

For institutional investors only, not for retail clients

An introduction to Octopus Renewables

octopus

A brighter way

Key Investment Risks

- The value of an investment in the renewable energy sector, and any income from it, can go down as well as up and investors may not get back the amount invested
- Investment risk may be concentrated in specific sectors, countries, currencies or companies. Where this is the case, the strategy may be more sensitive to any localised economic, market, political or regulatory events.
- Neither past performance, nor any forecasts should be taken as a reliable indicator of future results.

Important Information

Figures as at 30 June 2020. Unless otherwise stated, all information is sourced from Octopus Investments. For the confidential use of only those persons to whom it is distributed. The information within is for discussion purposes only. It is not to be reproduced, distributed or used for any other purpose without the prior written consent of Octopus.

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Alex Brierley

Alex Brierley Co-Heads Octopus Renewables and leads the private institutional funds strategy. He joined Octopus as an Investment Director in 2015 to help develop Octopus' energy strategy, originate and structure investments in new areas and further Octopus' relationships with investors. In doing so Alex and the team have championed the UK energy market throughout the world. Prior to joining Octopus, he was a Director at EY LLP where he led the EY Solar Photovoltaic Corporate Finance team.

Alex holds a B.Sc. in Biological Sciences from Bristol University and is a Chartered Accountant.

Accelerating change to a better world

An introduction from Alex Brierley

Energy is a huge market going through a transformational change for the better, as governments and society champion the decarbonisation of the industry. Transforming the energy sector is our passion. We aim to do more than any other business to accelerate the transition towards renewable energy.

As well as building an investment team with more than £3bn of renewable energy investments, we're part of the wider Octopus Group, which has also built the UK's number one rated energy supply business, Octopus Energy. This gives us a huge future competitive advantage over other fund management companies in the sector. The energy industry – and how people consume energy – will change enormously over the next decade and we believe those who win will be those who are closest to the customer.

At Octopus Renewables, we want to tackle the big problems like climate change and work towards better solutions for the environment. The solutions we're looking for are smart, cutting-edge and forward-thinking. They're also hopeful and positive.

We are on a journey to transform ourselves and the world around us, placing purpose before profit, and re-defining 'value'. As part of the Octopus Group, we have spent the last 10 years building a business that seeks to make good decisions and do the right thing. We're leading the transition to green energy, and we're looking after our customers and each other. We want to help institutional investors unlock the potential in creating a brighter tomorrow.

The sector is going through decentralisation and digitalisation – and Octopus is right at the heart of this transition.



Our renewable energy funds contribute towards UN Sustainable Development Goals 7 and 11

