



BLACKFINCH

**Blackfinch Renewable
European Income Trust**

Prospectus

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION TO BE TAKEN, YOU ARE RECOMMENDED TO SEEK IMMEDIATELY YOUR OWN FINANCIAL ADVICE FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, FUND MANAGER OR OTHER APPROPRIATE INDEPENDENT FINANCIAL ADVISER WHO IS AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED ("FSMA") IF YOU ARE RESIDENT IN THE UNITED KINGDOM OR, IF NOT, FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER.

This document, which comprises a prospectus relating to Blackfinch Renewable European Income Trust plc (the "**Company**"), has been prepared in accordance with the Prospectus Regulation Rules ("**Prospectus Regulation Rules**") of the Financial Conduct Authority (the "**FCA**") made under section 73A of FSMA. This document has been approved by the FCA as competent authority under the UK version of Regulation (EU) 2017/1129 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**"). The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is, or the quality of the securities that are, the subject of this document. Investors should make their own assessment as to the suitability of investing in the securities. This document will be made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

The contents of this document should not be construed as legal, business or tax advice. None of the Company, the Directors, the Sponsor, the Joint Bookrunners or any of their affiliates or representatives are making any representation to any offeree or purchaser or acquirer of the Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such offeree or purchaser or acquirer under the laws applicable to such offeree or purchaser or acquirer. Each investor should consult with his, her or its own advisers as to the legal, business, tax, financial and related aspects of a purchase of the Ordinary Shares.

Prospective investors should read the whole text of this document, including the risk factors set out on pages 12 to 27 of this document for a discussion of certain risks and other factors that should be considered in connection with an investment in the Ordinary Shares. Prospective investors should be aware that an investment in the Company involves a high degree of risk and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. All statements regarding the Company's business, financial position and prospects should be viewed in light of such risk factors.

The Ordinary Shares are only suitable for investors: (i) who understand and are willing to assume the potential risks of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Ordinary Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment. If you are in any doubt about the contents of this Prospectus, you should consult your accountant, legal or professional adviser or financial adviser.

The Directors of the Company whose names appear on page 36 of this document, together with the Company, accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import. To the extent information has been sourced from a third party, this information has been accurately reproduced and, as far as the Directors and the Company are aware, no facts have been omitted which may render the reproduced information inaccurate or misleading.

Applications will be made (a) to the FCA for all the Ordinary Shares in issue and to be issued pursuant to the Initial Placing, Offer for Subscription, the Intermediaries Offer and the Placing Programme (together, the "**Issues**") to be admitted to the premium listing segment of the Official List of the FCA; and (b) to the London Stock Exchange for all such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities (together, "**Admission**"). It is expected that Initial Admission will become effective and that dealings in the Ordinary Shares will commence at 8.00 a.m. on 6 October 2021. It is expected that any Subsequent Admission will become effective and that dealings in Ordinary Shares issued pursuant under the Placing Programme will commence between 7 October 2021 and 6 September 2022. No application has been, or is currently intended to be, made for the Ordinary Shares to be admitted to listing or trading on any other stock exchange. Prior to the Issues, there has been no public market for the Ordinary Shares.

Blackfinch Renewable European Income Trust plc

(incorporated in England and Wales with registered number 13325382 and registered as an investment company under section 833 of the Companies Act 2006)

**Issue of up to 300 million Ordinary Shares by way of an Initial Placing,
Offer for Subscription, Intermediaries Offer and a Placing Programme
and**

**Admission to the premium listing segment of the Official List and to trading
on the London Stock Exchange's Main Market for Listed Securities**

Sole Global Coordinator and Joint Bookrunner

BARCLAYS

Joint Bookrunner

FINNCAP

Sponsored by

Howard Kennedy Corporate Services LLP

Howard Kennedy Corporate Services LLP ("**Howard Kennedy**") is the Sponsor to the Company. Howard Kennedy is authorised and regulated in the United Kingdom by the FCA (FCA reference number 523524). Barclays Bank PLC, acting through its investment bank ("**Barclays**") is acting as sole global coordinator and joint bookrunner with finnCap Ltd to the Company ("**finnCap**", and together with Barclays, the "**Joint Bookrunners**"). Barclays Bank PLC is authorised by the Prudential Regulatory Authority ("**PRA**") and regulated by the FCA and the PRA in the United Kingdom. finnCap is authorised and regulated in the United Kingdom by the FCA. Each of Howard Kennedy, Barclays and finnCap are acting exclusively for the Company and no one else in connection with the Issues, and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Issues. None of Howard Kennedy, Barclays or finnCap will be responsible to anyone other than the Company for

providing protections afforded to their respective clients or for affording advice in relation to the Issues or any matter, transaction or arrangement referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Howard Kennedy, Barclays or finnCap by the FSMA or the regulatory regime established thereunder, none of Howard Kennedy, Barclays or finnCap, nor any of their respective affiliates accepts any responsibility whatsoever for the contents of this document, including its accuracy, completeness, verification and sufficiency, or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, Blackfinch, the Ordinary Shares or the Issues. Each of Howard Kennedy, Barclays and finnCap and each of their respective affiliates accordingly disclaim, to the fullest extent permissible by law, all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which they or any of them might otherwise be found to have in respect of this document or any other statement. No representation or warranty, express or implied, is made by any of Howard Kennedy, Barclays or finnCap or any of their respective affiliates as to the accuracy, completeness, verification or sufficiency of information set out in this document, and nothing in this document will be relied upon as a promise or representation in this respect, whether or not to the past or future.

No person is or has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been so authorised by the Company, the Investment Manager, Howard Kennedy, Barclays or finnCap or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to any legal or regulatory obligation of the Company to publish a supplementary prospectus pursuant to Article 23 of the UK Prospectus Regulation and Rule 3.4 of the Prospectus Regulation Rules, neither the delivery of this document nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

In connection with the Issues, the Joint Bookrunners and any of their respective affiliates, acting as investors for their own accounts, may acquire Ordinary Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own account(s) in such Ordinary Shares and other securities of the Company or related investments in connection with the Issues or otherwise. Accordingly, references in this document to the Ordinary Shares being issued, offered, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or acquisition, dealing or placing by the Joint Bookrunners and any of their affiliates acting as investors for their own account(s). In addition, certain of the Joint Bookrunners or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Joint Bookrunners (or their affiliates) may from time to time acquire, hold or dispose of Ordinary Shares. In addition, in connection with the Issues, either of the Joint Bookrunners or their respective affiliates may enter into financing arrangements with investors, such as share-swap arrangements or lending arrangements where securities are used as collateral, which could result in such Joint Bookrunner (or its affiliates) acquiring shareholdings in the Company. Neither of the Joint Bookrunners intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

The Joint Bookrunners have agreed to use their respective reasonable endeavours to procure Placees under the Initial Placing, which will remain open until 5.00 p.m. on 30 September 2021 (or such later time and/or date, not being later than 31 December 2021, as the Company, the Sponsor, the Joint Bookrunners and Blackfinch may agree). The Offer for Subscription and the Intermediaries Offer will be open from 7 September 2021 until 11.00 a.m. on the Initial Closing Date for the Offer for Subscription and 1.00 p.m. on the Initial Closing Date for the Intermediaries Offer or, if earlier, the date on which the maximum subscription is reached. The Directors may close the Offer for Subscription and the Intermediaries Offer before the Initial Closing Date. If any part of the Issues are extended, the revised timetable will be notified by way of an announcement through a Regulatory Information Service.

None of the Initial Placing, Offer for Subscription, the Intermediaries Offer or Placing Programme are underwritten. The procedure for, and the Terms and Conditions of Application under, the Offer for Subscription are set out at the end of this document together with an Application Form. The minimum investment per investor in respect of the Offer for Subscription and the Intermediaries Offer is £1,000 and then in increments of £1. Completed Application Forms in respect of the Offer for Subscription should be sent by post or delivered by hand (during normal business hours only) to Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL so as to be received by no later than 11.00 a.m. on 30 September 2021. Completed Application Forms for the Intermediaries Offer only are to be emailed to Intermediariesoffer@linkgroup.co.uk by no later than 2.00 p.m. on 30 September 2021. Application Forms for the Offer for Subscription will not be accepted by PDF or by email.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to subscribe for or buy, any securities other than the securities to which it relates, or any offer or invitation to sell or issue, or any solicitation of any offer to subscribe for or buy, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

Notice to Overseas Investors

The distribution of this Prospectus and offering of Ordinary Shares in certain jurisdictions other than the United Kingdom may be restricted by law. No action has been taken by the Company to permit a public offering of Ordinary Shares or possession or distribution of this document (or any other offering or publicity materials relating to Ordinary Shares) in any other jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Prospectus nor any advertisement may be distributed or published in any other jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Company and the Joint Bookrunners to inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Subject to certain limited exceptions, neither this Prospectus nor any other related documents will be distributed in or into the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa. This Prospectus does not constitute or form part of an offer to sell, or the solicitation of an offer to buy or subscribe for, Ordinary Shares to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”), or under the securities laws of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act (“**Regulation S**”)). The Ordinary Shares may only be offered and sold outside the United States to, and for the account or benefit of, non-US Persons in offshore transactions in reliance on Regulation S. The Company has not been, and will not be, registered under the US Investment Company Act and, as such, investors will not be entitled to the benefits of the US Investment Company Act. No offer, purchase, sale or transfer of the Ordinary Shares may be made except under circumstances which will not result in the Company being required to register as an investment company under the US Investment Company Act.

The Ordinary Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, Japan, New Zealand or the Republic of South Africa. Accordingly, subject to certain exceptions, the Ordinary Shares may not be offered or sold in Australia, Canada, Japan, New Zealand or the Republic of South Africa or to, or for the account or benefit of, any resident of Australia, Canada, Japan, New Zealand or the Republic of South Africa.

Prospective purchasers should read the restrictions on offers, sales and transfers of the Ordinary Shares and the distribution of this document set out in Part 6 of this Prospectus. Each purchaser of the Ordinary Shares will be deemed to have made the relevant representations described therein and in Part 9 of this Prospectus.

Copies of this document

Copies of this document may be obtained, free of charge, from the Company's registered office and at the offices of Blackfinch at 1350-1360 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, Gloucestershire GL3 4AH, until the closing of the Offer. This document will be published in electronic form and be available on the Company's website at www.bret.energy.

This document is not a KID (key information document) for the purposes of the EU Packaged Retail Investment and Insurance Products Regulations or the UK PRIIPs Laws.

Dated: 7 September 2021

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Summary

Introduction and Warnings

Name and ISIN of Securities

Ordinary Shares of 1 penny each (ISIN: GB00BM9DG166).

Identity and Contact Details of Issuer

Blackfinch Renewable European Income Trust plc (the “**Company**”), incorporated and registered in England and Wales on 9 April 2021 with registered number 13325382, whose registered address is at 6th floor, 65 Gresham Street, London, EC2V 7NQ (LEI: 213800FWLQWK6ICQUP91). The Company can be contacted at enquiries@blackfinch.com or on 01452 717070.

Competent Authority approving the Prospectus

The Financial Conduct Authority, 12 Endeavour Square, London E20 1JN, telephone 0207 066 1000.

Date of Approval of the Prospectus

7 September 2021

Warnings

- (a) The summary should be read as an introduction to the Prospectus.
- (b) Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the Investor.
- (c) An Investor could lose all or part of their invested capital.
- (d) Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid Investors when considering whether to invest in the securities.

Key information on the Issuer

Who is the Issuer of the Securities?

The Company is domiciled in England and was incorporated and registered in England and Wales on 9 April 2021 as a public company limited by shares under the Companies Act 2006 (the “**Act**”) with registered number 13325382 (LEI: 213800FWLQWK6ICQUP91). The principal legislation under which the Company operates, is the Act and the regulations made thereunder.

The principal activities of the Company are to operate as an investment trust, investing in infrastructure assets in the renewable energy sector in accordance with its published investment policy.

The Company’s investment objective is to provide Shareholders with an attractive level of distributions by investing in a diversified portfolio of mixed renewable energy infrastructure assets that have the opportunity for capital appreciation over the medium to long term through the active asset management. The Company seeks to hold a diversified portfolio of renewable energy infrastructure assets which is naturally hedged to stabilise revenue streams. The Company will be European-focused and will focus on acquiring assets in less crowded markets such as Italy, Portugal, Poland, Czech Republic, Austria and Hungary with some exposure to the UK. Any acquisitions outside of the focus will only be located in OECD Countries. The Company will invest in a portfolio of investments with a targeted transaction size of £20 million to £50 million. The primary sectors for investment will be solar, wind and hydro. The secondary sectors for investment will be renewable energy infrastructure assets other than wind, solar or hydro assets including (without limitation) assets in hydrogen, storage and central district heating.

Major Shareholders

As at the date of this document, other than the subscriber shareholders, there are no persons who directly or indirectly, jointly or severally, exercise control over or own the Company. As at the date of this document, there are no persons known to the Company who, directly or indirectly, will be interested in 3% or more of the Company’s issued share capital or voting rights on Initial Admission.

Directors

The directors of the Company (all of whom are non-executive) are:

- Anthony Charles Marsh (Chair);
- Josephine Rachel Bush;
- Jane Elizabeth Tozer OBE; and
- Michael Charles Philips.

The Company has appointed Blackfinch Investments Limited as the AIFM of the Company, pursuant to the Investment Management Agreement. The AIFM will act as the Company's alternative investment fund manager for the purposes of the UK AIFM Laws.

Statutory Auditors

The statutory auditors of the Company are BDO LLP.

What is the key financial information regarding the issuer?

The Company has not published any financial information as it has not commenced trading operations since its incorporation on 9 April 2021.

What are the key risks that are specific to the issuer?

Set out below is a summary of the most material risk factors specific to the issuer:

- The Company is a newly formed company with no operating results, financial statements, current investments or track record. It will not commence operations until it has obtained funding through the Initial Issues (which is conditional upon, among other matters, the Minimum Gross Proceeds being raised). As the Company has no operating history, investors have no basis on which to evaluate the Company's ability to achieve its investment objective or implement its investment strategy and provide a satisfactory return (if any) for Shareholders. The Company's target return is a target only and is based on estimates and assumptions concerning the performance of the Company and its underlying investments which will be subject to a variety of factors including, without limitation, the performance of those investments to be made by the Company.
- The Company has no employees and the Directors have all been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for the performance of certain functions. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, with the applicable duty of care and skill, or at all, or any termination of any such appointment, could have a materially detrimental impact on the operation of the Company and on the Net Asset Value, revenues and returns to Shareholders and therefore could affect the ability of the Company to meet its investment objective.
- Renewable energy asset acquisitions rely on detailed financial models to support valuations. There is a risk that the assumptions and forecasts used in a financial model may be inaccurate. In such circumstances the returns generated by any assets acquired by the Company may be different to those expected.
- The targeted returns are based on the market conditions and the economic environment at the time of assessing the targeted returns, and are therefore subject to change. There is no guarantee that actual (or any) returns can be achieved at or near the levels set out in this Prospectus.
- The wholesale market price of electricity is volatile and is affected by a variety of factors, including market demand and supply for electricity, the generation mix and volume of power plants, government support for various forms of power generation, as well as fluctuations in the market prices of commodities and foreign exchange. Any such volatility outside fixed price arrangements could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.
- Revenue from the Company's investment portfolio will largely comprise remuneration for the supply of electricity generated from its renewable energy assets and the volume of supply depends significantly on the prevailing weather conditions affecting the power plants (for example, in the case of wind assets and solar assets the usable wind intensity or solar irradiation at each site). Actual annual wind speed or solar irradiation may fluctuate resulting in lower than expected long-term average rates with a corresponding

effect on the amount of electricity generated. If meteorological conditions are poorer than forecast the performance of a renewable energy asset owned by the Company may be adversely affected and as a result this may have a material adverse effect on the Company's profitability, Net Asset Value, the price of the Ordinary Shares and the ability of the Company to meet the target returns.

- Although the Company's current intention is to purchase the Seed Assets, there is no binding obligation on it to do so and the purchase of the Seed Assets is subject to the completion of satisfactory due diligence and completion of the necessary legal processes. Neither the Investment Manager nor the Company have undertaken their own due diligence on the Seed Assets, although there has been a vendor due diligence exercise carried out in relation to the Seed Assets that will be subject to the Option Agreement. The Company intends to carry out its own due diligence on the Seed Assets before the final terms for their acquisition are agreed in accordance with the provisions of the Option Agreement. Although the Company has entered into the Option Agreement there can be no certainty the Company will purchase any or all of the Seed Assets. The Non-Seed Assets are not under contractually binding option arrangements. There can be no assurance that the Company will acquire any of the Non-Seed Assets or that they will remain available for purchase or, if available, on commercially acceptable terms (if terms can be agreed at all). If the Company does not acquire the Seed Assets or Non-Seed Assets it may have difficulty identifying other such investment opportunities within the parameters of its published investment policy. It is expected that each of the share purchase agreements that the Company will enter into to acquire the Seed Assets will include a "put option" that will allow the Company to sell the SPV it has acquired back to the vendor in certain limited circumstances. Therefore, even if a Seed Asset is acquired by the Company it may not remain part of the Company's portfolio. Accordingly, the Company's portfolio may be substantially different to the Seed Assets and Non-Seed Assets.
- As the Company may invest in assets which are in-construction or construction-ready this exposes the Company to certain risks including cost overruns, construction delay or construction defects which could be outside the control of the Company. Whilst these risks may be transferred to construction contractors, it will not be possible to transfer all such risks and even where these risks are transferred, contractual provisions aimed at transferring these risks may have financial limits for compensation and may not be enforceable, or the counterparty may default. Projects sometimes necessitate variations which involve construction works. Such variations may affect anticipated returns, even though they are often structured to ring fence construction risks.
- Assuming that the Company does acquire the Seed Assets, the Company will initially hold a portfolio concentrated on solar assets situated predominantly in Italy. Depending on the circumstances a relatively concentrated portfolio, by reference to individual investments, geography, technology and/or Offtakers, may also be held in the future. The Company's targeted returns may be materially affected where those investments, geographies, technologies and/or Offtakers, do not deliver the returns anticipated by the Investment Manager. Where the renewable energy assets comprising the Company's portfolio do give rise to concentration risk, the Company's overall performance will be more sensitive to the returns in respect of those individual renewable energy assets, geographies, types of renewable energy assets and/or Offtakers.
- The Company's intended investment environment is competitive. The success of the Company's investment policy depends on the ability of the Investment Manager to identify and execute suitable investments for the Company. A number of other investment funds and other entities will compete with the Company for investment opportunities. Such entities may have access to funding sources that are not available to the Company, have higher risk tolerances, higher profile brands or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than the Company. The competitive pressures faced by the Company may prevent it from identifying investments that are consistent with its investment objectives or that generate attractive returns for Shareholders or from matching future investment prices, structures and terms offered by competitors. The Company can offer no assurance that competitive pressures will not have a material adverse effect on the Company's financial position and returns for investors.
- The Investment Manager's due diligence on a potential investment opportunity may not reveal all facts and circumstances that may be relevant. The due diligence process may at times be subjective, especially with respect to companies and/or assets for which only limited information is available. Accordingly, there can be no assurance that such investigations with respect to any investment opportunity will reveal all relevant facts and circumstances that may be necessary or helpful in evaluating such investment opportunity.

