octopus renewables infrastructure trust

Octopus Renewables Infrastructure Trust plc

Annual Report

For the year ended
31 December 2023

Contents

octopus renewables
infrastructure trust

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.

The IPO raised total gross proceeds of £350 million, and subsequently the Company raised an additional £224 million of equity in two oversubscribed fundraisings held in July 2021 and December 2021. As a result, ORIT has raised a total of £574 million to date.

ORIT is managed by one of the largest renewable energy investors in Europe, Octopus Energy Generation (the "Investment Manager").

London Stock Exchange

GREEN ECONOMY LONDON STOCK EXCHANGE

Investment Strategy Overview

The full Investment Strategy and Policy is set out on **pages 21 to 24**. ORIT seeks to achieve its objectives in four ways:

- Diversification of Renewable Assets
- Inclusion of Construction and Development
- Active Construction and Asset Management
- Embedding Impact into Investments

Why we are different

01

Expert management

Our Investment Manager's team of over 135 renewable specialists brings unrivalled expertise

02

Diversified Portfolio

We manage risk and volatility through geographic diversification across Europe and the UK and technological diversification

03

Added Value

We seek to enhance returns and promote additionality through strategic construction allocation

04

Unlocking Optionality

Our developer investments provide access to a proprietary pipeline which we have the right, but not the obligation to fund. This offers valuable optionality

05

Sustainable Investing

We prioritise Impact and ESG factors across all our investments. ORIT is an SFDR Article 9 product, embodying sustainable practices

Highlights

For the year ended 31 December 2023

Financial highlights

-4.4%
Total shareholder return in the year[1,2]
(2022: -5.4%[3])

6.7%
Total shareholder return since IPO (1.6% per annum)[1,2]
(2022: +11.6%, 3.6% per annum[3])

2.1%
Net Asset Value ("NAV") total return in the year[1,2,4]
(2022: +12.4%[3])

28.6%
NAV total return since IPO (6.4% per annum)[1,2,4]
(2022: +25.9%, 7.8% per annum)

£599m
NAV[4]
(2022: £618m)

106.0p
NAV per Ordinary Share[4]
(2022: 109.4p)

£980m
Gross Asset Value ("GAV")[1,5]
(2022: £1,073m)

£1,127m
Total value of all investments[1,6]
(2022: £1,304m)

£508m
Market capitalisation as at 31 December 2023
(As at 31 December 2022: £565m)

5.79p
Dividend per Ordinary Share for FY 2023 In line with target
(FY 2022: 5.24p in line with target)

1.18x
Dividend cover[7]
(2022: 1.77x)

10.5%
2023 dividend growth vs 2022
(2022 vs 2021: 4.8%)

39%
Total leverage[8]
(2022: 42%)

Alternative Performance Measures ("APMs")

The financial information and performance data highlighted in footnote 1 on this page make part of the APMs of the Company. Definitions of these APMs together with how these measures have been calculated can be found on pages 189 to 192.

Note: The value of investments and income from dividends can fluctuate, and there is a possibility that investors may not recover the entire amount originally invested.

[1] These are alternative performance measures.
[2] Total returns in sterling, including dividends reinvested.
[3] Restated from December 2022 KPI reported in the FY 2022 Annual Report.
[4] The Net Asset Value as at 31 December 2023 is calculated on the basis of 564,927,536 Ordinary Shares in issue.
[5] A measure of total asset value including debt held in unconsolidated subsidiaries .
[6] Total asset value including total debt and equity commitments.
[7] Dividend cover for FY 2023 is calculated on the basis of actual total net operational cash flows from the portfolio after debt service and Company and intermediate holding company expenses.
[8] Total debt drawn (short-term and long-term) as a percentage of Gross Asset Value.

Highlights (continued)

For the year ended 31 December 2023

Operational and ESG highlights

37[9]/41 (incl. Irish solar assets)*
Number of assets as at 31 December 2023

5
Number of technologies [10]

609[9]MW/ 808MW (incl. Irish solar assets)*
Capacity owned as at 31 December 2023

1,312GWh/ 1,427GWh (incl. Irish solar assets)*
Renewable electricity generated in the year [11]

366k/ 402k (incl. Irish solar assets)*
Equivalent tonnes of carbon avoided for the year [12]

355k/ 379k (incl. Irish solar assets)*
Equivalent homes powered by clean energy for the year [13]

1,569GWh
Potential annual renewable electricity generated once fully operational [14]
(2022: 1,740GWh)

400k
Estimated annual equivalent tonnes of carbon avoided once fully operational [12, 14]
(2022: 580k)

384k
Estimated annual equivalent homes powered by clean energy once fully operational [13, 14]
(2022: 522k)

Note: Renewable electricity generated in the year, equivalent tonnes of carbon avoided for the year and equivalent homes powered by clean energy for the year are new for the 2023 reporting period.

* Includes 4 Irish solar assets acquired post year-end

[9] Excludes: i) Polish wind assets which were sold during FY 2023; ii) the Spanish solar assets, the option over which was terminated in FY 2023; iii) the Irish solar assets which were subject to conditional acquisition at 31 December 2023 and were acquired shortly after year end. Each developer investment is counted as a single asset.

[10] Including technologies for operational and construction stage assets and technologies covered through developer investments: onshore wind, offshore wind, solar, battery storage and hydrogen.

[11] Calculated using renewable energy generated by the investment portfolio during the reporting period, proportioned by equity ownership. It includes generation from the Polish wind assets up to the 30th June 2023 locked box date that was applied in the sale transaction.

[12] Calculated using the 2021 International Financial Institution's approach for Common Default Grid Emission factors see here, https://unfccc.int/sites/default/files/resource/IFITWG_Methodological_approach_to_common_dataset.pdf. Reference updated in January 2024 from 2019 to 2021 to reflect most recent emission factors available. Includes generation from the Polish wind assets up to the 30th June 2023 locked box date that was applied in the sale transaction.

[13] Equivalent homes powered by clean energy are calculated based on most recent average household electricity usage values provided by Ofgem (UK) and Odyssee (EU). References and methodology updated in January 2024. Includes generation from the Polish wind assets up to the 30th June 2023 locked box date that was applied in the sale transaction.

[14] All metrics are calculated based on an estimated annual renewable energy generation of the investment portfolio once fully operational (including Irish conditional acquisition and excluding the exited assets in Poland and Spain) and on the basis of ORIT's equity stake. Metric is based on "P50" yield assumptions for the next available full operational year, including degradation that occurs naturally over the assets' lifetimes. Equivalent tonnes of carbon avoided are calculated using the 2021 International Financial Institution's approach for Common Default Grid Emission factors. Reference updated in January 2024 from 2019 to 2021 to reflect most recent emission factors available. Equivalent homes powered by clean energy are calculated based on most recent average household electricity usage values provided by Ofgem (UK) and Odyssee (EU). References and methodology updated in January 2024.

Highlights

Company Results Summary

	FY23	FY22	FY21	Oct-19 to Dec-20[15]
Share Price as at 31-Dec	**90.0p**	100.0p	110.8p	113.8p
Profit and total comprehensive income for the year	**£12.7m**	£69.8m	£34.8m	£8.3m
Earnings per share	**2.24p**	12.36p	8.20p	2.75p
NAV	**£599.0m**	£618.3m	£577.7m	£343.9m
NAV per share	**106.0p**	109.4p	102.3p	98.3p
Total declared dividend per share	**5.79p**	5.24p	5.0p	3.18p
Declared dividends per share since IPO	**19.21p**	13.42p	8.18p	3.18p
Total shareholder return in the year	**-4.4%**	-5.4%	1.7%	7.8%
Total shareholder return since IPO	**6.7%**	11.6%	18.0%	16.0%
NAV total return in the year	**2.1%**	12.4%	9.3%	2.5%
NAV total return since IPO	**28.6%**	25.9%	12.1%	2.5%

[15] First accounting period from launch to 31 December 2020.

Figure 1: Returns history

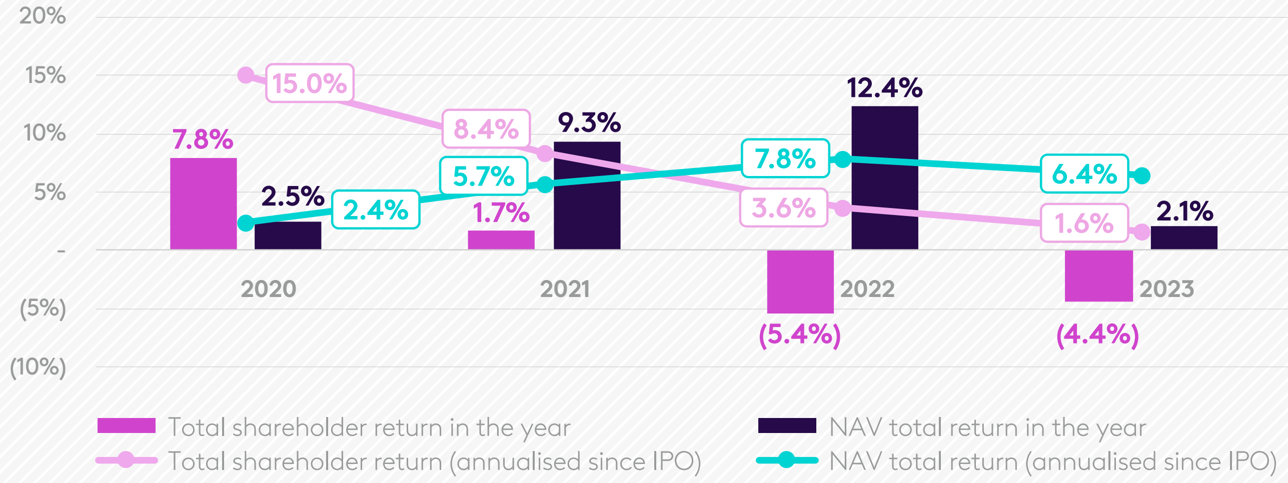


Figure 2: Dividend history

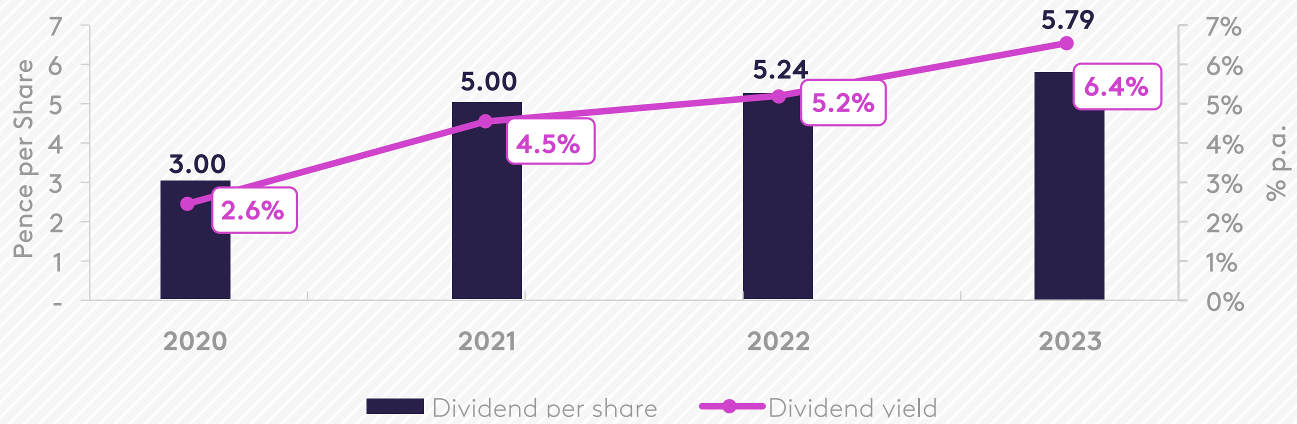
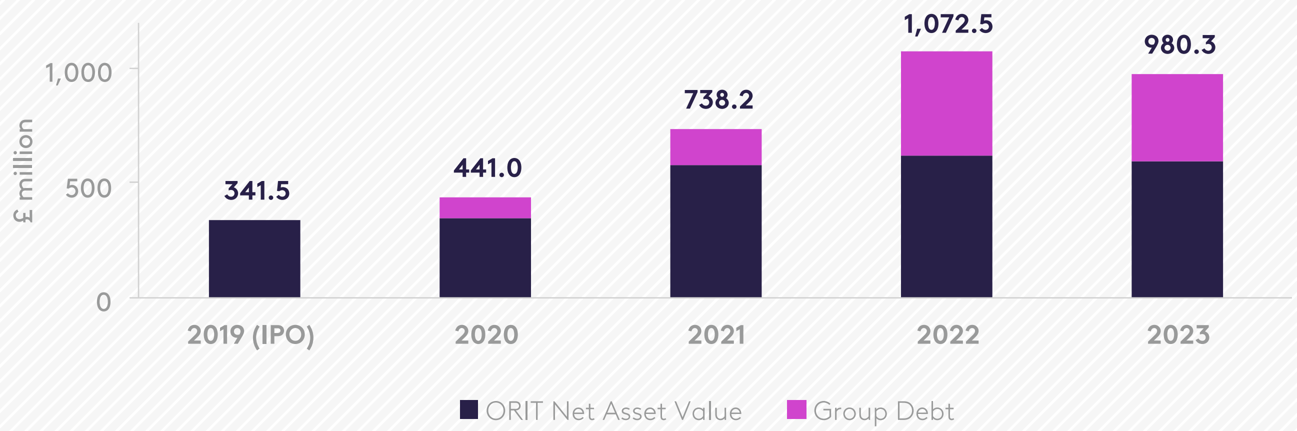


Figure 3: Gross Asset Value history



Key milestones during 2023

1

January 2023
Completed the acquisition of a 50% stake in Woburn Road, a 12MW/24MWh ready-to-build battery storage project in Bedfordshire, UK

2

February 2023
Refinanced and increased the multi-currency RCF to £270.8m at an improved margin of 2.0%, extending maturity to February 2026

3

March 2023
Secured a 10-year inflation-linked fixed price PPA for 67MW Breach solar project in the UK, Breach Solar Farm, which is currently under construction

4

April 2023
Invested into HYRO Energy Limited, ("HYRO") a new joint venture between ORIT, Sky (a private fund managed by Octopus Energy Generation) and renewable energy company, RES, to develop green hydrogen electrolysis projects

5

June 2023
Appointment of Sarim Sheikh as an Independent Non-Executive Director of the Company with effect from 1 June 2023

6

July 2023
Agreed to invest in a new development business, focused on creating new ground-mounted solar and co-located battery assets in the UK, with exclusive development services from BLC Energy Limited ("BLCe")

7

September 2023
Announcement of the Cumberhead Wind Farm Community Benefits Fund's first-round awardees for social initiatives in the Coalburn and Lesmahagow areas (50% of the Community Fund). The Community Fund is worth a total of £250,000 per year for 30 years

8

December 2023
HYRO developer platform secures a CfD from the Department for Energy Security and Net Zero for a 15MW hydrogen electrolyser project

9

December 2023
Completed the sale of the two wind farms in Poland to an affiliate of the Polish-based listed multi-energy company, Orlen S.A.

10

December 2023
Launch of a voluntary Community Benefits Fund around the two onshore wind farms in Southwest Finland, Saunamaa and Suolakangas, to support the local community

11

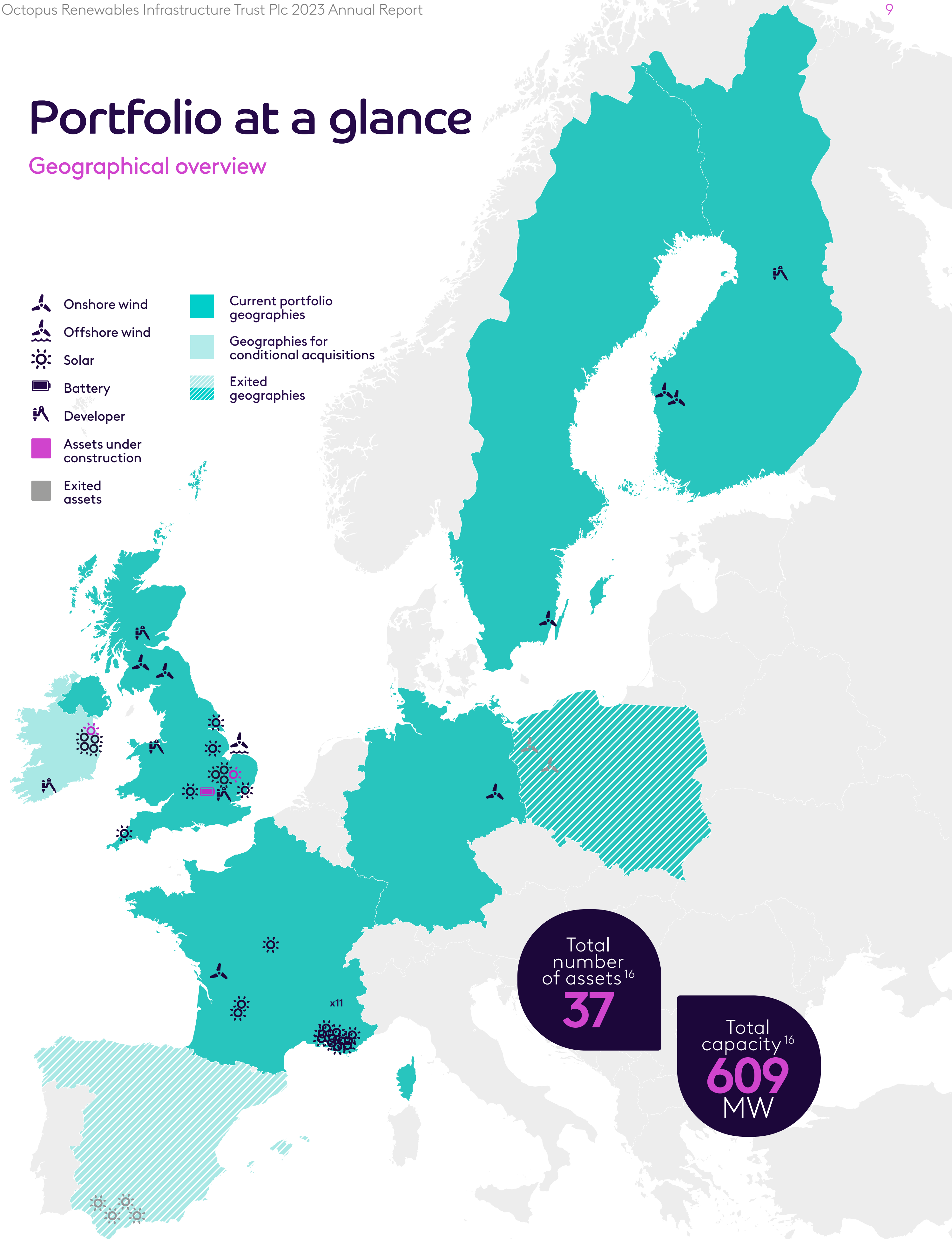
December 2023
Successful exit from option to acquire 175MW of ready-to-build solar projects in Spain at above holding value

12

Post-year end
Completed the acquisition of four newly-constructed solar farms in Ireland totalling 199MW, referred to as the Ballymacarney solar complex. A fifth (extension) site called Harlockstown is currently under construction

Portfolio at a glance

Geographical overview



[16] Excludes: i) Polish wind assets which were sold during FY2023; ii) the Spanish solar assets, the option over which was terminated in FY2023; iii) the Irish solar assets which were subject to conditional acquisition at 31 December 2023 and were acquired shortly after year end. Each developer investment is counted as a single asset.

Portfolio overview

Technology	Country	Sites	Capacity (MW)[17]	Average asset life remaining (years)	Status	Key information
Onshore wind	Sweden	1	48	27.5	Operational	Corporate PPA
	France	1	24	28.9	Operational	French CfD
	UK	1	50	29.2	Operational	Corporate PPA
	UK	1	23	27.5	Operational	Fixed pricing until end of 2025
	Germany	1	35	28.7	Operational	German CfD
	Finland	2	71	27.8	Operational	Fixed pricing until end of 2025
Offshore wind	UK	1	42	25.0	Operational	ROC Subsidised
Solar	UK	8	123	24.4	Operational	ROC Subsidised
	UK	1	67	40.0	Construction	Expected to be operational in Q2 2024
	France	14	120	28.4	Operational	FiT Subsidised
	Ireland	4	199	40.0	Acquired post-year end	1st 4 assets operational since Q4 2023[18]
	Ireland	1	42	40.0	Conditional Acquisition	Fifth site expected to be operational in Q3 2024
Battery	UK	1	6	35.0	Construction	Expected to be operational in Q1 2025
Developers	Ireland	n/a	n/a	n/a	Developer	Floating offshore wind
	UK	n/a	n/a	n/a	Development pipeline	Onshore wind
	UK	n/a	n/a	n/a	Developer	Hydrogen
	UK	n/a	n/a	n/a	Exclusive development services agreement	Solar/co-located battery storage
	Finland	n/a	n/a	n/a	Exclusive development services agreement	Onshore wind/Solar

Acquired at construction stage

[17] Pro-rated by ownership.
[18] 199MW of construction have been completed while under conditional acquisition status; ORIT has actively provided oversight of the construction.

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 2023 (the "Annual Report").

2023 was another interesting year in both the energy markets and investment trust sector. Whilst the argument for investing in renewable energy is more compelling than ever given the renewed spotlight on energy security, affordability and the alignment to global efforts to combat climate change, we realise that the Company's share price over the year will have been disappointing to shareholders. Discounts to Net Asset Value have continued to widen following the end of the year, and the Board is deeply aware of the need both to ensure a sound approach to capital allocation and to manage the discount. To date the proceeds of asset disposals have been used by the Company to reduce the level of short-term borrowings within the Group; with further sales proceeds expected to be received during 2024, the Board will consider all options for further capital allocation, including share buy-backs, depending on the prevailing market conditions at the time.

The difficult macroeconomic conditions which included falling power prices and a relatively poor year for wind speeds in much of Europe have contributed to a more challenging year for portfolio performance. Nevertheless, we believe that ORIT's diversified portfolio, having a high proportion of fixed price revenues in the near term and strong inflation linkage, showed relative strength over the year. The Company has succeeded in delivering its target dividend for the year of 5.79 pence per Ordinary Share and we have also announced an increase in the Company's target dividend for 2024, marking the third consecutive year the Company has increased its dividend target in line with inflation.

In addition to the investment activities, we strengthened the Board of Directors through the recruitment of Sarim Sheikh, an experienced renewables professional. We also re-designed and launched an improved website that better serves our investors and other stakeholders, and also delivered a well-received, inaugural Capital Markets Day in which we highlighted the Company's strategic objectives and the strength and depth of our team.

I have set out below some of our other notable achievements.

Investment Activity and Capital Recycling

During the year, the Company completed the acquisition of its 50% share in the 12MW/24MWh Woburn Road battery storage construction project[19], alongside another OEGEN-managed private fund, Sky. The Company also added two exciting new UK-focussed development companies to the portfolio: a vehicle serviced by BLC Energy ('BLCe'), which develops ground-mounted solar and co-located battery storage; and HYRO, a joint venture between ORIT, Sky and the developer, RES, which will develop green electrolysis projects for industrial hydrogen supply. These acquisitions now mean that developer investments represent 3.6% of the Company's portfolio (on a total value of all investments basis) as at 31 December 2023.

[19] The Woburn Road transaction was signed in June 2022 and completed in January 2023.

ORIT's investment objective includes delivering an element of capital growth to investors, and successfully managing assets through construction is one key way in which this growth can be achieved. However by early 2023, over 90% of ORIT's portfolio was operational on a total value of all investments basis, and the Company therefore commenced a strategic capital recycling programme. Releasing capital from operational assets will allow the company to repay short-term debt and potentially reallocate capital to construction or development stage investments, or other uses which could deliver greater NAV accretion compared to remaining invested in a fully operational portfolio. In December the Company completed the sale of its two Polish onshore wind farms totalling 59MW, delivering an IRR of approximately 30% over the lifetime of ORIT's investment. In addition, after having renegotiated the contingent acquisition of the four Spanish solar assets (totalling 175MW) in March 2023 to no longer having an obligation but, instead, an option to acquire the assets once they reach ready-to-build status, ORIT made the strategic decision to terminate that option and negotiated a termination payment from the vendor. Together, these transactions generated a 3.1 pence per Ordinary share NAV uplift demonstrating the robustness of the Company's valuations and the continued demand for these assets in the market. Further details are provided in the capital recycling programme section on **page 29**. ORIT is seeing good progress in other capital recycling activities which are expected to be completed during 2024.

Revenue Management

We have continued to utilise Octopus Energy Generation's expertise to fix revenues with high quality counterparties at an appropriate level for the portfolio. Breach Solar Farm was acquired in 2022 without any fixed revenue arrangement, but in January 2023 ORIT successfully entered into an inflation-linked PPA with Iceland Foods to power c.14% of the electricity requirements of their total UK estate of c.1,000 stores. The contract increased the portfolio's overall fixed revenue percentage on a two-year look-forward basis by 3 percentage points, and gave rise to a NAV uplift of 1.9% compared to the merchant power price case. The Iceland Foods PPA now sits alongside other corporate offtake arrangements in the portfolio with Owens Corning (at Ljungbyholm wind farm), Kimberley Clark (at Cumberhead wind farm) and Microsoft (at the Ballymacarney solar complex).

Construction

In Q1 2023 the Company completed the construction of the 50MW Cumberhead onshore wind farm, the largest project in ORIT's onshore wind portfolio. ORIT has also provided oversight of the construction of the 199MW, four-site Ballymacarney solar complex in Ireland, which became fully operational in 2023 and was subsequently acquired in February 2024. As at 31 December 2023, 73MW of capacity (by pro-rata ownership) was still in construction at the 67MW Breach solar farm and 12MW/24MWh (50% stake) Woburn Road battery storage site. In addition to this, the Company is monitoring the construction of the 42MW Harlockstown extension to the Ballymacarney solar complex in Ireland which is nearing completion, with this site expected to be acquired in Q3 2024 following commencement of full operations.

Portfolio Performance

During 2023 the Company's assets generated 1,110GWh of electricity, an increase of 10% compared with the previous year, but 14% below budget. The generation increase in 2023, compared to 2022, was driven by the contribution from the first full year of operations at Cerisou (France) and Crossdykes (UK) onshore wind assets, in addition to the start of operations of Cumberhead wind farm which completed its construction in March 2023. This was offset by the reduced generation after the sale of the Polish wind assets, and the fact that onshore wind generation was 20% below budget, largely due to low wind speeds. Production from solar and offshore wind assets was roughly in line with expectations. Combined with the impact of declining power prices, the lower wind speeds meant that as a whole the EBITDA for 2023 was 24% below budget. A full breakdown of the portfolio's performance is included on **page 33**.

1,110 GWh
electricity generated during 2023

Results

During the year NAV fell from £618.3 million (109.4 pence per Ordinary share) to £599.0 million (106.0 pence per Ordinary share). However, in combination with the dividends paid during the year, the Company delivered a NAV total return of 2.1%. The decrease in NAV over the year was driven primarily by falling power price and inflation forecasts, coupled with increases applied to discount rates. We have materially mitigated the impact of power price reduction forecasts through building a portfolio with a high proportion of fixed power revenues (as at 31 December 2023, 81% of ORIT's revenues for the two years to 31 December 2025 were fixed price in nature).

Total shareholder return for the year was -4.4%, as share prices across the sector continued to fall against a backdrop of high inflation and high interest rates – though we would highlight that the Company's share price maintained a narrower discount to NAV compared to most of its peers across the majority of the year.

The Company's operating income for the year was £19.7 million (inclusive of -£23.0 million movement in fair value of investments), giving rise to a profit for the year of £12.7 million. This was underpinned by EBITDA from the portfolio of operational assets totalling £73.8 million, arising from gross revenues of £117.4 million.

Dividends

The Company made four dividend payments totalling 5.79 pence per ordinary share for the financial year to 31 December 2023, meeting its FY 2023 dividend target in full and representing a 10.5% increase on FY 2022's dividend, in line with inflation. The dividend is fully covered by cashflows arising from the Company's portfolio of assets. As announced on 18 January 2024, and in line with the Company's dividend policy, the target for the financial year from 1 January 2024 to 31 December 2024 is 6.02 pence per Ordinary Share. This increase of 4.0% over FY 2023's dividend is in line with the increase to the Consumer Price Index (CPI) for the 12 months to 31 December 2023, and marks the third consecutive year the Company has chosen to increase its dividend target in line with inflation. The FY 2024 dividend target is expected to be fully covered by cashflows generated from the Company's operating portfolio.

Impact highlights

In 2023, ORIT continued its commitment to its ESG & Impact Strategy, achieving a total portfolio impact of 366,400 tCO_2e avoided, directly contributing to global climate change mitigation. Once the construction projects mentioned earlier are complete, ORIT's portfolio is expected to generate sufficient electricity to power 384,000 homes. This generation will avoid CO_2 emissions of approximately 400 kilo-tonnes per annum, the equivalent of planting 2 million trees.

366,400
tCO_2e
total avoided during 2023

The year also saw ORIT allocate over £300,000 from its annual impact budget, supporting initiatives with Impact Partners such as SUGi, the Good Bee Company, Earth Energy Education, and BizGive. This budget is in addition to the c.£600,000 agreed as community benefit funds for some of ORIT's assets. The impact budget supported the delivery of a number of educational workshops, job programmes, forest plantings and more.

Outlook

Despite the market challenges experienced in the investment trust sector during 2023 which have persisted into 2024, the fundamental driving forces behind clean energy investment are stronger than ever. The successful exit of the Polish assets has shown that the Company's valuations are robust, and if, as appears likely, the interest rate cycle has neared its peak, we would expect the merits of investing in a high-quality, diversified portfolio of renewable energy assets delivering attractive income to come to the fore once more.

Finally, at the end of 2023, ORIT announced its desire to explore a combination with Aquila European Renewables plc. The Board and I believe that a larger, more liquid combined vehicle would benefit both sets of shareholders and help address some of the continuing challenges in the investment trust sector. Whether or not such a combination proceeds, we will continue to review the options available to the Company to best enable it to deliver on our investment objective, mindful of the need to act in the interests of shareholders as a whole.

Strategic Report

The Directors present the Strategic Report for the year ended 31 December 2023 on **pages 15 to 114** of the Annual Report.

Operating Model, Objectives and KPIs

Structure and operating model

Key facets of the Company are as follows, which should be read together with the structural representation in **Figure 4** which follows.

Listed investment trust: 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.

Return objective to 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 Europe and Australia. Investment into the Ordinary Shares of the Company is designed to be suitable for institutional investors and professionally advised private investors. Such an investment may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment.

ORIT's entities: 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 or other commercial objectives.

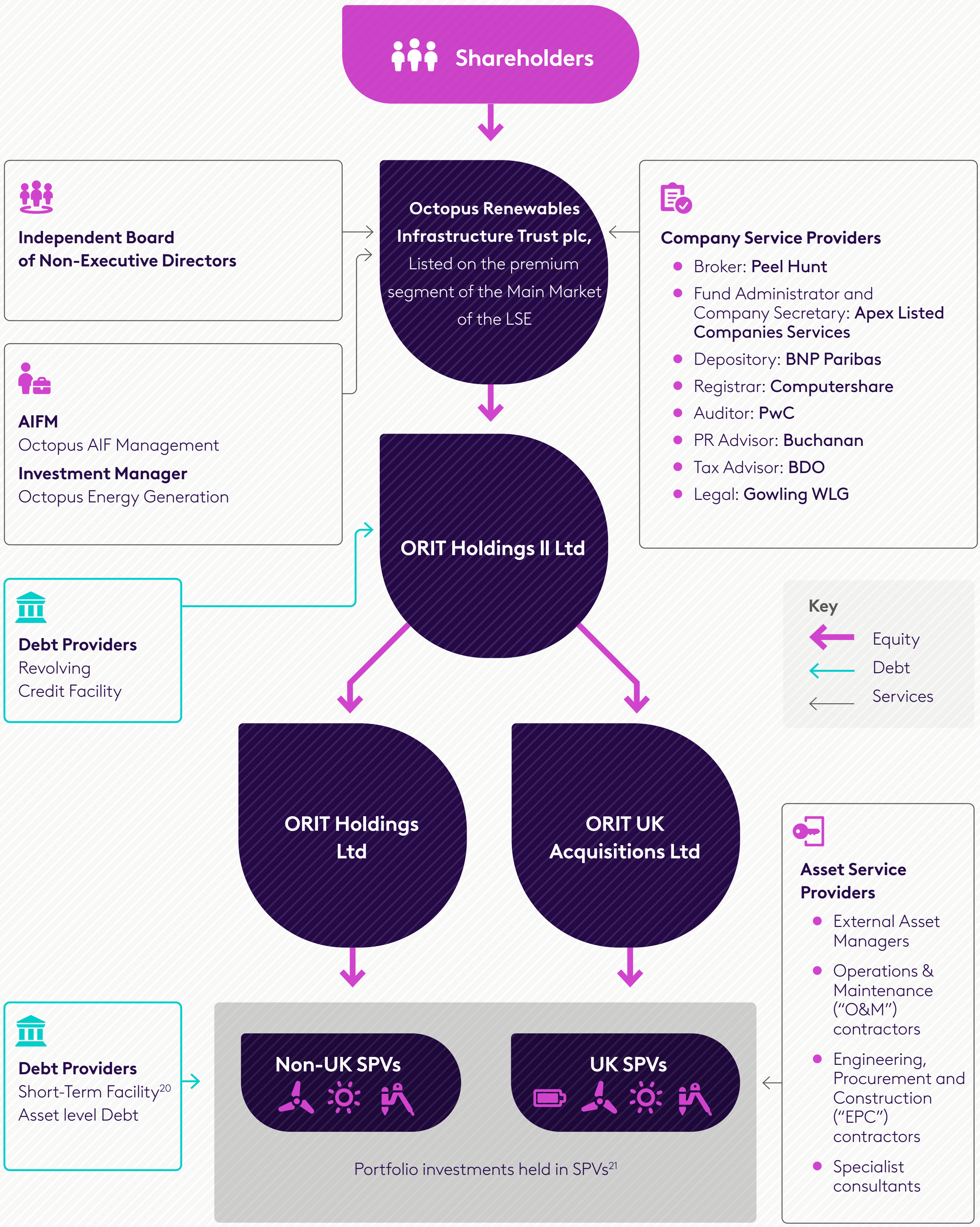
Board of Directors: The Company has an independent board of non-executive directors, responsible for the determination of the Company's investment policy and strategy. It has overall responsibility for the Company's activities including the review of investment activity and performance and the control and supervision of the Company's service providers, and is also responsible for the final investment decisions.

Investment Manager: The Company 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.