7 AFFORDABLE AND CLEAN ENERGY



Goal 7:
Affordable and clean energy

11 SUSTAINABLE CITIES AND COMMUNITIES



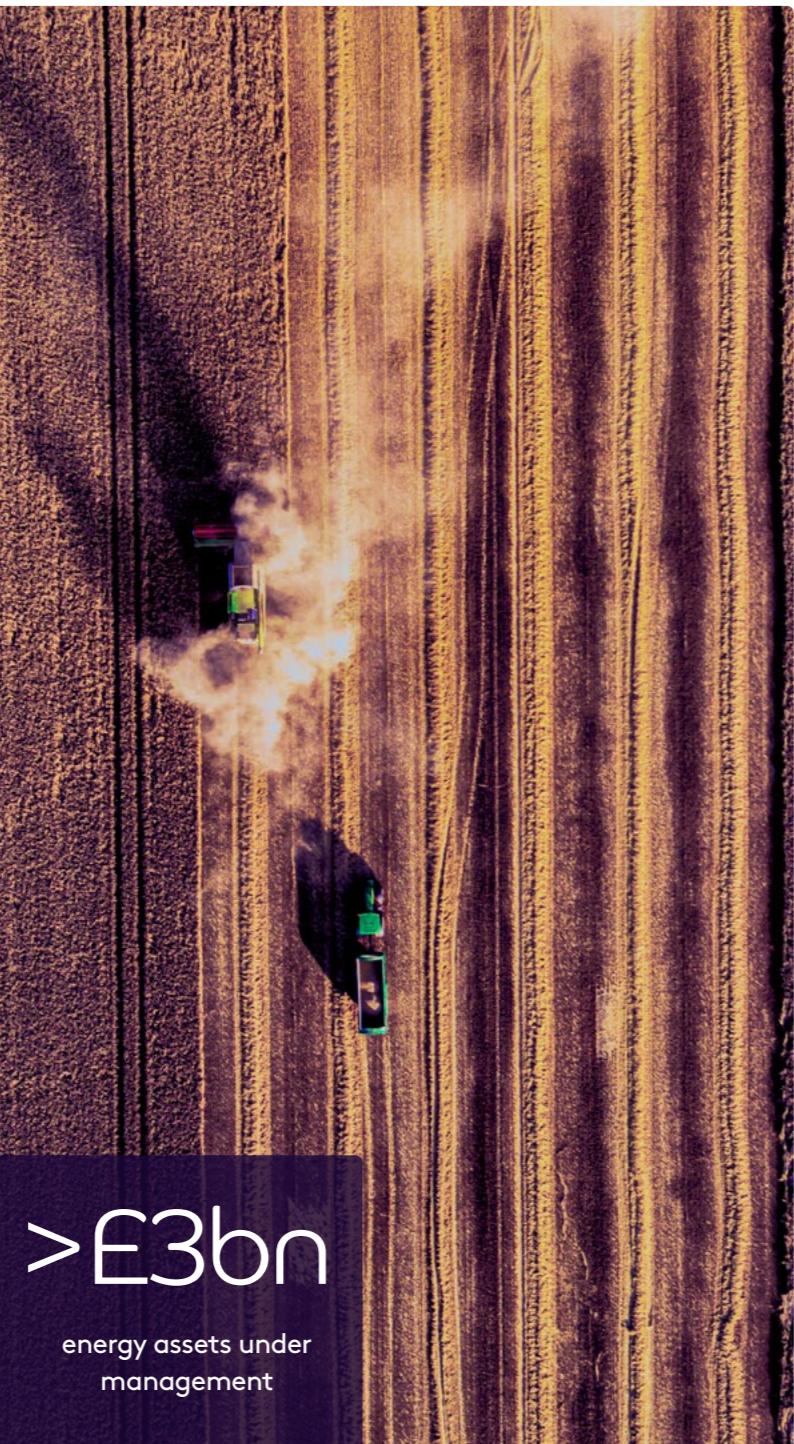
Goal 11:
Sustainable cities and communities

Our story so far

As a specialist renewable energy investor, it's our mission to accelerate the transition to a future powered by renewable energy.

Since entering the renewables market in 2010, we have grown to become the largest investor of solar power in Europe.¹ We're also a leading investor in onshore wind farms, and a major driver of renewable energy in Australia. We have built our business across the energy supply chain, investing in the generation and supply of energy, and improvements to its technology infrastructure. This has led to a diverse portfolio of clean energy assets with a combined capacity of 2.5 gigawatts – enough electricity to power homes in a city the size of Manchester.

We invest in a range of technologies including biomass, wind, solar, energy tech and anaerobic digestion