- The Company expects to invest in renewable energy assets through SPVs and this may expose the Company to certain risks. There is no guarantee that there will be a market for the interests that the Company holds in the SPVs and therefore there is no guarantee that the Company will be able to sell its investments in the SPVs in a timely manner or at all, should it wish to do so. In the event of a material adverse event occurring in relation to the SPVs or the markets generally, the Company's ability to realise its investments in the SPVs and prevent the possibility of further losses could be limited by its restricted ability to sell its interests.

Key Information on the Securities

What are the main features of the securities?

The Company will issue new ordinary shares of 1 penny each ("**Ordinary Shares**") pursuant to the Issues. The ISIN of the Ordinary Shares is GB00BM9DG166.

The currency of the Ordinary Shares is Sterling. The Shares are ordinary shares of 1 penny each and the Company intends to issue up to 300 million Ordinary Shares, in aggregate, pursuant to the Initial Issues and the Placing Programme.

Rights attaching to the securities

The Shareholders are entitled to receive such dividends as the Directors resolve to pay out in accordance with the Articles.

On a return of capital on a winding up or otherwise (other than on redemption or purchase of shares) the assets of the Company available for distribution shall be divided amongst the holder of Ordinary Shares *pro rata* to their respective holdings of such shares, in accordance with the Articles.

Each holder of Ordinary Shares present in person or by proxy shall have one vote on a show of hands and on a poll have one vote for every Ordinary Share of which he is a holder.

The Ordinary Shares are not redeemable.

There are no restrictions on the free transferability of the Ordinary Shares, subject to compliance with applicable securities laws.

Dividend policy

Once fully invested, the Company intends to pay quarterly dividends with a target dividend yield (based on the Initial Issue Price) of 1% to 3% for the first year to 30 June 2022, 5% to 5.5% per annum for the second financial year to 30 June 2023 (together, the "**Initial Target Dividend**") and 6% per annum and increasing progressively thereafter (the "**Target Dividend**"). Distributions are expected to be paid quarterly and, generally, in equal instalments, in respect of the periods ending 30 September, 31 December, 31 March and 30 June each year. The Company intends to declare a first dividend in respect of the period from the Initial Admission to 31 March 2022 and the dividends in relation to the period from Initial Admission to 30 June 2022 are not expected to be paid in equal instalments. The Company will target a net total shareholder return in excess of 8.0% per annum over the medium to long term (the "**Target Net Total Return**").

Where will the securities be traded?

Applications will be made to the FCA for the Ordinary Shares in issue and issued pursuant to the Initial Issues to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for all such Ordinary Shares to be admitted to trading on the Main Market. It is expected that Initial Admission will become effective, and that dealings in the Ordinary Shares will commence at 8.00 a.m. on 6 October 2021. Application will be made for Ordinary Shares to be issued pursuant to the Placing Programme to be admitted to the premium listing segment of the Official List of the FCA and to the London Stock Exchange for all such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities as soon as is practicable after each Subsequent Placing. It is expected that any Subsequent Admission will become effective, and that dealings in the Ordinary Shares issued under the Placing Programme will commence between 7 October 2021 and 6 September 2022.

What are the key risks that are specific to the securities?

Set out below is a summary of the most material risk factors specific to the securities:

- Although the Ordinary Shares will be listed on the Official List and admitted to trading on the London Stock Exchange, shares in investment trusts can be illiquid, and there may be a limited market in the Shares. In such circumstances Investors may find it difficult to realise their investment.
- The value of Ordinary Shares and income derived from those Shares can fluctuate and is dependent on the performance of the Company's investments and that value and the income derived from those investments may go down as well as up.
- If the Directors decide to issue further Ordinary Shares, the proportions of the voting rights held by Shareholders may be diluted.

Key Information on the Offer of Securities to the Public and/or Admission to Trading on a Regulated Market

Under which conditions and timetable can I invest in this security?

The Company is targeting Initial Gross Proceeds of £300 million through the issue of Ordinary Shares at the Initial Issue Price (being £1.00 per Share) pursuant to the Initial Issues. The total number of Shares allotted under the Initial Issues will be determined by the Company, Sponsor, Joint Bookrunners and Investment Manager after taking into account demand for the Shares and prevailing economic and market conditions.

The Initial Issues are conditional, *inter alia*, on:

- Minimum Gross Proceeds of £100 million (or such lesser amount as the Company, the Joint Bookrunners and the Investment Manager may agree and that is disclosed in a supplementary prospectus) being raised pursuant to the Initial Issues;
- the Admission Condition being satisfied prior to 8.00 a.m. on 6 October 2021 (or such later time and/or date, not being later than 8.00 a.m. on 31 December 2021 as the Company, the Joint Bookrunners and the Investment Manager may agree); and
- the Placing Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms at any time prior to Initial Admission.

The Initial Issues are not underwritten. The Joint Bookrunners have agreed, subject to certain conditions, to use their respective reasonable endeavours to procure Placees under the Initial Placing.

The minimum subscription amount per Investor under the Offer for Subscription and the Intermediaries Offer is £1,000, and then in increments of £1. In the event of an over-subscription under either the Offer for Subscription or the Intermediaries Offer valid applications will be treated on a first come first served basis.

The Intermediaries authorised as at the date of this Prospectus to use this Prospectus are:

- AJ Bell Youinvest;
- Equiniti Shareview;
- Hargreaves Lansdown;
- idealing;
- Interactive Investor;
- Redmayne Bentley;
- shareDeal active; and
- X-O.

Following the Initial Placing, the Directors may undertake Subsequent Placings pursuant to the Placing Programme in respect of up to 300 million Shares (less any Shares issued pursuant to the Initial Issues). The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Shares over a period of time. The issue of Shares pursuant to the Placing Programme is at the discretion of the Directors. The last date on which Shares may be admitted to trading under the Placing Programme is 6 September 2022.

Each Subsequent Placing is conditional, *inter alia*, upon the following matters:

- appropriate Shareholder authority remaining in place;
- the Admission Condition being satisfied in respect of each such Subsequent Placing;
- a valid supplementary prospectus being published by the Company if such is required by the UK Prospectus Regulation; and
- the Placing Agreement being wholly unconditional as regards the relevant Subsequent Placing (save as to the relevant Subsequent Admission) and not having been terminated in accordance with its terms prior to the relevant Subsequent Admission.

No part of the Placing Programme is being underwritten. Barclays have agreed, subject to certain conditions, to use their respective reasonable endeavours to procure Placees under Subsequent Placings.

The price at which Shares will be issued under the Placing Programme, will be as agreed by the Board and the Joint Bookrunners in accordance with the terms of the Placing Agreement at the time of each Subsequent Placing of Shares under the Placing Programme which shall be at a premium to the last published cum income Net Asset Value per Share at the time of the Subsequent Placing plus a premium to at least cover the costs and expenses of such Subsequent Placing (including, without limitation, any placing commissions), as determined by the Board at the time of the Subsequent Placing.

Timetable

The Initial Placing will remain open until 5.00 p.m. on 30 September 2021 (or such later time and/or date, not being later than 31 December 2021, as the Company, the Sponsor, the Joint Bookrunners and the Investment Manager may agree), the Offer for Subscription will remain open until 11.00 a.m. on 30 September 2021 (or such later date as the Company, the Sponsor, the Joint Bookrunners and the Investment Manager may agree), the Intermediaries Offer will remain open until 2.00 p.m. on 30 September 2021 (or such later date as the Company, the Sponsor, the Joint Bookrunners and the Investment Manager may agree). If any part of the Initial Issues are extended or closed earlier, the revised timetable will be notified by way of an announcement through a Regulatory Information Service. It is expected that Initial Admission will become effective at 8.00 a.m. on 6 October 2021. The issue of Ordinary Shares pursuant to the Placing Programme is at the discretion of the Directors (in consultation with the Joint Bookrunners). Details of any Subsequent Placing pursuant to the Placing Programme, including the number of Shares, the Placing Programme Price and timing, will be notified by the Company via a RIS. The last date for Shares to be issued pursuant to the Placing Programme is 6 September 2022.

Dilution

No dilution will result from the Initial Issues.

Any Subsequent Placing will be conducted on a non-pre-emptive basis, and, accordingly, any Shareholder who does not acquire Ordinary Shares in that Subsequent Placing will suffer dilution of their existing holding in respect of such Subsequent Placing. If 100 million Shares are issued pursuant to the Placing Programme, and assuming 200 Shares are issued in the Initial Issues and those persons who were Shareholders immediately after Initial Admission do not (or are unable to) participate in the Placing Programme, there would be a dilution of approximately 33% in the voting control of persons who were Shareholders immediately after the Initial Admission.

Expenses charged to the investor

There are no expenses of the Issues charged to the Investor by the Company. Any Intermediary's expenses will be the responsibility of that Intermediary. Any adviser charges or commissions payable to the Intermediary, will be by agreement between the relevant Intermediary and the Investor.

Expenses of the offer

Total initial expenses of the Initial Issues are 2% of the gross proceeds of the Initial Issues (being £6,000,000 assuming gross proceeds of the Initial Issues of £300,000,000).

The expenses of the Placing Programme will be calculated at the time of each Subsequent Placing and the terms of each Subsequent Placing, including expenses, will be announced through a Regulatory Information Service at the time of each such Subsequent Placing.

Why is this Prospectus being produced?

The Issues have been launched to provide Investors with the opportunity to invest in a company with exposure to a portfolio of investments in the renewable energy sector with the expected benefit of Investment Trust tax status for the Company. The Company intends to use the proceeds of the Initial Issues to fund the acquisition of some or all of the Seed Assets (subject to satisfactory due diligence and completion of all other customary legal formalities), for general working capital purposes and to cover the costs of the Initial Issues (which will include the cost of redeeming the redeemable preference shares referred to at paragraph 6.17 of Part 6 above). If more than the Minimum Gross Proceeds are raised, subject to its working capital requirements, the net proceeds of any excess, once the Seed Assets have been acquired, will be deployed in purchasing renewable energy assets pursuant to the Company's published investment policy (including some or all of the Non-Seed Assets, subject to due diligence and completion of all other customary legal formalities). It is intended that the net proceeds raised under the Placing Programme will be used to acquire any of the Seed Assets not acquired out of the proceeds of the Initial Issues and thereafter to acquire other renewable energy assets pursuant to the Company's published investment policy (including some or all of the Non-Seed Assets, subject to due diligence and completion of all other customary legal formalities).

Estimated net proceeds

The Company is targeting an issue of up to 300 million Shares pursuant to the Initial Issues. The costs and expenses of, and incidental to, the formation of the Company and the Initial Issues which are to be met by the Company will not exceed an amount equal to 2% of the Gross Proceeds. Therefore, assuming that the target Gross Proceeds of £300 million are raised under the Initial Issues, the Net Proceeds of the Initial Issues are expected to be approximately £294 million. If the Minimum Gross Proceeds are raised pursuant to the Initial Issues, the Net Proceeds are expected to be approximately £98 million. The Placing Programme will be in respect of up to 300 million Shares (less any Shares issued pursuant to the Initial Issues) to be issued at a price not less than the last published cum income Net Asset Value per Share at the time of the Subsequent Placing plus a premium to at least cover the costs and expenses of such Subsequent Placing (including, without limitation, any placing commissions), as determined by the Board at the time of the Subsequent Placing. Accordingly, the Net Proceeds of each Subsequent Placing and the Placing Programme as a whole will be determined by reference to the Placing Programme Price and the applicable number of Shares issued pursuant to each Subsequent Placing. Neither the Initial Issues nor the Placing Programme are underwritten.

Conflicts of interest

The Investment Manager and its officers, employees and consultants may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Manager may provide investment management services, investment advice or other services in relation to a number of funds that may have similar investment policies to that of the Company. The Investment Manager will have regard to its obligations under the Investment Management Agreement including its obligations or otherwise to act in the best interests of the Company, so far as is practicable having regard to its respective obligations to other clients or funds, should potential conflicts of interest arise. The only other fund currently managed or advised by the Investment Manager that invests in opportunities that conflict with those that the Company may be interested in is the "Blackfinch Adapt" inheritance tax discretionary portfolio service ("**Blackfinch Adapt IHT Service**"). The Blackfinch Adapt IHT Service focuses on mature renewable UK based technology assets with a targeted transaction size of £10 million to £20million, whereas the focus of the Company is on renewable energy assets in Italy, Portugal, Poland, Czech Republic, Austria and Hungary with some exposure to the UK (and any acquisitions outside of the focus will only be located in OECD Countries). The Company will invest in a portfolio of investments with a targeted transaction size of £20 million to £50 million. Accordingly, the Company, Blackfinch Adapt IHT Service and the Investment Manager have agreed that any renewable energy investment opportunities in Europe, but outside the UK, will be allocated to the Company and any renewable energy investment opportunities with a value above £25 million, regardless of location, will also be allocated to the Company on a first refusal basis. Any renewable energy investment opportunities in the UK with a value of up to £25 million will be allocated to Blackfinch Adapt IHT Service for first refusal. At the date of this Prospectus the Investment Manager has no intention to manage any other funds or companies that invest in renewable energy assets in the UK, Europe and/or OECD countries.

Risk Factors

Prospective Investors should consider carefully all of the information contained in this Prospectus, and should pay particular attention to the following risk factors that are associated with an investment in the Company and the Ordinary Shares, which should be considered together with all other information contained in this Prospectus, before investing. Prospective Investors should read the whole of this Prospectus and not rely solely on the information in the section entitled “Risk Factors”. The business, financial conditions, prospects or results of operations of the Company or the price of the Ordinary Shares could be materially and adversely affected if any one or more of the following risks were to occur and Investors could lose part or all of their investment.

The Directors draw the attention of potential Investors to the following risk factors which may affect an investment, the Company’s performance and/or the availability of the tax treatment as an Investment Trust. The Company and the Directors consider the following risks to be material for prospective Investors, but the risks listed below do not necessarily comprise all those associated with an investment in the Company. Additional risks and uncertainties currently unknown to the Company and the Directors (such as changes in legal, regulatory or tax requirements), or which the Company and the Directors currently believe are immaterial, may arise or become material in the future and may have a material adverse effect on the business, financial condition, prospects or results of operations of the Company or on the market price of Ordinary Shares.

The Company is a newly formed company with no operating results

The Company is a newly formed company with no operating results, financial statements, current investments or track record. It will not commence operations until it has obtained funding through the Initial Issues, which is conditional upon, among other matters, the Minimum Gross Proceeds being raised. The Company has no operating history. No historical financial statements or other meaningful operating or financial data has been prepared upon which prospective investors may base an evaluation of the likely performance of the Company. An investment in the Company is therefore subject to all the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its investment objective or implement its investment strategy and that the value of an investment in the Company could, as a consequence, decline substantially. No assurance can be given that the Company will provide a satisfactory return (if any) for Shareholders. The Company’s target return is a target only and is based on estimates and assumptions (including those set out below under the heading “Performance Data, and Track Record and Targets”) concerning the performance of the Company and its underlying investments which will be subject to a variety of factors including, without limitation, the availability and liquidity of investment opportunities within the scope of the Company’s investment objective and policy, the performance of those investments to be made by the Company, conditions in the global and relevant local financial markets and global and relevant local economies and the Company’s ability to successfully operate its business and successfully pursue its investment policy.

Reliance on the Investment Manager and other third party service providers

The Company has no employees and the Directors have all been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for the performance of certain functions. In particular, the Investment Manager, the Administrator, the Company Secretary and the Registrar will each be performing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, with the applicable duty of care and skill, or at all, or any termination of any such appointment, could have a materially detrimental impact on the operation of the Company and on the Company’s Net Asset Value, revenues and returns to Shareholders and therefore could affect the ability of the Company to meet its investment objective.

In particular, the Company is reliant upon the knowledge and expertise of and the provision of services by the Investment Manager who will select, execute the acquisition of and oversee the maintenance and operation of the Company’s renewable energy assets, in order for the Company to carry on its business. The Company depends on the diligence, skill, judgement and business contacts of the investment professionals employed by the Investment Manager and the information and deal flow they generate and communicate to the

Company during the normal course of their activities. The Company's future success therefore depends on the continued service of these investment professionals (or their replacements from time to time) who are not obligated to remain employed by the Investment Manager and the Investment Manager's ability to recruit and retain personnel, which are all processes that the Company has no control or influence over. A failure of the Investment Manager to retain or recruit appropriately qualified personnel may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

Under the terms of the Investment Management Agreement, the agreement may be terminated by the Investment Manager or the Company (amongst other things) by giving the other party not less than 12 months' notice, following an initial term of five years or on immediate notice from the Company if the Investment Manager ceases to be authorised to act as the Company's AIFM under UK AIFM Laws, and on immediate notice in the event of a material breach by the other party that is not remedied within 30 days of a request to rectify the breach, if the breach is capable of remedy, or by either party if the other enters into liquidation or an order is made or effective resolution is passed to wind up the Investment Manager or Company or the Investment Manager or Company has a liquidator, receiver, administrator, administrative receiver, judicial factor or other similar officer appointed over it or its assets or any part thereof, or if it the other party shall make or propose any composition or arrangement with its creditors or if either party is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or either party ceasing or threatening to cease to carry on business, other than in connection with a voluntary or solvent liquidation for the purposes of reconstruction or amalgamation and by notice given by the Company if the Investment Manager commits an act of fraud, unlawful conduct, gross negligence or wilful default in relation to the performance of its duties or automatically upon the Company ceasing to carry on business following a resolution for the continuation of the Company not being passed pursuant to the Articles. The Directors would, in these circumstances, have to find a replacement Investment Manager for the Company and there can be no assurance that a replacement with the necessary skills and experience would be available and/or could be appointed on terms acceptable to the Company. Any entry into an agreement with less favourable terms or a replacement of the Investment Manager (whether on a timely basis or not) may have a material adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its Net Asset Value, and/or the market value of the Shares.

In the event the Board is unable to appoint a replacement investment manager, the Board may have to formulate and put forward to Shareholders proposals for the future of the Company which may include its merger with another investment company, reconstruction or winding up.

While the Directors would seek to mitigate the effects of such a course of action, it may not be possible to avoid this which could have a material adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its Net Asset Value, and/or the market value of the Shares.

Counterparties in infrastructure or renewable energy projects in which the Company will invest, such as but not limited to EPC and O&M providers, or to which the Company has exposure, may default resulting in significant difficulties in finding an alternative or replacement counterparty on the same or better terms. Such defaults may adversely affect the income received by the Company and the value of the Company's assets. In addition, failure by an O&M counterparty to fulfil their obligations could lead to various potential risks to health and safety, and/or to the continued operation and maintenance of an investment. Poor maintenance could result in injury or industrial accidents, such as the risk of electrocution, falling from a height, or accidents caused by extreme weather.

In the event that it is necessary for the Company or the Investment Manager to replace any other third party service provider, it may be that the transition process takes time and increases costs and may materially adversely affect the Company's operations and/or the Company's investments, performance and returns to Shareholders.

