onshore wind farms and solar PV assets in Finland with a potential combined capacity of approximately 400MW.

Later in April 2022 the Company announced that it had entered into an agreement to acquire a 7.75% ownership interest in the Lincs Offshore Wind Farm, a 270MW operational wind farm located off the east coast of England. Lincs Offshore Wind Farm benefits from the UK's ROC regime, receiving 2 ROCs per megawatt hour of electricity generation during the first 20 years of operation. This acquisition completed in May 2022.

In June 2022 the Company announced that it had acquired the Breach Solar Farm, a c.67MW ready-to-build solar PV project in Cambridgeshire, UK, from AGR Renewables. The total cost of acquisition and construction of the solar PV project is expected to be approximately £50 million. The acquisition also gives the Company the right to construct a battery storage project which is expected to be ready-to-build later in 2023, with a capacity of 50MW/100MWh.

In June 2022, the Company agreed to amend the terms of its conditional acquisition of five solar PV sites in Ireland, to permit the sites to enter into a long-term fixed price PPA with an AAA-rated Offtaker. The higher price received under the PPA is expected to lead to an increase in purchase consideration to between approximately €169 million and €193 million (approximately £144m and £165m respectively).

Also in June 2022, the Company announced that it had entered into an agreement to acquire a 50% stake in a 12MW/24MWh ready-to-build battery storage project in Bedfordshire, UK, from Gridsource. The acquisition completed post period end once the lease agreement for the project site came into effect in January 2023 and was made alongside another Octopus Managed Fund. The consideration for the Company's share of future construction costs is expected to be approximately £4 million.

At a General Meeting held on 28 July 2022, shareholders approved a change to the Company's investment policy to include offshore wind farms in the Company's core investment focus, in addition to onshore wind farms and solar PV parks. The change moves offshore wind from the non-core technology allocation, which is limited to 20% of Gross Asset Value, to the core wind allocation, which is expected, over the long-term, to make up less than 60% of the total value of all investments. The change allows the Company slightly greater flexibility to make additional offshore wind farm investments as part of the Company's diversified portfolio of Renewable Energy Assets.

In July 2022, the Company extended its revolving credit facility ("RCF") by utilising the accordion feature, bringing the total committed facility to £246 million. ORIT's increased RCF was entered into under the same terms as the existing facility.

In August 2022, the Company entered into an agreement to acquire a 51% ownership interest in the Crossdykes Onshore Wind Farm ("Crossdykes"). The remaining 49% is being acquired by another Octopus Managed Fund. Crossdykes, located in southern Scotland, was developed by Muirhall Energy and has been operational since June 2021. It is amongst the largest unsubsidised wind farms in operation in the UK, with a total capacity of 46MW, made up of 10 Nordex turbines. The wind farm currently benefits from fixed pricing through its PPA until March 2025. Completion of the acquisition occurred in November 2022 once all regulatory consents were received.

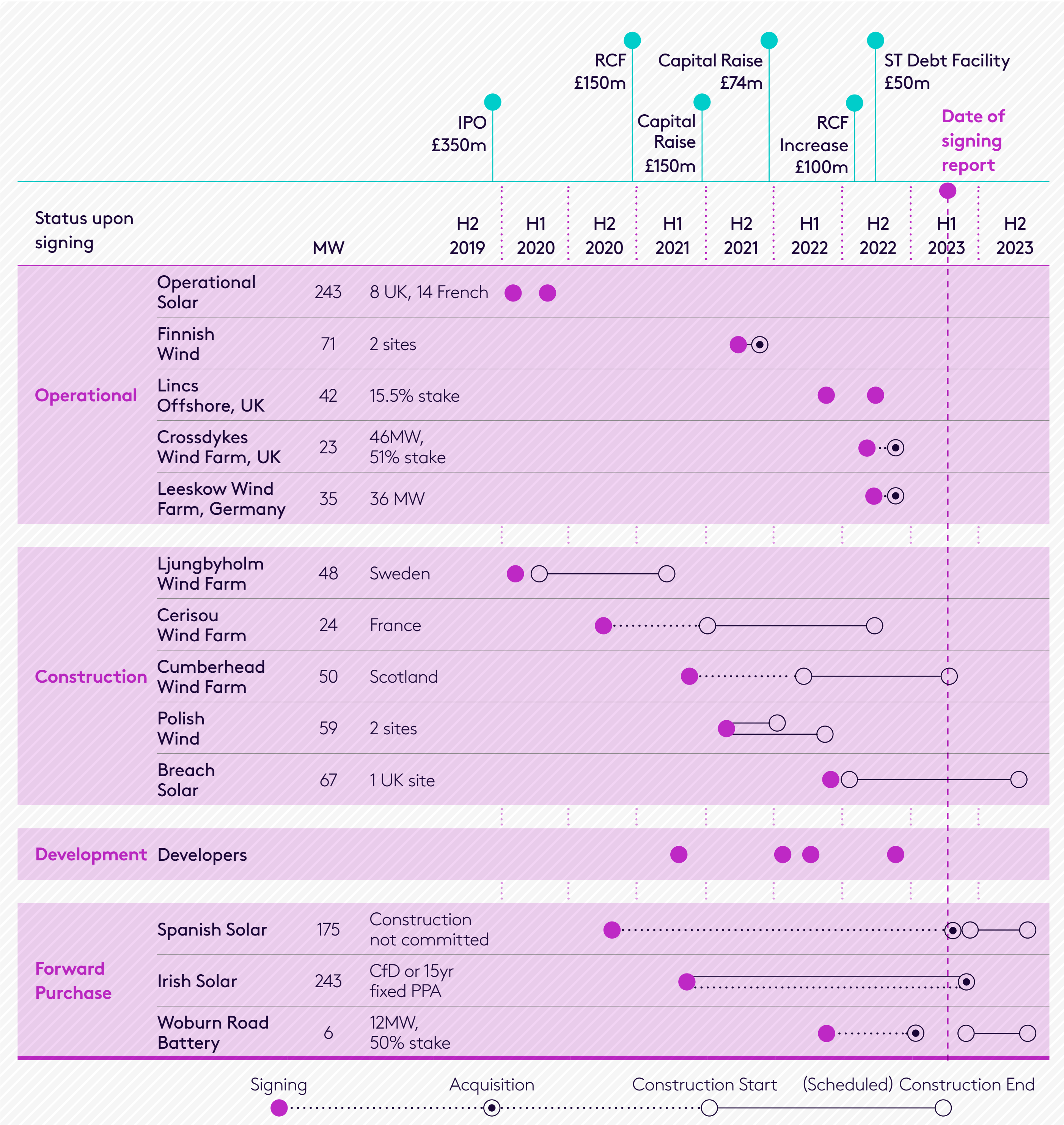
In September 2022, the Company acquired a further 7.75% ownership interest in the Lincs Offshore Wind Farm, from a fund managed by Macquarie Asset Management. This follow-on investment adds to the original 7.75% stake in this wind farm that ORIT acquired earlier this year.

Also in September 2022, the Company agreed to acquire the Leeskow Onshore Wind Farm, a 34.6MW operational wind farm located in Brandenburg, north-east Germany. Leeskow Onshore Wind Farm benefits from a government backed floor price for twenty years under the German EEG regime and is therefore not exposed to movements in or caps of wholesale power prices in the short to medium-term. Leeskow Onshore Wind Farm has existing long-term debt funding with fixed interest rates. Completion of the acquisition occurred in October 2022.

In connection with the Lincs and Leeskow acquisitions, a subsidiary of ORIT entered into a £50 million debt facility with existing lender NatWest in September 2022.

In November 2022, the Company invested an additional €6.25 million (c.£5.5m) into Simply Blue Holdings Limited, the parent company of the Simply Blue Group ("SBG"), an Irish developer of predominantly floating offshore wind projects. Following this investment, ORIT's ownership interest in SBG has increased to c.15.5%. The Company also agreed to provide a further investment of up to €6.25m which is expected to be drawn in 2023, and which would increase ORIT's ownership interest to c.19%.

Figure 2: Timeline of key milestones



Portfolio Breakdown (as at 31 December 2022)

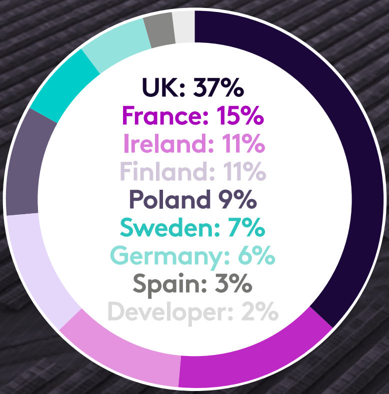
The Company's portfolio of assets is not segmented by technology, phase or jurisdiction for the Company's reporting purposes.

Technology	Country	Site name	Capacity (MW)	Phase	Start of operations	Remaining asset life	Stake %
Onshore wind	UK	Cumberhead	50	Construction	-	30	100%
	France	Cerisou	24	Operational	15/11/2022	30	100%
	Sweden	Ljungbyholm	48	Operational	30/06/2021	28	100%
	Poland	Krzecin	19	Operational	08/02/2022	28	100%
		Kuslin	40	Operational	31/12/2022	29	100%
	Finland	Saunamaa	28	Operational	28/08/2021	29	100%
		Suolokangas	43	Operational	29/12/2021	29	100%
	Germany	Leeskow	35	Operational	30/09/2022	30	100%
	UK	Crossdykes	46	Operational	30/06/2021	28	51%
Offshore wind	UK	Lincs	270	Operational	31/10/2013	26	15.5%
Solar	UK	Wilburton 2	19	Operational	29/03/2014	21	100%
		Abbots Ripton	25	Operational	28/03/2014	31	100%
		Ermine Street	32	Operational	29/07/2014	22	100%
		Penhale	4	Operational	08/03/2013	30	100%
		Chisbon	12	Operational	03/05/2015	28	100%
		Westerfield	13	Operational	25/03/2015	22	100%
		Wiggin Hill	11	Operational	10/03/2015	17	100%
		Ottringham	6	Operational	07/08/2013	32	100%
		Breach	67	Construction	-	40	100%
	France	Charleval	6	Operational	26/03/2013	30	100%
		Cuges	7	Operational	17/04/2013	30	100%
		Istres	8	Operational	18/06/2013	30	100%
		La Verdière	6	Operational	27/06/2013	30	100%
		Brignoles	5	Operational	26/06/2013	30	100%
		Saint Antonin du Var	8	Operational	28/11/2013	31	100%
		Chalmoux	10	Operational	01/08/2013	31	100%
		Iovi 1	6	Operational	17/07/2014	32	100%
		Iovi 3	6	Operational	17/07/2014	32	100%
		Fontienne	10	Operational	02/07/2015	32	100%
		Ollieres 1	12	Operational	19/03/2015	32	100%
		Ollieres 2	11	Operational	19/03/2015	32	100%
		Arsac 2	12	Operational	05/03/2015	19	100%
		Arsac 5	12	Operational	30/01/2015	19	100%
	Ireland	Ireland 1	56	Conditional acquisition	-	40	100%
		Ireland 2	68	Conditional acquisition	-	40	100%
		Ireland 3	47	Conditional acquisition	-	40	100%
		Ireland 4	30	Conditional acquisition	-	40	100%
		Ireland 5	42	Conditional acquisition	-	40	100%
	Spain	Spain 1	44	Conditional acquisition	-	35	100%
		Spain 2	44	Conditional acquisition	-	35	100%
		Spain 3	44	Conditional acquisition	-	35	100%
		Spain 4	44	Conditional acquisition	-	35	100%
Developer	UK (HQ)	Wind2	-	Developer	-	-	25%
	Ireland (HQ)	Simply Blue	-	Developer	-	-	15.5%
	Finland (HQ)	Norgen	-	Developer	-	-	50%
Battery	UK	Woburn Road	12	Conditional acquisition	-	35	50%

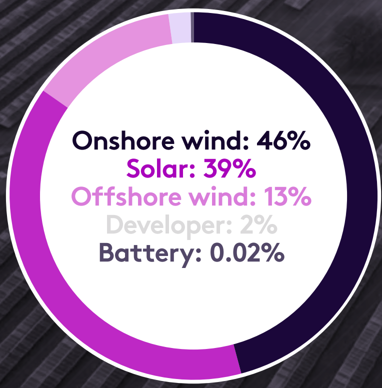
Portfolio Breakdown (as at 31 December 2022)

Portfolio composition broken down by **total invested basis** in accordance with the Company's investment policy (including the amounts committed to the conditional acquisitions of the Spanish and Irish solar PV assets and Woburn Road Battery.[15]

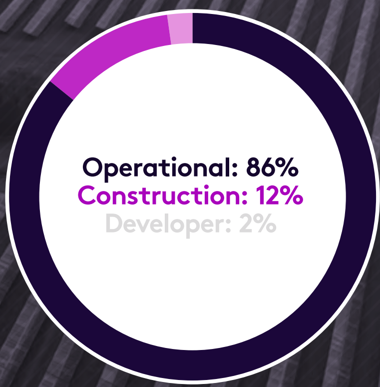
Country



Technology

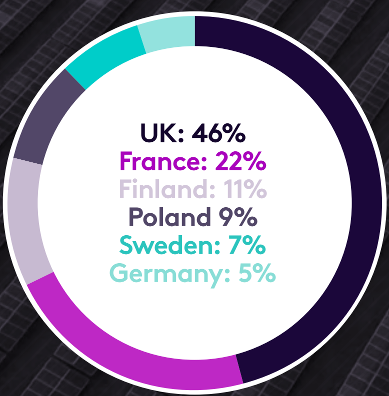


Asset phase

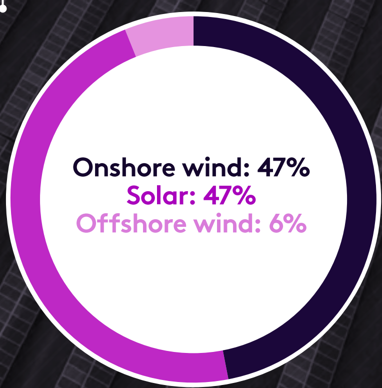


Portfolio composition broken down by **MW of installed capacity** on a current invested basis (and therefore exclude the Spanish and Irish solar PV assets and Woburn Road Battery).[16]

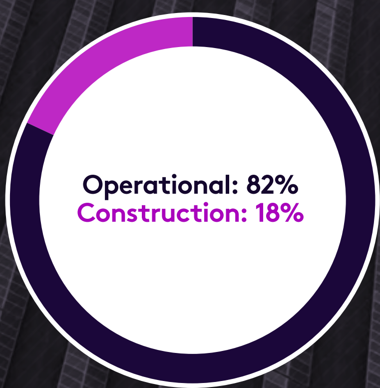
Country



Technology



Asset phase



[15] Portfolio composition on a total invested basis in line with the Company's investment policy (including the amount committed to the conditional acquisition of the Spanish and Irish solar PV assets and Woburn Road Battery) as at 31 December 2022. The investments are valued on an unlevered basis and including amounts committed but not yet incurred.

[16] Portfolio composition by MW on a current invested basis (and therefore exclude the amount committed to the conditional acquisition of the Spanish and Irish solar PV assets and Woburn Road Battery) as at 31 December 2022.

Portfolio Performance

Technical and Financial Performance

In the financial year ending 31 December 2022, the Company's operational portfolio generated 1,005GWh of electricity, 7% below budget largely due to low wind speeds and grid curtailment impacting the performance of the Company's wind assets. Revenues of £112.0 million were generated in the year (2021: £38.5m), 4.5% above expectations, as high power prices partially offset the impact of reduced output, leading to total EBITDA generated across ORIT's operational portfolio of £76.3 million (2021: £29.9m).

1,005GWh
Output (2021: 348GWh)

£112.0m
Revenue +4.5% vs budget

£35.7m
Opex +1% vs budget

£76.3m
EBITDA +6% vs budget

UK Solar

Output for the 8 site, 123MW UK operational solar portfolio was 122.7GWh for the year. The portfolio over performed by 10.5% against budget, largely driven by higher irradiance. Generation was 1.3GWh higher than in the same period in the previous year, equating to a 12% increase in renewable energy generated.

The portfolio generated revenues of £17.3 million (2021: £14.2m), a 18% increase to budget due to both the technical overperformance and high pricing. Operational expenditure for the year totalled £3.6 million (2021: £3.1m), 1.8% above budget primarily the result of increased electricity consumption costs and additional surveillance costs following a CCTV upgrade across the portfolio. EBITDA for the UK portfolio for the year ending 31 December 2022 was £13.7 million (2021: £11.1m), 22.7% up on budget for the year.

French Solar

Performance of the 14 site, 120MW French operational solar portfolio was in line with budget, with the portfolio producing 170GWh for the year. Irradiance was 4% above budget, however output was impacted by lower than expected availability across three sites (partly covered by contractual recoveries for lost revenue) and underperformance at one site, the 8MW Saint-Antonin-du-Var, where a number of panels were disconnected during the year due to a technical fault. The rectification costs associated with this issue are expected to be covered by manufacturer warranties.

The portfolio generated revenues of €19.3 million (2021: €18.7m) in line with the budget for the year. Operational expenditure for the period totalled €5.5 million (2021: €4.9m), 2.7% less than budget primarily due to compensation received to cover the availability losses at the three underperforming sites, resulting in EBITDA of €13.8 million (2021: €13.8m), 1% above budget.

Saunamaa and Suolakangas Wind Farms (Finland)

The assets completed the commissioning phase during Q1 2022 and are operating under a long-term operations and maintenance agreement with Vestas, the turbine supplier. Output for the period was 252.1GWh, 8% below budget driven primarily by wind speeds (5% down on budget) and lower than expected availability across the sites. Losses in relation to these availability issues are expected to be covered by the warranties in the Vestas contracts.

Revenues for the Saunamaa and Suolakangas wind farms totalled €22.0 million (2021[17]: €7.3m) for the year, a 2% increase to budget, driven largely by high pricing despite output being below expectations. Operational expenditure totalled €3.3 million (2021[17]: €1.4m), a 16% increase to the budget, largely due to increased electricity consumption costs. EBITDA for the year was in line with budget and totalled €18.7 million (2021[17]: €6.2m).

Lincs (UK)

On 26 April 2022 the Company agreed to acquire a 7.75% ownership stake in Lincs offshore wind farm, and the acquisition was completed in early May. The Company acquired an additional 7.75% ownership interest in Lincs offshore wind farm in September 2022, increasing the stake in the asset to 15.5%. Lincs is located off the east coast of England and has produced 954.6GWh of electricity since the locked box date of 31 December 2021. Production over the year was 3.7% below budget due to an outage on the main cable in July and unexpected component replacements required on a few turbines over the summer.

In 2022, Lincs wind farm generated £54.0 million of revenue and EBITDA of £14.2 million for ORIT in line with investment case as high price indexation offset lower output.

Crossdykes (UK)

In September 2022, the Company acquired a 51% ownership interest in the Crossdykes Onshore Wind Farm, a 46MW operational wind farm in southern Scotland. The asset generated 112.7GWh since 31 December 2021, the locked box date of the transaction, 22% below investment case expectations. This is largely because the site was curtailed off during the year under the Balancing Mechanism administered by NGESO and will be compensated for lost production.

Since the locked box date, Crossdykes Onshore Wind Farm has generated revenues of £13.5 million, in line with investment case expectations after including Balancing Mechanism revenues. EBITDA was £9.8 million for the year, 7% below investment case due to higher than expected operating expenditure, primarily due to fluctuations in network charges such as BSUoS and TNUoS.

Ljungbyholm Wind Farm (Sweden)

Output at the Ljungbyholm wind farm was 10% below budget with the wind farm producing 134.8GWh of electricity during the year. The site had budgeted for 150GWh, however wind speeds were down by 10.5%.

Ljungbyholm wind farm generated revenues of €11.4 million (2021: €6.3m), 51% below budget. This is as a result of the power prices captured in the Swedish market being significantly below those budgeted with actual power prices achieved averaging at 84 €/MWh versus budgeted

[17] 2021 comparatives for a 6 month period from locked box date of 1 July 2021

prices of 156 €/MWh. The FY22 budget was based on forward prices which proved to be much higher than the market out-turn price over the same period. During the year the site benefited from the corporate PPA with an innovative structure executed in late 2021, that allows for the asset to benefit from higher market prices while providing a degree of revenue certainty. See **page 62** for further details.

Operational expenditure totalled €1.3 million (2021: €1.2m), 36% under budget largely due to lower variable costs associated with the decreased revenue, and EBITDA for the year was €10.2 million (2021: €5.1m), 52% below budget.

Krzecin and Kuslin Wind Farms (Poland)

Construction of the Krzecin Wind Farm in the north-west of Poland and the Kuslin Wind Farm in western Poland commenced in Q4 2020, with the Krzecin Wind Farm achieving operational status during Q1 2022 and the Kuslin Wind Farm becoming operational in September 2022[18].

Since achieving operational status, the Krzecin and Kuslin wind farms generated 92.1GWh, 10.9% below budget in the year to 31 December 2022, driven largely by lower wind speeds. Over the same period the wind farms generated revenues of PLN 71.2 million, 33% above budget and driven by high power prices. Over the year, average power prices of PLN 756/MWh were achieved compared to budget prices of PLN 512/MWh. Operational expenditure for the period totalled PLN 7.6 million, 25% favourable to the budget, mainly due to operating costs not incurred whilst the sites remained under construction. As a result, EBITDA for year was 46% above budget totalling PLN 63.6 million.

Leeskow (Germany)

Leeskow was acquired towards the end of the year, representing the Company's first investment in Germany. Since the locked box date of 30 June 2022, the asset produced a total of 16.6GWh, compared to a budgeted 28.4GWh. This is partly due to the fact that the site was commissioned slightly later than planned (3.2GWh), site curtailment in the period (1.1GWh) and lower than expected wind speeds (7.5GWh). The team is collaborating with the newly onboarded asset manager to reduce curtailment on site, following a change in German legislation to boost wind energy production in response to the European energy security crisis.

Since the locked box date, Leeskow onshore wind farm has generated €1.4 million of revenue and EBITDA of €0.8 million, 55% below investment case predominantly as a result of the reduced output.

Cerisou Wind Farm (France)

Construction at Cerisou Wind Farm started in August 2021 and completed in line with expected timelines, with the site generating its first revenues in Q3 2022 and becoming fully operational in Q4 2022. The 24MW wind farm, made up of 8 turbines, has now formally entered the French Contract for Difference ("CfD") regime under which it will receive fixed, index-linked revenues for twenty years.

Since achieving operational status the French wind portfolio generated an output of 12 GWh, 12%

[18] Full commercial operations under the construction contracts occurred in December 2022, following completion of all required tests.

below budget due to technical underperformance. Three turbines experienced outages as a result of recabling, and converter/hub issues. This downtime is covered by the availability warranty in the O&M contract. Despite this, Cerisou Wind Farm generated revenues of €1.8 million, 6% above budget for the year as output generated before the CfD started on 1st November 2022 sold at higher than forecast market prices. Operational expenditure for the period totalled €0.3 million, 8% favourable to budget mainly the result of certain site works being pushed back into next year, resulting in EBITDA of €1.5 million, 9% above budget.

Cumberhead Wind Farm (UK)

Construction at the onshore wind farm project in Scotland commenced in January 2022. All major civil works are complete and all turbines are now erected, with site energisation achieved in December 2022. All 12 turbines are expected to be energised and producing energy by 31 March 2023 with full commercial operations expected to be achieved in Q2 2023 once all testing is complete. The Group has entered into a 10-year fixed price virtual PPA with Kimberley Clark Limited and a physical PPA with EDF.

Breach Solar Farm (UK)

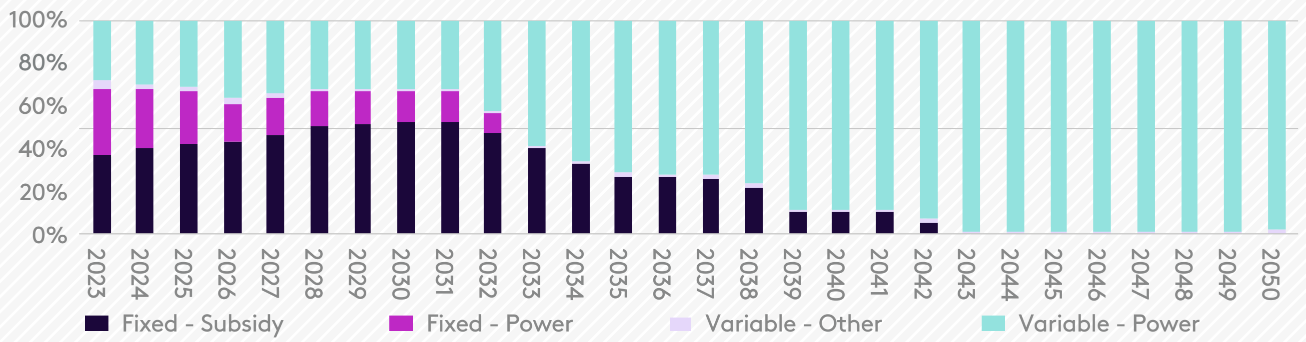
The total investment in the 67MW construction ready solar farm is c.£50 million which will be disbursed as the construction progresses. Construction began in November 2022 and is expected to complete in H2 2023. Subject to updates to the grid connection agreement and planning consent, the site has the potential to add a 50MW/100MWh battery project co-located to the solar project.


Cerisou

Revenues

Figure 3 presents the Company's forecast revenues, categorised by price structure, through to 2050. The portfolio's exposure to wholesale power prices is limited due to fixed price PPAs (with corporate and utility offtakers) which the Investment Manager has originated, as well as government-backed subsidies across GB, France, Germany and Poland.

Figure 3: Fixed vs. Unfixed revenues (as at 31 December 2022)

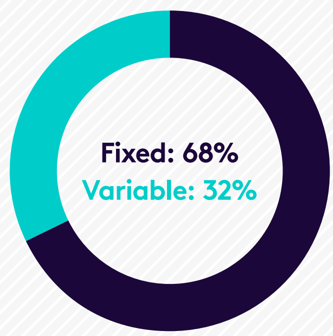


Comparing with 12 months prior, despite a commodities market which has surged following Russia's invasion of Ukraine, the Investment Manager has increased ORIT's proportion of near-term forecast fixed revenues. The acquisitions of the Leeskow onshore wind farm (Germany) and investment into Lincs offshore wind farm (GB) have positively contributed to this outcome. In addition to this, the Investment Manager's active approach to hedging has secured further fixed revenues, most notably for hedges executed for the Saunamaa and Suolokangas (Finland) wind farms, whose PPA has been structured in a way that enables a flexible approach to hedging the assets' wholesale power price exposure.

As at 31 December 2022, 68% of ORIT's forecast revenues over the period to 31 December 2024 (2021: 50% to 31 December 2023) are fixed. Fixed-price revenues arise from either subsidies, such as ROCs or power prices fixed under PPAs.

Furthermore, approximately 53% of the revenues forecast in the period to 31 December 2032 are now explicitly inflation linked (with reference to UK RPI, French inflation and Polish CPI). This high proportion of inflation-backed revenues provides a natural hedge to the Company from rising interest (and discount) rates.

Figure 4: Fixed vs Unfixed revenues: period to 31 Dec 24



Market Outlook

The energy generation industry as a whole continues to navigate through a challenging period, with the effects of the Russia-Ukraine war looking set to continue for some time and beyond. The most obvious impacts have been supply chain problems, rising inflation, upwards pressure on interest rates and abnormally high power prices (which are clearly inter-related). The intrinsic linkage of power prices to gas prices under the current market system in the UK has meant that day-ahead electricity prices saw a 72% increase in 2022 compared to 2021, and they were around four times pre-pandemic levels. European prices have also been abnormally high. In the long-term we are likely to see system re-designs in order to remove the linkage between gas and power prices for renewable generators, but for now short-term solutions have been put in place through price caps (in Europe) and the Electricity Generator Levy (in the UK). Whilst these measures reduce the returns available to investors and asset owners, the finalisation of their details gives the market clarity in this area after a period of uncertainty in Q4 2022. As a result, we expect the slow-down in transaction activity seen towards the end of 2022 to recede, and for a broad increase in investor activity to emerge as we move through the coming months.

Following three prime ministers in 2022, the political uncertainty in the UK has calmed and the future now looks brighter for the development of new projects: solar looks to have escaped a risk of changes to land-classification rules that would have hampered planning permissions, the long-standing ban on onshore wind is expected to be lifted, and Contracts for Difference ("CfD") auction frequency has been increased to once per year starting in 2023. We can therefore expect healthy development and construction pipelines to emerge which will provide a home for capital looking for new renewable generation projects.

Whilst there is now more certainty on revenues, high inflation rates (expected to remain for some time) mean increasing construction costs, and price caps or windfall taxes mean that returns available to developers may come under pressure. To compound this, the increases in base interest rates have led to higher discount rates for projects. However, we expect project valuations to be supported by a healthy amount of competition for assets from investors seeking attractive projects.

Grid access challenges have become increasingly prevalent across several geographies. We are seeing projects coming to market with grid connection dates in the late 2020s and beyond, due to aging networks and the need for capacity upgrades, and at this stage there is little clarity on how and when this will be resolved.

Newer technologies are gathering further momentum, especially the growing trend for battery storage, but also hydrogen and floating offshore wind, which saw its first CfD contract awarded in 2022.

In Europe there has been much focus on responding to the US Inflation Reduction Act, in order to ensure the continued competitiveness of European industry throughout the energy transition. The EU had already earmarked billions of Euros of funding, including through REPowerEU, but has now responded to the Inflation Reduction Act with measures to give member states more freedom to support industry, and to accelerate permitting and access to funding for relevant projects.

Power prices

2022 has been another extraordinary year for electricity markets. The market was already stressed at the start of the year due to the ongoing impacts from strong post-covid demand for LNG from Asia, and droughts in China and Brazil compounding this effect.

Over time, Europe's economy has grown heavily reliant on the supply of cheap Russian gas. Flows on the Nord Stream pipeline had been reduced since mid-2021, and Russia's invasion of Ukraine in February 2022 caused markets to react dramatically to expected Western sanctions and the resulting accelerated reductions in supply. Power prices and volatility surged as a result.

To compound things, the discovery of corrosion and micro-cracks across France's aging nuclear fleet triggered a series of inspections across the fleet. This sent nuclear output to a 30 year low and European power prices even higher. Usually Europe's largest exporter of power, the nuclear outages turned France into a net importer, no longer able to play the same role in stabilising power prices for neighbouring markets, such as GB.

As wholesale prices continued to increase, late summer saw dramatic events as liquidity in power markets fell sharply as a result of rapid increases in the cost of meeting margin calls and posting collateral for trades. The market then became dominated by utilities managing their margin call exposure rather than following market fundamentals.

Weather also continued to play an important role, with droughts impacting Nordic and Alpine hydroelectricity production across the summer and autumn, exacerbating the crisis. The winter months then saw unexpectedly mild weather bring prices down from the highs seen earlier in the year.

Russia's invasion of Ukraine is likely to leave long-lasting effects on energy markets. Government responses and market intervention will also be a key determinant of outcomes, with the UK and the EU considering longer term reforms. Whatever the precise outcome however, one thing which remains clear is that the tailwinds behind renewable generation are as strong as ever. With wind and solar being the cheapest form of electricity generation, and inherently domestic, renewables offer the solution not only to decarbonisation, but also to the current affordability and energy security crises.

Figure 5: 2022 Day-Ahead Prices

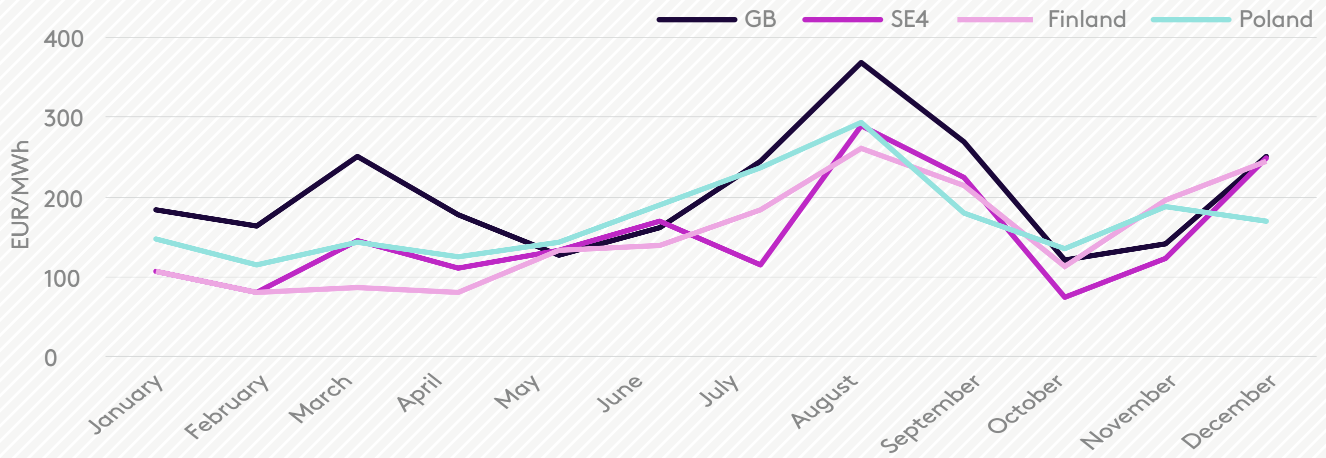
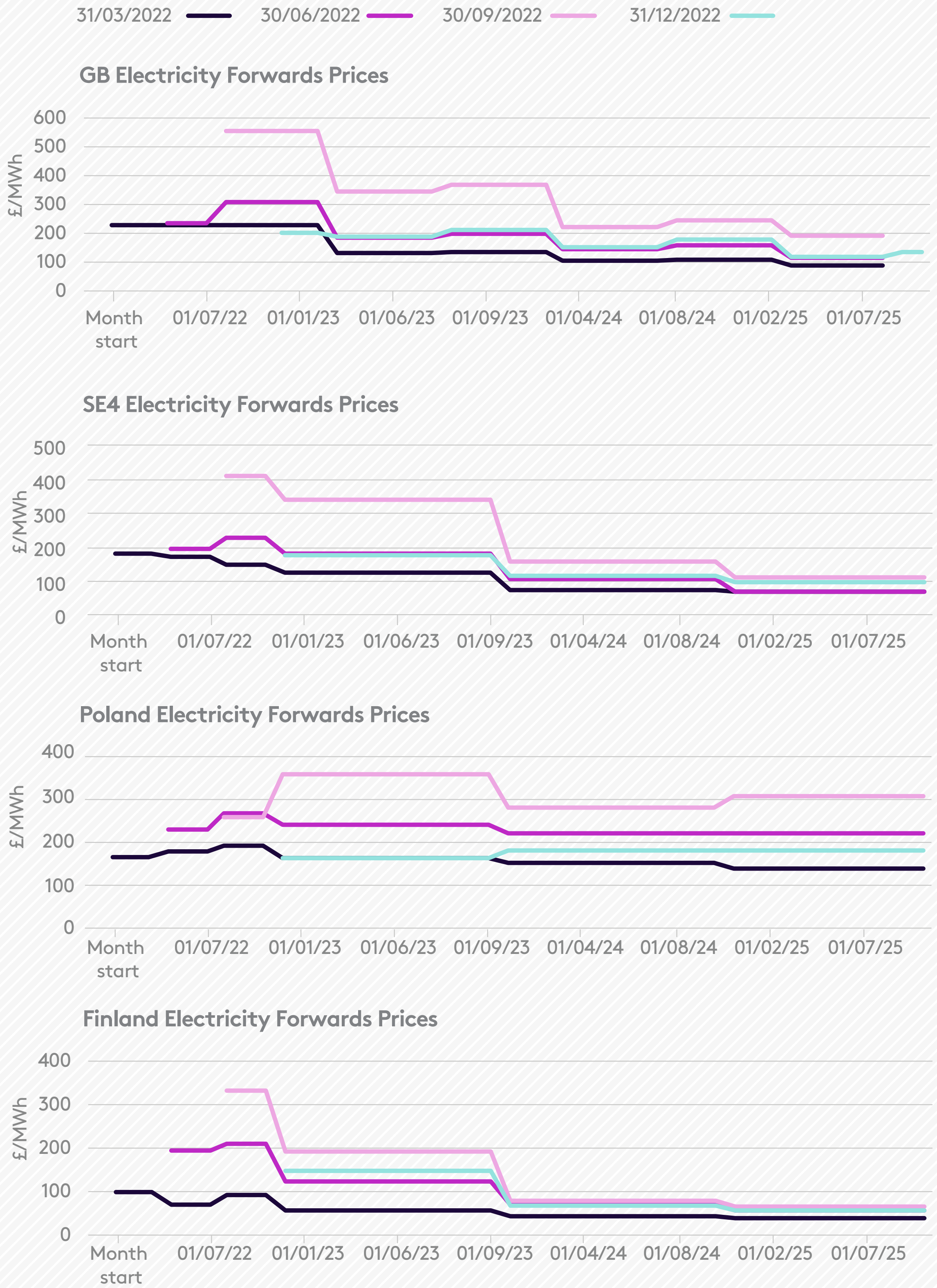
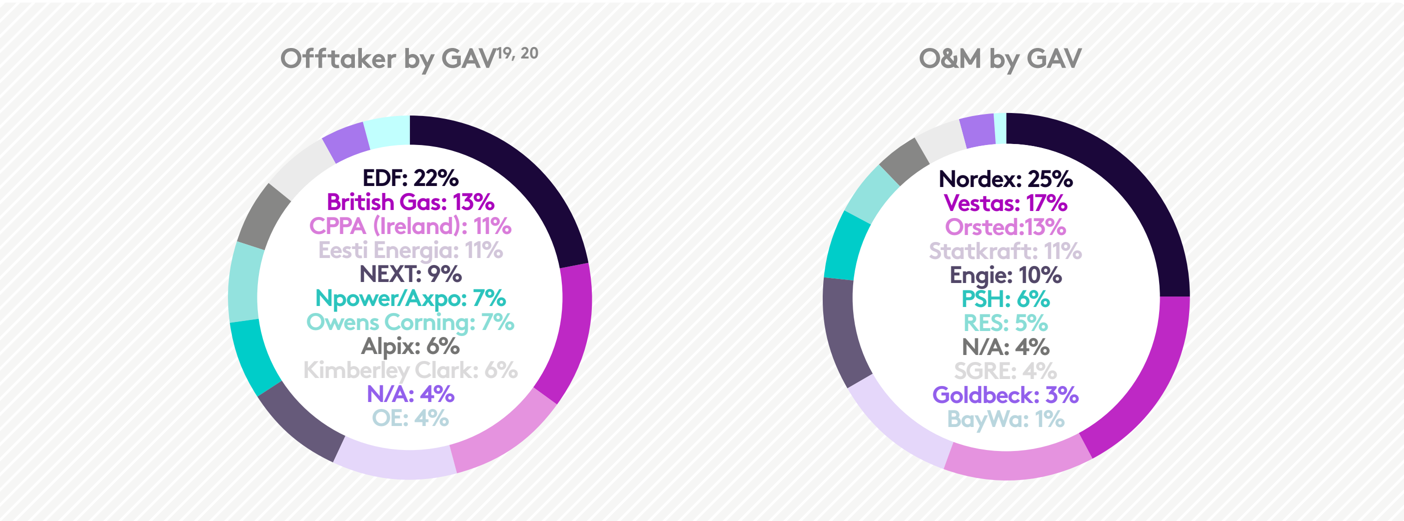


Figure 6: Electricity Forwards Prices



Counterparty Risk

As detailed on **page 105**, reliance on third-party counterparties is a principal risk to the Company. In the current economic climate, there is an increased risk associated with service providers defaulting on contractual obligations or suffering an insolvency event, and this can impact the performance of the portfolio of assets and ultimately the Company. The Investment Manager monitors this risk closely and carries out qualitative and quantitative due diligence on counterparties before they are appointed and, where possible, seeks to obtain extensive warranty protection on all contracts. Exposure to counterparties is reviewed by the Investment Manager on a quarterly basis. The graphs below illustrate the Company's exposure to offtakers and O&M providers as at 31 December 2022.



[19] Graph details the current offtaker weighted by overall GAV. The NPV will vary over the lifetime.
[20] Sites sell ROCs and power to NPower but also have a price-fixing arrangement with Axpo.

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, provides a natural hedge against foreign exchange movements. Therefore, the Investment Manager has prioritised securing long-term structural debt against the non-Sterling assets.

The acquisition of the 15.5% ownership interest in the Lincs Offshore Wind Farm came with leverage of 56%. This long-term, non-recourse debt is provided by a consortium of seven international commercial lenders and is expected to stay in place until 2033 when the ROC revenues expire.

In August 2022, the Company extended its revolving credit facility ("RCF") by utilising the accordion feature, bringing the total committed facility to £246 million. ORIT's increased RCF was entered into under the same terms as the existing facility. In addition, in September 2022, the Company's subsidiary ORIT Lincs Holdings Limited, entered into a new £50 million short-term facility with NatWest, maturing in November 2023.

The acquisition of Leeskow Wind Farm in September 2022 included four existing long-term debt facilities of up to €61.2 million with Deutsche Kreditbank AG. These 20-year facilities have a weighted average fixed interest rate of 1.27% and were substantially fully drawn as at 31 December 2022 with the final amount remaining to be drawn in 2023.