Third-party providers: As an investment trust, the Company does not have any employees and is reliant on its third-party service providers ('Company Service Providers' on **Figure 4**) for some of its operational and service requirements. Likewise, the project company SPVs generally do not have any employees and services to those entities (and, sometimes, the holding companies) 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.

Key dates: 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.

Figure 4: Company structure and operating model



[20] Repaid during the year.

[21] Some investments in SPVs may be held indirectly through portfolio-level holding companies

Investment and asset management process

Figure 5 below outlines the broad process through which the Company typically acquires, manages and (potentially) exits Renewable Energy Assets.

Figure 5: Investment and asset management process

Origination

Initial phase to identify and secure investment opportunities, involving comprehensive market research, deal sourcing through industry connections, initial screening to assess potential investments, rigorous due diligence to uncover risks and validate the investment's viability, and finally, negotiation to agree on terms and secure the investment

Investment

Structuring the investment to balance risk and return, including setting up financial vehicles like SPVs, arranging financing, and optimising tax benefits, while aligning with the Company's strategic goals and regulatory requirements

Development – Construction (Optional)

As part of its Investment Policy, ORIT can invest at the development or construction stage of the renewable assets. This may include project planning, securing necessary permits, managing the construction process, and ensuring the asset is built to specification and ready for operation

Asset Management & Value Creation

The Company manages operational assets to maximise performance and value. This involves operational oversight, regular maintenance, and strategic initiatives to enhance efficiency and profitability and increase the asset's value over time. In addition, the Investment Manager looks to enhance revenue strategies through appropriate PPA structuring and origination.

Ongoing Portfolio Optimisation and Capital Allocation

The Company evaluates its assets regularly, taking into account market conditions, asset performance, operating cash flows and diversification across the portfolio. Where appropriate the Company may initiate sales of certain assets as part of its capital recycling programme.

The Company considers capital management and allocation on an ongoing basis, including share buy-backs, depending on the prevailing market conditions at the time

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 5.79 pence per Ordinary Share for FY23, generated from operational cashflows	**5.79p** dividend declared for the year per Ordinary Share, in line with target **19.21p** total dividends declared per Ordinary Share since inception **£73.8m** 2023 EBITDA from underlying operational assets **1.18x** Operational dividend cover	Since inception the Company has declared a total dividend of 19.21 pence per Ordinary Share, following a progressive dividend policy[22]; each year fully covered by operational cashflows. The 2023 dividend of 5.79p per Ordinary Share, a 10.5% increase on the 2022 dividend in line with CPI, was fully covered by operational cashflows at the SPV level less costs at the plc and intermediate holding company levels. For FY 2024, the Company's dividend target is rising by 4.0% (in line with CPI) to 6.02 pence per Ordinary Share.[22,23] EBITDA from operational assets was 24% below budget with the slight increased output compared with the prior year offset by declining power prices across Europe.	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. Operational and financial performance is reviewed quarterly by the Board. Any material issues would be highlighted to the Board without delay.

[22] 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.

[23] 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% per annum over the medium to long-term • Generated through a diversified portfolio including construction and development assets • Cost control and prudent financial management	**106.0p** NAV per Ordinary Share at 31 Dec 2023 **6.7% total, 1.6% annualised** total shareholder return since IPO **-4.4%** total shareholder return in FY2023 **28.6% total, 6.4% annualised** NAV total return since IPO **2.1%** NAV total return in the year **5** technologies (including hydrogen via developer investment) **6** countries across Europe[24] **3** new acquisitions[25] during FY 2023 across battery storage and developer investments, and one post-year end with completion of the Ballymacarney Irish solar complex acquisition **50MW** of new capacity connected to the grid (Cumberhead), plus 199MW of operational Irish solar acquired post year end. **3.1p** per Ordinary share NAV uplift from capital recycling programme activities **1.16%** Ongoing charges ratio **0.3%** Transaction costs as percentage of NAV	Decrease in NAV driven by falling power price and inflation forecasts, and increases applied to discount rates. The acquisitions in the year include ORIT's first battery storage project along with two investments in developer platforms including the first in hydrogen projects through the HYRO platform, increasing the diversification of ORIT's portfolio. In the year ORIT initiated its capital recycling programme with the sale of its two onshore wind farms in Poland and opted to terminate its option to acquire the solar projects in Spain. Minor increase in the ongoing charges ratio to 1.16% (FY 2022: 1.12%), however the result is better than expected figure of 1.18% as published in the latest KID. Transaction costs incurred on acquisitions and sales in the year were below expectations at 0.3%, compared to the latest KID indication 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.

[24] Including Ireland acquisition post-year end.
[25] Battery storage project (Woburn Road) transaction was signed in 2022 and completed in 2023.

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	**£1,127 million** committed into renewables[26] **1,569GWh** of potential annual renewable energy generation, **105GWh** of which will be additional generation from constructing assets[27] **37 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	**400k** tCO_2e avoided[28] **55.47** tCO_2e **per MW** estimated carbon intensity (direct and indirect) **3.74** $tCO_2e/£m$ weighted average carbon intensity **553t** worth of carbon purchased in Pending Issuance Units **100%** investments qualify as sustainable in line with EU Taxonomy[29] **93%** 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[30] **7,827 students** benefitting from social initiatives **>£600,000** per year of community benefit funds **>£300,000** impact budget in 2023

Further information on our ESG & Impact Strategy and performance against our Impact Objectives can be found in the ESG & Impact section of this Strategic Report from **page 65** and the Company's ESG & Impact Strategy published on our website here **www.octopusrenewablesinfrastructure.com/all-reports-publications**

[26] Amount shown is the total value of all investments, which excludes the amount committed to assets which have subsequently been sold, and also includes the impact of valuation movements since commitment

[27] Metric calculated based on an estimated annual production of the construction portfolio once fully constructed (including the Irish solar sites acquired post year end).

[28] 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.

[29] 100% of investments are significantly contributing to climate change mitigation.

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

Investment Strategy and Policy

Investment Strategy

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

Diversification: The Company's Investment Policy includes a broad mandate to invest across different renewable technologies and in different geographies, reducing concentration of risk in particular 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.

Ballymacarney solar complex

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.

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

Investment Manager: Octopus Energy Generation.
Octopus Energy Generation (trading name of Octopus Renewables Limited), 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.

£6.7bn
OEGEN AUM as at 31 December 2023[31]

19 countries
invested in since 2010[31]

>3.7GW
capacity managed

£2.7bn
Solar & wind construction[31]

>135
Renewable Energy Professionals

[31] Assets under management defined as the sum of Gross Asset Value and capital committed to existing investments and signed (yet to be completed) deals and excludes capital available, yet to be deployed. Number of countries includes countries of assets under management, countries in which asset investments have been exited, countries of head offices of developer company investments, and countries of presence for OEGEN origination teams. Solar & wind construction defined as total committed costs of assets either currently in construction or constructed under OEGEN management. Some of these assets are now operational within the portfolio.

Fund Managers

Chris Gaydon
Investment Director
20+ years of experience

Chris joined Octopus Energy Generation as an investment director in 2015 and is a long-standing member of the OEGEN's Investment Committee and Leadership Team which has led the growth in OEGEN's fund management business. Having previously led OEGEN's Investment Team, 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.

This year has seen the team perform well in the face of challenging market conditions. Construction projects have either reached completion or are making significant progress, and an attractive PPA was secured at Breach solar farm, boosting the proportion of fixed revenue in the portfolio. In addition, we have expanded into new technologies through our inaugural investment into battery storage as well as via a small investment into hydrogen through the HYRO development platform. We also made a strategic decision to opt out of the conditional solar acquisition option in Spain, in line with ORIT's capital allocation strategy.

David Bird
Investment Director
15+ years of experience

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 OEGEN'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.

This year marked the initiation of ORIT's capital recycling programme and it is gratifying to witness the successful conclusion of the programme's first disposal in the sale of the two wind farms in Poland. The transaction demonstrated the market's interest in ORIT's assets, corroborated our conservative valuations, and proved our ability to add value through the construction process. The majority of the proceeds from this sale enabled us to pay off short-term debt. We look forward to reporting further results from the capital recycling programme in due course.

At the end of 2023 ORIT also announced to the market its ambition to drive a combination with Aquila European Renewables plc, which we believe would be an attractive proposition for investors.

Investments and capital recycling programme

3
Investments made during the year[32]
Completion of Irish solar assets acquisition post-year end

£7m
Total allocated capital to new investments
(includes future commitments)

£97m
Total proceeds from capital recycling initiatives during the year

£1,127m
Total value of all investments

Company Developments in 2023

Acquisitions

12MW/24MWh
Woburn Road, ready to build battery storage in the UK
50% stake
1st battery project investment

HYRO JV platform
UK hydrogen developer platform
25% stake
1st hydrogen investment

Developer platform serviced by BLCe
UK solar and co-located batteries
100% stake

199MW Irish Solar
Post-year end acquisition of four newly constructed solar sites near Dublin
100% stake

Divestments

+2.8
pence per Ordinary Share NAV uplift
Sale of two operational Polish wind farms (59MW)

+0.3
pence per Ordinary Share NAV uplift
Exit of Spanish solar projects option (175MW)

Further capital recycling projects ongoing

Debt management

39% leverage (as % of GAV)
As at 31-Dec 2023, vs 42% 31-Dec 2022

RCF refinancing
Increased size to £270.8m and extended maturity to February 2026, reduced margin to 2%

Repaid short-term facility

[32] Includes the investment into the battery storage asset Woburn Road which closed within the year in January 2023, with the initial commitment having been made during 2022.

Revenue management

Signing of Breach solar PPA with Iceland Foods

1.9% NAV uplift vs merchant power price case

Forecast £55 million in fixed price revenues[33] across the 10-year tenor of the PPA, increasing the fixed proportion of forecast revenues from the group's operational assets on a 2-year look-forward basis by 3 percentage points

Start of Cumberhead wind PPA with Kimberly Clark

Offtake agreement is forecast to generate £75 million of fixed price revenues across the 10-year tenor of the PPA

Hedging of UK solar revenues

PPA with Total Energies for 5 years forecast to generate £14.8 million fixed revenues, and fixed price CfD for 3 years generating £11.2 million fixed revenues.

Together these increase the proportion of fixed forecast revenues from the group's operating assets on a 2-year look-forward basis by 4 percentage points.

Construction

50MW

Construction completed at Cumberhead wind farm

199MW

Construction completed at Ballymacarney Irish solar complex, under ORIT's oversight

73MW

73MW in construction in portfolio (pro-rata by ownership)

42MW

Construction of the fifth site at the Ballymacarney solar complex is underway. The site will be acquired once operational

Impact highlights

£300,000

Impact budget

£600,000

Funding for local communities for specific projects

[33] This figure and the equivalent figure for the Cumberhead CPPA are calculated based on P50 production, the fixed price and inflation assumptions.

Capital recycling programme

As announced in 2023, ORIT launched a capital recycling programme through which the Company intends to sell a number of assets. Recycling assets in this way also allows the Company to react to changing market conditions, for example rising debt costs (because ORIT can use proceeds to pay down short-term debt), and gives the Company further options for capital allocation.

The assets included in the recycling programme have been selected such that the portfolio remains balanced, and in order that the Company is able to deliver on its objectives. Whilst the recycling programme is ongoing, ORIT has completed the following components:

+2.8 pence per Ordinary Share NAV uplift vs holding value at 30 Sep 2023

c.30% IRR over the lifetime of ORIT's investment

Sale of Polish wind assets

In December 2023 ORIT completed the sale of the Krzecin and Kuslin wind farms (totalling 59MW) in Poland to an affiliate of the Polish-based listed multi-energy company, Orlen S.A., realising net proceeds of approximately £92 million (7% of Total value of all Investments at 30 September 2023) — a 21% premium over the holding value of the assets at the time of sale. The sale resulted in a +2.8 pence per Ordinary Share uplift over the holding NAV prior to the disposal and the realisation of an IRR of around 30% over the lifetime of ORIT's investment. ORIT acquired these assets when they were in the construction phase in October 2021, before managing the construction and bringing the wind farms into operation in 2022. The exit of these assets at a NAV-accretive value demonstrates ORIT's ability to add value through managing construction risk, and also underlines the Company's conservative valuation approach.

+0.3 pence per Ordinary Share NAV uplift vs holding value at 30 Sep 2023

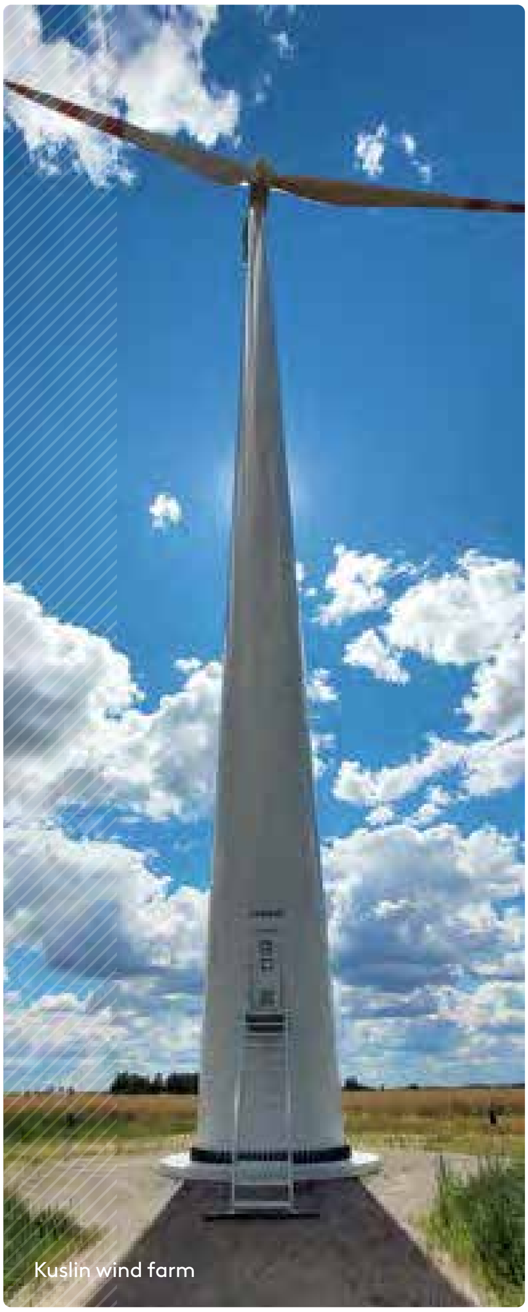
+0.5 pence per Ordinary Share total NAV uplift over lifetime of investment

Exit of Spanish solar projects

ORIT elected to terminate its option to acquire 175MW of ready-to-build solar projects in Spain. Agreements were signed in December 2023, but cash delivery from the counterparty completed in January 2024.

We had originally entered into a conditional acquisition agreement over the sites in 2020. However, having reassessed the projects on a risk-adjusted basis and taking into account the Company's approach to capital allocation, exiting the option at a value above the holding value was a more attractive proposition than committing to the construction. In doing so, ORIT realised a net gain of £3.0 million over the €2.0 million (c.£1.7 million) initial deposit, or approximately £1.5 million over the £3.2 million holding valuation prior to exit.

Further initiatives of the capital recycling programme remain in progress and are expected to conclude in 2024.



Kuslin wind farm

Portfolio Breakdown (as at 31 December 2023, including construction assets)

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

Technology	Country	Site name	Whole site capacity (MW)	Phase	Start of operations	Remaining asset life (years)	Stake %
Onshore wind	UK	Cumberhead	50	Construction	31/03/2023	29	100%
	France	Cerisou	24	Operational	15/11/2022	29	100%
	Sweden	Ljungbyholm	48	Operational	30/06/2021	27	100%
	Finland	Saunamaa	34	Operational	28/08/2021	28	100%
		Suolokangas	38	Operational	29/12/2021	28	100%
	Germany	Leeskow	35	Operational	30/09/2022	29	100%
	UK	Crossdykes	46	Operational	30/06/2021	27	51%
Offshore wind	UK	Lincs	270	Operational	31/10/2013	25	15.5%
Solar	UK	Wilburton 2 (Mingay)	19	Operational	29/03/2014	20	100%
		Abbots Ripton	25	Operational	28/03/2014	30	100%
		Ermine Street	32	Operational	29/07/2014	21	100%
		Penhale	4	Operational	08/03/2013	29	100%
		Chisbon	12	Operational	03/05/2015	27	100%
		Westerfield	13	Operational	25/03/2015	21	100%
		Wiggin Hill	11	Operational	10/03/2015	16	100%
		Ottringham	6	Operational	07/08/2013	31	100%
		Breach	67	Construction	-	40	100%
	France	Charleval	6	Operational	26/03/2013	29	100%
		Cuges	7	Operational	17/04/2013	29	100%
		Istres	8	Operational	18/06/2013	29	100%
		La Verdière	6	Operational	27/06/2013	29	100%
		Brignoles	5	Operational	26/06/2013	29	100%
		Saint Antonin du Var	8	Operational	28/11/2013	30	100%
		Chalmoux	10	Operational	01/08/2013	30	100%
		Iovi 1	6	Operational	17/07/2014	31	100%
		Iovi 3	6	Operational	17/07/2014	31	100%
		Fontienne	10	Operational	02/07/2015	31	100%
		Ollieres 1	12	Operational	19/03/2015	31	100%
		Ollieres 2	11	Operational	19/03/2015	31	100%
		Arsac 2	12	Operational	05/03/2015	18	100%
		Arsac 5	12	Operational	30/01/2015	18	100%
	Ireland	Ballymacarney[34]	54	Acquired post year-end	18/12/2023	40	100%
		Fidorfe[34]	68	Acquired post year-end	18/12/2023	40	100%
		Muckerstown[34]	48	Acquired post year-end	18/12/2023	40	100%
		Kilsallaghan[34]	29	Acquired post year-end	18/12/2023	40	100%
		Harlockstown	42	Conditional acquisition	-	40	100%
Battery	UK	Woburn Road	12	Construction	-	35	50%
Developer	UK (HQ)	Wind 2	-	Developer	-	-	25%
	UK (HQ)	HYRO	-	Developer	-	-	25%
	Ireland (HQ)	Simply Blue	-	Developer	-	-	19%
	Finland (HQ)	Norgen	-	Developer	-	-	50%
	UK (HQ)	BLCe serviced platform	-	Developer	-	-	100%

[34] Note that these four sites are sometimes (in this report and elsewhere) collectively referred to as 'the Ballymacarney solar complex'. The start of operations dates for these sites relates to the full commercial operations date, including completion of technical test etc. However, electricity production started in May 2023 (initially small volumes, before ramp-up) and revenues have been generated for the benefit of ORIT since this time through the commissioning phase.

Portfolio Breakdown (as at 31 December 2023, including construction assets)

310MW/ 509MW
Across 23 solar plants/ across 27 solar plants including 4 Irish solar farms

251MW
Across 7 onshore wind farms

42MW
Across 1 offshore wind farm

6MW
Across 1 battery storage plant

5
Investments in Developers

Figure 6: Portfolio composition broken down by total value of all investments in accordance with the Company's investment policy (including the amounts committed to the conditional acquisitions of the Irish solar PV.[35]

£1,127m
Total value of all investments

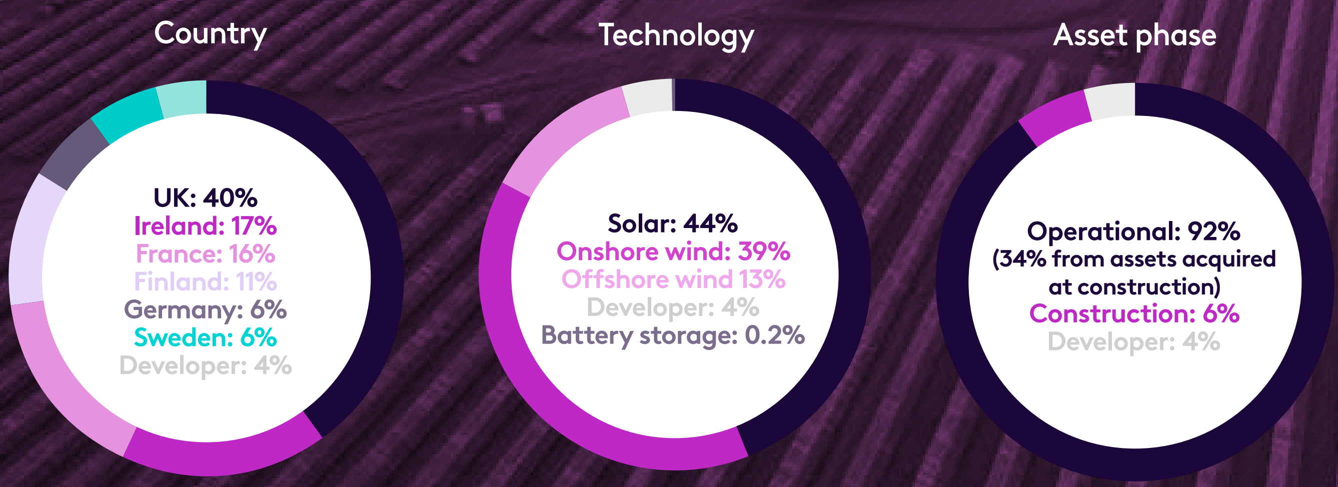
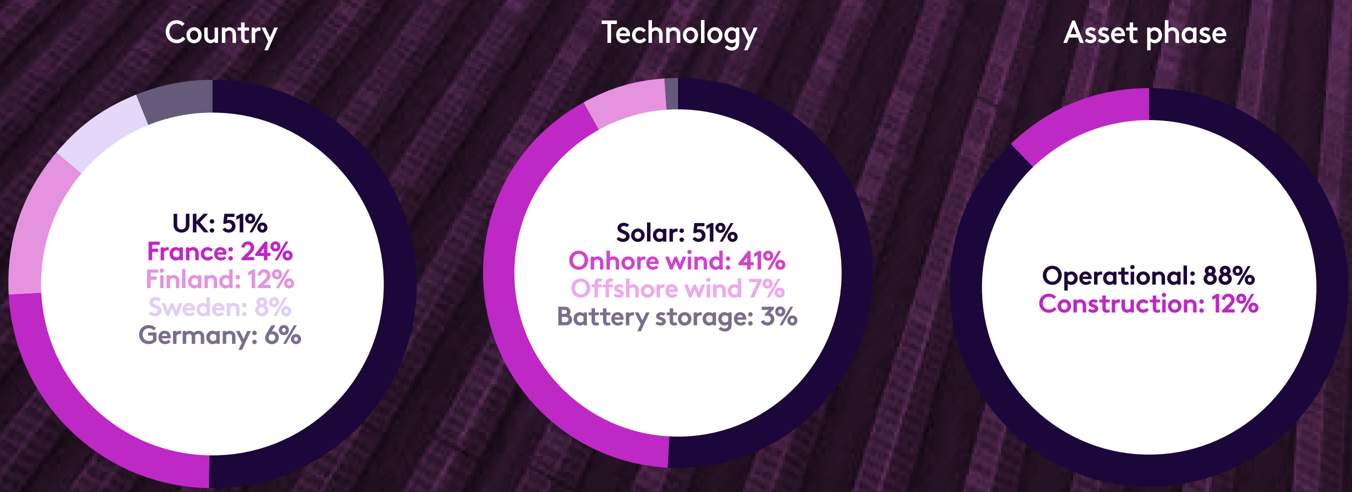


Figure 7: Portfolio composition broken down by MW of capacity pro rata for ORIT's ownership (including the capacity of construction assets) on a current invested basis as at 31 December 2023 (and therefore exclude the Irish solar assets under conditional acquisition at year end and the Polish wind assets which were sold during FY 2023).

609MW
Capacity owned



[35] Portfolio composition on a total value of all investments basis (including the amount committed to the conditional acquisition of the Irish solar assets) in line with the Company's investment policy as at 31 December 2023. The investments are valued on an unlevered basis and including amounts committed but not yet incurred. Sum may not add up due to rounding.

Portfolio performance

Operational portfolio technical and financial performance

This section reports on the performance of the Company's underlying operational investments and Figure 8 shows the metrics which form part of the Alternative Performance Measures.

For the financial year ending 31 December 2023, the Company's operational portfolio generated 1,110GWh of electricity (2022: 1,005GWh), -14% vs budget (-175GWh), largely due to grid curtailments and lower wind speeds which impacted performance across the onshore wind assets.

Revenues of £117.4 million were achieved in the year (2022: £112.0m), -16% vs budget, as the benefit of our increased output compared to 2022, was offset by declining power prices across Europe. Opex of £43.6 million (2022: £35.7m) was incurred in the year, 1% adverse to budget. The resulting total EBITDA, across ORIT's operational portfolio, was £73.8 million (2022: £76.3m), -24% vs budget.

2023 was the first full operational year for the onshore wind assets Cerisou in France (24MW), for which ORIT managed the construction, and Crossdykes in the UK (23MW pro-rata for ORIT's stake), which ORIT acquired in November 2022. Cumberhead in the UK completed construction works and became fully operational from 31 March 2023. The two Polish assets which were sold during the year to 31 December 2023 had a locked box date for the transaction of 30 June 2023.

On 1 February 2024, we successfully completed the acquisition of four newly constructed solar farms located in Ireland and the pre-commissioning net revenues, arising in 2023, have been secured for the benefit of ORIT. The performance of these assets includes production and revenues generated since May 2023 during the commissioning phase.

Including the performance from the Irish solar sites related to FY 2023, the portfolio generated 1,224GWh during 2023, with revenues of £127.2 million and EBITDA of £82.3 million.

Cerisou wind farm

Figure 8: Performance of Company's underlying operational investments

	Output	Revenue	Opex	EBITDA
Operational portfolio	**1,110GWh** -14% vs budget +10% vs 2022 (2022: 1,005GWh)	**£117.4m** -16% vs budget +5% vs 2022 (2022: £112.0m)	**£43.6m** 1% adverse to budget 22% increase vs 2022 (2022: £35.7m)	**£73.8m** -24% vs budget -3% vs 2022 (2022: £76.3m)
Operational portfolio incl. post-year end acquisition of Irish solar	**1,224GWh** +10% vs above (115GWh) +22% vs 2022	**£127.2m** +8% vs above (£9.8 million) +14% vs 2022	**£44.9m** 3% increase vs above (£1.3 million) 26% increase vs 2022	**£82.3m** +11% vs above (£8.5 million) +9% vs 2022
Solar (excluding Irish portfolio)	**275GWh** -1% vs budget (2022: 292GWh)	**£35.2m** -2% vs budget (2022: £33.7m)	**£9.2m** 3% adverse to budget (2022: £8.3m)	**£26.0m** -2% vs budget (2022: £25.4m)
Onshore wind	**682GWh** -20% vs budget (2022: 565GWh)	**£42.7m** -34% vs budget (2022: £51.3m)	**£12.0m** 4% favourable to budget (2022: £7.5m)	**£30.7m** -42% vs budget (2022: £43.8m)
Offshore wind	**152GWh** -1% vs budget (2022: 148GWh)	**£39.5m** +2% vs budget (2022: £27.0m)	**£22.4m** 6% adverse to budget (2022: £19.9m)	**£17.0m** -2% vs budget (2022: £7.1m)

Note: Totals may not add up due to rounding

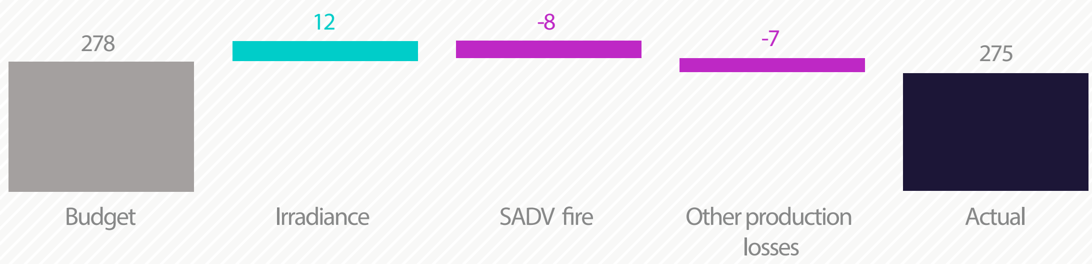
Solar

The operational solar portfolio (22 sites across the UK and France[36]) generated 275GWh during 2023, -1% vs budget (-3GWh). Higher than expected irradiance (+12GWh) across both portfolios was offset by marginal production losses due to site efficiency across the entire portfolio (-5GWh), as well as outages of -10GWh, of which -8GWh (80% of lost production due to outages) was due to a fire at one site in France, Saint-Antonin-du-Var ("SADV"). The overwhelming majority of the revenue losses in 2023 due to the SADV fire are expected to be recovered from insurance. Excluding the impact of the SADV fire, the adjusted production of the portfolio would be 1% above budget (+5GWh).

The solar portfolio generated revenues of £35.2 million for 2023, -2% vs budget (£0.8 million). 23% of the variance to budget was due to under production (£0.2 million), the remaining 77% was due to movement in energy prices in the UK portfolio (£0.6 million) which is exposed to merchant prices (the French solar portfolio benefits from 100% fixed revenues under feed-in-tariffs). Revenues arising under fixed price contracts represented 84% of total revenue from the UK and French solar portfolios for the year.

The portfolio realised an EBITDA of £26.0 million, -2% vs budget (£0.5 million) as a consequence of lower revenues, offset by savings on opex of 3% (£0.3 million) in the French portfolio due to lower than expected O&M and utilities costs. Total opex amounted to £9.2 million.

Figure 9: 2023 solar output variance to budget (GWh)



Breach solar farm

[36] Excluding Irish assets.

Onshore wind

In 2023, ORIT's onshore wind portfolio (9 sites across 6 countries in Europe, including the Polish assets for the first 6 months to 30 June 2023[37]) generated 682GWh of renewable electricity, -20% (170 GWh) vs budget. This underperformance can be primarily attributed to lower than projected wind speeds (48% of the budget variance, 81GWh), with other main contributors being externally imposed site curtailments due to negative pricing periods or transmission grid constraints, (26% of the variance, 45GWh) and slower than expected post-construction ramp-up at Cumberhead wind farm (15% of the variance, 26GWh).

The projects benefit from various compensation schemes which protect the portfolio from exposure to externally imposed curtailments and from performance falling below the contracted thresholds under their turbine, operating and maintenance agreements. The portfolio received compensation for 51GWh of lost production, of which 20GWh has been received in the year with the remainder yet to be paid. This results in an adjusted production for the year of 734GWh (+8% vs actual production, -14% vs budget).

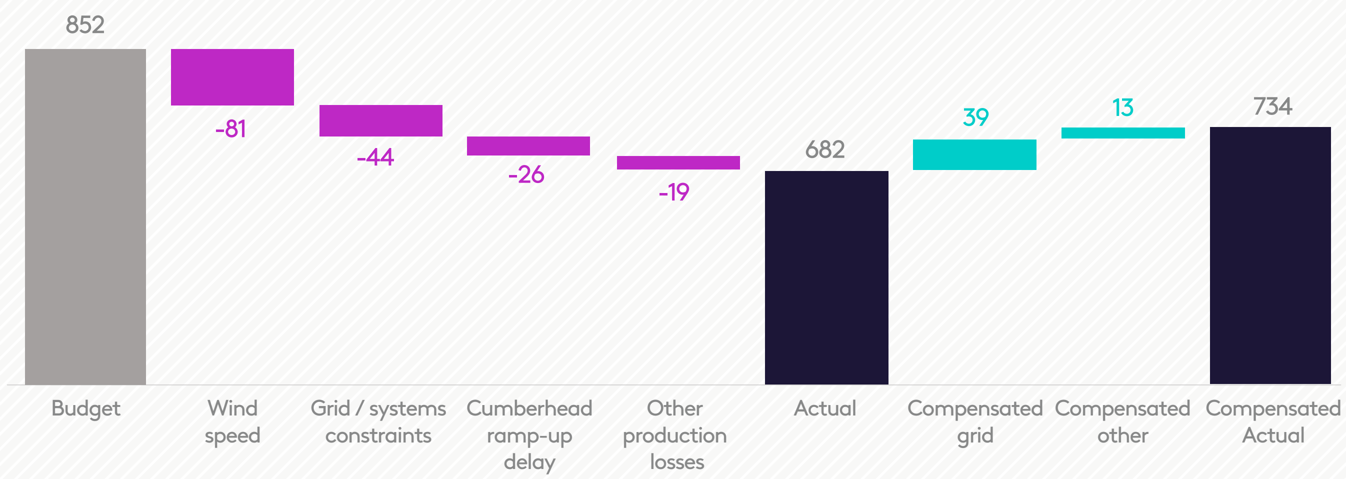
The 50MW Cumberhead wind farm became operational mid-way through the year. We had budgeted production for 2023 to be 98GWh, whereas actual production was 59GWh. Of the 39GWh shortfall, 26GWh (67%) can be attributed to the slower than expected ramp-up time for the site to reach full operational capacity, compensation against these production losses are under negotiation with the turbine supplier. Since November 2023, Cumberhead is part of the National Grid Balancing Mechanism scheme, and received compensation towards 4GWh (11%) of curtailed production. The remaining 13GWh (33%) variance to the budgeted production was due to the low wind speeds experienced.

Other main contributors to the reduced portfolio generation were the sites in Finland and Germany, which suffered forced curtailment due to negative pricing periods, resulting in a loss of 33GWh of production. This risk has been actively managed by ORIT, securing compensation that is expected to recover the equivalent of 27GWh.

The portfolio generated a total revenue of £42.7 million for 2023, -34% vs budget (£22.4 million). Lower than expected production accounted for 61% (£13.7 million) of the revenue decrease. A decrease in average power prices vs budget in the Nordic region accounted for the remaining 39% (£8.8 million) with £8.2 million attributable to Ljungbyholm, Sweden. Across France, Germany, Poland, and the UK, the average power prices achieved were in line with, or higher than, budget after accounting for revenues received for forced curtailment.

The portfolio realised an EBITDA of £30.7 million, -42% vs budget (£22.0 million), as a consequence of the lower revenues achieved by the portfolio. Overall opex amounted to £12.0 million, 4% favourable to budget (£0.4 million underspend).

Figure 10: 2023 onshore wind output variance to budget (GWh)



[37] The two Polish assets which were sold during the year to 31 December 2023 had a locked box date for the transaction of 30 June 2023.

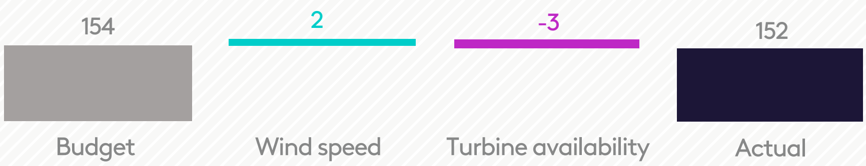
Offshore wind

The offshore wind portfolio (made up in entirety by ORIT's 15.5% stake of the Lincs asset), produced 152GWh in 2023, -1% vs budget (-2GWh). Favourable wind conditions (+2GWh), were offset by lower availability due to a number of generator repairs being required (-3GWh).