Energy asset acquisitions are reliant on financial models to support their valuations

Renewable energy asset acquisitions rely on detailed financial models to support valuations. These financial models rely on future cashflow forecasts, macro assumptions and asset specific assumptions prepared by the Investment Manager, including those set out below under the heading "Performance Data, and Track Record

and Targets”, as well as other significant business, economic and market uncertainties and contingencies, many of which are beyond the Company’s control. There is a risk that the assumptions and forecasts used in a financial model may be inaccurate. Actual returns generated by any assets acquired by the Company may vary significantly from those expected. In addition, the Company cannot guarantee the accuracy of generation forecasting or the reliability of the forecasting models, or that data collected will be indicative of future meteorological conditions. Forecasting can be inaccurate due to meteorological measurement errors, or errors in the assumptions applied to the forecasting model. In particular, forecasters look at long-term data and there can be short-term fluctuations. The prices at which the Company acquires its assets will be determined by the Investment Manager’s operational assumptions and economic expectations of such assets on the basis that the returns available to the Company are acceptable. The operation and economics of assets may fall short of the Investment Manager’s expectations, and/or an investment may fail to generate its projected returns.

Targeted returns based on market conditions and other factors which are subject to change

The targeted returns set out in this Prospectus are targets only (and, for the avoidance of doubt, are not profit forecasts), are based on the market conditions and the economic environment at the time of assessing the targeted returns, and are therefore subject to change. In particular, the targeted returns assume that the Investment Manager is able to deploy the capital raised in the Issues in a timely manner, no material changes occur in government regulations or other policies, or in law and taxation, that the initiatives introduced by the Asset Manager (where applicable) in relation to the assets have the desired effect and that the Company and its portfolio of assets are not affected by natural disasters, terrorism, social unrest or civil disturbances or the occurrence of risks described elsewhere in this Prospectus. There is no guarantee that actual (or any) returns can be achieved at or near the levels set out in this Prospectus. The Company may not be able to implement its investment objective and investment policy in a manner that generates returns in line with the targets. Accordingly, the actual rate of return achieved will be dependent on a range of factors, many of which are outside the control of the Company and the Investment Manager and may adversely affect the Company’s ability to achieve its targeted returns, including the market conditions. The actual rate of return may be materially lower than the targeted returns, or may result in a partial or total loss, which could have a material adverse effect on the Company’s profitability, the Net Asset Value and the price of the Ordinary Shares. As a result, an investment in the Company should only be considered by persons who can afford a loss of their entire investment. Past activities of investment entities associated with the Investment Manager provide no assurance of future success. Potential investors should decide for themselves whether or not the target returns are reasonable or achievable and consider the factors that could affect the returns achievable by the Company and the value of the Shares in deciding whether to invest in the Company. The target returns have been set based on an illustrative target portfolio comprising a combination of Seed Assets and Non-Seed Assets. There is no guarantee that the Company’s actual initial portfolio will match the illustrative target portfolio used to set the target returns, and therefore the actual returns generated by the Company may be different from the targeted returns set out in this Prospectus.

Electricity prices

The wholesale market price of electricity is volatile and is affected by a variety of factors, including market demand and supply for electricity, the generation mix and volume 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 it is expected that the majority of the renewable energy projects that the Company will invest in will benefit from fixed price arrangements for a period of time, others will have revenue which is in part based on the prevailing wholesale electricity price at the time. Any such volatility outside fixed price arrangements could have a material adverse effect on the Company’s profitability, the Net Asset Value and the price of the Ordinary Shares.

A decrease and/or prolonged deterioration in economic activity, for any reason, could result in a decrease in demand for electricity in the market. Short term and seasonal fluctuations in electricity demand will also impact the price at which the underlying investments can sell electricity. Any such decrease or prolonged deterioration in economic activity could have a material adverse effect on the Company’s profitability, the Net Asset Value and the price of the Ordinary Shares.

The supply of electricity also impacts wholesale electricity prices. Supply of electricity can be affected by new entrants to the wholesale power market, new interconnectors, the generation mix and volume of power plants, government support for various generation technologies, as well as the market price for fuel commodities. New market entrants (including power plants not currently being operated) may increase the supply of electricity into the wholesale market, which might lower the wholesale market price for electricity. The generation mix of power plants also impacts the market price at which the projects invested in by the Company can sell electricity. A potential change in the generation mix towards lower marginal cost electricity could negatively impact the wholesale power price. Any such factors could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

A decrease in the price of natural gas, oil, coal, or emissions allowances, could potentially lead to a decrease in the marginal cost of generating electricity for coal or gas fired power plants, potentially reducing the wholesale electricity price. Any such price decrease could result in a reduction in the market price of renewable power which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

Dependency on weather

Revenue from the Company's investment portfolio will largely comprise remuneration for the supply of electricity generated from its renewable energy assets and the volume of supply depends significantly on the prevailing weather conditions affecting the power plants (for example, in the case of wind assets and solar assets the usable wind intensity or solar irradiation at each site). Actual annual wind speed or solar irradiation may fluctuate resulting in lower than expected long-term average rates with a corresponding effect on the amount of electricity generated. Weather conditions may also be affected by man-made obstructions in the vicinity of an asset. There is also risk of weather cycles that are deficient in the type of weather conditions required to produce energy at the relevant renewable energy asset.

The Investment Manager will endeavour to predict the financial performance of investments through the use of weather forecasts. It is not possible to guarantee the accuracy of the forecast wind or solar irradiation conditions at any asset invested in by the Company. Forecasting can be inaccurate due to meteorological measurement errors, the reliability of the forecasting model or errors in the assumptions applied to the forecasting model. In particular, forecasters look at long-term historical data and there can be short-term fluctuations from such data, and extreme weather conditions may lead to greater fluctuations from historically recorded data.

If meteorological conditions are poorer than forecast, the performance of a renewable energy asset owned by the Company may be adversely affected and as a result this may have a material adverse effect on the Company's profitability, Net Asset Value, the price of the Ordinary Shares and the ability of the Company to meet the target returns.

Seed Assets

Although the Company's current intention is to purchase the Seed Assets, there is no binding obligation on it to do so. The purchase of the Seed Assets is subject to the completion of satisfactory due diligence and completion of the necessary legal processes within 12 months of the Option Agreement being entered into. The Option Agreement, pursuant to which the Seed Assets are expected to be purchased, was entered into on 22 July 2021, but the final terms of the acquisition of the Seed Assets are still to be agreed and are subject to further negotiation. Neither the Investment Manager nor the Company have undertaken their own due diligence on the Seed Assets although there has been a vendor due diligence exercise carried out in relation to the Seed Assets that will be subject to the Option Agreement. The Company intends to carry out its own due diligence on the Seed Assets before the final terms for their acquisition are agreed in accordance with the provisions of the Option Agreement. There can be no assurance that the Company will be able to agree final terms for the acquisition of the Seed Assets under the Option Agreement and the share purchase agreement annexed to it. Even though the Company has entered into the Option Agreement, the Company may be unable to acquire the Seed Assets, for example, because the conditions relating to the issue of works completion, planning permission, grid connection or other matters are not satisfied or it does not or is unable to formally exercise the option to purchase a Seed Asset prior to the expiry of the 10-week period within which the Company must exercise its option to purchase assets under the relevant share purchase agreement, for example, because

its own due diligence is not completed or completed to its satisfaction, or the Company and the seller(s) are unable to agree the final terms of share purchase agreement relating to the specific Seed Asset(s). Furthermore, due diligence undertaken on behalf of the Company on the Seed Assets may reveal matters that make the acquisition of some or all of the Seed Assets legally or economically unviable. See also the risk factor below entitled “*Due diligence*”. Accordingly, there can be no certainty the Company will purchase all or any of the Seed Assets. In addition, the Non-Seed Assets are not under any contractually binding option arrangements. There can be no assurance that the Company will acquire any of the Non-Seed Assets or that they will remain available for purchase or, if available, on commercially acceptable terms (if terms can be agreed at all). There can be no assurance as to how long it will take for the Company to invest any or all of the net proceeds of any fundraising it may determine to pursue and if the Company does not acquire the Seed Assets or Non-Seed Assets it may have difficulty identifying other such investment opportunities within the parameters of its published investment policy. Further, the Company is likely to face competition from a variety of other potential purchasers in identifying and acquiring suitable assets. The longer the period before investment, the greater the likelihood that the Company’s financial condition, business, prospects and results of operations, and its ability to make distributions to Shareholders, will be materially adversely affected. See the risk factor below entitled “*Identifying suitable investment opportunities*”. Investments other than the Seed Assets or Non-Seed Assets may also become available. It is expected that each of the share purchase agreements that the Company will enter into to acquire the Seed Assets will include a “put option” that will allow the Company to sell the SPV it has acquired back to the vendor in certain limited circumstances. Therefore, even if a Seed Asset is acquired by the Company it may not remain part of the Company’s portfolio. Accordingly, the Company’s portfolio may be substantially different to the Seed Assets and Non-Seed Assets.

Construction risk

The Company intends to invest in both completed and construction-ready renewable energy infrastructure projects which may require significant future capital expenditure. Construction-ready projects being projects which are primed ready for construction and have in place grid access rights, land consents, permitting and regulatory consents but are yet to commence construction.

During the construction period of a project there are risks that the works are not completed within the agreed timeframe, construction costs overrun, construction fails to meet technical requirements or construction defects are present which may be outside the Company’s control. Whilst these risks may be transferred to construction contractors, it will not be possible to transfer all such risks and even where these risks are transferred, contractual provisions aimed at transferring these risks may have financial limits for compensation and may not be enforceable, or the counterparty may default. Projects sometimes require variations which involve additional construction works. Such variations may affect anticipated returns, even though they are often structured to ring fence construction risks. Defects may be covered by warranty but this cover may not be adequate. Even if defects are covered by warranty, they may only occur after the warranty period expires, or the relevant damages may exceed the scope of the warranty and therefore not be capable of full recovery. Any adverse effect on the anticipated returns of the assets as a result of construction risks could have a material adverse effect on the Net Asset Value per Share and ability to make returns to investors.

Concentration risk

The Company will invest and manage its assets in a manner which is consistent with its obligation to spread investment risk and the Company’s investment policy restricts exposure in any single asset to up to 20% of Gross Asset Value, measured at the time of investment. In addition, the terms of the Company’s investment policy stipulate that the aggregate value of the Company’s renewable energy assets under contract with a single Offtaker will not exceed 20% of Gross Asset Value at the time of investment or entry into an agreement with such Offtaker and that over the long term the Company’s portfolio will comprise no fewer than six renewable energy assets.

Assuming that the Company does acquire the Seed Assets, the Company will initially hold a portfolio concentrated on solar assets situated predominantly in Italy. Following acquisition of the Seed Assets, the Company will seek to spread risk and diversify its portfolio in accordance with the terms of its investment policy, however, a sufficiently diverse range of appropriate investment opportunities may not be available to the Company or the Company may not be able to raise additional capital for investment either through debt or

the issue of additional Shares with the result that the Company may continue to hold a relatively concentrated portfolio, by reference to either individual investments, geography, technology and/or Offtakers. The Company's targeted returns may be materially affected where those investments, geographies, technologies and/or Offtakers, do not deliver the returns anticipated by the Investment Manager. Where the renewable energy assets comprising the Company's portfolio do give rise to concentration risk, the Company's overall performance will be more sensitive to the returns in respect of those individual renewable energy assets, geographies, types of renewable energy assets and/or Offtakers. These factors may have a more significant impact as compared to a lower concentration of assets and the impact of any of the risks and uncertainties identified in this document may be more profound as a result of such concentration. This may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

Identifying suitable investment opportunities

The execution of the Company's investment strategy depends primarily on the ability of the Investment Manager to identify opportunities for the Company to make investments. The market for renewable energy assets, particularly in the UK and Europe, is highly competitive. A number of entities will compete with the Company for investment opportunities, including public and private investment funds, commercial and investment banks, commercial finance companies, business development companies and operating companies acting as strategic buyers. The Board believes that competition for investment opportunities is based primarily on pricing, terms and structure of a proposed investment and certainty of execution. Some of the Company's competitors may have access to funding sources that are not available to the Company. In addition, some of the Company's competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than the Company. The competitive pressures faced by the Company may prevent it from identifying investments that are consistent with its investment objectives and policy or that generate attractive returns for shareholders. The Company may lose investment opportunities in the future if it does not match investment prices, structures and terms offered by competitors. Alternatively, the Company or the companies in which it invests may experience decreased rates of return and increased risks of loss if they match investment prices, structures and terms offered by competitors. The Company can offer no assurance that competitive pressures will not have a material adverse effect on its business, financial condition, results of operations, Net Asset Value and/or the market value of the Shares.

As a result of the availability of and competition for investments the Company may need to invest in opportunities that are outside its favoured geographic focus. Such investments will be limited to OECD Countries and may be made in jurisdictions where the Investment Manager is less familiar with prevailing market conditions.

Conflicts of interest and allocation policy

The Investment Manager, the Asset Manager and their respective officers, employees and consultants are not acting exclusively for the Company and are involved in other activities which may give rise to conflicts of interest with the Company and the Investment Manager and/or the Asset Manager may from time to time act for other clients or manage or advise other funds, which have similar investment mandates to that of the Company. The Investment Manager is free to render similar services to third parties provided that its provision of services to the Company is not materially adversely affected thereby. The Investment Management Agreement provides that, in the event of a conflict between the Company and the Investment Manager, the Investment Manager will ensure that the conflict is resolved fairly in accordance with applicable FCA rules. If these conflicts of interest are managed to the detriment of the Company, they could materially and adversely affect the performance of the Company. In addition, the Company, the Investment Manager and the Blackfinch Adapt IHT Service have agreed an asset allocation policy, further details of which are set out on page 102. In seeking to manage such conflicts and adhering to this allocation policy, the Investment Manager may not offer the Company the opportunity to invest in all of its renewable energy investment opportunities that fall within the Company's investment policy, for example, where the Investment Manager is bound to allocate a specific renewable energy investment opportunity to the Blackfinch Adapt IHT Service, that, but for the allocation policy, might otherwise have been presented to the Company. In a situation such as this, provided that the Investment Manager is acting in accordance with all relevant rules and regulations (including its own internal conflict policy), under the terms of the Investment Management Agreement, the Company has a right to be notified of the investment but has no right to prevent the investment being made. This could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

Due diligence

The Investment Manager's due diligence on a potential investment opportunity may not reveal all facts and circumstances that may be relevant. When conducting due diligence, the Investment Manager will typically evaluate a number of business, financial, tax, accounting, environmental and legal issues in determining whether or not to proceed with an investment. When conducting due diligence and making an assessment regarding an investment, the Company will be required to rely on resources available to it, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence process may at times be subjective, especially with respect to companies and/or assets for which only limited information is available. Accordingly, there can be no assurance that such investigations with respect to any investment opportunity will reveal all relevant facts and circumstances that may be necessary or helpful in evaluating such investment opportunity. Any failure by the Investment Manager to identify relevant facts and circumstances through the due diligence process may lead to investments being made in assets that do not perform as expected, which could have a material adverse effect on the Company's financial position, results of operations and returns for investors.

Delays in deployment of the proceeds of the Issues

Delays in deployment of the proceeds of the Issues may have an impact on the performance of the Company's portfolio and cash flows. As at the date of this Prospectus, the Company has entered into the Option Agreements to acquire the Seed Assets but has not committed to make any investments. In addition, the Non-Seed Assets are not under any contractually binding option arrangements. In the event that the Company was unable or unwilling to complete the acquisition of either the Seed Assets or the Non-Seed Assets, it would deploy the Net Proceeds (subject to working capital) in the acquisition of other renewable energy assets in accordance with its published investment policy. Pending deployment of the Net Proceeds, the Company intends to invest cash held in cash deposits, gilts, money market funds and/or tradeable debt securities. To the extent that there is a delay in investing the Net Proceeds, the Company's aggregate return on investments may be reduced.

Investing through SPVs

The Company expects to invest in renewable energy assets through SPVs and this may expose the Company to certain risks. There is no guarantee that there will be a market for the interests that the Company holds in the SPVs and therefore there is no guarantee that the Company will be able to sell its investments in the SPVs in a timely manner or at all, should it wish to do so. In the event of a material adverse event occurring in relation to the SPVs or the markets generally, the Company's ability to realise its investments in the SPVs and prevent the possibility of further losses could be limited by its restricted ability to sell its interests. This delay could materially affect the value of the Company's investments in the SPVs and the timing of when the Company is able to realise its investments, which may materially adversely affect the Company's business, financial condition, results of operations, NAV per Share and/or the market value of the Shares.

Changes to laws and regulations including any tax laws and regulations applicable to the SPV or to the Company in relation to the receipts from any such SPV may adversely affect the Company's ability to realise all or any part of its interest or investment return in renewable energy assets held through such structures. Alternatively, any failure of the SPV or its management to meet their respective obligations may have an adverse effect on renewable energy assets held through such structures (for example, triggering breach of contractual obligations) and the Company's exposure to the investments held through such structures and/or the returns generated from such renewable energy assets for the Company.

This could, in turn, have an adverse effect on the performance of the Company and its ability to achieve its investment objective. Further, where investments are acquired indirectly as described above, the value of the underlying asset may be adversely affected by tax, contractual, contingent and other liabilities, or structural considerations and any such considerations may have a material adverse effect. To the extent that valuations of the Company's investments in SPVs or other investment structures prove to be inaccurate or do not fully reflect the value of the renewable energy assets, whether due to the above factors or otherwise, this may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

Minority stakes

The Company does not currently expect to take minority shareholder interests in its investments but is not restricted from doing so and, were it does so, it may have limited ability to protect its position in such investments or to influence the operations of such investee companies. In particular, investment documentation may include finance, shareholder and other agreements and may contain certain minority or other restrictions that may impact the ability of the Company to have control over the underlying investments, to access information which may be relevant to the investments made by the Company and/or expose the Company to the risk that other investors may individually or collectively act in a way that is contrary to the Company's interests (including in circumstances where the Investment Manager has board observer status). The Company will seek to ensure that it has suitable investor protection rights where appropriate, including rights to ensure that the investment is operated and managed in a manner that is consistent with the Company's published investment policy and in the case of an investment that is operated or managed in a manner that is or becomes inconsistent with the Company's investment policy, the Company will have the right to dispose of the relevant investment or take (or request) appropriate remedial action. However, there can be no assurance that it will be successful in doing so and these factors may affect the investment returns generated by portfolio companies, the ability of the Company to correctly anticipate the value of such investment returns and have a material adverse effect on the Company's financial position and returns for investors.

Disposal of investments

Renewable energy assets are illiquid. There is no recognised market for renewable energy assets and it may be difficult for the Company to sell its assets and the price achieved on any realisation may be at a discount to the prevailing valuation of the relevant renewable energy asset. This may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares. Typically any realisation of an investment will involve the Company providing the purchaser with comfort as to the business and affairs of the investment, such as by the provision of appropriate warranties and indemnities and the Company may be called upon to meet legal claims under such provisions. The Company may be required to set aside amounts to satisfy or settle any such claims or potential claims. This will not only involve the Company in unexpected costs and time, but may also have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

Borrowings

As at the date of this Prospectus, the Company does not have any debt facilities in place. However, the Company and SPVs may use borrowings to acquire investments in accordance with the Company's published investment policy. If borrowing costs exceed the return it makes on its investments this will diminish the total return on the Ordinary Shares. In addition, fluctuations in interest rates increase the volatility of the Company's revenues.