Post period end the Company's direct subsidiary ORIT Holdings II Limited secured an amendment and extension to the existing RCF from a group of four lenders with the total committed facility increasing to £271 million. The three-year multi currency facility is provided by National Australia Bank, NatWest, Santander and Allied Irish Bank and has an interest margin of 2.0% and commitment fees of 0.7%. The RCF includes an additional uncommitted accordion, allowing the facility to be increased by up to £150 million without requiring the consent of any existing lenders not participating in the increase.

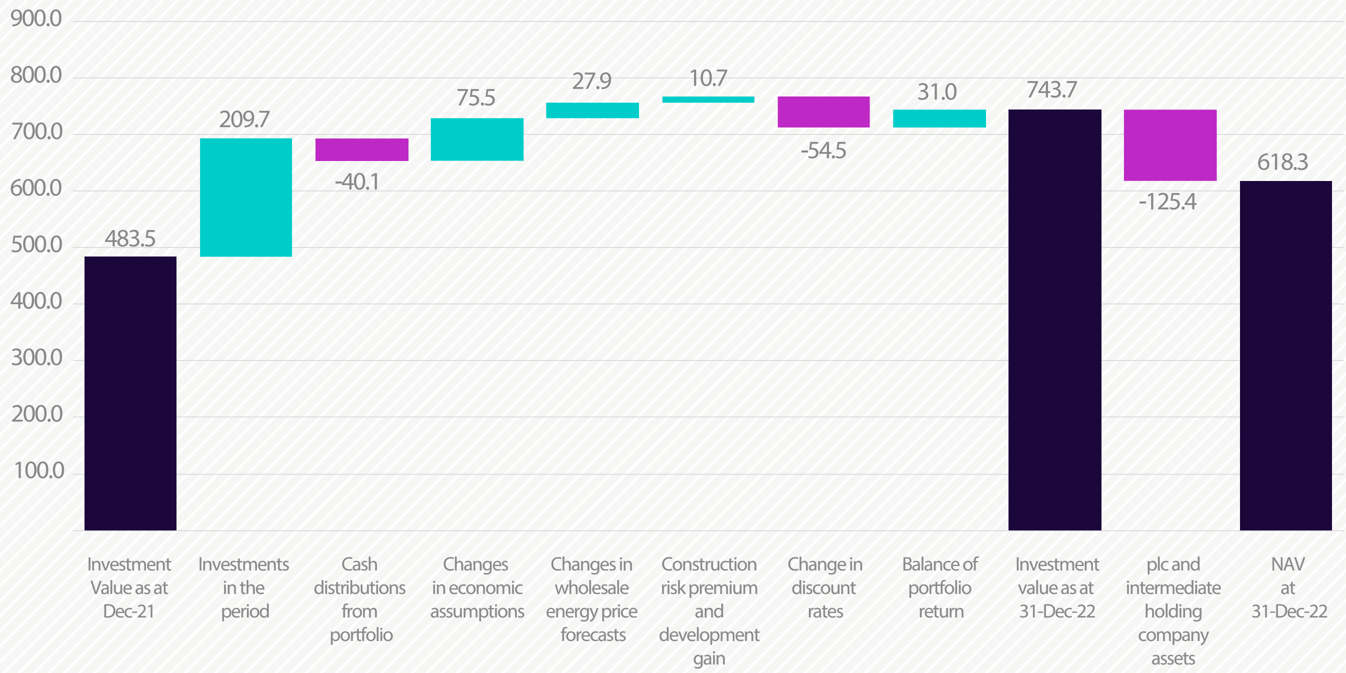
	Short Term		Long Term					
Asset	**HoldCo**	**HoldCo**	**FR Solar**	**FR Wind**	**IRE Solar**	**POL Wind**	**GER Wind**	**UK Offshore Wind**
Debt Terms								
Currency	GBP or EUR	GBP or EUR	EUR	EUR	EUR	PLN	EUR	GBP
Term loan	£ 271.0m	£ 50.0m	€ 125.7m	€ 43.2m	€ 91.0m	PLN 318.8m	€ 61.0m	£ 110.5m
Drawn at signing date	£ 95.6m	£50.0m	€ 113.4m	€ 43.2m	-	PLN 282.3m	€ 59.3m	£ 82.3m
Drawn at signing date £m	£ 95.6m	£50.0m	£ 100.6m	£ 38.3m	-	£ 53.3m	£ 52.6m	£ 82.3m
Initial Term (yrs)	3	1	18	20	20	18	18	15
Expiry Date	Nov-23	Nov-23	Dec-38	Sep-42	Jun-42	Aug-38	Mar-41	Sep-32
Facility date	Nov-20	Sep-22	Jan-21	Apr-21	Jul-21	Sep-21	Sep-22	Dec-17
Margin	2.0%	2.50%	1.25%	1.30%	Y1-5 1.30% Y6-10 1.40% Y10+ 1.65%	Construction: 2.65% CfD period: 2.65% Post CfD period: 2.85%	0.83% - 1.75%	2017 - 2022: 1.45%; 2023 - 2027: 1.65% 2028 - 2032: 1.85%
Variable interest %	SONIA	SONIA	EURIBOR	EURIBOR	EURIBOR	WIBOR	EURIBOR	SONIA
Hedging								
% hedged	-	-	85%	90%	n/a	75%	100%	85%
Swap rate	n/a	n/a	-0.12%	0.51%	n/a	2.03%	0.12%	1.27%

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, availability of market data and the ability to project the asset's performance over the forecast horizon, a DCF valuation is typically the basis upon which renewable assets are traded in the market. Key macroeconomic and fiscal assumptions for the valuations are set out in **Note 9** to the financial statements. As such the sensitivities also do not capture any potential benefit of a portfolio effect through non-correlation of technologies or energy markets.

The fair value of the Company's portfolio of assets as at 31 December 2022 was £743.7 million, reflecting acquisitions and capital injections during the year of £209.7 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 liabilities of £125.4 million, the total portfolio value as at 31 December 2022 is £618.3 million or 109.4 pence per Ordinary Share.

Figure 7: ORIT Equity Value Bridge (£m)



	Year ended 31 December 2022 **(£m)**
Investment value at 31 December 2021	483.5
Acquisitions in the year	209.7
Distributions paid out of the portfolio of assets	(40.1)
Changes in economic assumptions	75.5
Changes in wholesale energy price forecasts	27.9
Construction risk premium and development gain	10.7
Change in discount rates	(54.5)
Balance of portfolio return	31.0
Fair value of the portfolio of assets	**743.7**
ORIT and intermediate holding company net assets	(125.4)
Audited net asset value	**618.3**

Investments in the year

During the year, the Company made several investments across wind and solar technologies.

In April, the Company agreed to provide up to €3.5 million (c. £2.9m) of funding into a new development platform, Nordic Renewables Limited, focused on onshore wind farms and solar PV assets in Finland.

The Company acquired Breach Solar Farm in June, committing a total of £50 million to fund the acquisition and construction of the asset. The transaction also gives the Company the right to construct a battery storage project in the UK, with a capacity of 50MW/100MWh.

In June, the Company acquired a 7.75% stake in the Lincs Offshore Wind Farm, located off the east coast of England. In September, the Company acquired a further 7.75% stake.

In October, the Company acquired Leeskow Onshore Wind Farm from German developer UKA. The site benefits from the government backed floor price for twenty years under the German EEG regime.

In November, the Company acquired 51% ownership in Crossdykes Onshore Wind Farm in Scotland. Investment costs have totalled approximately £41 million. The remaining 49% was acquired by a fund managed by the Octopus Energy Group.

In November, the Company invested a further €6.25 million (£5.5m) into a developer of sustainable marine projects focused on floating offshore wind, Simply Blue Holdings Limited. The amount is expected to be drawn in 2023 and will increase the Company's stake to c.19%.

Following the end of the period, after agreeing the lease for the site, the Company completed the acquisition of a 50% stake in a 12MW/24MWh ready-to-build battery storage project in Bedfordshire, UK.

Elsewhere in the portfolio, capital injections and construction payments of £40.1 million were made in relation to the Cumberhead wind farm in the UK.

Distributions paid out of the portfolio of assets

This relates to the amount of cash paid out of the portfolio of assets and received by the Company or its intermediate holding companies in the year ending 31 December 2022.

Economic assumptions

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

Since the end of 31 December 2021, inflation forecasts for 2022 and 2023 have increased significantly across the markets where the Company's portfolio of assets is located, resulting in a valuation uplift of £60.0 million. The inflation inputs used to calculate the NAV per Ordinary Share as at 31 December 2022 have been sourced from: (i) recent consensus UK inflation forecasts published by Her Majesty's Treasury (November 2022); and (ii) inflation forecasts for European countries published by the European Commission (November 2022).

Per the enactment of the Finance Act 2021, the rate of UK corporation tax is set to increase from 19% to 25% with effect from April 2023. The calculation of the audited NAV as 31 December 2022 was based on an assumption that this increased rate remained in place for three years, before trending down by 1% per year until reduced to the current level of 19% long-term. The change in assumption to a flat UK corporation tax rate of 25% from April 2023 for the lifetime of the portfolio reduced NAV by approximately £4.8 million or 0.8 pence per Ordinary Share.

During the year, sterling depreciated against the euro by 5.3%, leading to a positive valuation impact of £20.2 million. Euro-denominated investments comprised 59% of the portfolio at the year end. The Investment Manager regularly reviews the level of euro exposure and utilises hedges, with the objective of minimising variability in shorter term cash flows. After the impact of currency hedges held at Company level are taken into account, the gain on foreign exchange reduces to £9.5 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.

Further detailed in the Market Outlook section, commodity prices have increased dramatically in 2022 as a result of Russia's invasion of Ukraine, sending price forecasts higher in the near and medium-term. In the longer-term, elevated commodities price forecasts exert upwards pressure on power price forecasts. This is partially offset by the downwards pressure exerted by increased renewable build-out forecasts, as governments react to the ongoing gas crisis with heightened decarbonisation ambitions.

During H2 2022, governments announced plans to mitigate the effect of rising energy prices on consumers and businesses, including through price caps, windfall taxes or generation levies. Key announcements affecting renewable energy generators include the European Commission's proposal to introduce revenue caps of €180/MWh or lower and the UK Government proposal for a "cost-plus revenue limit" on renewable energy companies. At the time of determining the Q3 NAV there was significant uncertainty surrounding both the level of mitigation measures that would be introduced by governing bodies as well as ambiguity regarding the practical application of such measures. As a result, the Board and Investment Manager considered it appropriate to include a material discount to power market forwards of approximately 70% in 2022, reducing to 50% by 2025, in the valuation as at 30 September 2022.

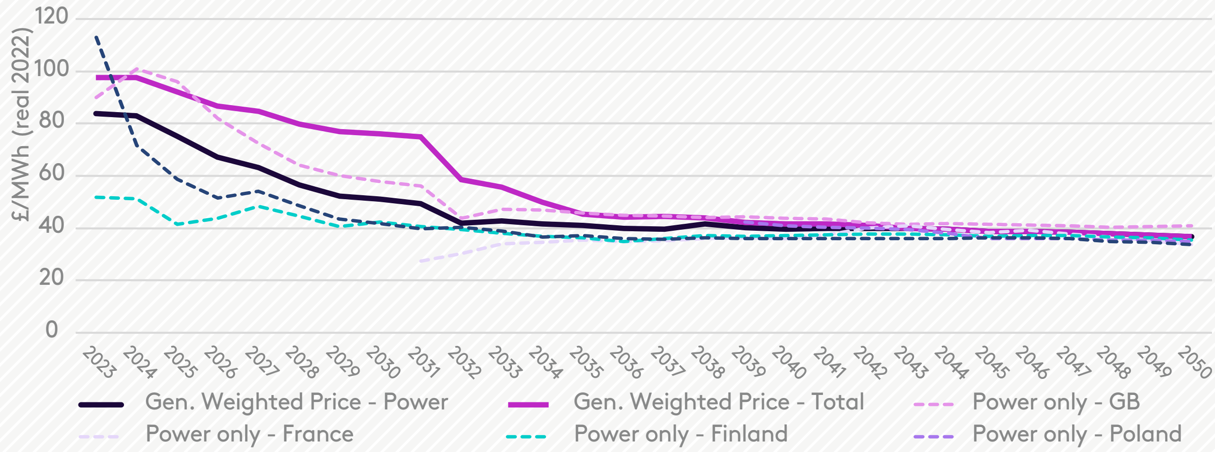
During Q4 2022, governments across the UK and Europe confirmed their approach to tackle and resolve the impact of rapidly increasing energy prices and these policies have been incorporated into the valuation as at 31 December 2022 and therefore, the material discounts to prevailing market forwards, which were incorporated into the Q3 valuations predominantly in anticipation of these changes have been reduced significantly. The net impact of applying the government measures and removing the conservative discounts between Q3 and Q4 was NAV accretive.

Application of the Electricity Generator Levy or "EGL" for the UK and the emergency measure price cap in Poland, resulted in a decrease in the valuations in these countries as at 31 December 2022 when compared to the Q3 NAV. The assets in ORIT's portfolio located in France, Germany, Ireland, Sweden and Finland are not expected to be impacted by these caps due either to being exempt via enrolment in government-backed initiatives, such as CfD or FiT schemes, because the revenue that is subject to price cap rules is fixed at levels below the announced cap, or because the transaction structure does not include exposure to revenues above the level of the government scheme.

Whilst government announcements over energy policies are now clearer, given volatility in power prices exhibited over 2022 and the general downward trend in pricing over Q4, the Board and the Investment Manager still consider it appropriate to include a modest discount to the prevailing forward prices of 20% over the 2023 to 2025 period, in addition to the normal discounts to reflect the lower prices typically captured by wind and solar generators.

Overall, the net impact of these updates has led to a £27.9 million increase in the value of the portfolio as at 31 December 2022.

Figure 8: Generation – Weighted Price



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 2023 to 2050 are shown in the graph above. The curves are blended across the markets in which the portfolio's generation assets are located, weighted by the portfolio generation mix and converted into £/MWh using the FX spot rate as at 31 December 2022. On average, the graph shows Power only GWP of £74.47/MWh in the period 2023-2027 and £41.55/MWh in the period 2028-2050.

Construction risk premium and development gain

Total construction risk premium and development gain realised during the year amounted to +£10.7 million. A valuation increase of £6.6 million resulted from the unwind of the remaining construction risk premium included in the discount rate applied to the Kuslin and Krzecin wind farms in Poland and the Cerisou wind farm in France, as well as a portion of the premium included for the Cumberhead wind farm in the UK, recognising the significant construction progress made by the end of the period.

As at 31 December, the Kuslin, Krzecin and Cerisou wind farms are now fully operational. For the remaining portfolio under construction (Cumberhead wind farm and Breach solar farm), it is estimated that further value will be crystallised as the projects becomes substantially de-risked through the completion of construction milestones.

Following ORIT's follow-on investment into SBG, an Irish developer of floating offshore wind, ORIT's ownership interest has increased to c.15.5%. The follow-on investment was calculated based on an increased valuation of the Company, implying a development gain on ORIT's original stake of £4.1 million.

Change in discount rates

A range of discount rates are applied in calculating the fair value of the investments, considering the location, technology and lifecycle stage of each asset as well as leverage and the split of fixed and variable revenues. The weighted average discount rate as at 31 December 2022 is 7.5%, an increase of 0.7% since 31 December 2021.

The increase in discount rate over the course of the year, reflects that, whilst bond yields have fallen since the highs of September 2022, they remain significantly higher than they were at the start of 2022. Competition for renewable assets has remained high, dampening the extent to which benchmark rate rises have fed through into asset discount rates. Nevertheless, the Board and the Investment Manager consider it appropriate to reflect an increase in the discount rates applied to certain assets, particularly those in the UK and Poland where rates have risen further than in the rest of Europe. The increases to these discount rates resulted in a decrease of -£54.5 million in the portfolio valuation, or -9.6 pence per Ordinary Share.

Balance of portfolio return

This refers to the balance of valuation movements in the year excluding the factors noted above and represents a net increase of £31.0 million.

Of this, £35.4 million reflects the net present value of future cashflows being brought forward from 31 December 2021 to 31 December 2022. A net uplift of £1.0 million was recognised due to financial and technical performance during the period not captured in the movements due to changes in power price and macroeconomic assumptions during the period, and a further £3.7 million 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.

The valuation uplift was partially offset by increased capital expenditure related to the construction of Cumberhead wind farm (total expenditure is still within initial forecast including contingency) and lost revenues due to minor construction delays at the Cumberhead and Kuslin wind farm. The impact of these adjustments resulted in a decrease in valuation of £5.0 million. Recoveries are currently under negotiation with the relevant contractors, with some of this impact expected to be recaptured in future valuation cycles.

The remaining £4.1 million decrease related to minor assumption updates across the portfolio, including a decrease of £2.4 million related to an increase in forecast decommissioning costs.

Portfolio valuation sensitivities

The sensitivities are based on the existing portfolio of assets as at 31 December 2022 as well as cash flows of conditional acquisitions, and as such may not be representative of the sensitivities once the Company is fully invested and geared. For each of the sensitivities shown, it is assumed that potential changes occur independently with no effect on any other assumption. As such the sensitivities also do not capture any potential benefit of a portfolio effect through non-correlation of technologies or energy markets.

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. A 50bps increase in the levered cost of equity of the portfolio equates to an increase in the implied WACC of 0.29%, holding the cost of debt and leverage % constant.

The weighted average discount rate as at 31 December 2022 is 7.5% (2021: 6.8%).

	31-Dec-21	30-Jun-22	31-Dec-22
UK Assets			
Leveraged IRR	5.8%	5.9%	7.5%
Gross Asset Value (GAV)	174	256	440
Leveraged %GAV	0%	15%	19%
European Assets			
Leveraged IRR	7.2%	6.8%	7.5%
Gross Asset Value (GAV)	564	568	633
Leveraged %GAV	28%	32%	40%
Total Portfolio			
Leveraged IRR	6.8%	6.5%	7.5%
Gross Asset Value (GAV)	738	824	1,073
Leverage %GAV	22%	24%	31%
Leveraged %GAV (plc)	22%	24%	42%

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.

Figure 9: NAV sensitivities per Ordinary Share (including Conditional Acquisitions)

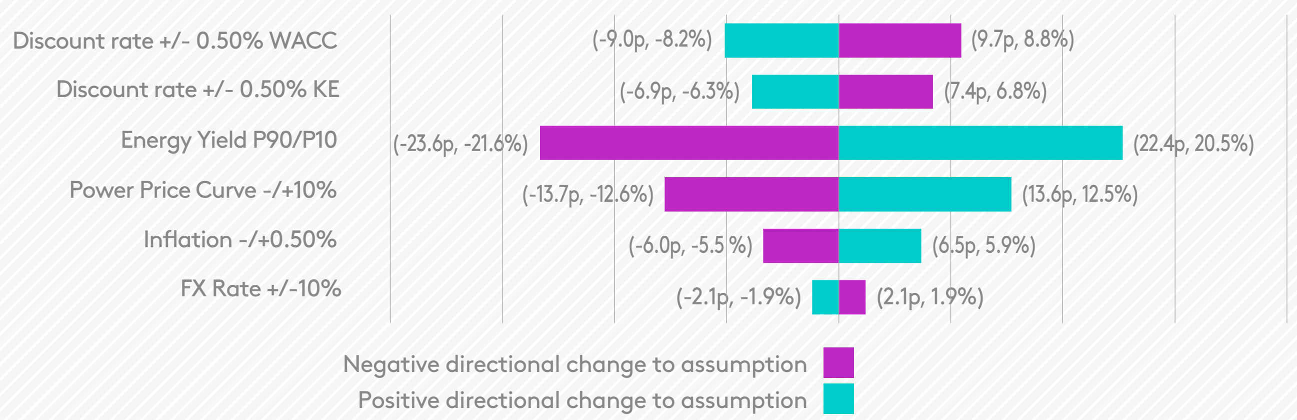
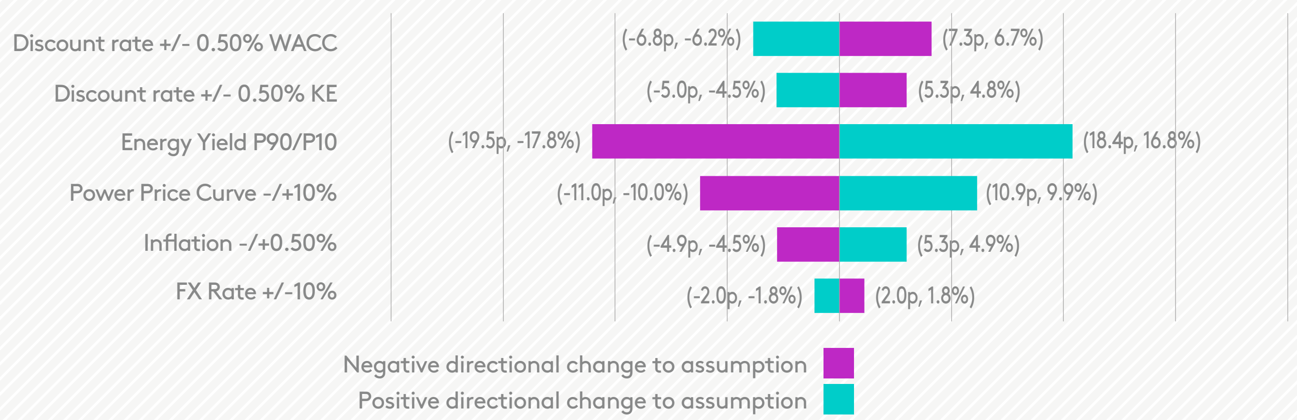


Figure 10: NAV sensitivities per Ordinary Share (excluding Conditional Acquisitions)



Inflation

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

Foreign exchange

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

Of the portfolio as at 31 December 2022, 59% of the NAV is euro denominated. Hedges are in place for all non-sterling construction payments as well as forecast cash generation from all Euro based investments for the first three years of operations. The sensitivity highlighted in Figure 6 shows the impact on NAV per Ordinary Share of a +/- 10% movement in the GBP:EUR exchange rate.

Financial Review

The financial statements of the Company for the year ended 31 December 2022 are set out on **pages 186** to **220**. These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the applicable legal requirements of the Companies Act 2006. In order to continue providing useful and relevant information to its investors, the financial statements also refer to the "intermediate holding companies", which comprise the Company's wholly owned subsidiary, ORIT Holdings II Limited and its indirectly held wholly owned subsidiaries ORIT UK Acquisitions Limited and ORIT Holdings Limited.

Basis of accounting

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

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

Results as at/for the year ended 31 December

	2022 £m	2021 £m
Net asset value	618.3	577.7
Fair value of Company's investments	608.8	485.4
Net assets per share	109.44p	102.26p
Investment income from portfolio	40.3	31.8
Gains on fair value of investments	37.6	8.6
Profit for the year	**69.8**	**34.8**

Net assets

Net assets have increased from £577.7 million at 31 December 2021 to £618.3 million at 31 December 2022 principally driven by changes in wholesale energy price forecasts and macro-economic assumptions such as inflation and FX.

The net assets comprise the fair value of the Company's investments of £608.8 million (2021: £485.4m) and the Company's cash balance of £10.6 million (2021: £93.9m), offset by £1.1 million (2021: £1.6m) of Company net liabilities.

Included in the fair value of the Company's investments are liabilities of £135.0 million (2021: assets of £1.9m) held in the intermediate holding companies. These comprise cash of £4.5 million (2021: £1.3m) and amortised transaction costs associated with bank loans of £2.0 million (2021: £1.4m), offset by the principal and interest outstanding on the bank loans of £128.0 million (2021: £nil), the negative mark-to-market value of the FX hedges taken out to minimise the volatility of cashflows associated with non-UK portfolios of £8.0 million (2021: £2.3m asset) and other liabilities of £5.5 million (2021: £3.1m) predominantly relating to accrued transaction costs not yet paid and outstanding VAT liabilities.

Results as at 31 December

	2022 £m	2021 £m
Fair value of portfolio of assets	743.7	483.5
Cash held in intermediate holding companies	4.5	1.3
Bank loans and accrued interest held in the intermediate holding companies	(128.0)	-
Fair value of other net (liabilities)/assets in intermediate holding companies	(11.4)	0.6
Fair value of Company's investments	**608.8**	**485.4**
Company's cash	10.6	93.9
Company's other liabilities	(1.1)	(1.6)
Net asset value as at 31 December	**618.3**	**577.7**
Number of shares	564.9	564.9
Net asset value per share (pence)	**109.44**	**102.26**

Income

In accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued in July 2022 by the Association of Investment Companies ("AIC"), the statement of comprehensive income differentiates between the 'revenue' account and the 'capital' account, and the sum of both items equals the Company's profit for the year. Items classified as capital in nature either relate directly to the Company's investment portfolio or are costs deemed attributable to the long-term capital growth of the Company (such as a portion of the Investment Manager's fee).

In the financial year ending 31 December 2022, the Company's operating income was £77.9 million (2021: £40.4m), including interest income of £23.1 million (2021: £12.7m), dividends received of £17.3 million (2021: £19.2m) and net gains on the movement of fair value of investments of £37.6 million (2021: £8.6m). The operating expenses included in the statement of comprehensive income for the year were £8.1 million (2021: £5.6m). These comprise £5.7 million Investment Manager fees (2021: £4.1m), transaction and abort costs of £1.3 million (2021: £nil) and other operating expenses of £1.1 million (2021: £1.5m). The details on how the Investment Manager's fees are charged are set out in Note 17 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 year. For the year ended 31 December 2022, the ratio was 1.12% (2021: 1.15%).

Dividends

During the year, interim dividends totalling £29.3 million were paid (1.25p per share paid in respect of the quarter to 31 December 2021 in March 2022 and 1.31p per share paid in respect of the first three quarters of 2022 in May 2022, August 2022 and November 2022 respectively).

Post year end, a further interim dividend of 1.31p per share was paid on 24 February 2023 in respect of the quarter ending 31 December 2022 to shareholders recorded on the register on 10 February 2023. As such, dividends totalling £29.6 million have been paid in respect of the 12-month period under review.

For the year ending 31 December 2022, the portfolio of assets generated operational cash flows of £76.3 million, paid interest of £4.0 million and made repayments of £10.2 million on external debt. Company and intermediate holding company expenses for the year totalled £9.6 million (after commitment fees and interest payable on the RCF and the short-term facility) and therefore total net cash flows from operating activities for the year were £52.5 million, leading to an operational dividend cover of 1.77x the total dividend payable for the year.

The strong dividend cover of 1.77x during FY22 has been supported by the acquisition of operational portfolios as well as the successful completion of construction assets[21]. ORIT's operational portfolio is forecast to generate significant cash flows (after debt service) in excess of the target dividend of 5.79 pence per Ordinary Share for FY23[21]. The average expected annual dividend cover over a 5-year period to 31 December 2027 is 1.7x[21]. Cash flows generated by fixed or contracted sources (e.g. PPAs, CFDs, ROCs and FITs) are estimated to cover expected dividends by 1.1x over the same period.[22 23]


ORIT team at Ljungbyholm opening ceremony

[21] Dividend cover is calculated on the basis of actual (in respect of FY22) and expected (in respect of subsequent financial years) total net operational cash flows from the portfolio after debt service and Company and intermediate holding company expenses.

[22] Dividend cover is calculated on the basis of expected net operational cash flows from the portfolio excluding uncontracted revenues (e.g. power sales linked to prevailing market prices) and after debt service and Company and intermediate holding company expenses.

[23] The dividend target stated is a targets only and not a profit forecast. There can be no assurance that the target will be met, or that the Company will make any distributions at all and it 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 this target and should decide for themselves whether or not the target dividend is reasonable or achievable. Investors should note that references to "dividends" are intended to cover both dividend income and income which is designated as an interest distribution for UK tax purposes and therefore subject to the interest streaming regime applicable to investment trusts.

Dividend cover - operational cash flows (portfolio level)

Year ended 31 December

	2022 £m	2021 £m
Operational cash flows		
UK Solar	13.7	11.1
French Solar	11.7	11.9
Swedish Wind	8.8	4.4
Finnish Wind	15.9	5.3
Polish Wind	12.1	-
French Wind	1.3	-
German Wind[24]	0.7	-
UK Wind[25]	5.0	-
UK Offshore Wind[26]	7.1	-
	76.3	**32.7**
Interest payable on external debt		
French Solar	(1.1)	(1.1)
Polish Wind	(2.1)	-
French Wind	(0.4)	-
German Wind	(0.4)	-
Operational cash flow pre debt amortisation	**72.3**	**31.6**
Company and intermediate holding company level expenses[27]	(9.6)	(5.3)
Net cash flow from operating activities pre debt amortisation	**62.7**	**26.3**
Dividends paid in respect of year	29.6	23.8
Portfolio level operational cash flow dividend cover pre debt amortisation	**2.1x**	**1.1x**
External debt amortisation		
French Solar	(9.0)	(2.1)
Polish Wind	(1.2)	-
Net cash flow from operating activities	**52.5**	**24.2**
Dividends paid in respect of year	29.6	23.8
Portfolio level operational cash flow dividend cover	**1.77x**	**1.02x**

[24] Includes all operational cash generated from 30 June 2022 (the locked-box date)
[25] Includes all operational cash generated from 31 December 2021 (the locked-box date)
[26] As a minority interest this includes equity cash flows (after interest and amortisation) generated from 31 December 2021 (the locked-box date)
[27] Includes crystalised FX gains recognised in the Company and intermediate holding companies

Company level dividend cover ratios are also shown below.

Dividend cover – P&L (Company level)

	2022 £m	2021 £m
Profit for the year	69.8	34.8
Adjustments for:		
Unrealised gains on fair value of investments	(37.6)	(8.6)
Realised profit for the year	**32.2**	**26.2**
Dividends paid in respect of year	29.6	23.8
Company level P&L dividend cover	**1.09**	**1.10x**

Dividend cover - operational cash flows (Company level)

	2022 £m	2021 £m
Profit for the year	69.8	34.8
Adjustments for:		
Unrealised gains on fair value of investments	(37.6)	(8.6)
Transaction costs	0.4	-
Investment income	(40.3)	(31.8)
Changes in working capital	(0.5)	(0.3)
	(8.2)	(5.9)
Distributions received from investments	38.1	26.2
Net cash flow from operating activities	**29.9**	**20.3**
Dividends paid in respect of year	29.6	23.8
Company level operational cash flow dividend cover	**1.01x**	**0.85x**

Impact Report

As at 31 December 2022

£1,304m
Total value of sustainable investments – 100% of all investments
2021: (£878m)

1,740GWh
Potential Renewable Electricity
2021: (1,168GWh)

522k
Equivalent homes powered by clean energy[28]
2021: (337k)

580k
Estimated tonnes of carbon avoided[29]
2021: (364k)

2.9m
Equivalent new trees required to avoid same carbon[30]
2021: (1.8m)

318k
Equivalent cars off the road required to avoid same carbon[31]
2021: (200k)

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

[28] Homes powered is based on latest regional average household consumption in the region of production
[29] Carbon avoided is calculated using the International Financial Institution's approach for harmonised GHG accounting
[30] Trees equivalent is based on UK Woodland and Peatland carbon statistics
[31] Equivalent cars is calculated using a factor for displaced cars derived for the UK government GHG Conversion Factors for Company reporting.

Foreword

In a year of unprecedented climate disasters and energy security risks ignited by Russia's war in Ukraine, the urgent need to accelerate the sustainable energy transition is ever clearer. Positively, 2022 saw a record-setting $1.1 trillion of investment into low-carbon energy technologies and, for the first time, solar and wind power overtook fossil fuel gas as Europe's main source of electricity generation[32]. Pivoting investment towards low-carbon industries and technologies is critical for addressing the challenges ahead, but an annual funding gap remains. The magnitude of investment required is still over three times the capital that was invested in 2022 and that gap needs to be closed to achieve a pathway consistent with net zero.

A radical transformation of the current energy sector is also key in mitigating the threats of climate change and energy security. Our Investment Manager is part of an Energy Group with a unique perspective and resources to support this necessary disruption. The knowledge, expertise, resource and ambition is applied to enable the convergence of renewable generation with storage whilst also championing electrification and demand side management. Bringing this together with ORIT's capital securely positions ORIT to enable investors to contribute to these objectives.

To fulfil ORIT's mission to accelerate the net zero transition, the Board and Investment Manager have continued to build on ORIT's diversified portfolio of Renewable Energy Assets. A key step to ensuring a "Just Transition" is to consider environmental and social impacts throughout the whole lifecycle of a project. By increasing investments in development and construction phase projects, ORIT is not only adding new renewable capacity to the grid and helping countries meet their net zero targets, but also ensuring that responsible investment practices are implemented at the earliest possible stage of an asset's lifetime.

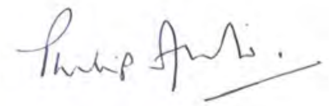
ESG is embedded into all aspects of the investment process, and the strategy captures ORIT's desire to incorporate biodiversity and social benefits alongside its investments. This year, the Investment Manager continued to monitor the ESG risks faced by the sector and ORIT's portfolio, ensuring robust mitigation measures were in place. This included measures to protect ORIT's solar supply chain from human rights risks through the adoption of a new procurement policy and through collaboration with industry bodies and expert auditing parties. ORIT has been classified as a dark green (Article 9) fund under the new Sustainable Finance Disclosure Regulation ("SFDR") and all investments are considered 100% EU Taxonomy-aligned, further demonstrating the ambition of its sustainable investment objective.

Under the backdrop of global climate concerns, ensuring ORIT's resilience to future climate changes is of the utmost importance. ORIT undertook in-depth climate risk assessments over the last year to better understand potential physical and transition risks – and opportunities – across its portfolio, the results of which are discussed in this year's enhanced

[32] https://www.weforum.org/agenda/2023/02/low-carbon-investment-record-2022/

Task Force on Climate-related Disclosures ("TCFD") report. ORIT welcomes the addition of future regulatory disclosures that support "anti-greenwashing" efforts such as the Taskforce for Nature Related Disclosures and the UK's Sustainable Disclosure Requirements ("SDR").

The IEA's 2022 World Energy Outlook distinguishes technologies accelerating the transition as the solution to the energy and climate crises[33]. Noting the clear contribution that ORIT provides to various global goals coupled with the reinforced assurances from ORIT's ESG disclosures, ORIT's stakeholders can be certain of ORIT's critical role within this transition.



Phil Austin MBE
Chair

[33] https://www.iea.org/reports/world-energy-outlook-2022/key-findings

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 engage with the energy transition and 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 necessary 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, published separately on the Company's website https://octopusrenewablesinfrastructure.com/.

The Impact Strategy considers all of ORIT's culture, values and 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 across Environmental, Social and Governance factors 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. Our aim is to minimise our principal adverse impacts and to seek opportunities to enhance positive impacts where possible.

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

> More details and background information related to the Company's Impact Strategy including information on our four impact themes of Stakeholder engagement, Equality and wellbeing, Innovation and Sustainable momentum can be found in the separately published **Impact Strategy.**

Stewardship and Engagement

Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.[34]

The Investment Manager manages ORIT's investments in line with its Engagement and Stewardship Policy. Where ORIT has 100% ownership stakes, the Investment Manager has direct control of the underlying assets, usually through directorship services. In these cases, rights do not need to be "exercised" as the Investment Manager directly controls the Investee Companies' strategy, financial and non-financial performance, risk, capital structures, social and environmental impact, corporate governance as well as the appointment of third party operators of the assets. As well as decision making oversight, the Investment Manager carries out service reviews on each material third-party service provider. Where service providers fail to meet the standards set, particularly with regard to HSE, ORIT will use its contractual rights to first look to improve the service provision, and if that is unsuccessful, terminate the service provider.

In circumstances where ORIT does not hold a controlling interest in the relevant Investee Company, the Investment Manager will secure shareholder rights through contractual and other arrangements, to, inter alia, ensure that the renewable energy asset or portfolio company is operated and managed in a manner that is consistent with ORIT's investment and ESG Policy. The Investment Manager will always take up portfolio investment Board seats, attend Board meetings and will directly use their influence to monitor and support investee companies on relevant matters to galvanise other shareholders in line with ORIT's ESG Policies.

Regardless of the percentage of ownership, it is the Company's aim to provide investment specific active stewardship. ORIT always exercises its shareholder rights in relation to approval rights and investment reserved matters. Regular reporting data is provided to the ORIT Board on investee performance, including any environmental or social issues or risks. The Investment Manager also engages on market wide industry specific risks alongside different stakeholders in the market to drive towards positive stewardship outcomes.

The initiatives and case studies presented in the Impact Report provides examples of the application of the Engagement and Stewardship policy.

The Investment Manager's full Engagement and Stewardship Policy can be viewed here:
https://octopusrenewablesinfrastructure.com

[34] UK Stewardship Code 2020's definition to Stewardship

Performance

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

£1,304m
Total value of sustainable investments – 100% investments committed into renewables[35]

1,740GWh
of potential annual renewable energy generation, 669MWh of which has and will be additional generation from construction assets[36]

36
Assets

Delivering the investment objective

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

Integration into the investment cycle

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

[35] Total asset value including total debt and equity commitments
[36] Metric calculated based on an estimated annual production of the construction portfolio once fully constructed (excluding conditional acquisitions).

The Investment Manager considers ESG risks at each stage of the investment cycle through this ESG scoring matrix. It is used as a tool to drive ESG engagement and ensure that ESG risks are promptly identified, appropriately investigated, and carefully mitigated where necessary.

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 ESG Risk Matrix contains sections on Planet (environmental factors, such as biodiversity, water and waste) and People (social and employee matters, human rights, anti-corruption and anti-bribery matters). It aims to ensure that any potential adverse impacts are mitigated such that the investment is sustainable. At the post-completion stage, the Investment Manager carries out an onboarding process to ensure that its Asset Management team continue to oversee any residual ESG risks.

Anti-bribery and corruption

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

Service Providers (including Directors of the Company):

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

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

Further information in relation to Conflicts of Interest can be found on page 159 within the Corporate Governance Statement.

Regulatory Disclosures

Task Force on Climate-related Financial Disclosures

ORIT is a supporter of the recommendations of the Task Force on Climate-related Financial Disclosures. Whilst ORIT is not yet in scope to make mandatory TCFD-aligned disclosures, the Company has voluntarily began to make TCFD-aligned disclosures as it believes that the effects of climate change should become routinely considered in business and investment decisions.

The TCFD disclosures can be found in the Risk and Risk Management Statement section on page 107.

Sustainable Finance Disclosure Regulation ("SFDR")

ORIT is classified as an Article 9 product under the EU SFDR regulation.

Please refer to page 226 and to the ORIT website for ORIT's SFDR disclosures.

Future regulatory disclosures

A number of other regulatory frameworks aimed at increasing transparency in environmental and social factors are in development. This includes the Taskforce for Nature Related Financial Disclosures ("TNFD"), the UK's Sustainable Disclosure Requirements ("SDR") and the Task Force for Inequality Related Financial Disclosures ("TIFD"). The Investment Manager is keeping up with recent consultations and continues to evaluate likely impacts for ORIT's investments. ORIT's Impact Strategy is already well positioned to support the aims of the TNFD. The TNFD will provide a framework for corporates and financial institutions to assess, manage and report on their dependencies and impacts on nature's ecological services, helping redirect global financial flows towards nature-positive outcomes. ORIT's existing consideration of potential biodiversity impact and its desire to maximise biodiversity through additional initiatives at its sites speaks clearly to ORIT's ambition to use space intelligently to protect ecological services. ORIT's existing partnership with SUGi exhibits how ORIT's goal of protecting biodiversity extends beyond the borders of its sites.

The Company supports "anti-greenwashing" efforts and expects to start making the necessary disclosures in relation to SDR from 30 June 2024. The Company will assess the appropriate label to associate itself with once finalised (in mid-2023). Whilst the SDR and SFDR disclosures will need to be separate, we expect the Company to be well positioned to start adopting the regime.

The Company is also aware of the UK Green Taxonomy disclosures. The UK Government has established a Green Technical Advisory Group ("GTAG") to advise on the development of the UK Green Taxonomy. Once developed it is likely that SDR will take this into consideration.