Lincs generated revenues of £39.5 million, +2% vs budget (£0.9 million). This was due to higher than budgeted average pricing across the various income streams (£1.2 million), being partially offset by the lower production (£0.3 million).

EBITDA for 2023 totalled £17.0 million, -2% vs budget (£0.3 million), due to additional Opex offsetting the revenue increase. Opex was £22.4 million, 6% adverse to budget (£1.2 million), driven by increased O&M spend in the year.

Figure 11: 2023 offshore wind output variance to budget




Lincs offshore wind farm

Asset management

Octopus Energy Generation actively manages the assets and follows a proactive approach of identifying and mitigating risks to secure long-term performance of its growing and increasingly diverse global portfolio of renewable energy assets.

Case studies: 2023 solar asset management initiatives to deliver and manage global growth and standardisation:

Scalable global asset management standards	Development of standards and best practices to ensure consistent high standards of safety, asset performance, regulatory compliance.	**Example:** During 2023, OEGEN solar asset management team worked in partnership with Quintas Energy on ORIT UK solar portfolio to develop the Octopus Solar Standards ("OSS") platform, a scalable platform for managing risk and deploying strategy on global renewable energy portfolios and assuring the best overall return on investment for investors. The platform has been successfully implemented on the UK fleet and OEGEN is running a pilot project in 2024 for the French portfolio alongside WPO (the asset manager).
Health, safety and wellbeing	Ensuring health, safety & wellbeing is one of OEGEN's key values. This is achieved by promoting a positive safety culture through collaboration, sharing best practices and implementing robust processes from tracking of information to mitigating risk and investigating incidents.	**Example:** OEGEN hosted a H&S best practice full day seminar where all core counterparties on ORIT's solar portfolio (operations and asset managers) attended an in-person workshop focused on knowledge sharing and building a safety culture alongside their peers from other OEGEN-managed assets. The nine counterparties who attended covered OEGEN's operations in solar across Europe as well as the UK. The workshop was successful in sharing best practices and identifying key areas for improvement with following on workstreams taking place to help tackle industry challenges such as skills shortages in renewables. This event has been considered as the first of its kind and was highly rated by all the participants.

Breach solar farm

Smart management of maturing assets	Maintaining performance of the portfolio as it matures following a conservative and systematic approach consisting of a bespoke component risk strategy and standardisation solution for revamping. OEGEN carefully evaluates considerations between deferring capital expenditure for as long as feasible and implementing technical solutions to revamp the fleet in due course. Expertise covers component risk assessment, asset health monitoring, contingency planning, strategic spares management and engineering capabilities.	**Example:** Following a small fire at Saint-Antonin-du-Var where degradation of the back of the panels had occurred, OEGEN negotiated replacement of the entire site's panels and installation of these from the manufacturer. The new panels will not only resolve the historic degradation but also increase the installed capacity by 10%.
Supply chain resilience	Development of standards and best practices to ensure consistent high standards of safety, asset performance, regulatory compliance.	**Example:** The Investment Manager team has been proactively managing the supply chain risk across ORIT's UK solar portfolio and is the first player in the market to have set up centralised spare parts platform with incomparable levels of optimisation alongside RES. RES is responsible for storing in a centralised warehouse an agreed stock of critical components (not included as part of the on-site spare parts) regularly required to be replaced and usually only available on long-lead times. The components are dispatched to site within 48 hours of order placement. This initiative has been estimated to have saved c.£400k in 2023 through avoiding interruption to operations.
Opportunistic improvements	Invest opportunistically in technical or commercial solutions that could boost the performance of the assets above the base case. The focus remains firmly on mitigating downside risks and opportunistic improvements will be pursued only where there is a compelling business case, and any downside risks can be effectively mitigated.	**Example:** The Investment Manager conducted a technical programme across ORIT's French solar portfolio to improve grid reliability with a new technology implemented between the site and the grid operator to allow rapid communication and instant disconnections, which is expected to result in a slight cost reduction for the portfolio.

Breach solar farm

Construction and development portfolio

Alongside operational assets investments that drive predictable cashflows and support the dividend, ORIT values investments in construction and development assets in order to actively participate in increasing the supply of renewable energy generation portion, drive a cleaner future and deliver opportunities for capital growth for investors.

Construction

ORIT was set up with the ability to invest in assets at the construction phase, leveraging the specialist skills and track record of the Investment Manager in this area.

Investing into construction creates the opportunity to deliver Net Asset Value growth from the reduction in discount rate which comes through successfully managing construction risks. If managed well, it costs less to acquire a ready-to-build project and fund the construction costs than it does to acquire a fully operational project.

Investing at the construction stage also delivers greater positive impact, as new clean generation capacity is added to the power network.

Construction achievements

As at 31 December 2023, ORIT has invested in 7 assets at construction of which 5 have been completed (including the Polish wind farms exited during the year) representing 181MW and resulting in a £14.8 million uplift to Net Asset Value since inception.

Additionally, ORIT committed to 5 solar assets in construction in Ireland, subject to the sites becoming operational. The first four sites, totalling 199MW, were completed and brought into operation during 2023 with ORIT acquiring them post year end. The fifth additional site is under construction and expected to become operational and be acquired by ORIT later this year. The Investment Manager has actively provided oversight of the construction across these sites.

The key achievement during the year was the completion the completion of the Cumberhead wind farm construction of 50MW, the largest onshore windfarm asset of ORIT's portfolio delivering a NAV uplift from December 2022 of +2.3 pence per Ordinary Share. See case study **page 41**.

Cumberhead wind farm

Figure 12: Assets invested in, or conditionally committed to, at construction stage

Status	Technology	Country	Site name	Capacity (MW, pro-rata for ORIT ownership)	Date of acquisition	Date of operations
Operational	Onshore wind	Sweden	Ljungbyholm	48	Mar-2020	Jun-2021
Operational	Onshore wind	France	Cerisou	24	Oct-2020	Nov-2022
Operational	Onshore wind	UK	Cumberhead	50	Sep-2021	Mar-2023
Exited	Onshore wind	Poland	Krzecin	19	Oct-2021	Feb-2022
Exited	Onshore wind	Poland	Kuslin	40	Oct-2021	Dec-2022
Construction	Solar	UK	Breach	67	Jun-2022	Expected Q2 2024
Construction	Battery Storage	UK	Woburn Road	6	Jan-2023	Expected Q1 2025
Operational, acquired post-year end	Solar	Ireland	Ballymacarney	54	n.a.	Dec-2023[38]
Operational, acquired post-year end	Solar	Ireland	Kilsallaghan	29	n.a.	Dec-2023[38]
Operational, acquired post-year end	Solar	Ireland	Muckerstown	48	n.a.	Dec-2023[38]
Operational, acquired post-year end	Solar	Ireland	Fidorfe	68	n.a.	Dec-2023[38]
Construction, acquired post-year end	Solar	Ireland	Harlockstown	42	n.a.	Expected Q3 2024

[38] Note that these four sites are sometimes (in this report and elsewhere) collectively referred to as 'the Ballymacarney solar complex'. Sites passed all of their final technical compliance requirements in December 2023, but started exporting electricity from May 2023.

Construction case study: Cumberhead wind farm

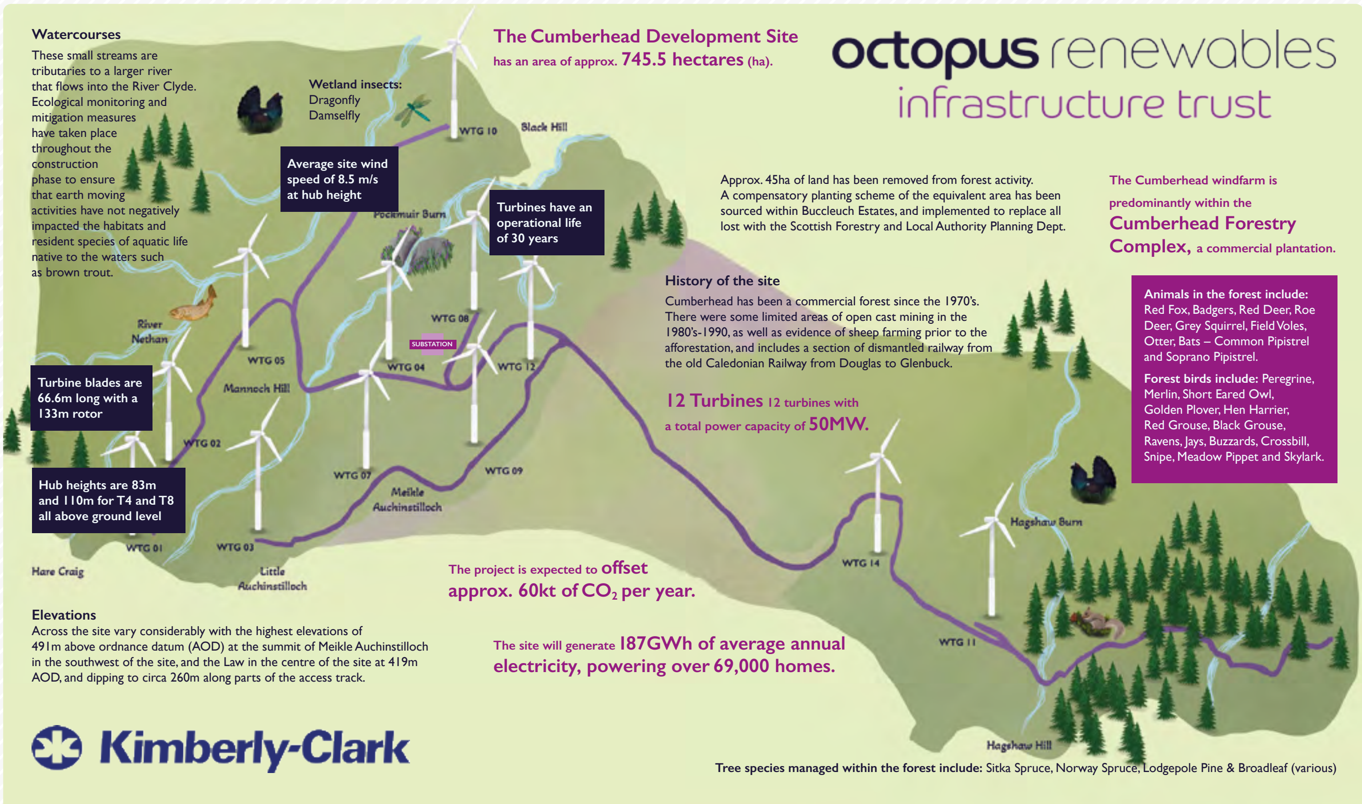
ORIT successfully built the largest onshore windfarm of its portfolio, which operates on a subsidy-free basis, having secured a PPA with a trusted partner, and adds a genuine impact to the community through its community benefits fund.

The 50MW, 12-turbine Cumberhead wind farm provides an example of ORIT delivering a state-of-the-art renewable energy asset. The project engages actively and extensively with the local community, bringing tangible benefit to people in its vicinity, and through a PPA with Kimberley-Clark it is helping a large corporate organisation to decarbonise its manufacturing activities. The wind farm provides a high quality model for further deployment of subsidy-free, onshore wind which does not rely on huge economies of scale for financial viability.

Cumberhead produces clean energy equivalent to the usage of over 69,000 homes and runs a £250,000 per year community benefits fund which will remain in place for the lifetime of the asset, equivalent to a total £7.5 million of funding to support an estimated 100+ community initiatives.

The project is sited in one of the best areas of Scotland for wind resource - some turbines benefit from average wind speeds in excess of 9m/s – and has been exporting electricity since March 2023. ORIT acquired Cumberhead as a ready-to-build project in September 2021, before managing its construction, and the project is the largest onshore wind site in the Company's portfolio, representing 20% of its total onshore wind capacity at 31 December 2023.

Figure 13: Key features of Cumberhead wind farm



Construction portfolio

As at 31 December 2023, the portfolio contained 73MW (pro-rata by ownership stake) of in-construction projects, and another conditionally-acquired 42MW in Ireland remains in construction (the fifth 'add-on' solar site to the Ballymacarney solar complex).

A summary of the construction progress is set out below:

Breach solar (67MW): The on-site construction phase of the solar farm was successfully completed by October 2023, and the site is now only awaiting its connection to the National Grid substation. National Grid has been delayed and the outage date to allow the connection works has been pushed back to April 2024. Delays to grid connections at the hands of network operators are not uncommon, and whilst frustrating in that connection will be later than forecast, the project will not be required to pay any penalties under the corporate PPA due to the construction contingency time that was factored into the offtake agreement.

Woburn Road battery storage (12MW/24MWh, with ORIT owning a 50% stake): This project is owned 50/50 alongside Sky, another OEGEN-managed fund. To date ORIT has invested c.£0.4 million. ORIT has entered into an agreement with Sky whereby Sky is covering the entirety of the construction costs c.£11 million until such time that ORIT elects to catch up. In the event that ORIT opts not to do so, then ORIT's stake would transfer to Sky.

Whilst the majority of on-site work has yet to commence, the construction phase has seen significant progress, with the signing of construction contracts for the battery supply and installation, balance of plant and connection works, as well as the O&M contract. These contracts were put in place in parallel with the development of a battery ESG procurement policy at OEGEN level see **page 68** for further details.

Harlockstown solar (42MW): Near the four-site 199MW Ballymacarney solar complex in Ireland (which became operational in 2023), a fifth 'add-on' site of 42MW (Harlockstown) is currently under construction. Under a similar arrangement to the first four sites, ORIT will acquire this project once it becomes fully operational, which is currently expected to occur during Q3 2024.


Cumberhead opening event

Developers portfolio

Investments in developers offer future opportunities at construction-ready stage for ORIT to invest in and support professionals who are actively contributing to creating new capacity for clean energy sources. Investing in developers provides valuable optionality for future expansion. ORIT will have preferential access to fund construction-ready sites arising from these development pipelines.

Developer investments overview

As at 31 December 2023, ORIT's portfolio of developer investments comprises five companies – representing 4% of total value of all investments – with a combined pipeline of 33GW of renewable energy generation projects.

- **19% stake**
- Floating offshore wind
- UK and Europe

ORIT first invested in **Simply Blue** in August 2021 for a c.12% stake, with later increases of its stake to 15.5% and then 19% through follow-on investments. ORIT invested alongside Sky (a private fund managed by Octopus Energy Generation) through a joint venture.

In 2023, Simply Blue achieved a number of significant milestones in a challenging year for the global offshore wind market, which has met headwinds from increased capex and financing costs and resulting slowdown in development activity. In particular, Simply Blue received marine consent for its Erebus project in Wales, secured a development partnership with EDF for its Irish projects, and secured Orsted as development partner for Salamander project in Scotland.

- **25% stake**
- Onshore wind
- UK

In December 2021, ORIT agreed to provide up to £10 million in development funding for 9 newly formed joint venture onshore wind farms for which **Wind2** is providing development services. ORIT's investment was through a joint venture with Sky (see above).

In 2023, the Wind2 team made good progress in the development of the projects. As at the end of 2023, the projects under development totalled c. 900MW, with four projects at pre-application stage, three in pre-scoping stage, and one having submitted its planning application.

- **100% stake**
- Solar and battery storage
- UK

ORIT entered into a development services agreement with **BLC Energy** to fund up to £2m for the development of solar and battery storage projects in the UK, through a vehicle called Trio Power Limited.

In 2023, the BLC Energy team originated c.500MW pipeline, of which c.100MW has heads of terms signed and grid applications submitted.

- **50% stake**
- Solar and onshore wind
- Finland

In April 2022, ORIT co-invested with Sky (see above) through a joint venture.

The **Norgen** development team had a successful 2023, bringing seven new projects into the approved development pipeline, including three solar projects totalling 428MW and four onshore wind projects totalling 237MW. This is in addition to the two projects acquired under exclusivity terms during the initial transaction. The committed funding has now all been allocated to projects and Norgen is working through the various stages of development to bring these projects to ready-to-build stage.

- **25% stake**
- Green hydrogen production
- UK

ORIT agreed to invest up to £5 million into **HYRO Energy Limited** ("HYRO"), a JV between ORIT and Sky (see above) and the global developer company, RES. HYRO has been established to develop green electrolysis projects in England, Scotland and Wales for industrial offtake/consumption, and one project has secured a government-backed CfD.

Market outlook

	Commentary	ORIT's position and opportunity
Clean energy transition: broad picture	Despite the current macroeconomic environment (see below), there is deep opportunity for investment in the clean energy transition. Russia's invasion of Ukraine put a spotlight on energy security and has accelerated investment: USD 659bn[39] was invested in renewable power generation globally in 2023, 11% higher in real terms than 2022, and 27% higher than 2021. To reach net zero by 2050, the International Energy Agency estimates that clean energy investment - including in grids, energy efficiency and other sectors alongside power generation - needs to increase from USD 1.8tn in 2023 to USD 4.5tn per year by 2030. Tailwinds are strong and gathering momentum: COP28 saw a pledge signed by 118 countries to triple renewables by 2030, and as a general rule public and political support is present across geographies.	ORIT is very well placed to capitalise on the investment and impact opportunity, given its broad mandate across technologies and geographies, including ability to invest in pre-construction assets and developers in order to capture value across the entire life cycle and to contribute new renewable capacity. OEGEN as its manager has extensive links into numerous markets as well as a deep pool of expertise in its team.
Macro-economic environment	We are still in a world of elevated interest rates and high inflation, following the post-pandemic rising demand and the supply impact caused by Russia/Ukraine and other global events. This has hampered fund raising for listed investment funds, but transactions in the renewable energy sector have continued to take place. These include the recent completion of three very large recent solar deals: Schroders Greencoat-managed funds' purchase of the c.500MW Toucan Energy UK solar portfolio, plus Lightsource bp's sales of a 294MW Italian portfolio and a 247MW UK portfolio. Pricing has been consistent with holding valuations, or even in excess of expectations, as ORIT has been able to demonstrate first hand through its sales of the Polish wind assets at a significant premium to holding value. For construction projects, the macroeconomic conditions have not been helpful (causing high capex and supply chain difficulties), and some developers may have been holding back projects in order to wait for more opportune times to sell. There has still been a flow of projects coming to market, however, and this can be expected to expand as conditions improve further.	Like our peers, higher discount rates have put downward pressure on ORIT's NAV, and high interest rates have driven share prices to trade at discounts to NAV. High inflation is a double-edged sword: it is broadly a benefit to ORIT given our relatively high proportion of inflation-linked revenues, although it has – and will – also feed into higher construction costs for future projects. ORIT's forecast inflation-linked revenues on a 10-year look forward basis have remained high: 51% as at 31 December 2023 (vs 53% as at 31 December 2022). Breach solar farm's inflation-linked CPPA contributed positively to this metric, partially offsetting the sale of the Kuslin and Krzecin Polish onshore wind farms which has meant that the projects' inflation-linked CfD revenues no longer contribute to the portfolio's inflation-linked revenues. Overall we expect the supply of ready-to-build projects to increase as governments seek to accelerate permitting and grid connection processes, and developers are required to sell projects to generate cash to fund future pipeline.

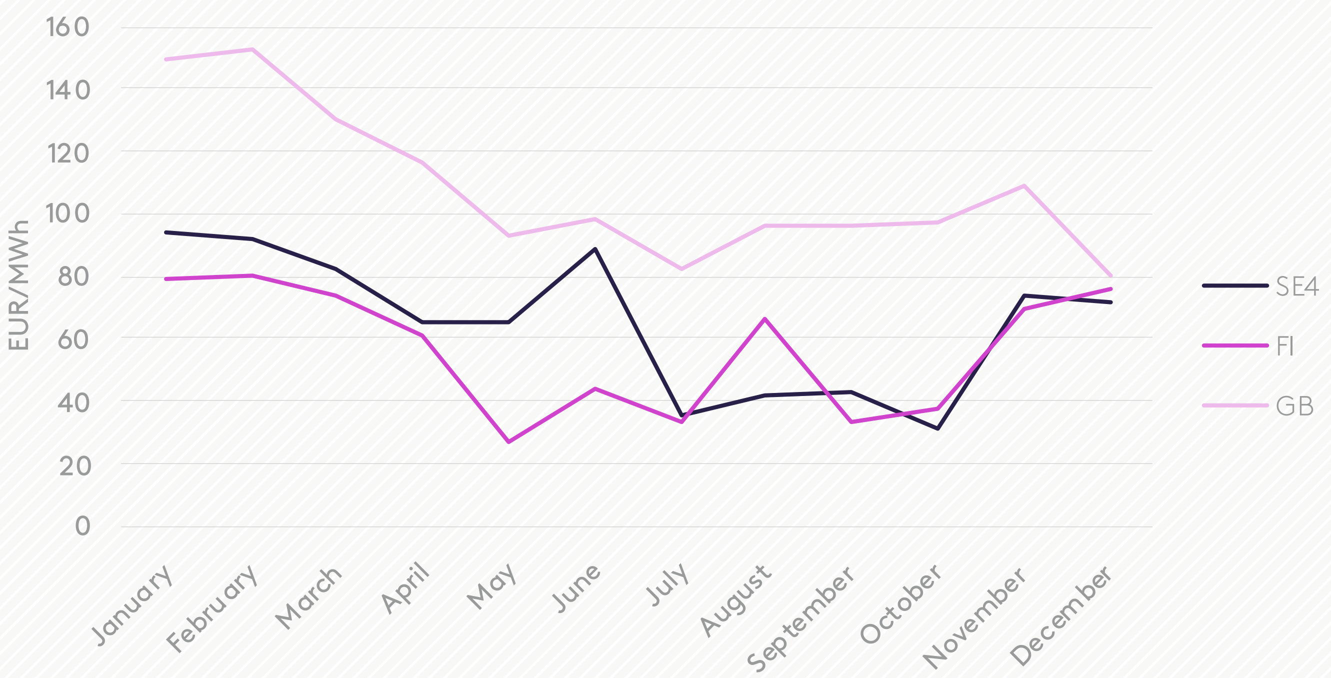
[39] Source: From the International Energy Agency report here **https://www.iea.org/reports/world-energy-investment-2023/overview-and-key-findings**

	Commentary	ORIT's position and opportunity
Outlook in the UK	The general picture for investing in the energy transition in the UK remains favourable, notwithstanding some challenges and uncertainty as a general election approaches. After a disappointing 2023 CfD auction (no offshore wind bids) owing to pricing parameters which failed to account for inflation in equipment and construction costs, the UK government responded with a more feasible set of initial parameters for the 2024 round which were met favourably by the industry. It remains to be seen whether the detailed budget allocation allows sufficient new projects to come forward. Whilst grid backlogs remain, concerted pressure from across industry resulted in an announcement in the government's Autumn Statement outlining an action plan that aims to release many gigawatts of capacity from the connections queue and cut average connections delays from five years to six months. This should flow through into allowing more projects to reach ready-to-build status. Further measures have been announced as part of the 2024 Spring Budget. The same Autumn Statement also removed the 45% Electricity Generator Levy for new projects, and was seen favourably by the industry in contrast to Rishi Sunak's announcement earlier in the year which watered-down several net zero policies. In March 2024 the UK Government launched a second consultation on its Review of Electricity Market Arrangements, which includes proposals to split the national electricity market into a number of different price zones, similar to existing arrangements in the Nordic markets.	The UK is ORIT's largest single market (40% of total value of all investments at 31 December 2023), and OEGEN is an experienced manager across all technologies here. ORIT has also proven that it is not reliant on the CfD mechanism or other revenue support schemes, and has demonstrated its ability to source corporate PPAs which can provide long-term revenue certainty. In the event of market design changes being implemented in the longer term (for example locational zonal pricing), ORIT is well placed: its manager OEGEN has successfully navigated policy and market changes many times before, and has deep insight (especially through the wider Octopus Energy group) regarding the latest thinking amongst policy and decision makers. ORIT's focus on diversification reduces the risk associated with any one country's regulatory changes.
Outlook in Europe	Europe benefits from the same climate-related tailwinds as the UK, albeit with a range of levels of policy and regulatory support across jurisdictions. There is widespread development activity across Europe and there will continue to be volumes of new projects to invest in, across various technologies. As in the UK, cost increases and in some cases regulatory delays have increased the time expected for offshore wind projects, particularly floating, to reach ready to build stage. A number of strategic investors, particularly those from oil and gas backgrounds, have refocused their business plans to reduce the level of investment in green technologies.	ORIT and its manager hold deep experience in numerous European energy markets (in Europe outside of the UK, ORIT has investments in five countries, and OEGEN in 12). ORIT is well positioned to invest in assets across the value chain, as well as in more developers who are exploiting opportunities in these markets. Offshore wind remains a key technology in the energy system of the future, and floating turbines will be required to meet deployment targets. ORIT will be able to consider providing additional working capital to developers to the extent necessary.

	Commentary	ORIT's position and opportunity
Power prices and green certificates	Electricity prices at the front end of the forward curves (the next 2-3 years) have trended down across 2023 – to illustrate, see **Figures 14 and 15**, showing day-ahead and forward prices in the markets where ORIT has merchant exposure over this time. This decline is a result of very high gas storage levels following a warm 2022/23 winter, coupled with drops in industrial gas and electricity consumption and a French nuclear fleet whose availability is much improved relative to its performance across 2022. Across 2023, European power demand fell by 3% as a result of the success of demand reduction strategies as well as industrial response to high retail prices. Of particular note is Germany, where demand fell 5% year-on-year, driven by the demand reductions from its industrial sector. As a result of the above, followed by the mild end to the year, gas storage levels stood at record levels going into 2024, ensuring a bearish end to the year for the European power market. Geopolitical events in the Middle East continue to pose a supply risk to the market, but the fact that the start of the conflict had such a limited impact on power prices evidences the healthy position in which the market ended 2023. Prices for the short-medium term future are still expected to remain well above the long-term (pre-Russia and pre-Covid) historic average, mainly due to i) the dependence on international Liquified Natural Gas (LNG), the price of which rose sharply following sanctions on imports from Russia; ii) delays to the deployment of offshore wind, and iii) a significant amount of price support arising from demand growth from expanding electrification (cars, heating and industry) towards 2030. During Q1 2024 near term power prices on forward markets continued to fall, which is expected to put downward pressure on valuations.	**Figure 16** presents the Company's forecast revenues, categorised by price structure, through to 2050. ORIT has a high proportion of fixed revenues (81% for the two years up to 31 December 2025) so is well protected from near- and medium-term price falls in forward curves and advisor price forecasts. We take an active approach to revenue risk management and will continue to do so as the portfolio evolves. Fixed subsidies are a large contributor, but we also look to secure fixed PPAs for power sales. In FY 2023, the Breach PPA that was signed increased the portfolio's overall fixed revenue percentage on a two-year look-forward basis by 3 percentage points. 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 the UK, France and Germany. As at 31 December 2023, all of ORIT's fixed revenues are fixed on a pay-as-produced basis, meaning that unlike as is required for baseload hedges, ORIT is not exposed to the risk of having to buy power on the market at expensive prices to top up the solar or wind generation profile to a baseload shape. As at 31 December 2023, 50% of the portfolio's value is derived from fixed price revenues, and 50% is from variable price revenues. As can be seen in **Figure 16**, the portfolio's variable revenues are concentrated in the medium and longer term forecast, meaning that movement in wholesale power price forecasts will have a more muted impact on portfolio-level NPV than would be the case if variable revenues were distributed evenly across the modelled horizon. Compared to 12 months prior, the proportion of ORIT's forecast fixed price revenues on a 24-month look forward basis has increased from 68% to 81%. Key to this has been the Investment Manager's continued proactivity with securing hedges for a number of its assets, including a 10-year, inflation-linked corporate PPA secured for the Breach solar farm. Other factors which have increased this metric include 5-year PPAs secured for three of ORIT's UK solar farms, 3-year PPAs secured for another three of ORIT's UK solar farms, as well as the drop in wholesale electricity price forecasts across the year. The successful sale of the Kuslin and Krzecin Polish onshore wind farms decreased ORIT's forecast fixed revenues deriving from subsidies. The proportion of ORIT's forecast variable revenues increases in the medium-long-term as subsidies and PPAs expire (noting that we will continue to actively hedge our variable power revenues). In the late 2020s, ORIT's merchant exposure derives primarily from GB and Finland, while into the 2030s and 2040s, GB is the market to which ORIT is most exposed.

	Commentary	ORIT's position and opportunity
Investment Trust landscape	Share price discounts to NAV across the investment trust world have remained wide, in parallel with base interest rates (and gilt yields) remaining high. Across the renewables investment trust sector, discounts to NAV of 10-25% have been pervasive throughout 2023, and these have widened since the end of the year. Fundraising has therefore not been possible, and this will remain the case until interest rates have fallen and share prices return to levels higher than NAV: something which could take until the end of 2024 or longer. In the meantime, we expect to see more asset sales as a means to recycle capital (the Company sold its Polish wind assets in 2023, **see page 29**), and others have also embarked on a similar strategy this year. There is also the possibility of consolidation amongst funds if the market capitalisation of smaller funds continues to fall.	ORIT's discount to NAV has stayed consistently shallower than most of its peers, throughout the year. We have been proactive in asset recycling and we also announced at the end of 2023 a carefully-considered strategic proposal to combine with Aquila European Renewables plc[40].

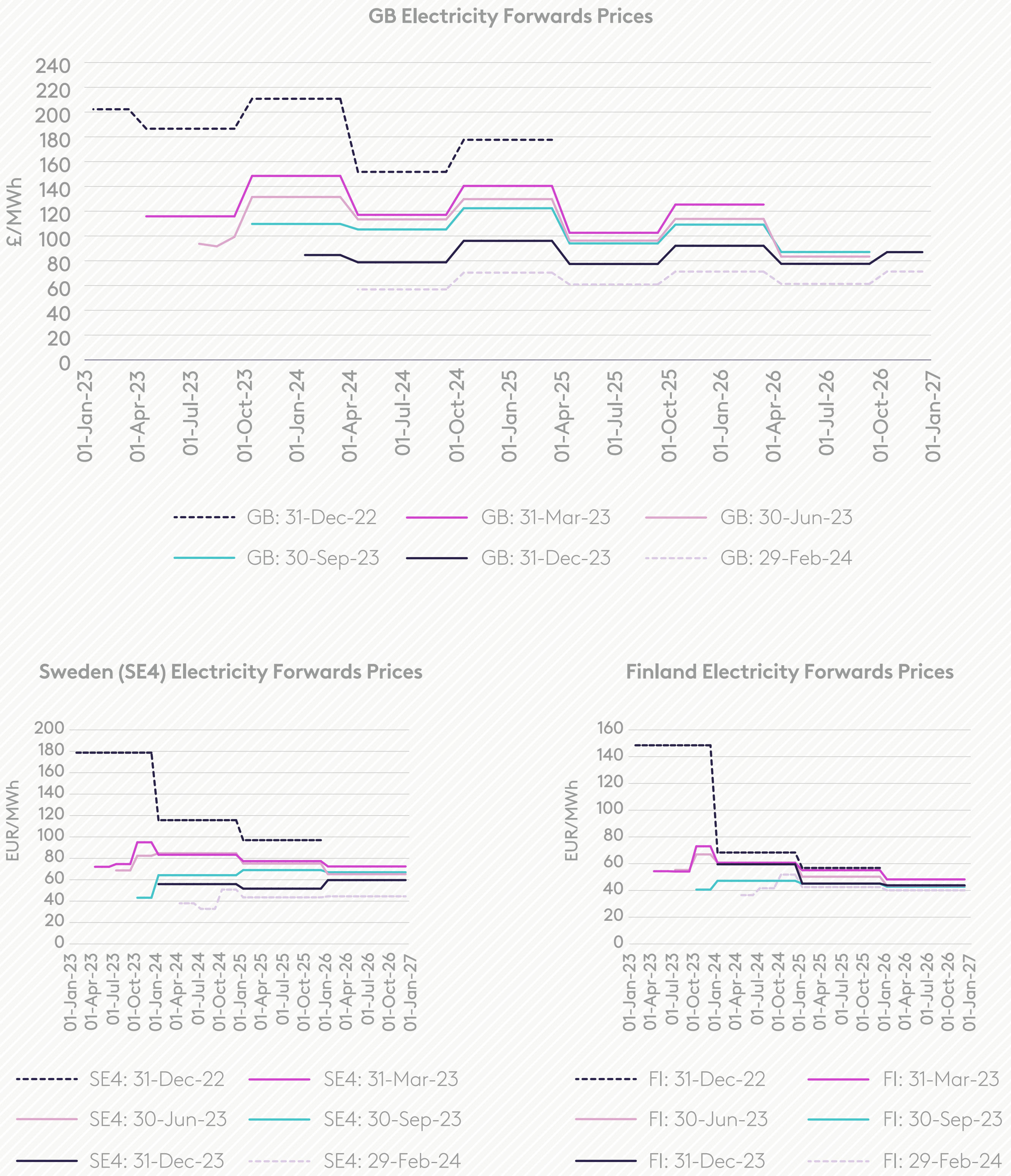
Figure 14: 2023 Day-Ahead Prices[41]



[40] ORIT announced it is seeking to combine with Aquila European Renewables plc ("AERI"), through a scheme of reconstruction under which AERI would be liquidated and AERI shareholders would receive new shares in ORIT in exchange for their AERI shares. ORIT's Board believes there is a strong rationale for the transaction for both sets of shareholders. There can be no certainty that engagement will progress, that heads of terms will be agreed or whether the proposed combination will take place.

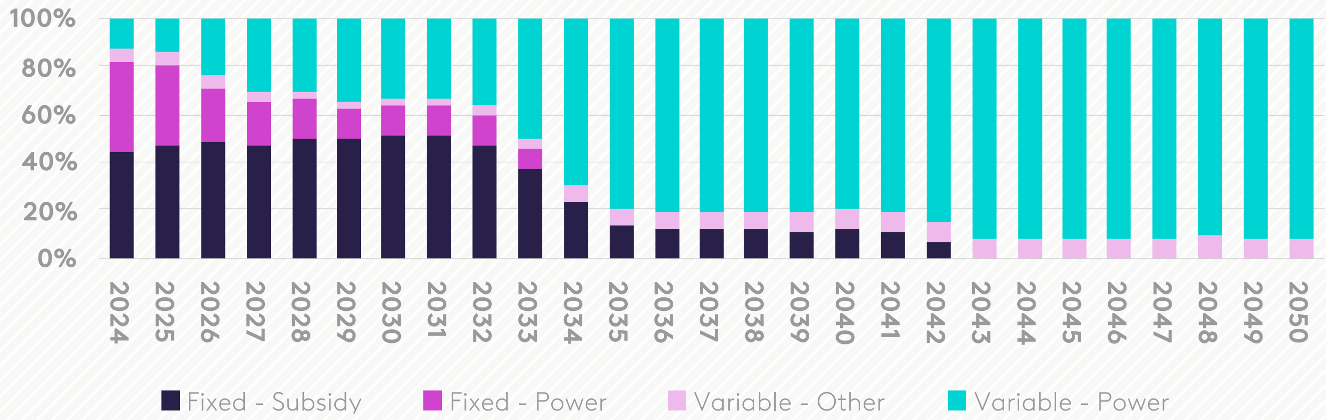
[41] Sources: N2EX, Nordpool.