>£3bn

energy assets under management

Technologies we invest in

Wind, solar, biomass, energy tech



Geographies we invest in

7 European, 1 Australia



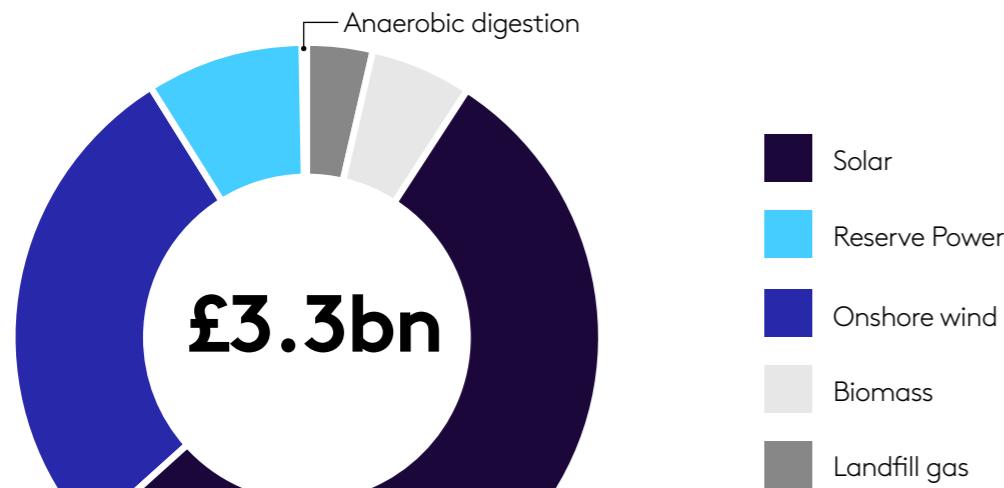
Opportunities we invest in

Development, construction, operational

Octopus is one of the largest renewable energy investors in Europe, with over £3 billion of energy assets under management.¹

¹www.solarassetmanagementeu.com, June 2019.

Portfolio (AUM)



£3.3bn



What's next for us, and you

Our approach covers two different investment strategies – income or income with capital growth. Cash flows from operational renewable energy generation are characterised by long term, predictable annuity-like cash flows that typically increase with inflation. Risk profiles and returns will vary depending on where in the value chain you decide to invest. Our funds allow for investments in both development, construction and operational assets.

Our product offering allows for investment in development, construction and operational renewable energy assets. We would welcome the opportunity to discuss our strategies with you further.

	Strategy	Investment style	Target returns (gross)	Description
Renewable Energy	Renewables Income Partnerships	Income	5-7% IRR	Operational clean technology infrastructure assets
	Renewables Infrastructure	Income and long term growth	c.9% IRR	Construction and operational clean technology infrastructure assets
	Renewables Development	Growth	c.3-5x returns	Investment in renewable energy developers and pipelines of projects for development

The value of an investment can fall as well as rise. Investors may not get back the full amount they invest.

What we bring to the table

By investing directly in renewable energy developers, we get exclusive access to high-quality investment opportunities. It also means we know exactly what we are buying and can ensure these developments meet the quality threshold we demand of our assets. We enjoy a range of sustainable competitive advantages:

Experience

We have sourced, acquired and now manage a diverse portfolio of over 300 assets. Between us we have over 120 years' experience in this sector –this depth of experience is incredibly difficult to replicate and should allow us to deliver optimum, risk-adjusted returns.

Origination

Simply put, the majority of our opportunities originate off-market because our brand and network are market leading and we have deep relationships across more markets. Unlike other investors, we also maintain our price discipline whilst off-market.

Scale

We know what to look for, and our size enables us to access economies of scale as well as targeting the returns investors are looking for.

In-house expertise

We believe we have built the leading specialist renewable energy asset management team of over 70 people. We oversee construction and asset management as well as health and safety with experts behind the desk but, importantly, also on the ground.

Whole lifecycle of real asset development

Our capabilities enable us to invest in development, construction and operational assets, opening up opportunities in geographies of varying market maturity.