Performance initiatives

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

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
Transformer and Inverter refurbishments: Application of an effective interim solution and a resourceful use of existing parts to reduce carbon footprint and CAPEX in context of high inflation and global supply chain constraints.	A refurbished module was creatively sourced through refurbishment of equipment at a solar site where it was no longer required. This was utilised at Ottringham after an inverter module failure, avoiding a prolonged outage as the manufacturer was unable to ship parts to the UK. Similarly, a transformer at Ermine Street was refurbished whilst using a hired part in the interim to ensure continued contribution of green electrons to the grid. These actions successfully prevented months of business interruption at both sites (4 months at Ottringham which is equivalent to a 6% loss of generation and revenue, and 6 months at Ermine which is equivalent to 3% loss at Ermine) and enabled the reduction of the sites' carbon footprint by minimising waste materials and eliminating the need for copper extraction. Sustainable Momentum
Innovative Drones: Using innovative drone technology, heat mapping of all the UK solar sites was conducted to identify areas of stress on the solar panels which can cause inefficiencies.	Early identification of stress areas allows the Investment Manager to ensure that preventative measures are put in place to optimise performance of the modules and mitigate losses. Innovation
Proactive Switchgear improvements: A proactive initiative to upgrade the switchgear across multiple sites is 42% complete, with the remaining 58% scheduled for completion in Q1.	This preventative measure reduces the health and safety risk associated with potentially faulty switchgear and optimises the efficiency of generation. Equality and Wellbeing Innovation
Settlement reached for Finnish Wind Foundations: successful negotiations with foundation contractor on warranty and bond cover for turbine foundations.	This settlement provides enhanced protection to the project SPV with not only the 5-year warranty expected on civil work, but an additional bond covering the foundations for 8 years. Stakeholder Engagement

Project	Outcome
Doubling wind: The Investment Manager strengthened ORIT's wind portfolio with wind acquisitions, construction management and operational management.	ORIT has made a significant number of wind acquisitions over the period. The number of operational wind sites on the ORIT portfolio has more than doubled from last year, increasing from 4 sites to 9 resulting in a 348MW operational wind portfolio. Wind asset construction significantly progressed over the period. Turbines are now erected at Cumberhead, with full operations expected end of March 2023. ORIT entered the offshore wind market, with a minority stake in the 270MW Lincs Wind Farm and expanded its geographical footprint managing 59MW of operational wind farms in Poland.
Curtailment reduction at Leeskow wind farm: A proposal has been made to reduce curtailment on site in collaboration with the German authorities.	The proposal has been made in response to the German government's policies to strengthen energy security following the Ukraine invasion. The site is expected to benefit from an increase in performance and therefore revenue once the curtailment is lifted. Stakeholder Engagement Sustainable Momentum
PPA innovation: Creation of bespoke PPA structure for Saunamaa and Suolokangas onshore wind farms (Finland) and an innovative PPA structure for Ljungbyholm onshore wind farm (Sweden).	The Investment Manager developed a bespoke PPA structure which enables hedging to take place periodically across the contract tenor, rather than having to decide whether or not to hedge at the point of contract signature. We estimate that the bespoke PPA structure delivered a 16% uplift in the assets' 2022 fixed price revenues. The Investment Manager originated and executed a corporate PPA with an innovative structure for its Ljungbyholm wind farm. The structure allows the asset to benefit from higher market prices while providing a degree of revenue certainty. Compared with if Ljungbyholm had entered into a vanilla fixed price corporate PPA, we estimate that this contract structure delivered a revenue uplift across 2022 of 139%[37]. Innovation

[37] Calculated based on third-party estimates of Swedish onshore wind CPPA prices at the time that Ljungbyholm's CPPA was signed.

Case Study:

Additionality with investment into Simply Blue Group

ORIT first invested in Simply Blue Group ("SBG") in August 2021 for a c.12% stake and following the latest investment, ORIT's ownership interest in SBG has increased to c.15.5%. The Company also agreed to provide a further investment of up to €6.25 million which is expected to be drawn in 2023 which would increase ORIT's ownership interest to c.19%. SBG is the leading developer for floating offshore wind. SBG's goal is to develop floating wind projects that will make a valuable contribution to Europe's electricity demand, making the most of the huge offshore wind potential there is across the global oceans to help create a clean, sustainable future for everyone.

Offshore wind has become a favoured form of renewable energy generation. It is expected to produce 7% – 11% of the EU's electricity demand by 2030. Up to 45% of this energy is identified as coming from floating wind. Floating wind foundations are normally used in deep waters where fixed foundations are no longer economically feasible. Space for fixed foundations is scarce in many countries (including the UK) as development of fixed wind projects has been occurring for the last 15 years. Floating offshore sites also benefit from high wind potentials allowing for greater wind energy production.

Investment into the development of these projects allows regions across Europe to maximise the financial benefit of its strong offshore wind resources and to generate long-term jobs for its local communities, while contributing to European and the UK governments' net zero targets.

Since ORIT's investment, SBG has been able to make huge strides towards harnessing the wind potential across Europe. With ORIT's initial investment in August 2021, SBG was able to increase its specialist team by 50% and enter new markets in Poland, Spain, Portugal, Sweden, Finland, and Italy. With a second investment in November 2022 SBG was able to continue to grow its global pipeline of projects to 10GW. More general support from the Investment Manager has helped to develop SBG's capabilities and shape future decisions.

Additionality is a concept within renewable energy that refers to organisations directly adding new capacity for renewable energy to the national grid. Organisations can achieve additionality by committing to and investing in green power generators in a way that allows them to fund new renewable power generation[38]

[38] https://www.igniteenergy.co.uk/news/additionalityand-ppas

Impact tracker

Who?

Environment

(United Kingdom, Ireland, Sweden, US, Spain, Portugal, Finland and Italy)

How much?

10 GW in pipeline

50% increase in team

6 new markets

What?

Invested to receive a 15.5% stake in their business, helping them to drive into new markets and grow the team.

Impact Theme

Equality and Wellbeing

Sustainable Momentum

Stakeholder Engagement

Simply Blue Group employees

Case Study:

Strengthening ORIT's Climate Resilience

Climate change and the effort to mitigate it is impacting every aspect of our economy. Whilst renewable energy is a solution to help address climate change, renewable energy sites and businesses are not themselves exempt from the potential physical impacts of climate change. Climate change impacts can be categorised as physical climate risks or transitional climate risks.

- **Physical hazards** can have immediate impacts, defined as "**acute**". An example is severe weather event damaging infrastructure. Changes can also develop over longer time horizons, defined as "**chronic**", and these impacts vary in their intensity and frequency. An example is changing weather patterns affecting long-term asset performance.
- **Transitional climate risks** are those relating to business risks that follow societal and economic shifts toward a low-carbon and more climate-friendly future. Examples are changes in government policies and tax to accelerate the transition to net zero.

As part of ORIT's TCFD disclosure requirements and a wider Investment Manager-led exercise to better understand ORIT's climate change resilience, the Investment Manager engaged on a joint project with one of ORIT's energy market advisors, Baringa, to investigate the potential impacts of climate change to renewable energy companies.

European countries boast favourable energy policies for renewable energy projects. Alongside supporting financial mechanisms and leading technological innovation, transition measures are opportunities rather than risks for renewable energy companies. The financial risks and opportunities arising from policy measures targeting mitigation of climate change, for example, high CO_2 market price, low-carbon generation mix, are already accounted for in the wholesale energy price curves of our advisors and therefore considered in our asset valuations.

Physical impacts of climate change are less defined in these models for different climate scenarios. In this project, Baringa were engaged to carry out a scenario analysis research project on the financial impacts of physical climate change impacts, with a particular focus on wind generators, considering the potential impacts of (i) physical climate change on power price and (ii) on generation.

(i) Physical climate impact on power price:

The study concluded that the impact of physical changes in climate on long-term EU power price forecasts is relatively small compared to other drivers of power price.

Physical changes in climate may impact power price by affecting energy production and consumption. For example, an increase in precipitation and temperature in the UK may affect the energy demand for heating and the efficiency of certain energy generation technologies. Whilst these impacts are possible, the overall direction of impact remains uncertain with both upward and downward potential impacts on power prices. Power prices can also be impacted by other factors such as commodity prices for natural gas and CO_2 emissions allowances.

To understand the relative significance of climate change as a driver of power price, Baringa compared the impact of year-to-year variations in weather with the impact of projected changes in commodity prices to power market revenues.

Baringa created economic models for Poland, France, Great Britain and Ireland to investigate this further. The results show that in 2035, commodity prices impact annual revenue +/- 32% compared to year-to-year variations in weather having a +/- 5% impact on annual revenue.

By 2050, the impact of commodity prices is reduced to +/- 9%, whereas the growing share of weather-dependent generation has increased the impact of weather to +/- 12%. This means that in the long-term, power price is not driven directly by the gas price but by the cost of the renewable generation that replaces it.

Considering the lifetime of ORIT's assets, the most material drivers on power price remain the commodity prices that are already considered in existing power price curves and our valuation models. Further consideration of this risk should be evaluated when assessing extending the life of assets or investment decisions in future years where asset lives push beyond 2050 where physical climate risks could have a more material impact on forecast power prices.

(ii) Physical climate impact on generation:

Given the immaterial overall impact of climate on forecast power prices, the main factor to consider that could have a material financial impact within ORIT's own investments is asset generation P50 assumptions that are used in valuations. Baringa used climate models to quantify the expected changes in average annual yield for GB and EU wind.[39]

Method:

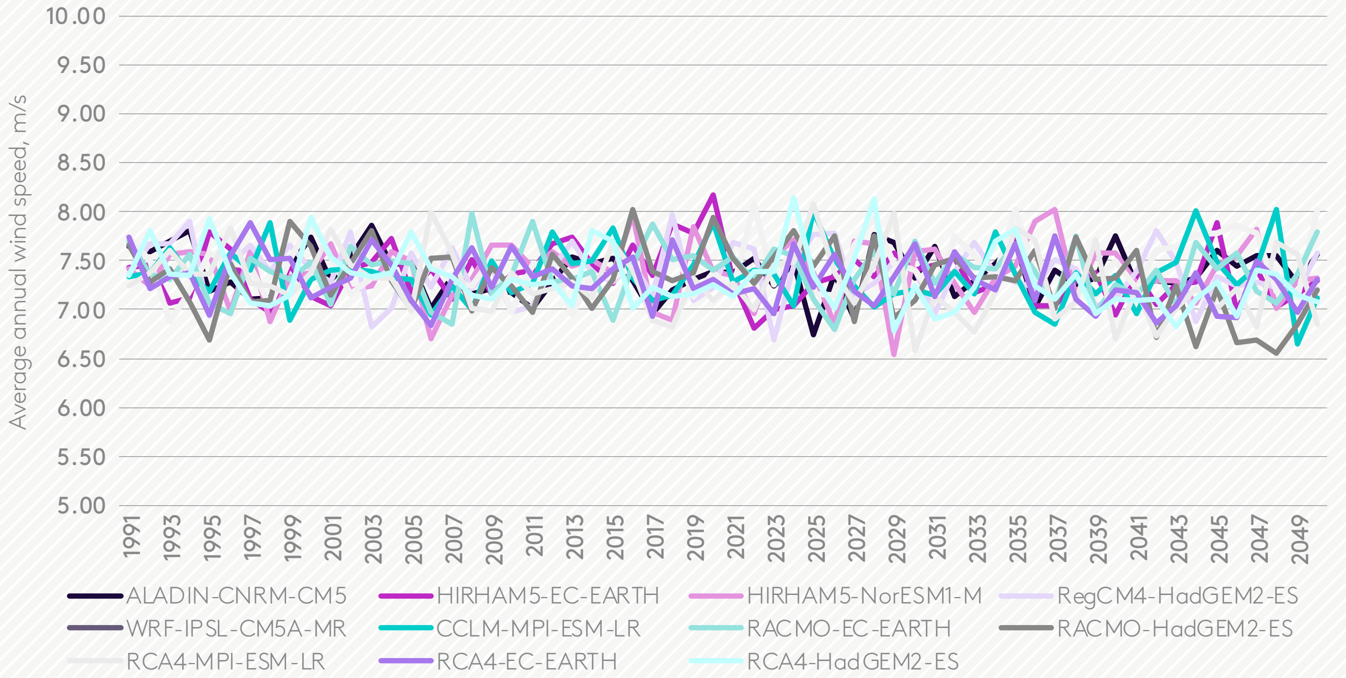
- 11 combinations of climate models (using a mixture of both regional climate and global circulation models)
- 3 combinations of climate models
- Time horizon: 1990 to 2050
- Scenario comparison: RCP2.6 vs RCP8.5
- @100m altitude, 3hr temporal granularity

[39] RCP refers to the Representative Concentration Pathway - a greenhouse gas concentration (not emissions) trajectory adopted by the IPCC

Results

Finding 1:

- In Great Britain there is no trend in wind speed, either upwards or downwards, indicating rapidity of climate change is not a driving trend.
- Power yield – assuming a cubed relationship between wind speed and yield – confirms the stable outlook projected in the IPCC Special Report of +/-7%
- Similar results found in other EU countries.

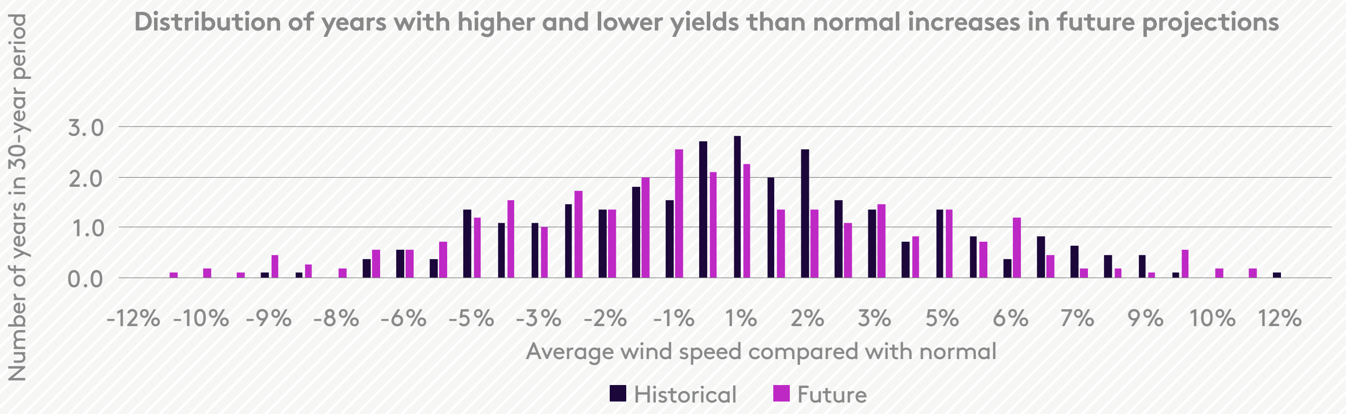



Cerisou

Results

Finding 2:

- The number of years with significantly higher and lower yields than normal increases in the future projections, meaning that the variability of annual output for wind generation is expected to increase
- With a stable average output, there is no direct financial impact of this observation Similar results found in other EU countries.



High Level Conclusion: There is a risk that variability may impact in-year generation and ability to capture price forecasts. This may result in overperformance and underperformance over short-term time horizons. However, average annual wind generator yield is not negatively impacted by climate change in a way that is material to the valuation of wind generation assets in the countries where the fund operates. Therefore, current valuation methods based on historical P50s are still a good predictor of long-term production and continue to be valid.

> The disclosure of financial risks and opportunities relating to climate change form part of ORIT's TCFD disclosures on page 107.


Abbots Ripton

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

13 CLIMATE ACTION

13. Climate Action

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).

17 PARTNERSHIPS FOR THE GOALS

17. Partnership for the Goals

17.17 - Encourage and promote effective partnerships, building on the experience and resourcing strategies of partnerships:
Shared knowledge with key counterparties to ensure continued compliance with the ESG policy and drive improvements to ESG land management practices.

www.un.org/sustainabledevelopment/

Planet

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

580k
Equivalent tCO_2 avoided[40]

8.48t
CO_2e per MW estimated carbon intensity (direct and indirect)

886t
CO_2e emissions offset (all direct emissions)

100%
investments qualify as sustainable in line with EU Taxonomy[41]

87%
Generating sites on renewable import tariffs

0
Environmental incidents

Maximise our positive environmental impact

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

Investing in Renewable Energy Assets enables investors to engage with and 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.

[40] 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.
[41] 100% of investments are significantly contributing to climate change mitigation.

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 own carbon footprint.

Carbon measurement and reporting

Electricity generated by wind and solar resources prevents harmful emissions from other sources such as coal powered electricity. However, there are still emissions incurred in the manufacturing and transportation of the solar panels and wind turbines through the supply chain.

In 2022 the Investment Manager on behalf of the Company engaged with Altruistiq to help calculate and validate the Greenhouse Gas ("GHG") emissions footprint for ORIT.

The Company has quantified and reported organisational GHG emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol 'Corporate Accounting and Reporting Standard' and 'Corporate Value Chain (Scope 3) Standard'. This approach consolidates the organisational boundary according to the operational control approach. The GHG sources that constituted the Company's operational boundary for the reporting year are:

- **Scope 1:** No relevant emissions sources apart from fugitive emissions
- **Scope 2:** Purchased electricity – market-based
- **Scope 3:** Purchased Goods and Services, Investments, Business Travel, Waste and Fuel-and-Energy-Related Activities "FERA"


Abbots Ripton

Given the nature of the Company, ORIT's Scope 1 emissions are negligible. Scope 2 emissions account for 11.27% of ORIT's total emissions footprint. The majority of the Scope 2 emissions come from one single asset (Kuslin wind farm) that was consuming large amounts of electricity as a result of ongoing construction that was finished in August[42]. Kuslin's contribution to Scope 2 emissions is compounded by the carbon intensive nature of the Polish grid. Now operational, Kuslin will consume less electricity and will help reduce the carbon intensity of the grid through the provision of green electrons. ORIT has offset it's direct Scope 1 and Scope 2 emissions. See page 76 for more details.

Scope	Emissions (t CO_2e)	% of Total
1 – Direct Emissions (fugitive emissions)	0.59	0.01%
2 – Indirect Emissions (Purchased electricity – market-based)[43]	885.24	11.27%

The Scope 3 Categories that were identified and calculated account for 88.72% of the total emissions footprint:

Scope 3 Category	Emissions (t CO_2e)	% of Total
Fuel & Energy Related Activities	3,730.9	47.5
Purchased Goods and Services	1,823.6	23.2
Business Travel	761.4	9.7
Investments	648.0	8.3
Waste	4.0	0.1

Absolute emissions for ORIT will continue to increase as it invests into more assets. The increase in "Fuel and Energy Related Activities" category is a result of the stationary combustion required during the period to power construction-related equipment at ORIT's construction assets.

ORIT's overall carbon intensity was calculated to be **8.48 tCO_2e per MW**. ORIT's weighted average carbon intensity ("WACI") for the period was calculated to be **11.52 tCO_2e/£m revenue**[44].

[42] Kuslin's electricity consumption contributes to 91% of the Scope 2 emissions (10.2% of ORIT's overall footprint).
[43] A market-based approach was used to calculate purchased electricity emissions and this is the figure reported as Scope 2. Location-based purchased electricity emissions were calculated to be 1,026.9t CO_2e. Total energy consumption for Scope 2 was calculated to be 4,293MWh.
[44] A market-based approach as used to calculate the WACI. The WACI using a location-based approach is equal to 15.65 tCO_2e/£m revenue.

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

		2022		2021		2020	
		UK Emissions	Non-UK Emissions	UK Emissions	Non-UK Emissions	UK Emissions	Non-UK Emissions
Scope 1	(tCO_2e)	0.0	0.6	0.0	0.0	0.0	0.0
Scope 2	Market based (tCO_2e)	0	885.2	0.0	5.0	0.0	18.5
	Location based (tCO_2e)	190.4	836.5	192.2	62.4	220.0	68.1
	Energy consumption (MWh)	1,568.4	2,724.9	905.2	1,150.5	943.6	1,287.9
Scope 3	(tCO_2e)	5,706.4	1,261.4	710.9	1,500.7	1,209.2	1,561.3

ORIT recognises the challenges in measuring its GHG emissions for all sites and activities.

- Quality and availability of data collected for conversion calculations can significantly impact accuracy of final emissions output. For example, during the period the availability of data relating to Scope 3 category "Purchased goods and services" was low.
- The specificity of the emission factors used to convert data into related emissions can also impact validity of final emissions output.

The Investment Manager has disclosed the different categories of data points used to calculate the Company's carbon footprint to transparently convey both the quality and accuracy of the carbon footprint reported.

The investment manager defines the different data points used as:

1) "Real data"

   a. "Actual activity data". This is real activity data received directly from counterparties on activities. undertaken during the period, for example, litres of fuel used for transport.

   b. "Actual spend data". Real spend data received, for example, money spent on fuel use for transport.

2) "Estimated activity data". Estimated activity data received directly from counterparties on activities undertaken during the period, for example estimated litres of fuel used for transport.

3) "Proxy data". This is data calculated by applying intensity metrics calculated from other similar solar or wind sites.

a. "Proxy activity data". For example, litres of fuel used for transport calculated by use of an intensity metric for fuel use from another site.

b. "Proxy spend data". For example, money spent on fuel use for transport calculated by use of an intensity metric for money spent from another site.

The table below shows the split between the defined categories of data:

Real data (22.5% total)	**Estimated activity data** (52.5% total)	**Proxy data** (25% total)
Actual activity data = 18.9%	**52.5%**	Proxy activity data = **8%**
Actual spend data = 3.6%		Proxy spend data = **17%**

Quality of data provided

22.5% of total data used to calculate the carbon footprint of ORIT was "real data". The Investment Manager has high confidence in the quality of the estimated activity data given the extensive engagement undertaken with ORIT's suppliers to understand how the estimates were finalised. Consequently, together with real data, the investment manager has a high confidence in 75% of the data points provided.

The remaining 25% of the data points were provided as proxy data calculated from intensity metrics from other similar sites. Whilst a recognised approach, assets of a similar size and the same phase can still have large differences in the scale of its operations. Consequently, the Investment Manager has low confidence in the quality of the proxy data used to calculate these emissions.

There is higher confidence in the quality of data for Scope 1 and Scope 2 emission figures compared to the Company's indirect Scope 3 emissions that arise primarily from the Company's supply chain. One of the considerable challenges facing every industry and business is the visibility and quantification of supply chain emissions, which may require transparency across different regions and countries. Given the difficulties to capture all emissions, the Investment Manager is pursuing a more iterative approach to improve the accuracy of its Scope 3 reporting by collecting more granular and accurate data for emission hotspots. The Investment Manager will continue to develop and refine the methodology to capture these emissions working with external asset managers and O&M contractors and reduce the reliance on estimated activity data and proxy data. Improved data quality is likely to impact the share of categories in Scope 3. However, it is expected the split of proportions between Scope 1, 2 and 3 will remain largely similar.

Accuracy of carbon conversions

There are also differences in the levels of confidence held in the accuracy of carbon emission factors, specifically between the conversion factors used on activity-based data and spend-based data. Spend-to-emission conversion factors are considered to be least accurate and as the Investment Manager determined, the least conservative. (See below case study for more information).

During the period 20.6% of total data was spend based data. This included both real spend data and proxy spend data.

Case study comparing activity-data and spend-data

The Investment Manager compared two different approaches for calculating Scope 3 emissions to determine which was the most accurate and most conservative.

- The first approach (the "activity first based approach") considered all activity data first before resorting to spend data for activities where activity data was not available. Activity data used emission factors specific to the stated activity to calculate emissions and the residual spend data used spend-to-emission factors.
- The second approach (the "spend-based only approach") only considered the spend data provided from the asset's financial year end accounts and used spend-to-emission conversion factors.

It was found that there was significant variation between the two approaches across all sites, with a trend of the spend-based approach under-reporting emissions compared to the activity-based approach. The Investment Manager determined that Scope 3 emissions should be reported in line with the activity first-based approach rather than the spend-based approach. This conclusion was made because of the lack of specific spend-to-emission conversion factors that likely impacted accuracy of the conversions and the lower total emissions calculated under a spend-based approach that suggested it was the least conservative approach.

The Investment Manager will continue to engage with external asset managers and O&M contractors and reduce the reliance on spend data.

Carbon reduction

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

The carbon intensity metric reported for ORIT has increased since last period but remains in line with the reported intensity of 2020.

2022	2021	2020
8.48 tCO_2/MW	5.23 tCO_2/MW	9.6 tCO_2/MW

These changes are dependent on factors such as the operational and construction split of assets, whereby construction assets typically display higher carbon footprints than operational assets. The increase in carbon intensity from last year can be attributed to the higher proportion of construction assets held by ORIT throughout the year compared to last year. It is also important to note that even within construction projects of a similar size, there may be still large variations in related carbon emissions. Factors such as foundation type, location and supplier can have very significant implications on an asset's footprint.

Carbon offsetting

Whilst carbon reduction remains the priority in ORIT's carbon strategy, ORIT does still commit to offsetting any residual direct emissions relating to its Scope 1 and 2 emissions.

The Company's chosen route for offsetting is through the purchase of verified carbon units. ORIT's direct emissions were much higher in 2022 compared to previous years given the high electricity consumption at Kuslin wind farm and the high carbon intensity of the Polish grid.

> **This year, ORIT has purchased a total of 886 carbon units. This is equivalent to offsetting ORIT's Scope 1 and Scope 2 emissions of 885.24 tonnes of CO_2.**

Securing ORIT's future carbon offsets

ORIT has purchased 400 tonnes worth of carbon in "Pending Issuance Units". These units have been secured both to future-proof ORIT's carbon units in light of increasing prices and low availability of "Woodland Carbon Units" and also to support new woodland creation in the UK.

A Woodland Carbon Unit ("WCU") is a tonne of CO_2e which has been sequestered in a Woodland Carbon Code-verified woodland. It has been independently verified, is guaranteed to be there, and can be used by companies to report against emissions or to use in claims of carbon neutrality or Net Zero emissions.

A Pending Issuance Unit ("PIU") is effectively a 'promise to deliver' a Woodland Carbon Unit in future, based on predicted sequestration. It is not 'guaranteed' and cannot be used to report against UK-based emissions until verified. However, it allows companies to plan to compensate for future emissions or make credible statements in support of woodland creation.

Supporting the planting of new UK woodland helps plant new trees today, but these woodlands do not deliver "offset" credits immediately. Only once the woodland biomass has grown sufficiently will its carbon credits be verified and converted from ex-ante PIUs to ex-post WCUs. Only then can only then be used as official offsets.

In recognition of the carbon impact of ORIT's operations, ORIT has decided to invest in a UK woodland carbon project that will capture 400 tonnes worth of CO_2 over the next 32 years. The units are derived from a "Forest Carbon" project in Acheilidh, Tain, Highlands. The new native broadleaf woodland is expected to deliver all 400 tonnes of carbon by 2055 and 75% of its carbon units by 2050. It is expected that Scope 2 emissions will significantly reduce next period, as the Investment Manager ensures renewable energy tariffs for ORIT's assets. Given ORIT's projected low annual direct carbon emissions, the Board expect these 400 units to help ORIT's Scope 1 and Scope 2 emissions to meet a 2050 net zero target. The Board will reassess if the purchase of additional PIUs will be necessary on a year-to-year basis.

The growing trees will also provide wider co-benefits beyond climate mitigation, including water quality improvements, habitat creation, employment, and cleaner air. Through ORIT's support for UK woodland creation, the Company is helping the country to meet its long-term international climate targets in a way that also benefits wider society.

EU Taxonomy for Sustainable Finance

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

An initial analysis of ORIT's investments against the EU taxonomy classification suggests that 100% of assets directly contribute to or enable climate change mitigation.

- All of ORIT's operational and construction portfolio directly contribute to climate change mitigation according to the EU Taxonomy's criteria; "Construction or operation of electricity generation facilities that produce electricity from wind power or from using solar photovoltaic (PV) technology."
- ORIT's investments into development platforms and development projects (investments into Simply Blue, NorGen and Wind2 pipelines) are considered enabling activities under the regulation. They contribute to the "Installation, maintenance and repair of renewable energy technologies" through their provision of architectural services, engineering services, drafting services, building inspection services and surveying and mapping services involved in the development of their renewable energy projects.

The Investment Manager has undertaken due diligence to confirm that all of ORIT's investments are in line with the "Do No Significant Harm" ("DNSH") technical screening criteria for Climate Change Adaptation, Circular Economy, and Biodiversity. This due diligence is part of the minimum requirements criteria set out in the ESG scoring matrix. Environmental objectives for Water and Pollution Prevention were categorised as not applicable under the EU Taxonomy criteria for ORIT's investments.

Climate Change Adaptation

Under the criteria for DNSH to climate adaptation, investee companies are required to identify their material climate risks by performing a climate risk and vulnerability assessment. Companies are also encouraged to create adaptation plans which identify solutions, prioritising those that mitigate the most material risks. ORIT's approach to climate risks is laid out in its TCFD disclosure on **pages 107 to 131.**

None of the adaptation solutions implemented or proposed would be expected to adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities. The adaptation solutions are also not expected to conflict with local, sectoral, regional or national adaptation strategies and plans. Overall, the renewable energy generated via ORIT's investments is expected to positively contribute to these adaptation strategies and plans through increased clean energy use and decreased reliance on emissions-based electricity generation.

Biodiversity

Under the criteria for DNSH to biodiversity, investee companies are required to demonstrate protection and restoration of biodiversity and ecosystems. This involves confirmation that; an environmental impact assessment or screening has been completed, that required mitigation and compensation measures suggested have been implemented and, for areas located in or near biodiversity sensitive areas, that an appropriate assessment and mitigation plan has been conducted with necessary mitigations implemented.

Where applicable, all of ORIT's investments adhere to this criteria. ORIT considers potential adverse impact on biodiversity as a key ESG risk during the investment cycle, and projects are required to evidence environmental screening, an impact assessment and a habitat management plan to pass minimum ESG criteria. The Investment Manager works closely with ORIT's asset managers to improve the biodiversity capital of its sites, for example through the development of best guidance criteria for land management and also the delivery of additional biodiversity initiatives that go above the proposed mitigation measures (e.g., wildflower meadows and pond formation).

Circular Economy

The lifetime of ORIT's investments is expected to be long (average lifetime of assets in the portfolio is 29 years). It is typical for renewable energy projects to have a decommissioning plan in place that encompasses the disposal and recycling of the waste materials. Many of ORIT's assets' materials can already be re-used and recycled using current technologies.

For example, the materials that represent the biggest part by weight of a wind turbine are concrete, steel, and other metals. Concrete can be crushed into aggregate and re-used in-construction projects. The steel and other metals in wind turbines are recyclable and can be re-used domestically within Europe. Whilst ORIT's investments already align with the generic criteria for DNSH to the transition to circular economy, we do expect the recyclability of these parts to increase over the coming years as more research is conducted on the sustainable disposal of renewable energy technologies.

The Investment Manager can also confirm that all investments are in line with the minimum safeguards criteria.

The energy sector (like every other sector) could be subject to human rights abuse that needs to be mitigated and the Investment Manager ensures appropriate due diligence is performed, and that human rights, equality, anti-bribery and corruption, taxation, and fair competition policies and/or processes are in place for portfolio companies and service providers alongside the Investment Manager's own policies and processes. This ensures that investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on fundamental Principles and Rights at Work and the International Bill of Human Rights. This is primarily achieved by only working with suppliers who align to a supplier code of conduct.

All of ORIT's investee companies align to a supplier code of conduct and we can confirm for each investee company that:

- there is no clear indication that the investee company does not adequately implement human rights due diligence resulting in human rights abuses (the Company nor its top management has not been convicted on a breach of human rights due diligence laws, the Company has not been approached by an OECD NCP or been involved in an allegation on the Business and Human Rights Resource Centre digital platform).
- the Company has not been finally convicted for tax evasion or for breaking competition laws.
- the senior management of investee companies have not been finally convicted of bribery.

Alignment Overview:

Revenues £111.5m	100% Aligned	0% Not Aligned	0% Not Eligible
CapEx £209.7m	100% Aligned	0% Not Aligned	0% Not Eligible
OpEx £35.0m	100% Aligned	0% Not Aligned	0% Not Eligible

Planet initiatives

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

Project	Outcome
Land Management: Enhanced engagement with Landowners as well as Asset Managers and Operations & Maintenance (O&M) contractors to ensure continued improvements to ESG land management practices.	A key focus area that the Investment Manager tasked the Asset Manager of the UK solar sites with was the enhancement of their engagement with the Landowners of ORIT's sites. Improved Stakeholder management with the Landowners has many benefits including; the avoidance of lease issues, access to local knowledge of the site for management, the promotion of local economy and jobs through their involvement in site management and also increased landowner engagement on the biodiversity enhancement projects that ORIT proposes. **Please see case study for more information.** Stakeholder Engagement
Rewilding: Continued partnership with SUGi, an organisation that "brings people closer to nature" by planting richly biodiverse pocket forests. More information on ORIT's partnership can be found here: https://www.sugiproject.com/partnerships/octopus-renewables	Following on from 2 successful projects in 2021, ORIT has funded another pocket forest in France (Agora Forest), and a further two in Cornwall bringing ORIT's pocket forests to a total of 5. **Please see case study for more information.** Sustainable Momentum Stakeholder Management Innovation
Conservation and local youth partnership: Ecologist company in charge of ORIT's solar farm's reptilian shelters partnered with a local youth organisation to teach them about biodiversity.	In September, an educational and biodiversity programme started at ORIT's French Solar site, Cuges-les-Pins in partnership with AGIR ecologique (the organisation currently responsible for the maintenance of the 5 reptile shelters on site) and ADDAP13 (an association focused on economic integration of excluded young people into society). Cuges-des-pins has 5 reptilian shelters. The local youth association ADDAP13 volunteered some of its members to learn about and participate in the maintenance of the reptile shelters. A group (6 teenagers and 2 supervisors) accompanied a member of AGIR écologique to refurbish the reptile shelters and the plant 30 shrubs on site. ORIT plans to continue to volunteer its sites for these types of educative experiences on biodiversity conservation management. Innovation


AGIR ecologique and members from ADDAP13 on site at Cuges-les-Pins, learning about reptilian shelter maintenance.

Case Study:

Propagating pocket forests with SUGi

The Investment Manager continues to develop its partnership with SUGi to plant pocket forests across Europe and the UK. SUGi helps deliver ecological restoration projects around the world. SUGi "Forest Makers" follow a Japanese technique called the Miyawaki Method to create ultra-dense, biodiverse forests of native species. SUGi has a strong community focus, involving organisations, schools and communities in the planting and maintenance of the projects. Their biophilic approach brings nature closer to people, helping to educate communities of the importance of biodiversity and inspiring the next generation to take a more active stance in its restoration.

ORIT has now planted a total of 5 pocket forests made up of 63 different species of trees across the UK and in France. With over 7,725 new trees planted, ORIT is making significant contributions in restoring biodiversity in these biodiversity-barren areas. Through this initiative ORIT is channelling capital into nature related projects and ensuring that opportunities are taken to use space more intelligently to maximise ecological benefit.

This case study re-visits some of the forests planted last year (Castle Green Forest II, UK and Rion Des Landes College, France) and introduces the new "Agora" pocket forest planted in Bezange-La-Petite in France and the two pocket forests planted in Cornwall, UK.

Castle Green Forest II Project:
An urban forest to mitigate pollution and bring biodiversity

1,400
Trees

400
Square meters

24
Native species

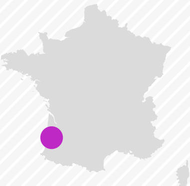
160cm
Average of tallest 3 trees

Left: Original unplanted site

Right: 12 months later

Field Notes

"This forest is doing well at 1 years old, having adapted well to the exposed conditions in the park, and is bringing a visible change to this former biodiversity desert. The sounds of bugs and birds can be heard as you stand by the forest, a welcome counterbalance to the busy traffic of the Ripple road nearby."



Rion Des Landes College Project:
Cultivating greenery and tranquillity for children in a treeless environment.

600
Trees

200
Square meters

29
Native species

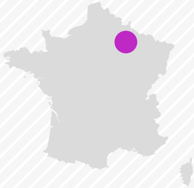
125cm
Average of tallest 3 trees

Left: Original unplanted site

Right: 12 months later

Field Notes

This forest is thriving at 1 year old - both in terms of its growth and its impact on the Rion des Landes College community. The pocket forest has an exceptional survival rate of 98%, particularly considering the summer heatwave and drought of this year. The tallest species is currently the chestnut tree (Castanea sativa). Flat mushrooms are growing around one of the hazeltrees (Corylus avellana), a sign of important initial fungal colonisation in the soil. 180 children at the school have been involved in the maintenance of the forest.



Agora Forest, Bezange-La-Petitie:
Reviving a pocket in a vast sea of agriculture.

The Agora Forest was planted over 3 days on the edge of Bezange-La-Petite, reviving a pocket of land that had become a biodiversity desert surrounded by intensively-managed agricultural land.

4,500 trees were planted over 1,500 sqm, involving 180 local volunteers of which 115 were children. It was a true 'community' planting; volunteers of all ages attended. Many local families got involved, as did the local school who sent four classes out to plant. There was a BBQ and hot drinks organised by a local team, which contributed to the community feel and made it a particularly joyful event.

30 native species were planted including the small-leaved lime (Tilia cordata), field maple (Acer campestre) and silver birch (Betula pendula). Agora Forest will be a vibrant community hub; including pathways and seating areas so that locals, young and old, can socialise, learn and enjoy the restorative benefits of nature. Agora Forest aims to set an example for other communities in the region, both urban and rural, highlighting the immense environmental, health, social and wellbeing benefits of such a project.

Pictures from the planting days at the Agora Forest

Trevisker Forest and St Kew's Forest, Cornwall:
Restoring endangered temperate rainforests.

Trevisker Forest and St Kew's Forest will provide outdoor classrooms for the children of Trevisker and St Kew's Primary, small schools in rural Cornwall. The projects create critical pockets of temperate rainforest, a now fragmented and rare ecosystem that once predominated along the west coast of the UK. It thrived thanks to the Gulf Stream, which provides mild, damp conditions that are ideal for rainforest biodiversity to flourish. These forests will forge a connection between hundreds of school children and nature, supporting their wellbeing along with that of the planet.

1,225 trees were planted over 350 sqm, involving 180 local children from the schools. It was a great hands-on opportunity for the school children to learn more about plant growth and the benefits they provide to human communities.

Left: Trevisker Primary Planting Day

Right: St Kew's Primary Planting day

Impact tracking

Who?

1 Planet

London, UK

Cornwall, UK

Rion Des Landes, France

Bezange-La-Petite, France

How much?

5 forests

495 children

7,725 trees

2,450 square meters

What?

63 native species planted using the Miyawaki method

Pollution mitigation

Biodiversity enhancement

Education

Impact Theme

Sustainable momentum

Innovation

Stakeholder Engagement

Case Study:

Stakeholder Management Landowner case study

The Investment Manager treats maintaining good Landowner relationships on sites under their management as a top priority. As ORIT's Asset Managers to its UK solar portfolio, Quintas Energy's Land & Property team have been tasked with enhancing Landowner engagement on sites in 2022. The objective of this engagement was to improve communication between site stakeholders, to benefit from Landowner's local knowledge for site management and to engage them on upcoming biodiversity enhancement schemes.

We are pleased to report that Quintas have successfully established working relationships with the landowners on ORIT sites, including Penhale, Chisbon, Wiggin Hill, Ottringham and Ermine Street. Several site meetings with the landowners have been conducted through the course of the year with positive results. A good example of successfully enhancing the relationship with the Landowner is Chisbon. Quintas have had two formal meetings with the Landowner followed by phone calls and email exchanges. The Landowner has permitted bees to be located on site, assisting with appropriately locating the hives and now in 2023, wishes to become involved in further biodiversity enhancement projects. As the landowner is also the grounds maintenance contractor on the site, he will be key in ensuring the management and future success of site initiatives. The benefits of having a working partnership with Landowners are plentiful enabling "multi-use" of sites and this has been fostered through dedicated resource as part of the ORIT's fund daily asset management service.

Beehives installed at Chisbon Solar Farm.

Who?

ORIT Landowners

How much?

5 solar sites

What?

Enhanced Landowner relationship and improved site management

Impact Theme

Stakeholder Engagement

UN SDG specific contributions

www.un.org/sustainabledevelopment/

7 AFFORDABLE AND CLEAN ENERGY

7. Affordable and clean energy

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.

15 LIFE ON LAND

15. Life on Land

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. Biodiverse pocket forests planted in partnership with SUGi to restore native biodiversity in urban areas and biodiversity-barren areas.

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People

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

396
Students benefitting from social initiatives

7,536
direct beneficiaries from the projects funded through the BizGive platform.

1
RIDDORS (or equivalent)

Managing our impact on society

Investing in renewable energy has natural positive impacts on people and for the wider society by benefitting the economy. By channelling capital towards "homegrown renewables" ORIT is also contributing to energy security, preventing future energy crises resulting from reliance on unsustainable global fossil fuel markets.

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 arrangements in place with its Investment Manager to ensure that health and safety risks are managed effectively.

Our Investment Manager employs specialist HSE consultants and additionally has employed a Head of Health and Safety to ensure that health and safety procedures are embedded into our model of investing and managing assets.

This integration is achieved through:

- Technical Compliance Standards
- Diligence and benchmarking of contractors
- Audits and ongoing oversight
- Continuous Improvement

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

RIDDORs	Lost time injuries (>7 days)	Near misses	Personal injuries	Minor equipment damage incidents
1	0	12	2	11

In the period of this annual report, there were zero lost time injuries (> 7 days), two personal injuries and one RIDDOR across the portfolio. The first personal injury related to an operative working on the Cumberhead wind construction site in Scotland using a remote-control crane who tripped on a load awaiting lifting and cut his knee. The injury was minor and was first aid treated on site and he returned to work.

The second personal injury related to an operative working on the Lincs offshore wind project (in which ORIT holds a minority stake). The injured party was working on a turbine, caught his foot and fell, cutting his knee. The injury was minor, and the affected person was able to return to work. The RIDDOR related to the statutory reporting of a 'dangerous occurrence'; an electrical fire caused by a short-circuit in an inverter leading to the generating station Abbots Ripton Solar Farm to come offline for >24h. Nobody was hurt and there has been no follow-up from the HSE.

Furthermore, there were 12 near misses, 11 incidents causing minor equipment damage only and 0 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 the world switches to clean energy.

ORIT actively engages with local communities, workers and customers and favours investments where there are opportunities to give fair access to affordable green energy, to share benefits with the community and to create local jobs. ORIT aims to give local communities a voice on projects in support of creating a Just Transition.

Workers - Job Creation

ORIT's partners and subcontractors commit to standards promoting equal opportunities, ensuring workplace best practice standards are upheld and encouraging diversity and inclusion. By doing so, ORIT aims to increase social economic distribution and equity throughout the job opportunities it creates. The Investment Manager engages key counterparties to understand what schemes they already have in place, and encourages the use of local labour (roughly within 30km radii of sites) on construction sites.