Figure 15: Electricity Forwards Prices[42]



[42] Sources: ICIS, Nordpool.

Figure 16: Fixed vs variable revenue forecast (as at 31 December 2023)[43]



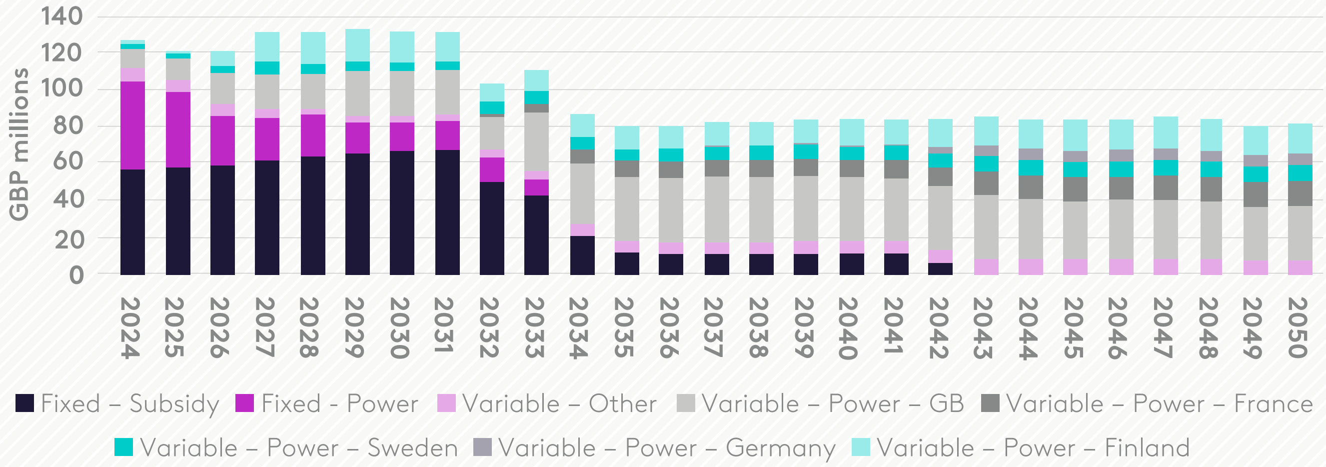
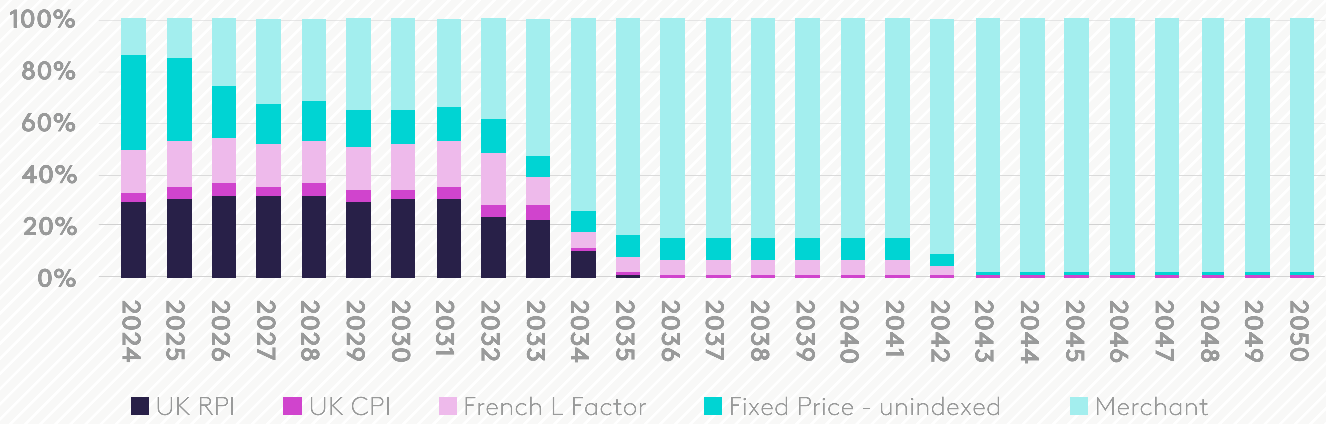


Figure 17: Inflation-linked revenue forecast (as at 31 December 2023)



[43] Fixed price revenues derive from either subsidies, such as ROCs ("Fixed – subsidy") or from power prices fixed under PPAs ("Fixed – Power"). Variable revenues derive from merchant or uncontracted power revenues ("Variable – power") or from other sources of variable revenue, such as the ROC recycle ("Variable – other").

Timeline of current key activities

Report date 31 December 2023

H1 2023 | H2 2023 | H1 2024 | H2 2024 | H1 2025

	Activity	MW pro-rata for ORIT's stake	Key information
Investments	Woburn Road	6MW	12MW/24MWh site
	Harlockstown (Ballymacarney)	42MW	Long-term PPA
	HYRO	n.a.	Developer (hydrogen)
	BLCe	n.a.	Developer (solar/ co-located battery)
Construction	Cumberland	50MW	Corporate PPA
	Breach	67MW	10y fixed CPPA
	Woburn Road	6MW	12MW/24MWh site
	Ballymacarney (first 4 sites)	199MW	Long-term PPA
	Harlockstown (Ballymacarney)	42MW	Long-term PPA
Capital recycling programme	Polish wind sale	59MW	2 onshore wind sites
	Spanish solar option termination	175MW	175MW, construction
	Further capital recycling		Confidential, in progress
	Reinvestment of proceeds		Short-term debt repayment and other capital allocation opportunities

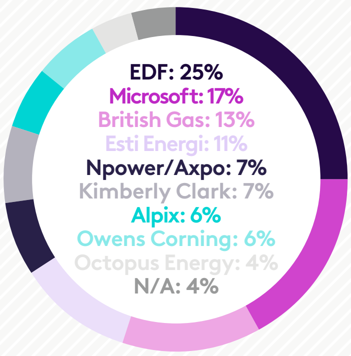
Counterparty risk

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. **Figure 18** below illustrates the Company's exposure to offtakers and O&M providers as at 31 December 2023.

As detailed on **page 87**, 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.

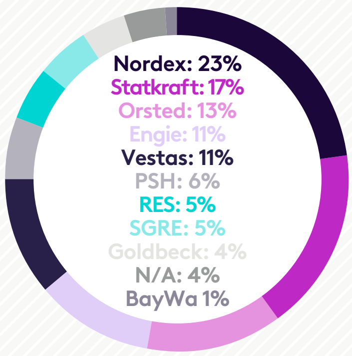
Figure 18: Offtaker and O&M providers breakdown

Offtaker by total value of all investments[44]



Having multiple offtakers offers advantages such as risk diversification and offers local expertise in ORIT's key geographical markets.

O&M providers by total value of all investments



A diversified group of O&M providers allows ORIT to leverage competitive pricing and specialised expertise.

[44] Npower/Axpo: Sites sell ROCs and power to NPower but also have a price-fixing arrangement with Axpo.

Financing and risk management

During the year total leverage decreased from 42% to 39%[45] made up of 26% long-term debt and 13% short-term RCF drawings. In December 2023, the £50 million short-term facility was repaid in full. Post-year end the Company has increased its leverage to fund the acquisition of four newly constructed solar farms located in Ireland. The total acquisition cost of €160.6 million was in part financed using a €80.6 million debt facility provided by Allied Irish Banks and La Banque Postale and part financed by drawing down £66.2 million on the RCF.

During February 2023, the Company refinanced and increased its multi-currency RCF. The committed £270.8 million RCF has a three-year term and can be drawn in GBP, EUR, AUD and USD and has an interest rate of 2.0% above SONIA. It also has an uncommitted accordion feature allowing the facility to be increased in size by up to a further £150 million.

During the second half of 2023, the Company used proceeds raised from the sale of Polish wind assets and exit of Spanish solar project, to repay its £50 million short-term facility with Natwest and partially repay its outstanding RCF balance.

Should no further asset sales take place, and all cash flows not required to pay the Company's costs and continue growing the dividend were used to pay down debt, the Company's gearing is expected to fall to around 20% of GAV over a ten year period.


Chisbon solar farm

[45] Leverage has been calculated as a percentage of GAV.

ORIT debt summary as at 31 December 2023:

	Total	Short-Term Debt	Long-Term Debt
Debt as a % of GAV	39%	13%	26%
Committed debt as a % of Total value of all investments	47%	17%	30%
% Hedged	58%	0%	89%
Average cost of debt	3.9%	7.2%	2.1%
Average remaining term (years)	10.1	2.2	14.1

Summary of ORIT debt facilities as at 31 December 2023:

	Short-Term	Long-Term				
Asset	**HoldCo**	**FR Solar**	**FR Wind**	**IRE Solar[46]**	**GER Wind**	**UK Offshore Wind**
Debt Terms						
Currency	GBP or EUR	EUR	EUR	EUR	EUR	GBP
Term loan	£270.8m	€125.7m	€43.2m	€91.5m	€61.0m	£110.5m
Drawn at 31 December 2023	£130.0m	€102.9m	€42.9m	-	€57.5m	£75.5m
Drawn at 31 December 2023 £m	£130.0m	£89.2m	£37.2m	-	£49.8m	£75.5m
Initial Term (yrs)	3	18	20	20	18	15
Expiry Date	Feb-26	Dec-38	Sep-42	Jun-42	Mar-41	Sep-32
Facility date	Nov-20	Jan-21	Apr-21	Jul-21	Sep-22	Dec-17
Margin	2.0%	1.25%	1.30%	Y1-5 1.30%; Y6-10 1.40%; Y10+ 1.65%	0.83%-1.75%	2017-2022: 1.45%; 2023-2027: 1.65%; 2028-2032: 1.85%
Variable interest %	SONIA	EURIBOR	EURIBOR	EURIBOR	EURIBOR	SONIA
Hedging						
% hedged	-	85%	90%	n/a	100%	85%
Swap rate	n/a	-0.12%	0.51%	n/a	0.12%	1.27%

As well as the interest rate hedging associated with the Company's borrowings, foreign exchange hedging has been implemented to limit the impact of exchange rate movements on the cashflows and valuation of the Company. On an unhedged basis, the value of the Company's portfolio of assets declined by £6.1 million during the year as a result of foreign exchange movements. However the value of the FX hedging instruments increased by £4.0 million during the period, thereby offsetting approximately two thirds of the underlying valuation movement.

[46] Post-period end ORIT acquired four Irish solar farms. The total acquisition cost of €161m was in part financed using a €80.6m debt facility provided by Allied Irish Banks and La Banque Postale. This facility is 100% hedged at an interest rate of 3.07%.

Portfolio Valuation

£599m
Net Asset Value
(2022: £618m)

106.0p
NAV per Ordinary Share
(2022: 109.4p)

£980m
Gross Asset Value
(2022: £1,073m)

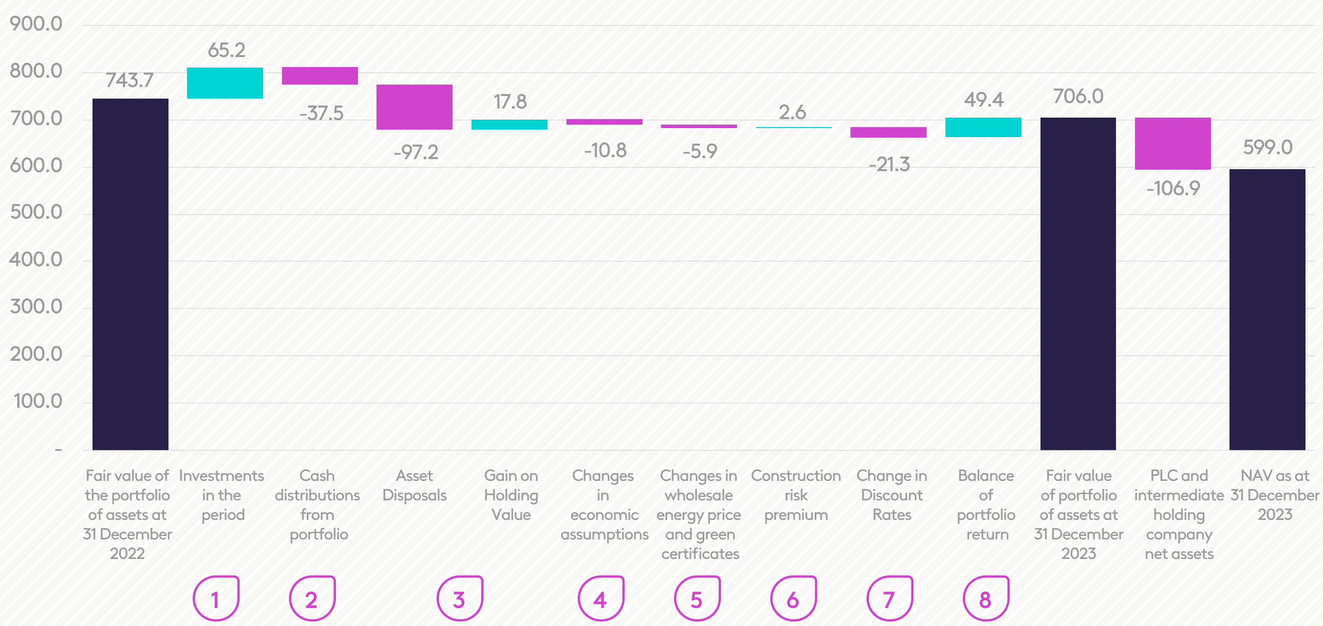
£1,127m
Total value of all investments
(2022: £1,304m)

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.

Valuation bridge for the year

The fair value of the Company's portfolio of assets as at 31 December 2023 was £706.0 million, reflecting acquisitions and capital injections during the year of £68.0 million and disposal proceeds of £97.2 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' net liabilities of £106.9 million, the total net asset value as at 31 December 2023 is £599.0 million or 106.0 pence per Ordinary Share.

Figure 19: ORIT Equity Value Bridge (£m)



1 **Investments in the year**

During the year, the Company announced new investments including up to £5 million into HYRO Energy Limited, a new joint venture between ORIT, Sky (a fund managed by Octopus Energy Generation) and renewable energy company RES. HYRO has been established to develop green hydrogen electrolysis projects and intends to develop c.700MW of green hydrogen electrolyser capacity by 2030.

The Company has also agreed to invest up to £2 million into a development platform serviced by BLC Energy limited, to set up and fund a new development business, focused on creating new ground-mounted solar and co-located battery storage assets in the UK. This new venture intends to target an initial pipeline of over 350MW of projects and ORIT will have the exclusive right to provide further funding to bring the initial pipeline to ready-to-build status between 2025 and 2029.

Elsewhere in the portfolio payments were made in relation to construction at the Cumberhead Wind Farm and Breach Solar Farm. There were also payments made in relation to the developer investments in line with existing commitments to business plans.

2 **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 2023.

3 **Asset Disposals and holding value movement**

As previously mentioned, the Company completed the disposal of the Krzecin and Kuslin onshore wind farms in Poland and the ready-to-build solar project option over Antequera in Spain. The net proceeds generated from the sales (approximately £92.0 million for the Polish asset and £5.2 million for the Spanish asset) have resulted in a positive impact on NAV of approximately +2.8 pence per and +0.3 pence per Ordinary Share respectively.

4 **Economic assumptions**

Over the course of 2023, inflation forecasts have moderated compared to the prior year. Forecasts have decreased on average in Europe while remaining broadly flat across the UK. This has resulted in a net valuation decrease of £4.8 million.

The inflation inputs used to calculate the NAV per Ordinary Share as at 31 December 2023 has been sourced from: (i) recent consensus UK inflation forecasts published by His Majesty's Treasury (November 2023); and (ii) inflation forecasts for European countries published by the European Commission (November 2023).

During the year, sterling appreciated against the euro by approximately 2.3%, leading to a negative valuation impact of £6.1 million. Euro-denominated investments comprised 52% of the portfolio at the year end.

The combined impact of inflation and foreign exchange movements represents a valuation decrease of £10.8 million (excluding the impact of hedging).

The Investment Manager regularly reviews the level of euro exposure and utilises hedges, with the objective of minimising variability in shorter term cash flows. After the impact of currency hedges held at Company level are taken into account, the loss on foreign exchange reduces to £2.1 million.

5

Power prices and Green Certificates

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 two independent and widely used market consultants' technology-specific capture price forecasts for each asset.

Europe's power market, while remaining higher than historic norms, has seen a clear downward trend across 2023. For further details, please see the "Power Prices and Green Certificates" section within the Investment Manager's Report.

ORIT's high proportion of near-term fixed revenues means that its revenues have been shielded, to a reasonable extent, from the fall in power prices, particularly over the short to medium term.

Updating power price forecasts during the year led to a valuation decrease of £31.4 million.

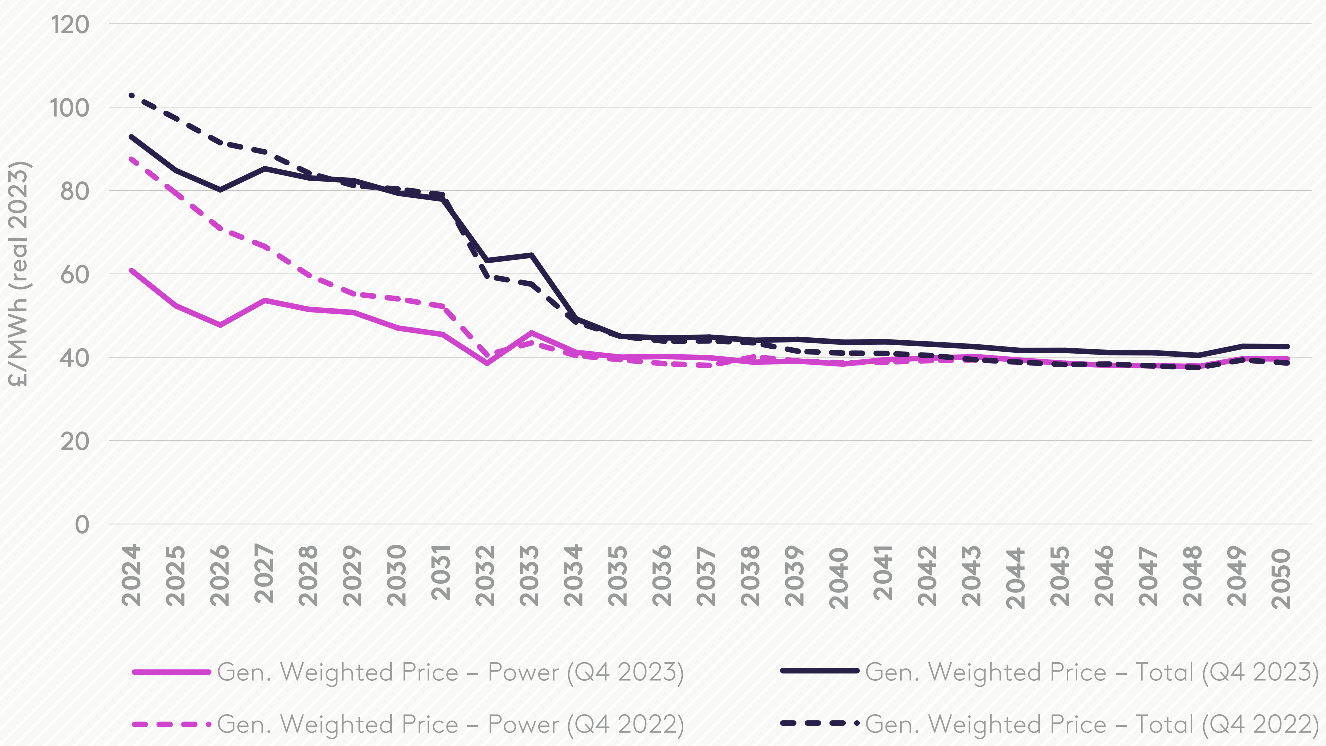
Green certificates (Renewable Energy Guarantees of Origin ("REGOs") in the UK and Guarantees of Origin ("GoOs") in European markets) are sold by generators to guarantee that purchased electricity is from a 'green' source. Prices for green certificates have been reflected in the valuations and been updated in line with third-party forecasts. Overall, updating green certificate forecasts has led to a net increase of £25.5 million in the value of the portfolio as at 31 December 2023.

The net impact of updating power price and green certificate forecasts was a £5.9 million decrease in the value of the portfolio as at 31 December 2023. The power prices used in the valuations as at December 2023 include the relevant 'capture price' discount to baseload prices derived from the independent market consultants forecasts, and do not include any further discounts. The power prices used in the valuations as at December 2022 had included additional prudential discounts in the first few years of the forecasts, reflecting the elevated and volatile nature of forward markets at that time.

Revenues

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 2024 to 2050 are shown in **Figure 20** below. 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 2023. On average, the graph shows Power only GWP of £53.17/MWh in the period 2024-2028 and £40.57/MWh in the period 2029-2050. The decrease in the power-only GWP, most notably seen in the near-term, comes as a result of the electricity forwards markets which have fallen across 2023.

Figure 20: Generation – Weighted Price



6

Construction risk premium

A valuation increase of £2.6 million resulted from the unwind of a portion of the construction risk premium included in the discount rate applied to the Cumberhead Wind Farm and the Breach Solar Farm, both in the UK, recognising the significant construction progress made by the end of the year. As at 31 December 2023, construction at the Cumberhead Wind Farm was completed.

Breach Solar Farm has completed construction however, the site is still awaiting a grid connection from National Grid. It is expected that the remaining construction risk premium will be unwound as the project becomes derisked through the completion of its grid connection.

7

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.

Although a high-inflationary environment remains in the UK and Europe and bond yields continue to be elevated versus pre-2022 levels, competition for renewable assets has remained high, dampening the extent to which benchmark rate rises have fed through into asset discount rates. Although UK and European bond yields have decreased since highs of mid-2023, the Board and the Investment Manager considered it appropriate to reflect an increase in the UK discount rates by 0.5% and European discount rates by 0.25% during 2023. The change in discount rates resulted in a decrease of -£21.3 million in the portfolio valuation.

Despite increases to the discount rates applied to ORIT's portfolio of assets, the weighted average discount rate has decreased over the course of the year by 0.3% to 7.2% as at 31 December 2023. The primary reason for the decrease in the overall blended rate is due to the derisking of the portfolio through the Spanish and Polish disposals (which attracted a higher discount rate due to their relative risk profiles) as well as unwind of the construction risk premiums included in the discount rates for construction assets. The increases in underlying discount rates were also offset by a decrease in the underlying discount rate reflecting the greater proportion of fixed cash flows arising from entering into hedging arrangements across the portfolio of assets.

The weighted average discount rate does not include any contribution from the following, each of which would be expected to increase the return achieved on the Company's portfolio of assets: (i) the return expected on the Company's investment into development stage assets, which are not valued on a discounted cashflow basis; (ii) the return enhancement associated with the Company's FX hedging programme; (iii) the increased return associated with the additional leverage from the RCF.

	31-Dec-23	31-Dec-22
UK Assets		
Levered IRR	7.5%	7.5%
Gross Asset Value (GAV) (£m)	491	440
Asset Leverage %GAV	17%	19%
European Assets		
Levered IRR	6.9%	7.5%
Gross Asset Value (GAV) (£m)	488	633
Asset Leverage %GAV	36%	40%
Total Portfolio		
Levered IRR	7.2%	7.5%
Gross Asset Value (GAV) (£m)	980	1,073
Asset Leverage %GAV	26%	30%
Fund Leverage %GAV	13%	13%
Total Leverage %GAV	39%	42%

8

Balance of portfolio return

This refers to the balance of valuation movements in the year excluding the factors noted above and represents an increase of £49.4 million.

Of this, £52.3 million reflects the net present value of future cashflows being brought forward from the valuation date used for the acquisitions to 31 December 2023.

£1.4 million of the increase resulted from entering into fixed price arrangements such as a 10-year index-linked Power Purchase Agreement between Breach Solar Farm and Iceland Foods Limited and 5-year fixed price Power Purchase Agreements across part of the UK Solar portfolio with Total Energies.

Also during the year, ORIT benefitted from being awarded T-1 and T-4 Capacity Market contracts at the Cumberhead site, and the signing of a 3-year direct marketing agreement at Leeskow, resulting a combined uplift of £1.9 million.

Over the course of 2023, the holding valuations of the options to buy the Irish solar portfolio and build the Spanish solar farms increased by £4.6 million as the probability of acquisition for the Irish portfolio and exit for the Spanish portfolio became increasingly more certain.

These movements were partially offset by financial and technical performance during the year resulting in a net negative valuation impact of -£3.5 million. The net performance of the underlying portfolio was slightly down on average primarily due to low wind speeds. Additionally, a further -£5.6 million decrease was recognised due to updating for an updated wind yield assessment for the Ljungbyholm wind farm following its first two years of operations.

The valuations were also updated to reflect the delay in grid connection at Breach Solar Farm and the delay in the operational start date for Cumberhead, resulting in a combined valuation impact of -£2.9 million.

The remaining amount relates to other smaller adjustments at the project company level, which resulted in an increase of £1.1 million.

Ballymacarney construction

Portfolio valuation sensitivities

Figures 21 and 22 below show the impact of changes to the key input assumptions on NAV with the x axis indicating the impact of the sensitivities on the NAV per share. The sensitivities are based on the existing portfolio of assets as at 31 December 2023. **Figure 21** includes 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 diversification.

Figure 21: NAV sensitivities per Ordinary Share (including Conditional Acquisitions)

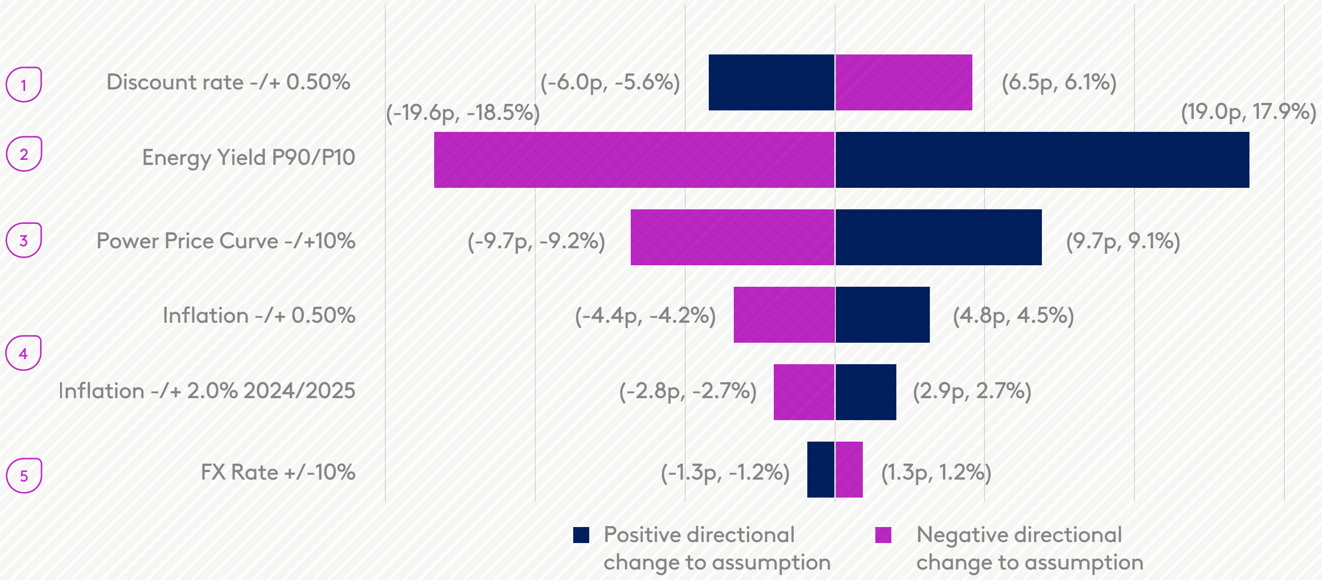
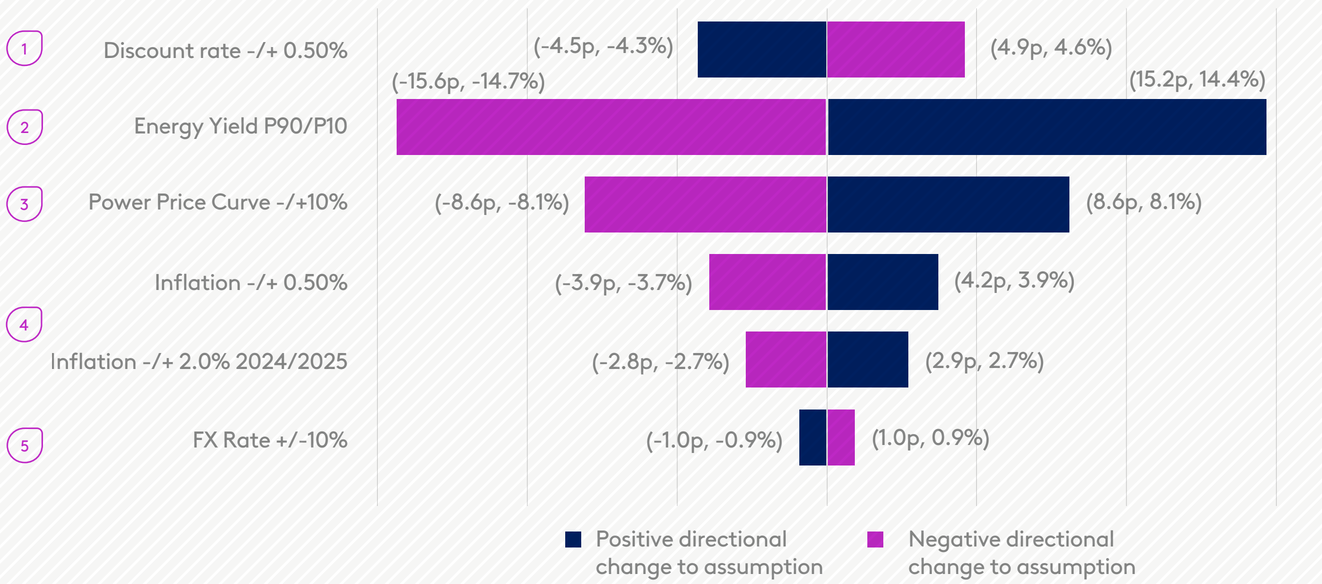


Figure 22: NAV sensitivities per Ordinary Share (excluding Conditional Acquisitions)



1

Discount rate (levered cost of equity)

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.

2

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.

3

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.

4

Inflation

Sensitivity 1: The sensitivity assumes a 0.5% increase or decrease in inflation relative to the base case for each year of the asset life.

Sensitivity 2: The sensitivity assumes a 2.0% increase or decrease in inflation during 2024/2025 relative to the base case of the asset.

5

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 2023, 52% of the NAV is euro denominated. Euro hedges are in place for all construction payments as well as forecast cash generation from all Euro based investments for the first three years of operations. The sensitivity applied above shows the impact on NAV per share of a +/- 10% movement in the GBP:EUR exchange rate.

Financial Review

The financial statements of the Company for the year ended 31 December 2023 are set out on **pages 157** to **160**. These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the applicable legal requirements of the Companies Act 2006. In order to continue providing useful and relevant information to its investors, the financial statements also refer to the "intermediate holding companies", which comprise the Company's wholly owned subsidiary, ORIT Holdings II Limited and its indirectly held wholly owned subsidiaries ORIT UK Acquisitions Limited and ORIT Holdings Limited.

Net assets

Net assets have decreased from £618.3 million as at 31 December 2022 to £599.0 million as at 31 December 2023, largely due to a decrease in the fair value of portfolio of assets as described in the Portfolio Valuation section above.

The net assets comprise the fair value of the Company's investments of £592.1 million (2022: £608.8m) and the Company's cash balance of £10.0 million (2022: £10.6m), offset by £3.1 million (2022: £1.1m) of Company's other net liabilities.

Included in the fair value of the Company's investments are net liabilities of £113.9 million (2022: liabilities of £135.0m) held in the intermediate holding companies. These comprise assets of cash £13.2 million (2022: £4.5m), the positive mark-to-market value of the FX hedges taken out to minimise the volatility of cashflows associated with non-UK portfolios of £2.3 million (2022: £8.0m), other debtors of £2.4 million (2022: nil) and offset by amortised transaction costs associated with bank loans of £1.9 million (2022: £2.0m), the principal and interest outstanding on the bank loans of £131.3 million (2022: £128.0m), and other liabilities of £2.4 million (2022: £5.5m) predominantly relating to accrued transaction costs not yet paid and outstanding VAT liabilities.

Results as at 31 December

	2023 £m	2022 £m
Fair value of portfolio of assets	706.0	743.7
Cash held in intermediate holding companies	13.2	4.5
Bank loans and accrued interest held in the intermediate holding companies	-131.3	-128.0
Fair value of other net assets/(liabilities) in intermediate holding companies	4.2	-11.4
Fair value of Company's investments	**592.1**	**608.8**
Company's cash	10.0	10.6
Company's other net liabilities	-3.1	-1.1
Net asset value as at 31 December	**599.0**	**618.3**
Number of shares	564.9	564.9
Net asset value per share (pence)	**106.0**	**109.4**

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 2023, the Company's operating income was £19.7 million (2022: £77.9m), including interest income of £25.9 million (2022: £23.1m), dividends received of £16.8 million (2022: £17.3m) and net loss on the movement of fair value of investments of £23.0 million (2022: £37.6m gains). The operating expenses included in the statement of comprehensive income for the year were £7.1 million (2022: £8.1m). These comprise £5.6 million Investment Manager fees (2022: £5.7m), transaction and abort costs of £0.1 million (2022: £1.3m) and other operating expenses of £1.4 million (2022: £1.1m). 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 2023, the ratio was 1.16% (2022: 1.12%).

Dividends

During the year, interim dividends totalling £31.9 million were paid (1.31p per share paid in respect of the quarter to 31 December 2022 in February 2023 (2022: March), 1.44p per share in respect of the first quarter of 2023 paid in June 2023 (2022: May) and 1.45p per share paid in respect of the second and third quarters of 2023 in September 2023 and December 2023 respectively (2022: August and November).