The use of borrowing by SPVs or companies in which the Company invests will also increase the Company's exposure to changes in valuations, increased costs and adverse economic factors such as rising interest rates, downturns in the economy and may lead to shortfalls in revenue and operating performance. The use of leverage may also impair an investment's ability to finance future operations and capital needs and result in restrictive financial and operating covenants, including those that may prevent distributions to the Company. These restrictive financial covenants may also limit flexibility of an investee company to respond to changing business and economic conditions. Any amounts that are secured under a bank facility or other lending will rank ahead of Shareholders' entitlements and on foreclosure, Shareholders may not recover all or any of their initial investment.

External factors may have a significant impact on credit markets, the availability of debt and/or the terms upon which that debt is available. The Company and SPVs may find it difficult, costly or not possible to refinance future indebtedness as it matures or the terms become more expensive. Any of these factors may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

Interest rates

Changes in interest rates may adversely affect the value of the Company's investments. Changes in the general level of interest rates can affect the Company's profitability by affecting the spread between, amongst other things, its ability to realise gains from the sale of investments and its interest expense on its interest bearing liabilities, if any. Changes in interest rates may also affect the valuation of the Company's investments by impacting the valuation discount rate and foreign exchange rates. Interest rates are sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the Company's control. The Company may engage in interest rate hedging, where the Investment Manager feels it is appropriate. Even if the Company were to enter into interest rate hedging arrangements, there can be no certainty that such arrangements would be sufficient to cover the Company's risk.

Contracting with government authorities

The Company intends to invest in renewable energy assets that are remunerated by both government support schemes and corporate PPAs. Any agreement with governmental authorities may contain clauses more favourable to the governmental counterparty than a typical commercial contract and may restrict the Company's ability to operate the renewable energy asset in a way that maximises cash flows and profitability.

For instance, such agreements may include termination clauses permitting a governmental authority to terminate the agreement under certain circumstances without payment of adequate compensation. Furthermore, governmental authorities have considerable discretion in implementing regulations that could impact the renewable energy market, and because renewable energy assets provide basic, everyday services and face limited competition, governments may be influenced by political considerations and may make decisions that adversely affect the Company's investments, potentially with retrospective effect.

There is a risk that if contracts or other arrangements with governmental authorities are amended, legally deficient or unenforceable, the returns of the renewable energy assets may be affected. As a result, this may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

Insurance and uninsured loss or damage risk

The Company intends to obtain insurance policies covering a variety of potential risks in relation to its assets with effect from the acquisition of each asset. In the normal course these policies will have certain exclusions, excesses and limits of cover. There is risk that the required type or level of cover may be either uninsurable or insurable on terms which are unacceptable to the Company. There are also certain types of losses, generally of a catastrophic nature, that may be uninsurable or are not economically insurable.

Accordingly, the Company's insurances may not be adequate to cover all risks, losses and damage suffered in respect of an investment, and meteorological conditions such as flooding may cause significant damage to power facilities. If a major uninsured loss occurs or a loss is significantly above the limits of existing insurance policies, the Company could lose both invested capital in and anticipated profits from the affected renewable energy assets.

All these factors may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

Valuation process

As at the date of this Prospectus, the Company has adopted a valuation policy for its investments to provide an objective, consistent and transparent basis for estimating the fair value of its investments in accordance with International Financial Reporting Standards as well as IPEV Guidelines. Such valuations may be conducted on an infrequent basis, are subject to a range of uncertainties and will involve the Investment Manager exercising judgement. There can be no guarantee that the basis of calculation of the value of the Company's investments used by the Investment Manager in the valuation process will reflect the actual value achievable on realisation of those investments.

Foreign exchange

The Ordinary Shares will be quoted in Sterling, the proceeds of the Initial Issues will be denominated in Sterling and the Company will use Sterling as its functional currency. However, the Company intends to make a significant portion of its investments in other currencies including Euro and, to mitigate fluctuations in foreign exchange rates which may have a material adverse effect on the Net Asset Value and the underlying value of the SPVs in which it invests, and their revenues, the Company may enter into hedging arrangements, where appropriate. While the Company may enter into hedging arrangements to mitigate such risk, there can be no guarantee that the Company and/or SPVs will be able to hedge such exposures fully, or at all, or on terms which are commercially acceptable to the Company. Such hedging arrangements will also be subject to counterparty default, which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

Investment Trust and tax status

It is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions under section 1158 of the CTA 2010 and the Investment Trust Regulations and, accordingly, for the Company to retain approval as an Investment Trust, once obtained. In respect of each accounting period for which the Company is an approved Investment Trust, the Company will be exempt from UK corporation tax on chargeable gains. There is a risk that if the Company fails to maintain its status as an Investment Trust, the Company would be subject to the normal rates of corporation tax on chargeable gains arising on the transfer or disposal of investments and other assets, which could adversely affect the Company's financial performance, its ability to provide returns to its Shareholders or the post-tax returns received by its Shareholders. In addition, it is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain Investment Trust status, as the Ordinary Shares are freely transferable. In the event that the Company fails to continue to satisfy the criteria for maintaining investment trust status, the Company will, as soon as reasonably practicable, notify Shareholders of this fact.

Any change in the tax status of the Company or in taxation legislation or practice in the UK could affect the value of the investments held by the Company or the Company's ability to achieve its investment objective or alter the post-tax returns to Shareholders. Statements in this Prospectus, including those relating to the taxation of Shareholders and/or the Company, are based upon current UK law and published practice as at the date of this Prospectus, which law and practice is, in principle, subject to change (potentially with retrospective effect) that could adversely affect the ability of the Company to meet its investment objective and/or which could adversely affect the taxation of Shareholders and/or the Company and after tax returns to Shareholders. Potential investors who are in doubt as to their tax position are urged to consult their tax advisers with respect to their particular tax situations and the tax effect of an investment in the Company.

Investment Overseas

In the light of its intended international investment approach, the Company will be subject to laws and regulations enacted in the UK, the European Union and elsewhere in Europe. In particular, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to listed closed-ended investment companies. The Company will also be subject to any change in the environmental laws in the countries in which it operates. Any change in the laws and regulations affecting the Company, the Investment Manager or the Company's investments may have a material adverse effect on the ability of the Company to carry on its business and successfully pursue its investment objective and policy and on the value of the Company and the Shares. In such event, the investment returns of the Company may be materially adversely affected.

The Company will make investments outside the UK. The laws and regulations of foreign countries may impose restrictions that would not exist in the UK. Investments in foreign entities have their own economic, political, social, cultural, business, industrial and labour environment and may require significant government approvals under corporate, securities, exchange control, foreign investment and other similar laws and may require financing and structuring alternatives that differ significantly from those customarily used in the UK. Furthermore, policies and regulation in relation to renewable energy assets in countries outside the UK may adversely affect investments made, or opportunities for potential investments to be made, by the Company in such countries.

In addition, foreign governments may from time to time impose restrictions intended to prevent the removal of capital, which may, for example, involve punitive taxation (including high withholding taxes) on certain securities or transfers or the imposition of exchange controls, making it difficult or impossible to exchange or repatriate foreign currency. These and other restrictions may make it impracticable for the Company to distribute amounts realised from such investments at all or may force the Company to distribute such amounts other than in Sterling and therefore a portion of the distribution may be made in foreign securities or non-Sterling currency. It also may be difficult to obtain and enforce a judgment in a court outside the UK.

Leaving the EU

The process of the UK leaving the European Union ("**Brexit**") was completed on 31 December 2020. This may lead to unpredictable economic circumstances in particular in relation to currency movements which may have a positive or negative impact on the value of investments that the Company makes in the European Union. In addition, regulatory changes brought about as a result of Brexit may have an unfavourable impact on the Company and the Investment Manager, in particular because the focus of the Company's investments will be within the European Union. These factors could have an adverse effect on the Net Asset Value per Share, the operations of the Company and the success of future capital raisings by the Company.

Risks associated with the economic stability of target jurisdictions

As the Company's investment policy targets renewable energy assets located in the UK, Italy, Portugal, Poland, Czech Republic, Austria and Hungary and elsewhere in OECD Countries it is likely that certain of the Company's portfolio of renewable energy assets will be situated within both the EU and the Eurozone. Concerns about credit risk of certain member states of the Eurozone have intensified in recent years. The default, or a significant decline in the credit rating, of one or more member states of the Eurozone could cause severe stress in the Eurozone financial system, and across the EU and other OECD Countries, generally and could lead to the reintroduction of the national currency in the relevant country of the Eurozone and that country abandoning the Euro as its national currency. In addition, the Company's and the SPV's counterparties or creditors may be exposed to the Eurozone in ways which it is difficult to predict. These factors could have a negative effect on the Company's revenue flow and the value of its renewable energy assets in those jurisdictions and this could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

Unforeseen events

The operations of the Company and its assets may be interrupted or otherwise affected by a variety of events outside the Company or the Investment Manager's control, including serious traffic accidents, pandemics, natural disasters (such as fire, floods, earthquakes and typhoons), man-made disasters (including terrorism), defective design and construction, fuel and energy prices, environmental legislation or regulation, general economic conditions, labour disputes and other unforeseen circumstances and incidents.

Such events may adversely affect a party's ability to perform its obligations until it is able to remedy the incident. In some cases, agreements can be terminated if the incident is so catastrophic that it cannot be remedied within a reasonable time period and this may affect the value of the Company's investments, which in turn may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

Entry into and renewal of power purchase agreement ("PPA")

The Investment Manager may be unable to negotiate favourable terms for the Company or an SPV in respect of a PPA with a new Offtaker or renegotiating or renewing its term with an existing Offtaker. Further, the Company or an SPV may be unable to enter into a PPA in relation to a renewable energy asset, or at a lower price than previously prevailing. This may be caused by numerous factors. If the Company or an SPV agrees to enter into PPAs with Offtakers on less favourable terms than is currently intended, this may have a material adverse effect on the Company's profitability, the Net Asset Value and/or the price of the Ordinary Shares.

Government subsidies

While many jurisdictions in which the Company proposes to invest have, in recent years, adopted policies and support mechanisms actively supporting renewable energy, it is possible that this approach could be modified or changed in the future, including as a result of a change in government or a change in government policy, potentially with retrospective effect. It is possible that these changes could, in certain circumstances, materially affect the Company's future growth and investment opportunities. A proportion of the Company's portfolio of renewable energy assets may benefit from government subsidies and incentives, such as feed-in tariffs, renewable obligations certificates and other incentives to generate renewable energy in countries where the Company invests. These incentives may expire or be phased out or varied, prospectively or retroactively, according to prevailing government policy or market conditions. Any such factors may result in decreased revenue thereby having a material adverse effect on the Company's Net Asset Value, the underlying value of the SPVs in which it invests and the price of the Ordinary Shares.

Technical risks relating to the renewable energy assets

The Company's revenues are dependent upon the quality and performance of the technology inherent in the renewable energy assets to be constructed and/or maintained by its SPVs, the comprehensiveness of the operational and management contracts entered into in respect of each project within the portfolio, and the operational performance, efficiency and life-span of the equipment and components used in the renewable energy assets. Such technology could suffer from defects, mechanical or operational failure which may result in reduced cash flows and increased remedial costs, which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

Health and Safety risk

The construction, operation and maintenance of a renewable energy asset could present a health and safety risk to those involved in those activities or persons in the locality. Particular health and safety risks arise in respect of the construction and maintenance of the assets including injury, accident and, in the worst-case scenario, death. Such circumstances could result in the Company or relevant SPV being liable for financial compensation to the injured party. Health and safety issues could result in fines, compensation and a suspension in the operations of the asset. Any of these factors could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

Electricity market, grid connection risks and grid congestion

Broad regulatory changes to the electricity market (such as changes to transmission allocation and changes to energy trading, balancing and transmission charging) in countries where the Company invests could have a material adverse effect on the Company's ability to achieve its investment objective and have a material adverse effect on the Net Asset Value.

In order to export electricity, generating facilities must be, and remain, connected to the electricity network. At the least, a facility must have in place the necessary connection agreements and comply with their terms in order to avoid potential disconnection or de-energisation of the relevant connection point. If the relevant connection point is disconnected or de-energised, the facility in question will not be able to export electricity to the grid. Additionally, non-compliance with, or disconnection or de-energisation under the relevant connection agreements in some instances can also lead to a breach of the relevant PPA (if one is in place), giving the PPA Offtaker the right to terminate. Any such factors could have a material adverse effect on the Company's revenue, profitability, the Net Asset Value and the price of the Ordinary Shares.

In addition, in the event that electricity transmission or distribution facilities break down without fault of the distribution or transmission grid operator, the affected facilities may be unable to sell their electricity. The circumstances in which compensation, if any, would be payable are limited and the amounts payable are unlikely to be sufficient to cover any losses of revenue. Any such factors could have a material adverse effect on the Company's revenue, profitability, the Net Asset Value and the price of the Ordinary Shares.

Facilities may incur increased costs or losses as a result of changes in law or regulation including changes in grid (distribution or transmission) codes or rules. Such costs or losses could adversely affect the financial performance and prospects of the Company and in particular new laws or regulation may require new

equipment to be purchased at generating facilities, or result in changes to or a cessation of the operations of generating facilities. Any such factors could have a material adverse effect on the Company's revenue, profitability, the Net Asset Value and the price of the Ordinary Shares

Charges relating to the connection to and use of electricity transmission and distribution networks and relating to the balancing of the electricity supply and demand (whether directly or indirectly through PPAs), form part of the operating costs of an electricity generator. Any such charges may increase costs and decrease profitability and accordingly could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

The calculation of charges relating to the connection to and use of electricity transmission and distribution networks can be complex and comprise several different elements, and varies depending on the system in place in the country in question. Errors in calculating the expected charges or changes in how the charges are calculated could materially affect the valuations of the relevant investments which could impact the Net Asset Value.

Constraints or conditions may be imposed on a generating facility's connection to the grid and the export of electricity to the grid at a certain time. A risk inherent to the connection to any electricity network is the limited recourse a generator has to the network operator if the generating facility is constrained or disconnected due to a system event on the local distribution or wider transmission system. In certain specified circumstances, the system operator can require generators (or the electricity suppliers registered as being responsible for their metering systems, or distribution system operators) to curtail their output or disconnect altogether. Such an event would have a material impact on the revenue from the relevant renewable energy asset, which may impact on the Net Asset Value and the Company's ability to make distributions to Shareholders.

As the focus on renewable energy policy has increased, there has been a notable increase in renewable energy projects, inevitably leading to higher demand for grid capacity. This has led to concerns of "grid congestion" where offers of capacity carry significant cost and delay associated with major grid reinforcement. A lack of access to the grid or increased connection charges as a result of a higher demand for access could have a material adverse effect on the revenues received from the renewable energy assets which may impact on the Net Asset Value per Share and the Company's ability to make distributions to Shareholders.

Risk of equity and debt financing

Claims the Company may have as a shareholder in the SPVs will be subordinated to any creditors and it will only receive dividends and other distributions if there are distributable reserves and cash. Therefore, the success of an equity participation depends on the performance and income of the asset held in such investee companies. Investee companies that have issued debt instruments may be unable to make timely payments or at all due to financial difficulties or insolvency. In such circumstances, extensive additional costs may be incurred, for example as a result of initiating litigation, seizure or foreclosure or other actions to recover the outstanding amounts. Should these risks materialise, this could have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

Securities Risks

Liquidity of shares

Although it is intended that the Ordinary Shares will be listed on the Official List and admitted to trading on the London Stock Exchange, shares in investment trusts can be illiquid until a certain scale in market capitalisation is achieved, and there may be a limited market in the shares. In such circumstances Investors may find it difficult to realise their investment. In addition, the liquidity of any such market is dependent on investors continuing to favour European renewable energy investments, and that may be influenced by a variety of factors over which the Company has no control. Admission should not be taken as implying that there will be a liquid market for the Ordinary Shares. Prior to Initial Admission, there has been no public market for the Ordinary Shares and there is no guarantee that an active trading market will develop or be sustained after Admission. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares may be adversely affected. Even if an active trading market develops, the market price of the Ordinary Shares may not reflect the value of the underlying investments of the Company. Accordingly, an investment in the Company should be viewed as a higher risk, longer-term investment.

The Company is a closed-ended company and, as such, Shareholders will not have the right for their Shares to be redeemed or repurchased by the Company at any time. Accordingly Shareholders wishing to sell their Shares may have to realise their Ordinary Shares in the market and there can be no certainty that a liquid market in the Ordinary Shares will develop or that the Ordinary Shares will realise at their Net Asset Value or at all.

While the Directors intend to retain the right to effect repurchases of Shares in the manner described in this Prospectus, they are under no obligation to use such powers or to do so at any time and Shareholders should not place any reliance on the willingness of the Directors to so act. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Shares in the market.

Ability to pay dividends

The ability to pay dividends will be constrained by, in particular, the existence of realised profits, regulations and the available cash reserves of the Company. There can be no assurance that any dividends or distributions will be paid in respect of any financial year or period and no guarantee as to the level of any future dividends or distributions to be paid by the Company. No forecast or projection is implied or inferred.

Dilution

If the Directors decide to issue further Ordinary Shares, the proportions of the voting rights held by Shareholders may be diluted. Any Subsequent Placing will be conducted on a non-pre-emptive basis, and, accordingly, any Shareholder who cannot or does not acquire Ordinary Shares in that Subsequent Placing will suffer dilution of their existing holding in respect of such Subsequent Placing and the proportions of the voting rights held by Shareholders may be diluted. In addition, any other additional equity financing may also be conducted on a non-pre-emptive basis and Shareholders may be likewise affected.

Compliance with AIFMD

The AIFMD seeks to regulate alternative investment fund managers (“AIFMs”) and imposes obligations on AIFMs in the EEA or who market shares in such funds to EEA investors. In order to obtain authorisation under AIFMD, an alternative investment fund manager needs to comply with various organisational, operational and transparency obligations, which may create significant additional compliance costs, some of which may be passed to investors in the alternative investment funds (“AIFs”) that they manage and may affect returns. An AIFM may only market an AIF to EEA investors if it is authorised by a relevant EU regulator or complies with national private placement regimes. The Investment Manager is an authorised AIFM, and is subject to the AIFMD. Any regulatory changes arising from the AIFM Directive (or otherwise) that limits the Company’s ability to market future issues of its Ordinary Shares may materially adversely affect the Company’s ability to carry out its investment policy successfully and to achieve its investment objective, which in turn may adversely affect the Company’s portfolio, financial condition, Net Asset Value and/or the market price of the Ordinary Shares.

Ordinary shares may trade at a discount to NAV and the market value of Shares may fluctuate

There has not been a market in the Shares. The Initial Issue Price is fixed but may not be indicative of the market price of the Ordinary Shares following Initial Admission. The market price of Shares may fluctuate significantly and potential investors may not be able to get back the amount invested.

The price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its investments and some which may affect companies generally, for example general market conditions, governmental, monetary and tax policies, and changes to domestic and international economic and political considerations. Admission should not be taken as implying that there will be a liquid market for the Ordinary Shares. Consequently, the share price may be subject to greater fluctuation on small volumes of trading of Ordinary Shares and the Ordinary Shares may be difficult to sell at a particular price. The market price of the Ordinary Shares may not reflect their underlying Net Asset Value.