Community – Engagement and giving a voice

ORIT has committed to demonstrating a tangible benefit to the local communities of each of its portfolios. The Investment Manager is exploring other ways to give communities nearby a say in the transition. This may be through sharing profits via community benefit schemes, creating educational opportunities for local schools via workshops and site visits or providing funding for local charities that are fulfilling a need in the local area. As the portfolio continues to grow, ORIT's impact partnerships will help ORIT reach and create lasting impact for a broader range of beneficiaries. Applicability of community initiatives will be determined on a portfolio-by-portfolio basis. By engaging communities and local stakeholders early on, ORIT is also ensuring that social licence is generated for our investments, in particular where the Company looks to extend the years an asset can operate for.

Customers – Affordable green energy

ORIT provides clear benefits to wider society through the provision of cheaper, cleaner energy to the grid. This will help reduce energy bills and also improve energy security in the countries where ORIT's assets are located. In the past year, ORIT's assets have helped power an equivalent of 270,500 homes.

This year, ORIT has also focused on providing additional support via fuel poverty charities and organisations, to help individuals suffering under fuel poverty. **See case study for more information.**

ORIT also supports projects that improve socio-economic distribution and equity more widely through the organisations it partners with through BizGive. For example, ORIT is working with Generation to deliver Green Retrofit Workshops. Generation is a charity that runs employment programmes to prepare, place, and support people into life-changing careers that would otherwise be inaccessible to them.

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 and suggesting ways to improve this where possible.

The Company'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 Board is seeking to appoint a fifth Director to the Board to bring a senior operational perspective and to improve its ethnic representation. The Board is committed to ensuring that its composition reflects ethnic diversity, and it is looking to make meaningful progress on this front through this appointment. It welcomes applications from everyone regardless of age, gender, ethnicity, sexual orientation, belief or disability. All appointments will be made on merit, following a fair and transparent process.

The Investment Manager shares ORIT's values and places diversity and inclusion at the heart of them, 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 them.

Further detail can be found in the Impact Strategy.


Kuslin

People initiatives

Alongside keeping people safe, ORIT considers its 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 and beyond, utilising the experience and approach developed by our Investment Manager to maximise benefits.

Project	Outcome
Social Supply Chain Analysis: Developing robust methodology to mitigate supply chain modern slavery risk.	The Investment Manager has developed a strong Modern Slavery Policy and Panel procurement policy to help mitigate the risks of modern slavery in the global solar supply chain. **See case study for more information** **Equality & Wellbeing**
Local Community Education Initiatives: ORIT continues its partnership with Earth Energy Education and the Good Bee Company to deliver school visits, workshops and webinars.	Preparatory work is underway for more site visits and workshops for communities. These projects are expected to be carried out in the Spring and Summer months of 2023. **Stakeholder Management** **Equality & Wellbeing**
Fuel Poverty: Fighting fuel poverty through investment into renewables and partnership with fuel poverty charities.	ORIT has supported charities and organisations that provide vulnerable people with fuel poverty support. **See case study for more information.** **Sustainable Momentum** **Innovation** **Stakeholder Management** **Stakeholder Engagement**
Just Transition through BizGive organisations: further collaboration, engagement and impact, aligned to the UN's SDG framework and ORIT's impact objectives.	ORIT has granted a total of £70k to charities and community interest groups that have applied for funding on ORIT's BizGive Programme. Projects supported drive STEM learning, climate action, biodiversity conservation, and community renewables. **Innovation** **Equality & Wellbeing**

Case Study:

Tackling fuel poverty in times of crisis

Rising gas prices, low incomes and energy-inefficient homes are leading more and more people across Europe into the grip of fuel poverty. As society navigates through these challenging times, ORIT is well positioned to contribute to solutions. By channelling capital towards sustainable outcomes that mitigate climate change ORIT is also contributing to European energy security, and to preventing future energy crises resulting from reliance on unsustainable global fossil fuel markets. As laid out in ORIT's Impact Strategy, ORIT also incorporates social benefits in all its investments. Given the challenging back drop of the energy crisis, the ORIT Board decided to commit a significant proportion of its additional impact fund to support charities focused on tackling fuel poverty during the period.

GREEN DOCTOR

Green Doctors, Groundwork:

ORIT has made a donation of £12.5k to Green Doctors to help upskill some of their project officers to "Green Doctors" across England and Wales, particularly in North East, North West, West Midlands, South Wales and London. Green Doctors offer free and impartial energy advice across the UK to help residents reduce their energy bills, improve their wellbeing, and save energy for example through draught proofing.

The increase in cost of living and energy price cap are deeply affecting vulnerable households, and Groundwork continues to move quickly to meet this demand. ORIT's funding has also been allocated to facilitate more senior upskilling for experienced Green Doctors so that they can deliver full retrofitting assessment and coordination. ORIT is helping to create lasting positive impact in these regions, with this funding supporting the upskilling of around 12 Green Doctors- each delivering an upwards of 500 visits a year. On average the households they visit save £350 a year. With the average annual shortfall that places a household into fuel poverty being £333, the Green Doctor service is effectively lifting thousands of households out of fuel poverty every year.

énergie solidaire

Energie Solidaire:

ORIT has made a €12.5k donation to Energie Solidaire's Endowment Fund. Energie Solidaire supports local associations across France who in turn try to lift the most vulnerable households out of fuel poverty. The organisation's commitment committee selects the charity groups that are likely to make the most impact and works with them over a couple of years. Typical charities selected to take part include those that carry out minor renovation projects on energy inefficient homes and provide energy advice. ORIT's donation will be distributed to the charities by Energie Solidaire in the coming year.

Zink Energy Advice and Support:

ORIT has made a £2,900 donation to Zink. Zink is a community organisation that provides services to people and families in the rural Highpeak and Derbyshire Dales areas of the UK. Their holistic approach to supporting people towards better futures focuses on long-term resolutions rather than short-term quick fixes. Their services are tailored to the specific needs of the individual and can range from the provision of emergency food parcels to access to energy advice workers, work coaches and wellbeing activities. ORIT's contribution has gone towards the delivery of 160 energy advice appointments, providing 160 individuals with the tools they need to step out of energy poverty. A portion of these individuals may seek further help from Zink's work coaches, food banks and wellbeing services but it is expected that 140 issues will be resolved in the long-term, removing the demand of Zinc's emergency food parcels.

Home Energy for New Scots, The Welcoming:

ORIT has made a £9,524 donation to The Welcoming's "Home Energy for New Scots Project". This project aims to tackle and prevent fuel poverty and associated risks by providing energy advice and support to "New Scots" (refugees, asylum seekers and migrants) in Edinburgh. The Welcoming currently has over 1500 registered members who regularly attend activities – with an average of 160 new registrations every month. Their service users come from all over the world with the top 7 nationalities being: Syrian, Ukrainian, Afghan, Chinese, Sudanese, Polish and Spanish. Upon arrival in Edinburgh, they face significant language, cultural and financial barriers to social and economic integration. ORIT's donation has been allocated to support over 6 months' worth of weekly energy advice surgeries and one-to-one appointments, helping project participants to control their energy consumption, access financial support and adopt behavioural changes that will improve the energy efficiency of their homes.

> *To all the staff and volunteers at Zink, I just want to let you know how grateful I am to you all for all your hard work and help you have given me since I started coming to Zink over six months ago. I just wished I'd started coming sooner. Some people don't realise how lucky we are to have Zink to fall back on in bad times."*
>
> A Zink Energy Advice and Service client

Impact tracker

Who?

People in fuel poverty, refugees, asylum seekers and migrants

How much?

£25k

€ 12.5k

What?

Energy advice

Renovation works

Fuel poverty packages

Wellbeing services

Long-term support

Impact Theme

Sustainable momentum

Innovation

Stakeholder Engagement

Case Study:

Human Rights in the Supply Chain

ORIT is committed to acting ethically and with integrity in all its business dealings and relationships. ORIT recognises its responsibility specifically with regard to its supply chain and the Investment Manager is dedicated to taking the necessary steps to engage with and influence its supply chain to prevent any potential risks relating to human rights.

The solar sector could present a significant risk due to its connections to forced labour violations at the polysilicon level of its supply chain. The lack of traceability and transparency at this level of the global supply chain and the surrounding geopolitical challenges has lead the Investment Manager to develop a tailored risk management strategy to mitigate risks and build a more resilient supply chain for ORIT. The Investment Manager's goal is to eliminate this risk through increased transparency in the supply chain enabling evidence-based purchasing decisions and through actively engaging, lobbying, and driving change in the solar industry. As an investor and working with development and construction partners, ORIT believes that this approach will help influence what is considered acceptable in the industry and lead to meaningful improvements in global solar supply chain sustainability.

Investment manager actions for mitigating human right risks:

- The Investment Manager has put in place a strengthened due diligence framework made up of ESG-related policies, supplier code of conducts and due diligence questionnaires to help ensure all activities and business conducted in ORIT's supply chain seek to be in line with international labour standards[45]. More information can be found in the Investment Manager's "Modern Slavery Statement".
- The Investment Manager has worked with an external auditing partner (Clean Energy Associates) to develop a new procurement policy and an allow/deny list for equipment suppliers. The policy requires suppliers to provide written confirmations statements as well as evidence (for example through audits) that their business practices do not support forced labour. As co-authors of the Solar Energy Industries Association's ("SEIA") Traceability Protocol, Clean Energy Associates is well placed to carry out ORIT's auditing requirements.
- The Investment Manager is working to promote collective action from the industry by working on collaborative initiatives to increase traceability and responsible production of solar products. Given the systemic nature of the issue, efforts from industry bodies, regulators, expert advisors, NGOs as well as from ORIT's suppliers will be required to fully address the risks. The Investment Manager has been a long-term supporter of and sponsor of Solar Energy UK's and Solar Power Europe's Solar Stewardship Initiative, formally launched to the public in October 2022. This initiative works with stakeholder input from across the sector to establish new and improved standards for the solar supply chain.

For more information see:

https://a.storyblok.com/f/154679/x/f6a5ac9c32/oegen_modern_slavery_statement_092022.pdf

https://www.cea3.com/traceability-audits-for-pv-energy-storage

https://solarstewardshipinitiative.org/

[45] For example the labour standards laid out in the UN Global Compact, the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

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 and Earth Energy Education to provide free education programmes and site visits to local schools. Funding of multiple charities through BizGive supporting projects that drive STEM learning, climate action, biodiversity conservation, and community renewables.

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. Supply chain analysis and strengthened policies to ensure labour rights upheld across ORIT's suppliers.

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Risk and Risk Management

Risk Appetite

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

Principal risks and uncertainties

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

Procedures to identify principal or emerging risks:

Well managed risks are key to generating long-term shareholder returns. The purpose of the risk management framework and policies adopted by the Company is to identify risks and enable the Board to respond to risks with mitigating actions to reduce the potential impacts should the risk materialise.

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

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

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

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

Procedure for oversight

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

During the year, the Audit and Risk Committee have added additional principal risks covering Board effectiveness and compensation, contractor default and trading at a discount to NAV. The Audit and Risk Committee has also deemed that the risks associated with the UK Trade Deal are no longer significant to classify as a principal risk to the Company.

Principal risks

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

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

Risk	Potential Impact	Mitigation
Inflation and interest rates	The revenue and expenditure of the Company's investments are frequently partially index-linked and therefore any discrepancy with the Company's inflation expectations could impact positively or negatively on the Company's cashflows. Changes in interest rates may affect the valuation of the investment portfolio by impacting the valuation discount rate and could also impact returns on cash deposits and the cost of borrowing. In the event that actual inflation differs from forecasts or projected levels, the profitability of the Company may be impaired leading to reduced returns to shareholders. Increased inflation and a higher cost of living can adversely impact investor appetite.	Inflation and interest rate assumptions are reviewed and monitored regularly by the AIFM and the Investment Manager in the valuation process. Assumptions are set by the Valuations Consistency Group and valuations approved by the AIFM. It is expected that a natural hedge may occur where higher interest rates are also accompanied by higher inflation rates due to subsidies being inflation linked. The Company can utilise interest rate swaps or fixed rate financing to mitigate interest rate risks.
Foreign currency	The Company's functional currency is Sterling, but some of the Group's investments are based in countries whose local currency is not Sterling. Therefore, changes in foreign currency exchange rates may affect the value of the investments due to adverse changes in currencies.	The principal mitigation is through the Company's hedging policy which seeks to minimise the volatility of cash flows in non-GBP currencies. The RCF can also be drawn in multiple currencies to allow the matching of debt and the underlying assets. The Investment Manager monitors foreign exchange exposures using short and long-term cash flow forecasts. The Company's portfolio concentrations and currency holdings are monitored regularly by the Board, the AIFM and the Investment Manager. All FX hedges are held within the intermediate holding companies.
Government policy changes	The Company's investments in Renewable Energy Assets are remunerated by both government support schemes and private PPAs – the terms of these may be impacted by government changes or policy or even terminated in certain circumstances. This would adversely impact the value of the Company's investments.	The Company holds a diversified portfolio of Renewable Energy Assets and so it is unlikely that all assets will be impacted equally by a change in legislation. There is also strong public demand for support of the renewables market to hit "net zero" carbon emission targets.

Risk	Potential Impact	Mitigation
Geopolitical risks	Events in Ukraine and the impact of sanctions placed on Russia and affiliated countries may impact the target returns of the Company. The Company engages third-party contractors to oversee the day to day operations of the assets. If any of these contractors are impacted by the events in Russia and Ukraine, or by the current sanctions imposed on Russia, this may impact the performance of the assets, and ultimately the target returns of the Company. Assets located in nearby jurisdictions may be impacted by the conflict. The conflict may lead to increased volatility of power prices and hence valuations. Heightened power prices may lead to an increased risk of political intervention to regulate prices or impose windfall taxes. The conflict may lead to an increased risk of cyber attacks.	The Investment Manager undertakes extensive due diligence on all counterparties prior to conducting business with them and will fully comply with all sanctions. As part of this review, all counterparty due diligence has been reviewed and confirmed that the Group's current counterparties are not materially impacted by recent events or by the new sanctions. The Investment Manager will remain agile to the changing geopolitical environment and will continue to evolve and reassess appropriate mitigation strategies. Mitigations for power prices as well as for cyber security are described below.
Risks associated with climate change	Climate related risks relate to transition risks and physical risks. The prominent transition risk relates to oversupply of renewables over time, which may cause downward pressure on long-term power price forecasts setting lower capture prices, including the risks associated with periods of negative power prices and power price volatility. This could ultimately lead to a shortfall in anticipated revenues to the Company. The prominent physical risks relate to long-term changes to weather patterns, which could cause a material adverse change to an asset's energy yield from that expected at the time of investment. Physical risks associated with acute and chronic temperature change could lead to flooding, storms, and high winds. This could damage equipment and force operational downtime resulting in reduced revenue capability and profitability of the portfolio of assets.	The Investment Manager is actively engaging with third party advisors on how climate related risks are being modelled in long-term power price forecasts. There are likely to be opportunities associated with the transition to a low carbon future including growth in the market, government interventions and technology advancements that could counterbalance the transition risks of climate change on the Company. The Board and the Investment Manager periodically assess the Company's portfolio of assets for potential transition risks within the jurisdictions that it currently operates. The Investment Manager works with third-party asset managers to ensure an appropriate level of equipment spares to minimise downtime associated with damaged equipment. There is growing demand for consistent, comparable, reliable, and clear climate related financial disclosure from many participants in financial markets. The Board, AIFM and Investment Manager have included TCFD as part of the Company's Impact Strategy.

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

Risk	Potential Impact	Mitigation
Deployment	A deterioration of the investment pipeline may impact the ability to commit and deploy capital into suitable opportunities in the expected time frame. Competition in the infrastructure market remains strong which could limit the ability of the Company to acquire assets in line with target returns or incur abort costs where transactions are unsuccessful. Both deployment risks could ultimately impact shareholder returns.	The Company has an experienced Investment Manager with good presence and strong relationships in the renewables market. The investment mandate is diversified giving a broad landscape of opportunities. The Board and Investment Manager oversee the investment pipeline and abort exposure and frequently monitor its progress in relation to Company targets.
Reliance on third-party service providers	The Board has contractually delegated to third-party service providers day to day management of the Company. A deterioration in the performance of any of the key service providers including the Investment Manager, AIFM and Administrator could have an impact on the Company's performance and there is a risk that the Company may not be able to find appropriate replacements should the engagement with the service providers be terminated.	Each contract was entered into after full and proper consideration of the quality and cost of services offered, including the financial control systems in operation in so far as they relate to the affairs of the Company. All of the above services are subject to ongoing oversight by the Board and, where applicable, the AIFM and the performance of the key service providers is reviewed on a regular basis. The Board, through the Management Engagement Committee monitors key personnel risks as part of its oversight of the AIFM and Investment Manager and the Company's key service providers report periodically to the Board on their control procedures.
Valuations	Valuation of the portfolio of assets is based on financial projections and estimations of future results. Actual results may vary significantly from the projections, which may reduce the profitability of the Company leading to reduced returns to shareholders.	The Investment Manager has significant experience in the valuation of renewable assets and conducts a quarterly valuations process. The AIFM has a valuations committee separate to the Investment Manager to provide valuations consistency on macro assumptions and to provide oversight and challenge to the valuations. The Board and AIFM review the valuations provided quarterly and they are audited annually. Dividend cover and ratios monitored by the Investment Manager and reported to the AIFM.

Risk	Potential Impact	Mitigation
ESG policy	Material ESG risks may arise such as slave labour in the supply chain, health and safety, unfair advantage, bribery, corruption and environmental damage. If the Company fails to adhere to its public commitments as stated in its ESG Policy and Impact Strategy, this could result in shareholder dissatisfaction and adversely affect the reputation of the Company.	ESG is embedded in the investment cycle with a formal ESG matrix including a minimum target ESG score required for approval of any new investments. Ongoing operational and construction ESG risk management is reviewed periodically by the Investment Manager, who work closely with service providers on ESG and impact standards reporting. ESG Policy signed off and reviewed by the Board.
Conflicts of interest	The appointment of the AIFM is on a non-exclusive basis and each of the AIFM and Investment Manager manages other accounts, vehicles and funds pursuing similar investment strategies to that of the Company. This has the potential to give rise to conflicts of interest. Board and counterparties conflicts.	The AIFM and Investment Manager have clear conflicts of interest and allocation policies in place. Transactions where there may be potential conflicts of interest are overseen by the Investment Manager's conflicts committee, an independent fairness opinion on valuation is commissioned, and as with all transactions, the Board has final approval rights. The Board, AIFM and Investment Manager are responsible for establishing and regularly reviewing procedures to identify, manage, monitor and disclose conflicts of interests relating to the activities of the Company. These procedures are more fully described in the Company's prospectus dated 10 June 2021. Conflict of interest policies in place both at Board level and under the Listing Rules.
Board effectiveness and compensation	Inappropriate or inadequate Board composition left unidentified through a poor Board evaluation process could lead to poor decision making and adversely affect the reputation of the Company or result in a financial loss. Board compensation structures may encourage risk taking that is not aligned to Company strategy and risk appetite or may lead to an inability to retain knowledgeable Board members.	The Broker and Investment Manager were involved in the initial selection of the Board. The Nomination Committee is responsible for ongoing monitoring of Board composition. Board effectiveness is also reviewed externally every 3 years. External benchmark surveys are undertaken on Board remuneration via the Remuneration Committee and ratified at the Annual General Meeting.

Risk	Potential Impact	Mitigation
Trading at a discount to NAV	The Ordinary Shares may trade at a discount to NAV and shareholders may be unable to realise their investments through the secondary market at NAV which could lead to a loss of market confidence in the Board and/or Investment Manager. A failure to adapt to changing investor demands could reduce the demand for shares and widen the discount further.	The Company's Broker monitors the market situation and reports regularly on the status, along with demographics and changes in shareholder register. Regular shareholder communications and marketing roadshows undertaken to ensure updated information is available to the market/shareholders. The Board has put in place a discount control policy and has the option of a share buyback if the Board believes it to be in shareholders' interests as a means of correcting any imbalance between the supply of and demand for the Ordinary Shares. The Company also has the ability to hold treasury shares to mitigate this risk.
Cyber security	Attempts may be made to access the IT systems and data used by the Investment Manager, Administrator and other service providers through a cyber-attack or malicious breaches of confidentiality that could impact the Company reputation or result in financial loss.	Cyber security policies and procedures implemented by key service providers are reported to the Board and AIFM periodically to ensure conformity. The Investment Manager has a robust 3 lines of defence risk model in place in place to implement, check and audit technology controls. Thorough third-party due diligence is carried out on all suppliers engaged to service the Company. All providers have processes in place to identify cyber security risks and apply and monitor appropriate risk plans.

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

Risk	Potential Impact	Mitigation
Power prices	The income and value of the Company's investments may be adversely impacted by changes in the prevailing market prices of electricity and prices achievable for off-taker contracts. There is a risk that the actual prices received vary significantly from the model assumptions, leading to a shortfall in anticipated revenues to the Company.	The Investment Manager has a specific Energy Markets Team that monitors energy price forecasts and puts in place mitigating strategies. This could be through the use of short-term PPA contracts to fix the electricity prices where possible, or to hedge the exposure of fluctuating electricity prices through derivative instruments. Model assumptions are based on quarterly reports from a number of independent established market consultants to inform on the electricity prices over the longer-term.

Risk	Potential Impact	Mitigation
Construction	Construction project risks associated with the risk of inaccurate assessment of a construction opportunity, delays or disruptions which are outside the Company's control, changes in market conditions, and the inability of contractors to perform their contractual commitments could impact Company performance.	The Investment Manager monitors construction carefully and reports frequently to the Board and AIFM. The Investment Manager undertakes extensive due diligence on construction opportunities and has in place clear approval processes for any material construction cost overruns and contingency spend.
Development	Development project risks associated with delays, increases in costs or ultimate failure to deliver the expected assets to construction ready status.	The Company's maximum exposure to development is limited to 5% of GAV. The Investment Manager monitors progress of development projects carefully and ensures all costs are managed appropriately. A clear approval processes is in place for any material project cost overruns and contingency spend. Cost and progress analysis of development projects is reported frequently to the Board and AIFM. The Investment Manager also monitors exposure to any one developer to ensure this is kept within reasonable limits.
Asset-specific risks, including production and HSE risks	Circumstances may arise that adversely affect the performance of the relevant renewable energy asset. These include health and safety, grid connection, material damage or degradation, equipment failures and environmental risks.	The Company's experienced Investment Manager oversees and manages asset and site level issues. Third-party O&M contractors are engaged to carry out regular preventative maintenance and a level of spares is maintained from diversified manufacturers. The Investment Manager uses established relationships with relevant DNOs and works closely with them to maintain grid connection. A SH&E Director is employed by the Investment Manager to oversee and advise on the HSE system for renewable assets. The Company has in place insurance to cover certain losses and damage.
Contractor default risk	In the current economic climate, there is also an increased risk that service providers default on their contractual obligations or suffer an insolvency event.	The Company and the Investment Manager will seek to mitigate the Company's exposure to contract default risk through carrying out qualitative and quantitative due diligence on counterparties.

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

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

Financial risks – various types of risk associated with financing and liquidity. Further financial risks are detailed in **Note 16** of the financial statements.

Risk	Potential Impact	Mitigation
Risks associated with borrowing can impact on Company performance	The Company's investment policy involves the use of long-term and short-term debt. The use of leverage may increase the volatility of the Net Asset Value, may significantly increase the Company's investment risk and could lead to an inability to meet financial obligations. The Company may be unable to obtain borrowing facilities at appropriate levels impacting returns. Risks include refinancing risk, covenant breaches, poor management of assets and liabilities, over-gearing and possible enhanced loss on poor performing assets.	The Board monitors debt covenants, gearing limits appropriate to the Company and reviews any debt facilities before financial close. Portfolio allocations are monitored on an ongoing basis by the AIFM to ensure compliance with borrowing policy and limits stated in the investment policy. The Company has the ability to enter into hedging transactions in relation to interest rates for the purpose of efficient portfolio management to protect the Company from fluctuations of interest rates. Read more above in interest rate, currency and power price risks.

The Board are of the opinion that these are the principal risks, but mindful of their obligations under the changes made to the AIC Code of Corporate Governance issued in February 2019, the Board has also considered emerging risks which may impact the forthcoming six-month period. There are no additional risks to note as a result of this review.

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

The TCFD, established in December 2015 by the Financial Stability Board, was tasked with reviewing how the financial sector could take account of climate related issues. In 2017, the TCFD published its recommendations for consistent climate-related financial risk disclosures across Governance, Strategy, Risk Management, and Targets & Metrics. Eleven recommendations across these four pillars were prescribed for companies to provide information to investors, lenders, insurers, and other stakeholders. The TCFD recommends that all organisations provide climate-related disclosures in their annual report and accounts, providing a framework to help companies assess the risks and opportunities associated with climate change.

Following this, the Financial Conduct Authority ("FCA") issued a rule, effective for periods beginning on or after January 2021, for UK premium listed companies to start to report against the TCFD, with other companies to follow. Whilst not currently mandated to make a TCFD disclosure, being excluded as an Investment Trust, ORIT supports the TCFD's aims and objectives and has decided to voluntarily report in line to adopt best practice disclosures. Material climate-related financial disclosures can help support investment decisions as we move towards a low-carbon economy. The Company is acutely aware of the risks of climate change and through its investment mandate, believes it is well placed to contribute to solutions and harness the opportunities that arise from a transition to net zero. However, no company is isolated from climate change, and the disclosures below outline the climate-related risks ORIT faces.

Statement of Compliance

The Company is pleased to confirm that it has included climate-related financial disclosures aligned with the four recommendations and the eleven recommended disclosures provided in the TCFD's 2021 report 'Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures', which included additional guidance for Asset Owners and Asset Managers.

Governance

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

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

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

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

At each quarterly Board meeting, the Board formally considers risks and opportunities to the Company, including those that are climate related. The Board recognises that the Company is not insulated from climate-related risks but uses this meeting to consider in detail the emerging issues and opportunities in the energy sector and how this represents risks and opportunities to the Company's Investment Strategy. The Board remains agile to respond to emerging issues and opportunities. In particular, the Company benefits from the significant climate related expertise of Board member James Cameron and this, alongside the Investment Manager and broader industry expertise through the Octopus Energy Group, informs and educates the Board so that decisions can be made on the short, medium and longer-term strategy of the Company. The Investment Manager also receives market updates regularly through its networks and membership to the Institutional Investors Group on Climate Change "IIGCC". This enables the Investment Manager to remain informed about developments in the market and how peer group companies (who also invest in renewable energy) are responding to the emerging risks and opportunities related to climate. The Board also reviews and approves the Company's ESG and Impact Strategy annually which includes climate-related KPIs, metrics and targets which are reported on in both the Interim and Annual Report.

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

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

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

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

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

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

Every investment is assessed for climate-related risks and these are evaluated and presented in the investment committee paper to both the Investment Manager's Investment Committee ("OEGEN IC") and ultimately to the Board for final transaction approval.

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

- Physical, deriving from possible material impacts on ORIT's assets as a result of the future evolution of climate variables. These are related to changes in temperatures, sea levels, precipitation, irradiance, wind speed and an increase in extreme weather events both in terms of frequency and intensity.

- Transition, associated with all the risks that may appear in the world's decarbonisation process, such as regulatory changes, market, technological and reputational risks, and changes in demand.

Due diligence at the investment stage includes reviewing natural hazards in the region where an asset is located, using the ThinkHazard and Climate Scale tools, and in-depth technical due diligence in line with the EU Taxonomy's "do no significant harm" to Climate Change Adaptation criteria.

Case Study: Example of evaluating a prospective investment
Method of assessment:

A climate risk assessment was completed for Crossdykes wind farm in line with the IPCC modelling recommendations. This was done to understand the climate change resilience of the asset prior to investment. The assessment considered different potential future climate change scenarios (RCP4.5 and RCP8.5 scenarios), covered the expected lifespan of the asset and compared the relative change to baseline historical periods.

Risk results:

Minor and low climate-related risks were identified for changing temperatures, heat stress, precipitation, floods and wildfires. Medium risks were identified for average wind speeds and extreme wind speeds under each scenario. The modelling suggested both an upward and downward trend in average wind speeds, with orders of up to 6%.

Actions carried out before investment approval:

Further sensitivities on yield were carried out and presented to the Investment Committee. This was done to illustrate the potential impacts of an upward and downward trend in average wind speeds. This included sensitivities where:

- Energy yield decreased by 1% vs base case
- Energy yield decreased by 5% vs base case
- Energy yield increased by 3% vs base case

Suggested mitigants for extreme wind speeds included control optimisation for the turbines, to reflect changing wind speed profiles and the overall loading characteristics of the turbine. The contingency budget was deemed sufficient to cover any potential additional costs.

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

Strategy

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

The transition to a lower carbon future is ingrained within the Company's Investment Strategy. As such, ORIT is well positioned to take advantage of the investment opportunities that arise from this transition – over the short, medium, and long-term. The current average remaining asset life in the portfolio is 29 years and therefore a long-term view is required on the risks and opportunities. However, the pace of change is accelerating, and it is difficult to predict how much change will occur in what time period. Last year the Company defined the short-term as the next 12 months but have revised this to a more appropriate short-term horizon of 0-5 years. Therefore, for the purposes of climate risk analysis, ORIT defines short-term as the next 5 years, medium-term as the next 5-15 years and long-term beyond that. The appropriateness of the time horizons will continue to be evaluated each year by the Board.

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

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

ORIT has explored qualitative scenario planning to determine which climate-related risks could have a material financial impact on the Company. ORIT has considered potential impacts on financial performance (revenues and expenditure) and its financial position (assets, liabilities and capital planning). Based on sensitivity analysis shown in **Note 15** to the financial statements, **climate-related risks that could impact energy prices or production have the potential to have the most material financial impact on ORIT**. To determine the materiality of potential impacts on the valuation of the asset, ORIT has piloted quantitative scenario planning on the impact of power prices on a UK wind asset. The results are laid out **on pages 65 to 68**.

<table>
<tr><th colspan="3">Opportunities and Risks</th></tr>
<tr><td>Short-term
(0-5 years)</td><td colspan="2">There is little difference in the risks and opportunities in the short-term between the given scenarios, as too little time has occurred to meaningfully determine the pathway. All efforts in the short-term will be focused on driving towards a 1.5/2-degree scenario. Consequently, in the short-term, we consider a higher likelihood of transitional risks and opportunities compared to physical changes.</td></tr>
<tr><td></td><td>Opportunities

Significantly increased investment opportunity
Increased global efforts to tackle climate change provides investment opportunities to emerging technologies and emerging markets. This expands the investment opportunity for ORIT, presenting opportunities for investment mandate expansion and allowing ORIT to take further advantage of the benefits of diversification.

Increased product and services availability
ORIT has an opportunity to take advantage of the products and services that many businesses may start to offer that give preferential rates to ESG or sustainability-linked investments and businesses (for example ESG-linked insurance and ESG linked credit facilities).</td><td>Risks

Competition risk remains as ORIT develops its proprietary pipeline
The main risk in the short-term is an increasing volume of capital looking to deploy into renewables. Competition for assets in ORIT's key geographies remains strong.

The Investment Manager's strong networks and experience has allowed ORIT to continue to acquire assets at attractive valuations relative to the market. The Company has responded to this increased competition by introducing a small allocation to developers and assets at the development stage. This gives ORIT access to a proprietary pipeline of assets into which it can invest at the construction-ready stage, mitigating competitive asset price risks and protecting investor returns.</td></tr>
</table>

Opportunities and Risks

Medium-term (5-15 years)

There may be both transition risks and opportunities in the 4-degree scenario, depending on governmental and societal response. In the medium-term under a 4-degree scenario, there will either be a lack of investment into climate change mitigations (transition risk) or a lack of effectiveness of the existing policies creating further drive for renewable energy investment (opportunity).

Opportunities

Increased performance opportunity

Government policies aimed at the transition to net zero may present opportunities for ORIT by making it more likely/easier to:

- Acquire asset life extensions on existing sites.
- Acquire and invest in co-located battery storage.

Operational expenditure
Technology advancement may bring down costs for construction, spares and repowering.

Electrification
Increasing demand for electricity through electrification across all industries continues to generate vast investment opportunities to increase the global capacity of renewable energy generators. Increasing demand supports the power price for electricity.

Mandate expansion
As new technologies arise and become investable (for example battery and green hydrogen technologies), this may provide ORIT with an opportunity to broaden its investment mandate to take advantage of these emerging investment opportunities as the technologies mature.

Risks

Increased in-year variability in weather patterns. This could lead to underperformance or overperformance of the portfolio within specific years and in-year captured power prices.

Acute weather
Higher frequency or severity of weather-related events such as winter storms, surge floods, hail and wildfires. Exposure to physical risks needs to be monitored across the portfolio and assessed for each investment opportunity, but we expect on balance these will not materially increase in the medium-term.

Potential regulatory and financial risk
Where investments become dependent on government interventions, this could represent increased regulatory or financial risks for ORIT.

Operational expenditure
Implementation of carbon pricing and taxation could impact companies within the supply chain. This may lead to price increases and increased costs for constructing assets, ultimately resulting in reduced financial returns from investments.

Power-price volatility
In the medium- to longer-term, as fixed-revenue and subsidy regimes elapse, assets will be subject to power price market risks. As renewable energy represents an increased proportion of electricity generation, there is a risk that there will be increased fluctuations in power prices due to the intermittent nature of generation from solar and wind assets. Alongside existing power-price hedging and fixed PPAs, we expect this risk to be mitigated through the introduction of more grid-supporting infrastructure like co-located storage facilities.

Opportunities and Risks		
Long-term (15+ years)	**In the long-term, the scenario will have a larger impact on the scale of the risks and opportunities presented. Under a 1.5/2-degree scenario, governmental measures have started to work. Taking advantage of the investment opportunity will be required to keep pace with the increased demand for renewables. Under a 4-degree scenario, we expect more dramatic efforts to reverse the effects of climate change to be made, leading to an increase in the Company's transitional opportunities and risks. We also expect the realisation of the most significant physical risks.**	
	Opportunities	**Risks**
	Significantly increased investment opportunity Increased global efforts provides investment opportunities to emerging technologies and emerging markets expanding the investment opportunity for ORIT. **Repowering** Repowering becomes financially attractive through lower capital costs. This increases the useful life and the valuation of operational assets.	**Price uncertainty** Transition risks can arise from unexpected changes to government policies. A faster than forecast transition to a global renewable energy supply would increase the penetration of zero marginal cost electricity with gas no longer setting the price for electricity. This additional 'price cannibalisation' could result in generating assets selling their power for less than forecast at investment. **New technology uncertainty** Investments into newer technologies could underperform compared to investment cases. **Physical climate risks** Physical climate risks in this scenario are likely to result from chronic long-term changes to weather patterns alongside increased frequency of acute weather risks. **Societal Breakdown** A lack of investment into energy security over previous years could lead to societal breakdown as global supply chains are disrupted.

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

Transition risks and opportunities have the potential to have the largest impact on ORIT in a 1.5/2-degree scenario, whereas physical risks and opportunities become more significant in a 4-degree scenario. This is in line with current assumptions that physical risks will be more limited in the 1.5/2-degree scenario. In this section, we disclose each climate scenario's level of impact to ORIT's (i) strategy, (ii) portfolio investments and (iii) financial planning.

Level of Impact

Positive impact	Climate-related risks and opportunities likely to have a **positive impact on the Company**	Opportunities that are estimated to potentially cause increases in performance of more than 5% (revenue increase, cost reduction NAV increase, decreased cost of capital)
Neutral impact	Climate-related risks and opportunities **unlikely to have a material impact on the Company**	Opportunities and risks that are estimated to potentially cause increase or decrease in performance between -5% to 5%.
Negative impact	Climate-related risks and opportunities could have a **negative impact on the Company**	Risks that are estimated to potentially cause decreases in performance of more than -5% (revenue decrease, cost increases NAV decrease, increased cost of capital)

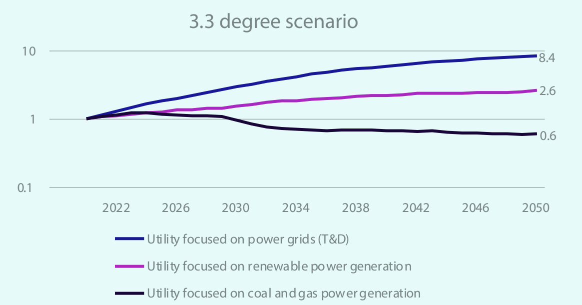
(i) Strategic Impact

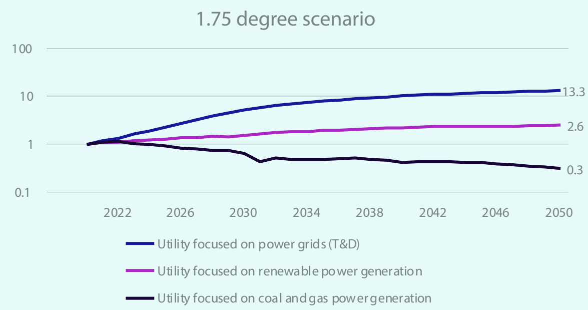
Transitional risks and opportunities	
1.5/2-degree scenario: Positive **4-degree scenario:** Positive	Government policies across Europe have shown that renewable energy is key in decarbonising the energy sector in the short- and medium-term. Delivery on these ambitions requires a significant increase in the pace of investment into renewable energy, all of which leads to a growth in ORIT's investment opportunity. Energy security concerns are also leading many countries to reduce their reliance on other fossil fuel rich countries for their energy. Instead, countries are securing their energy by building out their country's renewable energy capacity. The International Energy Agency reports that clean energy investment could be on course to exceed $2 trillion per year by 2030, an increase of over 50% compared to 2022. The Company is well placed to be agile and respond to emerging investment opportunities and access to increased levels of capital through its diversified investment approach as well as new technologies. The growth in ORIT's investment opportunity is expected in both scenarios but we expect a larger growth under a 1.5/2-degree scenario. For further commentary on decarbonisation and the investment opportunity please see the Market Outlook Section of the report on page 34 and the Case Study below on "Revenue for Utilities focused on renewable energy generation".

Case Study: Bloomberg New Energy Finance ("BNEF") Study on Revenue for Utilities focused on renewable energy generation

Power-grids are expected to become the backbone of the energy system in the 1.5/2-degree scenario as a result of the widespread electrification of services to accelerate decarbonisation. BNEF's TRACT model analyses how today's utility businesses would perform in these future scenarios assuming their current focus areas (renewable focused generation, coal and gas-fired generation).

The results indicate that utility businesses that today are focused on renewables would experience the greatest increases in revenue on the path to a 1.5/2 and 3.3 degree scenario by 2050. The difference in upsides that renewables-focused utility businesses experience is the result of the exposure that fossil-fuel exposed utility businesses have to carbon pricing, and the significant demand for new renewable capacity that will be realised in coming decades.





(ii) Portfolio Investments Impact

Physical risks and opportunities – impact on energy generation	
1.5/2-degree scenario: Neutral **4-Degree scenario:** Within year there is a risk it is Negative	It is recognised there are increased physical risks in a 4-degree rather than a 1.5/2-degree scenario in the long-term. This could cause variations in an asset's energy yield from what was expected at the time of investment and increased costs of repairs and maintenance through acute and chronic changes in weather. Yield impacts are modelled through portfolio valuation models and P10/P90 impacts evaluated. To understand the materiality and financial impact of this risk, the Investment Manager has carried out an analysis on projected wind speed under a 4-degree scenario across its assets and the results are included in the next section. Long-term wind speeds are not expected to materially change as a result of climate change, but in-year variability could lead to underperformance or overperformance of the portfolio within specific years and in-year captured power prices. For solar, increased irradiance results in increased production, but as temperatures increase, the efficiency of solar panels decreases. Higher precipitation, hail and snow have the potential to cause damage to solar panels. Initial analysis suggests a 1.1% decrease in yield due to increased temperatures under a 4-degree scenario. The Investment Manager mitigates the impact of physical climate risks on the portfolio by diversifying the investments' phase, technology, and geography. This diversification is expected to provide the portfolio returns added protection and durability to physical climate risks compared to that of a more restricted and unvaried portfolio. The Investment Manager reduces the potential impact of acute risks on an asset-by-asset level (e.g. flooding) through diligence of asset design, avoiding investments in high-risk assets, spares programmes and insurance cover. Every asset is assessed at investment for climate-related risks in each scenario.

Transitional risks and opportunities – impact on energy price	
1.5/2-degree scenario: Neutral **4-Degree scenario:** Neutral	The impact of power price risk is modelled within the proprietary models developed for portfolio monitoring and valuing renewable assets with sensitivities for a +/- 10% parallel shift in power price forecasts evaluated quarterly. The reference case used in the power price curves on which the valuations are based on is in line with build out of renewables in line with a 1.5/2-degree scenario. Considering the lifetime of ORIT's assets, the most material drivers on power price are those that are already considered in the reference case, for example the commodity prices – CO_2 cost, gas cost, and technology costs. The impact of physical changes in climate on EU power prices is relatively small. For example, Baringa's analysis suggested that in 2035, commodity prices impact revenue +/- 32%, whereas weather variation impact revenue +/- 5%. Under both scenarios, we continue to use updated power price curves to ensure that the valuations consider the most material drivers. The risk is managed by monitoring wholesale energy price and reacting appropriately, for example by implementing price hedges and portfolio diversification.