Post year end, a further interim dividend of 1.45p per share was paid on 23 February 2024 in respect of the quarter ending 31 December 2023 to shareholders recorded on the register on 9 February 2024. As such, dividends totalling £32.7 million have been paid in respect of the year under review. These dividends are fully covered from the operational cash flows of the underlying portfolios.

Dividend cover - operational cash flows (portfolio level)
Year ended 31 December

	2023 £m	2022 £m
Operational cash flows		
UK Solar	14.8	13.7
French Solar	11.2	11.7
Swedish Wind	4.4	8.8
Finnish Wind	7.1	15.9
Polish Wind	4.9	12.1
French Wind	3.1	1.3
German Wind	3.0	0.7
UK Wind	8.2	5.0
UK Offshore Wind	17.0	7.1
Irish Solar	8.5	-
	82.2	**76.3**
SPV level taxes		
French Solar, Finnish Wind, Polish Wind, UK Offshore Wind[47]	-2.8	-
Interest payable on external debt		
French Solar, Polish Wind, French Wind, German Wind, UK Offshore Wind	-7.9	-4.0
Operational cash flow pre debt amortisation	**71.5**	**72.3**
Company and intermediate holding company level expenses	-10.1	-7.0
Interest and fees payable on RCF and short-term facility	-12.3	-2.6
Net cash flow from operating activities pre debt amortisation	**49.1**	**62.7**
Dividends paid in respect of year	32.7	29.6
Portfolio level operational cash flow dividend cover pre debt amortisation	**1.5x**	**2.1x**
External debt amortisation		
French Solar, Polish Wind, French Wind, German Wind, UK Offshore Wind	-10.4	-10.2
Net cash flow from operating activities	**38.7**	**52.5**
Dividends paid in respect of year	32.7	29.6
Portfolio level operational cash flow dividend cover	**1.18x**	**1.77x**

[47] Taxes falling due on operational asset trading profits (e.g. Corporation Tax in the UK).

The headline dividend cover metric only takes into account 6 months of operational cash flow from the Polish wind farms following their sale in the second half of the year.

Additionally the above metric does not include any proceeds related to gains on either Spanish solar and Polish wind sales (with the exception of any cash received or paid as a result of breaking hedging arrangements). The dividend cover metric below includes cash realised from sale proceeds in excess of the previous holding values.

	2023 £m	2022 £m
Net cash flow from operating activities	**38.7**	**52.5**
Gain on asset sales/exits (above previous holding value)	11.1	-
Net cash flow from operating activities	**49.8**	**52.5**
Dividends paid in respect of year	32.7	29.6
Portfolio level operational cash flow dividend cover	**1.52x**	**1.77x**

Subject to the timing of potential further asset sales, dividend cover in 2024 is expected to increase compared with 2023 as Cumberhead wind farm and the first four sites of the Irish Solar portfolio contribute a full year of operational cash flow, and Breach solar farm commences operations. Cash generated by the operations of ORIT's current portfolio, net of all debt service including scheduled principal repayments, is expected to be sufficient to cover the dividend over the next 5 years.


Cumberhead opening

ESG & Impact

As at 31 December 2023

ESG & 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. The renewable energy generated from ORIT's portfolio of assets 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 ESG & Impact Strategy considers all of ORIT's culture, values and activities through three lenses: **Performance, Planet** and **People** – to ensure that ORIT's activities integrate ESG risks and bring to life additional impact opportunities.

For a more in-depth understanding of ORIT's ESG & Impact Strategy, encompassing definitions of ESG and Impact, along with detailed insights into four impact themes (Stakeholder engagement, Equality and wellbeing, Innovation, and Sustainable momentum), please refer to the separately published ESG & Impact Strategy.

Stewardship and Engagement

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. As well as decision making oversight, the Investment Manager carries out service reviews on each material third-party 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 its influence to monitor and support investee companies on relevant matters to galvanise other shareholders in line with ORIT's ESG Policies.

ORIT aims for investment-specific active stewardship, regardless of ownership percentage. The Company consistently exercises shareholder rights, overseeing approval and reserved matters. The ORIT Board receives regular reports on investee performance, including environmental and social issues. The Investment Manager collaborates on industry risks to drive positive stewardship outcomes with various stakeholders.

The initiatives and case studies presented in the ESG & Impact section of the Annual Report and the separately published ESG & Impact Report provide examples of the application of the Engagement and Stewardship Policy.

The Investment Manager's full Engagement and Stewardship Policy can be viewed here.[48]

[48] https://a.storyblok.com/f/154679/x/5eeb87e6d3/oegen-engagement-and-stewardship-policy-june-2023-vf.pdf

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.

£1,127m

Total value of sustainable investments – 100% investments committed into renewables[49]
(2022: £1,304m)

37

Assets
(2022: 36 assets)

1,569GWh

Potential annual renewable energy generation, 105GWh of which will be additional generation from construction assets[50]
(2022: 1,740GWh, 669GWh)

1,312GWh

Renewable energy generated in the year

100%

Of investments adhere to ORIT's ESG Policy and all transactions in the year met ORIT's minimum ESG matrix threshold

UN SDGs[51]

9 Industry, Innovation and Infrastructure
13 Climate Action
17 Partnerships for the Goals

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[49] Total asset value including total debt and equity commitments.
[50] Reductions observed between ORIT's 2022 vs. 2023 potential renewable energy production and equivalent impact KPIs are driven in part by the sale of the Polish onshore wind farms midway through 2023, and by a change in the methodology for calculating potential generation, which now accounts for expected degradation across the portfolio.
[51] More detail on how ORIT has contributed to these UN SDGs is included in the separately published ORIT Impact Report.

Regulatory Disclosures

> **The TCFD disclosures can be found in the Risk and Risk Management Statement section of the Annual Report.**

> **ORIT is classified as an Article 9 product under the EU Sustainable Finance Disclosure Regulation ("SFDR") regulation. Please refer to page 193 of the Annual Report and to the ORIT website for ORIT's SFDR disclosures.**

The Investment Manager is keeping up with recent developments in new regulatory frameworks aimed at increasing transparency in environmental and social factors. This includes the Taskforce for Nature-related Financial Disclosures ("TNFD") and the UK's Sustainable Disclosure Requirements ("SDR").

Recognising the complexity and the depth of insight required to meet the TNFD standards, the Investment Manager has concentrated on understanding both direct operational dependencies and those within ORIT's supply chain. Initial analysis indicates that primary dependencies likely to significantly impact the portfolio's direct operations are integrated into ORIT's current risk management frameworks (refer to ORIT 2023 Interim Report page 37). Furthermore, a summary of the Investment Manager's analysis regarding supply chain dependencies is detailed in the separately published **ESG & Impact Report**. This foundational phase of research is essential for establishing a solid base for comprehensive TNFD disclosure, an ambition ORIT is dedicated to achieving.

The Company supports "anti-greenwashing" efforts and expects to start making the necessary disclosures in relation to SDR from 30 June 2024. An initial review of the different investment labels and their criteria, the Investment Manager expects ORIT to qualify for the "Sustainability Focus" label. Products with these labels are those that invest in assets that are environmentally and/or socially sustainable, determined using robust and evidence-based standards. An example the FCA gives in this category is a fund that invests in assets that contribute to climate change mitigation or adaptation.

Performance initiatives

Delivering investment performance is fundamental to the ESG & 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.

Our Investment Manager works with key partners to mitigate production risks and maximise performance of ORIT's operational assets. Examples of projects that contributed to this objective are laid out in the separately published ORIT **ESG & Impact Report**.

Case Study: Addressing and mitigating ESG risks, including human rights risks within BESS assets

Equality & Wellbeing

Stakeholder Engagement

ORIT is committed to acting ethically and with integrity in all its business dealings and relationships associated with its battery energy storage system (BESS) assets. ORIT recognises its responsibility specifically regarding its supply chain and operations, and the Investment Manager is dedicated to taking the necessary steps to engage with and influence its partners to prevent any adverse impacts and mitigate against any risks related to ESG issues.

BESS assets will be vital to achieving a green transition by facilitating greater access to renewable energy and reducing the world's dependence on fossil fuels. However, BESS supply chains still present significant ESG risks that must be managed. The extraction and refining of raw materials needed for battery applications has been connected to adverse impacts, such as biodiversity loss, pollution, forced labour, violations of Indigenous rights and corruption, while the manufacturing and operation of BESS raises concerns around climate change and safety. Moreover, poor visibility and lack of transparency within battery supply chains makes it a challenge to address these issues.

The presence of these impacts and the risk that ORIT's activities may be contributing to them has led the Investment Manager to develop and implement a tailored ESG policy and processes for its BESS assets. The Investment Manager is working in collaboration with Infyos, an ESG technology company specialising in battery supply chains and sustainability, and will use Infyos's software platform to manage, monitor and improve ORIT's BESS ESG performance.

The policy ensures

1. Responsible sourcing principles are firmly integrated into all investment decisions
2. Assets are operated to reduce their impact on biodiversity and climate

The Investment Manager is able to enact positive change across the industry on behalf of ORIT through wider industry collaboration and engagement

As part of the recently launched BESS ESG Policy, the Investment Manager has:

- conducted a detailed risk assessment of its BESS assets and their supply chain using Infyos's proprietary risk and supply chain models to identify the most significant ESG risks on an ongoing basis;
- strengthened its due diligence framework in line with industry best practice, including the OECD Guidelines for Multinational Enterprises and Guidance for Responsible Business Conduct, to address and mitigate the most significant risks identified above; and
- incorporated an in-depth assessment of supplier risk and ESG performance, as well as bespoke mitigation actions plans, into the project procurement and supplier management process via the Infyos Platform to ensure all potential and actual impacts are identified, avoided and/or addressed on an ongoing basis.

In addition, the Investment Manager will:

- develop controls to ensure the assets are managed in a safe and efficient manner to reduce their impact on biodiversity and the environment, including at the end of life;
- digitally map its high-risk material supply chains using the Infyos Platform to ensure more accurate and granular data related to potential and actual impacts; and
- engage with industry bodies and suppliers to promote greater transparency in the battery supply chain and integrate best practice across the industry.

> **For more information on how ORIT is addressing Human Rights risks, including modern slavery and human trafficking, please refer to ORIT's statement on its website here.**[52]

[52] https://assets-global.website-files.com/6465321ab5b5a7de6f3fcd1d/65cb7cea5a32125cf2a07493_ORIT_Modern_Slavery_Statement_(January_2024)_vF.pdf

Impact tracker

Who?

BESS supply chain

How much?

ORIT's current BESS assets: 6MW[53]

What?

New BESS procurement policy

Alignment to OECD Guidelines for Multinational Enterprises and Guidance for Responsible Business Conduct

Reduced risk of adverse impact in ORIT supply chain

Impact Theme

Equality and Wellbeing

Stakeholder Engagement

[53] Represents the capacity of ORIT's existing BESS asset, Woburn Road.

Planet

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

400k
Estimated annual equivalent tCO_2e avoided once fully operational[54]
(2022: 580k)

55.47t
CO_2e per MW estimated carbon intensity (direct and indirect)
(2022: 8.48t)

553t
Worth of carbon purchased in Pending Issuance Units

100%
Investments qualify as sustainable in line with EU Taxonomy
(2022: 100%)

93%
Generating sites on renewable import tariffs[55]
(2022: 87%)

4
Environmental incidents
(2022: 0)

UN SDGs
7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
15 LIFE ON LAND

2.0m
Equivalent new trees required to avoid same carbon[54]
(2022: 2.9m)

203k
Equivalent cars off the road required to avoid same carbon[54]
(2022: 318k)

Based on actual annual renewable energy generation during the year

366k
Equivalent tCO_2e avoided

1.8m
Equivalent new trees required to avoid same carbon

186k
Equivalent cars off the road required to avoid same carbon

Further information on the KPIs can be found in the separately published ESG & Impact Report. All KPIs with no reference to 2022 are new for the 2023 reporting period.

[54] Based on potential annual renewable energy generation once fully operational.
[55] As at 31 December 2023.

Maximising ORIT's 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. This is demonstrated by the equivalent tCO_2e avoided by the renewable energy generated during the year.

Figures for carbon avoided use country-specific grid intensity factors, which are updated on a periodic basis to reflect the changing composition of the grid's energy sources. Increasing renewable capacity on the grids in which ORIT's assets are located has resulted in a reduction in the tCO_2e avoided per MWh of renewable energy generated.

ORIT's LSE's Green Economy [56] demonstrates the Company significant contribution to the transition to a zero-carbon economy.

The Investment Manager can also confirm that 100% of ORIT's assets directly contribute to or enable climate change mitigation in line with the EU Taxonomy criteria (see Figure 23). 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. The Company assesses % of Taxonomy-aligned activities through turnover reflecting the share of revenue from green activities of investee companies. More information on the Investment Manager's screening and assessment approach can be found in ORIT's **ESG & Impact Strategy**.

Figure 23: EU Taxonomy alignment overview:

Turnover £107.94 m	100% Aligned	0% Not Aligned	0% Not Eligible

As part of ORIT's approach to maximise positive environmental impact, ORIT will review and adopt relevant industry standards alongside initiatives to reduce its own carbon footprint.

The four recorded environmental incidents were minor. Three of the recorded incidents were in relation to very small amounts of oil/fuel leakage. In each case, the required mitigation response was deployed and the events had no lasting negative impacts. The final environmental incident was in relation to the discovery of a dead bat at one of ORIT's sites. Following environmental monitoring of bat activity on site, extended curtailment was implemented to ensure adequate protection.

Carbon measurement and reporting

In 2023 the Investment Manager on behalf of the Company engaged with Altruistiq to help calculate and validate the Greenhouse Gas ("GHG") emissions footprint for ORIT. ORIT has quantified and reported organisational GHG emissions in line with the iCI and ERM Greenhouse Gas Accounting and Reporting Guide for the Private Equity Sector (2022). This methodology was developed to complement both the World Resources Institute's Greenhouse Gas Protocol Standards and the Partnership for Carbon Accounting Financials' Standard for the financial industry. This approach consolidates the organisational boundary according to the operational control approach. For more information on the carbon footprint methodology and definitions for terms used in this section, please refer to ORIT's **ESG & Impact Strategy**.

The Company, as a legal entity, has no direct employees, owned or leased real estate, or direct assets, and therefore the Company has no Scope 1 or 2 emissions. Scope 1 and 2 emissions for the portfolio arise mainly from on-site fuel combustion and imported electricity. The majority of emissions are Scope 3. For the portfolio, Scope 3 emissions largely stem from purchased goods and services alongside indirect activities like waste management, transportation, and travel. For the Company, they relate to purchased services acquired, such as legal and investment management services.

[56] 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.

Scope	Portfolio Emissions (tCO_2e)	Company Emissions (tCO_2e)	Total Emissions (tCO_2e)	% of Total
1 – Direct Emissions	223.45	–	223.45	0.6
2 – Indirect Emissions (market-based)[57]	728.98	–	728.98	2.0
3 – Indirect Emissions	36,012.16	83.58	36,095.74	97.4
- Fuel & Energy Related Activities	410.22	–	410.22	1.1
- Purchased Goods and Services	34,687.11	83.58	34,770.69	93.9
- Travel and Transport[58]	749.03	–	749.03	2.0
- Waste	165.80	–	165.80	0.4
Total	36,964.59	83.58	37,048.17	

ORIT's overall carbon intensity was calculated to be **55.47 tCO_2e per MW**.

ORIT's weighted average carbon intensity ("WACI") for the year was calculated to be **3.74tCO_2e/£m revenue**[59].

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").

		2023		**2022**		**2021**	
		UK Emissions	Non-UK Emissions	UK Emissions	Non-UK Emissions	UK Emissions	Non-UK Emissions
Scope 1	tCO_2e	218.0	5.4	0.0	0.6	0.0	0.0
Scope 2	Market based tCO_2e	126.5	602.5	0	885.2	0.0	5.0
	Location based tCO_2e	342.1	471.3	190.4	836.5	192.2	62.4
	Energy consumption MWh[60]	11,221.7	2,550.1	1,568.4	2,724.9	905.2	1,150.5
Scope 3	tCO_2e	29,262.2	6,749.9	5,706.4	1,261.4	710.9	1,500.7

[57] Using a location-based approach, ORIT's portfolio Scope 2 emissions equate to 813.39tCO_2e.
[58] This category includes upstream transportation and distribution, employee commuting, business travel and contractor travel.
[59] A market-based approach as used to calculate the WACI. The WACI using a location-based approach is equal to 3.62tCO_2e/£m revenue.
[60] The uplift in energy consumption MWh is partially due to greater capture of on-site fuel consumption reported alongside electricity consumption.

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 table below shows the split between the defined[61] categories of data:

Real data (44% total)	**Estimated data** (49% total)	**Proxy data** (7% total)
Actual activity data = 9%	Estimated activity data = 40%	Proxy activity data = 7%
Actual spend data = 35%	Estimated spend data = 9%	Proxy spend data = 0%

In 2023, the Investment Manager worked together with the ORIT's investee companies and carbon consultant to create a bespoke template to support the reporting of carbon-related data, and the attribution of more specific emission factors for the calculation of emissions. It is positive to see that these efforts have led to a marked improvement in the quality of ORIT's carbon footprint in 2023.

Whilst the percentage of estimated data has remained relatively consistent, "proxy" estimations have decreased from 25% of total data in 2022, to 7% in 2023, whilst "real data" has almost doubled year-on-year, from 22.5% to 44%. As such, the Investment Manager has high confidence in 93% of the datapoints provided (compared to 75% in 2022).

Furthermore, whilst actual activity data appears lower than expected at 9% of total data in 2023, this is in part due to greater capture of actual service-related spend data during this reporting period, which cannot be captured through weight- or volume-based data. The Investment Manager is cognizant of the potential for bias in the calculation of data quality, and will continue to refine the methodology to present data quality in the most appropriate format.

Carbon reduction

The Company's aim is to reduce its emissions through stakeholder engagement and proactive management of its assets. As the Company improves data quality, especially for assets in construction, the Investment Manager will continue to explore opportunities to reduce emissions associated with embodied carbon.

The carbon intensity metric based on the MW capacity of the portfolio has increased significantly since 2022. Changes in the carbon intensity 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 2023 increase is primarily driven by activities and purchases for the construction of Cumberhead wind farm and Breach solar farm.

2023	2022	2021
55.47 tCO_2e/MW	8.48 tCO_2e/MW	5.23 tCO_2e/MW

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. The Investment Manager expects ORIT's carbon intensity per MW to reduce once the portfolio is fully operational.

[61] Please refer to ORIT's ESG & Impact Strategy for definitions of these terms.

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.

Last year, ORIT purchased 400 tonnes worth of carbon in "Pending Issuance Units"[62]. 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"[63] and also to support new woodland creation in the UK. In 2023, the Investment Manager purchased an additional 553 PUIs to cover the emissions relating to ORIT's 2023 Scope 1 and 2 emissions.

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 953 tonnes worth of CO_2 over the next 31 years. The units are derived from a "Forest Carbon" project in Acheilidh, Tain, Highlands. The new native broadleaf woodland is expected to deliver all 953 tonnes of carbon by 2055 and 75% of its carbon units by 2050.

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 and nature.

Planet initiatives

Maximising the Company's positive contribution to the environment is core to the ESG & Impact Strategy. Planet initiatives contribute to solutions to combat climate change. Projects undertaken in the year are outlined in the separately published **ESG and Impact Report**.

[62] 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.

[63] 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.

Case Study: Empowering communities for climate justice - Citizens UK Diversifying Climate Leadership National Project

Sustainable Momentum

Stakeholder Engagement

ORIT engaged with Citizens UK, a prominent community organising alliance, to deliver the "Diversifying Climate Leadership National Project" with the aim of addressing local climate issues and empowering a diverse range of individuals underrepresented in the climate sector.

Through this project, ORIT and Citizens UK aimed to address the following objectives as the initial scoping phase of their broader climate justice campaign:

1. **Local climate advocacy and representation:** Bring about change on local climate issues, emphasising campaigns led by local communities to ensure relevance.
2. **Building power and addressing inequalities:** Seek commitments from various civil society leaders from diverse backgrounds to build power and simultaneously provide improved representation and perspective of local needs in climate campaigns.
3. **Empowering civil society leaders:** Deliver a training course for civil society leaders embedded into local organisations, equipping them with the skills to lead successful climate justice campaigns within their communities.

The project was a huge success. Citizens UK delivered a comprehensive 5-part training course, attracting over 100 attendees from 5 regions in the first session, fostering regional representation and diverse participation.

Trained leaders initiated impactful community organising, addressing key issues such as housing repair, transport improvements and the revitalisation of green spaces.

Following the completion of the training, a National Climate Team consisting of 15 members was formed, and the pivotal inclusion of "Climate Justice" into Citizens UK's core agenda marked a significant achievement. This outcome signifies that ORIT's pilot project successfully facilitated the sustained emphasis on climate change as a central issue within the priorities of Citizens UK.

For more information on the project, please visit the **Citizens UK website** [64].

New climate leader in Greater Manchester, Rev Ian Rutherford: "I've always been passionate about taking action on climate, but it's never really been a priority at Citizens UK until now. The training I did has galvanised local people to be ambitious for change and to do something about it. There's not only more local climate campaigns happening now but a dedicated national team. I'm really excited about what we can achieve.

[64] https://www.citizensuk.org/campaigns/climate-justice/

Impact tracking

Who?

Citizens UK 50,000 members.

How much?

5 regions

15 members of a National Climate Team

What?

Provided a grant to support the delivery of 5-part training programme for local civil society leaders, providing them with the necessary skills to deliver effective climate justice initiatives in their communities. This project's success also resulted in Citizens UK incorporating "Climate Justice" as a key priority in their organisation's agenda

Impact Theme

Sustainable momentum

Stakeholder Engagement

People

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

7,827
Students benefitting from social initiatives
(2022: 396 students)

7,849
Direct beneficiaries from the projects funded through the BizGive platform
(2022: 7,536)

0
RIDDORS (or equivalent)
(2022: 1)

169
Estimated FTE jobs created

UN SDGs

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
- Diversity and inclusion
- Promoting a Just Transition (workers, community and customers)

ORIT also supports initiatives that contribute to solutions to engage communities and promote a "Just Transition" to clean energy (see "People Initiatives" section below).

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

Where minority stakes in businesses are held, the Investment Manager still tracks performance via Board meeting attendance.

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. Where accidents occur on overseas assets that would merit reporting as a RIDDOR if they were to occur in the UK, we flag them as "RIDDOR-like" events. All notifications of HSE incidents are investigated by the Investment Manager's in-house asset management team and where necessary the third-party HSE advisor and the Investment Manager ensure that out-sourced HSE managers close out all incidents with root cause analysis and establish lessons learned and where necessary change processes and procedures. Where weaknesses in underlying procedures and systems are identified, the HSE advisor works with businesses to implement appropriate remedies.

RIDDORs	Lost time injuries (>7 days)	Near misses	Personal injuries	Minor equipment damage incidents
0	2	14	10 first aid	23

The organisation's safety performance during the year has been positive, with no significant risks to highlight. All incidents were investigated, and appropriate actions were taken.

Diversity and inclusion

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

The Investment Manager provides directors to the underlying subsidiary companies and ensures diversity is considered when appointing them.

Board

The Company's Board is made up of a complementary mixture of social backgrounds, gender diversity and ethnicity. The Company' complies with the FCA's diversity targets on the representation of women and ethnic minorities:

- At least 40% of the board should be women.
- At least one of the senior board positions or Senior Independent Director (SID) should be a woman.
- At least one member of the board should be from an ethnic minority background excluding white ethnic groups (as set out in categories used by the Office for National Statistics).

Investment Manager

The Investment Manager shares ORIT's values and places diversity and inclusion at the heart of them, which is demonstrated through initiatives implemented in 2023. These initiatives include:

- Recruitment Enhancements: Established hiring guidelines and unconscious bias training; diversified candidate pools through broader job advertising and inclusive job descriptions.
- Workplace Attractiveness: Updated parental leave policies for diverse family structures; proactive monitoring of gender pay gaps.
- Promotion Process Reforms: Revised promotion process for greater transparency and decision-making diversity at the team level.
- Workplace Adjustments: Implemented necessary adjustments and encouraged open communication for supporting diverse workplace needs.
- Focus on Neurodiversity: Established a neurodiversity group, planning manager training on neurodiversity for 2024.
- Internship Programs: Successful participation in the Octopus Energy Equality Internship, leading to full-time roles for several interns.

Promoting a "Just Transition"

A "Just Transition" refers to the equitable distribution of benefits in the shift to clean energy. ORIT actively engages with workers, local communities and customers, focusing on job creation, community benefits and fair access to green energy.

	Strategy's aim:	Performance KPIs:
Workers – Job Creation	Enhance socio-economic distribution and equity by supporting the creation of decent jobs through ORIT's partners and subcontractors. This is achieved by their commitment to adhere to standards of equal opportunities, workplace best practices, diversity, and inclusion, coupled with a focus on promoting local employment opportunities.	• **169** estimated FTE jobs supported • **20%** local
Community – Engagement, Voice and Benefit	Empower local communities by establishing avenues for benefits such as through community benefit schemes, educational engagement with local schools via workshops and site visits, and support of local charities. As ORIT's portfolio expands, these impact partnerships are designed to create a more significant and lasting impact across a diverse range of beneficiaries. Applicability of community initiatives will be determined on a portfolio-by-portfolio basis. Proactively engaging with communities and stakeholders from the outset, ORIT aims to secure social license for its investments, particularly in extending the operational lifespan of its assets.	• Over **£600,000** per year of community benefit funds • **7,827** students benefitting from social initiatives • **7,849** direct beneficiaries from the projects funded through the BizGive platform.
Customers – Affordable Green Energy	Deliver societal benefits by supplying affordable, clean energy to the grid. This not only aims to lower energy bills but also to enhance energy security in regions with ORIT's assets.	• **354,880** Equivalent number of homes powered by ORIT's assets[65].

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. 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. Projects undertaken in the year are outlined in the separately published **ESG & Impact Report**.

[65] Metric based on actual production generated by ORIT's assets during the year.

Case Study: Community Benefits at ORIT's wind farms

Equality & Wellbeing

ORIT's wind farms collectively stand to provide over £600,000 a year to its local communities as part of their community benefit funds. At the heart of ORIT's community benefit programme, Cumberhead and Crossdykes wind farms stand out for their significant annual contributions, amounting to £249,900 and £322,000 respectively. These funds are directed towards a myriad of community-centric projects through open grantmaking, which includes support for local education, infrastructure, and environmental stewardship.

Cumberhead

With an annual provision of £249,900, Cumberhead community benefit fund promises substantial support over the site's 30-year lifespan. This fund will benefit the communities within the South Lanarkshire Council area, with 50% of the funds directly attributed to the Council's Renewable Energy Fund and the remaining 50% available to community council areas of Coalburn and Lesmahagow through bi-annual award rounds. September 2023 marked the fund's inaugural round, and the fund saw four awardees from six applications, disbursing c£45,000, which represents 40% of the year's allowance for Coalburn and Lesmahagow.

The Cumberhead community benefit fund beneficiaries highlight the fund's diverse impact:

- Three Valleys Women's Walking Football Club received funding for equipment and professional coaching to support its aim of encouraging women into physical activity, enhancing mental health, and building supportive social networks.
- Lesmahagow Development Trust, awarded for infrastructure improvements at the Fountain Community Centre, demonstrates the fund's commitment to enhancing community facilities and services.
- OutLET: Play Resource was supported to employ a new staff member for its Youth Foresters Programmes, promoting youth development and outdoor education.
- Coalburn Men's Shed received a grant towards running costs and equipment, showcasing the fund's impact in promoting mental and physical well-being through community engagement.

Crossdykes

The Crossdykes community benefit fund contributes £7,000 per installed megawatt annually, directly benefiting the surrounding communities within the council areas of Eskdalemuir, Langholm, Ewes & Westerkirk, Lockerbie, Middlebie & Waterbeck, and North Milk. This fund has three schemes to address a wide array of community needs and has distributed £348,000 in 2023 alone.

The Open Grant Funding Scheme is dedicated to larger community projects across various sectors aimed at enhancing community development and rural regeneration, combating poverty, advancing education and health, and enriching lives through the arts, heritage, culture, and science. It promotes active participation in sports, improves living conditions through recreational facilities, and supports environmental protection efforts to combat climate change, benefit nature and animal welfare. The fund provides relief for those affected by age, ill-health, disability, or financial hardship, a holistic approach to community support and sustainable development.

An example is the £30,000 grant made to the D&G HandyVan project. This funding enabled the charity, which aids vulnerable populations in Dumfries and Galloway by providing home repairs and improvements, to extend its reach and efficiency through the purchase of a new van. This purchase underscores the project's commitment to aiding those in need while contributing positively to climate action efforts. For more details, see here.[66]

As well as the open grant scheme the Community Council Small Grants Scheme allocates up to £5,000 per year to each community council within the benefit area, enabling them to swiftly respond to smaller local needs.

The Education and Training Bursaries scheme offer £2,000 annually to each of the five community councils for distribution as bursaries, aimed at improving access to education and training opportunities.

Saunamaa and Suolakangas

ORIT extended this voluntary initiative to its Saunamaa and Suolakangas wind farms in Finland in December 2023, contributing €30,000 to support local projects, a practice less common in Finland compared with the UK. These funds will be distributed following the review and selection of successful applicants by a community panel.

Together, these funding streams provide a holistic and responsive framework for community development. The extension of such initiatives to Finnish wind farms underscores ORIT's commitment to community development beyond the UK, promoting a model for renewable energy projects to contribute positively to local communities globally.

Impact tracker

Who?

Communities near:

- Crossdykes
- Cumberhead
- Saunamaa and Suolakangas

How much?

Annual commitments of:

- £322,000
- £249,900
- €30,000

What?

- Funding that supports local needs and priorities
- Shared benefits with communities, providing a just transition

Impact Theme

Equality & Wellbeing

[66] Link: https://www.foundationscotland.org.uk/our-impact/case-studies/dg-handyvan-goes-electric-to-benefit-local-community

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 and 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 three times 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 the impact on Company performance of asset sales (and other capital recycling) processes, and the impact on Company performance of corporate M&A and other growth initiatives. The Company reviews the risk matrix on a quarterly basis and revises risk scores as appropriate.

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.

Risk	Potential Impact	Mitigation
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.
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.

Risk	Potential Impact	Mitigation
Risks associated with climate change	Climate related risks relate to transition risks and physical risks. The prominent transition risk relates to oversupply of renewables over time, which may cause downward pressure on long-term power price forecasts setting lower capture prices, including the risks associated with periods of negative power prices and power price volatility. This could ultimately lead to a shortfall in anticipated revenues to the Company. The prominent physical risks relate to long-term changes to weather patterns, which could cause a material adverse change to an asset's energy yield from that expected at the time of investment. Physical risks associated with acute and chronic temperature change could lead to flooding, storms, and high winds. This could damage equipment and force operational downtime resulting in reduced revenue capability and profitability of the portfolio of assets.	The Investment Manager has engaged 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 ESG & 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. This risk naturally reduces as the amount of capital to deploy falls. Low levels of 'dry powder' currently and during 2023 have meant this risk is and has been less relevant recently.

Risk	Potential Impact	Mitigation
Capital recycling through asset sales	Selling assets could have an impact on the ongoing dividend target and other investment policy limits. It could also result in the loss of receipt of anticipated cash flows impacting dividend cover. Unsuccessful transactions could also result in abort costs, and potentially also impact Company reputation.	The Company has an experienced Investment Manager within the sector and the Investment team has a good understanding of the M&A market and investor landscape. Certain assets have been identified by the Investment Manager as being potentially available and appropriate for sale by the Company. The Investment Manager has an Investment Committee to approve asset sales in principle and sign off transaction budgets. These costs are reported to the board. Reliance is placed on due diligence reports prepared by professionals appointed by the Investment Manager and therefore the Company could claim for losses if necessary.
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 ESG & 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. The FCA announced new rules for listed companies in the UK in July 2022 to report on the diversity of Boards and Executive Management, with new board targets on a comply or explain basis. The Board composition now meets the FCA criteria.

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.
Corporate M&A and other growth initiatives	Unsuccessful corporate M&A activity could impact Company reputation, and lead to abort costs in the event of an unsuccessful transaction. External growth activity is partially driven by external market factors.	The Company has an experienced Investment Manager within the sector meaning that Investment team has a good understanding of the M&A market and investor landscape. In addition, the Company's broker provides independent support for corporate M&A activity taking into account target performance, investor sentiment and market conditions.
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.

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.

The following table maps the TCFD recommended disclosures to the sections of the Company's TCFD report.

TCFD disclosure recommendations covered:		Section Found:
Governance	a) Describe the Board's oversight of climate-related risks and opportunities.	Ensuring accountability and responsibility by board and management
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Ensuring accountability and responsibility by board and management Process for identifying, assessing and managing climate-related risks
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term.	Understanding impact of climate change across different timescales and scenarios
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	
	c) Describe the resilience of the organisation's strategy, taking into consideration different future climate scenarios, including a 2°C or lower scenario.	
Risk Management	a) Describe the organisation's processes for identifying and assessing climate-related risk.	Process for identifying, assessing and managing climate-related risks
	b) Describe the organisation's processes for managing climate-related risk.	
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
Metrics & Targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Measuring and managing climate impact
	b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas emissions, and the related risks.	
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	

Ensuring accountability and responsibility by board and management

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

The ORIT Board has full responsibility for managing the Company. On behalf of the Company, the Board has appointed Octopus AIF Management ("OAIFM") as the Alternative Investment Fund Manager ("AIFM"). Whilst overall risk management of the Company is retained by OAIFM, portfolio management has been delegated to Octopus Energy Generation (OEGEN) as the Investment Manager. Climate risk analysis and management falls within the scope of portfolio management on a day-to-day basis.

Figure 24: Governance Framework of the Company

Board	**ORIT Board of Directors** Responsible for overall strategic direction of the Company and final investment decisions			
	ORIT Audit and Risk Committee Reviews and monitors the Company's approach to managing the financial and operational risks including those associated with climate change			
AIFM Board	**AIFM Board** Responsible for overall risk management oversight, including climate related risks			
Investment Manager governance boards and management structures	**OEGEN** **Investment Committee:** Responsible for assessing climate-related risks associated with investment decisions.	**OEGEN** **Asset Board:** Responsible for assessing, monitoring, and managing climate-related risks associated with ongoing asset management.	**ORIT Customer Board:** Made up of Lead Managers and OEGEN Directors and responsible for day-today implementation of the Investment Strategy. This includes risk analysis and advising the Board on strategic opportunities and risks.	**OAIFM Valuation Committee:** Responsible for approving the value of investments held by funds, including sensitivities to assumption changes
	OEGEN ESG team Lead by OEGEN Head of Funds and Sustainability, responsible for development of the ESG & Impact Strategy, considering climate-related risk management.			

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.