Fluctuations in the market value of the Shares could also result from a change in national and/or global economic and financial conditions, the actions of governments in relation to changes in the national and global financial climate or taxation and various other factors and events, including variations in the Company’s operating results and business developments of the Company and/or its competitors, legislative changes affecting investments

in renewable energy assets, analyst and other recommendations regarding the Company or the renewable technologies in which the Company invests. Securities markets in general have at times experienced significant price and volume fluctuations that have often been unrelated to the operating performance or fundamentals of particular companies. The price of an Ordinary Share may also be affected by speculation in the press or investment community regarding the business or investments of the Company and factors or events that may directly or indirectly affect its investments.

Future sales of Ordinary Shares could cause the market price of the Ordinary Shares to fall

Sales of Ordinary Shares or interests in the Ordinary Shares by significant investors could depress the market price of the Ordinary Shares. A substantial number of Ordinary Shares being sold, or the perception that sales of this type could occur, could also depress the market price of the Ordinary Shares. Both scenarios, occurring either individually or collectively, may make it more difficult for Shareholders to sell the Ordinary Shares at a time and price that they deem appropriate.

Shareholders will be exposed to exchange rate risk

An investment in the Ordinary Shares by an investor in a jurisdiction whose principal currency is not Sterling will be exposed to the exchange rate between Sterling and the principal currency of their jurisdiction and any appreciation of Sterling in relation to such foreign currency will reduce the value of the investment in the Ordinary Shares in foreign currency terms. In addition, Shareholders in a jurisdiction whose principal currency is not the currency in which they receive dividends will be exposed to any changes in the exchange rate between the currency in which they receive dividends and the principal currency of their jurisdiction from the moment the dividend is declared until the moment the dividend is paid.

The Ordinary Shares will be subject to significant transfer restrictions for investors in certain jurisdictions as well as forced transfer provisions

The Ordinary Shares have not been registered and will not be registered in the United States under the U.S. Securities Act or under any other applicable securities laws. Moreover, the Ordinary Shares are only being offered and sold outside the United States to non-U.S. Persons (as defined in Regulation S under the U.S. Securities Act). If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as “plan assets” of any Benefit Plan Investor under section 3(42) of ERISA or the U.S. Tax Code; or (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to register or qualify under the U.S. Investment Company Act, and/or U.S. Investment Advisers Act of 1940 and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934, as amended and/or any laws of any state of the U.S. or other jurisdiction that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a “Foreign Private Issuer” under the U.S. Securities Exchange Act 1934, as amended; or (iv) may cause the Company to be a “controlled foreign corporation” for the purpose of the U.S. Tax Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act 1956, as amended or regulations or interpretations thereunder, or (vi) would cause the Company adverse consequences under the foreign account tax compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 or any similar legislation in any territory or jurisdiction (including the International Tax Compliance Regulation 2015), including the Company becoming subject to any withholding tax or reporting obligation or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the Shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligations) then any shares which the Directors decide are shares which are so held or beneficially owned (“**Prohibited Shares**”) must be dealt with in accordance with the Articles. The Directors may at any time give notice in writing to the holder of a share requiring him or her to make a declaration as to whether or not the share is a Prohibited Share. The Board may require the holder of such Prohibited Shares to dispose of such Prohibited Shares and, if the Shareholder does not sell such shares, may dispose of such shares on their behalf. These restrictions may make it more difficult for Shareholders to sell the Ordinary Shares and may have an adverse effect on the market value of the Ordinary Shares.

COVID-19

The COVID-19 Pandemic and the measures taken to control the outbreak have led to volatility and a substantial decline in stock markets and other financial markets around the world and a downturn in the global economy. The future development and the long-term impacts of the outbreak are unknown and it remains to be seen how and when the global economy and financial markets will recover from the impact of the pandemic and what effect any secondary outbreaks may have on the global economy and financial markets. There can be no guarantee that the pandemic will not have a material adverse impact on the future investment returns of the Company and the market value of the Shares.

Important Information

General

This Prospectus should be read in its entirety. Investors should rely only on the information contained in this Prospectus and any supplementary prospectus published by the Company prior to Admission. No person is or has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Shares other than those contained in this Prospectus (and any supplementary prospectus) and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by or on behalf of the Company, the Investment Manager, Howard Kennedy or either of the Joint Bookrunners or any of their respective affiliates, officers, directors, employees or agents. No representation or warranty, express or implied, is made by either of the Joint Bookrunners or any of their respective affiliates as to the accuracy, completeness, verification or sufficiency of information set out in this Prospectus, and nothing in this document will be relied upon as a promise or representation in this respect, whether or not to the past or future. Without prejudice to any legal or regulatory obligation of the Company to publish a supplementary prospectus pursuant to Article 23 of the UK Prospectus Regulation and Rule 3.4 of the Prospectus Regulation Rules, neither the delivery of this document nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. None of the Company, the Directors, the Investment Manager, Howard Kennedy or either of the Joint Bookrunners or any of their respective affiliates or representatives is making any representation to any offeree, subscriber or purchaser of the Shares regarding the legality of an investment by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of, or subscription for Shares. Prospective investors must rely upon their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Company and an investment in the Shares.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, the Investment Manager, Howard Kennedy, either of the Joint Bookrunners or any of their respective affiliates or representatives that any recipient of this Prospectus should subscribe for or purchase the Shares. Prior to making any decision as to whether to subscribe for or purchase the Shares, prospective investors should read this Prospectus. Investors should ensure that they read the whole of this Prospectus carefully and not just rely on key information or information summarised within it. All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles. In making an investment decision, prospective investors must rely upon their own examination, analysis and enquiry of the Company and the terms of this Prospectus, including the merits and risks involved. Investors who subscribe for or purchase Shares in the Issues will be deemed to have acknowledged that: (a) they have not relied on the Joint Bookrunners or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (b) they have relied only on the information contained in this Prospectus.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction: (i) in which such offer or solicitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus comes are required to inform themselves about and to observe such restrictions.

If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant, legal or professional adviser or other financial adviser.

Intermediaries

The Company consents to the use of this Prospectus by financial intermediaries in connection with the subsequent resale or final placement of securities by financial intermediaries in the United Kingdom. The Company consents to the use of this Prospectus by the Intermediaries in connection with the Intermediaries Offer in the United Kingdom on the following terms: (i) in respect of Intermediaries who are appointed by the Company on or prior to the date of this Prospectus, from the date of this Prospectus; and (ii) in respect of Intermediaries who are appointed by the Company after the date of this Prospectus, from the date on which they are appointed to participate in the Intermediaries Offer and agree to adhere to and be bound by the Intermediaries Terms and Conditions, in each case until the closing of the Intermediaries Offer.

The offer period, within which any subsequent resale or final placement of securities by Intermediaries can be made and for which consent to use this Prospectus is given, commences on 7 September 2021 and closes at 2.00 p.m. on 30 September 2021, unless closed prior to that time and/or date (any such earlier closure will be announced through a Regulatory Information Service). Prospective investors interested in participating in the Intermediaries Offer should apply for Shares through the Intermediaries by following their relevant application procedures. The Company and the Directors accept responsibility for the information contained in this Prospectus with respect to the subsequent resale or final placement of securities by any financial intermediary which was given consent to use this Prospectus.

Any Intermediary that uses this Prospectus must state on its website that it uses this Prospectus in accordance with the Company's consent and the conditions attached thereto. Intermediaries are required to provide the terms and conditions of the Intermediaries Offer at the time of such offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such.

Any application made by investors to any Intermediary is also subject to the terms and conditions imposed by such Intermediary.

Selling restrictions

Notice to prospective investors in the EEA

In relation to each EEA Member State, no Shares have been offered or will be offered pursuant to the Initial Issues or the Placing Programme to the public in that EEA Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that EEA Member State, or, where appropriate, approved in another EEA Member State and notified to the competent authority in that EEA Member State, all in accordance with the EU Prospectus Regulation, except that Shares may be offered to the public in that EEA Member State at any time:

- to any legal entity which is a qualified investor as defined in Article 2 of the EU Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the EU Prospectus Regulation), subject to obtaining the prior consent of the Joint Bookrunners for any such offer; or
- in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of the Shares shall require the Company or either Joint Bookrunner to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the Shares in any EEA Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for Shares.

For the attention of United States residents

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons. The Shares are being offered and sold solely outside the United States to persons who are not U.S. Persons in “offshore transactions” as defined in and pursuant to Regulation S under the U.S. Securities Act (“**Regulation S**”), or in a transaction not subject to, the registration requirements of the U.S. Securities Act. There will be no public offer of the Shares in the United States. The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Shares in the United States or to U.S. Persons may constitute a violation of U.S. law or regulation. Any person in the United States who obtains a copy of this Prospectus is requested to disregard it.

For the attention of prospective investors in Canada, Japan, Australia or the Republic of South Africa

The offer and sale of Shares has not been and will not be registered under the applicable securities laws of Canada, Japan, Australia or the Republic of South Africa. Subject to certain exemptions, the Shares may not be offered to or sold within Canada, Japan, Australia or the Republic of South Africa or to any national, resident or citizen of such territories.

Notice to prospective investors in other jurisdictions

The distribution of this Prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions.

Governing law

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales.

Forward looking statements

This Prospectus includes forward looking statements. These forward looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of the Company and the Investment Manager and all of which are based on the current expectations of the Board and are naturally subject to uncertainty and changes in circumstances. Forward looking statements typically include, without limitation, words such as “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “might”, “will” or “should” or, in each case, their negative or other variations or similar expressions. These forward looking statements include all matters that are not historical facts.

By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Forward looking statements are not guarantees of future performance and no assurance can be given that such future performance or results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing the Company. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward looking statements. Given these risks and uncertainties, potential investors should not place undue reliance on forward looking statements as a prediction of actual results. These forward looking statements speak only as at the date of this Prospectus. Subject to its legal and regulatory obligations (including under the UK Prospectus Regulation), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Listing Rules, the UK Prospectus Regulation, the Disclosure Guidance and Transparency Rules, the UK MAR and, to the extent applicable, EU MAR.

Nothing in the preceding two paragraphs seeks to limit or qualify, in any way, the working capital statement in paragraph 6.15 of Part 6 of this Prospectus.

Other information

AIFMD

The Company operates as an AIF and has appointed the Investment Manager as its AIFM as a Small Authorised UK AIFM subject to the full requirements of AIFMD and is subject to the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773). The Company has delegated portfolio management services to the Investment Manager. The Company operates as an externally managed EEA domiciled AIF with a small EEA AIFM for the purposes of AIFMD.

Information to Distributors

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK Product Governance Requirements**”) and/or any equivalent requirements elsewhere to the extent determined to be applicable, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK Product Governance Requirements and/or any equivalent requirements elsewhere to the extent determined to be applicable) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that such Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each defined in Chapter 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the Issues. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

Non-Mainstream Pooled Investment Status and UK MiFID Laws

As the Company is a closed-ended investment company, the Ordinary Shares will be “excluded securities” under the FCA’s rules on non-mainstream pooled investments. Accordingly, the promotion of the Ordinary Shares is not subject to the FCA’s restriction on the promotion of non-mainstream pooled investments. The Company intends to conduct its affairs so that its Ordinary Shares can be recommended by financial advisers to retail investors in accordance with the rules on the distribution of financial instruments under the UK MiFID Laws. The Directors consider that the Ordinary Shares should be considered “non-complex” for the purposes of the UK MiFID Laws.

Duration

The Directors will propose an ordinary resolution that the Company continues its business as a closed-ended investment company (a “Continuation Resolution”) at the first annual general meeting of the Company following the fifth anniversary of Initial Admission and after 18 months following Initial Admission if, by then, the Company has not committed 75 % of the net proceeds of the Issues to making investments in renewable

assets in accordance with its published investment policy. If a Continuation Resolution is not passed, the Directors are required to put forward proposals for the reconstruction, reorganisation or winding-up of the Company to the Shareholders for their approval within six months following the date on which the relevant Continuation Resolution is not passed. Further details are set out below under the heading “Continuation Vote” on page 47.

UK PRIIPS Law

In accordance with the UK PRIIPs Laws, the Investment Manager has prepared a key information document in respect of the Shares (the “KID”). The UK PRIIPs Laws requires the Investment Manager to ensure that the KID is made available to “retail investors” prior to them making an investment decision in respect of the Shares and the KID is therefore available to investors at the Company’s website (www.bret.energy). Accordingly, if you are distributing Shares, it is your responsibility to ensure the relevant KID is provided to any relevant clients. The Investment Manager is the only manufacturer of the Shares for the purposes of the UK PRIIPs Laws and none of the Company, the Sponsor nor the Joint Bookrunners is a manufacturer for these purposes. None of the Company, the Sponsor nor the Joint Bookrunners makes any representation, express or implied, or accepts any responsibility whatsoever for the contents of the KID prepared by the Investment Manager nor accepts any responsibility to update the contents of the KID in accordance with the UK PRIIPs Laws, to undertake any review processes in relation thereto or to provide such KID to future distributors of Shares. Each of the Company, the Sponsor, the Joint Bookrunners and their respective affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might have in respect of the KID or any other key information documents prepared by the Investment Manager from time to time. Prospective investors should note that the content of the key information document is highly prescriptive, both in terms of the calculations underlying the numbers and the narrative, with limited ability to add further context or explanation. As such, the key information document should be read in conjunction with other material produced by the Company, including this Prospectus and, in future, the annual reports which will be available on the Company’s website. The figures in the KID may not reflect actual returns for the Shares and anticipated performance returns cannot be guaranteed.

EU AIFM Directive and UK AIFMD Laws

This Prospectus contains the information required to be made available to investors in the Company before they invest pursuant to the EU AIFM Directive and the UK AIFMD Laws.

Data Protection

Data protection in respect of investors resident in the UK

The information that a prospective investor in the Company provides in documents in relation to a subscription for Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual (“personal data”) will be held and processed by the Company (and any third party in the United Kingdom to whom it may delegate certain administrative functions in relation to the Company) in compliance with: (a) applicable data protection legislation (including the UK GDPR, the EU GDPR and the DP Law) and regulatory requirements in the United Kingdom and/or the EEA, as appropriate (“**DP Legislation**”); and (b) the Company’s privacy notice, a copy of which is available for consultation on the Company’s website at www.bret.energy (“**Privacy Notice**”) (and if applicable any other third party delegate’s privacy notice).

Without limitation to the foregoing, each prospective investor acknowledges that it has been informed that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar and/or Receiving Agent) in accordance with and for the purposes set out in the Company’s Privacy Notice which include:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering and countering of terrorist financing procedures;
- carrying out the business of the Company and the administering of interests in the Company; and
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere or any third party functionary or agent appointed by the Company.

Where necessary to fulfil the purposes set out above and in the Company's Privacy Notice, the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar and/or Receiving Agent) will:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to operate and administer the Company; and
- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors provided that suitable safeguards are in place for the protection of such personal data, details of which shall be set out in the Privacy Notice or otherwise notified from time to time.

The foregoing processing of personal data is required in order to perform the contract with the prospective investor, to comply with the legal and regulatory obligations of the Company or otherwise is necessary for the legitimate interests of the Company.

If the Company (or any third party, functionary or agent appointed by the Company, which may include, without limitation, the Registrar) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will ensure that adequate safeguards are in place for the protection of such personal data, details of which are set out in the Privacy Notice or otherwise notified from time to time.

Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions. Individuals have certain rights in relation to their personal data; such rights and the manner in which they can be exercised are set out in the Company's Privacy Notice.

Data protection in respect of investors resident in the EEA Member States

Any information relating to an identified or identifiable natural person that an investor or potential investor provides to the Company including but not limited to its representatives, contact persons, directors, employees and beneficial owners (each a "data subject") in or further to a subscription agreement or in any other way and by whatever means (which includes by way of telephonic and/or electronic data) ("personal data") in relation to an application to become or continue as an investor in the Company will be held and controlled by the Company and the Investment Manager, each as a Data Controller (and together, "Joint Controllers") under the DP Legislation.

The Privacy Notice sets out the purposes for which such personal data may be processed, the circumstances in which such data might be disclosed or transferred, data subjects' rights in respect of such data, as well as other matters.

Investors should review the Privacy Notice carefully as it contains information about the treatment of their personal data and their rights under the DP Legislation.

Websites

Without limitation, neither the contents of the Company's or the Investment Manager's website (or any other website referred to in this Prospectus) nor the content of any website accessible from hyperlinks on the Company's or the Investment Manager's website (or any other website referred to in this Prospectus) is incorporated into, or forms part of this Prospectus.

Currency Presentation

Unless otherwise indicated, all references in this Prospectus to "Sterling", "£", "pence" or "GBP" are to the lawful currency of the UK, all references in this Prospectus to "Euro" or "€" are to the lawful currency of the EU.

Withdrawal

The Company may update the information provided in this Prospectus by means of a supplement if a significant new factor that may affect the evaluation by prospective investors occurs after the publication of this Prospectus or if this Prospectus contains any material mistake or substantial inaccuracy. Any such

supplement will be subject to approval by the FCA and will be made public in accordance with the Prospectus Regulation Rules. In the event that the Company is required to publish a supplement prospectus prior to Initial Admission, applicants who have applied for Ordinary Shares under the Issues shall have the right to withdraw their applications for Shares made prior to the publication of the supplement prospectus. Such withdrawal must be made within the time limits and in the manner set out in any such supplement prospectus (which shall be at least two clear Business Days following the publication of the relevant supplement prospectus). If the application is not withdrawn within the stipulated period, any offer to apply for Ordinary Shares in the Issues will remain valid and binding. **Applicants who have applied for Shares via an Intermediary should contact the relevant Intermediary for details of how to withdraw an application.**

Rounding

Certain data in this Prospectus, including financial, statistical, and operating information has been rounded. As a result of the rounding, the totals of data presented in this Prospectus may vary slightly from the actual arithmetic totals of the figures which precede them. In addition, certain percentages presented in this Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers and may not add up to 100 %.

Market, Economic and Industry Data

This Prospectus contains certain market data and other information which have been extracted from official and industry sources and other sources the Company believes to be reliable. Unless the source is otherwise stated, the market, economic and industry data in this Prospectus constitute the Directors' estimates, using underlying data from independent third parties. The Company obtained market data and certain industry forecasts used in this Prospectus from various sources, including internal surveys, reports and studies where appropriate, as well as third-party market research, publicly available information and industry publications. The Company has not independently verified these surveys, reports, studies, research and industry publications and cannot guarantee their accuracy or completeness. The Company confirms that this information and any other information extracted from third-party sources has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render such reproduced information inaccurate or misleading. Where third-party information has been used in this Prospectus, the source of such information has been identified.