Case Study: Physical risks based on generic assumptions to understand which are most relevant to Solar and Wind Assets

Icon	Meaning
	Onshore Wind (applicable)
	Offshore Wind (applicable)
	Solar (applicable)
	Risk avoided by the standard due diligence undertaken as part of identifying for acceptable sites for development
	Risk not expected to be relevant for portfolio locations in the EU
	Risk not expected to be applicable to /impact solar and wind

Expected Risk level	Potential impact
Positive	Expect the change in climate to present itself as a positive economic impact
Neutral	Expect the risks are manageable as part of day-to-day operations, with no material economic impact
Negative	More likely that the risk may present an economic impact to the project
Not Applicable	Risk not applicable or no expected impact

	Temperature-related	Wind-related	Water-related	Solid mass-relates
Chronic	Changing temperature (air, freshwater, marine water)	Changing wind patterns	Changing precipitation patterns and types (rain, hail, snow/ice)	Coastal Erosion
	Heat Stress		Precipitation or hydrological variability	Soil degradation
	Temperature Variability		Ocean acidification	Soil erosion
	Permafrost thawing		Saline intrusion	Solifluction
			Sea level rise	
			Water Stress	
Acute	Heat wave	Cyclone, hurricane, typhoon	Drought	Avalanche

	Temperature-related	Wind-related	Water-related	Solid mass-relates
Acute	Cold/wave/frost (other than icing covered elsewhere)	Storm (Extreme cases covered above)	Heavy precipitation (rain, hail, snow/ice)	Landslide
	Wildfire	Tornado	Flood (coastal, fluvial, pluvial, ground water)	Subsidence
			Glacial lake outburst	

(iii) Financial planning impact

Transitional risks and opportunities	
1.5/2-degree scenario: Positive **4-degree scenario:** Positive	The Company could benefit from an accelerated shift to sustainable investments through lower costs, growth of the Company, a progressive dividend policy and through raising additional capital at a premium. We expect these benefits to be more pronounced under a 1.5/2-degree scenario. Repowering and asset life extensions may become financially attractive through lower capital costs increasing the useful life and valuation of operational assets that were starting to approach end of life. ORIT may also have an opportunity to take advantage of the products and services that many businesses may start to offer that give preferential rates to ESG or sustainability linked investments and businesses (for example ESG-linked insurance and ESG linked credit facilities). Financial projections are based on models with a large number of underlying assumptions, in particular, power price forecasts and yield estimates. Whilst ORIT utilises several external advisors to produce and validate these assumptions and they, in turn, use a number of different climate models, ORIT's financial forecasts and budgets are still subject to climate-related risks associated with the accuracy of these assumptions. Financial returns could also be impacted due to regulatory or government intervention or changes in policy. It is difficult to predict whether these will on balance have a positive or negative impact on the portfolio investments.

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

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

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

Under a high transition risk scenario we assume that policy measures are put in place to accelerate the transition and decarbonisation of the energy sector. Under this scenario the factors which have been considered include:

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

The Investment Manager utilises a blend of up to three independent and widely used market consultants when forecasting long-term cash flows and valuations of Renewable Energy Assets. These forecasts are closest to the 1.5/2-degree scenario and consider governments' net zero commitments and policies and are updated on a quarterly basis. Therefore, the valuation of our assets is based on a high transition risk scenario and are likely to remain live as the transition to net zero occurs. In a 4-degree scenario, it is likely that build-out is slower and interventions have been slower than forecast or not worked.

(ii) High physical risk scenario (4 degrees scenario)

Acute weather impacts

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

In partnership with Climate Scale, we have assessed all of ORIT's solar and wind assets for climate-related hazards under a 4-degree scenario. Climate Scale provides high-resolution climate data and climate advisory to businesses, enabling the identification of climate change risks and opportunities, building on their existing experience working with renewable energy resource data to physically downscale climate data to the resolution for local applications. Risks categorised as "medium" or "high" risk through Climate Scale and/or the technical due diligence completed at point of investment are laid out below, alongside the mitigation measures put in place.

Solar

Climate Risk	Potential Impact	Technical mitigation measures in place	Unmitigated impact & how this is considered in ORIT's long-term assumptions
Extreme fire conditions (>40°C) expected to occur at 11 solar sites bi-annually	**Material failure of central inverters due to abnormal operating temperatures.** Solar sites impacted have one of two inverters installed. Inverters installed at half the sites are designed to operate up to 55°C and the remaining 50% up to 40°C. **Failure of a central inverter typically costs £150k to replace and business interruption in excess of £100k.** If this scenario were to materialise it is likely that one of the lower rated inverters would fail every other year causing £150k in repair costs and business interruption.	Inverter temperatures are monitored, when temperatures increase sharply and are sustained at a level that is higher than normal it is indicative that this inverter is stressed. On occasions when high temperatures are forecast, operators are instructed to restrict inverter output for warm periods of the day on specific inverters where abnormal trend patterns were observed. This reduces component stress and likelihood of failure. Insurance is in place should a material failure occur, and a stock of entire inverter units are held to minimise potential business interruption.	Although optimisations to operating practice reduce the likelihood of material inverter fires occurring, there remains a residual risk of a fire occurring. This would be claimable on insurance, leaving only deductibles irrecoverable. The insurance provision modelled in the valuation includes a buffer for higher premiums and deductibles which increases over time.
	Vegetation fire causing damage to generation infrastructure.	Site operators monitor grass conditions at site and adapt management regimes to accommodate seasonal changes to temperatures.	This would be claimable on insurance, leaving only deductibles irrecoverable. The insurance provision modelled in the valuation includes a buffer for higher premiums and deductibles which increases over time.

Climate Risk	Potential Impact	Technical mitigation measures in place	Unmitigated impact & how this is considered in ORIT's long-term assumptions
Extreme precipitation (flooding) expected to impact 9 solar sites once in the remaining period of operations	**Cable deterioration due to prolonged water submersion** If the panel array is submerged with water for an extended period of time, water ingress into cables (causing underperformance) could occur which could reduce performance by more than 10% for the period of saturation. **Corrosion to structures due to prolonged water submersion** If the panel array is submerged with water for an extended period of time, water ingress into cables (causing underperformance) could occur. **Substation flooding** Flooding of a substation could cause high voltage components to fail leading to prolonged downtime and costly capex remedial works.	Flood risks assessment due diligence completed during acquisition stage of investment and recommended mitigants such as drainage systems or flood barriers incorporated into investment case where appropriate helping to ensure sites are designed to withstand these extreme precipitation or flooding events.	Cable deterioration and corrosion would be claimable on insurance, leaving only deductibles irrecoverable. The insurance provision modelled in the valuation includes a buffer for higher premiums and deductibles which increases over time. Unprecedented rainfall events could cause drainage systems to become overwhelmed and result in substation flooding. In this unlikely event an insurance claim would be placed and the residual impact would only amount to insurance deductibles.
Severe storms with wind in excess of 31m/s expected once every 10 years at three solar sites	**Panel detachment due to high winds** Significant damage to the panel array caused by high winds.	Due diligence reports show that reinforcements to mounting structures have been implemented in certain areas of some sites where risk is higher.	This would be claimable on insurance, leaving only deductibles irrecoverable. The insurance provision modelled in the valuation includes a buffer for higher premiums and deductibles which increases over time.

Climate Risk	Potential Impact	Technical mitigation measures in place	Unmitigated impact & how this is considered in ORIT's long-term assumptions
Heat Stress (Human) at 1 solar site	**Unsafe conditions for maintenance procedures** Injury to site operatives or extended downtime as conditions become unworkable.	Operator risk assessments consider weather related hazards prior to commencement of any work on site. If unsafe to conduct activities under certain conditions, work practices can be adapted easily if necessary.	No unmitigated impact to consider.

Wind

Climate Risk	Potential Impact	Technical mitigation measures in place	Unmitigated impact & how this is considered in ORIT's long-term assumptions
Icing, more than 5% days per year are icy, expected at 5 wind sites	**Ice build-up on turbines can impact turbine blades.** Ice build-up can cause aerodynamic inefficiencies, create rotor imbalances and pose safety hazards.	Where turbines are located in areas of extreme icing, blade anti icing systems are installed which prevent ice build-up on the blades. Elsewhere the turbines are able to monitor ice build-up during operations and are programmed to shut down before any damage is done.	Our energy yield assessments have assumptions for icing during operations. Insurance cover and spares management program to replace damaged infrastructure.
Severe storms with wind in excess of 31m/s expected once every 10 years at 3 wind sites.	**Damage due to high wind and lightning.** High windspeeds may exceed wind-turbine design parameters causing damage and reducing performance. Wind turbine blades can be damaged by lightning, this ranges from minor repairable issues to scenarios where the blade must be replaced.	Wind turbines are selected based on the site conditions, and any site where 31m/s wind speeds are expected will have a power curve that operates beyond 31m/s (usually offshore). Any other turbine will follow its usual shut down programme in high wind. Wind turbines are programmed to automatically shut down during high winds to protect themselves, the systems which control this are routinely maintained and tested on an annual basis to ensure they are fully operational. High wind shutdowns are accounted for in energy yield assessments. Impact of high wind events more likely to be on other wind farm infrastructure (substation buildings etc.), regular inspections and maintenance are done, and any damage is repaired.	Insurance cover would cover replacement of damaged infrastructure. OPEX budgets have allowances for infrastructure and blade repairs, and full blade replacements are covered under the project insurance.

Climate Risk	Potential Impact	Technical mitigation measures in place	Unmitigated impact & how this is considered in ORIT's long-term assumptions
		Wind turbine blades are designed to withstand lightning strikes and have dedicated lightning protection systems, these systems are subject to regular maintenance and resistance testing to ensure they are fully operational.	
Extreme precipitation (flooding) expected to impact 2 wind sites once in the remaining period of operations.	**Blade deterioration due to prolonged precipitation** **Flooding of a substation** could cause high voltage components to fail leading to prolonged downtime and costly capex remedial works.	Blade leading edge protection installed in the factory. Regular blade inspections and maintenance ensure continued performance. Effective flood risk assessments and drainage designs completed as part of the planning process. Foundation designs account for water table. Typical mitigation includes raising floor levels and key electrical infrastructure above the design flood levels, design development to allow convey and of floodwaters across a site, provision of sustainable drainage measures such as swales and infiltration trenches to alleviate concentration of runoff, slow the surface water flow across the site and encourage infiltration of surface waters and maintain statutory and byelaw distances from rivers, drains and other watercourses on site.	Insurance cover would cover replacement of damaged infrastructure.
Extreme Fire Conditions expected to cause more wildfires	**Wildfires** could affect access to turbines and could cause damage to wind turbines or other onsite infrastructure.	Each site has a bespoke fire risk assessment with detailed mitigations for the specifics of the site, these could include inclusion on the site induction to raise awareness of fire risks, fire brakes, emergency exercises with local fire departments.	Insurance cover would cover replacement of damaged infrastructure.

Chronic weather impacts

Under a high physical risk scenario, we also assume longer-term chronic changes in weather patterns, for example on temperature and average wind speeds. These could impact the expected power price and generation of ORIT's assets.

Solar

The Investment Manager engaged with Climate Scale and one of ORIT's asset managers to evaluate the risk of an increase in average temperature. This risk was identified at 8 of ORIT's solar sites. An increase in temperature at a solar site could lead to a decrease in PV panel, inverter, and cable performance. When the expected temperature increase under a 4-degree scenario was modelled on a sample ORIT site, the site's yield decreased by 1.1%.

As such, there will be an element of unmitigated performance reduction in the event that temperatures do increase to this extent at these 8 sites. However, the valuation of these assets is based on a P50 scenario which includes an element of uncertainty on which the production forecast is based. These uncertainties include those relating to the temperature in which the plant will operate and the corresponding efficiency. Given the small impact to yield (1.1%) and the level of uncertainty around the existing P50 scenarios, the Investment Manager is comfortable that this risk is sufficiently considered in ORIT's valuations.

Wind

We carried out a pilot study with Baringa, one of ORIT's power price curve providers, to quantify physical climate impacts through modelling under a 4-degree climate scenario. The study focused on UK wind, but also considered other European wind generators. The study concluded that average annual wind generator yield is not negatively impacted by climate change in a way that is material to the valuation of wind generation assets in the countries where the fund operates. Please see **page 65** for a detailed case study of this analysis.

Given the possible acute and chronic physical risks under this scenario a number of factors have been considered:

- An increase in insurance cost and maintenance and replacement works.
- A decrease in spare parts availability due to weather events affecting supply chains.
- Unexpected changes to asset performance due to increase in climate change-related inter-annual variability.

The financial impact of these risks have mostly been mitigated through the above strategies. Any residual financial impacts can be estimated through the disclosure of power price sensitivity and energy yield (P10/P90) sensitivities contained in **Note 15**.

Climate-related risks and opportunities on balance provide more opportunities to the Company than risks and the Company is likely to benefit from a 1.5/2-degree scenario more than the 4-degree scenario pathway. The investment mandate and philosophy is driven by action to avert climate change and harness opportunities for investors. The political and societal tailwinds should support ORIT's continued success and we welcome additional regulations to drive action to prevent climate change. The Board believes the Company is well positioned to respond to these either through its core mandate or through adjusting its Investment Strategy over time to best achieve the pathway to net-zero and continue to deliver investment returns.

Risk

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

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

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

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

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

It must be recognised that financial projections are based on models with a large number of underlying assumptions, in particular, power price forecasts and yield estimates. Whilst ORIT utilises several external advisors to produce and validate these assumptions, financial forecasts and budgets are still subject to risks associated with the accuracy of these assumptions. Whilst the Investment Manager has made progress in the quantification of the impacts of physical risks and opportunities to the portfolio (for example through the use of Climate Scale), the Investment Manager commits to monitoring the appropriateness of these methods going forward to ensure they remain in line with industry expectations. The Investment Manager will also continue to engage with the wholesale energy price curve providers to ensure the consideration of transition risks and opportunities in their models, ensuring the integration of these risks within the long-term forecasting of the valuation process.

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

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

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

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

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

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

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

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

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

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

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

Metrics

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

Metrics used to assess transition risks and opportunities:

The Company's investment strategy is 100% aligned to a 1.5/2-degree scenario and 100% of revenues are generated from sustainable sources. Therefore, the metrics the Company has presented below measure ORIT's part as a key contributor to mitigating the effects of climate change. These metrics measure the scale of the climate-related opportunities ORIT has taken advantage of. The KPIs that track this contribution are included in the Impact Report section of this report on **page 53** and are:

- £m Capital invested in and committed to Renewable Energy Assets
- Growth in investment portfolio
- % Investments aligned to the EU Taxonomy
- GWh of potential renewable electricity produced by the portfolio a year

ORIT's GHG emissions and its investments weighted average carbon intensity is also reported on **page 72**.

The transition risk on power prices is assessed by monitoring:

- Wholesale energy price sensitivities, **page 210**
- % of revenues with fixed power prices, **page 33**
- Current portfolio diversification, **page 28**

Metrics used to assess physical risks and opportunities:

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

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

- Current portfolio diversification, **page 28**

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

- Annual performance against budget of portfolio assets, **page 29**
- CapEx / repairs and maintenance costs

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

- P10/P90 figures on portfolio valuation models, **page 45**

The Company has quantified and reported organisational GHG emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol 'Corporate Accounting and Reporting Standard' and 'Corporate Value Chain (Scope 3) Standard'. This approach consolidates the organisational boundary according to the operational control approach. The GHG sources that constituted the Company's operational boundary are laid out on **page 71**.

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

The Company has outlined its organisational boundary and disclosed its Scope 1, 2, and 3 emissions on **page 72**.

The Weighted Average Carbon Intensity of these investments has been calculated to be 11.52 tCO2e/£m revenue[46]. The intensity metric remains quite low given only Scope 1 and 2 emissions are considered in this calculation and most of ORIT's emissions are in Scope 3.

ORIT has also measured its carbon intensity using carbon per MW. This has been calculated to be 8.48 CO_2e/MW.

[46] A market-based approach as used to calculate the WACI. The WACI using a location-based approach is equal to 15.65 tCO_2e/£m revenue.

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

Given that ORIT's investment strategy is in line with climate change mitigation and accelerating the transition towards 1.5-degree pathway, the main target used by the Company is to deliver ultimate investment success. Investment success will bring further opportunities for investing in renewable energy and enable the Company to benefit from climate-related opportunities. These financial objectives are presented on **pages 14 and 15** whilst targets associated with portfolio diversification and energy price risk are outlined in the Investment Policy presented in **pages 18 to 21**.

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

Target	2020	2021	2022
Reducing the % estimations used in carbon footprint exercise to increase reliability of carbon data	23.9%	25.1%	In 2022 a new method of defining data points was applied see **page 73 and 74**: Real data = 22.5% Estimated activity data= 52.5% Proxy data= 25%
Moving all generating sites on renewable energy import tariffs	100%	92%	87%
Offset all direct emissions (relevant Scope 1 and Scope 2 emissions)	Complete- 20 carbon units purchased	Complete- 6 carbon units purchased	Complete – 886 carbon units purchased
100% of investments aligned to the EU Taxonomy	100%	100%	100%

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

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

The Board will continue to identify metrics that quantify climate-related risks and opportunities and will continuously evaluate and respond as the industry standards evolve, particularly in relation to scenario analysis for other asset types (other than wind).

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

Philip Austin MBE
Chair
Octopus Renewables Infrastructure Trust plc
28 March 2023

Stakeholder Engagement

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

Stakeholder	How ORIT has communicated and engaged
Shareholders	The Board looks to attract long-term investors in the Company and in doing so, it has sought out regular opportunities to communicate with shareholders through: • Annual and Interim reports • Dedicated ORIT website • Quarterly factsheets • Investor roadshows and presentations • Dialogue with shareholders • Regular market announcements • The forthcoming Annual General Meeting to be held on 16 June 2023 • Dedicated email address for shareholder enquiries • Proxy voting guidelines
AIFM and Investment Manager	The most significant service provider for the Company's long-term success is the AIFM who has engaged the Investment Manager for the purpose of providing investment management services to the Company. The Board regularly monitors the Company's investment performance in relation to its objectives, investment policy and strategy. The Board receives and reviews regular reports and presentations from both the AIFM and Investment Manager and seeks to maintain regular contact to maintain a constructive working relationship. The Board receives regular reports from the Investment Manager and maintains ongoing dialogue between scheduled meetings. Representatives of the Investment Manager attend Board meetings. The Investment Manager's remuneration is based on the NAV of the Company which aligns their interests with those of shareholders. A description of the Investment Manager's role, along with that of the AIFM, can be found on **page 140** of the Directors' Report.
Company Service Providers	To build and maintain strong working relationships, the Company's key service providers are invited to attend quarterly Board meetings to present their respective reports. This enables the Board to exercise effective oversight of the Company's activities. The Board also has in place a Management Engagement Committee that meets annually to review service provider performance. Further information on the Management Engagement Committee can be found in the Corporate Governance Statement on **page 152** The Company's external auditors attend at least two Audit and Risk Committee meeting per year. The Chair of the Audit and Risk Committee maintains regular contact with the auditors, Investment Manager and Administrator to ensure that the audit process is undertaken effectively. The Board has also spent time engaging with the Company's key service providers outside of scheduled Board meetings to develop its working relationship with those service providers and ensure the smooth operational function of the Company.

Stakeholder	How ORIT has communicated and engaged
Asset Service Providers	The Investment Manager has an experienced asset management team who actively manage asset level service providers including third-party asset managers, Operations & Maintenance ("O&M") contractors, Construction Managers, Owners Engineers, suppliers, HSE contractors and Landowners. Communications with service providers are managed across a variety of platforms to ensure focus on day-to-day operational performance of the assets. The Investment Manager undertakes quarterly meetings with external asset managers to review performance against service provisions, weekly calls with all operators and formal annual contract reviews. The Investment Manager actively engages asset service providers to seek innovative solutions to reduce the downtime of our assets. An example of this is outlined on **page 62**. Health and safety is a business-critical function and our Investment Manager positively influences the safety performance of our service providers by monitoring accidents, incidents and unsafe conditions at site. Our Investment Manager actively manages the investments in-construction assets through a risk prevention oversight model and by maintaining strong relationships with the Owners Engineering teams. There is daily communication with the Owners Engineering teams during the critical stages of construction.
Debt Providers	As at 31 December 2022, the Company's wholly owned subsidiary, ORIT Holdings II Limited, had a Revolving Credit Facility ("RCF") provided by a group of five lenders, Banco de Sabadell, Intesa Sanpaolo, National Australia Bank, NatWest and Santander, and the Group also has a short-term banking facility held at ORIT Lincs Holdings Limited. Regular communications with each lender alongside the provision of data for formal semi-annual reporting and covenant testing requirements is undertaken by the Investment Manager. The RCF was extended and refinanced post period end; Allied Irish Banks is now a member of lender group, Banco de Sabadell and Intesa Sanpaulo are no longer lenders. The Investment Manager ensures that asset level debt providers are provided with data and information in line with debt agreements and undertakes all covenant testing requirements.

Further information on how we interact and communicate with local communities, subcontractors, end-customers and employees of our subcontractors can be found in the People section of the Impact Report on **page 89** and our approach to anti-bribery and corruption on **page 59**. Further information on how we manage Conflicts of Interest can be found on **page 159** within Corporate Governance Statement.

Human Rights

Although ORIT has no employees, the Company is committed to respecting human rights in its broader relationships and respects the UN Guiding Principles on Business and Human Rights. This is reflected in our wider policies and in how the Company conducts business with its stakeholders. All material counterparties have either signed up to the Investment Manager's Supplier Code of Conduct or have their own that meets the Investment Manager's standards.

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

Section 172(1) Statement

The Board sets the Company's strategy and objectives, taking into account the interests of all its stakeholders. It is ultimately responsible for the direction, management, performance and long-term sustainable success of the Company. A good understanding of the Company's stakeholders enables the Board to consider the potential impact of strategic decisions on each stakeholder group during the decision-making process. By considering the Company's purpose, vision and values, together with its strategic priorities, the Board aims for its decisions to be fair and take account of the interests of the key stakeholder groups, together with the impact of its operations on the environment.

During the year under review, the Board believes that it has acted in good faith and discharged its duties under Section 172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole and having regard to the interests of stakeholders and the factors set out in s172. The Board performed its role as outlined in the schedule of matters reserved for the Board and taking into account the interests of the key stakeholders. See **page 132** for key stakeholders.

As a closed-ended investment company, the Company has no employees; however, the Directors assess the impact of the Company's activities on other stakeholders, in particular local communities, sub-contractors and end customers, recognising that its investments in Renewable Energy Assets make a positive contribution to the transition to a cleaner future. Please see the table below for a reference to where this information can be found:

Section 172 (1) Statement Area	Reference
The likely consequences of any decision in the long-term	See Business Model, Objectives and KPIs section on **pages 11 to 16**, Chair's Statement on **pages 7 to 9** and Stakeholder Engagement section on **page 132**.
The interests of the Company's employees	As a closed-ended investment company, the Company has no employees. The People Section of the Impact Report on **page 89** refers to how the Company assesses its impact of the employees of its sub-contractors.
The need to foster the Company's business relationships with suppliers, customers and others	See Stakeholder Engagement section on **page 132** and People section of the Impact Report on **page 89**.
The impact of the Company's operations of the community and environment	See Planet and People section of the Impact Report on **pages 70** and **89** respectively.
The desirability of the Company maintaining a reputation for high standards of business conduct	See Stakeholder Engagement section on **page 132**, Human Rights section on **page 134** and Anti-bribery and corruption section on **page 59**.
The need to act fairly as between members of the Company	See Stakeholder Engagement section on **page 132** and Corporate Governance Report on **pages 149-161**.

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

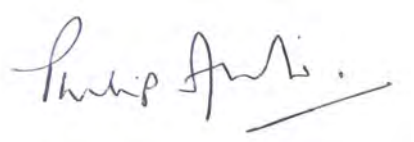
Decisions made by the Board take into account the interests of all the Company's key stakeholders and reflect the board's belief that the long-term sustainable success of the Company is linked directly to its key stakeholders.

Non-Financial Information Statement

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

Non-financial information area	Reference
Environmental matters (including the impact of the Company's business on the environment)	See **Planet** section of the Impact Report on **pages 70 to 88.**
The Company's employees	As a closed-ended investment company, the Company has no employees. The **People** section of the Impact Report on **page 89** refers to how the Company assesses its impact of the employees of its sub-contractors.
Community issues	See **People** section of the Impact Report on **pages 89 to 97.**
Social matters	See **People** section of the Impact Report on **pages 89 to 97.**
Respect for human rights	See **Stakeholder Engagement** section on **page 134.**
Anti-corruption and anti-bribery matters	See **Anti-bribery and corruption statement** on **page 59.**

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



Philip Austin MBE
Chair,
Octopus Renewables Infrastructure Trust plc
28 March 2023

Governance

Directors' Report

The Directors present their report and financial statements for the year ended 31 December 2022.

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

Philip Austin MBE (Chair)

Audrey McNair (Senior Independent Director)

James Cameron

Elaina Elzinga

Strategic Report

The Directors' Report should be read in conjunction with the Strategic Report on **pages 11 to 136**. The following information has been disclosed in the strategic report:

Disclosure	Page Reference
Business review	See Investment Manager's Report on **page 22**
Principal risks and uncertainties	See Risk and Risk Management section on **page 98**
Key performance indicators	See Objectives and KPIs section on **page 11**
Financial risk management	See Risk and Risk Management section on page 98 and Note 16 on **page 211**
Future developments in business	See Investment Manager's Report on **page 22**

Corporate Governance

The Corporate Governance Statement on **pages 149 to 161** forms part of this report.

Risk and Risk Management

The Risk and Risk Management on **pages 98 to 131** forms part of this report.

Legal and Taxation Status

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company conducts its affairs to meet the requirements for approval as an investment trust under section 1158 of the Corporation Tax Act 2010. The Company has received initial approval as an investment trust and the Company must meet eligibility conditions and ongoing requirements for investment trust status to be maintained. In the opinion of the Directors, the Company has met the conditions and requirements for approval as an investment trust for the year ended 31 December 2022.

Market Information

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

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

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

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

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

Articles of Association

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

Management

The Board

The Board is entirely comprised of independent non-executive directors who are responsible to Shareholders for the overall stewardship of the Company's affairs. The Board has adopted a Schedule of Matters Reserved for the Board which sets out the division of responsibilities between the Board and its various committees. Further details can be found in the Corporate Governance Statement on **pages 149** to **161**. Through the Committees and the use of external independent advisers, the Board oversees risk and governance of the Company. The Board actively supervises the Investment Manager in the performance of its functions.

Directors' indemnities

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

Appointment and Replacement of Board

The rules concerning the appointment and replacement of directors are contained in the Company's Articles of Association which require that each Director shall be subject to election at the first AGM after appointment and re-election annually thereafter. Further details of the Board's process for the appointment and replacement of Board members can be found on **pages 153 and 157**.

Alternative Investment Fund Manager

The Company is classified as an Alternative Investment Fund under the UK AIFM Directive as defined on page 236 and has appointed Octopus AIF Management Limited as its AIFM. The AIFM is responsible for portfolio management of the Company, including the following services:

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

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

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

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

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

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

Investment Manager

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

Company Secretary and Administrator

Apex Listed Companies Services (UK) Limited (formerly Sanne Fund Services (UK) Limited) provides company secretarial and administration services to the Company, including but not limited to the calculation of its quarterly Net Asset Value and financial reporting. Sanne Group acquired the PraxisIFM Funds Business in December 2021 and Sanne Group was subsequently acquired by the Apex Group in August 2022. However, the personnel servicing the Company's business remain largely unchanged including the continuing appointment of the Company Secretary.

Depositary

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

UK AIFM Directive

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

Appointment of Service Providers

The Board has committed to undertake an annual review of its service providers which will be undertaken by the Management Engagement Committee, to ensure that their continued appointment is in the best long-term interests of the Company's shareholders. The outcome of the review of the Company's service providers can be found on **page 152**.

Share Capital

During the year ended 31 December 2022, the Company did not issue any further Ordinary Shares. At the year end the Company's issued share capital comprised 564,927,536 Ordinary Shares.

Voting rights

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

Restrictions

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

Dividend Policy and Target Returns

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

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

The Company has a progressive dividend policy and is targeting a total dividend of 5.79 pence per Ordinary Share in respect of the financial year to 31 December 2023, representing a 10.5% increase from the 5.24 pence per Ordinary Share dividend distributed for the financial year to December 2022. This increase is in line with the increase to the Consumer Price Index (CPI) for the 12 months to 31 December 2022, and marks the second consecutive year the Company has increased its dividend target in line with inflation[47].

The Company is targeting a net total shareholder return of 7% to 8% per annum over the medium to long-term. Further information on the Company's financial objectives can be found on **pages 11** to **16**.

Results and Dividend

The Company's revenue profit after tax for the period amounted to £34.4 million (2021: £28.2m). The Company made a capital profit after tax of £35.4 million (2021: £6.6m). Therefore, the total profit after tax for the Company was £69.8 million (2021: £34.8m).

[47] 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.

The Company has paid the following interim dividends during the year under review:

Period	Dividend per Ordinary Share (pence)	Payment Date	Record Date	Ex-Dividend Date
31 December 2021	1.25	4 March 2022	18 February 2022	17 February 2022
31 March 2022	1.31	27 May 2022	13 May 2022	12 May 2022
30 June 2022	1.31	26 August 2022	12 August 2022	11 August 2022
30 September 2022	1.31	25 November 2022	11 November 2022	10 November 2022

On 31 January 2023 the Company declared an interim dividend of 1.31p per Ordinary Share in respect of the three months to 31 December 2022, a total of £7.4 million. The ex-dividend date was 9 February 2023, the record date was 10 February 2023 and the dividend was paid on 24 February 2023.

Substantial Shareholders

As at 31 December 2022, the Directors have been formally notified of the following interests in the Company's Ordinary Shares, comprising 3% or more of the issued share capital of the Company:

Shareholder Name	Holding	% Holding*	Date of notification
Sarasin & Partners LLP	56,165,734	9.94%	6 May 2022
Schroders plc	54,003,994	9.56%	1 September 2022
Rathbone Investment Management Ltd	41,703,191	7.40%	12 July 2021
Baillie Gifford & Co	28,273,333	5.00%	27 October 2022
Quilter Plc	24,261,042	4.29%	14 November 2022
EFG Private Bank Limited	22,184,028	3.93%	14 July 2021
Newton Investment Management Limited	17,288,560	3.06%	9 March 2021

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

Since the year-end, the Company was not notified of any interests in the Company's Ordinary Shares, comprising 3% or more of the issued share capital of the Company.

Shareholder Engagement

The Board is mindful of the importance of engaging with the Company's shareholders to gauge their views on topics affecting the Company. See page 132 for further information on how the Company engages with its shareholders.

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

Shareholders are encouraged to vote their holdings using the enclosed Form of Proxy or electronically using the instructions contained in the notes to the Notice of AGM and notes to the Form of Proxy. The Company's Annual General Meeting will be held on 16 June 2023. Proxy voting figures will be made available shortly after the AGM on the Company's website (www.octopusrenewablesinfrastructure.com) where shareholders can also find the Company's quarterly factsheets, dividend information and other relevant information.

Appointment of Auditors

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

Going concern

The Directors, in their consideration of going concern, have reviewed comprehensive cash flow forecasts prepared by the Company's Investment Manager which are based on market data and believe, based on those forecasts, the assessment of the Company's subsidiaries banking facilities and the assessment of the principal risks described in this report, 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 £11 million as at 31 December 2022 (2021: £94m) and available headroom on its revolving credit facility ("RCF") of £169 million (2021: £150m). The Company's net assets at 31 December 2022 were £618 million (2021: £578m) and total expenses for the year ended 31 December 2022 were £8.0 million (2021: £5.6m), which represented approximately 1.3% (2021: 1.3%) of average net assets during the year. At the date of approval of this document, based on the aggregate of investments and cash held, the Company has substantial operating expenses cover.

The Directors have fully considered each of the Company's investments. 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.

Post year end, the Company's intermediate holding company successfully refinanced its RCF to an increased facility of £270.8 million and extended its term to February 2026. The covenants of the RCF have been tested and are not expected to be breached, even in downside scenarios. Plausible downside scenarios include a decrease in wholesale energy prices, or a decrease in output. While in some downside scenarios, the headroom available on the RCF will be lower, the Directors remain confident that the Company has sufficient cash balances and headroom in the RCF held by an intermediate holding company, in order to fund the commitments detailed in note 19 to the financial statements, should they become payable.

As such, 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.

Viability statement

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

In reviewing the Company's viability, the Directors have assessed the viability of the Company for the period to 31 December 2027 (the 'Period'). The Board believes that the Period, being approximately five years, is an appropriate time horizon over which to assess the viability of the Company, particularly when taking into account the long-term nature of the Company's investment strategy, which are modelled over five years. Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue to operate and to meet its liabilities as they fall due over the Period to 31 December 2027.

In their assessment of the prospects of the Company, the Directors have considered each of the principal risks and uncertainties set out in this report and the solvency of the Company. The Directors have considered the Company's income and expenditure projections, along with the Group's access to banking facilities and financial markets.

The Company receives revenue in the form of dividends and interest from its portfolio of assets. These revenues are derived from the sale of electricity through power purchase agreements in place with large and reputable providers of electricity to the market. A prolonged and deep market decline could lead to falling values to the underlying business or interruptions to cashflow, however the Directors do not foresee any immediate material risk to the Company's investment portfolio and income from underlying assets, particularly as additional assets will become operational over the Period (assets which are either currently under construction or still classed as conditional acquisitions). The Directors are also satisfied and are comfortable that the Company would continue to remain viable under downside scenarios, including a decline in long-term power price forecasts.

The major cash outflows of the Company are the payment of dividends, commitments payable for construction projects and contingent acquisitions. The Directors are confident that the Company has sufficient cash balances and headroom in the RCF held by an intermediate holding company, to fund all outstanding commitments as they become payable over the Period.

The covenants associated with the RCF have been tested and are not expected to be breached, even in downside scenarios. While the RCF falls due for repayment in February 2026, the Directors are confident that they have sufficient access to debt finance and equity markets to cover all cash outflows after this date.

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

Based on this review, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five-year period to December 2027.

Auditors information

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

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

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

Annual General Meeting

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

Resolutions relating to the following items of special business will be proposed at the Annual General Meeting ("AGM") held on 16 June 2023. Notice of AGM (the "Notice") together with detailed explanation of the proposed resolutions can be found on **page 237.**

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

Resolutions 10 to 12 provide authority to issue Ordinary Shares. The Directors intend to use the net proceeds of any issuance to invest in Renewable Energy Assets, in accordance with the Company's investment objective and Investment Policy and for working capital purposes.

At the forthcoming Annual General Meeting, the Board is seeking authority to allot up to a maximum of 135,582,608 Ordinary Shares (representing approximately 24% of the Ordinary Shares in issue at the date of this document) and to dis-apply pre-emption rights when allotting those Ordinary Shares. The authority granted under Resolutions 10 to 12 will expire at the conclusion of the Annual General Meeting to be held in 2024. The full text of these resolutions is set out in the Notice of Meeting on **pages 237 to 238**.

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

Authority to purchase own shares

At the AGM of the Company held on 17 June 2022, the Directors were granted authority to make market purchases of up to 14.99 % of the Ordinary Shares in issue, equating to a maximum of 84,682,637 Ordinary Shares. During the year ended 31 December 2022, the Company did not utilise its authority to purchase its own shares.

The current authority to make market purchases expires at the conclusion of the 2023 AGM of the Company. The Directors recommend that a new authority to purchase up to 84,682,637 Ordinary Shares (subject to the condition that not more than 14.99% of the Ordinary Shares in issue, excluding treasury Shares, at the date of the AGM are purchased) be granted and a resolution to that effect will be put to the AGM. Any Ordinary Shares purchased will either be cancelled or, if the Directors so determine, held in treasury.

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

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

The Directors have no present intention of exercising the authority to purchase the Company's Ordinary Shares but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and any discount to NAV, and future investment opportunities. The authority will be exercised only if the Directors believe that to do so would be in the best interest of Shareholders as a whole.

Authority to declare all dividends as interim dividends

At the AGM of the Company held on 17 June 2022, the Directors were granted authority to declare and pay all dividends of the Company as interim dividends and for the last dividend referable to a financial year not be categorised as a final dividend that is subject to shareholder approval. The Directors intend to ask shareholders to renew this authority and to declare and pay all dividends declared during the financial year as interim dividends.

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

The Listing Rules requires listed companies to report certain information in a single identifiable section of their annual financial reports. The Company confirms that only LR 9.8.4(7) (issue of shares) is applicable during the year under review. During the year ended 31 December 2022, the Company did not issue new shares.

By order of the Board

Brian Smith

For and on behalf of

Apex Listed Companies Services (UK) Limited

Company Secretary

28 March 2023

Corporate Governance Statement

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

The Company is a member of the Association of Investment Companies and as such the Board of the Company has considered reporting against the principles and provisions of the AIC Code of Corporate Governance (the "AIC Code"). The AIC Code adapts the principles and provisions set out in the UK Corporate Governance Code (the "UK Code") to make them relevant for investment companies and includes supplementary guidance on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the Financial Reporting Council provides more relevant information to shareholders. This enables boards to make a statement that, by reporting against the AIC Code, they are meeting their obligations under the UK Code and associated disclosure requirements under paragraph 9.8.6 of the FCA's Listing Rules.

The Company has complied with the principles and provisions of the AIC Code except as noted below.

The AIC Code is available on the AIC website (**www.theaic.co.uk**) and the UK Corporate Governance Code can be found on the Financial Reporting Council's website (**www.frc.org.uk**).

Compliance with the AIC Code

Throughout the year ended 31 December 2022, the Company complied with the principles and provisions of the AIC Code, except partial compliance with one provision regarding the senior independent director as explained below. As at 31 December 2022, the Company complied with the principles and provisions of the AIC Code.

The Board had not previously appointed a senior independent director ("**SID**"), as due to the size and composition of the Board it was not felt necessary to separate the roles of Chair and SID. As the Company has grown, during 2022 the Board considered it appropriate to appoint a SID and following careful consideration of the Nomination Committee, in September 2022 Audrey McNair was appointed as the SID.

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

The Board

Composition

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

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

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

As detailed above, in September 2022, the Board appointed a SID. Read more about the Division of Responsibilities and the roles of Chair and SID on **page 156**.

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

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

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

Non-executive director and Chair of Audit Committee for Round Hill Music Royalty Fund Limited. Executive career across buy and sell side in City of London, gaining extensive knowledge of regulatory, governance and investment management processes and products. Worked at Aberdeen Asset Management plc from May 2008 to March 2016, starting as Head of Internal Audit (EMEA) and becoming Global Head of Business Risk and responsible for the group's risk management framework and internal capital adequacy assessment.

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

An award-winning authority in the global climate change movement and a qualified Barrister with 30+ years' experience, James serves on a number of boards and advisory committees across business, finance, legal, academic and government organisations. James is an Honorary Senior Research Fellow in the Grantham Institute on Climate Change and Environment, Imperial College, London, Chairman of Crown Agents, a senior advisor to Pollination Global and a Director of Africa's fastest-growing solar company, Ignite Power. He is a London Sustainable Development Commissioner and a Friend of COP26.

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

Currently a Principal in Investments at the Wellcome Trust, a global charity committed to improving human health and funded from a diverse, unconstrained portfolio of over £37 billion. Previously investment banker and investment manager at Goldman Sachs. Lead of Absolute Return, where she is responsible for Wellcome's partnerships with managers that have low equity market correlations, including multi-strategy and credit hedge funds, and their climate strategy. Covers the natural resources sector, with a strong interest in the energy transition, and led the development of Wellcome's net zero strategy for its investment portfolio. Member of the IC for Newnham College, Cambridge. CFA Charterholder and read History at the University of Cambridge.

The Articles of Association provide that each of the Directors shall retire at each annual general meeting in accordance with Provision 23 of the AIC Code. All four Directors offered themselves for re-election at the Annual General Meeting to be held on 16 June 2023.

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

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

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

Board committees

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

Audit and Risk Committee

The Audit and Risk Committee is chaired by Audrey McNair and consists of all of the Directors. A report on **page 168** provides details of the role, composition and meetings of the Audit and Risk Committee together with a description of the work of the Audit and Risk Committee in discharging its responsibilities.

Management Engagement Committee

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

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

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

Nomination Committee

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

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

New Non-Executive Director

The Board is seeking to appoint a fifth Director to the Board to bring a senior operational perspective and to improve its ethnic representation. The Board is committed to ensuring that its composition reflects ethnic diversity, and it is looking to make meaningful progress on this front through this appointment. It welcomes applications from everyone regardless of age, gender, ethnicity, sexual orientation, belief or disability. All appointments will be made on merit, following a fair and transparent process.

An external recruitment consultancy Nurole Ltd has been engaged for the search and selection process of a new non-executive director. Nurole Ltd has no other connection with the Company and is considered independent.

External Board effectiveness review and implementation plan

The Board effectiveness review was conducted by independent specialist firm Boardroom Dialogue Group Ltd and included interviews with each Director and representatives of key service providers and observation of a Board meeting. As part of the review, the Board and Committee papers were examined for the prior 12 months. Boardroom Dialogue Group Ltd has no other connection with the Company or individual directors. Boardroom Dialogue Group Ltd provided the Board with a summary of the evaluation process, noting the findings from the interviews. The Board effectiveness review report and recommendations were presented to the Nomination Committee meeting in September 2022. The review was positive, and no critical issues were identified.