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 Board also reviews and approves the Company's ESG & 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 three times 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. 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 & 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.

The Investment Manager has in place a number of management committees and governance forums to assess risk, including those that are climate related on a periodic basis.

Investment Committee: Every investment is assessed for climate-related risks and these are evaluated and presented in the investment committee paper for final transaction approval. Each opportunity is subject to formal approval by the Board.

Customer Board: Responsible for monitoring climate-related government policy and physical changes in the climate to inform the investment strategy and the materiality of risks faced by the Company's portfolio of investments.

Valuation Committee: The most material impact on valuation of renewable energy assets are usually wholesale energy prices and operational performance. The valuation committee is responsible for reviewing these assumptions and the sensitivities associated. Both energy prices and operational performance could be impacted by climate related risks and opportunities and is therefore a consideration as part of the valuation process.

Asset Board: After making an investment, should any material risks (including climate-related risks) be identified by the Asset Board, a mitigation strategy would be agreed and the Asset management team would be responsible to oversee the implementation of the strategy by third-party asset managers. The Investment Manager has in place a Stewardship and Engagement Policy which outlines its active approach to asset management.

In addition to these forums, the OEGEN Head of Funds and Sustainability leads on the ESG & Impact Strategy and is supported directly by two other employees. This includes monitoring of climate-related issues. 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 Investment Manager maintains a risk register which is formally reviewed quarterly by the AIFM and the risks within the register are assessed for inherent and mitigated impact and likelihood. Climate risk is evaluated as part of our existing risk management processes as outlined in the next section.

Process for identification, assessment, management and integration of climate-related risks and opportunities.

The Company's investment strategy is aligned to accelerate the transition towards a net zero future and given the nature of the business, this is thought about by management on a day-to-day basis, not just at formal governance committees. The OEGEN ESG team has also developed a formal ESG & Impact Strategy for the Company, which has been 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 the portfolio is the responsibility of Investment Manager with services provided by the Company's third-party asset managers and O&M service providers.

Given the existing close relationship between renewable energy infrastructure and climate, OEGEN, through its energy markets professionals, already monitors climate-related government policy and physical changes in the climate to inform the investment strategy and the materiality of risks faced to the portfolio of investments.

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

- **Physical**, deriving from possible material impacts on the Company'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.

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 investment 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 section "Building climate resilience into our business strategy". 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 risks is evaluated for inherent and mitigated impact and probability in the Company's risk register demonstrating relative materiality to the Company. In addition, sensitivities to significant changes in power prices or production of assets are presented quarterly to the Investment Committee and Valuations Committee 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 the Company 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. For example, power price curves are largely based on historical meteorological data which may not be as applicable under a climate change scenario. The Investment Manager will continue to explore methods to improve how they quantify the impact of physical risks and opportunities on the portfolio while also integrating transition risks and opportunities within the long-term forecasting of the valuation process.

At an investment 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, requiring the review of natural hazards in the region where an asset is located, using the ThinkHazard and Climate Scale tools, and in depth technical due diligence by independent technical advisors in line with the EU Taxonomy's "do no significant harm" to Climate Change Adaptation criteria. Results are presented in the investment committee paper to both the Investment Committee for investment approval and ultimately to the Board for final approval to drawdown funds from the Company to enter into the transaction.

Case Study 1: Example of evaluating a prospective investment

Method of assessment:

A climate risk assessment was completed for Crossdykes wind farm in 2022 in line with the IPCC modelling recommendations. This was completed 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 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 OEGEN Asset Board is responsible for ensuring that each investment adheres to the relevant fund ESG policy. Should any material risks (including climate-related risks) in the portfolio be identified by the OEGEN Asset Board, a mitigation strategy would be agreed, and the Investment Manager's Asset Management team 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.

Building climate resilience into our business strategy

The transition to a lower carbon future is ingrained within the Company's investment strategy. As such, the Company 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 27.8 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. For the purposes of climate risk analysis, the Company defines short-term as the next 5 years, the medium-term as the next 5-15 years and the 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 the Company's investment mandate, there is a direct correlation between transition to a low carbon future and the size of the investment opportunity over the long-term.

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

The Company has explored scenario planning to determine which climate-related risks could have a material financial impact on the Company. The Company has considered potential impact on strategy, portfolio investments and financial planning across different timeframes (short, medium, long-term) and climate scenarios in Tables 1a, 1b and 1c. More detail on the potential physical risks is in the "Understanding the Company's physical climate risks" section.

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 are driven by action to avert climate change and harness opportunities for investors. The political and societal tailwinds should support the Company's continued success and the Company should welcome additional regulations to drive action to prevent climate change. The Investment Manager 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.

There are a number of risk mitigation strategies that the Investment Manager can utilise to mitigate climate-related risks to the Company. These are summarised as:

- 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, O&M contractors and portfolio companies 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 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, a mitigation strategy would be agreed amongst the Asset Board and the Asset Management team would be responsible to oversee the implementation of the strategy by our third-party asset managers.

Risks and opportunities identified across different timescales and scenarios

Table 1a, 1b, 1c: Impacts of Climate-related Risks and Opportunities on Strategy, Portfolio Investments and Financial Planning across the (a) short, (b) medium and (c) long-term.

Legend	
Positive impact	Positive impacts on the Company which are estimated to potentially cause increases in performance of more than 5% (revenue increase, cost reduction NAV increase, decreased cost of capital).
Neutral impact	Impacts that are unlikely to have a material impact on the Company (potential to cause an increase or decrease in performance between -5% to 5%.
Negative impact	Negative impacts on the Company that are estimated to potentially cause decreases in performance of more than -5% (revenue decrease, cost increases NAV decrease, increased cost of capital).
1.5/2°C	This scenario requires an acceleration of the pace of change and bigger commitments to action.
4°C	This is in line with business as usual (BAU), if pace of change remains as it is today in line with current policies.
FPI	Financial planning impact
SI	Strategic impact
PII	Portfolio investments impact

1a: Short-term (0-5 years)

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.

<table>
<tr><th rowspan="2">Risks (R) and opportunities (O)</th><th colspan="3">Potential impact seen given the scenario</th></tr>
<tr><th>Type</th><th>1.5/2°C</th><th>4°C</th></tr>
<tr><td>(O) Significantly increased investment opportunity</td><td>SI</td><td colspan="2"></td></tr>
<tr><td colspan="4">Government policies across Europe have shown that renewable energy is key in decarbonising the energy sector. 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.

Delivery on these ambitions requires a significant increase in the pace of investment into renewable energy, all of which leads to a growth in the Company's investment opportunity.

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 the Company's investment opportunity is expected in both scenarios but we expect a larger growth under a 1.5/2°C scenario.</td></tr>
<tr><td>(O) Increased product and services availability</td><td>FPI</td><td colspan="2"></td></tr>
<tr><td colspan="4">The Company 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></tr>
<tr><td>(R) Competition risk remains as the Company develops its proprietary pipeline</td><td>SI & FPI</td><td colspan="2">Neutral</td></tr>
<tr><td colspan="4">The main risk in the short-term is an increasing volume of capital looking to deploy into renewables. Competition for assets in the Company's key geographies remains strong.

The Investment Manager's strong networks and experience has allowed the Company 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 the Company 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>
<tr><td>(R) In year variability in weather patterns or acute weather events</td><td>FPI</td><td colspan="2">Neutral</td></tr>
<tr><td colspan="4">This could directly impact solar and wind assets. This could lead to underperformance or overperformance of specific assets in the portfolio within specific years and in-year captured power prices.

As shown by the analysis laid out on page 65 of the 2022 annual report, long-term wind speeds are not expected to materially change as a result of climate change, even under a 4-degree scenario where we expect there to be an increased level of physical risks. However, 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. Climate risks modelling for the Company's solar assets suggests that long-term changes in temperature are unlikely to have a material impact on solar yield.

This could impact in-year distributions, but unlikely to impact longer term valuations. Increasing variability may discourage investors from investment where they seek long-term predictable returns. 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.

Diversification of the portfolio means this risk is assessed as neutral.</td></tr>
</table>

1b: 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).

Risks (R) and opportunities (O)	Potential impact seen given the scenario		
	Type	1.5/2°C	4°C
(O) Mandate expansion	**SI**		
As new technologies arise and become investable (for example battery and green hydrogen technologies), this may provide the Company with an opportunity to broaden its investment mandate to take advantage of these emerging investment opportunities as the technologies mature.			
(O) Electrification	**PII & FPI**		
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 and mitigates power price cannibalisation risk.			
(O) Improving existing asset valuations	**PII & FPI**		
Government policies aimed at the transition to net zero may present opportunities for the Company by making it more likely/ easier to: • Acquire asset life extensions on existing sites. • Acquire and invest in co-located battery storage. Technology advancement may bring down costs for construction, spares and repowering. Repowering would increase the useful life and valuation of operational assets that were starting to approach end of life. We expect these benefits to be more pronounced under a 1.5/2-degree scenario.			
(R/O) Operational Expenditure	**FPI**	**Neutral**	**Neutral**
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. On the other hand, technology advancement may bring down costs for construction, spares and repowering. Considering both the potential positive and negative effects, the Investment Manager has classified this risk as neutral.			
(R) Increased in-year variability in weather patterns	**PII**	**Neutral**	
In the medium term it is expected that this risk becomes more pronounced. In a 4-degree scenario this could become negative.			
(R) Acute weather	**PII**	**Neutral**	Neutral /
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, for example through diligence of asset design, avoiding investments in high-risk assets, spares programmes and insurance cover. See **Figure 25** for more information. We expect on balance these will not materially increase in the medium-term.			

Risks (R) and opportunities (O)	Potential impact seen given the scenario		
	Type	1.5/2°C	4°C
(R) Potential regulatory and financial risk	**FPI**		**Neutral**
Where investments become dependent on government interventions, this could represent increased regulatory or financial risks for the Company. It is difficult to predict whether these will on balance have a positive or negative impact on the portfolio investments.			
(R) Power-price volatility	**FPI**	**Neutral**	**Neutral**
In the medium- to longer-term, as fixed revenue and subsidy regimes expire, 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. Considering the lifetime of the Company'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 on page 65 of ORIT's 2022 annual report 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, fixed PPAs and portfolio diversification. We also expect this risk to be mitigated in the medium term through the introduction of more grid-supporting infrastructure like co-located storage. As a result, the risk has been classified as neutral.			

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, more dramatic efforts to reverse the effects of climate change are expected to be made, leading to an increase in the Company's transitional opportunities and risks. The realisation of the most significant physical risks are also expected.

Risks (R) and opportunities (O)	Potential impact seen given the scenario		
	Type	1.5/2°C	4°C
(R) Power-price uncertainty	**FPI**	**Neutral**	**Neutral**
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. The Investment Manager utilises a blend of two independent and widely used market consultants when forecasting long-term cash flows and valuations of Renewable Energy Assets. Power price risk is factored in proprietary models developed for portfolio monitoring and valuation, with quarterly evaluations of sensitivities based on a +/- 10% parallel shift in power price forecasts. These forecasts closely align with the 1.5/2-degree scenario and consider governments' net zero commitments and policies. Therefore, valuations are based on a high transition risk scenario, ensuring their relevance throughout the transition to net zero. In a 4-degree scenario, slower build-out and less effective interventions are expected. Further, hedge and fix pricing, maintaining diversification of revenue sources between merchant, fixed offtake, corporate and government sources of income help mitigate power-price risk. Financial projections are based on models with a large number of underlying assumptions, in particular, power price forecasts and yield estimates. Whilst the Company utilises several external advisors to produce and validate these assumptions and they, in turn, use a number of different climate models, The Company's financial forecasts and budgets are still subject to climate-related risks associated with the accuracy of these assumptions.			

Risks (R) and opportunities (O)	Potential impact seen given the scenario		
	Type	1.5/2°C	4°C
(R) New technology uncertainty	**FPI**	**Neutral**	**Neutral**
Investments into newer technologies could underperform compared to investment cases. Whilst representing a risk, it is expected that the negative impact will be immaterial to the portfolio as a whole leading to this risk being classified as neutral.			
(R) Physical climate risks	**PII**	**Neutral**	**Neutral /**
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. 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. The Company has strong mitigation strategies in place to limit the impact of physical risks (see section "Understanding the Company's physical climate risks") leading to this risk being classified as neutral and partially negative.			
(R) Portfolio companies don't effectively manage climate risks	**SI**	**Neutral**	**Neutral**
Portfolio companies invested into may not adequately risk assess climate related risks and opportunities which may mean investment assumptions on long-term performance and valuation of companies could be inaccurate. The Investment Manager engages with portfolio companies existing climate risk management processes as part of annual reviews and more regular check-ins, helping to mitigate this risk to neutral.			
(O) Significantly increased investment opportunity	**SI**		**Neutral**
Increased global efforts provides investment opportunities to emerging technologies and emerging markets expanding the investment opportunity for the fund.			
(O) Repowering	**FPI**		**Neutral**
Repowering becomes financially attractive through lower capital costs. This increases the useful life and the valuation of operational assets.			

Understanding the Company's physical climate risks

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, the Company's assets have been assessed 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. Risks were considered over the course of asset-life and physical risks relating to the Company's platform and portfolio companies were assessed separately.

The most material risks highlighted for each technology by Climate Scale have been laid out below in table X by asset type, risk level (High= "H", Medium-High= "MH"), potential impact and the mitigation measures put in place. The main risks identified across the portfolio were, fire risk, precipitation, increased temperature, storminess and iciness. No MH or H risks were identified for ORIT's battery project.

Mitigation measures utilised by the portfolio to address these include continuous monitoring of risks, insurance cover and effective spares management. More generally, the Company as a whole mitigates the impact of these risks through the maintenance of a diversified portfolio.

Figure 25: Physical risks to assets and their mitigations under a 4-degree temperature scenario

Asset Type	Risk Level	Potential Impact	Management and mitigations	Mitigations considered in long-term assumptions
(R) Fire Conditions				
	MH/H	**Extreme fire conditions (>40°C) expected to occur bi-annually** at 14 ground-mount solar farms.		
		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 £150,000 to replace and business interruption in excess of £100,000. If this scenario were to materialise it is likely that one of the lower rated inverters would fail every other year causing £150,000 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.	

Asset Type	Risk Level	Potential Impact	Management and mitigations	Mitigations considered in long-term assumptions
	MH/H	**Extreme fire conditions** could affect 2 of the Company's wind sites.		
		Wildfires could affect access to turbines and could cause damage to wind turbines or other onsite infrastructure.	The sites have fire risk assessments with detailed mitigations for the specifics of the site – these could include the inclusion on the site induction to raise awareness of fire risks, fire breaks, emergency exercises with local fire departments.	Insurance cover would cover replacement of damaged infrastructure.
(R) Precipitation (flooding)				
	H	**Extreme precipitation (flooding) expected once in the remaining period of operation** could affect 11 ground-mount solar farms.		
		Cable deterioration due to prolonged water submersion. If the panel array is submerged in water for an extended period of time, water ingress into cables (causing underperformance) could occur, which could reduce performance by more than 10% during 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 could into cables could occur, causing underperformance.	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.	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.
		Substation flooding. Flooding of a substation could cause high voltage components to fail leading to prolonged downtime and costly capex remedial works.	As above.	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.

Asset Type	Risk Level	Potential Impact	Management and mitigations	Mitigations considered in long-term assumptions
	MH	**Extreme precipitation (flooding) expected once in the remaining period of operation** could affect 1 of the Company's wind sites.		
		Blade deterioration due to prolonged precipitation.	Blade leading edge protection installed in the factory. Regular blade inspections and maintenance ensure continued performance.	Insurance cover would cover replacement of damaged infrastructure.
		Flooding of a substation could cause high voltage components to fail leading to prolonged downtime and costly capex remedial works.	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 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.
(R) Increased temperatures (heatwaves, droughts)				
	H	**Extreme stress to humans** at 1 ground-mount solar farm located in France. This risk was not highlighted as MH or H for the rest of the Company's solar portfolio.		
		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.

Asset Type	Risk Level	Potential Impact	Management and mitigations	Mitigations considered in long-term assumptions
(R) Storminess				
Solar	H	**Severe storms with wind in excess of 31m/s expected once every 10 years** could affect 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.
Wind	MH/H	**Severe storms with wind in excess of 31m/s expected once every 10 years** could affect 3 wind sites.		
		Damage due to high wind and lightning. High windspeeds may exceed wind-turbine design parameters causing damage and reducing performance.	Wind turbines are selected based on the site conditions, and any site where 31m/s wind speeds are possible during rare storm events will have a ride through function whereby the blade feathers to allow the wind Turbine to go into idle until the wind returns to the optimum speeds. Any other wind 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 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 project insurance.

Asset Type	Risk Level	Potential Impact	Management and mitigations	Mitigations considered in long-term assumptions
(R) Iciness				
	H	**>5% of icy days per year** could affect 3 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.	Energy yield assessments have assumptions for icing during operations. Insurance cover and spares management program to replace damaged infrastructure.

Chronic weather impacts

The Company's assets may be affected by extended changes in weather patterns, such as shifts in temperature and average wind speeds, which could have an impact on the anticipated power price or performance. To assess the significance of these long-term risks, the Investment Manager conducted additional analysis utilizing data from Climate Scale and other climate models.

Solar

High temperatures at solar sites can result in reduced performance of PV panels, inverters, and cables. The Investment Manager's Climate Scale risk assessment on the Company's solar sites identified medium-high or high chronic risks of increased average temperatures at 4 of the solar sites, all located in the French portfolio. To evaluate the financial impact on the Company's assets, the Investment Manager considered a P50 model of one of these ORIT sites. When the expected temperature increase under a 4-degree scenario was modelled on this site, the site's yield decreased by 1.1%. The outcome of this analysis determined the risk's impact to be negligible. Given the likely similar result if applied to the Company's other assets, and the level of uncertainty around existing P50 scenarios, the Investment Manager is comfortable that this risk is sufficiently considered in the Company's valuations.

Wind

We carried out a pilot study with Baringa, one of the Company'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 findings indicated that average annual wind generator yield is not negatively impacted by climate change in a manner that is material to the valuation of wind generation assets in the Company's operating countries. Please see page 65 of ORIT's 2022 annual report 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 majority of the financial impact from these risks has been mitigated through the aforementioned strategies. Any remaining financial consequences can be estimated by referring to the disclosure of power price sensitivity and energy yield (P10/P90) sensitivities provided in page 59.

Physical climate risks relating to the Company's portfolio companies

The Company's portfolio companies incorporate climate-related risks into their risk management framework. In the case of development platform companies, they evaluate the physical climate risks associated with each project during the development process and consider measures to mitigate them.

Measuring and managing climate impact

Climate-related risks and opportunities are considered in ORIT's financial, strategic and operational performance, and the Investment Manager therefore uses a wide variety of metrics to measure the current and potential impact. Most of the metrics relating to existing mitigation strategies are covered in the section "Building climate resilience into our business strategy" but are summarised below.

Risk/ Opportunity Type	Explanation	Metrics
Transition Opportunity	The Company's investment strategy is 100% aligned to a 1.5/2-degree scenario and aims for 100% of revenues to be generated from sustainable sources. This reflects the Company's role in enhancing renewable energy as a key contributor to climate change mitigation, quantifying the scale of climate-related opportunities seized.	See **pages 20, 66 and 70** for the following metrics • £m Capital invested in & committed to renewable energy assets • % Investments aligned to the EU Taxonomy • GWh of potential renewable electricity produced annually • Number of homes powered by clean energy • Estimated tonnes of CO_2 avoided • Equivalent trees and cars off the road for CO_2 avoided
Transition Risk	Monitors (a) the transition risk on power price and also (b) the potential future constraints on emissions, which, while not expected to be significant for a low-carbon portfolio, are crucial for maintaining alignment with low-carbon transition pathways.	(a) • Wholesale energy price sensitivities **(page 59)** • % of revenues with fixed power prices **(page 49)** • Portfolio diversification **(page 31)** (b) • Scope 1, 2, and GHG emissions **(page 72)** • Weighted average carbon intensity **(page 72)** • tCO_2e/MW **(page 72)** For more information on the activities that are applicable to ORIT's carbon footprint please refer to **page 76** and also to ORIT's **ESG & Impact Strategy**.
Physical Risk (Asset Level)	At the asset acquisition stage, physical risks are evaluated within the ESG matrix, affecting the ESG matrix output score if climate risks are high and no mitigation strategies are in place. This score influences the Investment Committee's approval process.	• ESG Matrix Output Score (Influence on Investment Committee and Board approval)

Risk/ Opportunity Type	Explanation	Metrics
Acute Physical Risk (Company/Portfolio Level)	Residual acute and chronic physical risks are assessed at both Company and portfolio levels by considering portfolio diversification and performance.	• Current portfolio diversification **(page 31)** • Annual performance against budget of portfolio assets **(page 32)** • CapEx / repairs and maintenance costs
Chronic Physical Risk (Company Level)	Chronic physical risks to yield are assessed by monitoring P10/P90 figures on portfolio valuation models.	• P10/P90 figures on portfolio valuation models **(page 59)**

Targets used by the Company to manage climate-related risks and opportunities

Given 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 18 and 19** whilst targets associated with portfolio diversification and energy price risk are outlined in the Investment Policy presented in **pages 22 to 24**

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

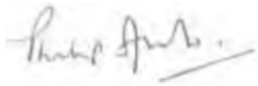
Target	2020	2021	2022	2023
Reducing the % estimations used in carbon footprint exercise to increase reliability of carbon data	23.9%	25.1%	In 2022 a new method of defining data points was applied. • Real data = 22.5% • Estimated activity data = 52.5% • Proxy data = 25%	Real data = 44% Estimated data = 49% Proxy data = 7%
Moving all generating sites on renewable energy import tariffs	100%	92%	87%	93%
Offset all direct emissions (relevant Scope 1 and 2 emissions)	Complete – 20 carbon units purchased	Complete – 6 carbon units purchased	Complete – 886 carbon units purchased	N/A – ORIT offset strategy has changed. A total of 953 have been purchased (in 2022 and 2023). These PIUs will capture 953 tonnes worth of CO_2 over the next 31 years.
100% of investments aligned to EU Taxonomy	100%	100%	100%	100%

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

The timing of moving assets acquired in the year 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.

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

22 March 2024

Section 172 of the Companies Act 2006

The Board as the governing body of the Company, shapes the strategy and objectives and seeks to ensure performance and long-term success by considering all its stakeholders' interests.
During the year under review, the Board believes that it has acted in good faith and fulfilled its obligations under Section 172 of the Companies Act 2006 to promote the success of the Company for the benefit of all shareholders while also considering the interests of other stakeholders and the environmental impact of the Company's operations. See **page 111** for key stakeholders.

As a closed-ended investment company, the Company has no direct employees. However, the Investment Manager assesses 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.

Section 172(1) Statements:	Reference
The likely consequences of any decision in the long-term	The Board has set out long-term objectives for the Company and targets a net total shareholder return of 7% to 8% per annum over the medium to long-term. The Board receives regular updates through weekly meetings with the Investment Manager. Additionally Board members convene at least four times a year to discuss matters related to items (a)-(f) of section 172. Once a year, the Board collaborates with the Investment Manager and other key advisers to evaluate the Company's strategic position, including capital allocation and risk management. Throughout the year, the Board actively considers shareholders' views to inform its decision-making process. See also Operating Model, Objectives and KPIs section on **pages 15 to 20**, Chair's Statement on **pages 11 to 13** and Stakeholder Engagement section on **page 111**.
The interests of the Company's employees	As a closed-ended investment company, the Company has no direct employees. However, the Investment Manager assesses the impact of the Company's activities on other stakeholders. The Board monitors People related KPI's on health and safety, diversity and inclusion collected directly from contractors of the investee companies within the investment portfolio, that are reported in the Company's publications. See also People reporting of the Impact section on **page 77** and find more details on the separately published ESG & Impact Report. Additional KPIs can be found in the Principle Adverse Impact statement on the website.

Section 172(1) Statements:	Reference
The need to foster the Company's business relationships with suppliers, customers and others	The Board recognises the importance of fostering the Company's business relationships with suppliers, customers, and other essential stakeholders for preserving long-term shareholder value and takes their respective interests into consideration where relevant as part of the decision-making process. The Board evaluates the performance of the service providers annually through the Management Engagement Committee. See also Stakeholder Engagement section on **page 111** and Directors' Report from **page 116**.
The impact of the Company's operations of the community and environment	This aspect continues to be integral to the Company's strategic ambitions through its core impact initiative of accelerating the transition to net zero through its investments, building and operating a diversified portfolio of Renewable Energy Assets. Environmental and community considerations, including the impact on nature, are specifically embedded in the Company's Planet and People Impact objectives respectively. The Board is responsible for the sign off of the Company's ESG & Impact Policy and Strategy. See also ESG & Impact section of the Annual Report on **page 65** and the separately published ESG & Impact Report and ESG & Impact Strategy document.
The desirability of the Company maintaining a reputation for high standards of business conduct	The Board aims to meet or exceed the standards expected of a listed company investing in Renewable Energy Assets. This is achieved with the help of the Investment Manager which is responsible for ensuring that the Company's investments are managed to a high standard of business conduct. 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. See also Stakeholder Engagement section on **page 111**, Human Rights section on **page 114**.
The need to act fairly as between members of the Company	The Board aims to act fairly between the Company's members, by seeking to ensure effective communication is provided to all Shareholders. Reporting materials are made available to the public and the Board encourages Shareholders to attend the Annual General Meeting. Procedures and policies are in place in case conflicts of interest arise. See also Stakeholder Engagement section on **page 111** and Corporate Governance Statement from **page 125**.

Stakeholder Engagement

Details of the Company's engagement with key stakeholders is set out below.

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. The table below outlines the stakeholders that the Board has identified as key, the specific engagement methods used and key activities within the reporting period.

Stakeholders	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 whether from the regular reporting on the Company's activities and market announcements and the website or specific initiatives. Key communication methods include: • Annual and Interim reports • Dedicated ORIT website • Corporate LinkedIn Page • Quarterly factsheets • Investor roadshows and presentations • Dialogue with shareholders • Occasional events (Capital Market) • Regular market announcements • Annual General Meetings • Dedicated email address for shareholder enquiries • Proxy voting guidelines For example, Board members have had opportunities to meet with key stakeholders during key Company events in 2023 at the Capital Markets Day and the Cumberhead Opening Event. Separately, the Investment Manager actively participates in roadshows to meet with the Company's key shareholders after the release of the annual and interim results. The Investment Manager also meets with shareholders on an ad hoc basis following key announcements. Shareholders' views are regularly collected throughout the year by the Investment Manager and the Corporate Broker. Shareholders' views are considered by the Board to assist the Board's decision-making process. In 2023, the Company enhanced its engagement with shareholders via its Consumer Duty Guide, its rebranded website providing new content and a glossary, and the launch of its corporate Linkedin page. The Board invites shareholders to attend the forthcoming Annual General Meeting to be held on 19 June 2024 or to contact the Company through its dedicated email address for shareholder enquiries.
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 118 of the Directors' Report.

Stakeholders	How ORIT has communicated and engaged
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 127. 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.
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. 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 2023, the Company's wholly owned subsidiary, ORIT Holdings II Limited, had a Revolving Credit Facility ("RCF") provided by a group of four lenders, Allied Irish Banks, National Australia Bank, NatWest and Santander. Regular communications with each lender alongside the provision of data for formal semi-annual reporting and covenant testing requirements is undertaken by the Investment Manager. The RCF was extended and refinanced in February 2023. During the period, the Company agreed an extension in the maturity date of its subsidiary's £50 million short-term facility provided by NatWest to align with expected receipt of proceeds from the Polish assets sale. The facility was repaid in full in December 2023. 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.
Community	ORIT actively engages and aims at empowering local communities by establishing avenues for benefits such as through community benefit schemes, educational engagement with local schools via workshops and site visits, and support of local charities. See People section of the Impact Report on pages 77 to 82.

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.

For more information on how the Company addresses human rights and modern slavery more specifically, please refer to ORIT's Modern Slavery Act Statement on its website (see here https://assets-global.website-files.com/6465321ab5b5a7de6f3fcd1d/65cb7cea5a32125cf2a07493_ORIT_Modern_Slavery_Statement_(January_2024)_vF.pdf).

This Strategic Report has been approved by the Board of Directors and signed on their behalf by:

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 **page 70**.
The Company's employees	As a closed-ended investment company, the Company has no employees. The **People** section of the Impact Report on **page 77** 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 **page 77**.
Social matters	See People section of the Impact Report on **page 77**.
Respect for human rights	See **Stakeholder Engagement** section on **page 111**.
Anti-corruption and anti-bribery matters	See **Anti-bribery and corruption statement** on separately published ESG & Impact Report.

Philip Austin MBE

Chair,

Octopus Renewables Infrastructure Trust plc

22 March 2024

Governance

Directors' Report

The Directors present their report and financial statements for the year ended 31 December 2023.

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

Sarim Sheikh (from 1 June 2023)

Strategic Report

The Directors' Report should be read in conjunction with the Strategic Report on **pages 15 to 114**.

The following information has been disclosed in the Strategic Report:

Disclosure	Page Reference
Business review	See Investment Manager's Report on **page 25**.
Principal risks and uncertainties	See Risk and Risk Management section on **page 83**.
Key performance indicators	See Objectives and KPIs section on **page 18**.
Financial risk management	See Risk and Risk Management section on **page 83** and **Note 16** on **page 179**.
Future developments in the Company's business	See Investment Manager's Report on **page 25**.
Stakeholder Engagement	See Section 172 on **page 110**.
Streamline Energy and Carbon Reporting framework	See Planet in Impact section on **page 70**

Corporate Governance

The Corporate Governance Statement on **pages 125 to 135** forms part of this report.

Risk and Risk Management

The Risk and Risk Management section on **pages 83 to 91** 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 2023.

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. The Company's Articles of Association were last changed at the time of IPO.

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 125 to 135**. Through the Committees and the use of external independent advisers, the Board oversees the risk management function and overall governance within 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 **page 127**.

Alternative Investment Fund Manager

The Company is classified as an Alternative Investment Fund under the UK AIFM Directive as defined on **page 203** 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.

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 127**.

Issued Share Capital

During the year ended 31 December 2023, 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 typically paid in May, August, November and February 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 6.02 pence per Ordinary Share in respect of the financial year to 31 December 2024, representing a 4.0% increase from the 5.79 pence per Ordinary Share dividend distributed for the financial year ended December 2023. This increase was chosen to be in line with the increase to the Consumer Price Index (CPI) for the 12 months to 31 December 2023, and marks the third consecutive year the Company has increased its dividend target in line with inflation[67].

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 18 to 19**.

Results and Dividend

The Company's revenue profit after tax for the year amounted to £36.9 million (2022: £34.4 m). The Company made a capital loss after tax of £24.2 million (2022: £35.4m profit). Therefore, the total profit after tax for the Company was £12.7 million (2022: £69.8m).

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
Q4 2022	1.31	24 February 2023	10 February 2023	9 February 2023
Q1 2023	1.44	2 June 2023	19 May 2023	18 May 2023
Q2 2023	1.45	1 September 2023	18 August 2023	17 August 2023
Q3 2023	1.45	1 December 2023	17 November 2023	16 November 2023

On 31 January 2024 the Company declared an interim dividend of 1.45p per Ordinary Share in respect of the three months to 31 December 2023, a total of £8.2 million. The ex-dividend date was 8 February 2024, the record date was 9 February 2024 and the dividend was paid on 23 February 2024.

[67] 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.

Substantial Shareholders

As at 31 December 2023, 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[68]	Date of notification
Sarasin & Partners LLP	56,165,734	9.94%	6 May 2022
Rathbone Investment Management Ltd	41,703,191	7.40%	12 July 2022
Brewin Dolphin Limited	29,615,256	5.24%	7 June 2023
Schroders plc	28,294,909	5.01%	29 September 2023
Baillie Gifford & Co	28,273,333	5.00%	27 October 2022
EFG Private Bank Limited	28,212,542	4.99%	29 June 2023
Quilter Plc	24,261,042	4.29%	14 November 2022
Newton Investment Management Limited	17,288,560	3.06%	9 March 2021

Since the year end, Sarasin & Partners LLP notified the Company on 1 March 2024 that it had reduced its holding to 26,562,005, which equates to 4.07% of the Company's issued share capital. Since 31 December 2023 and 22 March 2024, the Company was not notified of any further interests, or changes in 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 111** 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 19 June 2024. 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.

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

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 £23 million as at 31 December 2023 (2022: £11m) and available headroom on its RCF of £141 million (2022: 169m). The Company's net assets at 31 December 2023 were £599 million (2022: £618m) and total expenses for the year ended 31 December 2023 were £7 million (2022: £8m), which represented approximately 1.16% (2022: 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 and interruptions to cash flow, however the Company currently has more than sufficient liquidity to meet any future obligations.

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, a decrease in output and an increase in the discount rate applied to the underlying cash flow forecasts. 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 2028 (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 2028.

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 predominantly derived from the sale of electricity and green certificates through power purchase or other similar agreements, as well as subsidies in some cases. 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 given the level of geographic and technological diversification, and significant portion of fixed revenues. 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 expected to be compliant, 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 2028.

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 19 June 2024. Notice of AGM (the "Notice") together with detailed explanation of the proposed resolutions can be found on **page 207**.

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

Resolutions **12** to **14** 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 **12** to **14** will expire at the conclusion of the Annual General Meeting to be held in 2025. The full text of these resolutions is set out in the Notice of Meeting on **pages 207 to 213**.

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 16 June 2023, 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 2023, 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 2024 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 16 June 2023, 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 to 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 2023 the Company did not issue new shares.

By order of the Board

For and on behalf of

Apex Listed Companies Services (UK) Limited

Company Secretary

22 March 2024

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 2023, the Company complied with the principles and provisions of the AIC Code.

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 five non-executive Directors, including the Chair. The Board comprises two female and three male Directors. The Board believes that the balance of skills, gender, experience, ethnic diversity 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.

Read more about the Division of Responsibilities and respective roles on **page 130**.

Philip Austin MBE Non-executive Chair and Chair of the Nomination Committee

Philip 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

Audrey has held non-executive positions where she was Chair of the Audit and/or risk committees at two listed investment companies and at two mutual companies. Audrey's executive career was across the buy and sell side in City of London, where she gained 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

James is 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, a Friend of COP26 and a Director of Africa's fastest growing solar company, Ignite Power.

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

Elaina is 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. Trustee for the Cambridge University Endowment Trustee Body and a Non executive Director for Premier Marinas. CFA Charterholder and read History at the University of Cambridge.

Sarim Sheikh Non-executive Director

Sarim is a business leader with nearly three decades of experience working in renewables and energy markets with GE and Shell across Europe, Americas, Asia and Africa. In his last role with GE he served as COO GE Offshore Wind to 2023. Sarim has deep domain expertise in energy markets, technology (onshore/ offshore wind, solar, hydro, biomass) and operations. Through his career, he has served on several boards across business, philanthropy and government in the UK, Netherlands, Croatia, Oman, and Pakistan and is currently a Non-executive Director on Net Zero Technology Centre. He holds an MBA (with distinction) from London Business School.