Performance Data, and Track Record and Targets

This Prospectus includes information regarding the track record and performance data of the Blackfinch Group. Such information is not necessarily comprehensive and prospective investors should not consider such information to be indicative of the possible future performance of the Company or any investment opportunity to which this Prospectus relates. The past performance of the Investment Manager is not a reliable indicator of, and cannot be relied upon as a guide to, the future performance of the Company and/or the Investment Manager. Investors should not consider the track record information and performance data (particularly the past returns) contained in this Prospectus to be indicative of the Company's future performance. Past performance is not a reliable indicator of future results and the Company will not make the same investments reflected in the track record information and performance data included herein. Prospective investors should be aware that any investment in the Company is speculative, involves a high degree of risk, and could result in the loss of all or substantially all of their investment.

The Company has not traded and therefore has no investment history. For a variety of reasons, the comparability of the track record information and performance data to the Company's future performance is by its nature very limited. The Company's results can be positively or negatively affected by market conditions outside of the control of the Investment Manager and the Company. These market conditions may be different from those prevailing at present time or in the future and, accordingly, the performance of renewable energy assets now may be significantly different from those of the past. No representation is being made by the inclusion of examples of the past performance or track record of the Investment Manager, and/or the strategies presented herein that the Company will achieve performance similar to such examples and strategies herein. There can be no assurance that the track record and past performance of the Investment Manager and/or the strategies described herein will assist the Company in meeting its objectives generally, or avoid losses.

In order to allow investors to measure the performance of the Company over time, the Board have set certain financial targets including the Initial Target Dividend, the Target Dividend and the Target Net Total Return. These targets have been set based on an illustrative target portfolio which is unlevered and comprises a combination of Seed Assets and Non-Seed Assets situated in Italy, the UK and Poland. In calculating these targets, the Company has made the following key assumptions.

- On the basis of the Investment Manager's knowledge and experience and the expected average capacity of the assets that make up the Seed Assets, the Company has assumed that the Seed Assets will have a combined capacity of 300 MW (or 500 GWh generation per annum), once fully operational.
- Based on current forecasting the Company has assumed the following load factors:
 - solar assets situated in Italy – 20-24%;
 - solar assets situated in the UK – 12-14.5%; and
 - wind assets situated in Poland: 30-35%.
- On the basis of the Investment Manager's knowledge and experience of the components that make up (or will make up) the assets the Company has assumed the following operating life:
 - construction-ready solar assets situated in Italy – 30 years;
 - operational wind assets situated in Poland - 30 years; and
 - construction ready solar assets situated in the UK – a blend of 30 to 35 years.
- The Company's financial modelling is calculated on a base case scenario of no asset repowering and the Company has not assigned any life extension value to non-operational assets.
- In calculating the remuneration to be received from each asset the Company has assumed that the operational assets situated in Poland will benefit from 'green certificates' (a Polish subsidy scheme) and that selected assets situated in Italy will benefit from CfDs. It is assumed that the remaining assets will be subject to merchant pricing which has been based on current market projections.
- The Company has assumed that O&M costs will be in line with the market standard.

There can be no assurance that these assumptions will continue to be applicable or accurate, and the underlying metrics upon which these assumptions are based may be different from those prevailing at the present time or in the future and, accordingly, the performance of the Company may be significantly different from the targets it has set based on these assumptions.

Directors and Advisers

Directors (all non-executive)

Anthony Charles Marsh (*Chair*)
Josephine Rachel Bush
Jane Elizabeth Tozer OBE
Michael Charles Phillips

all of the Company's Registered Office at:
6th floor, 65 Gresham Street
London
EC2V 7NQ

Investment Manager

Blackfinch Investments Limited
1350-1360 Montpellier Court
Gloucester Business Park
Brockworth
Gloucester
Gloucestershire
GL3 4AH

Sole Global Coordinator and Joint Bookrunner

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London
E14 4BB

Legal Adviser to the Company as to English law

Howard Kennedy LLP
No.1 London Bridge
London
SE1 9BG

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Valuation Agent

BDO LLP
55 Baker Street
London
W1U 7EU

Sponsor

Howard Kennedy Corporate Services LLP
No.1 London Bridge
London
SE1 9BG

Secretary

Link Company Matters Limited
10th Floor, Central Square
29 Wellington Street
Leeds
LS1 4DL

Joint Bookrunner

finnCap Ltd
1 Bartholomew Close
London
EC1A 7BL

Reporting Accountants

BDO LLP
55 Baker Street
London
W1U 7EU

Legal Adviser to the Joint Bookrunners as to English and U.S. Law

Ashurst LLP
London Fruit & Wool Exchange
1 Duval Square
London
E1 6PW

Investment Trust Tax Adviser

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Administrator

Link Alternative Fund Administrators Limited
10th Floor, Central Square
29 Wellington Street
Leeds
LS1 4DL

Receiving Agent

Link Group
Corporate Actions
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Financial Public Relations Adviser

KTZ Communications
No. 1 Cornhill
London
EC3V 3ND

Depositary

Bank of New York Mellon (International) Limited
One Canada Square
London
E14 5AL

Registrars

Link Group
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Letter from the Chair

Dear Investor,

I am delighted to introduce you to Blackfinch Renewable European Income Trust plc, a new investment trust company which has appointed Blackfinch Investments Limited, an experienced investment specialist, as its Investment Manager. The Company is looking to raise £300 million and has been launched to provide Investors with the opportunity to invest in a company with exposure to a portfolio of investments in the renewable energy sector with the expected benefit of Investment Trust tax status. The Company has entered into option arrangements enabling it to purchase a portfolio of some 21 construction-ready solar assets for an aggregate consideration of approximately £230 million (the “**Seed Assets**”), subject to undertaking final legal and technical due diligence on each of the Seed Assets and agreeing the final terms of a share purchase agreement for each individual Seed Asset to be acquired by the Company (using the agreed form share purchase agreement appended to the Option Agreement). In addition, through its strategic partners and networks, the Investment Manager has identified in excess of £500 million of further operational and construction-ready renewable energy assets which are suitable for investment by the Company.

The Investment Manager

Blackfinch is an award-winning tax-efficient investment specialist with a heritage dating back over 25 years. Blackfinch provides evolved investment solutions with a focus on capital protection, security and growth. The philosophy of Blackfinch is one of adaptation to market change and customer needs. Bringing significant experience and expertise with a transparent approach, the Blackfinch investment management team have extensive experience across relevant sectors including SEIS, EIS, VCTs, renewables, property and AIM securities. As at 31 August 2021 the Blackfinch Group had over £550 million of funds under management and administration including approximately £200 million in its Blackfinch IHT Portfolios which are split across a range of industries including renewable energy generation sites (particularly solar and wind power), property development financing and asset-backed lending.

The Blackfinch IHT Portfolios were ranked 3rd and 5th out of 20 comparable funds in terms of 5 year returns as at June 2021 (Source: Tax Efficient Review). The Blackfinch Group is an independent company with over 100 employees, 16 dedicated energy specialists with over 100 years of investment experience and is a dedicated ESG investment manager. Blackfinch has advised its funds on the acquisition and management of 49 renewable energy sites, comprising 61.6MW of capacity of which 25.5MW are solar and 36.1MW are wind, with an enterprise value in excess of £130 million (as at December 2020) and a weighted average yield on these renewable energy investments trending towards 6% in 2020. These assets comprise a mix of subsidised and subsidy-free tariffs as well as private wire power purchase agreements. Eight of these transactions have been completed since the start of 2019.

The Blackfinch Group is working towards a more sustainable future as a member of the PRI (Principles of Responsible Investment) and working towards meeting UN Sustainable Development Goals.

The portfolio

The Company seeks to acquire a diversified portfolio of renewable energy infrastructure investments and assets to maximise Shareholder returns. The Company aims to acquire assets in less crowded markets to achieve a diversified portfolio of renewable energy technologies which is naturally hedged to stabilise revenue streams and will invest in a range of portfolio assets across a number of distinct geographies (see further below) and a mix of wind, solar and other renewable energy projects that support the UN Sustainable Development Goals. The Company will be European-focused and will focus on acquiring assets in Italy, Portugal, Poland, Czech Republic, Austria and Hungary with some exposure to the UK. In the event that the Investment Manager is unable to identify sufficient investment opportunities within Europe, or in circumstances where more attractive investment opportunities are available outside such focus territories and are within the other parameters of the Company’s investment policy, the Company may invest in countries outside of Europe and the UK. Such investments will be limited to a total of 20% of Gross Asset Value at the time of acquisition. Any acquisitions outside of the focus will only be located in OECD Countries. The Company will invest in a portfolio of investments with a targeted transaction size of £20 million to £50 million.

Operational assets, construction-ready assets (being projects primed ready for construction to commence) and in-construction assets (being construction-ready assets where construction has commenced) will be considered for investment by the Company. It is intended that the Company will deploy its funds, by value on investment, approximately equally between operational and in-construction or construction-ready assets. It is anticipated that the proceeds of the Issues will be fully invested within 12 months of Initial Admission and all of the Seed Assets will be operational within 30 months of Initial Admission.

The Investment Manager selected predominantly construction ready solar assets as the Seed Assets due to:

- economies of scale – Concentrating the seed assets in the UK and Italy enables the Investment Manager’s asset management team to actively manage the construction process of the assets through to operations;
- transaction costs – streamlining the acquisition process will reducing the transaction cost of the portfolio; and
- valuation – Once the assets become operational, the value of the assets will increase as they will attract a premium. As such, the Net Asset Value of the Company will increase.

In addition to the Seed Assets, the Investment Manager has also identified the Non-Seed Assets for potential acquisition. The Non-Seed Assets were identified through the arrangements that the Investment Manager has with a number of strategic partners. Under these arrangements the strategic partners have agreed to exclusively source investment opportunities for the Investment Manager. The acquisition of the Non-Seed Assets by the Company will be subject to off-market or bilateral discussions between the owners of the Non-Seed Assets and the Investment Manager. Whilst the Seed Assets comprise construction-ready solar assets located in the UK and Italy, it is anticipated that the Investment Manager will further diversify the portfolio within 12 to 24 months of Initial Admission. The Investment Manager anticipates achieving this diversification of the portfolio through technology, geography, project stage and revenue streams of the assets in the portfolio, some of which may be achieved through the acquisition of the Non-Seed Assets. Neither the Company nor the Investment Manager has any right of first refusal or exclusivity agreement to acquire the Non-Seed Assets as at the date of this Prospectus and, therefore, there is no guarantee that all of the Non-Seed Assets will be available for acquisition by the Company after Initial Admission. However, the Investment Manager believes that a robust flow of investment opportunities will be available and that the Company will be in a position to continue to increase its pipeline of potential assets with the assistance of the Investment Manager’s strategic partners.

The investment process benefits from the Investment Manager’s ability to source extensive deal flow and a thorough filtering process coupled with a robust approach to due diligence, with around £230 million of assets comprising the Seed Assets under option to the Company and in excess of a further £500 million of Non-Seed Assets identified by the Investment Manager through its strategic partners and networks. The Company intends to deploy substantially all the funds raised under the Initial Issues in purchasing the Seed Assets and subject to raising in excess of the Minimum Gross Proceeds, to purchase some of the Non-Seed Assets (in each case subject to satisfactory due diligence and completion of all other customary legal formalities).

The Initial Issues

The Company is targeting Gross Proceeds of up to £300 million through an Initial Placing, Offer for Subscription and Intermediaries Offer, which will be open from 7 September 2021 until 30 September 2021, unless the Initial Issues are fully subscribed before this date or the Directors (at their discretion) decide to bring forward the Initial Closing Date. Applications will be made to the FCA for the Ordinary Shares issued and to be issued under the Initial Issues to be listed on the premium listing segment of the Official List and to the London Stock Exchange for all such Ordinary Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities. Initial Admission is expected to become effective, and dealings in the Ordinary Shares are expected to commence on the London Stock Exchange, at 8.00 a.m. on 6 October 2021.

The Directors have committed to invest an aggregate of £60,000 under the Offer for Subscription on the same terms as Investors.

The Placing Programme

Following the Initial Issues, the Directors may undertake one or more Subsequent Placings pursuant to the Placing Programme in respect of up to 300 million Shares (less any Shares issued pursuant to the Initial Issues). Assuming £100 million of gross proceeds are raised in the Initial Issues, the Directors will have the ability to issue a further 200 million Shares pursuant to the Placing Programme. The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Shares over a period of time. The issue of Shares pursuant to the Placing Programme is at the discretion of the Directors. The last date on which Shares may be admitted to trading on the Main Market and be listed on the Official List under the Placing Programme is 6 September 2022. The price at which Shares will be issued under the Placing Programme, will be as agreed by the Board and the Joint Bookrunners in accordance with the terms of the Placing Agreement at the time of each Subsequent Placing of Shares under the Placing Programme which shall be at a premium to the last published cum income Net Asset Value per Share at the time of the Subsequent Placing plus a premium to at least cover the costs and expenses of such Subsequent Placing (including, without limitation, any placing commissions), as determined by the Board at the time of the Subsequent Placing.

Taxation

Tax at the level of the investment trust

An Investment Trust is generally exempt from UK tax on any chargeable gains realised from its portfolio of investments.

Tax at the level of UK resident UK domiciled investors

Individual investors in an Investment Trust are generally subject to tax on dividend distributions from their shares or on capital gains realised on the disposal of their shares just as if they held shares in any other company. Dividend distributions are subject to tax at the dividend rates while interest distributions, if the investment trust opts to pay such distributions, are taxed as yearly interest.

Tax at the level of UK resident UK corporate entities

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to corporation tax on chargeable gains arising on a disposal of their Ordinary Shares. UK resident corporate Shareholders may also be subject to corporation tax on dividends paid by the Company unless they fall within one of the exempt classes in Part 9A of CTA 2010.

Prospective retail Investors should consult with their own independent financial adviser before making an investment in an Investment Trust.

Yours sincerely,

Anthony Marsh, Chair
Blackfinch Renewable European Income Trust plc

Expected Issues Timetable, Statistics of the Issues and Dealing Codes

Expected Issues Timetable

Publication of the Prospectus	7 September 2021
Initial Placing, Offer for Subscription and Intermediaries Offer opens	7 September 2021
Latest time and date for receipt of application forms in respect of the Offer for Subscription	11.00 a.m. on 30 September 2021
Latest time and date for receipt of application forms in respect of the Intermediaries Offer	2.00 p.m. on 30 September 2021
Latest time and date for commitments under the Initial Placing	5.00 p.m. on 30 September 2021
Announcement of results of the Issues	1 October 2021
Initial Admission and dealings in Shares commence	8.00 a.m. on 6 October 2021
CREST accounts credited in respect of Ordinary Shares in uncertificated form	As soon as is reasonably practical on the morning of 6 October 2021
Share certificates despatched	within 10 Business Days of Admission

Placing Programme

Placing Programme opens	7 October 2021
Publication of Placing Programme Price in respect of any Subsequent Placing	the Business Day prior to the close of the relevant Subsequent Placing
Results of any Subsequent Placing announced	by close of business on the Business Day following the close of the relevant Subsequent Placing
Admission and dealings of Shares issued in any Subsequent Placing commence	as soon as practicable following each Subsequent Placing

Notes:

- (1) The times and dates set out in the expected timetable above and mentioned throughout this Prospectus that fall after the date of publication of this Prospectus are indicative only and are subject to change without further notice. Any changes to the expected timetable will be notified by the Company through a Regulatory Information Service.
- (2) All references to times in this Prospectus are to London time, unless otherwise stated.

Statistics of the Issues

Issue Price	£1.00
Expected maximum number of Ordinary Shares in issue following close of the Initial Issues	up to 300,000,000
Target Gross Proceeds	£300,000,000
Estimated net proceeds of the Initial Issues ⁽¹⁾	£294,000,000
Minimum Gross Proceeds ⁽²⁾	£100,000,000
Minimum individual investment for retail investors under the Offer for Subscription and Intermediaries Offer	£1,000
Estimated expenses of the Initial Issues ⁽¹⁾	£6,000,000
Estimated Net Asset Value per Ordinary Share on Initial Admission ⁽¹⁾	£0.98

Placing Programme

Maximum number of Ordinary Shares available under the Placing Programme	up to 300 million (less any Shares issued pursuant to the Initial Issues)
Placing Programme Price (per Share)	Not less than the last published cum income Net Asset Value per Share at the time of the Subsequent Placing plus a premium to at least cover the costs and expenses of such Subsequent Placing (including, without limitation, any placing commissions), as determined by the Board at the time of the Subsequent Placing

Notes:

1. Assuming Gross Proceeds of £300 million. The number of Ordinary Shares to be issued pursuant to the Initial Issues, and therefore the Gross Proceeds of the Initial Issues, is not known as at the date of this Prospectus but will be notified by the Company through a Regulatory Information Service prior to Initial Admission.
2. The Issues are conditional upon the Minimum Gross Proceeds of £100 million being raised.

Dealing Codes

ISIN	GB00BM9DG166
SEDOL	BM9DG166
Ticker Code	BRET
LEI	213800FWLQWK6ICQUP91

Part 1

Blackfinch Renewable European Income Trust

Introduction

Blackfinch Renewable European Income Trust is a newly incorporated company which will seek HMRC approval as an Investment Trust. The Company's investment objective is to provide Shareholders with an attractive level of distribution by investing in a diversified portfolio of mixed renewable energy infrastructure assets that have the opportunity for capital appreciation over the medium to long term through active asset management. The Directors believe that the Company will be in a strong position to achieve this, backed by the Investment Manager. The Company has entered into the Option Agreement, and, subject to undertaking final legal and technical due diligence on each of the Seed Assets, and agreeing final terms of a share purchase agreement for each individual Seed Asset to be acquired by the Company (using the agreed form share purchase agreement appended to the Option Agreement) the Company will have the option to acquire each of the Seed Assets, which comprises a portfolio of 21 construction-ready solar assets (further details are set out in the table on page 90). Following closing of the Initial Issues (which is conditional upon, among other matters, the Minimum Gross Proceeds being raised), the Investment Manager will select the most favourable Seed Assets for acquisition based on the amount raised under the Initial Issues. The acquisition of each of the Seed Assets will be subject to the completion of satisfactory due diligence by the Investment Manager on behalf of the Company and the completion of all other customary legal formalities, all of which are expected to be confirmatory in nature.

Neither the Investment Manager nor the Company have undertaken their own due diligence on the Seed Assets although there has been a vendor due diligence exercise carried out in relation to the Seed Assets that will be subject to the Option Agreement. The Company intends to undertake its own due diligence on the Seed Assets before the final terms for their acquisition are agreed in accordance with the provisions of the Option Agreement. There can be no assurance that the Company will acquire any or all of the Seed Assets. In addition, the Company has the potential benefit of the Non-Seed Assets which comprise a significant pipeline of potential investment opportunities that are subject to off-market or bilateral discussions between the owners of the Non-Seed Assets and the Investment Manager. The Non-Seed Assets comprise a portfolio of in excess of £500 million of operational and construction-ready wind and solar assets (further details are set out in the table on page 91). The Company will, therefore, benefit from exposure to an extensive pipeline of potential assets and from the Investment Manager's knowledge and experience in sourcing and executing investments in the renewable energy sector. The Investment Manager has entered into arrangements with a number of strategic partners under which those partners have agreed to exclusively source investment opportunities for the Investment Manager that the Investment Manager will consider on behalf of the Company.