The recommendations from the report, mainly of a housekeeping nature, were accepted by the Board and translated into an implementation plan. The recommendations on SID appointment and succession planning have already been implemented, with the remaining being scheduled for implementation in 2023. The Nomination Committee will report on the progress of the implementation plan in the next year's Annual Report.

The Company is currently a member of the FTSE 250, and the Board aims to conduct an externally facilitated board evaluation every three years.

The Chair took informal 1:1 meetings with each Director to discuss their performance and development needs. The Chair evaluated the skills and performance of each Director and concluded to take appropriate action when development needs will arise.
Other activities of the Nomination Committee included revision of its Terms of Reference, Board succession plans and tenure policy as well as diversity considerations (**page 157**)

Remuneration Committee

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

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

Other activities of the Remuneration Committee included revision of its Terms of Reference and Board remuneration. Please read more on work of the Remuneration Committee in the Remuneration Report on **page 162**.

Meeting attendance

The full Board meets at least four times per year and there is regular contact between the Board, the Investment Manager, the Administrator and the Company Secretary. Meeting agendas and supporting papers are distributed in advance of all meetings to allow sufficient time for review and to permit detailed discussion at the meetings. Ad hoc meetings consider potential investment acquisitions, refinancings and approval of other key contracts entered into by the Company and its subsidiaries. The tables below lists Directors' attendance at Board and committee meetings during the year.

Directors	Philip Austin MBE	James Cameron	Elaina Elzinga	Audrey McNair	**Total Possible**
Quarterly Board	4	4	4	4	**4**
Ad hoc Board	14	12	12	14	**14**
Audit and Risk Committee	3	2	2	3	**3**
Management Engagement Committee	1	1	1	1	**1**
Nomination Committee	2	2	2	2	**2**
Remuneration Committee	1	1	1	1	**1**
Total Board and Committee meetings	25	22	22	25	**25**
Total Board and Committee meetings (excluding ad hoc)	11	10	10	11	**11**

Directors	Philip Austin MBE	James Cameron	Elaina Elzinga	Audrey McNair	**Total Possible**
Quarterly Board	100%	100%	100%	100%	**100%**
Ad hoc Board	100%	86%	86%	100%	**100%**
Audit and Risk Committee	100%	67%	67%	100%	**100%**
Management Engagement Committee	100%	100%	100%	100%	**100%**
Nomination Committee	100%	100%	100%	100%	**100%**
Remuneration Committee	100%	100%	100%	100%	**100%**
Total Board and Committee meetings	100%	88%	88%	100%	**100%**
Total Board and Committee meetings (excluding ad hoc)	100%	91%	91%	100%	**100%**

Decision Making

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

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

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

Division of Responsibilities

The following sets out the division of responsibilities between the Chair, SID, Board and the Committee Chairs. Terms of Reference of the Committees are available on the Company's website **https://octopusrenewablesinfrastructure.com/**

Role of the Chair

The Chair is responsible for leading the Board, creating conditions for overall Board and individual director effectiveness, promoting constructive debate. Role of the Chair includes:

- Leadership of the Board, ensuring its effectiveness in all aspects of its role
- Ensuring the Board is provided with sufficient and timely information in order to ensure it is able to discharge its duties.
- Ensuring each Board member's views are considered, and appropriate action taken.
- Ensuring that each Committee has the support required to fulfil its duties.
- Engaging the Board in assessing and improving its performance.
- Overseeing the induction and development of directors.
- Overseeing the Investment Manager and other service providers.
- Seeking regular engagement with major shareholders in order to understand their views on governance and performance against the Company's investment objective and investment policy.
- Ensuring that the Board as a whole has a clear understanding of the views of shareholders.
- Ensure that the Board complies with its obligations under section 172 Companies Act 2006, by taking into account the needs of the Company's wider stakeholders
- Ensuring regular engagement with each service provider; and
- Keeping up to date with key developments.

Role of SID

The role of SID is principally to support the Chair in his role and to work with him and other Directors to resolve any significant issues that may arise. Role of SID includes:

- Providing a sounding board for the Chair;
- Serving as an intermediary for the other directors and shareholders; and
- Leading annual appraisal of the Chair's performance.

Role of Committee Chair includes:

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

Role of the Board includes:

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

Board Diversity

The Board recognises the benefits of diversity and supports the recommendations of the Davies Report. When appointing Board members, its priority will always be based on merit, but will be influenced by the strong desire to maintain Board diversity. Diversity is important in bringing an appropriate range of skills and experience to the Board. The Board's policy on diversity, including gender, is to take account of the benefits of this during the appointment process. As at 31 December 2022 the Company had four Directors with an equal number of each gender.

The Board is committed to ensuring that its composition reflects ethnic diversity, and it is looking to make meaningful progress on this front through the appointment of a fifth Director. See **page 153** for more information on the new Director appointment.

Board Tenure

The Directors recognise that independence is not a function of service or age, and that experience is an important attribute within the Board. The Directors are mindful that they will reach their ninth anniversary simultaneously in November 2028. In order to ensure stability and continuity, the Board has adopted a succession plan that allows for gradual changes to its composition, as such the Board agreed that as well as the proposed appointment above, they will begin to refresh the Board from its sixth anniversary in 2025. The subsequent retirements will be agreed by the Board at one-year intervals, to ensure that the four original Directors will serve no more than 9 years, as recommended by the Code.

In accordance with the Articles and the AIC Code, all Directors stand for re-election annually.

Board Evaluation

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

This year, an external Board evaluation was also carried out. As a member of the FTSE 250, the Company will commission an externally facilitated Board evaluation every three years.

Please see **page 153** for more details.

Internal Control

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

Financial aspects of internal control

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

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

The Statement of Directors' Responsibilities in respect of the financial statements is on page **173** and a statement of Going Concern is on **page 144**.

The Report of the Independent Auditors is on pages **175** to **184**.

Other aspects of internal control

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

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

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

Principal Risks

The Directors confirm that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks and how they are being managed are set out in the Strategic Report on **pages 98** to **131**.

Conflicts of Interest

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

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

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

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

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

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

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

Transactions with affiliates of the AIFM and Investment Manager

During the year, the Company entered into two transactions in the ordinary course of business with Octopus Energy, part of the same group as the Investment Manager. One related to offtake (purchase) of electricity produced at the Penhale solar PV site by Octopus Energy, and the other related to the supply of electricity to 8 solar PV sites (for use when the sites' generation is insufficient to power day-to-day operations.

PPA – Penhale

In order to renew the PPA for this 3.5MW UK solar PV site, the Investment Manager, supported by an independent third party advisor, ran a competitive tender process to identify the preferred counterparty for a new PPA. As advised by the independent third party advisor, the most competitive commercial proposal was provided by Octopus Energy.

Import Electricity Contracts – Selected Solar PV Sites

In order to renew the electricity import contracts for 8 UK solar PV sites (123 MW in total), the Investment Manager, supported by an independent third party advisor, ran a competitive tender process to identify the preferred counterparty for these electricity import contracts. As advised by the independent third party advisor, the most competitive commercial proposal on was provided by Octopus Energy.

As Octopus Energy is an affiliate of the AIFM and the Investment Manager, the Board sought external advice and determined that the two transactions were in the ordinary course of business and on normal market terms, as such are not related party transactions. In accordance with the Disclosure Guidance and Transparency Rules, the Board was responsible for the decision to award the PPAs to Octopus Energy, having reviewed the tender responses. A summary of these transactions are detailed below:

Description	Asset	Location	External counterparty managing process	Nominal value of transaction	Conflicts policy followed?	Rationale for transacting with Octopus Energy ("OE")
Fixed price PPA	Penhale	UK	GAES Limited	£4.0m	Yes	Most competitive price and provision of credit support allowed for OE's creditworthiness to be considered on par with an investment grade offtaker
Import electricity contracts	Penhale, Chisbon, Westerfield, Wiggin Hill, Abbots Ripton, Mingay, Ermine Street	UK	Quintas Advisory	£0.5m	Yes	OE's proposal was the cheapest

Related Party Transactions

Related party transitions during the year in review are disclosed on **page 215**

Shareholder Relations

The Directors have determined that the AGM will be run as a combined physical and electronic meeting. Shareholders and their proxies will be able to attend the meeting in person. Shareholders may also follow the proceedings of the AGM virtually via the Investor Meet Company platform, where they will be able to follow the proceedings and ask questions. Details of how to follow the proceedings via the Investor Meet Company platform can be found in the notes to the Notice of AGM on **page 242**.

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

Directors' Remuneration Report

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

The Remuneration Report for the year to 31 December 2022 which has been prepared in accordance with sections 420-422 of the Companies Act 2006. The law requires the Company's auditor to audit certain sections of the Remuneration Report; where this is the case the relevant section has been indicated as such.

During the year, the Remuneration Committee undertook a review of Directors' fees and recommended that the Directors' fees remain unchanged. Where changes to Board remuneration are recommended by the Remuneration Committee, no Director may vote on changes to their own remuneration.

AGM approval of the Remuneration Policy and Remuneration Implementation Report

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

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

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

Remuneration Consideration

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

Remuneration Consultants

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

Loss of Office

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

Current and future policy

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

Remuneration Policy

All the Directors are non-executive directors. The Company has no other employees and therefore no consultation of employees is required and there is no employee comparative data to provide in relation to the setting of the remuneration policy for Directors. The components of the remuneration package for non-executive directors, which are contained in the Remuneration Policy are as detailed below:

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

Directors' Service Contracts

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

The Articles of Association provide that each of the Directors shall retire at each Annual General Meeting in accordance with Provision 23 of the AIC Code. All four Directors intend to retire and offer themselves for re-election at the Annual General Meeting on 16 June 2023.

Fees payable on recruitment

The Board will not pay any incentive fees to any person to encourage them to become a Director of the Company. The Board may, however, pay fees to external agencies to assist the Board in the search and selection of Directors. An external recruitment consultancy Nurole Ltd was engaged for the search and selection process of a new non-executive director. Nurole Ltd has no other relation to the Company and considered independent. For the year ending 31 December 2022, the Company spent £10,000 on recruitment fees.

Effective date of the Remuneration Policy

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

Remuneration Implementation Report (Audited)

The table below provides a single figure for the total remuneration of each Director for the period 31 December 2022.

Director	Fees to 31 December 2022 (£)	Expenses reimbursed to 31 December 2022 (£)	Total (£)	Fees to 31 December 2021 (£)	Expenses reimbursed to 31 December 2021 (£)	Total (£)
Philip Austin MBE	60,000	5,100	65,100	45,000	2,700	47,700
Audrey McNair	46,000	1,800	47,800	36,000	-	36,000
James Cameron	40,000	-	40,000	30,000	-	30,000
Elaina Elzinga	40,000	1,000	41,000	30,000	-	30,000
Total	**186,000**	**7,900**	**193,900**	**141,000**	**2,700**	**143,700**

Until 31 December 2021, each of the Directors, save for Elaina Elzinga (who is a U.S. Person), agreed that any fees payable to them shall, save where the Company determines otherwise, be satisfied in Ordinary Shares transferred at market value, such Ordinary Shares to be acquired on behalf of the Directors and for their account by the Company's broker. With effect from 1 January 2022, it was agreed that all Directors would have the option to be paid in cash. Audrey McNair and James Cameron elected to revert to being paid in cash with effect from 1 January 2022 and Philip Austin elected to be paid in cash with effect from 1 January 2023.

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

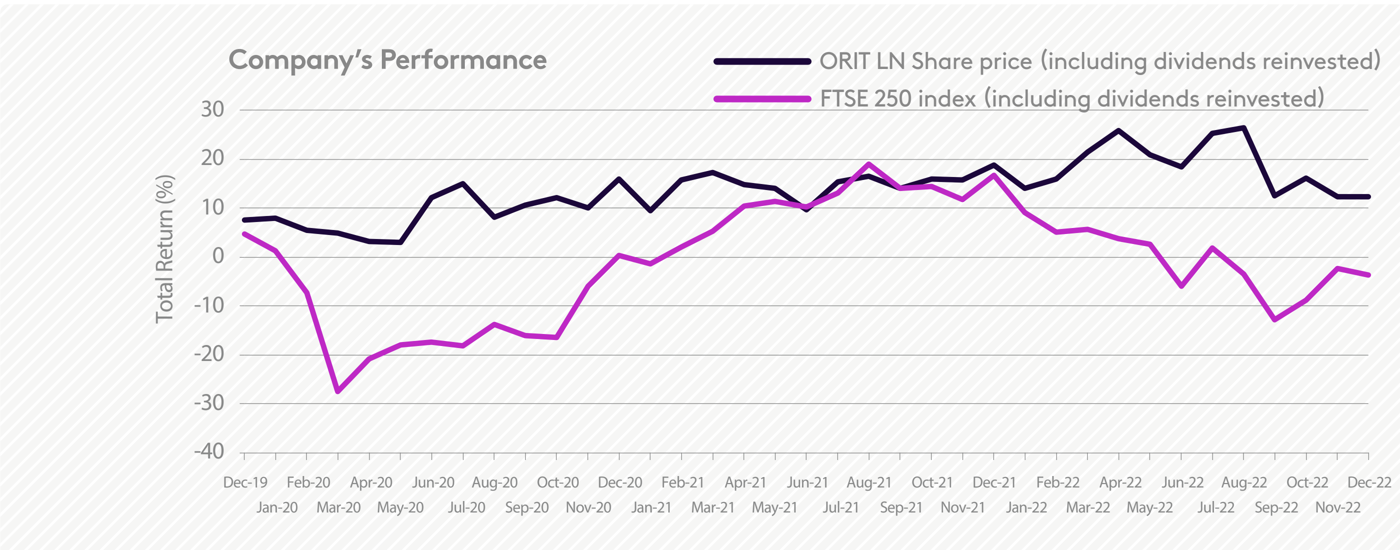
No fees or payments were made to any other directors who served during the year.

Fees

There has been no change to the Board's fees during the year under review.

Performance

In setting the Directors' remuneration, consideration is given to the size and performance of the Company. The following graph shows the performance of the Company's share price (total return) since IPO against FTSE 250 index (assuming £100 was invested at the point the Company was listed). The Company is part of FTSE 250 Index and has deemed FTSE 250 Index to be the most appropriate comparator for its performance.



While the above graph can be a helpful benchmark, as well as its performance return target (of 7% to 8% per annum over the medium to long-term), ORIT has a number of impact targets which it holds in equal regard. Both performance and impact targets were considered when setting Directors' remuneration.

Relative importance of spend on pay

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

The disclosure of the information in the table below is required under The Large and Medium sized Companies and Groups (Accounts and Reports) (Amendment) Regulations.

	Year to 31 December 2022 (£'000)	Year to 31 December 2021 (£'000)
Investment Income	40,307	31,829
Spend on Directors' fees	186	141
Company's operating expenses and Investment Manager's fees	8,168	5,460
Dividends paid and payable to shareholders	29,265	20,459

Directors' holdings (audited)

At 31 December 2022 and at the date of this report the Directors had the following holdings in the Company. There is no requirement for Directors to hold shares in the Company. All holdings were beneficially owned.

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

Director	Ordinary Shares As at 31 December 2022	Percentage Holding	Ordinary Shares As at 31 December 2021
Philip Austin MBE	165,518*	0.029%	108,867
James Cameron	65,306	0.012%	65,306
Elaina Elzinga	-	-	-
Audrey McNair	51,383	0.009%	51,383

*held jointly with Mrs. J Austin, a PCA of Mr. Austin.

Shareholders’ views

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

Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Remuneration Policy and Remuneration Implementation Report summarises, as applicable, for the year to 31 December 2022:

a) the major decisions on Directors’ remuneration.

b) any substantial changes relating to Directors’ remuneration made during the year; and

c) the context in which the changes occurred, and decisions have been taken.

Elaina Elzinga

Elaina Elzinga
Chair of the Remuneration Committee
28 March 2023

Report of the Audit and Risk Committee

Role of the Audit and Risk Committee

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

The Company's Audit and Risk Committee consists of all of the Directors and is chaired by Audrey McNair. Since the Company's inclusion in the FTSE 250 in late 2022, going forward the Audit and Risk Committee will meet at least four times a year. The Board considers that the members of the Audit and Risk Committee have the requisite skills and experience to fulfil the responsibilities of the Audit and Risk Committee. The Audit and Risk Committee will examine the effectiveness of the Company's control systems. It will review the half-yearly and annual reports and also receive information from the AIFM and the Investment Manager. It will also review the scope, results, cost effectiveness, independence and objectivity of the external auditors.

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

Membership

The Chair of the Audit and Risk Committee, Audrey McNair, is a fellow of the Chartered Institute of Bankers. She also serves, or has served, as chair of the audit and risk committees at the companies where she is a non-executive director (including another listed company). Previously Audrey worked in senior positions in financial services, including leading a global risk team at one of the UK's largest asset managers. The Board is satisfied that Audrey has recent and relevant financial experience as required under the UK Corporate Governance Code. The other members of the Audit and Risk Committee are Philip Austin MBE, James Cameron and Elaina Elzinga, all of whom have extensive experience of investment companies, investment management and/or the renewable energy sector. The qualifications of the Audit and Risk Committee members are outlined in **page 151** of the Corporate Governance Statement.

Internal Audit

The Audit and Risk Committee has considered the need for an internal audit function and considers that this is not appropriate given the nature and circumstances of the Company as an externally managed investment company with external service providers. There is no impact on the work of the external auditor as a result of not having an internal audit function.

Meetings

There were three meetings of the Audit and Risk Committee during the year ended 31 December 2022 at two of which all Committee members were in attendance. Further Audit and Risk Committee meetings were held in March 2023 at which all Committee members were in attendance.

Financial statements and significant accounting matters

The Audit and Risk Committee reviewed the financial statements and considered the following significant accounting matters in relation to the Company's financial statements for the year ended 31 December 2022.

Valuation of investments

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

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

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

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

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

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

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

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

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

Tax status

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

Going concern

The Audit and Risk Committee reviewed the Company's financial resources and concluded that it is appropriate for the Company's financial statements to be prepared on a going concern basis as described in the Directors' Report on **page 144**.

Conclusion with respect to the Annual Report

The Audit and Risk Committee has concluded that the Annual Report for the year to 31 December 2022, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's business model, strategy and performance. The Audit and Risk Committee has reported its conclusions to the Board of Directors. The Audit and Risk Committee reached this conclusion through a process of review of the document and enquiries to the various parties involved in the production of the Annual Report.

Audit Arrangements

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

The audit plan was presented to the Audit and Risk Committee at its September 2022 meeting, ahead of the commencement of the Company's year-end audit. The audit plan sets out the audit process, materiality scope and significant risks.

Internal control and risk

The Board together with the AIFM and other service providers carefully considered the Company's matrix of risks and uncertainties and appropriate mitigating actions prior to the Company's IPO. The Chair of the Audit and Risk Committee, together with the AIFM regularly review the matrix of risks prior to presenting them for consideration by the Company's Audit and Risk Committee. The Audit and Risk Committee carefully consider the risk matrix and the Company's principal risks can be found on **pages 98 to 131.**

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

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

Auditors' Independence

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

Effectiveness of external audit

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

Provision of non-audit services

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

Audrey McNair

Audit and Risk Committee Chair
28 March 2023

Statement of Directors' Responsibilities

Statement of Directors' responsibilities in respect of the financial statements

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

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

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

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

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

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

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

Directors' confirmations

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

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

For and on behalf of the Board

Philip Austin MBE

Chair
28 March 2023

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 December 2022; the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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

Basis for opinion

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

Independence

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

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

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

Our audit approach

Overview

Audit scope

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

Key audit matters

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

Materiality

- Overall materiality: £6,182,000 (2021: £5,776,890) based on 1% of net assets.
- Performance materiality: £4,636,000 (2021: £4,332,668).

The scope of our audit

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

Key audit matters

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

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

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation of investments held at fair value through profit or loss Refer to page 169 (Report of the Audit and Risk Committee), page 192 (Accounting Policies) and page 202 (Notes to the Financial Statements). The company holds its investments at fair value through profit and loss. The investments represent a material balance in the financial statements and the valuations of the investments held by the parent holding company require the application of estimations, assumptions and judgement. Changes to the estimates, assumptions and/or the judgements made can result, either for an individual investment or in aggregate, in a material change to the valuation of investments. There is also a risk that the ongoing macroeconomic challenges and geopolitical events could adversely impact the valuation of the investments. Management have determined appropriate discount rates for each investment that is reflective of current market conditions and specific risks of the investment. Management have applied forecast inflation rates in the short-term and long-term for the applicable geographies where the Company has investments. Management have used judgement as well as information from independent third parties to forecast future power prices and taken into account government imposed levies and caps in the valuation of investments.	We obtained an understanding of the relevant controls in respect of the valuation process adopted by the Investment Manager and Board, in respect of the valuation models used at 31 December 2022. We have assessed whether the valuation methodology adopted for the underlying investments within the parent holding company was appropriate and in line with accounting guidelines. On a targeted basis, over the fair value of the investments, we: Compared the investment valuations to recently completed transactions; Independently assessed, supported by our internal experts and observable market data and forecasts, the reasonableness of the key assumptions applied in the valuations (such as discount rate and inflation); Tested the mathematical accuracy of the valuation models; Performed substantive procedures on a sample basis to corroborate inputs to the valuation model, such as power prices, to contracts and other supporting documents; Assessed the reasonableness of management judgement in determining power prices. We have also assessed the independent third parties used by management to forecast power prices and consider them to be reputable and independent market experts. We have reviewed government publications on the mechanisms of the generation levies and caps and the appropriateness of their application within the valuation of investments; For newly acquired investments, we have reviewed the share purchase agreements in order to determine the acquisition cost. Based on the audit procedures performed and our benchmarking of assumptions we concluded that the assumptions are within the acceptable range and that the fair value of investments is reasonable.

How we tailored the audit scope

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

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

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the Company's financial statements. We have involved our internal specialists to review the appropriateness of disclosures included in the financial statements and have read the annual report to consider whether other climate change disclosures are materially consistent with the financial statements and our knowledge obtained in the audit.

Materiality

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

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

Overall company materiality	£6,182,000 (2021: £5,776,890).
How we determined it	1% of net assets
Rationale for benchmark applied	We believe that net assets is the primary measure used by the shareholders in assessing the performance of the Company, and this is also a generally accepted auditing benchmark used for Investment Trusts.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £4,636,000 (2021: £4,332,668) for the Company financial statements.

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

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £309,000 (2021: £288,845) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

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

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

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

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

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

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

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

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Directors' Remuneration

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

Corporate governance statement

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

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

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

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

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

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position, performance, business model and strategy;

- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

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

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

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

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

Auditors’ responsibilities for the audit of the financial statements

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

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

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Statement of Recommended Practice for Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued in July 2022 by the Association of Investment Companies ("AIC"), section 1158 of the Corporation tax act 2010 and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase income or reduce operating expenses, increase investments at fair value through profit or loss and bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of the Board of Directors, Alternative Investment Fund Manager, Investment Manager and the Administrator, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Challenging of assumptions and judgements made by the Board of Directors and the Investment Manager in their significant accounting estimates, in particular in relation to the valuation of investments held at fair value through profit or loss (see related key audit matters section);
- Identifying and testing of selected journal entries;
- Reviewing relevant meeting minutes, including those of the Board of Directors and Audit and Risk Committee; and
- Reviewing of financial statement disclosures including agreeing, where applicable, to underlying supporting documentation.

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

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the Directors on 11 November 2019 to audit the financial statements for the period ended 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement is 3 years, covering the period ended 31 December 2020 to the year ended 31 December 2022.

Jonathan Greenaway (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Newcastle upon Tyne

28 March 2023

Financial Statements

Statement of Comprehensive Income

		Year ended 31 December 2022			Year ended 31 December 2021		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income	4	40,307	-	40,307	31,829	-	31,829
Movement in fair value of investments	9	-	37,603	37,603	-	8,561	8,561
Total net income		**40,307**	**37,603**	**77,910**	**31,829**	**8,561**	**40,390**
Investment management fees	5	(4,284)	(1,428)	(5,712)	(3,108)	(1,036)	(4,144)
Other expenses	5	(1,132)	(1,280)	(2,412)	(851)	(584)	(1,435)
Net finance income		51	-	51	5	-	5
Net foreign exchange losses		-	(1)	(1)	-	(27)	(27)
Profit before taxation		**34,942**	**34,894**	**69,836**	**27,875**	**6,914**	**34,789**
Taxation	6	(515)	515	-	312	(312)	-
Profit and total comprehensive income for the year		**34,427**	**35,409**	**69,836**	**28,187**	**6,602**	**34,789**
Earnings per Ordinary share (pence) – basic and diluted	8	6.09p	6.27p	12.36p	6.65p	1.55p	8.20p

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

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

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

Statement of Financial Position

	Note	As at 31 December 2022 £'000	As at 31 December 2021 £'000
Non-current assets			
Investments at fair value through profit or loss	9	608,799	485,417
Current assets			
Trade and other receivables	10	775	450
Cash and cash equivalents		10,603	93,946
		11,378	**94,396**
Current liabilities: amounts falling due within one year			
Trade and other payables	11	(1,917)	(2,124)
		(1,917)	**(2,124)**
Net current assets		**9,461**	**92,272**
Net assets		**618,260**	**577,689**
Capital and reserves			
Share capital	12	5,649	5,649
Share premium account	12	217,283	217,283
Special reserve	13	339,500	339,500
Capital reserve		37,915	2,506
Revenue reserve		17,913	12,751
Equity attributable to owners of the Company		**618,260**	**577,689**
Net assets per Ordinary Share (pence)	14	109.44p	102.26p

The financial statements on pages 186 to 220 were approved by the Board of Directors and authorised for issue on 28 March 2023 and were signed on its behalf by:

Philip Austin MBE
Chair

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

Statement of Changes in Equity

Year ended 31 December 2022

	Note	Share capital £'000	Share premium account £'000	Special reserve £'000	Revenue reserve £'000	Capital reserve £'000	Total shareholders' funds £'000
Opening equity as at 1 January 2022		**5,649**	**217,283**	**339,500**	**12,751**	**2,506**	**577,689**
Profit and total comprehensive income for the year		-	-	-	34,427	35,409	69,836
Dividends paid	7	-	-	-	(29,265)	-	(29,265)
Closing equity as at 31 December 2022		**5,649**	**217,283**	**339,500**	**17,913**	**37,915**	**618,260**

Year ended 31 December 2021

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

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

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

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

Statement of Cash Flows

	Note	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Operating activities cash flows			
Profit before taxation		69,836	34,789
Adjustments for:			
Movement in fair value of investments	9	(37,603)	(8,561)
Investment income from investments	4	(40,307)	(31,829)
Share issue abort costs		404	-
Operating cash flow before movements in working capital		**(7,670)**	**(5,601)**
Changes in working capital:			
Increase in trade and other receivables		(325)	(323)
(Decrease)/increase in trade payables		(207)	59
Distributions from investments	9	38,108	26,169
Net cash flow generated from operating activities		**29,906**	**20,304**
Investing activities cash flows			
Costs associated with acquiring the portfolio of assets	9	(83,580)	(212,516)
Net cash flow used in investing activities		**(83,580)**	**(212,516)**
Financing activities cash flows			
Dividends paid to Ordinary Shareholders	7	(29,265)	(20,459)
Proceeds from issue of share capital during the year		-	223,912
Costs in relation to issue of shares		(404)	(4,480)
Net cash flow (used in)/generated from financing activities		**(29,669)**	**198,973**
Net (decrease)/increase in cash and cash equivalents		**(83,343)**	**6,761**
Cash and cash equivalents at start of year		**93,946**	**87,185**
Cash and Cash equivalents at end of year		**10,603**	**93,946**

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

Notes to the Financial Statements

For the year ended 31 December 2022

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 the premium segment of the main market of the London Stock Exchange. The Directors intend, at all times, to conduct the affairs of the Company as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010, as amended.

The registered office and principal place of business of the Company is 6th Floor, 125 London Wall, London, EC2Y 5AS.

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

The audited financial statements of the Company (the "financial statements") are for the year ended 31 December 2022 and comprise only the results of the Company, as all of its subsidiaries are measured at fair value following the amendment to IFRS 10 as disclosed in Note 2. The comparatives shown in these financial statements refer to the year ended 31 December 2021.

The Company has appointed Octopus AIF Management Limited to be the alternative investment fund manager of the Company (the "AIFM") for the purposes of Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers. Accordingly, the AIFM is responsible for the portfolio management of the Company and for exercising the risk management function in respect of the Company. The AIFM has delegated portfolio management services to Octopus Renewables Limited (trading as Octopus Energy Generation), the Company's Investment Manager (the "Investment Manager").

Apex Listed Companies Services (UK) Limited (the "Administrator") provides administrative and company secretarial services to the Company under the terms of the Administration Agreement between the Company and the Administrator. During the year, Apex Group plc acquired Sanne Fund Services (UK) Limited and subsequently the name of the Company's Administrator and Company Secretary changed from Sanne Fund Services (UK) Limited to Apex Listed Companies Services (UK) Limited.

2. Basis of preparation

These financial statements have been prepared in accordance with UK-adopted international accounting standards and the applicable requirements of the Companies Act 2006. On 31 December 2020, IFRSs as adopted by the European Union at that date were brought into UK law and became UK-adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. The Company transitioned to UK-adopted international accounting standards in its financial statements on 1 January 2021. There was no impact or change in accounting policies from the transition.

The financial statements have also been prepared as far as is relevant and applicable to the Company in accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued in July 2022 by the Association of Investment Companies ("AIC").

The financial statements are prepared on the historical cost basis, except for the revaluation of investments measured at fair value through profit or loss. The principal accounting policies adopted are set out below. These policies are consistently applied.

The financial statements are presented in Sterling, which is the Company's functional currency and are rounded to the nearest thousand, unless otherwise stated. They have been prepared on the basis of the accounting policies, significant judgements, key assumptions and estimates as set out below.

Going concern

The Directors, in their consideration of going concern, have reviewed comprehensive cash flow forecasts prepared by the Company's Investment Manager which are based on market data and believe, based on those forecasts, the assessment of the Company's subsidiary's banking facilities and the assessment of the principal risks described in this report, 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 £11 million as at 31 December 2022 (2021: £94m) and available headroom on its revolving credit facility ("RCF") of £169 million (2021: £150 million). The Company's net assets at 31 December 2022 were £618 million (2021: £578m) and total expenses for the year ended 31 December 2022 were £8.0 million (2021: £5.6 million), which represented approximately 1.3% (2021: 1.3%) of average net assets during the year. At the date of approval of this document, based on the aggregate of investments and cash held, the Company has substantial operating expenses cover.

The Company receives revenue in the form of dividends and interest from its portfolio of assets. These revenues are derived from the sale of electricity through power purchase agreements in place with large and reputable providers of electricity to the market. A prolonged and deep market decline could lead to falling values to the underlying business or interruptions to cashflow, however the Directors do not foresee any immediate material risk to the Company's investment portfolio and income from underlying assets. The Directors are also satisfied and are comfortable that the Company would continue to remain viable under downside scenarios, including a decline in long-term power price forecasts.

In instances where underlying investments have external debt finance, the covenants associated with these facilities have been tested and are not expected to be breached, even in downside scenarios.

The major cash outflows of the Company are the payment of dividends, commitments payable for construction projects and contingent acquisitions and the repayment of the short-term facility which expires in November 2023. Post year end, the Company's intermediate holding company successfully refinanced its RCF to an increased facility of £270.8 million and extended its term to February 2026. The covenants of the RCF have been tested and are not expected to be breached, even in downside scenarios. Plausible downside scenarios include a decrease in wholesale energy prices or a decrease in output. While in some downside scenarios, the headroom available on the RCF will be lower, the Directors remain confident that the Company has sufficient cash balances and headroom in the RCF held by an intermediate holding company, in order to fund the commitments detailed in note 19 to the financial statements, should they become payable.

Having performed the assessment of going concern, the Directors considered it appropriate to prepare the financial statements of the Company on a going concern basis. The Company has sufficient financial resources and liquidity and is well placed to manage business risks in the current economic environment and can continue operations for a period of at least 12 months from the date of these financial statements.

Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed regularly on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Significant estimates, judgements and assumptions for the period are set out as follows:

Key estimation and uncertainty: Fair value estimation for investments at fair value

The Company's investments at fair value are not traded in active markets. Fair value is calculated by discounting at an appropriate discount rate future cash flows expected to be received by the Company's intermediate holdings. The discounted cashflow models use observable data, to the extent practicable. However, the key inputs require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of investments.

The discount rates used in the valuation exercise represent the Investment Manager's and the Board's assessment of the rate of return in the market for assets with similar characteristics and risk profile. The discount rates are reviewed quarterly and updated, where appropriate, to reflect changes in the market and in the project risk characteristics.

Unless fixed under PPAs or otherwise hedged, the power prices used in the valuations are based on market forward prices in the near term, followed by an equal blend of up to three independent and widely used market consultants' technology-specific capture price forecasts for each asset. Power prices are updated quarterly in line with the release of updated forecasts. There is an inherent uncertainty in future wholesale electricity price projection.

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

Short to medium-term inflation assumptions used in the valuations are based on third party forecasts. In the longer-term, an assumption is made that inflation will increase at a long-term rate. The estimates and assumptions that are used in the calculation of the fair value of investments is disclosed in Note 9.

The impact of physical and transition risks associated with climate change is assessed on a project by project basis and factored into the underlying cash flows as appropriate. Further details can be found in the Impact Report.

Further considerations on currency risks, interest rate risks, power price risks, credit risks, and liquidity risks are detailed in Note 16.

Key judgement: Equity and debt investment in ORIT Holdings II Limited

The Company classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of assets is managed, and performance is evaluated on a fair value basis.

The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Company's debt securities are solely principal and interest, however, these securities are not held for the purpose of collecting contractual cash flows. The collection of contractual cash flows is only incidental to achieving the Company's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Company considers the equity and loan investments to share the same investment characteristics and risks and they are therefore treated as a single unit of account for fair value purposes (IFRS 13) and a single class for financial instrument disclosure purposes (IFRS 9). As a result, the evaluation of the performance of the Company's investments is done for the entire portfolio on a fair value basis, as is the reporting to the key management personnel and to the investors. In this case, all equity, derivatives and debt investments form part of the same portfolio for which the performance is evaluated on a fair value basis together and reported to the key management personnel in its entirety.

Key judgement: Basis of non-consolidation

The Company has adopted the amendments to IFRS 10 which states that investment entities should measure all of their subsidiaries that are themselves investment entities at fair value (in accordance with IFRS 9 Financial Instruments: Recognition and Measurement, and IFRS 13 Fair Value Measurement).

Under the definition of an investment entity, the Company should satisfy all three of the following tests:

i. the Company obtains funds from one or more investors for the purpose of providing those investors with investment management services;

ii. the Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

iii. the Company measures and evaluates the performance of substantially all of its investments on a fair value basis.

In assessing whether the Company meet the definition of an investment entity set out in IFRS 10 the Directors note that:

i. the Company has multiple investors and obtains funds from a diverse group of shareholders who would otherwise not have access individually to invest in renewable energy infrastructure investments due to high barriers to entry and capital requirements;

ii. the Company intends to hold its investments for the remainder of their useful lives for the purpose of capital appreciation and investment income. The portfolio of assets are expected to generate renewable energy output for 30 to 40 years from their relevant commercial operation date and the Directors believe the Company is able to generate returns to the investors during that period; and

iii. the Company measures and evaluates the performance of all of its investments on a fair value basis which is the most relevant for investors in the Company. Management use fair value information as a primary measurement to evaluate the performance of all of the investments and in decision making.

The Directors are of the opinion that the Company meets all the typical characteristics of an investment entity and therefore meets the definition set out in IFRS 10. The Directors are satisfied that investment entity accounting treatment appropriately reflects the Company's activities as an investment trust.

The Directors have also satisfied themselves that the Company's wholly owned direct subsidiary, ORIT Holdings II Limited, meets the characteristics of an investment entity. ORIT Holdings II Limited has one investor, ORIT, however, in substance ORIT Holdings II Limited is investing the funds of the investors of ORIT on its behalf and is effectively performing investment management services on behalf of many unrelated beneficiary investors.

Being investment entities, ORIT and its wholly owned direct subsidiary, ORIT Holdings II Limited are measured at fair value as opposed to being consolidated on a line-by-line basis, meaning their cash, debt and working capital balances are included in the fair value of investments rather than the Group's current assets.

The Directors believe the treatment outlines above provides the most relevant information to investors.

New standards, interpretations and amendments

A number of new standards, amendments to standards are effective for the annual periods beginning after 1 January 2023. None of these are expected to have a significant effect on the measurement of the amounts recognised in the financial statements of the Company. The Company intends to adopt the standards and interpretations in the reporting period when they become effective and the Board does not anticipate that the adoption of these standards and interpretations in future periods will materially impact the Company's financial results in the period of initial application although there may be revised presentations to the financial statements and additional disclosures.

New standards and amendments issued but not yet effective

The relevant new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. These standards are not expected to have a material impact on the entity in future reporting periods and on foreseeable future transactions.

Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction

In May 2021, the IASB issued amendments that require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Amendment to IFRS 16 – Leases on sale and leaseback

In September 2022 the IASBs issued amendments for companies to include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction.

Amendment to IAS 1 – Non current liabilities with covenants

In November 2022 the IASBs issued amendments for companies to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

3. Significant accounting policies

a) Financial instruments

Financial assets and financial liabilities are recognised on the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred, and the transfer qualifies for derecognition in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

Financial assets

As an investment entity, the Company is required to measure its investments its wholly owned direct subsidiaries at FVTPL. As explained in note 2, the Company has made a judgement to fair value both the equity and debt investment in its subsidiary together. Subsequent to initial recognition, the Company measures its investments on a combined basis at fair value in accordance with IFRS 9 Financial Instruments: Recognition and Measurement and IFRS 13 Fair Value Measurement.

Trade receivables, loans and other receivables that are non-derivative financial assets and that have fixed or determinable payments that are not quoted in an active market are classified as financial assets at amortised cost. These assets are measured at amortised cost using the effective interest method, less allowance for expected credit losses. The Company has assessed IFRS 9's expected credit loss model and does not consider any material impact on these financial statements.

They are included in current assets, except where maturities are greater than 12 months after the year end date in which case they are classified as non-current assets.

Regular purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Financial assets at FVTPL are initially recognised at fair value. Transaction costs are expensed as incurred within the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value.

Gains and losses arising from changes in the fair value of the 'financial assets at FVTPL' category are presented in the Statement of Comprehensive Income within investment income in the period in which they arise.

Income from financial assets at FVTPL is recognised in the Statement of Comprehensive Income within investment income when the Company's right to receive payments is established.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

The Company's financial liabilities include trade and other payables and other short-term monetary liabilities which are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest rate method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Ordinary shares are classified as equity. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Direct issue costs are charged against the value of ordinary share premium.

b) Taxation

Investment trusts which have approval under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains. The Company has successfully applied and has been granted approval as an Investment Trust by HMRC.

Irrecoverable withholding tax is recognised on any overseas income on an accrual basis using the applicable rate of taxation for the country of origin.

The underlying intermediate holding companies and project companies in which the Company invests provide for and pay taxation at the appropriate rates in the countries in which they operate. This is taken into account when assessing the value of the subsidiaries.

c) Segmental reporting

The Board is of the opinion that the Company is engaged in a single segment of business, being investment in renewable energy infrastructure assets to generate investment returns whilst preserving capital. The financial information used by the Board to manage the Company presents the business as a single segment.

d) Investment income

Investment income comprises interest income and dividend income received from the Company's subsidiaries. Interest income is recognised in the Statement of Comprehensive Income using the effective interest method. Dividend income is recognised when the Company's entitlement to receive payment is established.

e) Expenses

All expenses are accounted for on an accrual basis. In respect of the analysis between revenue and capital items presented within the Statement of Comprehensive Income, all expenses are presented as revenue items except as follows:

Investment Management fees

As per the Company's investment objective, it is expected that income returns will make up the majority of ORIT's long-term return. Therefore, based on the estimated split of future returns (which cannot be guaranteed), 25% of the investment management fee is charged as a capital item within the Statement of Comprehensive Income.

Abort costs

Costs incurred on aborted transactions are charged as capital items within the Statement of Comprehensive Income.

f) Foreign currency

Functional currency and presentation currency

The financial statements are presented in Pounds Sterling which is the Company's functional and presentation currency. The Board of Directors considers Sterling the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. Sterling is the currency in which the Company measures its performance and reports its results, as well as the currency in which it receives subscriptions from its investors.

Transactions and balances

Transactions denominated in foreign currencies are translated into Sterling at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the period end are reported at the rates of exchange prevailing at the period end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss to capital or revenue in the Statement of Comprehensive Income as appropriate. Foreign exchange movements on investments are included in the Capital account of the Statement of Comprehensive Income.

g) Cash and Cash Equivalents

Cash and cash equivalents includes deposits held with banks and other short-term deposits with original maturities of three months or less. It is a highly liquid investment and readily convertible to a known amount of cash, and carries an insignificant risk of changes in value.

h) Dividends payable

Dividends payable to equity shareholders are recognised in the financial statements when they have been approved by shareholders and become a liability of the Company. Interim dividends payable are recognised in the period in which they are paid.