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. Sarim Sheikh was appointed to the Board on 1 June 2023 and stands for election, while Phil Austin MBE, Audrey McNair, Elaina Elzinga and James Cameron offer themselves for re-election at the Annual General Meeting to be held on 19 June 2024.

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 141** 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.

During the year, the FRC reviewed the financial statements for the year ended 31 December 2022. The FRC's review is limited in scope with no detailed knowledge of our business and no reliance should be placed on the findings of their review. Further information can be found in the Audit and Risk Committee report on **page 143**.

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. The performance of key service providers were found to be satisfactory.

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.

New Non-Executive Director

On 31 May 2023 the Company announced the appointment of a new independent Non-Executive Director, Sarim Sheikh, who joined the Board with effect from 1 June 2023. Sarim Sheikh was hired following a recruitment process for which the Board appointed an external recruitment consultancy, Nurole Ltd. Nurole Ltd has no other connection with the Company and is considered independent.

Board effectiveness review and implementation plan

The Board effectiveness review was led by the Nomination Committee ahead of its meeting in December 2023. The results of the review were positive, and no critical issues were identified. As a result of the review, the Nomination Committee recommended that the Board increase its focus on certain aspects of business performance including the share price discount to NAV. The recommendations from the report conducted by an external independent specialist firm in 2022, which included recommendations in respect of succession planning, were also noted to have been implemented during 2022 and 2023. As part of the effectiveness review, the Chair held 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 considered any development needs whilst the SID conducted the Chair's annual appraisal. The Nomination Committee also refreshed the Company’s Board succession plans and tenure policy during the period.

In line with the AIC Code, the Board aims to conduct an externally-facilitated board effectiveness review every three years. The last externally-facilitated board effectiveness review was performed during 2022 and presented to the Nomination Committee in September 2022.

Directors’ professional training

The Board is committed to staying up-to-date with the latest industry knowledge and best practices. The Directors actively participate in various industry events and training programs such as AIC Directors’ roundtables, AIC annual conference, Big Four’s NED training webinars, and other relevant training sessions. As part of ongoing efforts to keep themselves informed, the Directors attended a refresher course on Market Abuse Regulations (MAR) in December, co-led by the Company’s Brokers and legal advisers. The Board believes that these continuous learning opportunities help to better serve the Company’s stakeholders and make informed decisions that drive the Company forward.

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 developed amendments for recommendation to the Board as a result of its review. The Company has developed a revised Remuneration Policy and shareholders are asked to consider this at the Company's upcoming AGM. Other activities of the Remuneration Committee included the commissioning of a fee benchmarking report, the revision of its Board expenses policy, and the development of recommendations in respect of Board remuneration. Please read more on the work of the Remuneration Committee in the Remuneration Report on **page 136**.

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	Sarim Sheikh[69]	**Total Possible**
Quarterly Board	4	4	4	4	3	4
Quarterly NAV / Dividend	4	4	3	4	2	4
Ad hoc Board	5	6	5	6	2	6
Audit and Risk Committee	4	4	4	4	2	4
Management Engagement Committee	2	2	2	2	2	2
Nomination Committee	1	1	1	1	1	1
Remuneration Committee	1	1	1	1	1	1
Total Board and Committee meetings	21	22	20	22	13	22
Total Board and Committee meetings (excluding ad hoc)	16	16	15	16	11	16

Directors	Philip Austin MBE	James Cameron	Elaina Elzinga	Audrey McNair	Sarim Sheikh[69]
Quarterly Board	100%	100%	100%	100%	100%
Quarterly NAV/Dividend	100%	100%	75%	100%	100%
Ad hoc Board	83.33%	100%	83.33%	100%	100%
Audit and Risk Committee	100%	100%	100%	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	95.45%	100%	90.91%	100%	100%
Total Board and Committee meetings (excluding ad hoc)	100%	100%	93.75%	100%	100%

[69] Sarim Sheikh was appointed 1 June 2023 and attended 100% of possible meetings.

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 the SID

The role of the 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. The role of the 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, the 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. The Board is committed to ensuring that its composition reflects ethnic diversity, and made a meaningful progress on this front through the appointment of a fifth Director. See **page 128** for more information on the new Director appointment. As at 31 December 2023, the Company had five Directors: out of which two were female and three were male, and one was from a minority ethnic background.

Statement on Board Diversity – Gender and Ethnic Background

According to new requirements of the Listing Rules LR 9.8.6 R(9) and (11) (applicable for periods from 1 April 2022), the Company is required to include a statement in the annual financial report setting out whether it has met the following targets on board diversity as at 31 December 2023:

1) At least 40% of individuals on its board are women;

2) At least one of the senior board positions[70] is held by a woman; and

3) At least one individual on its board is from a minority ethnic background.

The following tables set out the prescribed format for information in accordance with the requirements of LR 9 Annex 2.

(a) Table for reporting on gender identity or sex

	Number of board members	Percentage of the board	Number of senior positions on the board (SID and Chair)
Men	**3**	60%	1
Women	**2**	40%	1
Not specified/prefer not to say	**–**	–	–

[70] The Company considers the positions of the Chair and Senior Independent Director (SID) to be senior positions of the Board.

(b) Table for reporting on ethnic background

	Number of board members	Percentage of the board	Number of senior positions on the board (SID and Chair)
White British or other White (including minority white groups)	**4**	80%	2
Mixed Multiple Ethnic Groups	**–**	–	–
Asian/Asian British	**1**	20%	–
Black/African/Caribbean/Black British	**–**	–	–
Other ethnic group, including Arab	**–**	–	–
Not specified/prefer not to say	**–**	–	–

The prescribed format includes provisions relating to the role of the chief executive officer (CEO), chief financial officer (CFO) and executive management. 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 CEO, CFO or executive management.

The Listing Rules require to include an explanation of the Company's approach to collecting the data used for the purposes of making the disclosures. The Company Secretary circulated the request for information to each director to complete individually and collated the responses for inclusion in the annual financial report.

The Company has met the targets on board diversity as required by the Listing Rules as at 31 December 2023.

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 Board is mindful that four of the Directors 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, therefore they will begin to refresh the Board from its sixth anniversary in 2025. It is generally recommended that the Chair should not hold their post for more than nine years from their initial appointment to the Board. However, a more flexible approach is taken for the Chair of investment companies to allow for a limited extension of their tenure. This is to help with effective succession planning in the context of the sector's different circumstances, while also ensuring regular refreshment and diversity.

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 implemented by the Nomination Committee to assess the performance of the Board, its committee and individual Directors. Please see **page 127** 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 year and up to the date of this report.

Financial aspects of internal control

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

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

The Statement of Directors' Responsibilities in respect of the financial statements is on **page 146** and a statement of Going Concern is on **page 122**.

The Report of the Independent Auditors is on **pages 147 to 155**.

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, 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 15 to 114**.

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 one transaction in the ordinary course of business with Octopus Energy, part of the same group as the Investment Manager. The transaction related to the signing of a 1-year physical, indexed PPA for Ottringham solar farm in the UK.

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

Description	Asset	Location	External counterparty managing process	Nominal value of transaction	Conflicts policy followed?	Rationale for transacting with Octopus Energy ("OE")
1-year indexed PPA	Ottringham	UK	GAES Limited	£1.7 million	Yes	OE's offer provided the highest commercial value and equivalent counterparty credit risk to the other tender participants

Related Party Transactions

Related party transitions during the year in review are disclosed on **page 183**.

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 211**.

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 Directors' Remuneration Report for the year to 31 December 2023 has been prepared in accordance with sections 420-422 of the Companies Act 2006. Shareholders are requested to consider the Directors' Remuneration Report on an annual basis. The Directors' Remuneration Report is voted on an advisory and non-binding basis. The Board is required to put a Directors' Remuneration Policy to shareholder vote on a triennial basis 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 law requires the Company's auditors to audit certain sections of the Directors' Remuneration Report and where this is the case the relevant section has been indicated as such. The Directors' Remuneration Policy of the Company was approved by shareholders at the first AGM which was held on 8 April 2021. A revised Directors' Remuneration Policy, which is set out in full on page 137 of this Annual Report, will be submitted for approval at the forthcoming AGM of the Company to be held on 19 June 2024.

The Remuneration Committee is chaired by Elaina Elzinga and consists of Philip Austin MBE, James Cameron, Audrey McNair and Sarim Sheikh.

The Remuneration Committee is responsible for reviewing the remuneration payable to the Directors. It does this by taking into account the relevant circumstances of the Company, the time commitment of the various roles within the Board, the relevant experience and skills of the members of the Board, the Board remuneration paid by a range of the Company's peers, the roles performed by the members of the Board, as well as market expectations with respect to director remuneration.

The Board determined that it was not appropriate to set performance measures. The Company does not operate any type of incentive, share, or share option scheme. No discretion was exercised by the Remuneration Committee when calculating Directors' remuneration, and there are no agreements in place to compensate a Board member for loss of office. Letters of appointment set out the terms of each Director's appointment.

Mindful of its duty to apply the Company's Directors' Remuneration Policy in a way that supports strategy and promotes the long-term sustainable success of the Company, the Company commissioned a benchmarking review to assist with the review of Directors' fees. The review, which was completed by independent external remuneration consultants (Ellason LLP), was completed in November 2023. The primary objective of the benchmarking exercise was to understand the competitive positioning of the current fee arrangements for the Company's Board members, assessed on a group of listed investment company peers of comparable size and investment focus. Ellason LLP did not supply any other services to the Company during the period and is independent of the Company. The Remuneration Committee was satisfied that the advice received was objective and independent. The fees for the benchmarking exercise were £4,500 excluding VAT.

Two main comparator groups ('investment focus' comparators and 'size' comparators) were used by the consultants for the review. The benchmarking report noted that the level of fees paid by the Company to the members of the Board was approximately 15-20% below the industry median, and was in the bottom quartile. Further, the 'size' comparator data revealed that across the market there was a significant premium associated with being a director of a trust focussed on alternative assets, potentially as a result of both the increased time commitment expected as compared to other sectors in the investment companies sector and because the risk profiles of the portfolios tended to be higher. The report also explained that between 33% and 50% of investment companies also paid a premium to the Senior Independent Director, which the Company did not do. The report further revealed that almost 80% of the boards within the investment companies sector had increased their fees during 2023, as well as having committed to an annual fee review.

After careful consideration, the Board concluded that, to properly take into account the element of time commitment, and to help ensure that the Company remained competitive when it decides to recruit additional Directors in the future, it would increase in the Directors' fees, effective 1 January 2024, in order to go some way to closing the gap between the existing fee levels and the median level in the comparator groups in 2023 . In arriving at this conclusion, the Board was also on the one hand cognisant that Directors' fees had not increased following the fee benchmarking review commissioned by the Board in 2022, even though the findings of that review appeared to warrant increases, and on the other hand was mindful of the high levels of inflation during 2023.

The Committee therefore developed a recommendation to the Board to increase directors' fees, effective from 1 January 2024, as follows: the Chair's annual fee increased by 15% from £60,000 to £69,000; the Audit Committee Chair's annual fee increased by circa 11% from £46,000 to £51,000; and the Non-Executive Director's annual fee increased by 10% from £40,000 to £44,000. This resulted in a total directors' remuneration of £252,000 per annum.

A cap in respect of aggregate Board fees that can be paid in any one year was set at the time of the Company's launch and is contained within the Company's Articles of Association. The total Directors remuneration for 2024 is expected to be £252,000 per annum based on the current Board of five Directors and there is sufficient headroom between this total and the current aggregate Board fees cap. This cap can only be changed by shareholders passing an Ordinary resolution.

Directors' Remuneration Policy

The Remuneration Policy of the Company was approved by shareholders at the Company's first AGM held on 8 April 2021 for a maximum of three years. Accordingly, and as required under the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, a resolution to approve the remuneration policy for a maximum of a further three years will be put before shareholders at this year's AGM.

All the Directors are non-executive directors. The Company has no other employees, therefore no employee consultation is required and no employee comparative data is available. To help develop its recommendations, the Remuneration Committee reviews directors' fees taking into account the following considerations:

- Company performance as measured using the KPIs which are monitored by the Board
- Alignment with the Company's stakeholders
- The need to attract candidates of a sufficient calibre who possess the requisite skills and experience
- The level of time commitment and responsibility
- The quality of governance as appraised by the Management Engagement Committee and assessed during periodic board evaluations
- Levels of board pay of the Company's peers

In addition, the Remuneration Committee will conduct an annual independent external fee-benchmarking exercise against an appropriate peer group.

Each Director is entitled to a base fee. The Chair of the Board and the Chair of the Audit and Risk Committee are paid a higher fee than the other directors to reflect the additional work entailed by the role. 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. Directors are entitled to be reimbursed for all expenses incurred in performance of their duties. 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 months' 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.

No compensation is payable to any Director to compensate for loss of office.

A cap in respect of aggregate Board fees that can be paid in any one year was set at the time of the Company's launch and is contained within the Company's Articles of Association.

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.

Directors' Service Contracts

In line with the Remuneration Policy, the Directors have letters which outline the terms of their appointment. The Directors' appointments can be terminated, at the discretion of either party, upon three months' 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. With the exception of Mr Sheikh, who was appointed during the period and stands for election at the upcoming AGM, all Directors intend to retire and offer themselves for re-election at the Annual General Meeting on 19 June 2024.

Fees payable on recruitment

As permitted by the Company's Remuneration Policy, Nurole Ltd, which is an external recruitment consultancy, 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 ended 31 December 2023, the Company spent £20,000 on recruitment fees.

Remuneration Report (Audited)

The table below provides a single figure for the total remuneration of each Director for the year to 31 December 2023.

Director	Fees to 31 December 2023 (£)	Expenses reimbursed to 31 December 2023 (£)	Total (£)	Fees to 31 December 2022 (£)	Expenses reimbursed to 31 December 2022 (£)	Total (£)
Philip Austin MBE	60,000	3,500	**63,500**	60,000	5,100	**65,100**
Audrey McNair	46,000	2,700	**48,700**	46,000	1,800	**47,800**
James Cameron	40,000	–	**40,000**	40,000	–	**40 ,000**
Elaina Elzinga	40,000	200	**40,200**	40,000	1,000	**41,000**
Sarim Sheikh (from 1 June 2023)	23,300	–	**23,300**	–	–	**–**
Total	**209,300**	**6,400**	**215,700**	**186,000**	**7,900**	**193,900**

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.

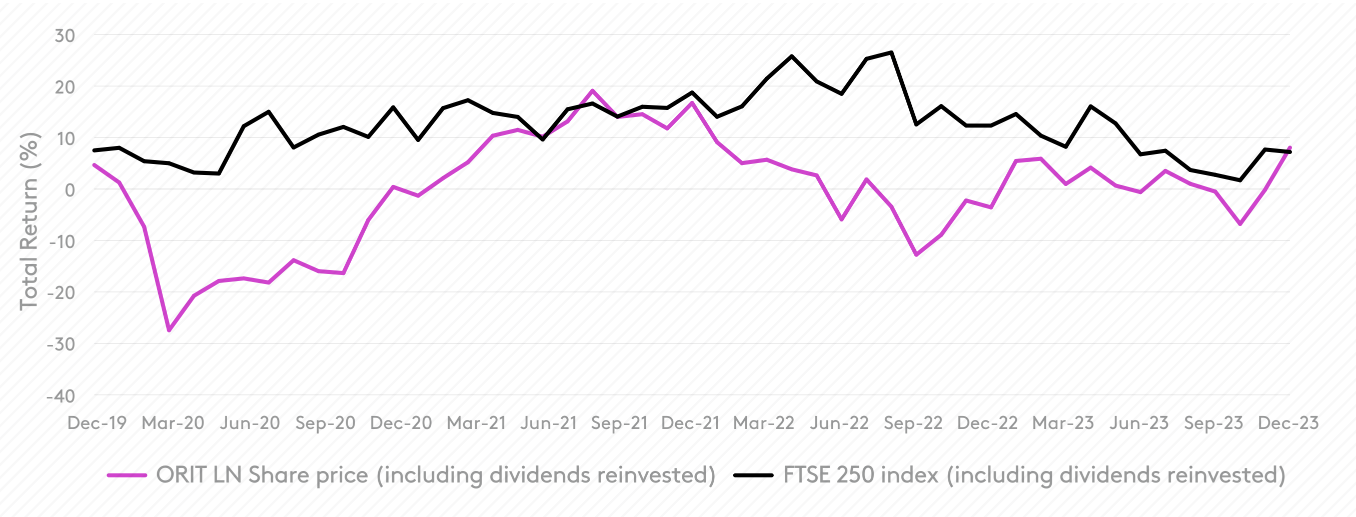
No fees or payments were made to any other directors who served during the year.

Fees

There was no change to the Board's fees during the year under review. As set out above, increases in the Board's fees were approved and took effect on 1 January 2024.

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, as well as other factors listed above (and in the Remuneration policy).

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 2023 (£'000)	Year to 31 December 2022 (£'000)
Investment Income	42,694	40,307
Spend on Directors' fees	209	186
Company's operating expenses and Investment Manager's fees	7,118	8,168
Dividends paid and payable to shareholders	31,918	29,265

Directors' holdings (audited)

At 31 December 2023 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 2023	Percentage Holding	Ordinary Shares as at 31 December 2022
Philip Austin MBE	165,518	0.029%	165,518[71]
James Cameron	65,306	0.012%	65,306
Elaina Elzinga	–	–	–
Audrey McNair	50,437[72]	0.009%	51,383
Sarim Sheikh	–	–	–

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 2023:

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
Chair of the Remuneration Committee
22 March 2024

[71] Held jointly with Mrs. J Austin, a PCA of Mr. Austin.
[72] Held jointly with Mr. McNair, a PCA of Mrs. McNair.

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, the Audit and Risk Committee holds at least three meetings 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 served as chair of the audit and risk committees at the companies where she was a non-executive director (including two other listed companies).

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, Elaina Elzinga and Sarim Sheikh, 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 126** 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 auditors as a result of not having an internal audit function.

Meetings

There were four meetings of the Audit and Risk Committee during the year ended 31 December 2023 and these were attended by all Committee members. Further Audit and Risk Committee meetings were held in March 2024 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 2023.

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 122**.

FRC review

During the year, the FRC reviewed the financial statements for the year ended 31 December 2022. The FRC's review is limited in scope with no detailed knowledge of our business and no reliance should be placed on the findings of their review. The review highlighted that **Note 9** of those financial statements disclosed that power price forecasts were a key assumption used in the level 3 fair value measurement of the company's investments. The note explained that the forecasts included a 20 per cent discount over the 2023 to 2025 period in addition to the normal discounts to reflect the lower prices typically captured by wind and solar generators. It was, however, considered by the FRC that it was unclear whether the graph depicting forecasted power only generation weighted prices until 2050 disclosed in the Investment Manager's Report included these discounts.

Further, and in relation to IFRS 13 'Fair Value Measurement', paragraph 93(d) of IFRS 13 includes a requirement to disclose quantitative information in the annual accounts about the significant unobservable inputs used in level 3 fair value measurements. The FRC advised that it would, therefore, expect the disclosure of forecast power prices used in the fair value measurement to include any discounts applied by management, and expect this to be adequately explained. The quantification of a 'normal' discount for wind and solar generators should also be disclosed, if considered a significant unobservable input. Where these disclosures were presented outside the annual accounts, the FRC recommended that these should be incorporated into the accounts by way of cross reference. The FRC further advised that it was also unable to locate comparatives for the price forecasts.

Further, and in relation to Alternative Performance Measures, the FRC advised that it expected companies to apply the European Securities and Markets Authority Guidelines on APMs.

While there were no further questions or queries that came out of their review, the FRC did make some suggested recommendations for the Company to consider in the preparation of the 2023 Annual Report. Information of these recommendations and how they have been addressed are detailed in the table below.

Financial Statement Area	Recommendation	How addressed in 2023 Annual Report
IFRS 13 Fair Value Measurement	• Expect forecast power prices used in the fair value measurement to be disclosed; • Any discounts applied to power price forecasts should be adequately explained; • If disclosed outside of the financial statements, they should be incorporated by way of cross reference; • Comparative price forecasts also expected.	• Charts are presented in the 'Portfolio Valuation' section on **page 48**; • Discounts applied to power price forecasts are explained in the 'Portfolio Valuation' section; • **Note 9** now cross references to the power price charts presented in the 'Portfolio Valuation' section; • Comparative graphs also presented in the 'Portfolio Valuation' section and cross-referenced accordingly.
Alternative Performance Measures ("APMs")	• Portfolio revenue and EBITDA metrics to be highlighted as APMs; • Clearer explanation required highlighting that these relate to the underlying performance of the Company's investments.	• Portfolio revenue and EBITDA metrics now include as APMs; • Metrics within the 'portfolio Performance' section clearly labelled as relating to underlying performance of Company's investments.

Conclusion with respect to the Annual Report

The Audit and Risk Committee has concluded that the Annual Report for the year to 31 December 2023, 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 2023 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 83** to **109**.

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 considers 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 is 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

22 March 2024

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

22 March 2024

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 2023 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 2023; the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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

Basis for opinion

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

Independence

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

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

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

Our audit approach

Overview

Audit scope

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

Key audit matters

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

Materiality

- Overall materiality: £5,990,000 (2022: £6,182,000) based on 1% of net assets.
- Performance materiality: £4,492,000 (2022: £4,636,000).

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 142** (Report of the Audit and Risk Committee), **page 162** (Accounting policies) and **page 171** (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 are 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 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 2023. We have assessed whether the valuation methodology adopted for the underlying investments within the parent holding company was appropriate and in line with the accounting guidelines. We performed targeted substantive audit procedures based on the size and risk of the fair value of the investments, which included. 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; We have 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; and For additional investments during the year, we have reviewed the share purchase agreements in order to determine the acquisition cost. Based on our audit procedures performed and our benchmarking of the 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 Renewables 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	£5,990,000 (2022: £6,182,000).
How we determined it	1% of net assets
Rationale for benchmark applied	We believe that net assets is the primary measures 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% (2022: 75%) of overall materiality, amounting to £4,492,000 (2022: £4,636,000) 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 in the middle 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 £299,000 (2022: £309,000) 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 2023 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 improve results or 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 4 years, covering the period ended 31 December 2020 to 31 December 2023.

Jonathan Greenaway (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Newcastle upon Tyne

22 March 2024

Financial Statements

Statement of Comprehensive Income

	Note	Year ended 31 December 2023 Revenue £'000	Capital £'000	Total £'000	Year ended 31 December 2022 Revenue £'000	Capital £'000	Total £'000
Investment income	4	42,694	-	42,694	40,307	-	40,307
Movement in fair value of investments	9	-	-22,976	-22,976	-	37,603	37,603
Total net income/ (expense)		**42,694**	**-22,976**	**19,718**	**40,307**	**37,603**	**77,910**
Investment management fees	5	-4,232	-1,411	-5,643	-4,284	-1,428	-5,712
Other expenses	5	-1,368	-107	-1,475	-1,132	-1,280	-2,412
Net finance income		126	-	126	51	-	51
Net foreign exchange losses		-	-29	-29	-	-1	-1
Profit/(loss) before taxation		**37,220**	**-24,523**	**12,697**	**34,942**	**34,894**	**69,836**
Taxation	6	-364	364	-	-515	515	-
Profit/loss and total comprehensive income/ (expense) for the year		**36,856**	**-24,159**	**12,697**	**34,427**	**35,409**	**69,836**
Earnings per Ordinary Share (pence) – basic and diluted	8	6.52p	-4.28p	2.24p	6.09p	6.27p	12.36p

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 2023 £'000	As at 31 December 2022 £'000
Non-current assets			
Investments at fair value through profit or loss	9	592,121	608,799
Current assets			
Trade and other receivables	10	143	775
Cash and cash equivalents		10,012	10,603
		10,155	**11,378**
Current liabilities: amounts falling due within one year			
Trade and other payables	11	-3,237	-1,917
		-3,237	**-1,917**
Net current assets		**6,918**	**9,461**
Net assets		**599,039**	**618,260**
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		13,756	37,915
Revenue reserve		22,851	17,913
Total shareholders' funds		**599,039**	**618,260**
Net assets per Ordinary Share (pence)	14	106.04p	109.44p

The financial statements on **pages 157 to 188** were approved by the Board of Directors and authorised for issue on 22 March 2024 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 2023

	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 2023		**5,649**	**217,283**	**339,500**	**17,913**	**37,915**	**618,260**
Profit/(loss) and total comprehensive income/(expense) for the year		-	-	-	36,856	-24,159	12,697
Dividends paid	7	-	-	-	-31,918	-	-31,918
Closing equity as at 31 December 2023		**5,649**	**217,283**	**339,500**	**22,851**	**13,756**	**599,039**

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**

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 2023 £'000	Year ended 31 December 2022 £'000
Operating activities cash flows			
Profit before taxation		12,697	69,836
Adjustments for:			
Movement in fair value of investments	9	22,976	-37,603
Investment income from investments	4	-42,694	-40,307
Share issue abort costs		-	404
Operating cash flow before movements in working capital		**-7,021**	**-7,670**
Changes in working capital:			
Decease/(increase) in trade and other receivables		632	-325
Increase/(decrease) in trade payables		1,320	-207
Distributions from investments	9	41,979	38,108
Net cash flow generated from operating activities		**36,910**	**29,906**
Investing activities cash flows			
Costs associated with acquiring the portfolio of assets	9	-5,583	-83,580
Net cash flow used in investing activities		**-5,583**	**-83,580**
Financing activities cash flows			
Dividends paid to Ordinary Shareholders	7	-31,918	-29,265
Costs in relation to issue of shares		-	-404
Net cash flow used in financing activities		**-31,918**	**-29,669**
Net decrease in cash and cash equivalents		**-591**	**-83,343**
Cash and cash equivalents at start of year		**10,603**	**93,946**
Cash and Cash equivalents at end of year		**10,012**	**10,603**

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

Notes to the Financial Statements

For the year ended 31 December 2023

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 2023 and comprise only the results of the Company, as all of its subsidiaries are measured at fair value in accordance with IFRS 10. The comparatives shown in these financial statements refer to the year ended 31 December 2022.

The Company has appointed Octopus AIF Management Limited to be the alternative investment fund manager of the Company (the "AIFM") for the purposes of the Alternative Investment Fund Managers Regulations 2013 and the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 (as it applies in the UK by virtue of the European Union (Withdrawal) Act 2018). 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.

2. Basis of preparation

These financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

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 £23 million as at 31 December 2023 (2022: £11m) and available headroom on its revolving credit facility ("RCF") of £141 million (2022: £169m). The Company's net assets at 31 December 2023 were £599 million (2022: £618m) and total expenses for the year ended 31 December 2023 were £7.1 million (2022: £8.0m), which represented approximately 1.2% (2022:

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 expected to be compliant, 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 was fully repaid at year end. During the year, 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 expected to be compliant, even in downside scenarios. Plausible downside scenarios include a decrease in wholesale energy prices, a decrease in output and an increase in the discount rate applied to the underlying cash flow forecasts. 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 two 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 2024. 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 new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. These standards are not expected to have a material impact on the entity in future reporting periods and on foreseeable future transactions.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted.

Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date). The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine lease payments or revised lease payments such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

3. Significant accounting policies

a) Financial instruments

Financial assets and financial liabilities are recognised on the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred, and the transfer qualifies for derecognition in accordance with IFRS 9 Financial Instruments: Recognition and Measurement.

Financial assets

As an investment entity, the Company is required to measure its investments its wholly owned direct subsidiaries at fair value through profit or loss ('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. For investments held at early stage or at planning development stage, these are valued at cost and assessed for any impairment.

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 Movements in fair value of investments 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 year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss to capital or revenue in the Statement of Comprehensive Income as appropriate. Foreign exchange movements on investments are included in the Capital account of the Statement of Comprehensive Income.

g) Cash and Cash Equivalents

Cash and cash equivalents includes deposits held with banks and other short-term deposits with original maturities of three months or less. It is a highly liquid investment and readily convertible to a known amount of cash, and carries an insignificant risk of changes in value.

h) Dividends payable

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 2023			Year ended 31 December 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Dividend income from investments	16,800	-	16,800	17,250	-	17,250
Interest income from investments	25,894	-	25,894	23,057	-	23,057
Total investment income	**42,694**	**-**	**42,694**	**40,307**	**-**	**40,307**

5. Operating expenses

	Year ended 31 December 2023			Year ended 31 December 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fees	4,232	1,411	5,643	4,284	1,428	5,712
Directors' fees	209	-	209	186	-	186
Company's auditors' fees:						
– in respect of audit services	376	-	376	190	-	190
Other operating expenses	783	107	890	756	1,280	2,036
Total operating expenses	**5,600**	**1,518**	**7,118**	**5,416**	**2,708**	**8,124**

Further details on the Investment Manager's agreement have been provided in **Note 17**.

In addition to the fees disclosed above, £163,500 (2022: £210,100) 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 £107,000 (2022: £1.28m) 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 2023			Year ended 31 December 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Corporation tax	364	-364	-	515	-515	-
Tax charge/(credit) for the year	**364**	**-364**	**-**	**515**	**-515**	**-**

(b) Factors affecting total tax charge/(credit) for the year:

Per the enactment of the Finance Act 2021, the rate of UK corporation tax was increased from 19% to 25% since April 2023. The effective UK corporation tax rate applicable to the Company for the year is 23.5% (2022: 19%). The tax charge/(credit) differs (2022: 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 2023			Year ended 31 December 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) before taxation	37,220	-24,523	12,697	34,942	34,894	69,836
Corporation tax at 23.5% (2022: 19%)	8,747	-5,763	2,984	6,639	6,630	13,269
Effects of:						
Expenses not deductible for tax purposes	-	5,399	5,399	-	-7,145	-7,145
Income not taxable	-3,948	-	-3,948	-3,278	-	-3,278
Dividends designated as interest distributions	-4,437	-	-4,437	-2,852	-	-2,852
Movement in deferred tax not recognised	2	-	2	6	-	6
Total tax charge/(credit) for the year	**364**	**-364**	**-**	**515**	**-515**	**-**

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 £10,071 (2022: £8,117) based on the excess unutilised operating expenses of £40,284 (2022: £32,470) at the prospective UK corporation tax rate of 25% (2022:19%). 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 2023			Year ended 31 December 2022		
	Pence per Ordinary Share	Revenue reserve £'000	Total £'000	Pence per Ordinary Share	Revenue reserve £'000	Total £'000
Q4 2022 Dividend – paid 24 February 2023 (2022: 4 March 2022)	1.31	7,401	7,401	1.25	7,062	7,062
Q1 2023 Dividend – paid 2 June 2023 (2022: 27 May 2022)	1.44	8,135	8,135	1.31	7,401	7,401
Q2 2023 Dividend – paid 1 September 2023 (2022: 26 August 2022)	1.45	8,191	8,191	1.31	7,401	7,401
Q3 2023 Dividend – paid 1 December 2023 (2022: 25 November 2022)	1.45	8,191	8,191	1.31	7,401	7,401
Total	**5.65**	**31,918**	**31,918**	**5.18**	**29,265**	**29,265**

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 2023			Year ended 31 December 2022		
	Pence per Ordinary Share	Revenue reserve £'000	Total £'000	Pence per Ordinary Share	Revenue reserve £'000	Total £'000
Q1 2023 Dividend – paid 2 June 2023 (2022: 27 May 2022)	1.44	8,135	8,135	1.31	7,401	7,401
Q2 2023 Dividend – paid 1 September 2023 (2022: 26 August 2022)	1.45	8,191	8,191	1.31	7,401	7,401
Q3 2023 Dividend – paid 1 December 2023 (2022: 25 November 2022)	1.45	8,191	8,191	1.31	7,401	7,401
Q4 2023 Dividend – paid 23 February 2024 (2022: 24 February 2023)	1.45	8,191	8,191	1.31	7,401	7,401
Total	**5.79**	**32,708**	**32,708**	**5.24**	**29,604**	**29,604**

On 29 January 2024 the Company declared an interim dividend of 1.45p per Ordinary Share in respect of the three months to 31 December 2023, a total of £8.2 million. The ex-dividend date was 8 February 2024, the record date was 9 February 2024, and the dividend was paid on 23 February 2024.

8. Earnings per Ordinary Share

Earnings per Ordinary Share is calculated by dividing the profit/(loss) attributable to equity shareholders of the Company by the weighted average number of Ordinary Shares in issue during the year as follows:

	Year ended 31 December 2023			Year ended 31 December 2022		
	Revenue	Capital	Total	Revenue	Capital	Total
Profit/(loss) attributable to the equity holders of the Company (£'000)	36,856	-24,159	12,697	34,427	35,409	69,836
Weighted average number of Ordinary Shares in issue (000)	564,928	564,928	564,928	564,928	564,928	564,928
Earnings per Ordinary Share (pence) – basic and diluted	**6.52p**	**-4.28p**	**2.24p**	**6.09p**	**6.27p**	**12.36p**

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 2023 £'000	Year ended 31 December 2022 £'000
Opening balance	608,799	485,417
Portfolio of assets acquired	-	79,194
Additional investment in intermediate holding companies	5,583	4,386
Distributions received from investments	-41,979	-38,108
Investment income	42,694	40,307
Movement in fair value of investments	-22,976	37,603
Total investments at the end of the year	**592,121**	**608,799**

The additional investment in the intermediate holding companies include acquisition costs associated with the purchase of the portfolio of assets totalling £2.1 million (2022: £3.2m), which have been expensed to the profit and loss in these companies and £3.4 million (2022: £1.2m) of other expenses paid by the Company on behalf of the intermediate holding companies.

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 2023 £'000	Year ended 31 December 2022 £'000
Opening balance	608,799	485,417
Portfolio of assets acquired	65,224	209,666
Asset disposal	-91,817	-
Distributions received	-37,489	-40,129
Movement in fair value	161,253	88,760
Fair value of portfolio of assets at the end of the year	**705,970**	**743,714**

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Cash held in intermediate holding companies	13,209	4,509
Bank loans held in intermediate holding companies	-130,043	-127,200
Fair value of other net assets/(liabilities) in intermediate holding companies	2,985	-12,224
Fair value of Company's investments at the end of the year	**592,121**	**608,799**

On 6 December 2023, the Company announced the completion of the sale of the Krzecin and Kuslin wind farms (totalling 59MW) in Poland, realising net proceeds of approximately £92 million (7% of Total value of all Investments at 30 September 2023) — a 21% premium over the holding value of the assets at the time of sale. The disposal is for 100% of ORIT's share.

c) Investment (loss)/gains in the year

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Movement in fair value of investments	-22,976	37,603
(Loss)/gains on investments	**-22,976**	**37,603**

Of the total distributions received from investments, £23.9 million (2022: £10.7m) relates to income originated from the Company's UK investments and £16.3 million (2022: £29.4m) 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 2023.