Blackfinch will be appointed as the Company's AIFM with effect from Initial Admission. Blackfinch is an investment specialist with a heritage dating back over 25 years. Blackfinch provide evolved investment solutions with a focus on capital protection, security and growth. The philosophy of Blackfinch is one of adaptation to market change and customer needs. Bringing significant experience and expertise with a transparent approach, Blackfinch are trusted with over £550 million under management and administration, as at 31 August 2021. For more information on the Investment Manager's team and experience, please see the section "The Board, committees and the Investment Manager team" on page 50.

The Company is targeting Gross Proceeds of up to £300 million by way of the Initial Issues, subject to raising Minimum Gross Proceeds of £100 million.

The Company will apply for the Ordinary Shares issued under the Issues to be listed on the Official List and traded on the London Stock Exchange's main market. The Initial Placing, Offer for Subscription and the Intermediaries Offer for Subscription will be open from 7 September 2021 until 30 September 2021. The Placing Programme will be open from 7 October 2021 until 6 September 2022. The Issues may close in advance of this date in the event that the maximum subscription is reached or the Directors (at their discretion) decide to bring forward the Initial Closing Date. The closing date of the Initial Issues, and the deadline for receipt of applications for the final allotment with respect to the Initial Issues, may be extended by the Directors to a date no later than 31 December 2021.

Dividend policy

Once fully invested, the Company intends to pay quarterly dividends with a target dividend yield (based on the Initial Issue Price) of 1% to 3% for the first financial year to 30 June 2022 and 5% to 5.5% per annum for the second financial year to 30 June 2023 (together, the **“Initial Target Dividend”**), and 6% per annum and increasing progressively thereafter (the **“Target Dividend”**). Distributions are expected to be paid quarterly and, generally, in equal instalments, in respect of the periods ending 30 September, 31 December, 31 March and 30 June each year. The Company intends to declare a first dividend in respect of the period from the Initial Admission to 31 March 2022 and the dividends in relation to the period from Initial Admission to 30 June 2022 are not expected to be paid in equal instalments. The Company will target a net total shareholder return in excess of 8.0% per annum over the medium to long term (the **“Target Net Total Return”**).

The Target Dividend, Initial Target Dividend and the Target Net Total Return are targets only and are not profit forecasts. No forecast or projection is implied or inferred. There can be no guarantee that these targets will be met and they should not be taken as an indication of the Company's expected or actual future results. Investors should not place any reliance on these targets and should decide for themselves whether or not each of the Target Dividend, Initial Target Dividend and the Target Net Total Return is reasonable or achievable.

The Company intends to comply with the investment trust rules regarding distributable income and the Directors will, therefore, regularly assess whether to make additional distributions to investors (for example, in the form of interim or special dividends), where appropriate. The Company's ability to pay dividends is subject to the existence of realised profits, legislative requirements and the available cash reserves of the Company. No forecast or projection is implied or inferred.

The Company intends at all times to conduct its affairs so as to enable it to retain approval as an investment trust for the purposes of section 1158 of the CTA 2010.

Reasons for the Issues

The Issues have been launched to provide Investors with the opportunity to invest in a company with exposure to a portfolio of investments in the renewable energy sector with the expected benefit of Investment Trust tax status for the Company. If only the Minimum Gross Proceeds are raised, the Company intends to use the net proceeds to fund the acquisition of selected assets from the Seed Assets (subject to satisfactory due diligence and completion of all customary legal formalities) for general working capital purposes and to cover the costs of the Initial Issues (which will include the cost of redeeming the redeemable preference shares referred to at paragraph 6.17 of Part 6 below). If more than the Minimum Gross Proceeds are raised, subject to its working capital requirements, the Company intends to use the net proceeds to fund the acquisition of the remaining balance of the Seed Assets and some of the Non-Seed Assets.

It is intended that the net proceeds raised under the Placing Programme will be used to acquire any of the Seed Assets not acquired from the proceeds of the Initial Issues and thereafter to acquire other renewable energy assets pursuant to the Company's published investment policy (including some or all of the Non-Seed Assets, subject to due diligence and completion of all other customary legal formalities).

The Investment Manager

Blackfinch is authorised and regulated by the Financial Conduct Authority. The LEI of the Investment Manager is 213800F8C8V12SJ7U074.

Blackfinch is an award-winning investment specialist with a heritage dating back over 25 years. Blackfinch provide evolved investment solutions with a focus on capital protection, security and growth. Bringing significant experience and expertise with a transparent approach, the Blackfinch investment management team have extensive experience across relevant sectors including SEIS, EIS, VCTs, renewables, property and AIM securities. As at 31 August 2021 the Blackfinch Group had over £550 million of funds under management and administration including approximately £200 million in its Blackfinch IHT Portfolios which are split across a range of industries including property development financing, asset-backed lending, and renewable energy generation sites, particularly solar and wind power. Blackfinch has advised its funds on the acquisition and management of 49 renewable energy sites, comprising 61.6 MW of capacity of which 25.5 MW are solar and 36.1 MW are wind, with an enterprise value in excess of £130 million (as at December 2020) and a weighted

average yield on investment trending towards 6% in 2020. These assets comprise a mix of subsidised and subsidy-free tariffs as well as private wire power purchase agreements. Eight of these transactions have been completed since the start of 2019.

For more information on Blackfinch's team and experience, please see the section "The Board, committees and the Investment Manager team" on page 50.

Investment Trust Status

The Company intends at all times to conduct its affairs so as to enable it to retain approval as an investment trust for the purposes of section 1158 of the CTA 2010. Under current legislation, in order for the Company to qualify as an Investment Trust, all or substantially all of the Company's business consists of investing its funds in shares, land or other assets with the aim of spreading investment risk and giving Shareholders the benefit of the results of the management of its funds, all of its Ordinary Shares (and any other class of ordinary shares which are issued by the Company from time to time) must be admitted to trading on a regulated market, such as the main market of the London Stock Exchange, throughout the accounting period, and the Company must not be a venture capital trust (within the meaning of Part 6 of the Income Tax Act 2007) or UK REIT (within the meaning of Part 12 of the CTA 2010).

The Company will make an application for approval as an Investment Trust.

Once approved as an Investment Trust, to maintain its status as Investment Trust the Company must:

- not be a close company (as defined in section 439 of the CTA 2010);
- not retain in respect of any accounting period an amount that is (generally) greater than 15% of its income for the period; and
- notify HMRC if it revises its investment policy.

The Company must also give notice to HMRC of relevant breaches of the Investment Trust regime.

As an HMRC approved Investment Trust, the Company is exempt from UK tax on any chargeable gains realised from its portfolio of investments. Individual investors in the Company are generally subject to tax on dividend distributions from their shares or on capital gains realised on the disposal of their shares. Dividend distributions are subject to tax at the dividend rates while interest distributions, if the investment trust opts to pay such distributions, are taxed as yearly interest.

Applicable tax rates and reliefs can be subject to change and may be dependent on individual's circumstances.

Green Economy Mark

The Company is expected to qualify for the London Stock Exchange's Green Economy Mark at Initial Admission, which recognises companies that derive 50% or more of their total annual revenues from products and services that contribute to the global green economy. The underlying methodology incorporates the Green Revenues data model developed by FTSE Russell, which assists investors in understanding the global industrial transition to a green and low carbon economy with consistent, transparent data and indexes.

Strategic Partners and Networks

Blackfinch Group has been active in renewable energy since 2014, and has developed a European sourcing network which has allowed the Blackfinch Energy Team (within Blackfinch's wider investment management team) to secure a high proportion of proprietary investments opportunities, and to develop strong strategic partnership agreements. The Blackfinch Energy Team has been further enhanced by the executives recruited to the team, many of whom have deep relationships across multiple renewable energy sectors.

Over the years, management team members have developed strong relationships with a variety of key participants in the European energy markets. Blackfinch believes this approach is well-suited to the European renewable energy sector, where opportunities are typically less intermediated, and where assets are not often widely auctioned.

The Blackfinch Energy Team believes it will be able to continue leveraging existing relationships with market participants to source investment opportunities and to meet the Company's investment objectives. It will maintain this network of relationships by conducting regular meetings with origination partners and by actively canvassing the renewable energy market. All relevant collected information will be shared within the team, to ensure all members have the same understanding of the market dynamics, and are able to articulate a consistent message in discussions with strategic partners. Finally, regular communication and interaction of the Investment Manager with board members and management teams of portfolio companies helps to strengthen the relationships with existing partners, creating significant insights into relevant jurisdictions and sectors, and contributing to the sourcing of new investment opportunities.

Key strategic partners:

The Blackfinch Energy Team has strategic partnership agreements with Sunnerg, Enviromena and Solar Balance. Further details of these parties are set out below.

Sunnnerg is a general contractor and service provider specialising in renewable 'turnkey projects', particularly Solar PV. Sunnerg has developed more than 200 MW and constructed more than 300 MW of solar and wind since inception in 2020 and has extensive European experience and networks, including Spain, Portugal, Italy and Central Eastern Europe. Sunnerg has agreed with the Investment Manager to source (exclusively), construct and operate assets for the Company.

Enviromena is an integrated clean energy group which develops, constructs, operates and maintains renewable energy projects. Strategically located in the UK and domiciled in Dubai, the company has more than 13 years' experience, including delivery of over 1 GW of solar globally with another 1 GW to be rolled out in the next few years and has installed more than 17,000 solar systems to date with a current pipeline of 500 MW under development, and has the largest portfolio of solar rooftops in the GCC Countries.

In 2017, Arjun Infrastructure Partners (AIP) acquired Enviromena with the purpose of creating an international clean energy platform. Arjun Infrastructure Partners is an independent asset management company dedicated to executing and managing mid-market infrastructure investments. Founded in 2015, Arjun now manages €3.9 billion of capital on behalf of 20 prominent institutional investors.

Solar Balance (Balanço Solar) is a privately owned Portuguese company aiming to develop large, utility-scale solar and renewable energy plants. In 2014 Solar Balance completed its first major project, with the construction of two 4.4 Megawatt (MW) photovoltaic (PV) solar plants near Lisbon, Portugal. Moving forwards, the company aims to develop further solar projects in Portugal and beyond.

Solar Balance was established in 2011 under the general management of Colin Reid, a Chartered Engineer with over 25 years' experience in the energy industry. Colin brings extensive technical expertise of photovoltaic, thermal solar and renewable energy systems, alongside an in-depth knowledge of the Portuguese renewable energy market. Colin Reid, has a long-term relationship with King Chan. King and Colin have previously sought investment opportunities together whilst King worked at Martifer and Capital Dynamics.

Solar Balance has developed a network of UK and Portuguese staff to source, develop, construct, operate and maintain renewable energy projects. Through this, Blackfinch and Solar Balance have entered into an exclusivity arrangement for the sourcing of solar projects around Portugal, including construction-ready and operational sites.

Purchase of own Ordinary Shares

The Company may seek to address any significant discount to the NAV per Share at which its Ordinary Shares may be trading by purchasing its own Ordinary Shares in the market on an ad hoc basis. The Directors have the authority to purchase in the market up to 14.99% of the Ordinary Shares in issue immediately following the Initial Admission. This authority will expire at the conclusion of the Company's first annual general meeting or, if earlier, 15 months from the date on which the resolution conferring the authority was passed. The Directors intend to seek annual renewal of this authority from Shareholders at each annual general meeting. Whether the Company purchases any such Ordinary Shares, and the timing and the price paid on any such purchase, will be at the absolute discretion of the Directors. Ordinary Shares which are bought back may be cancelled or held in treasury, again at the Board's absolute discretion. Ordinary Shares held in treasury may be sold by the Company at prices equal to or above the prevailing NAV per Share.

Continuation vote

The Directors will propose an ordinary resolution that the Company continues its business as a closed-ended investment company (a “**Continuation Resolution**”) at the first annual general meeting of the Company following the fifth anniversary of Initial Admission and, after 18 months following Initial Admission if, by then, the Company has not committed 75% of the net proceeds of the Issues to making investments in renewable energy assets in accordance with its published investment policy. If the Continuation Resolution is passed, the Directors will put a further Continuation Resolution to Shareholders at the annual general meeting of the Company every five years thereafter.

If a Continuation Resolution is not passed, the Directors are required to put forward proposals for the reconstruction, reorganisation or winding-up of the Company to the Shareholders for their approval within six months following the date on which the relevant Continuation Resolution is not passed. These proposals may or may not involve winding-up the Company or liquidating all or part of the Company’s then existing portfolio of investments and, accordingly, failure to pass a Continuation Resolution will not necessarily result in the winding-up of the Company or liquidation of all or some of its investments.

Approach to valuation

An important factor in valuing a renewable energy asset is estimating the price that will be achieved for the energy produced by the asset.

Most renewable energy assets in the UK and Europe have been built based on fixed government subsidies and feed-in tariffs. These provide certainty on the price that will be achieved for the energy produced. However, many older solar and wind farms are coming to the end of their subsidy period and are increasingly exposed to merchant risk, being fluctuating hourly prices for the energy produced.

Revenue from energy production can be measured against the central baseload wholesale price (the “**central curve**”), which is the average wholesale price that can be achieved for energy production over a prescribed period of time. However, the actual price that renewable energy assets “capture” (the “**capture curve**”) often differentiates from the central curve significantly due to the fact that renewable energy sources do not generate a continuous supply of energy, but rather fluctuate due to differing weather conditions.

Traditionally, wind and solar assets have outperformed the central curve due to the fact that they tend to produce energy at times where there is highest demand for energy and so the prices are at their highest. As wind and solar energy technologies have matured they have become more efficient and cheaper to build and maintain, this has led to more renewable energy being produced. Increasing levels of renewable energy has driven the price paid for this energy down, further “cannibalisation” of energy prices has arisen as renewable energy sources tend to produce energy at similar times and are not able to choose to produce energy at periods of high demand.

The Company intends to value its assets based on a blend of the central curve and capture curve, leaving room for upside potential in the assets and reducing the risk to investors of power price corrections to the Net Asset Value.

Shareholder Reporting

The Directors believe that communication with Shareholders is important. Shareholders will have access to a copy of the Company’s annual report and accounts (expected to be published each December (commencing in December 2022) and a copy of the Company’s interim results (expected to be published each March (commencing in March 2022)). These will be made available on the Company’s website. Shareholders and their advisers (if applicable) will also receive updated reports from the Company and the Investment Manager on the progress of the Company and its investment.

In order to reduce the administrative burden and cost of communicating with Shareholders, the Company intends to publish all notices, documents and information to be sent to Shareholders generally (“**Shareholder Documents**”) on the Company’s website (www.bret.energy). Increased use of electronic communications will deliver significant savings to the Company in terms of administration, printing and postage costs, as well as speeding up the provision of information to Shareholders. The reduced use of paper will also have general environmental benefits. Shareholders will be notified when Shareholder Documents are published on the Company’s website.

Subject to the requirements of the Companies Act 2006 and other applicable laws, such notification will be delivered electronically (or by post where no email address has been provided for that purpose) and, unless Investors under the Offer for Subscription complete the relevant section of the Application Form, and any other Investors under the Issues advise the Company in writing that they wish to receive hard copy Shareholder Documents or, as Shareholders, they subsequently notify the Company of the same, Shareholders will not receive hard copies of the Shareholder Documents.

Corporate matters

Allotment, dealings and settlement

Applications will be made to the FCA for the Ordinary Shares in issue and to be issued pursuant to the Issues to be admitted to the premium segment of the Official List and to the London Stock Exchange for all such Ordinary Shares to be admitted trading on the London Stock Exchange's main market for listed securities.

It is expected that Initial Admission will become effective, and dealings in the Ordinary Shares will commence, at 8.00 a.m. on 6 October 2021.

Ordinary Shares will be issued in registered form and will be freely transferable in both certificated and uncertificated form from Admission and it is anticipated that definitive share certificates will be issued within 10 Business Days of Admission.

Ordinary Shares will be capable of being transferred by means of the CREST system. Investors who wish to take account of the ability to trade their Ordinary Shares in uncertificated form (and who have access to a CREST account) may arrange through their professional adviser to convert their holding into dematerialised form.

The Issues may not be withdrawn after dealings in the Ordinary Shares have commenced. If the Company is required to publish a supplementary prospectus, applicants who have applied for Shares in the Issues will have at least two clear business days following the publication of the relevant supplementary prospectus within which to withdraw their application to acquire Shares in the Issues in its entirety. The right to withdraw an application to acquire Shares in the Issues in these circumstances will be available to all investors in the Issues. If the application is not withdrawn within the stipulated period, any application to apply for Shares under the Issues will remain valid and binding. Details of how to withdraw an application will be made available if a supplementary prospectus is published.

Corporate Governance

The Board has considered the principles and provisions of the AIC Code. The AIC Code addresses the principles and provisions set out in the UK Corporate Governance Code, as well as setting out additional principles and provisions on issues that are of specific relevance to listed investment companies. The Board considers that reporting against the principles and recommendations of the AIC Code will provide better information to Shareholders. As a recently incorporated company, the Company does not yet comply with the UK Corporate Governance Code or the principles of good governance contained in the AIC Code. However, the Company intends to join the AIC as soon as practicable following Initial Admission and to comply with the AIC Code (save as set out below) which complements the UK Corporate Governance Code and provides a framework of best practice for listed investment companies.

The UK Corporate Governance Code includes provisions relating to:

- the appointment of a senior independent director;
- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

It is acknowledged in the UK Corporate Governance Code that some of its provisions may not be relevant to externally managed investment companies (such as the Company). The Board does not consider that the above provisions are relevant to the Company, as the Board is made up entirely of non-executive Directors.

The Company will therefore not comply with these provisions. The AIC Code also includes a provision relating to the appointment of a senior independent director. The Board considers that, due to the size of the Board, this provision is not appropriate to the position of the Company.

Key rules and regulations

UK MAR and the Disclosure Guidance and Transparency Rules

As a company whose shares will be admitted to trading on the Main Market, the Company will comply with all of the provisions of UK MAR and the Disclosure Guidance and Transparency Rules which are applicable to it. The Directors have adopted a share dealing code that is compliant with the UK MAR. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors and other Persons Discharging Managerial Responsibilities.

The Disclosure Guidance and Transparency Rules provide that certain persons (including Shareholders) must notify the Company if the proportion of the Company's voting rights which they then hold directly or indirectly as a shareholder or through a direct or indirect holding of certain financial instruments reaches, exceeds or falls below thresholds of 3 % and each 1% threshold thereafter up to 100%.

The Directors are aware of their obligations under UK MAR and the Disclosure Guidance and Transparency Rules and the Company will have a share dealing policy and a procedure to comply with the requirements set out in UK MAR.

Investment Trust Regulations

In seeking to obtain and maintain its Investment Trust status, the Company must comply with a number of regulations as set out in section 1158 of the CTA 2010 and under the Investment Trust Regulations. How the main regulations apply to the Company is summarised as follows:

All or substantially all of the business of the Company must be investing its funds in shares, land or other assets with the aim of spreading investment risk and giving members of the Company the benefit of the results of the management of its funds.

The shares making up the Company's ordinary share capital (or, if there are such shares of more than one class, those of each class) are admitted to trading on a regulated market, such as the main market of the London Stock Exchange.

The Company must not be:

- a venture capital trust (within the meaning of Part 6 of the Income Tax Act 2007), or
- a company UK REIT (within the meaning of Part 12 of the CTA 2010).