4. Investment income

	Year ended 31 December 2022			Year ended 31 December 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Dividend income from investments	17,250	-	17,250	19,169	-	19,169
Interest income from investments	23,057	-	23,057	12,660	-	12,660
Total investment income	**40,307**	**-**	**40,307**	**31,829**	**-**	**31,829**

5. Operating expenses

	Year ended 31 December 2022			Year ended 31 December 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fees	4,284	1,428	5,712	3,108	1,036	4,144
Directors' fees	186	-	186	141	-	141
Company's auditors' fees:						
– in respect of audit services	190	-	190	86	-	86
– in respect of audit-related assurance services	-	-	-	-	-	-
Other operating expenses	756	1,280	2,036	624	584	1,208
Total operating expenses	**5,416**	**2,708**	**8,124**	**3,959**	**1,620**	**5,579**

Further details on the Investment Manager's agreement have been provided in Note 17.

In addition to the fees disclosed above, £210,100 (2021: £88,000) is payable to the Company's auditors in respect of audit services provided to unconsolidated subsidiaries and therefore is not included within the Company's expenses above.

Included within other operating costs is an amount of £1,280,000 relating to transaction costs associated with the acquisition of portfolio of assets and abort costs.

The Company has no employees. Full detail on Directors' fees is provided in Note 17. The Directors' fees exclude employer's national insurance contribution which is included as appropriate in other operating expenses. There were no other emoluments.

6. Taxation

(a) Analysis of charge/(credit) in the year

	Year ended 31 December 2022			Year ended 31 December 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Corporation tax	515	(515)	-	312	(312)	-
Tax charge/(credit) for the year	**515**	**(515)**	**-**	**312**	**(312)**	**-**

(b) Factors affecting total tax charge/(credit) for the year:

The effective UK corporation tax rate applicable to the Company for the period is 19% (2021: 19%). The tax charge/(credit) differs from the charge/(credit) resulting from applying the standard rate of UK corporation tax for an investment trust company. The differences are explained below:

	Year ended 31 December 2022			Year ended 31 December 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) before taxation	34,942	34,894	69,836	27,875	6,914	34,789
Corporation tax at 19%	6,639	6,630	13,269	5,296	1,314	6,610
Effects of:						
Expenses not deductible for tax purposes	-	(7,145)	(7,145)	-	(1,626)	(1,626)
Income not taxable	(3,278)	-	(3,278)	(3,642)	-	(3,642)
Dividends designated as interest distributions	(2,852)	-	(2,852)	(1,342)	-	(1,342)
Movement in deferred tax not recognised	6	–	6	-	-	-
Total tax charge/(credit) for the year	**515**	**(515)**	**-**	**312**	**(312)**	**-**

The Directors are of the opinion that the Company has complied with the requirements for maintaining investment trust status for the purposes of section 1158 of the Corporation Tax Act 2010. This allows certain capital profits of the Company to be exempt from UK tax. Additionally, the Company may designate dividends wholly or partly as interest distributions for UK tax purposes. Interest distributions are treated as tax deductions against taxable income of the Company so that investors do not suffer double taxation on their returns.

The financial statements do not directly include the tax charges for any of the Company's intermediate holding companies or subsidiaries as these are held at fair value. Each of these companies are subject to taxes in the countries in which they operate.

The Company has an unrecognised deferred tax asset of £8,117 (2021: £882) based on the excess unutilised operating expenses of £32,470 (2021: £3,528) at the prospective UK corporation tax rate of 19%. A deferred tax asset has not been recognised in respect of these operating expenses and will be recoverable only to the extent that the Company has sufficient future taxable revenue.

7. Dividends

The dividends reflected in the financial statements for the year are as follows:

	Year ended 31 December 2022			Year ended 31 December 2021		
	Pence per Ordinary Share	Revenue reserve £'000	Total £'000	Pence per Ordinary Share	Revenue reserve £'000	Total £'000
Q4 2021 Dividend – paid 4 March 2022 (2021: 5 March 2021)	1.25	7,062	7,062	1.06	3,710	3,710
Q1 2022 Dividend – paid 27 May 2022 (2021: 7 June 2021)	1.31	7,401	7,401	1.25	4,375	4,375
Q2 2022 Dividend – paid 26 August 2022 (2021: 27 August 2021)	1.31	7,401	7,401	1.25	6,187	6,187
Q3 2022 Dividend – paid 25 November 2022 (2021: 26 November 2021)	1.31	7,401	7,401	1.25	6,187	6,187
Total	**5.18**	**29,265**	**29,265**	**4.81**	**20,459**	**20,459**

The dividend relating to the year/period, which is the basis on which the requirements of Section 1159 of the Corporation Tax Act 2010 are considered is detailed below:

	Year ended 31 December 2022			Year ended 31 December 2021		
	Pence per Ordinary Share	Revenue reserve £'000	Total £'000	Pence per Ordinary Share	Revenue reserve £'000	Total £'000
Q1 2022 Dividend – paid 27 May 2022 (2021: 7 June 2021)	1.31	7,401	7,401	1.25	4,375	4,375
Q2 2022 Dividend – paid 26 August 2022 (2021: 27 August 2021)	1.31	7,401	7,401	1.25	6,187	6,187
Q3 2022 Dividend – paid 25 November 2022 (2021: 26 November 2021)	1.31	7,401	7,401	1.25	6,187	6,187
Q4 2022 Dividend – paid 24 February 2023 (2021: 17 February 2022)	1.31	7,401	7,401	1.25	7,062	7,062
Total	**5.24**	**29,604**	**29,604**	**5.00**	**23,811**	**23,811**

On 31 January 2023 the Company declared an interim dividend of 1.31p per Ordinary Share in respect of the three months to 31 December 2022, a total of £7.4 million. The ex-dividend date was 9 February 2023, the record date was 10 February 2023, and the dividend was paid on 24 February 2023.

8. 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 year/period as follows:

	Year ended 31 December 2022			Year ended 31 December 2021		
	Revenue	Capital	Total	Revenue	Capital	Total
Profit attributable to the equity holders of the Company (£'000)	34,427	35,409	69,836	28,817	6,602	34,789
Weighted average number of Ordinary Shares in issue (000)	564,928	564,928	564,928	424,089	424,089	424,089
Earnings per Ordinary Share (pence) – basic and diluted	**6.09p**	**6.27p**	**12.36p**	**6.65p**	**1.55p**	**8.20p**

There is no difference between the weighted average Ordinary or diluted number of Shares.

9. Investments at fair value through profit or loss

As set out in Note 2, the Company accounts for its interest in its wholly owned direct subsidiary as an investment at fair value through profit or loss.

a) Summary of valuation

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Opening balance	485,417	258,680
Portfolio of assets acquired	79,194	207,487
Additional investment in intermediate holding companies	4,386	5,029
Distributions received from investments	(38,108)	(26,169)
Investment income	40,307	31,829
Movement in fair value of investments	37,603	8,561
Total investments at the end of the year	**608,799**	**485,417**

The additional investment in the intermediate holding companies include acquisition costs associated with the purchase of the portfolio of assets totalling £3.2 million (2021: £2.2m), which have been expensed to the profit and loss in these companies and £1.2 million (2021: £nil) of other expenses paid by the Company on behalf of the intermediate holding companies. In the prior year, this cost included an amount of £1.2 million associated with the RCF in ORIT Holdings II Limited and an additional investment of £1.6 million following the completion of asset life extensions on the UK Solar portfolio.

b) Reconciliation of movement in fair value of the Company's investments

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

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Opening balance	485,417	258,680
Portfolio of assets acquired	209,666	209,965
Distributions received	(40,129)	(26,668)
Movement in fair value	88,760	41,554
Fair value of portfolio of assets at the end of the year	**743,714**	**483,531**
Cash held in intermediate holding companies	4,509	1,293
Bank loans held in intermediate holding companies	(127,200)	-
Fair value of other net (liabilities)/assets in intermediate holding companies	(12,224)	593
Fair value of Company's investments at the end of the year	**608,799**	**485,417**

c) Investment gains in the year

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Movement in fair value of investments	37,603	8,561
Gains on investments	**37,603**	**8,561**

Of the total distributions received from investments, £10.7 million (2021: £7.9m) relates to income originated from the Company's UK investments and £29.4 million (2021: £18.3m) relates to income originated from its European investments.

Fair value of portfolio of assets

The Investment Manager has carried out fair market valuations of the investments as at 31 December 2022.

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. As explained in note 3a, the equity and debt instruments are valued as a whole. This is done using a blended discount rate and the value attributed to debt investments represents their face value, with the residual value attributed to equity investments. The weighted average costs of capital applied to the portfolio of assets ranges from 5.5% to 9.6%.

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

	As at 31 December 2022	As at 31 December 2021
UK – long-term inflation rate	6.7% during 2023, declining to 3.00% in 2027 and then to 2.25% from 2030 onwards.	3.00% to April 2030; 2.25% thereafter.
UK – corporation tax rate	19.00% to April 2023; 25.00% thereafter.	19.00% to April 2023; 25.00% for next three years; and then reducing by 1.00% annually until 19.00%.
Sweden – long-term inflation rate	2.00%	2.00%
Sweden – corporation tax rate	20.60%	20.60%
France – long-term inflation rate	2.00%	2.00%
France – corporation tax rate	25.00%	25.00%
Poland – long-term inflation rate	2.50%	2.5%
Poland – corporation tax rate	19.00%	19.00%
Finland – long-term inflation rate	2.00%	2.00%
Finland – corporation tax rate	20.00%	20.00%
Euro/sterling exchange rate	1.1277	1.1907
Zloty/sterling exchange rate	5.3009	5.4702
Energy yield assumptions	P50 case	P50 case

As at 31 December 2022, the fair value of the Crossdykes onshore wind farm in the UK and the Leeskow onshore wind farm in Germany is deemed approximate to cost given the close proximity of these acquisitions to the year end.

The fair value of the investments in development assets held through joint venture arrangements by ORIT JV Holdings 2 Limited and ORIT JV Holdings 3 Limited is also deemed to be equal to cost due to the nature of these investments.

Other key assumptions include:

Power Price Forecasts

The power price forecasts used in the valuations are based on market forward prices in the near-term, followed by an equal blend of up to three independent and widely used market expert consultants' relevant technology-specific capture price forecasts for each asset. Whilst government announcements over energy policies are now clearer, given volatility in power prices exhibited over 2022 and the general downward trend in pricing over Q4, the Board and the Investment Manager still consider it appropriate to include a modest discount to the prevailing forward prices of 20% over the 2023 to 2025 period, in addition to the normal discounts to reflect the lower prices typically captured by wind and solar generators.

Asset Lives

The length of the period of operations assumed in the valuation is determined on an asset-by-asset basis taking into account the lease agreements, permits or planning permissions in place as well as any extension rights, renewal regimes or wider policy considerations, together with the technical characteristics of the asset.

Decommissioning Costs

Where applicable, the present value of the estimated costs to restore the land back to its original use are included in the valuations as a cash outflow at the end of the asset life.

Fair value of intermediate holding companies

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

The sensitivity to unobservable inputs is based on management's expectation of reasonable possible shifts in these inputs. The valuation sensitivity of each assumption is shown in Note 15.

Please see details of the valuation process outlined on page 39.

10. Trade and other receivables

	As at 31 December 2022 £'000	As at 31 December 2021 £'000
Accrued interest receivable	-	1
Other receivables	775	449
Total	**775**	**450**

11. Trade and other payables

	As at 31 December 2022 £'000	As at 31 December 2021 £'000
Accrued expenses	1,917	2,124
Total	**1,917**	**2,124**

12. Share capital

Allotted, issued and fully paid:	Year ended 31 December 2022 Number of shares	Year ended 31 December 2022 Nominal value of shares (£)	Year ended 31 December 2021 Number of shares	Year ended 31 December 2021 Nominal value of shares (£)
Opening balance	**564,927,536**	**5,649,275**	**350,000,000**	**3,500,000**
Allotted following admission to LSE				
Share issue raised pursuant to the Placing, Open Offer, Offer for Subscription and Intermediaries Offer	-	-	144,927,536	1,449,275
Share issue raised pursuant to the Placing and the REX Retail Offer	-	-	70,000,000	700,000
Closing balance	**564,927,536**	**5,649,275**	**564,927,536**	**5,649,275**

On 9 July 2021 the Company issued 144,927,536 shares at an issue price 103.5 pence, raising gross proceeds of approximately £150 million pursuant to the Placing, Open Offer, Offer for Subscription and Intermediaries Offer.

On 7 December 2021 the Company issued 70,000,000 shares at an issue price 105.5 pence, raising gross proceeds of approximately £73.9 million pursuant to the Placing and REX Retail Offer.

As at 31 December 2022, the Company had total share premium of £217,283,000 (2021: £217,283,000).

13. Special reserve

As indicated in the Company's prospectus dated 19 November 2019, following admission of the Company's Ordinary Shares to trading on the London Stock Exchange, the Directors applied to the Court and obtained a judgement on 18 February 2020 to cancel the amount standing to the credit of the share premium account of the Company.

As stated by the Institute of Chartered Accountants in England and Wales ("ICAEW") and the Institute of Chartered Accountants in Scotland ("ICAS") in the technical release TECH 02/17BL, The Companies (Reduction of Share Capital) Order 2008 SI 2008/1915 ("the Order") specifies the cases in which a reserve arising from a reduction in a company's capital (i.e., share capital, share premium account, capital redemption reserve or redenomination reserve) is to be treated as a realised profit as a matter of law. The Order also disapplies the general prohibition in section 654 on the distribution of a reserve arising from a reduction of capital. The Order provides that if a limited company having a share capital reduces its capital and the reduction is confirmed by order of court, the reserve arising from the reduction is treated as a realised profit unless the court orders otherwise.

The amount of the share premium account cancelled and credited to the Company's Special reserve is £339,500,000, which can be utilised to fund distributions by way of dividends to the Company's shareholders.

14. Net asset per Ordinary Share (pence)

	As at 31 December 2022	As at 31 December 2021
Total shareholders' equity (£'000)	618,260	577,689
Number of Ordinary Shares in issue ('000)	564,928	564,928
Net asset value per Ordinary Share (pence)	**109.44p**	**102.26p**

15. Financial instruments by category

	As at 31 December 2022			
	Financial assets at amortised cost £'000	Financial assets at fair value through profit or loss £'000	Financial liabilities at amortised cost £'000	Total £'000
Non-current assets				
Investments at fair value through profit or loss	-	608,799	-	608,799
Current assets				
Trade and other receivables	775	-	-	775
Cash and cash equivalents	10,603	-	-	10,603
Total assets	**11,378**	**608,799**	**-**	**620,177**
Current liabilities				
Trade and other payables	-	-	(1,917)	(1,917)
Total liabilities	**-**	**-**	**(1,917)**	**(1,917)**
Net assets	**11,378**	**608,799**	**(1,917)**	**618,260**

As explained in Note 3a, the Company values its investments as a whole. In the tables above of the total figure of £608,799,000 for financial assets at fair value through profit or loss, £506,482,000 relates to the face value of debt investments.

	As at 31 December 2021			
	Financial assets at amortised cost £'000	Financial assets at fair value through profit or loss £'000	Financial liabilities at amortised cost £'000	Total £'000
Non-current assets				
Investments at fair value through profit or loss	-	485,417	-	485,417
Current assets				
Trade and other receivables	450	-	-	450
Cash and cash equivalents	93,946	-	-	93,946
Total assets	**94,396**	**485,417**	**-**	**579,813**
Current liabilities				
Trade and other payables	-	-	(2,124)	(2,124)
Total liabilities	**-**	**-**	**(2,124)**	**(2,124)**
Net assets	**94,396**	**485,417**	**(2,124)**	**577,689**

As explained in Note 3a, the Company values its investments as a whole. In the table above of the total figure of £485,417,000 for financial assets at fair value through profit or loss, £421,203,000 relates to the face value of debt investments.

In the tables above, the fair value of the financial instruments that are measured at amortised cost do not materially differ from their carrying values.

IFRS 13 requires the Company to classify its investments in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. IFRS 13 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The three levels of fair value hierarchy under IFRS 13 are as follows:

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities	**Level 2:** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)	**Level 3:** fair value measurements are those derived from valuation techniques that include inputs to the asset or liability that are not based on observable market data (unobservable inputs)

	As at 31 December 2022			
	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial assets				
Investments at fair value through profit or loss	-	-	608,799	608,799
Total financial assets	**-**	**-**	**608,799**	**608,799**

	As at 31 December 2021			
	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial assets				
Investments at fair value through profit or loss	-	-	485,417	485,417
Total financial assets	**-**	**-**	**485,417**	**485,417**

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

Included within investments at fair value through profit or loss is an amount of £5.0 million (2021: £1.7m) relating to two derivative options (associated with the conditional acquisitions in Spain and Ireland) recognised in an intermediate holding company.

Reconciliation of Level 3 fair value measurement of financial assets and liabilities

An analysis of the movement between opening to closing balances of the investments at fair value through profit or loss (all classified as Level 3) is given in Note 9.

The fair value of the investments at fair value through profit or loss includes the use of Level 3 inputs. Refer to Note 9 for details on the valuation methodology.

Valuation Sensitivities

Discount rate

The discount rate is considered the most significant unobservable input through which an increase or decrease would have a material impact on the fair value of the investments at fair value through profit or loss.

An increase of 0.5% in the discount rate (levered cost of equity) would cause a decrease in total portfolio value of 6.9p per Ordinary Share and a decrease of 0.5% in the discount rate would cause an increase in total portfolio value of 7.4p per Ordinary Share.

Inflation rate

The sensitivity of the investments to movement in inflation rates is as follows:

A decrease of 0.5% in inflation rates would cause a decrease in total portfolio value of 6.0p per Ordinary Share and an increase of 0.5% in inflation rates would cause an increase in total portfolio value of 6.5p per Ordinary Share.

Power price

Wind and solar assets are subject to movements in power prices. The sensitivities of the investments to movement in power prices are as follows:

A decrease of 10% in power price would cause a decrease in the total portfolio value of 13.7p per Ordinary Share and an increase of 10% in power price would cause an increase in the total portfolio value of 13.6p per Ordinary Share.

Generation

Wind and solar assets are subject to power generation risks. The sensitivities of the investments to movement in level of power output are as follows:

The fair value of the investments is based on a "P50" level of power output being the expected level of generation over the long-term. An assumed "P90" level of power output (i.e. a level of generation that is below the "P50", with a 90% probability of being exceeded) would cause a decrease in the total portfolio value of 23.6p 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 22.4p per Ordinary Share.

Foreign exchange

The sensitivity of the investments to movement in FX rates is as follows:

An increase of 10% in FX rates would cause a decrease in total portfolio value of 2.1p per Ordinary Share and a decrease of 10% in inflation rates would cause an increase in total portfolio value of 2.1p per Ordinary Share.

Of the portfolio as at 31 December 2022, 59% (2021: 46%) of the NAV is denominated in non-sterling currencies.

16. Financial risk management

The Company's activities expose it to a variety of financial risks; including foreign currency risk, interest rate risk, power price risk, credit risk and liquidity risk. The Board of Directors has overall responsibility for overseeing the management of financial risks, however the review and management of financial risks are delegated to the AIFM. Each risk and its management are summarised below.

(i) Currency risk

Foreign currency risk is defined as the risk that the fair values of future cashflows will fluctuate because of changes in foreign exchange rates. The Company seeks to minimise the volatility of cash flows in non-GBP currencies over the short to medium-term through its foreign exchange hedging policy; which requires a minimum of 50% of all forecasted distributions denominated in foreign currencies to be hedged over 5 years in order to give the Company some certainty over the future cashflows and reduce its exposure to foreign exchange risk. The Company also has the ability to hedge a portion of value thereafter so as to limit volatility of the Company's NAV to foreign exchange risk.

The portfolio of assets in which the Company invests all conduct their business and pay interest, dividends and principal in sterling, with the exception of the euro-denominated investments which at 31 December 2022 comprised 48% (2021: 53%) of the portfolio by value on an invested basis and 53% (2021: 54%) of the portfolio by value on a committed basis; and zloty-denominated investments which at 31 December 2022 comprised 11% (2021: 11%) of the portfolio by value on an invested basis and 9% (2021: 9%) of the portfolio by value on a committed basis. The valuation sensitivity to FX rates is shown in Note 15.

(ii) Interest rate risk

The Company's interest rate risk on interest bearing financial assets is limited to interest earned on cash and loan investments into project companies, which yield interest at a fixed rate. The portfolio's cashflows are continually monitored and reforecast, both over the near future and the long-term, to analyse the cash flow returns from investments.

The Group may use borrowings to finance the acquisition of investments and the forecasts are used to monitor the impact of changes in borrowing rates against cash flow returns from investments as increases in borrowing rates will reduce net interest margins. The Group's policy is to ensure that interest rates are sufficiently hedged to protect the Group's net interest margins from significant fluctuations when entering into material medium/long-term borrowings. This includes engaging in interest rate swaps or other interest rate derivative contracts.

The Company's interest and non-interest bearing assets and liabilities are summarised below:

	As at 31 December 2022		
Assets	**Interest bearing £'000**	**Non-interest bearing £'000**	**Total £'000**
Cash and cash equivalents	-	10,603	10,603
Trade and other receivables	-	775	775
Investments at fair value through profit or loss	506,482	102,317	608,799
Total assets	**506,482**	**113,695**	**620,177**
Liabilities			
Trade and other payables	-	(1,917)	(1,917)
Total liabilities	**-**	**(1,917)**	**(1,917)**

	As at 31 December 2021		
Assets	**Interest bearing £'000**	**Non-interest bearing £'000**	**Total £'000**
Cash and cash equivalents	64,963	28,983	93,946
Trade and other receivables	-	450	450
Investments at fair value through profit or loss	421,203	64,214	485,417
Total assets	**486,166**	**93,647**	**579,813**
Liabilities			
Trade and other payables	-	(2,124)	(2,124)
Total liabilities	**-**	**(2,124)**	**(2,124)**

In the tables above, the interest bearing asset value for investments at fair value through profit or loss relates to the face value of debt investments.

(iii) Power Price risk

The wholesale market price of electricity and gas is volatile and is affected by a variety of factors, including market demand for electricity and gas, the generation mix of power plants, government support for various forms of power generation, as well as fluctuations in the market prices of commodities and foreign exchange. Whilst some of the Company's renewable energy projects benefit from fixed prices, others have revenue which is in part based on wholesale electricity and gas prices. The Investment Manager continually monitors energy price forecast and aims to put in place mitigating strategies, such as hedging arrangements or fixed PPA contracts to reduce the exposure of the Company to this risk.

Further information on the impact of power prices over the year is provided in the Portfolio Valuation section of the Investment Manager's report on page 39.

(iv) Credit risks

Credit risk is the risk that a counterparty of the Group will be unable or unwilling to meet a commitment that it has entered into with the Group. The credit standing of subcontractors is reviewed, and the risk of default estimated for each significant counterparty position. Monitoring is on-going, and year end positions are reported to the Board on a quarterly basis. The Group's largest credit risk exposure to a project at 31 December 2022 was to Goldbeck Solar Limited on Breach Solar representing 6% of the portfolio by value (2021: Nordex SE on the Cumberhead project: 6%).

The Company's investments enter into Power Price Agreements ("PPA") with a range of providers through which electricity is sold. The largest PPA provider to the portfolio at 31 December 2022 was EDF who provided PPAs to projects in respect of 18% of the portfolio by value (2021: Npower: 18%).

Credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. The Company and its subsidiaries mitigate their risk on cash investments and derivative transactions by only transacting with major international financial institutions with high credit ratings assigned by international credit rating agencies.

The Company has assessed IFRS 9's expected credit loss model and does not consider any material impact on these financial statements. No trade and other receivables balances are credit-impaired at the reporting date.

The Company's commitment in respect of its conditional acquisition is accounted for as a derivative option in an intermediate holding company.

(v) Liquidity risks

Liquidity risk is the risk that the Group may not be able to meet its financial obligations as they fall due. The AIFM and the Board continuously monitor forecast and actual cashflows from operating, financing, and investing activities to consider payment of dividends, repayment of trade and other payables or funding further investing activities. The Group ensures it maintains adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group's investments are generally in private companies, in which there is no listed market and therefore such investment would take time to realise, and there is no assurance that the valuations placed on the investments would be achieved from any such sale process.

Financial assets and liabilities by maturity at the year are shown below:

	31 December 2022			
	Less than 1 year £'000	1-5 years £'000	More than 5 years £'000	Total £'000
Assets				
Investments at fair value through profit or loss	-	-	608,799	608,799
Trade and other receivables	775	-	-	775
Cash and cash equivalents	10,603	-	-	10,603
Liabilities				
Trade and other payables	(1,917)	-	-	(1,917)
	9,461	**-**	**608,799**	**618,260**

	31 December 2021			
	Less than 1 year £'000	1-5 years £'000	More than 5 years £'000	Total £'000
Assets				
Investments at fair value through profit or loss	-	-	485,417	485,417
Trade and other receivables	450	-	-	450
Cash and cash equivalents	93,946	-	-	93,946
Liabilities				
Trade and other payables	(2,124)	-	-	(2,124)
	92,272	**-**	**485,417**	**577,689**

Capital management

The Company's capital management objective is to ensure that the Company will be able to continue as a going concern while maximising the return to equity shareholders. The Company's investment objective is to provide investors with an attractive and sustainable level of income returns, with an element of capital growth, by investing in a diversified portfolio of Renewable Energy Assets in the UK, Europe and Australia.

The Company considers its capital to comprise ordinary share capital, special reserve and retained earnings. The Company is not subject to any externally imposed capital requirements. The Company's total share capital and reserves shown in the Statement of Financial Position are £618,260,000 (2021: £ 577,689,000).

The Company has implemented an efficient financing structure that enables it to manage its capital effectively. The Company's capital structure comprises equity only (refer to the statement of changes in equity).

The Company's direct subsidiary, ORIT Holdings II Limited, has a £246 million revolving credit facility with Banco de Sabadell, Intesa Sanpaolo, National Australia Bank, NatWest and Santander. The facility was £77.2 million drawn at 31 December 2022 (2021: £nil).

The Board, with the assistance of the Investment Manager, monitors and reviews the Company's capital on an ongoing basis.

- Share capital represents the 1p nominal value of the issued share capital.
- The share premium account arose from the net proceeds of issuing new shares.
- The capital reserve reflects any increases and decreases in the fair value of investments which have been recognised in the capital column of the Statement of Comprehensive Income.

17. Related party transactions

During the year, interest totalling £23,057,000 (2021: £12,660,000) was earned, in respect of the long-term interest-bearing loan between the Company and its subsidiaries. At the period end, no interest earned was outstanding.

AIFM and Investment Manager

The Company has appointed Octopus AIF Management Limited to be the Alternative Investment Fund Manager of the Company (the "AIFM") for the purposes of Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers. Accordingly, the AIFM is responsible for the portfolio management of the Company and for exercising the risk management function in respect of the Company. The AIFM has delegated portfolio management services to Octopus Renewables Limited (trading as Octopus Energy Generation), the Company's Investment Manager.

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

During the year, the Investment management fee charged to the Company by the AIFM was £5,712,000 (2021: £4,144,000), of which £1,451,000 (2021: £1,364,000) remained payable at the year end date.

Directors

The Company is governed by a Board of Directors (the "Board"), all of whom are independent and non-executive. During the period, the Board received fees for their services of £186,000 (2021: £141,000) and were paid £7,900 (2021: £2,700) in expenses. As at the period end, there were no outstanding fees payable to the Board.

The Directors had the following shareholdings in the Company, all of which were beneficially owned.

	Ordinary Shares as at date of this report	Ordinary Shares as at 31 December 2022	Ordinary Shares as at 31 December 2021
Philip Austin MBE	165,518	165,518*	108,867*
James Cameron	65,306	65,306	65,306
Elaina Elzinga	-	-	-
Audrey McNair	51,383	51,383	51,383

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

18. Subsidiaries, joint ventures and associates

As a result of applying Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), no subsidiaries have been consolidated in these financial statements. The Company's subsidiaries are listed below:

Name	Category	Place of business	Registered Office*	Ownership interest
ORIT Holdings Limited	Intermediate Holdings	UK	A	100%
ORIT Holdings II Limited	Intermediate Holdings	UK	A	100%
ORIT UK Acquisitions Limited	Intermediate Holdings	UK	A	100%
Abbots Ripton Solar Energy Limited	Project company	UK	A	100%
Chisbon Solar Farm Limited	Project company	UK	A	100%
Jura Solar Limited	Project company	UK	A	100%
Mingay Farm Limited	Project company	UK	A	100%
NGE Limited	Project company	UK	A	100%
Sun Green Energy Limited	Project company	UK	A	100%

Name	Category	Place of business	Registered Office*	Ownership interest
Westerfield Solar Limited	Project company	UK	A	100%
Wincelle Solar Limited	Project company	UK	A	100%
Heather Wind AB	Project company	Sweden	B	100%
Solstice 1A GmbH	Portfolio-level Holdings	Germany	C	100%
SolaireCharleval SAS	Project company	France	D	100%
SolaireIstres SAS	Project company	France	D	100%
SolaireCuges-Les-Pins SAS	Project company	France	D	100%
SolaireChalmoux SAS	Project company	France	D	100%
SolaireLaVerdiere SAS	Project company	France	D	100%
SolaireBrignoles SAS	Project company	France	D	100%
SolaireSaint-Antonin-du-Var SAS	Project company	France	D	100%
Centrale Photovoltaique de IOVI 1 SAS	Project company	France	D	100%
Centrale Photovoltaique 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%
Eylsia SAS	Portfolio-level Holdings	France	E	100%
CEPE Cerisou	Project company	France	F	100%
Cumberhead Wind Energy Limited	Project company	UK	A	100%
ORIT Irish Holdings 2 Limited	Portfolio-level Holdings	UK	A	100%
ORIT Irish Holdings Limited	Portfolio-level Holdings	UK	A	100%
Copernicus Windpark Sp. Z.o.o	Project company	Poland	G	100%
Forthewind Sp. Z.o.o	Project company	Poland	G	100%
Nordic Power Development Limited	Portfolio-level Holdings	UK	A	100%
Saunamaa Wind Farm Oy	Project company	Finland	H	100%
Vöyrinkangas Wind Farm Oy	Project company	Finland	H	100%

Name	Category	Place of business	Registered Office*	Ownership interest
ORI JV Holdings Limited	Portfolio-level Holdings	UK	A	50%
ORI JV Holdings 2 Limited	Portfolio-level Holdings	UK	A	50%
Simply Blue Energy Holdings Limited	Portfolio-level Holdings	Ireland	I	15.5%
South Kilbraur Wind Farm Limited	Project company	UK	J	25%
Windburn Wind Farm Limited	Project company	UK	J	25%
Wind 2 Project 2 Limited	Project company	UK	J	25%
Wind 2 Project 5 Limited	Project company	UK	J	25%
Wind 2 Project 3 Limited	Project company	UK	J	25%
Kirkton Wind Farm Limited	Project company	UK	J	25%
Bwlch Gwyn Wind Farm Limited	Project company	UK	J	25%
Wind 2 Project 6 Limited	Project company	UK	J	25%
Wind 2 Project 4 Limited	Project company	UK	J	25%
ORI JV Holdings 3 Limited	Portfolio-level Holdings	UK	A	50%
Nordic Renewables Limited	Portfolio-level Holdings	UK	A	50%
Nordic Renewables Holdings 1 Limited	Portfolio-level Holdings	UK	A	50%
ORI JV Holdings 4 Limited	Portfolio-level Holdings	UK	A	50%
ORI JV Holdings 5 Limited	Portfolio-level Holdings	UK	A	51%
ORI JV Holdings 5 Holdco Limited	Portfolio-level Holdings	UK	A	51%
ORI JV Holdings 6 Limited	Portfolio-level Holdings	UK	A	50%
ORIT Lincs Holdco Limited	Portfolio-level Holdings	UK	A	100%
ORI Lincs Holdings Limited	Portfolio-level Holdings	UK	A	67%
Clyde SPV Limited	Portfolio-level Holdings	UK	K	50%
Blota Germany GmbH	Portfolio-level Holdings	Germany	L	100%
Blota GP GmbH	Portfolio-level Holdings	Germany	L	100%
UKA Windenergie Leeskow GmbH	Portfolio-level Holdings	Germany	M	100%

Name	Category	Place of business	Registered Office*	Ownership interest
UGE Leeskow GmbH & Co. KG	Project company	Germany	M	100%
Umweltgerechte Energie Infrastrukturgesellschaft Leeskow mbH & Co. KG	Project company	Germany	M	100%
Burwell 11 Solar Limited	Project company	UK	A	100%
Crossdykes WF Limited	Project company	UK	N	51%
UK Green Investment Lyle Limited	Portfolio-level Holdings	UK	K	50%
Lincs Wind Farm (Holding) Limited	Portfolio-level Holdings	UK	O	15.5%
Lincs Wind Farm Limited	Project company	UK	P	15.5%

* Registered offices:
A – 6th Floor, 33 Holborn, London, EC1N 2HT, England
B – Lilla Nygatan 1, 111 28 Stockholm, Sweden
C – Maximilianstraße, 3580539 München, Germany
D – 52 Rue de la Victoire 75009, Paris, France
E – 4 Rue de Marivaux, 75002 Paris, France
F – Z.I de Courtine, 330 rue du Mourelet, 84000. Avignon, France
G – Wojska Polskiego 24-26, 75-712 Koszalin,
H – Teknobulevardi 3-5, 01530 Vantaa, Finland
I – Woodbine Hill, Kinsalebeg, Youghal, Co. Cork, Ireland
J – Wind 2 Office, 2 Walker Street, Edinburgh, Scotland, EH3 7LB
K – 8 White Oak Square, London Road, Swanley, Kent, United Kingdom, BR8 7AG
L – c/o Ashurst LLP, OpernTurm, Bockenheimer Landstraße 2-4, 60306 Frankfurt
M – Dorfstraße 20a, 18276 Lohmen
N – 58 Morrison Street, Edinburgh, United Kingdom, EH3 8BP
O - 5 Howick Place, London, United Kingdom, SW1P 1WG
P - 13 Queens Road, Aberdeen, Scotland, AB15 4YL

As shown on page 13, ORIT Holdings II Limited is the only direct subsidiary of the Company. All other subsidiaries are held indirectly..

19. Guarantees and other commitments

The Company guarantees the foreign exchange hedges entered into by its intermediate holding companies to enable it to minimise its exposure to changes in underlying foreign exchange rates.

As at 31 December 2022, the Company has guarantees in respect of the future investment obligations associated with the Breach Solar plant totalling £41.5 million (2021: £nil).

As at 31 December 2022 the Company's subsidiaries had future investment obligations totalling £111.2 million (2021: £141.7m) relating to its wind farms currently undergoing construction and its conditional acquisitions in Spain and Ireland. The intermediate holding companies have provided guarantees in respect of these commitments.

20. Contingent acquisition

On 30 September 2020 an intermediate holding company, ORIT Holdings Limited, entered into a Share Purchase Agreement ("SPA") for the acquisition of a 100% interest in a portfolio of solar PV assets located in southern Spain. The purchase price will be based on the MWp of the portfolio and will only become payable once the assets become ready to build. With the exception of the initial payment, no other assets or liabilities have been recognised in respect of this transaction as at 31 December 2022. If the conditions of the sale are not satisfied, the initial payment of £1.8 million is fully refundable and backed by a Bank Guarantee.

On 26 July 2021 an intermediate holding company, ORIT Holdings Limited, entered into a Share Purchase Agreement ("SPA") for the acquisition of a 100% interest in a portfolio of five solar PV assets in Ireland. Completion of the acquisition is conditional upon four of the sites becoming fully operational, which is expected to occur in H2 2023. Total consideration for the acquisition is expected to be between approximately €169 million and €193 million (approximately £144 million to £165m) which will, apart from any deferred consideration in respect of the fifth site, be payable on completion. The Company has secured a fully amortising debt facility of up to €88 million (approximately £76m) from Allied Irish Banks plc and La Banque Postale to part finance the acquisition of the operational sites. A derivative asset of £3.3 million (2021: £nil) has been recognised in respect of this transaction as at 31 December 2022 in an intermediate holding company. Post year end, the Company has committed to the fifth site.

On 17 June 2022, an intermediate holding company, ORIT Holdings Limited, entered into an agreement to acquire a 50% stake in a 12MW/24MWh ready-to-build battery storage project in Bedfordshire, UK, from Gridsource. The acquisition was made alongside another Octopus Managed Fund and completed post period end in January 2023 conditional upon the lease agreement for the project site coming into effect.

21. Post period end events

On 20 January 2023, and having agreed the lease for the site, the Company has completed the acquisition of a 50% stake in a 12MW/24MWh ready-to-build battery storage project in Bedfordshire, UK. The consideration for the acquisition and the Company's share of future construction costs is expected to be approximately £4 million.

On 31 January 2023 the Company declared an interim dividend in respect of the three months ended 31 December 2022 of 1.31p per Ordinary Share for £7.4 million based on a record date of 10 February 2023 and ex-dividend date of 9 February 2023 and the number of Ordinary Shares in issue being 564,927,536. This dividend was paid on 24 March 2023.

On 27 February 2023 the Company announced that ORIT Holdings II Limited had refinanced and increased its multi-currency RCF. The committed £270.8m RCF (which was previously £150.0m committed, pre-accordion) has a three year term to 24 February 2026 and can be drawn in GBP, EUR, AUD and USD. The RCF has an interest rate of 2.0% above SONIA (or equivalent reference rate for other currencies) and an improved margin compared with the previous facility's margin of 2.3%. It also has an uncommitted accordion feature allowing the facility to be increased in size by up to a further £150m. The facility has been provided by a group of four lenders: National Australia Bank, NatWest, Santander and Allied Irish Banks.

On 2 March 2023, the contingent acquisition in the portfolio of Spanish PV assets was re-negotiated. From this date, the Company no longer has an obligation to acquire the assets once they reach ready to build status, but instead has the option to acquire them.

There are no other events after the balance sheet date which are required to be disclosed.

Other Information

Alternative Performance Measures

In reporting financial information, the Company presents alternative performance measures, "APMs", which are not defined or specified under the requirements of IFRS. The Company believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the Company. The APMs presented in this report are shown below:

Gross asset value (GAV)

The Company's gross assets comprise the net asset values of the Company's Ordinary Shares and the debt held in unconsolidated subsidiaries

			As at 31 December 2022	As at 31 December 2021
		Page	£million	£million
NAV	a	187	618.3	577.7
Debt	b	n/a	454.3	160.5
Total GAV	**a + b**		**1,072.6**	**738.2**

Total value of all investments

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

			As at 31 December 2022	As at 31 December 2021
		Page	£million	£million
GAV	a	222	1,072.6	738.2
Commitments on existing portfolio	b	n/a	68.3	38.2
Commitments on conditional acquisitions	c	n/a	177.0	206.6
Total value of all assets plus commitments	**(a+b+c) = d**		**1,317.9**	**983.0**
Less Company and holding company assets	e	n/a	(1.7)	(94.2)
Less asset level cash	f	n/a	(15.5)	(11.2)
Total value of all investments	**d - e - f**		**1,304.2**	**877.6**

Total return since IPO

A measure of performance since IPO that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into the Ordinary Shares of the Company on the ex-dividend date.

31 December 2022		Page	Share price	NAV
Value at IPO (10 December 2019) – pence	a	n/a	100.00	98.00
Value at 31 December 2022 – pence	b	187	100.00	109.44
Benefits of reinvesting dividends – pence	d	n/a	-	1.8
Dividends paid since IPO – pence	c	200	12.11	12.11
Total return	**(b+c+d)÷a)-1**		**12.1%**	**25.9%**
Annualised total return			**3.8%**	**7.8%**

31 December 2021		Page	Share price	NAV
Value at IPO (10 December 2019) – pence	a	n/a	100.00	98.00
Value at 31 December 2021 – pence	b	187	110.80	102.26
Benefits of reinvesting dividends – pence	d	n/a	0.06	0.62
Dividends paid since IPO – pence	c	200	6.93	6.93
Total return	**(b+c+d)÷a)-1**		**17.7%**	**12.1%**
Annualised total return			**8.3%**	**5.7%**

Total return for the year

A measure of performance for the year that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into the Ordinary Shares of the Company on the ex-dividend date.

31 December 2022		Page	Share price	NAV
Value at 1 January 2022 – pence	a	n/a	110.80	102.26
Value at 31 December 2022 – pence	b	187	100.00	109.44
Benefits of reinvesting dividends – pence	d	n/a	0.35	0.26
Dividends paid in the year – pence	c	200	5.18	5.18
Total return	**(b+c+d)÷a)-1**		**-4.8%**	**12.3%**

31 December 2021		Page	Share price	NAV
Value at 1 January 2021 – pence	a	n/a	113.80	98.26
Value at 31 December 2021 – pence	b	187	110.80	102.26
Benefits of reinvesting dividends – pence	d	n/a	0.05	0.37
Dividends paid in the year - pence	c	200	4.81	4.81
Total return	**(b+c+d)÷a)-1**		**1.6%**	**9.3%**

Discount)/Premium to NAV

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

		Page	As at 31 December 2022	As at 31 December 2021
NAV per Ordinary Share - pence	a	187	109.44	102.26
Share price – pence	b	n/a	100.00	110.80
(Discount)/Premium	**(b÷a)-1**		**(8.6%)**	**8.4%**

Ongoing charges ratio

A measure, expressed as a percentage of average net assets, of the regular, recurring annual costs of running the Company per Ordinary Share. This has been calculated and disclosed in accordance with the AIC methodology.