The Directors have satisfied themselves as to the methodology used, the discount rates applied and the valuation. All operational 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 5.6% to 8.6%. For development and early-stage assets, investment values are held at cost or Price of Recent Investment.

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

	As at 31 December 2023	As at 31 December 2022
UK RPI (year-on-year)	3.7% during 2024, declining to 3.00% in 2028 and then to 2.25% from 2030 onwards	6.7% during 2023, declining to 3.00% in 2087 and then to 2.25% from 2030 onwards.
UK RPI (annual average)	4.4% during 2024, declining to 3.00% in 2028 and then to 2.25% from 2030 onwards	9.8% during 2023, declining to 3.00% in 2028 and then to 2.25% from 2030 onwards
UK – corporation tax rate	25.00%	19.00% to April 2023; 25.00% thereafter
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%
Poland – corporation tax rate	-	19.00%
Finland – long-term inflation rate	2.00%	2.00%
Finland – corporation tax rate	20.00%	20.00%
Germany – long-term inflation rate	2.00%	2.00%
Germany – corporation tax rate	15.83%	15.83%
Euro/sterling exchange rate	1.1539	1.1277
Zloty/sterling exchange rate	-	5.3009
Energy yield assumptions	P50 case	P50 case

Other key assumptions include:

Power Price Forecasts

Unless fixed under PPAs or otherwise hedged, the power price forecasts used in the valuations are based on market forward prices in the near-term, followed by an equal blend of two independent and widely-used market expert consultants' relevant technology-specific capture price forecasts for each asset, see **Figure 13** in the Market Outlook section and, **Figure 19** in the Portfolio valuation section respectively.

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 other net assets in the intermediate holding companies substantially comprise working capital balances, therefore the Directors consider the fair value to be equal to the book values. The sensitivity to unobservable inputs is based on management's expectation of reasonable possible shifts in these inputs.

The valuation sensitivity of each assumption is shown in **Note 15**.

10. Trade and other receivables

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Other receivables	143	775
Total	**143**	**775**

11. Trade and other payables

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Accrued expenses	3,237	1,917
Total	**3,237**	**1,917**

12. Share capital

	Year ended 31 December 2023		Year ended 31 December 2022	
Allotted, issued and fully paid:	Number of shares	Nominal value of shares (£)	Number of shares	Nominal value of shares (£)
Opening balance	**564,927,536**	**5,649,275**	**564,927,536**	**5,649,275**
Allotted following admission to LSE				
Share issuance	-	-	-	-
Closing balance	**564,927,536**	**5,649,275**	**564,927,536**	**5,649,275**

As at 31 December 2023, the Company had total share premium of £217.3 million (2022: £217.3m).

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 £339.5 million, which can be utilised to fund distributions by way of dividends to the Company's shareholders.

14. Net assets per Ordinary Share (pence)

	As at 31 December 2023	As at 31 December 2022
Total shareholders' equity (£'000)	599,039	618,260
Number of Ordinary Shares in issue ('000)	564,928	564,928
Net asset value per Ordinary Share (pence)	**106.04p**	**109.44p**

15. Financial instruments by category

	As at 31 December 2023			
	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	-	592,121	-	592,121
Current assets				
Trade and other receivables	143	-	-	143
Cash and cash equivalents	10,012	-	-	10,012
Total assets	**10,155**	**592,121**	**-**	**602,276**
Current liabilities				
Trade and other payables	-	-	-3,237	-3,237
Total liabilities	**-**	**-**	**-3,237**	**-3,237**
Net assets	**10,155**	**592,121**	**-3,237**	**599,039**

As explained in **Note 3a**, the Company values its investments as a whole. In the tables above of the total figure of £592.1 million for financial assets at fair value through profit or loss, £513.3 million relates to the face value of debt investments. Investments at fair value through profit and loss takes into account additions and disposals in the year, see section Investments and capital recycling programme **page 29**.

	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 table above of the total figure of £608.8 million for financial assets at fair value through profit or loss, £506.5 million 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 2023			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
Investments at fair value through profit or loss	-	-	592,121	592,121
Total financial assets	**-**	**-**	**592,121**	**592,121**

	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**

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 £20 million in relation to derivative option in Ireland associated with the conditional acquisition in Ireland (2022: £5.0m 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 (including conditional acquisitions)

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 0.50% in the discount rate (levered cost of equity) would cause a decrease in total portfolio value of 6.0p per Ordinary Share (5.6% decrease) and a decrease of 0.50% in the discount rate would cause an increase in total portfolio value of 6.5p per Ordinary Share (6.1% increase).

Inflation rate
The sensitivity of the investments to movement in inflation rates is as follows:

A decrease of 0.50% in inflation rates would cause a decrease in total portfolio value of -4.4p per Ordinary Share (4.2% decrease) and an increase in inflation rates would cause an increase in total portfolio value of 4.8p per Ordinary Share (4.5% increase).

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 9.7p per Ordinary Share (9.2% decrease) and an increase of 10% in power price would cause an increase in the total portfolio value of 9.7p per Ordinary Share (9.1% increase).

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 -19.6p per Ordinary Share (18.5% decrease). 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 19.0p per Ordinary Share (17.9% increase).

Foreign exchange
The sensitivity of the investments to movement in FX rates is as follows:

An increase of 10% in FX rates would cause an increase in total portfolio value of 1.3p per Ordinary Share (1.2% increase) and a decrease of 10% in FX rates would cause a decrease in total portfolio value of 1.3p per Ordinary Share (1.2% decrease).

Of the portfolio as at 31 December 2023, 52% (2022: 59%) 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 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 nonsterling 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.

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 and zloty-denominated investments which at 31 December 2023 comprised 46% (2022: 48%) and 0% (2022: 11%) of the total value of all investments respectively. 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 2023		
	Interest bearing £'000	Non-interest bearing £'000	Total £'000
Assets			
Cash and cash equivalents	-	10,012	10,012
Trade and other receivables	-	143	143
Investments at fair value through profit or loss	513,280	78,841	592,121
Total assets	**513,280**	**88,996**	**602,276**
Liabilities			
Trade and other payables	-	-3,237	-3,237
Total liabilities	**-**	**-3,237**	**-3,237**

	As at 31 December 2022		
	Interest bearing £'000	Non-interest bearing £'000	Total £'000
Assets			
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**

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 56**.

(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 2023 was to Goldbeck Solar Limited on Breach Solar representing 1% of the portfolio by total value of all investments (2022: 6%).

The Group '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 2023 was EDF who provided PPAs to projects in respect of 25% of the portfolio by total value of all investments (2022: 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 in Ireland is accounted for partly as a derivative option and partly for the pre commissioning revenues 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 2023			
	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	-	-	592,121	592,121
Trade and other receivables	143	-	-	143
Cash and cash equivalents	10,012	-	-	10,012
Liabilities				
Trade and other payables	-3,237	-	-	-3,237
	6,918	**-**	**592,121**	**599,039**

	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**

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 £599.0 million (2022: £618.3m).

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 £270.8 million revolving credit facility with Allied Irish Banks, National Australia Bank, NatWest and Santander. The facility was £130.0 million drawn at 31 December 2023 (2022: £77.2m).

The Board, with the assistance of the Investment Manager, monitors and reviews the Company's capital on an ongoing basis.

- Share capital represents the 1 penny 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 £25.9 million (2022: £23.1m) was earned, in respect of the long-term interest-bearing loan between the Company and its subsidiaries. At the year end, no interest earned was outstanding.

AIFM and Investment Manager

The Company has appointed Octopus AIF Management Limited to be the Alternative Investment Fund Manager of the Company (the "AIFM") for the purposes of Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers. Accordingly, the AIFM is responsible for the portfolio management of the Company and for exercising the risk management function in respect of the Company. The AIFM has delegated portfolio management services to Octopus Renewables Limited (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 £5.64 million (2022: £5.71m), of which £2.83 million (2022: £1.45m) remained payable at the year end date.

During the year, the Company entered into one transaction in the ordinary course of business with Octopus Energy, part of the same group as the Investment Manager. The transaction related to the signing of a 1-year physical, indexed PPA for Ottringham solar farm in the UK. The nominal value of the transaction was £1.7 million.

Directors

The Company is governed by a Board of Directors (the "Board"), all of whom are independent and non-executive. During the year, the Board received fees for their services of £209,300 (2022: £186,000) and were paid £6,400 (2022: £7,900) in expenses. As at the year 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 2023	Ordinary Shares as at 31 December 2022
Philip Austin MBE[73]	165,518	165,518	165,518
James Cameron	65,306	65,306	65,306
Elaina Elzinga	-	-	-
Audrey McNair[74]	50,437	50,437	51,383
Sarim Sheikh	-	-	-

[73] With effect from 23 November 2021, Mr. Austin's shares have been held jointly with Mrs. J Austin, a PCA of Mr. Austin.

[74] Ms McNair's husband holds 20,991 shares of the total holding displayed in this table.

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, joint ventures and associates are listed below:

Name	Category	Place of business	Registered Office[75]	Ownership interest
ORIT Holdings II Limited	Direct Intermediate Holdings	UK	A	100%
ORIT Holdings Limited	Intermediate Holdings	UK	A	100%
ORIT UK Acquisitions Limited	Intermediate Holdings	UK	A	100%
Abbots Ripton Solar Energy Limited	Project company	UK	A	100%
Chisbon Solar Farm Limited	Project company	UK	A	100%
Jura Solar Limited	Project company	UK	A	100%
Mingay Farm Limited	Project company	UK	A	100%
NGE Limited	Project company	UK	A	100%
Sun Green Energy Limited	Project company	UK	A	100%
Westerfield Solar Limited	Project company	UK	A	100%
Wincelle Solar Limited	Project company	UK	A	100%
Heather Wind AB	Project company	Sweden	B	100%
Solstice 1A GmbH	Portfolio-level Holdings	Germany	C	100%
SolaireCharleval SAS	Project company	France	D	100%
SolaireIstres SAS	Project company	France	D	100%
SolaireCuges-Les-Pins SAS	Project company	France	D	100%
SolaireChalmoux SAS	Project company	France	D	100%
SolaireLaVerdiere SAS	Project company	France	D	100%
SolaireBrignoles SAS	Project company	France	D	100%
SolaireSaint-Antonin-du-Var SAS	Project company	France	D	100%
Centrale 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%

Name	Category	Place of business	Registered Office[75]	Ownership interest
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%
Nordic Power Development Limited	Portfolio-level Holdings	UK	A	100%
Saunamaa Wind Farm Oy	Project company	Finland	H	100%
Vöyrinkangas Wind Farm Oy	Project company	Finland	H	100%
ORI JV Holdings Limited	Portfolio-level Holdings	UK	A	50%
ORI JV Holdings 2 Limited	Portfolio-level Holdings	UK	A	50%
Simply Blue Energy Holdings Limited	Portfolio-level Holdings	Ireland	I	19%
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%
Lairdmannoch Energy Park 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%

Name	Category	Place of business	Registered Office[75]	Ownership interest
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	50%
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%
UGE Leeskow Eins GmbH & Co. KG Umweltgerechte Energie	Portfolio-level Holdings	Germany	M	100%
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%
HYRO Energy Limited	Portfolio-level Holdings	UK	Q	25%
Green Hydrogen 11 Limited	Project company	UK	Q	25%
Green Hydrogen 2 Limited	Project company	UK	Q	25%
Green Hydrogen 3 Limited	Project company	UK	Q	25%
Green Hydrogen 4 Limited	Project company	UK	Q	25%
Green Hydrogen 5 Limited	Project company	UK	Q	25%
Gridsource (Woburn Rd) Limited	Project company	UK	A	50%

Name	Category	Place of business	Registered Office[75]	Ownership interest
Haaponeva SPC Oy	Project company	Finland	G	50%
BHill SPC Oy	Project company	Finland	G	50%
Luola S SPC Oy	Project company	Finland	G	50%
Mikkeli S SPC Oy	Project company	Finland	G	50%
Eero S SPC Oy	Project company	Finland	G	50%
S Tuuli SPC Oy	Project company	Finland	G	50%
KNorgen SPC Oy	Project company	Finland	G	50%
Trio Power Limited	Portfolio-level Holdings	UK	A	100%

75 Registered offices:
A – Uk House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN
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 – c/o Nordic Generation Oy, Tekniikantie 14, 02150 ESPOO
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
Q – Beaufort Court, Egg Farm Lane, Kings Langley, United Kingdom, WD4 8LR

As shown in Annual Report, 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 2023, the Company has guarantees in respect of the future investment obligations associated with the Breach Solar plant totalling £4.1 million (2022: £41.5m).

As at 31 December 2023 the Company's subsidiaries had future investment obligations totalling £175.6 million (2022: £111.2m) relating to its wind farms post construction, solar farm in construction and its conditional acquisitions in Ireland. The intermediate holding companies have provided guarantees in respect of these commitments.

20. Contingent acquisition

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. As at 31 December 2023, the acquisition of the five sites were conditional upon the sites becoming fully operational. The total consideration for the five sites was estimated at €185-€193 million (c. £160.6 million to £167 million) which is payable on completion, apart from deferred consideration in respect of the fifth site. The Company has secured a fully amortising debt facility of up to €114 million (c. £98.8 million) from Allied Irish Banks plc and La Banque Postale to part finance the acquisition of the operational sites and a further pre agreed debt facility up to €25.8 million to acquire the fifth site. A derivative asset of £20 million (2022: £3.3m) has been recognised in respect of this transaction as at 31 December 2023 in an intermediate holding company.

21. Post-year end events

On 29 January 2024 the Company declared an interim dividend in respect of the three months ended 31 December 2023 of 1.45 pence per Ordinary Share for £8.2 million based on a record date of 9 February 2024 and ex-dividend date of 8 February 2024 and the number of Ordinary Shares in issue being 564,927,536. This dividend was paid on 23 February 2024.

On 2 February 2024 the Company announced that it has completed the conditional acquisition of four newly-constructed solar farms located close to Dublin, Ireland following the sites becoming operational in December 2023. The solar complex totals 199MW and was acquired from Statkraft Ireland Limited, which developed and constructed the projects under ORIT's oversight. The total acquisition cost of €160.6 million was in part financed using a €80.6 million drawdown from the debt facility provided by Allied Irish Banks and La Banque Postale.

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:

Performance of Company's underlying operational investments

	Output	Revenue	Opex	EBITDA
Operational portfolio	**1,110GWh** (2022: 1,005GWh)	**£117.4 million** (2022: £112.0m)	**£43.6 million** (2022: £35.7m)	**£73.8 million** (2022: £76.3m)
Solar (excluding Irish portfolio)	**275GWh** (2022: 292GWh)	**£35.2 million** (2022: £33.7m)	**£9.2 million** (2022: £8.3m)	**£26.0 million** (2022: £25.4m)
Onshore wind	**682GWh** (2022: 565GWh)	**£42.7 million** (2022: £51.3m)	**£12.0 million** (2022: £7.5m)	**£30.7 million** (2022: £43.8m)
Offshore wind	**152GWh** (2022: 148GWh)	**£39.5 million** (2022: £27.0m)	**£22.4 million** (2022: £19.9m)	**£17.0 million** (2022: £7.1m)

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 2023	As at 31 December 2022
		£million	£million
NAV	a	599.0	618.3
Debt	b	381.3	454.3
Total GAV	**a + b**	**980.3**	**1,072.6**

Total value of all investments

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

		As at 31 December 2023	As at 31 December 2022
		£million	£million
GAV	a	980.3	1,072.6
Commitments on existing portfolio	b	19.1	68.3
Commitments on conditional acquisitions	c	173.4	177.0
GAV before adjusting for cash available for commitments	**(a+b+c) = d**	**1,172.8**	**1,317.9**
Less Company and holding company assets	e	-23.1	-1.7
Less asset level cash	f	-22.6	-15.5
Total value of all investments	**d + e + f**	**1,127.1**	**1,304.2**

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 (where beneficial) paid out by the Company into the Ordinary Shares of the Company on the ex-dividend date.

31 December 2023		Share price	NAV
Value at IPO (10 December 2019) – pence	a	100.00	98.00
Value at 31 December 2023 – pence	b	90.00	106.04
Benefits of reinvesting dividends – pence	d	-1.09	2.26
Dividends paid since IPO – pence	c	17.76	17.76
Total return	**[(b+c+d)÷a]-1**	**6.7%**	**28.6%**
Annualised total return		**1.6%**	**6.4%**

31 December 2022[76]		Share price	NAV
Value at IPO (10 December 2019) – pence	a	100.00	98.00
Value at 31 December 2022 – pence	b	100.00	109.44
Benefits of reinvesting dividends – pence	d	-0.52	1.8
Dividends paid since IPO – pence	c	12.11	12.11
Total return	**[(b+c+d)÷a]-1**	**11.6%**	**25.9%**
Annualised total return		**3.6%**	**7.8%**

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 2023		Share price	NAV
Value at 31 December 2022 – pence	a	100.00	109.44
Dividends paid to 31 December 2022 – pence	b	12.11	12.11
Value plus dividends paid to 31 December 2022 – pence	**a + b = c**	**112.11**	**121.55**
Value at 31 December 2023 – pence	d	90.00	106.04
Benefits of reinvesting dividends – pence	e	-0.57	0.35
Dividends paid in the year – pence	f	5.65	5.65
Total return	**[(b+d+e+f)÷c]-1**	**-4.4%**	**2.1%**

31 December 2022[76]		Share price	NAV
Value at 31 December 2021 – pence	a	110.80	102.26
Dividends paid to 31 December 2021 – pence	b	6.93	6.93
Value plus dividends paid to 31 December 2021 – pence	**a + b = c**	**117.73**	**109.19**
Value at 31 December 2022 –pence	d	100.00	109.44
Benefits of reinvesting dividends – pence	e	-0.76	1.18
Dividends paid in the year - pence	f	5.18	5.18
Total return	**[(b+d+e+f)÷c]-1**	**-5.4%**	**12.4%**

[76] Restated from December 2022 KPI reported in the FY22 Annual Report.

(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.

		As at 31 December 2023	As at 31 December 2022
NAV per Ordinary Share - pence	a	106.04	109.44
Share price – pence	b	90.00	100.00
(Discount)/Premium	**(b÷a)-1**	**-15.1%**	**-8.6%**

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.

		Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Average NAV	a	605,111	611,342
Annualised expenses	b	7,011	6,844
Ongoing charges ratio	**(b÷a)**	**1.16%**	**1.12%**

Article 9 Disclosures

The Company 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 plc

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?

☒ Yes	☐ No
☒ It made **sustainable investments with an environmental objective: 100%** ☒ 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 year 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 2023, the Company owns a portfolio of 37 Renewable Energy Assets (including five 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 - 2023
1. Capital invested into renewable energy assets	£1,127m total value of investments, committed into renewables
2. GWh of renewable energy produced a. Actual generation during the reporting period b. Potential generation once fully operational	a. 1,312 GWh b. 1,569 GWh
3. Number of homes powered by clean energy a. Estimated number of homes powered during the reporting period b. Estimated potential number of homes powered once fully operational	a. 354,880 b. 384,463
4. Tonnes of carbon avoided alongside carbon avoided equivalents. a. Estimated tonnes of carbon avoided during the reporting period, and i. Estimated number of trees required to avoid same carbon, ii. Estimated number of cars off the road to avoid the same carbon b. Estimated potential tonnes of carbon avoided once fully operational, and i. Estimated number of trees required to avoid same carbon, ii. Estimated number of cars off the road to avoid the same carbon	a. 366,424 i. 1,797,221 ii. 186,020 b. 399,679 i. 1,960,330 ii. 202,902
5. tCO_2e per £m revenue estimated carbon intensity	3.74 tCO_2e/£m revenue
6. EU Taxonomy qualifying %	100%

The Investment Manager tracks the above indicators to measure the performance of the Company 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 year rather than how the Company has managed these assets.

● ***...and compared to previous years?***

Indicator	2023	2022
1. Capital invested into renewable energy assets	£1,127 total value of investments, committed into renewables	£1,304m total value of investments, committed into renewables
2. GWh of renewable energy produced a. Actual generation during the reporting period b. Potential generation once fully operational	a. 1,312 GWh b. 1,569 GWh	a. 1,005 GWh b. 1,740 GWh
3. Number of homes powered by clean energy a. Estimated number of homes powered during the reporting period b. Estimated potential number of homes powered once fully operational	a. 354,880 b. 384,463	a. not measured b. 522,278
4. Tonnes of carbon avoided alongside carbon avoided equivalents a. Estimated tonnes of carbon avoided during the reporting period, and i. Estimated number of trees required to avoid same carbon, ii. Estimated number of cars off the road to avoid the same carbon b. Estimated potential tonnes of carbon avoided once fully operational, and i. Estimated number of trees required to avoid same carbon, ii. Estimated number of cars off the road to avoid the same carbon	a. 366,424 i. 1,797,221 ii. 186,020 b. 399,679 i. 1,960,330 ii. 202,902	a. not measured b. 580,161 i. 2,845,551 ii. 318,198
5. tCO_2e per £m revenue estimated carbon intensity	3.74	11.52
6. EU Taxonomy qualifying %	100%	100%

Reductions observed between ORIT's 2022 vs. 2023 potential renewable energy production and equivalent impact KPIs are driven in part by the sale of the Polish wind portfolio midway through 2023, and by a change in the methodology for calculating potential generation, which now accounts for expected degradation across the portfolio. Figures for carbon avoided use country-specific grid intensity factors, which are updated on a periodic basis to reflect the changing composition of the grid's energy sources. Increasing renewable capacity on the grids in which ORIT's assets are located has resulted in a reduction in the tCO_2e avoided per MWh of renewable energy generation on a like for like basis.

The carbon intensity, or WACI, of ORIT's investee companies has decreased from 2022. Since this metric considers the current value of investee companies as at 31 December 2023, this reduction is in part driven by the sale of the Polish wind portfolio during the reporting period. The WACI is primarily driven by the Scope 1 emissions associated with the construction of the Cumberhead wind farm, which started generating revenues during the reporting period. As such, the Investment Manager expects the carbon intensity of the portfolio to remain in line with the 2023 figure going forwards.

- ***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 year. 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 year.

  The Investment Manager undertook a review of the specific renewable energy assets in relation to the EU Taxonomy technical screening criteria in the year 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 the majority of ORIT's investments according to the EU Taxonomy criteria. For ORIT's investment into hydrogen, "Water" and "Pollution prevention" categories are included in the EU Taxonomy criteria but were not assessed given the criteria was not applicable to the current phase and or design of the hydrogen projects.

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.

● ***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: Natural species and protected areas
Social and Employee matters	
Health and safety of workforce	Additional Indicator: Number of days lost to work-related injuries, accidents, ill health and fatalities
Human Rights in supply chain	10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises Additional indicator: Lack of a supplier code of conduct
Bribery and corruption	Additional Indicator: Lack of anti-corruption and anti-bribery policies
Community Relations	Additional Indicator: Number of community complaints (own PAI)

ORIT's Principal Adverse Impact Statement can be found on the ORIT website (see: **here**).[77]

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 Company'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 Company'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.

[77] https://www.octopusrenewablesinfrastructure.com/sustainability-related-disclosures

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 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 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 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).
- 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.

How did this financial product consider principal adverse impacts on sustainability factors?

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 year 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 ESG & 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
UK ROC solar	Renewables (solar)	20.31	UK
Finnish Wind	Renewables (onshore wind)	18.89	Finland
Lincs	Renewables (offshore wind)	11.25	UK
Cumberhead	Renewables (onshore wind)	11.14	UK
Ljungbyholm	Renewables (onshore wind)	9.80	Sweden
Breach	Renewables (solar)	6.92	UK
French solar	Renewables (solar)	5.93	France
Crossdykes	Renewables (onshore wind)	5.49	UK
Leeskow	Renewables (onshore wind)	3.19	Germany
Simply Blue Group	Renewables (developer)	3.12	Ireland
Cerisou	Renewables (onshore wind)	2.97	France
Wind2	Renewables (developer)	0.52	UK
Norgen	Renewables (developer)	0.20	Finland
HYRO	Renewables (developer)	0.18	UK
Woburn Road	Renewables (battery)	0.06	UK

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 year 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 and/or asset. For ORIT's investment into hydrogen, "Water" and "Pollution prevention" categories are included in the EU Taxonomy criteria but were categorised as not applicable given the current phase and/or design of the hydrogen projects.

(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	92.8%
D- Electricity, Gas, Steam and Air conditioning supply	Manufacture of Gas (Hydrogen gas)	0.2%
F - Construction	Construction of utility projects for electricity and telecommunications	7%

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.

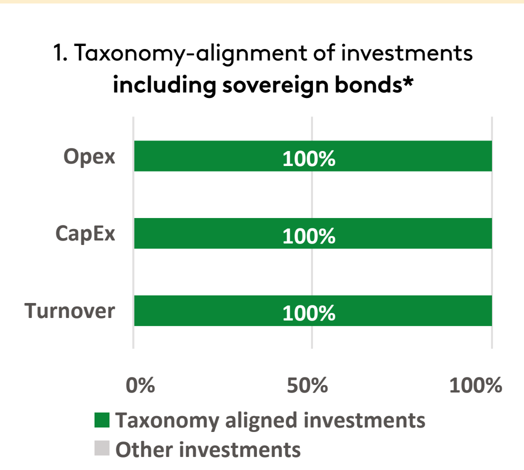
- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?**

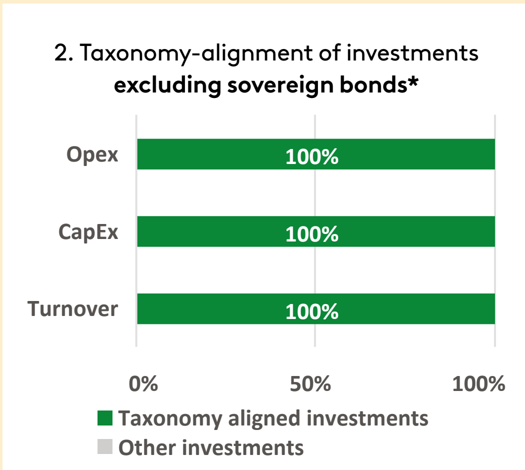
☐ Yes:

☐ 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 Company does not have any sovereign exposures and therefore this would not have contributed to any environmentally sustainable economic activities.

- ***What was the share of investments in transitional and enabling activities?***

  The minimum share of investments in transitional and enabling activities were:

  0.25% in enabling activities (HYRO and Woburn Road)

  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 energy storage (Woburn Road) and hydrogen developer and projects (HYRO).

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.

- ***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 year 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

AGM	Annual General Meeting
AIC	Association of Investment Companies
AIFM	Alternative Investment Fund Manager; Octopus AIF Management Limited
APM	Alternative Performance Measures
ARC	Audit and Risk Committee
BESS	Battery Energy Storage System
CfD	Contract for Difference
CPPA	Corporate Power Purchase Agreement
DCF	Discounted Cash Flow
DNO	Distribution Network Operator
EBITDA	Earnings before interest, taxes, depreciation, and amortisation
ESG	Environmental, Social and Governance
EU	European Union
FATCA	Foreign Account Tax Compliance Act
FCA	Financial Conduct Authority
First Issue	Shares issued at IPO on 10 December 2019
FiT	Feed-in-Tariff
FRC	Financial Reporting Council
FTSE 250	The Financial Times-Stock Exchange 250 share index
FVTPL	Fair value through profit or loss
FX	Foreign exchange
FY	Financial year
GAV	Gross Asset Value
GDPR	The EU general data protection regulation
GHG	Greenhouse gases
Group	the Company along with all its subsidiaries (as disclosed in note 18)
GW	Gigawatt
GWh	Gigawatt hour
H&S	Health and Safety
HMRC	His Majesty's Revenue & Customs
HSE	Health and Safety Executive
IAS	International Accounting Standards
ICAEW	Institute of Chartered Accountants in England and Wales
ICAS	Institute of Chartered Accountants in Scotland
IFRS	International Financial Reporting Standards
IIGCC	Institutional Investors Group on Climate Change
Investment Manager	Octopus Renewables Limited
IPO	Initial Public Offering

IRR	Internal rate of return
Issue Price	Share price at First Issue - £1.00
JV	Joint-venture
KPI	Key Performance Indicators
LSE	London Stock Exchange
M&A	Mergers and Acquisitions
Management Agreement	The Alternative Investment Fund Management Agreement between the Company and the AIFM
MAR	Market Abuse Regulations
MW	Megawatt
MWh	Megawatt hour
NAV	Net Asset Value
O&M	Operations and Maintenance
OCR	Ongoing Charges Ratio
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
OE	Octopus Energy Group
OECD	The Organisation for Economic Cooperation and Development
OEGEN	Octopus Energy Generation (trading name of Octopus Renewables Limited), the Investment Manager of ORIT delegated by the AIFM
OSS	Operational support system
P50	The forecast electricity generation number above which there is a 50% chance of the actual output exceeding the forecast
P90	The forecast electricity generation number above which there is a 90% chance of the actual output exceeding the forecast
PIU	Pending Issuance Unit
Portfolio of assets	The 37 renewable energy assets in which the Company had an investment as at 31 December 2023
PPA	Power Purchase Agreement
PV	Photovoltaic
RCF	Revolving Credit Facility
RCP	Representative Concentration Pathway
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
ROC	Renewable Obligation Certificates
SDR	Sustainable Disclosure Requirements
SGD	Sustainable Development Goals
SH&E	Safety, Health & Environment
SID	Senior Independent Director
SORP	Statement of Recommended Practice
SPV	Special Purpose Vehicle
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2e	Carbon dioxide equivalent, meaning the number of metric tons of CO_2 emissions with the same global warming potential as one metric ton of another greenhouse gas
the Company or ORIT	Octopus Renewables Infrastructure Trust plc
TNFD	Taskforce on Nature-related Financial Disclosures

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.
UN SDG	The United Nations Sustainable Development Goals
WCU	Woodland Carbon Unit

Company Information

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

Directors (all non-executive)
Philip Austin MBE (Chairman)
Audrey McNair (SID)
James Cameron
Elaina Elzinga
Sarim Sheikh (from 1 June 2023)

Administrator and Company Secretary
Apex Listed Companies Services (UK) Limited
6th Floor
125 London Wall
London
EC2Y 5AS

Broker
Peel Hunt LLP
100 Liverpool Street
London
EC2M 2AT

Solicitors to the Company
Gowling WLG (UK) LLP
4 More London Riverside
London
SE1 2AU

Registered Office[78]
6th Floor
125 London Wall
London
EC2Y 5AS

Alternative Investment Fund Manager ("AIFM")
Octopus AIF Management Limited
6th Floor
33 Holborn
London
EC1N 2HT

Investment Manager
Octopus Renewables Limited
(trading as Octopus Energy Generation)
UK House
5th Floor
164-182 Oxford Street
London
W1D 1NN

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

Depositary
BNP Paribas Trust Corporation UK Limited,
10 Harewood Avenue
London
NW1 6AA

Independent Auditors
PricewaterhouseCoopers LLP
Level 5 and 6
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

[78] 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 the offices of Apex Listed Company Services (UK) Limited, 6th Floor, 125 London Wall, London EC2Y 5AS on 19 June 2024 at 10.00 a.m. for the following purposes:

To consider and if thought fit pass the following resolutions of which resolutions 1 to 12 will be proposed as ordinary resolutions and resolutions 13 to 16 will be proposed as special resolutions.

1. To receive the Company's Annual Report and Accounts for the year ended 31 December 2023 (the "Annual Report").
2. To approve the Directors' Remuneration Report included in the Annual Report.
3. To approve the Directors' Remuneration Policy included in the Annual Report.
4. To re-elect Philip Austin as a director of the Company.
5. To re-elect James Cameron as a director of the Company.
6. To re-elect Elaina Elzinga as a director of the Company.
7. To re-elect Audrey McNair as a director of the Company.
8. To elect Sarim Sheikh as a director of the Company.
9. To re-appoint PricewaterhouseCoopers LLP as auditors to the Company.
10. To authorise the Directors to fix the remuneration of the auditors until the conclusion of the next Annual General Meeting of the Company.
11. 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.
12. 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 2025 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.
13. That, subject to the passing of resolution 12, 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 12 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 2025 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.
14. That, subject to the passing of resolution 12, the Directors be and are hereby empowered, in addition to any authority granted under resolution 13, pursuant to sections 570 and 573 of the Companies Act, to allot Ordinary Shares for cash pursuant to the authority conferred by resolution 12 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 2025 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.

15. 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 2025 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.

16. 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 Company Services (UK) Limited
Company Secretary

Registered Office:
6th Floor
125 London Wall
London
EC2Y 5AS

22 March 2024

Explanatory Notes to the Notice of Annual General Meeting

The Notice of the Annual General Meeting (the "Notice") to be held on 19 June 2024 (the "AGM") is set out on **pages 207 and 208**. The following notes provide an explanation as to why the resolutions set out in the Notice are being put to shareholders.

Resolutions 1 to 12 are proposed as Ordinary Resolutions which means that more than half of the votes cast must be in favour of the resolution. Resolutions 13 to 16 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 2023 (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, m eaning that the Directors' entitlements to remuneration are not conditional upon the resolution being passed. The report is set out in full on **pages 136 to 140** of the Annual Report.

Resolution 3

This resolution is for the approval of the Directors' Remuneration Policy. The text of the Remuneration Policy is set out in full on **page 137** of the Annual Report.

Resolutions 4 to 8

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, four of the Directors will retire and stand for re-election and one will stand for election at the AGM. The Directors' biographies are shown on **page 126** of this Annual Report. As set out in the Corporate Governance Statement in this Annual Report, taking into account the board evaluation, the Board considers that the performance of each of the Directors during the year ended 31 December 2023 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 and election of all of the Directors.

Resolution 9

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 auditors.

Resolution 10

This resolution authorises the Directors to determine the Auditors' remuneration.

Resolution 11

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 2024 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 12

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 2025 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 13 and 14

Resolutions 13 and 14 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 13 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 11 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 13 and 14 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 2025 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 13 and 14 (inclusive) will only be issued at a premium to the NAV (cum income). Ordinary share issues are at the discretion of the Board.

Resolution 15

Resolution 15 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 held in treasury at the determination of the Directors. Holding shares in 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 2025 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 16

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 2025 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 17 June 2024.

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-renewablesinfrastructure-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 17 June 2024.
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 17 June 2024.
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 17 June 2024. 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 17 June 2024 (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 17 June 2024 shall be disregarded in determining the Octopus Renewables Infrastructure Trust plc. Other information 244 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 17 June 2024. 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.

ORIT@octopusrenewables.com
www.octopusrenewablesinfrastructure.com