Bringing your impact to life

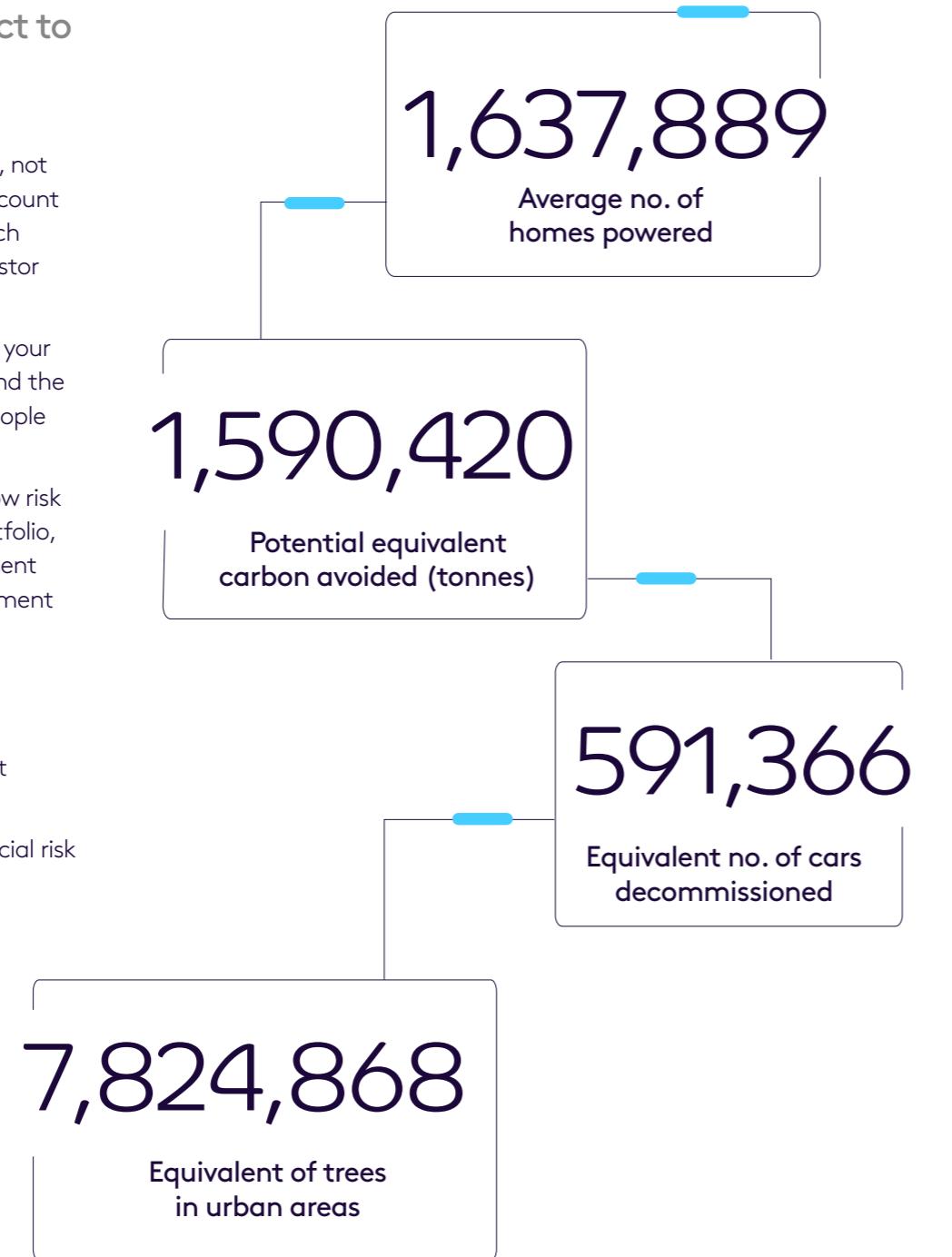
We pride ourselves on being transparent with our investors, not only in holding ourselves to account against industry standards such as B Corp* but also in our investor reporting.

You can see for yourself where your money is being put to work, and the impact it is having on both people and the planet.

We're totally upfront about how risk is tracked throughout the portfolio, as well as in the initial investment decision, through our commitment to great governance.

Risks we scrutinise:

- Damage to the environment
- Health and safety
- Unfair advantage – a key social risk
- Regulation or Political



Mill Hill solar farm,
Isle of White



5,000

Stretched end to end,
our solar panels stretch
over 5,000 miles.

*B Corp application in process.

Meet the team



**Matt Setchell – Co-Head,
Octopus Renewables**

After joining Octopus in 2008, Matt led Octopus into the renewable energy market. He is responsible for all new energy investments and assets and portfolio management.



**Alex Brierley – Co-Head,
Octopus Renewables**

Alex joined Octopus in 2015 to help develop our energy strategy, and to originate and structure investments in new areas. Prior to joining Octopus, he was a Director at EY LLP where he led the EY Solar Photovoltaic Corporate Finance team.



**Sam Reynolds – Head of
Octopus Australia**

Sam joined Octopus Investments in 2012. He has 16 years of energy/finance experience and c.120 deals closed of an estimated value of £1.2billion.

For further information please contact our institutional sales team via investorrelations@octopusinvestments.com

Alternatively, you can access further information on our website, institutional.octopusgroup.com

or call us on
+44 (0)207 131 3203

We regularly share market insights and interesting thought-leadership pieces relating to institutional investments. Please drop us an email if you'd like to receive a copy.