		Page	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Average NAV	a	n/a	611,342	437,480
Annualised expenses	b	n/a	6,844	5,022
Ongoing charges ratio	**(b÷a)**		**1.12%**	**1.15%**

Article 9 Disclosures

The Fund has sustainable investment as its objective and therefore is required, pursuant to the EU's Sustainable Finance Disclosure Regulation, to make periodic disclosures for the financial product referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852.

Product Name: Octopus Renewables Infrastructure Trust

Legal entity identifier: 213800B81BFJKWM2JV13

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation {EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

[x] **Yes**	[ ] **No**
[x] **It made sustainable investments with an environmental objective: 100%** [x] in economic activities that qualify as environmentally sustainable under the EU taxonomy [ ] in economic activities that do not qualify as environmentally sustainable under the EU taxonomy	[ ] **It promoted Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments [ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU taxonomy [ ] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU taxonomy [ ] with a social objective
[ ] It made **sustainable investments with a social objective: 0%**	[ ] It promoted E/S characteristics, **but did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

The core sustainable investment objective of the Company is to accelerate the transition to net zero through its investments, building and operating a diversified portfolio of Renewable Energy Assets to help facilitate the transition to a more sustainable future, consistent with the long-term temperature goal of the Paris Agreement through the avoidance of greenhouse gas emissions.

Investments in solar photovoltaic production, wind power and other Renewable Energy Assets are considered as substantially contributing to climate change mitigation under the EU Taxonomy Regulation 2020/852 ("EU Taxonomy").

During the period the Company managed and made new investments into Renewable Energy Assets, consistent with its core sustainable investment objective to accelerate the transition to net zero. As at 31 December 2022, the Company owns a portfolio of 36 Renewable Energy Assets (including three developer investments). The Investment Manager places environmental, social and governance ("ESG") considerations at the core of the Company's investment focus. In addition to having a no fossil fuel investments policy, ESG risk management is ingrained in the way the Investment Manager seeks to originate and execute investment decisions, as well as in ongoing portfolio and asset management. The Investment Manager's approach is based around three fundamental stakeholder lenses: Performance, Planet and People. This framework embeds ESG risk factors and considerations alongside measuring and tracking the positive impact that the Company's investments have on its investors, the environment and society. These measures enable the Company to responsibly achieve its mission to promote the transition to a future powered by renewable energy.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

- ***How did the sustainability indicators perform?***

The sustainability indicators defined for this financial product are:

Indicator	Year
1. Capital invested into renewable energy assets	£1,304m total value of investments, committed into renewables
2. GWh of renewable energy produced (as well as potential figures once fully constructed)	1,005 GWh renewable energy produced, (1,740 GWh potential renewable energy once fully constructed)
3. Number of homes powered by clean energy	522k potential homes powered
4. Tonnes of Carbon avoided alongside carbon avoided equivalents (number of trees required to avoid same carbon, number of cars off the road to avoid the same carbon)	580k potential tonnes of carbon avoided (equivalent 2.85m trees, 318K cars)
5. CO_2e per £m revenue estimated carbon intensity	11.52 tCO_2e/£m revenue
1. EU Taxonomy qualifying %	100%

The Investment Manager tracks the above indicators to measure the performance of the fund against its sustainability objective to accelerate the transition to net zero. Given the nature of these indicators, it is difficult to set meaningful targets for "improvement". For example, indicators 1-4 are directly affected by the amount of capital raised by the Company and the GWh produced. For indicators 5 and 6, the Investment Manager has set only a qualitative target to reduce the carbon intensity of its assets where possible and to maintain 100% EU Taxonomy qualifying investments. More quantitative targets around these indicators are inappropriate given the indicators are largely affected by the types of investments made during the period rather than how the Company has managed these assets.

- ***...and compared to previous periods?***

This is the first periodic disclosure and therefore a historical comparison against a previous periodic report is not possible.

● ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

All investments were screened as part of the ESG Risk Matrix assessment against areas that could significantly harm. The ESG Risk Matrix contains sections on Planet (environmental factors such as biodiversity, water and waste) and People (social and employee matters, human rights, anti corruption and anti-bribery matters) and aims to ensure that any potential adverse impacts are mitigated.

Evaluation of investments into renewable energy assets were also assessed at investment through the ESG Risk Matrix to confirm that investment does not significantly harm any of the environmental objectives set out in the EU Taxonomy and compliance with the minimum safeguards are adhered to. All investments meet the minimum sustainability criteria, as determined by the ESG Risk Matrix, completed during the investment process. The ESG Risk Matrix has a total score of 15. All investments achieved or exceeded the minimum score of 9 in the period. This minimum score is equivalent to "do no significant harm".

Ongoing sustainability risks for the portfolio are monitored, managed and reported to the Asset Board which has responsibility for ensuring that each investment adheres to the ESG strategy. There were no material sustainability incidents across the portfolio during the period.

The Investment Manager undertook a review of the specific renewable energy assets in relation to the EU Taxonomy technical screening criteria in the period to confirm whether the investments continued to meet the qualification criteria. ORIT's investments met the criteria for do no significant harm to "Climate Change Adaptation", "Circular Economy" and "Biodiversity". Do no significant harm to "Water" and "Pollution prevention" was categorised as not applicable for ORIT's according to the EU Taxonomy criteria and so was not assessed.

● ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The Company considers principal adverse impacts of its investment decisions on sustainability factors as part of its investment due diligence processes, ensuring that investments do no significant harm to any environmental or social objective.

The Company considers that for renewable energy investments, the following principle adverse impacts on sustainability factors are the most material.

Climate and other environmental-related factors	
Carbon emissions	1 - GHG Emissions 2 - Carbon footprint 3 - GHG intensity of investee companies
Biodiversity	7 - Activities negatively affecting biodiversity-sensitive areas Additional indicator: Investments in companies without sustainable land/agriculture practices
Social and Employee matters	
Health and safety of workforce	Additional Indicator: Rate of accidents
Human Rights in supply chain	10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
Bribery and corruption	Additional Indicator: Lack of anti-corruption and anti-bribery policies
Community Relations	Additional Indicator: Number of community complaints

During the acquisition process and over the life of an investment, adverse impacts on sustainability factors were assessed. During the investment cycle for each deal undertaken during the period, the ESG Risk Matrix assessed indicators that would indicate presence or absence of a principal adverse impact. These most material indicators are included in the table above, but other indicators include those relating to environmental damage (carbon, biodiversity, water and waste) through environmental impact assessment, habitat management plans, resource minimisation strategies, carbon reduction and measuring, alongside assessing policies for social and employee matters (anti-bribery, corruption, human slavery, equality, diversity and opportunity), health and safety, unfair advantage, supplier code of conduct and community relations (complaints, engagement and community benefit initiatives).

All proposed investments must meet the minimum sustainability criteria, as determined by the ESG Risk Matrix, completed during the investment process. The ESG Risk Matrix has a total score of 15. A minimum score of 9 must be achieved and is equivalent to "do no significant harm" with a target score of 10.

The Investment Manager continues to work with a range of external service providers to manage the Fund's portfolio of investments, for example with developers, construction managers, operations and maintenance providers, and external asset managers. To address any adverse impacts on a continuous basis, the Investment Manager is committed to carrying out an annual ESG review on each of the Fund's Portfolio Businesses as well as material third-party service providers and this includes reviewing policies in relation to human rights, anti-corruption and anti-bribery. This seeks to ensure that strategies to reduce any new adverse impacts are put in place in a timely manner.

Adverse impacts associated with health and safety were assessed and monitored continuously by the directors of the project companies and/or Health and Safety Executive ("HSE") consultants with indicators such as rate of accidents and days lost metrics. No investment was made without an appropriate HSE sign off and quality and competency reviews were periodically conducted by the HSE consultants and will be continued for the duration of the investment.

- ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

The energy sector (like every other sector) could be subject to human rights abuse that needs to be mitigated and the Sub-Manager ensures appropriate due diligence is performed, and that human rights, equality, anti-bribery and corruption, taxation and fair competition policies and/or processes are in place for portfolio companies and service providers alongside the Sub-Manager's own policies and processes. This ensures that investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on fundamental Principles and Rights at Work and the International Bill of Human Rights. This is primarily achieved by only working with suppliers who align to a supplier code of conduct.

All investee companies align to the supplier code of conduct and we can confirm for each investee company that;

- there is no clear indication that the investee company does not adequately implement human rights due diligence resulting in human rights abuses (the company nor its top management has not been convicted on a breach of human rights due diligence laws, the company has not been approached by an OECD NCP or been involved in an allegation on the Business and Human Rights Resource Centre digital platform).
- company has not been finally convicted for tax evasion or for breaking competition laws.
- the senior management of investee companies have not been finally convicted of bribery.

How did this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters..

The ESG Risk Matrix contains sections on Planet (environmental factors, such as biodiversity, water and waste) and People (social and employee matters, human rights, anti-corruption and anti-bribery matters) and aims to identify principal adverse impacts of the investment and ensure that any potential adverse impacts are mitigated such that the investment is sustainable. The ESG Risk Matrix is completed as part of the investment process and is considered by the Investment Committee ("IC"). This is to ensure that ESG risks are identified and mitigated as soon as possible in the investment process and ensures that appropriate consideration is given to principle adverse impacts on sustainability factors. The ESG Risk Matrix comprises of approximately 30 questions and assesses an investment opportunity three times during the investment process: at "Approval in Principle", "Final Investment Committee" and at the "Pre-Completion Stage". The ESG Risk Matrix has a total score of 15, with a score of 9 or more required to indicate compliance with the ESG Policy and "Do no significant harm". All investments in the period met the minimum standard.

The Company's ESG Policy seeks to implement the principles contained in the Investment Manager's "Responsible Investment Policy". The "Responsible Investment Policy" sets out the approach to identifying and managing ESG matters. These principles are in line with the UN Principles for Responsible Investment ("UN PRI"). During the period, the ESG Policy was reviewed by the Company's board in relation to the Company, and the Investment Manager confirms that all operations were in line with the ESG Policy. Sustainability KPIs and Indicators were published in the Company's Interim and Annual Report alongside the Impact Strategy which is available on the Company website.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1 January 2022 – 31st December 2022

Largest investments	Sector	% Assets	Country
Lincs	Renewables (offshore wind)	35.74%	UK
Cumberhead	Renewables (onshore wind)	22.35%	UK
Crossdykes	Renewables (onshore wind)	19.62%	UK
Leeskow	Renewables (onshore wind)	12.40%	Germany
Breach	Renewables (solar)	4.05%	UK
Simply Blue	Renewables (developer)	2.61%	Ireland
Otso	Renewables (onshore wind)	1.38%	Finland
Helios	Renewables (solar)	0.95%	Ireland
Ilios	Renewables (solar)	0.36%	UK
Ljungbyholm	Renewables (onshore wind)	0.18%	Sweden
Norgen	Renewables (developer)	0.17%	Finland
Wind2	Renewables (developer)	0.14%	UK
Copernicus	Renewables (onshore wind)	0.05%	Poland

What was the proportion of sustainability-related investments?

- ***What was the asset allocation?***

The Company targets investment in Renewable Energy Assets or associated energy infrastructure assets and businesses, and expects all investments to be sustainable, contributing or enabling a reduction in carbon emissions, and is aiming for all investments to be Taxonomy-aligned. During the period this was the asset allocation:

Investments → **#1 Sustainable** → **Environmental** → **100% Taxonomy-aligned**

#1 Sustainable covers sustainable investments with environmental or social objectives.

100% of investments were environmentally sustainable during the period.

(a) All investments contribute substantially to one or more of the environmental objectives

Environmental Objectives (Article 9 of Regulation (EU) 2020/852)	**Breakdown of investments**
(a) climate change mitigation;	100%
(b) climate change adaptation;	0%
(c) the sustainable use and protection of water and marine resources;	0%
(d) the transition to a circular economy;	0%
(e) pollution prevention and control;	0%
(f) the protection and restoration of biodiversity and ecosystems.	0%

(b) did not significantly harm any of the environmental objectives

Environmental Objectives (Article 9 of Regulation (EU) 2020/852)	**Breakdown of investments**
(a) climate change mitigation;	N/A
(b) climate change adaptation;	100%
(c) the sustainable use and protection of water and marine resources;	N/A
(d) the transition to a circular economy;	100%
(e) pollution prevention and control;	N/A
(f) the protection and restoration of biodiversity and ecosystems.	100%

N/A indicates that the environmental objective is not relevant for the assets class.

(c) was carried out in compliance with the minimum safeguards

100% of investments were carried out in compliance with the minimum safeguards.

All assessments have been performed by the Investment Manager supported by external due diligence technical advisors and through utilising the EU Taxonomy Compass Tool. Final results of the assessments have not been reviewed or audited by an external auditing party.

● ***In which economic sectors were the investments made?***

Investments were made in the Electricity, Gas, Steam and Air conditioning supply sector and the construction sector. Sectors taken from Sectors listed in Annex I to Regulation (EC) No 1893/2006. Proportion of investments broken down by total invested basis in accordance with the Company's investment policy.

Sector	Sub-sector	Proportion of Investments
D- Electricity, Gas, Steam and Air conditioning supply	Production of electricity	86%
F - Construction	Construction of utility projects for electricity and telecommunications	14%

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

100% of investments with an environmental objective aligned with the EU Taxonomy. All investments contributed substantially to climate change mitigation, did no significant harm to the applicable environmental objectives and met the minimum safeguards criteria. The graphs below demonstrate this 100% taxonomy alignment.

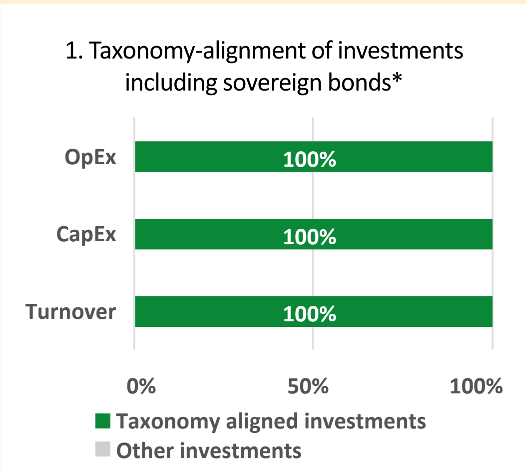
● ***Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?***

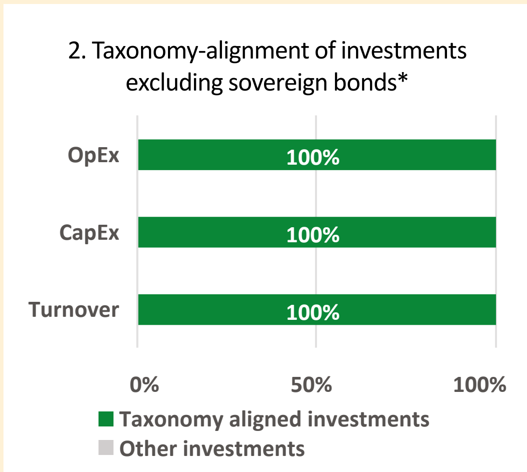
☐ **Yes:**

☐ **in fossil gas** ☐ **in nuclear energy**

☒ **No**

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





*for the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures. The fund does not have any sovereign exposures and therefore this would not have contributed to any environmentally sustainable economic activities."

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

- ***What was the share of investments in transitional and enabling activities?***

  The minimum share of investments in transitional and enabling activities were:

  2% in enabling activities (Simply Blue Group, Norgen, Wind2)

  0% in transitional activities

  Enabling activities are those as defined by Article 16 of Regulation (EU) 2020/852 and for the portfolio of assets these are the investments made into development stage renewable energy projects and development companies.

- ***How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?***

  N/A.

What was the share of sustainable investments with an environmental objective that was not aligned with the EU Taxonomy?

As explained above, all investments qualify to the EU Taxonomy and either contribute to climate change mitigation or enable climate change mitigation. All investments met the minimum safeguards criteria and the DNSH criteria.

Sustainable investments are an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What was share of sustainable investments with a social objective?

N/A. 0% of the Company's investments are socially sustainable investments. The Company does not target sustainable investments with a social objective.

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

N/A all investments were under "#1 Sustainable".

What actions have been taken to attain the sustainable investment objective during the reference period?

An overview of actions undertaken to attain the sustainable investment objective during the reference period can be seen in ORIT's annual report and ORIT's annual impact report. Some of these actions include, adherence to the ESG policy and strategy, engagement with external service providers on performance and ESG factors and ongoing management of renewable energy assets in the portfolio.

How did this financial product perform compared to the reference sustainable benchmark?

N/A – no reference sustainable benchmark available.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

Glossary

AIC	Association of Investment Companies
UK AIFM Directive	UK AIFM Directive shall mean the UK's implementation of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, together with Commission Delegated Regulation (EU) No. 231/2013 which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, and any transposing legislation incorporating the same into UK law (including, but not limited to, the UK Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773), as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019), all as may be amended or supplemented from time to time.
AIFM	Alternative Investment Fund Manager; Octopus AIF Management Limited
APM	Alternative Performance Measures
ARC	Audit and Risk Committee
BoP	Balance of Plant
CfD	Contract for Difference
the Company or ORIT	Octopus Renewables Infrastructure Trust plc
DCF	Discounted Cash Flow
DNO	Distribution Network Operator
DTG	Disclosure Guidance and Transparency Rules
Group	the Company along with all its subsidiaries (as disclosed in note 18)
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 Energy Generation
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
Octopus Managed Funds	Funds, finance vehicles or accounts managed or advised by a member or members of the Octopus Group or the Octopus Energy Group
OCR	Ongoing Charges Ratio

ODFM	Optional Downward Flexibility Management
O&M	Operations and Maintenance
Portfolio of assets	The 36 Renewable Energy Assets in which the Company had an investment as at 31 December 2022
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
SID	Senior Independent Director
SPV	Special Purpose Vehicle
SGD	Sustainable Development Goals
SORP	Statement of Recommended Practice
TCFD	Task Force on Climate-related Financial Disclosures
WEP	Wholesale Electricity Price

Company information

Directors, Investment Manager and Advisers

Directors (all non-executive)
Philip Austin MBE (Chair)
Audrey McNair (SID)
James Cameron
Elaina Elzinga

Administrator and Company Secretary
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(formerly Sanne Fund Services (UK) Limited)
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Broker
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Solicitors to the Company
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Registered Office*
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Registrar
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Depositary
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Independent Auditor
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Orchard Street
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NE1 3AZ

* Registered in England and Wales No. 12257608

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Octopus Renewables Infrastructure Trust plc will be held at 6th Floor, 125 London Wall, London, EC2Y 5AS on 16 June 2023 at 10.00 a.m. for the following purposes:

To consider and if thought fit pass the following resolutions of which resolutions 1 to 10 will be proposed as ordinary resolutions and resolutions 11 to 14 will be proposed as special resolutions.

1. To receive the Company's Annual Report and Accounts for the year ended 31 December 2022 (the "Annual Report").
2. To approve the Directors' Remuneration Report included in the Annual Report.
3. To re-elect Philip Austin as a director of the Company.
4. To re-elect James Cameron as a director of the Company.
5. To re-elect Elaina Elzinga as a director of the Company.
6. To re-elect Audrey McNair as a director of the Company.
7. To re-appoint PricewaterhouseCoopers LLP as auditor to the Company.
8. To authorise the Directors to fix the remuneration of the auditor until the conclusion of the next Annual General Meeting of the Company.
9. That the Directors be authorised to declare and pay all dividends of the Company as interim dividends and for the last dividend referable to a financial year not be categorised as a final dividend that is subject to shareholder approval.
10. That, in accordance with section 551 of the Companies Act 2006 (the "Companies Act"), the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot ordinary shares of 1 penny each in the Company ("Ordinary Shares") up to an aggregate nominal value of £1,355,826.08 (equivalent to 24% of the issued share capital of the Company as at the date of this notice of this Annual General Meeting) and that this authority shall expire (unless previously varied, revoked or renewed by the Company in General Meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2024 or, if earlier, on the expiry of 15 months from the passing of this resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired.
11. That, subject to the passing of resolution 10, the Directors be and are hereby empowered, pursuant to sections 570 and 573 of the Companies Act, to allot Ordinary Shares for cash pursuant to the authority conferred by resolution 10 and/or sell Ordinary Shares from treasury for cash as if section 561 of the Companies Act did not apply to such allotment or sale provided that such authority shall be limited to:
    (a) the allotment of Ordinary Shares or sale of Ordinary Shares from treasury to any person up to an aggregate nominal amount of £564,927.536 (equivalent to 10% of the issued share capital of the Company as at the date of this notice of this Annual General Meeting); and
    (b) the allotment of Ordinary Shares or sale of Ordinary Shares from treasury (otherwise than pursuant to paragraph (a) of this resolution) to any person up to an aggregate nominal amount equal to 20% of any allotment of Ordinary Shares or sale of Ordinary Shares from treasury from time to time under paragraph (a) of this resolution, such authority to be used only for the purposes of making a follow-on offer which the Board determines to be

of a kind contemplated by paragraph 3 of Part 2B of the Statement of Principles on Disapplying Pre-Emption Rights published by the Pre-Emption Group in 2022,

and that this power shall expire (unless previously varied, revoked or renewed by the Company in General Meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2024 or, if earlier, on the expiry of 15 months from the passing of this resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment or sale of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired.

12. That, subject to the passing of resolution 10, the Directors be and are hereby empowered, in addition to any authority granted under resolution 11, pursuant to sections 570 and 573 of the Companies Act, to allot Ordinary Shares for cash pursuant to the authority conferred by resolution 10 and/or sell Ordinary Shares from treasury for cash as if section 561 of the Companies Act did not apply to such allotment or sale provided that such authority shall be limited to:

    (a) the allotment of Ordinary Shares or sale of Ordinary Shares from treasury up to an aggregate nominal amount of £564,927.536 (equivalent to 10% of the issued share capital of the Company as at the date of this notice of this Annual General Meeting), to be used only for the purpose of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Board determines to be either an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights published by the Pre-Emption Group in 2022; and

    (b) the allotment of Ordinary Shares or sale of Ordinary Shares from treasury (otherwise than pursuant to paragraph (a) of this resolution) to any person up to an aggregate nominal amount equal to 20% of any allotment of Ordinary Shares or sale of Ordinary Shares from treasury from time to time under paragraph (a) of this resolution, such authority to be used only for the purposes of making a follow-on offer which the Board determines to be of a kind contemplated by paragraph 3 of Part 2B of the Statement of Principles on Disapplying Pre-Emption Rights published by the Pre-Emption Group in 2022,

    and that this power shall expire (unless previously varied, revoked or renewed by the Company in General Meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2024 or, if earlier, on the expiry of 15 months from the passing of this resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment or sale of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired.

13. That the Company be and is hereby Generally and unconditionally authorised in accordance with section 701 of the Companies Act to make market purchases (within the meaning of section 693(4) of the Companies Act) of Ordinary Shares, provided that:

    (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 84,682,637 (representing 14.99% of the Company's issued share capital at the date of this notice of Annual General Meeting);

    (b) the minimum price (exclusive of any expenses) which may be paid for an Ordinary Share is 1 penny;

(c) the maximum price (exclusive of any expenses) which may be paid for each Ordinary Share is not more than the higher of (i) 5% above the average of the middle market quotations for the Ordinary Shares for the five business days immediately before the day on which that Ordinary Share is contracted for purchases and (ii) the higher of the price of the last independent trade and the highest then current independent bid for the Ordinary Shares on the trading venue where the purchase is carried out;

(d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2024 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed or revoked by the Company prior to such time; and

(e) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiration of such authority and may purchase Ordinary Shares pursuant to any such contract as if the authority had not expired.

14. That a General Meeting of the Company other than an Annual General Meeting may be called on not less than 14 clear days' notice, provided that this authority shall expire at the conclusion of the Company's next Annual General Meeting after the date of the passing of this resolution.

By order of the Board
For and on behalf of Apex Listed Services (UK) Limited
Company Secretary

Registered Office:
6th Floor
125 London Wall
London
EC2Y 5AS

28 March 2023

Explanatory Notes to the Notice of Annual General Meeting

The Notice of the Annual General Meeting (the "Notice") to be held on 16 June 2023 (the "AGM") is set out on pages 237 to 239. The following notes provide an explanation as to why the resolutions set out in the Notice are being put to shareholders. Resolutions 1 to 10 are proposed as Ordinary Resolutions which means that more than half of the votes cast must be in favour of the resolution. Resolutions 11 to 14 are proposed as Special Resolutions, which means that for each of those resolutions to be passed, at least three-quarters of the votes must be in favour.

Resolution 1

Under the Companies Act 2006 (the "Act"), the Directors are required to present the annual accounts and reports of the Company to shareholders at a general meeting. These are contained in the Company's Annual Report and financial statements for the year ended 31 December 2022 (the "Annual Report").

Resolution 2

In accordance with the provisions of the Act, the Directors' Remuneration Report is being put to an annual shareholder vote by ordinary resolution. This resolution is an advisory vote, as provided by law, meaning that the Directors' entitlements to remuneration are not conditional upon the resolution being passed. The report is set out in full on pages 162 to 167 of the Annual Report.

Resolutions 3 to 6

Under the Company's Articles of Association, all Directors are required to retire from office at each AGM, except any Director appointed after notice of the AGM has been given and before the AGM has been held.

Accordingly, all of the Directors will retire and stand for re-election at the AGM. The Directors' biographies are shown on page 151 of this Annual Report. As set out in the Corporate Governance Statement in this Annual Report, taking into account the external board evaluation, the Board considers that the performance of each of the Directors during the period ended 31 December 2022 has been effective and that each Director has made a valuation contribution to the Company and demonstrated commitment to the role, and therefore is recommending the re-election of all of the Directors.

Resolution 7

The Company's auditors must offer themselves for appointment at each AGM at which accounts are presented. The Board, on the recommendation of the Audit and Risk Committee, is recommending the re-appointment of PricewaterhouseCoopers LLP as the Company's auditor.

Resolution 8

This resolution authorises the Directors to determine the Auditor's remuneration.

Resolution 9

To allow regular distributions, the Company intends to pay all dividends as interim dividends and does not intend to declare a final dividend. For the 2023 financial year, dividends are expected to be declared in respect of the quarterly periods ending March, June, September and December and paid in May, August, November and March respectively.

Resolution 10

The Directors of the Company may only allot shares if authorised to do so by the Shareholders in general meeting. This resolution would give the Directors the authority to allot ordinary shares up to an aggregate nominal amount of £1,355,826.08 (representing 135,582,608 ordinary shares of £0.01 each). This amount represents approximately 24 per cent. of the issued share capital of the Company as at the date of the notice of the Annual General Meeting.

The authority sought under this resolution will expire at the conclusion of the Annual General Meeting of the Company held in 2024 or if earlier, on the expiry of 15 months from the passing of the resolution.

The Directors have no present intention to exercise the authority sought under this resolution.

As at the date of the Notice of the Annual General Meeting, no shares are held by the Company in treasury.

Resolutions 11 to 12

Resolutions 11 and 12 are to approve the disapplication of pre-emption rights. The passing of these resolutions would allow the Directors to allot Ordinary Shares for cash and/or sell Ordinary Shares from treasury without first having to offer such shares to existing shareholders in proportion to their existing holdings.

The authority under Resolution 11 would be limited to: (a) allotments or sales up to an aggregate nominal amount of £564,927.536 (representing 56,492,753 ordinary shares of £0.01 each) which represents approximately 10% of the Company's issued share capital as at the date of notice of the Annual General Meeting; and (b) allotments or sales (otherwise than under paragraph (a) above) up to an aggregate nominal amount equal to 20% of any allotment of Ordinary Shares or sale of Ordinary Shares from treasury from time to time under paragraph (a) above for the purposes of making a follow-on offer which the Board determines to be of a kind contemplated by paragraph 3 of Part 2B of the Statement of Principles on Disapplying Pre-Emption Rights published by the Pre-Emption Group in 2022 (the "Statement of Principles").

Resolution 12 would give the Directors authority to (a) allot a further 10% of the issued share capital of the Company as at the date of notice of the Annual General Meeting for the purposes of financing or re-financing a transaction which the Directors determine to be an acquisition or a specified capital investment contemplated by the Statement of Principles and (b) allot or sell shares (otherwise than under paragraph (a) above) up to an aggregate nominal amount of equal to 20% of any allotment of Ordinary Shares or sale of Ordinary Shares from treasury from time to time under paragraph (a) above for the purposes of making a follow-on offer which the Board determines to be of a kind contemplated by paragraph 3 of Part 2B of the Statement of Principles.

The disapplication authorities under Resolutions 11 and 12 are in line with guidance set out in the Statement of Principles. The Statement of Principles allows the annual disapplication of pre-emption rights (a) up to 10% of a company's issued share capital for use on an unrestricted basis, with a further disapplication for up to 2% to be used only for the purposes of a follow on offer which the Board determines to be of a kind contemplated by paragraph 3 of Part 2B of the Statement of Principles and (b) up to a further 10% of a company's issued share capital for use in connection with an acquisition or specified capital investment as defined in the Statement of Principles.

The authorities will expire at the conclusion of the Annual General Meeting of the Company held in 2024 or if earlier, on the expiry of 15 months from the passing of the resolutions.

Ordinary Shares issued under any authorities granted pursuant to resolutions 10 to 12 (inclusive) will only be issued at a premium to the NAV (cum income). Ordinary share issues are at the discretion of the Board.

Resolution 13

Resolution 13, a special resolution, gives the Company authority to buy back its own ordinary shares in the market as permitted by the Companies Act 2006. The authority limits the number of shares that could be purchased to a maximum of 84,682,637 (representing approximately 14.99% of the Company's issued ordinary share capital as at the date of the Notice of Annual General Meeting)..

The Directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and any discount to NAV, and future investment opportunities. The authority will be exercised only if the Directors believe that to do so would be in the best interest of shareholders as a whole.

Any shares bought back will either be cancelled or placed into treasury at the determination of the

Directors. Placing shares into treasury provides the Company with the ability to re-issue ordinary shares quickly and cost effectively, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. No ordinary shares will be sold from treasury at a price less than the (cum-income) NAV per existing ordinary share at the time of their sale unless they are first offered pro rata to existing shareholders. At the year end the Company did not hold any shares in treasury.

Unless otherwise authorised by shareholders, ordinary shares will not be issued at less than NAV and ordinary shares held in treasury will not be sold at less than NAV

This authority will expire at the Annual General Meeting to be held in 2024 or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed or revoked by the Company prior to such time.

Resolution 14

This is a special resolution that will give the Directors the flexibility to convene general meetings, other than annual general meetings, on a minimum of 14 clear days' notice. The minimum notice period for annual general meetings will remain at 21 clear days. The Company will have to offer facilities for all shareholders to vote by electronic means for any general meeting convened on 14 days' notice.

The Directors do not intend to use the shorter notice period as a matter of course and will only call a general meeting on 14 days' notice where they consider it to be required by the nature of the business of the meeting and in the interests of shareholders as a whole. The authority will expire at the AGM following the 2023 AGM.

Voting and Questions

Even if you intend to attend the AGM, all shareholders are encouraged to cast their vote by proxy and to appoint the "Chair of the Meeting" as their proxy. Details of how to vote, either electronically, by proxy form or through CREST, can be found in the Notes to the Notice of AGM below.

Shareholders are invited to send any questions for the Board or the Investment Manager in advance by email to oritcosec@apexfs.group by close of business on 14 June 2023.

Virtual access arrangements

In order to ensure that shareholders are able to follow the proceedings of the AGM without attending in person, the Company will provide access online via the Investor Meet Company platform. However, please note that shareholders will not be able to vote online at the AGM via the platform and are therefore requested to submit their votes via proxy, as early as possible.

Shareholders that wish to follow the proceedings of the AGM remotely should register for the event in advance by using the following link: https://www.investormeetcompany.com/octopus-renewables-infrastructure-trust-plc/register-investor

Recommendation

Full details of the above resolutions are contained in the Notice.

The Directors consider that all of the resolutions to be proposed at the AGM are in the best interests of the Company and shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of all resolutions, as they intend to do in respect of their own beneficial holdings.

If you are in any doubt about the contents of this document, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, or if outside the United Kingdom, another appropriately authorised financial adviser, without delay.

If you have sold or otherwise transferred all of your shares in the Company you should immediately send this document, together with the accompanying form of proxy, to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Notes

1. Holders of ordinary shares of one penny each in the capital of the Company ("Shares") are entitled to attend, speak and vote at the AGM. A Shareholder entitled to attend, speak and vote at the AGM may appoint one or more persons as his/her proxy to attend, speak and vote on his/her behalf at the AGM. A proxy need not be a shareholder of the Company. If multiple proxies are appointed, they must not be appointed in respect of the same Shares. To be effective, the enclosed form of proxy ("Form of Proxy"), together with any power of attorney or other authority under which it is signed or a certified copy thereof, should be lodged at the office of the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by no later than 10.00 a.m. on 14 June 2023.
2. If you return more than one proxy appointment, either by paper or electronic communication, that validly received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
3. As an alternative to completing the Form of Proxy, shareholders can appoint a proxy electronically via the Registrar's online voting portal www.investorcentre.co.uk/eproxy. For an electronic proxy appointment to be valid, your appointment must be received by the Registrar no later than 10.00 a.m. on 14 June 2023.
4. The appointment of a proxy will not normally prevent a Shareholder from attending the AGM, speaking and voting if he/she so wishes. The Articles provide that (subject to certain exceptions) at the AGM each Shareholder present in person or by proxy shall have one vote on a show of hands and on a poll every Shareholder present in person or by proxy shall have one vote for every Share of which he/she is the holder. The termination of the authority of a person to act as proxy must be notified to the Company in writing by no later than 10.00 a.m. on 14 June 2023. Amended instructions must be received by the Registrar by the deadline for receipt of proxies. Where you have appointed a proxy using the Form of Proxy and would like to change the instructions using another hard-copy Form of Proxy, please contact the Registrar's helpline on 0370 707 1346 (or +44 370 707 1346 from outside the UK). Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday excluding public holidays in England and Wales).
5. To appoint more than one proxy, Shareholders will need to complete a separate Form of Proxy in relation to each appointment, stating clearly on each Form of Proxy the number of Shares in relation to which the proxy is appointed. A failure to specify the number of Shares to which each proxy appointment relates or specifying an aggregate number of Shares in excess of those held by the Shareholder will result in the proxy appointment being invalid. Please indicate if the proxy instruction is one of multiple instructions being given. If you require additional Forms of Proxy, please contact the Registrar's helpline on 0370 707 1346 (or +44 370 707 1346 from outside the UK). Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday (excluding public holidays in England and Wales). All Forms of Proxy must be signed and should be returned together in the same envelope if possible.
6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holders (the first named being the most senior).
7. Only those Shareholders registered in the register of members of the Company as at 6.30 p.m. on 14 June 2023 (the "specified time") shall be entitled to vote at the AGM in respect of the number of Shares registered in their name at that time. Changes to entries on the relevant register of securities after 6.30 p.m. on 14 June 2023 shall be disregarded in determining the

rights of any person to vote at the AGM. If the AGM is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of Shareholders to vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If however the AGM is adjourned for a longer period then, to be so entitled, Shareholders must be entered on the Company's register of members at the time which is 48 hours before the time fixed for the adjourned Meeting, or if the Company gives notice of the adjourned Meeting, at the time specified in that notice.

8. Shareholders who hold their Shares electronically may submit their votes through CREST. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear.com.

9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by following the procedures described in the CREST manual (available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual (available via www.euroclear.com). The message, in order to be valid, must be transmitted so as to be received by the Company's agent, ID: 3RA50, by the latest time for receipt of proxy appointments specified in note 1 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

12. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

14. A person to whom this Notice of AGM is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or

to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in note 1 above do not apply to a Nominated Person. The rights described in those notes can only be exercised by registered Shareholders of the Company. Shareholders and Nominated Persons are reminded that there are restrictions on attendance at the AGM, as set out in these Notes.

15. As at the date of this Notice, the Company's issued share capital amounted to 564,927,536 Shares carrying one vote each. No Shares were held in treasury. Therefore, the total voting rights of the Company as at the date of this Notice of AGM were 564,927,536.

16. Any corporation which is a Shareholder may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder provided that they do not do so in relation to the same Shares.Corporate shareholders may also appoint one or more proxies in accordance with note 5.

17. While Shareholders are welcome to attend the AGM, they are also invited to submit questions in advance by email to oritcosec@apexfs.group by the close of business on 14 June 2023. The Company must cause to be answered any question asked by a Shareholder relating to the business being dealt with at the Meeting unless:

    (a) answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information;

    (b) the answer has already been given on a website in the form of an answer to a question; or

    (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

18. Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chair of the Meeting as his/her proxy is to ensure that both he/she and his/her proxy comply with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.

19. Copies of the letters of appointment of the Directors of the Company and existing articles of association will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the conclusion of the annual general meeting and on the date of the annual general meeting at the location of the meeting from 9.45 am until the conclusion of the meeting.

20. This Notice of AGM, the information required by section 311A of the Companies Act 2006 and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice of AGM, will be available on the Company's website at www.octopusrenewablesinfrastructure.com.

21. Shareholders may not use any electronic address provided either in the Notice of AGM or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

Proxy Card

Octopus Renewables Infrastructure Trust plc

All Correspondence to:
Computershare Investor Services PLC
The Pavilions, Bridgwater Road,
Bristol, BS99 6ZY

Form of Proxy - Annual General Meeting to be held on 16 June 2023

Cast your Proxy online**...It's fast, easy and secure!**
www.investorcentre.co.uk/eproxy

You will be asked to enter the Control Number, Shareholder Reference Number (SRN) and PIN shown opposite and agree to certain terms and conditions.

Control Number: 918416
SRN:
PIN:

View the Annual Report online: **www.octopusrenewablesinfrastructure.com**

Register at **www.investorcentre.co.uk -** elect for electronic communications & manage your shareholding online!

To be effective, all proxy appointments must be lodged with the Company's Registrars at: Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 14 June 2023 at 10.00 am.

Explanatory Notes:

1. Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder, as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided (see reverse). If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name (see reverse) the number of shares in relation to which they are authorised to act as your proxy. If returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he votes (or if this proxy form has been issued in respect of a designated account for a shareholder, the proxy will exercise his discretion as to whether, and if so how, he votes).
2. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Registrar's helpline on 0370 707 1346 or you may photocopy this form. Please indicate in the box next to the proxy holder's name (see reverse) the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by marking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. The 'Vote Withheld' option overleaf is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days before the day of the meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
6. The above is how your address appears on the Register of Members. If this information is incorrect please ring the Registrar's helpline on 0370 707 1346 to request a change of address form or go to www.investorcentre.co.uk to use the online Investor Centre service.
7. Any alterations made to this form should be initialled.
8. The completion and return of this form will not preclude a member from attending the meeting and voting in person.

Kindly Note: This form is issued only to the addressee(s) and is specific to the unique designated account printed hereon. This personalised form is not transferable between different: (i) account holders; or (ii) uniquely designated accounts. The Company and Computershare Investor Services PLC accept no liability for any instruction that does not comply with these conditions.

All Named Holders

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Form of Proxy

Please complete this box only if you wish to appoint a third party proxy other than the Chairman.
Please leave this box blank if you want to select the Chairman. Do not insert your own name(s).

	*

I/We hereby appoint the Chairman of the Meeting OR the person indicated in the box above as my/our proxy to attend, speak and vote in respect of my/our full voting entitlement* on my/our behalf at the Annual General Meeting of Octopus Renewables Infrastructure Trust plc to be held at **6th Floor, 125 London Wall, London, EC2Y 5AS** on **16 June 2023** at **10.00 am**, and at any adjourned meeting.

*** For the appointment of more than one proxy, please refer to Explanatory Note 2 (see front).**

☐ Please mark here to indicate that this proxy appointment is one of multiple appointments being made.

Please use a **black** pen. Mark with an **X** inside the box as shown in this example. ☒

Ordinary Resolutions	For	Against	Vote Withheld
1. To receive the Company's Annual Report and Accounts for the year ended 31 December 2022 (the "Annual Report").	☐	☐	☐
2. To approve the Directors' Remuneration Report included in the Annual Report.	☐	☐	☐
3. To re-elect Philip Austin as a director of the Company.	☐	☐	☐
4. To re-elect James Cameron as a director of the Company.	☐	☐	☐
5. To re-elect Elaina Elzinga as a director of the Company.	☐	☐	☐
6. To re-elect Audrey McNair as a director of the Company.	☐	☐	☐
7. To re-appoint PricewaterhouseCoopers LLP as auditor to the Company.	☐	☐	☐
8. To authorise the Directors to fix the remuneration of the auditor until the conclusion of the next Annual General Meeting of the Company.	☐	☐	☐
9. To authorise that Directors to declare and pay all dividends of the Company as interim dividends and for the last dividend referable to a financial year not be categorised as a final dividend that is subject to shareholder approval.	☐	☐	☐
10. To authorise the Directors to allot shares.	☐	☐	☐
Special Resolutions			
11. To approve disapplication of pre-emption rights.	☐	☐	☐
12. To approve further disapplication of pre-emption rights.	☐	☐	☐
13. To authorise the Company to make market purchases of its own ordinary shares.	☐	☐	☐
14. To authorise that General Meetings, other than Annual General Meetings, may be called on 14 clear days' notice.	☐	☐	☐

Intention To Attend

Please indicate if you intend to attend the AGM ☐

I/We instruct my/our proxy as indicated on this form. Unless otherwise instructed the proxy may vote as he or she sees fit or abstain in relation to any business of the meeting.

Signature

Date

/ /

In the case of a corporation, this proxy must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised, stating their capacity (e.g. director, secretary).

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