To maintain its status as an Investment Trust on an ongoing basis, the Company must:

not be a close company (as defined in section 439 of the CTA 2010);

- not retain in respect of any accounting period an amount that is (generally) greater than 15% of its income for the period; and
- notify HMRC if it revises its investment policy.

The Company must also give notice to HMRC of relevant breaches of the Investment Trust regime.

Listing Rules

In accordance with the Listing Rules:

- the Company may not invest more than 10%, in aggregate, of the value of its total assets at the time an investment is made in other listed closed-ended investment funds except listed closed-ended investment funds which have published investment policies which permit them to invest no more than 15% of their total assets in other listed closed-ended investment funds;

- the Company must not conduct any trading activity which is significant in the context of its group (if any) as a whole; and
- the Company must, at all times, invest and manage its assets in a way which is consistent with its objective of spreading investment risk and in accordance with its published investment policy as set out in this document. The Company's investment policy is in line with Chapter 15 of the Listing Rules and section 1158 of the CTA 2010.

The Board, committees and the Investment Manager team

Board of Directors

The Board has overall responsibility for the Company's affairs, including determining its investment policy and having overall control, direction and supervision of the Investment Manager. The Board comprises four non-executive directors, all of whom act independently of the Investment Manager. Accordingly, all of the Board, including the Chair, are independent of the Investment Manager.

Anthony Marsh (Chair)

Anthony is an experienced senior executive with a track record of success investing debt and equity into (particularly renewable) power projects in many countries throughout Africa, Europe and Asia. The most recent full-time role was CEO of a fund manager with assets under management of \$1.1bn, utilising European government aid money (including UK, Switzerland, Sweden, Netherlands and Germany) to invest (usually project finance) debt in infrastructure in Africa and SE Asia to achieve both financial and developmental returns. Prior to that, Anthony set up the UK government owned, and world's first, Green Investment Bank, and Chair of the Investment Committee, building a business of 90 people and commitments of over £800 million to renewable projects in 2 years. He was also a non-executive Director of UK GIB Financial Services Limited which raised and invested over £900m in UK offshore wind farms. Anthony also held Head of Power roles at Deutsche Bank and EBRD.

Anthony currently sits on the European infrastructure investment committees for Aviva and BaltCap (with EIB and EBRD as core investors) and two African infrastructure debt and grant funds. He is a non-executive director at Umeme, the listed Ugandan electricity distribution company, and chair of Energy 4 Impact a charity seeking to improve the productive use of energy in the poorest countries in Africa.

Jane Tozer OBE

Jane has a technology sector background with extensive and varied board experience in the technology, finance, retail and public sectors, including in-depth experience in audit, remuneration, marketing, technology and efficient corporate governance. Jane is currently the Senior Independent Director for Ventus 2 VCT plc and GPDF, and a trustee of two charities.

Jane has served on the boards of BMO Global Smaller Companies plc, JP Morgan Income & Growth Investment Trust plc, 3i European Technology Investment Trust plc, the John Lewis Partnership, StatPro plc, SurfControl plc, Retail Decisions plc, Protagona plc and several other UK listed public companies, and a wide range of private companies. Jane has also served in a non-executive capacity for a number of Government and public sector bodies including Asthma UK, the Department for Work & Pensions, the Pension Disability & Carers' Service, the Ministry of Justice and the Warwick Business School Advisory Board.

Josephine Bush

Josephine was a Senior Partner at EY for 14 years specialising in the renewable energy sector, with over 27 years' experience post qualification. She sat on the EY Power & Utilities Board, UK&I, as well as the UK&I Governance Board. She spearheaded the development of their global renewables business plan. Josephine has led on and implemented complex structuring for global group reorganisations, acquisitions, refinancings and cross border transactions. She led on the structuring for the IPO of Greencoat UK Wind PLC and John Laing Environmental Fund PLC. She has worked extensively with other environmental "yieldco's" as well as many other International and European renewable investors and developers, both listed and unlisted. She is a Qualified Solicitor, Chartered Tax Advisor, and recently also qualified with CFA ESG investing and sustainable

finance certifications. She is a non-executive director and Chair of the audit, risk and ESG committee for Vulcan Energy Resources Limited (an ASX listed entity) and has undertaken a number of trustee roles. She is a non-executive director for Net Zero Now Limited. Josephine is a member of the investment committee for Gresham House's British Sustainable Infrastructure Funds as well as a strategic adviser to Guernsey Finance. She is a Fellow of the Royal Geographical Society and recently founded the not for profit, Sustainability & You, to raise awareness of sustainability related issues and opportunities.

Michael Phillips

Michael is an experienced private and public director of fund, asset and wealth management companies with particular strengths in general management, corporate governance and closed-ended investment companies.

Michael is currently the Senior Independent Director of Miton Global Opportunities plc and has in the past served on the boards of Gresham House plc as the Strategic Development Director, Strategic Equity Capital plc as a non-executive director and Midas Capital plc as Chief Executive.

Michael is a keen supporter of investment trusts having worked within the sector as an executive responsible for day-to-day management of investment companies and as a non-executive throughout the last 20 years.

Audit Committee

The Company has established an audit committee which consists of all the Directors (and must comprise at least three of the Directors) and is chaired by Jane Tozer. The committee meet at least twice a year. The Company's auditors may be required to attend such meetings. The Committee will prepare a report each year addressed to shareholders for inclusion in the Company's annual report and accounts. The duties of the committee are *inter alia*:

- to review and report to the Board on significant financial reporting issues and judgements which the financial statements, interim reports, preliminary announcements and related formal statements contain;
- to monitor, review and report to the Board on internal control and risk management systems;
- to consider the appointment of the external auditor, to monitor its independence and objectivity, the level of audit fees and to discuss with the external auditor the nature and scope of the audit; and
- to prepare a formal report to Shareholders on its activities to be included in the Company's annual report, which includes all information and requirements set out in the UK Corporate Governance Code.

Management Engagement Committee

The Company has established a Management Engagement Committee which is chaired by Anthony Marsh and consists of all of the Directors (and must comprise at least three of the Directors). The Management Engagement Committee will meet at least once a year or more often if required. Its principal duties will be to (i) consider the terms of appointment of the Investment Manager and other service providers; (ii) annually review those appointments and the terms of engagement; and (iii) monitor, evaluate and hold to account the performance of the Investment Manager, the other service providers and their key personnel.

Nomination Committee

The Company's Nomination Committee consists of all the Directors (and must comprise at least three of the Directors) and is chaired by Anthony Marsh. The Nomination Committee will meet at least once a year. Its principal duties will be to regularly review the structure, size and composition of the Board as a whole and advise the Board on succession having regard to the balance of skills and experience on the Board. The Nomination Committee will evaluate the skills, experience and diversity of the Directors serving on the Board. All appointments to the Board will be made in a formal manner.

Blackfinch

The Company appointed Blackfinch as its Investment Manager with effect from Initial Admission on 6 October 2021 to originate and advise on its investments. Blackfinch is authorised by the FCA to manage investments and provides advisory services in connection with the fund management of the Company.

Investment Manager Team

The Investment Manager has an experienced and talented core team that supports the Company in making solid investment decisions and monitoring and supporting portfolio companies. This core team draws on the wider members of the Investment Manager's group. This approach reduces reliance on a single individual, and ensures the experience to make high quality, well evidenced investment decisions. The Investment Manager team is as follows:

Richard Cook, CEO and Investment Committee member

Richard has been Chief Executive Officer of Blackfinch since 2013. He has been involved in the structuring and management of tax-efficient assets for over 20 years. Richard conceptualized and launched the Blackfinch brand and has overseen the growth and expansion of the company within the UK retail market. Previously, Richard worked in senior banking roles within Merrill Lynch and the Bank of New York.

Richard Simmonds, Chief Investment Officer and Investment Committee member

Richard has over 20 years' senior experience in financial services, specialising in asset-backed fund management. Richard has extensive project, corporate finance and fund management experience across multiple asset classes. Richard holds an Executive MBA from IE Business School, the Certificate in Discretionary Investment Management, and the Diploma in Financial Planning. Prior to joining Blackfinch, Richard held roles at NatWest, FTSE and Credit Suisse in London and New York.

Guy Lavarack, Investment Director and Co-Lead Fund Manager for the Company

Guy brings in-depth knowledge of corporate finance gained through a number of structured finance (debt and equity investment) roles with Lloyds Banking Group. Other roles prior to Blackfinch include sales and marketing and divisional statutory company director for a FTSE-listed outsourced services provider, and the Wind Prospect Group, where he led the project financing/sale of renewable energy assets, and 10 years in structured finance, including 3 years with Bank of Scotland's regional private equity arm during which time, Guy worked on 35 deals in the region of £20 million to £200 million. Guy has 20 years' experience as principal investor, structured financier and developer. Guy has been a specialist in renewable energy since 2012 and head of Blackfinch Energy since 2016. He has completed 12 deals with a £125 million combined value for Blackfinch Energy and oversees a 61 MW/£135 million energy portfolio for Blackfinch Energy with more than £12 million of revenues and £67 million of senior debt and achieved seven-fold portfolio growth. Guy has a master's degree from Cambridge.

King Chan, Investment Director and Co-Lead Fund Manager for the Company

King has more than 10 years' of European renewable energy infrastructure investment experience. He has transacted as a principal on 35 deals with total deal value in excess of £2.5 billion. Previously King held roles at KPMG, Capital Dynamics Triple Point, Martifer Solar and Octopus. King has deep European power experience in solar, bio-mass and other renewable energy infrastructure assets. He is experienced in developing and operating European investment funds. King's multi-country deal experience includes Octopus Energy's £265m equity sale and capital raise, Rolls Royce's sale of its 300 MW peaking portfolio, approximately \$200 million of investments in Mirova, InfraVia and KKR funds, a partnership with PGE Polska Grupa to co-develop 60 MW of solar farms across Poland and Eastern Europe, and Polaris' acquisition of a 100 MW wind farm in Southern Italy. King holds an Executive MBA from CASS Business School, the Investment Management Certificate and the Corporate Finance Diploma.

Stefan Agopsowicz, Investment Director

Stefan is the Investment Director for Blackfinch's Adapt AIM portfolios, legacy EIS portfolios, technical and dealing teams. With 17 years' experience, he brings expertise in company analysis, investment and monitoring. Previously, he worked in IT and software development, gaining deep tech knowledge.

Willem De Jager, Energy Finance Director

Willem has 12 years' experience in fund accounting, where he has led on all finance matters including transaction and structuring on investment funds. Willem lead an internal team of finance specialist in energy and property. Previously Willem was at Legal & General Investment Management where he was Head of Real Estate Business Operations.

Rowan Hewson, Asset Management Director

Rowan has 16 years' experience as an engineer, consultant, asset and project manager, with the last 12 in asset and project management in the renewable energy sector. He has broad exposure to solar, onshore and offshore wind, and hydro technologies, covering both small and large-scale projects. Rowan most recently led the operations and maintenance for Ecotricity's national portfolio of solar and winds assets with a multi-million-pound operating expense budget. Previously he held roles at RES, GarradHassan, DNV, K2 Management and has global technical consulting and construction experience across UK, Europe, South Africa and Asia. Rowan is a Chartered Engineer and Fellow of the IMechE and holds an MEng in Mechanical Engineering from the University of Bath.

Jolyon Ridgwell, Senior Asset Manager

Jolyon joined Blackfinch in 2018 as an Investment Manager, responsible for the identification and management of acquisitions for renewable energy generation projects. Jolyon's experience includes work in the renewables sector advising on various financing requirements for a green energy supplier. Prior to that he worked at a sustainability management consultancy with a focus on funding and project finance aspects. Before specialising in renewables, Jolyon worked in equity sales and management consultancy. He has an MBA from Cambridge.

Kerry Hughes, Senior Investment Manger

Kerry has worked in the renewable energy investment sector for 6 years, with expertise gained from solar and wind transactions across Europe, with particular focus on the Italian, French, UK and Irish markets. During her time in the sector Kerry has experience of deal execution as well as portfolio structuring and asset optimisation. In addition she has seven years' experience in early stage ethical investing, banking and financial services. Kerry is a qualified accountant and holds a degree and master's degree in physics from Oxford University.

Antonio Isac, Investment Manager

Antonio has 9 years' experience in the energy industry, with the last 4 years focused in investment in the renewable energy sector in Spain, the UK and Ireland. During his career, he has gained extensive experience in developing and acquiring solar, onshore and offshore wind projects. as well as working in repowering and project optimisation processes. He holds an Executive MBA and an Executive Masters in Corporate Finance and Law from ESADE Law & Business School.

Lawrence Campin, Assistant Investment Manager

Lawrence joined Blackfinch in 2020, previously working at St James's Place Wealth Management as a Valuations Co-ordinator. Prior to that he worked at Winton as a Data Processing Analyst. Lawrence holds a 2:1 bachelor's degree in Mathematics with Finance & Investment Banking from Reading University. Shortly after graduating, he passed his Investment Management Certificate, CFA Level 1 and CFA Level 2. Lawrence has recently passed the CFA Level 3 exam.

George Humphrey, Investment Analyst

George joined Blackfinch in 2019 having completed a corporate finance internship in renewable energy. He holds a master's degree in Finance from Exeter University and the Investment Management Certificate. Prior to his master's degree, George spent a year working at JP Morgan as a Fund Services Middle Office Analyst. He is currently studying for CFA level III.

Henry Etheridge, Investment Analyst

Henry joined Blackfinch in 2021 after completing a doctorate at the University of Bath. His doctoral research focused on the surface science that underpins photovoltaic technology, with the long-term goal of increasing the efficiency of solar cells. Prior to his PhD, Henry completed an undergraduate degree in physics at the University of Bath.

Hamish Masson, Head of Legal

In-house legal counsel, Hamish Masson leads the Blackfinch legal team and has over 15 years' experience working as a corporate and finance lawyer on debt finance, mergers and acquisitions, private equity and venture capital transactions, in London and internationally. Previously, he worked at the law firms Addleshaw Goddard, DLA Piper and Harneys advising in areas ranging from early stage start-up funding to private equity deals across a full spectrum of investments from small scale angel investments to multi-billion multi-jurisdictional acquisitions. Hamish leads an internal team specialising in energy, property, corporate and banking. Hamish has an LLM from the University of London and an LLB from the University of Durham.

Alex Common, Legal Counsel

Alex joined Blackfinch bringing legal expertise with a specialism in real estate. This covers development schemes, energy and infrastructure projects (with a focus on renewables) and acquisition and development finance transactions. Alex previously worked for eight years at Norton Rose Fulbright, having trained there and qualified as a solicitor in 2011, rising to senior associate. Alex holds a first-class degree in French from the University of Durham, the graduate diploma in Law from the College of Law, London, and a distinction from the Legal Practice course at BPP Law School.

Chloe Young, Junior Legal Counsel

Chloe joined Blackfinch in 2018 with a background in property law having previously worked at an equity release law firm. Chloe holds a law degree from Cardiff University and qualified as a Solicitor in May 2021.

Paul Chivers, Blackfinch Independent Director And Investment Committee member

Paul has over 25 years' experience in the energy and commodity sector, working in senior-executive positions for various international banks and trading houses. These include Mercuria Energy Trading S.A., BNP Paribas, Deutsche Bank and Credit Agricole Indosuez. Paul has also worked on government utility privatisations in the electricity and gas sectors, and on upstream oil and gas financing and renewable energy. Paul holds a B.Eng (hons) in Electrical and Electronic Engineering from the University of Liverpool.

Andrew Buglass, Independent Director and Investment Committee member

Andrew is an innovative Non-Executive Director with 30 years of experience as investor and lender to international energy projects. Andrew has a global track record of delivering over £11bn of investments in over 30 countries. Andrew was formerly the Head of Energy & Infrastructure at Royal Bank of Scotland, ING Banks, PowerGen and Unocal. Andrew holds an MA from Oxford University.

Investment Manager team track record

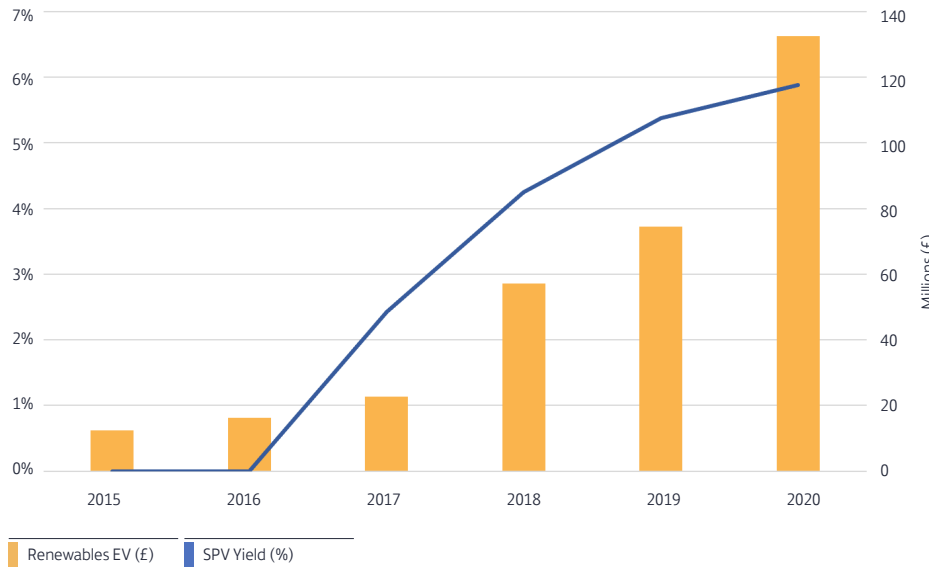
The Investment Manager is an independent company with more than 100 employees and over £500 million of assets under management. The Investment Manager's business lines include energy, private equity, venture capital, property, and multi-asset management. The Investment Manager has made a number of investments in the asset-backed lending, property development finance and renewable energy generation sectors through its Blackfinch IHT Portfolios (which rank 3rd and 5th in terms of returns out of 20 comparable funds as at June 2021), examples of which are detailed below. These example investments are typical of the type of investment the Investment Manager will recommend for investment by the Company in accordance with the investment policy set out below.

The Investment Manager is a specialist energy investor with a 16-strong energy team. The Investment Manager's energy investment team has 15 years' experience on average and has over 100 years of combined investment experience. The Investment Manager manages a 61.6 MW portfolio of 49 energy assets with an enterprise value of more than £130 million and a yield trending towards 6.0% in 2020. Of this portfolio 25.5 MW comprises solar assets and 36.1 MW are wind assets. The Investment Manager has experience investing in both private wire and subsidy-free assets.

The Investment Manager is working towards a more sustainable future as a member of the PRI (Principles of Responsible Investment) and is working towards meeting UN Sustainable Development Goals. ESG investment analysis is integral to the Investment Manager’s investment process and the Investment Manager has a dedicated ESG investment manager. The Company will be able to demonstrate tangible environmental impacts towards a more sustainable future.

The Investment Manager’s track record in energy investments

The yield and return of the Investment Manager’s energy investments are consistently in excess of mandated targets. The Investment Manager grew the enterprise value of its energy investments significantly whilst trending toward 6% yield in 2020. The Investment Manager has executed eight energy transactions since the start of 2019.



Note: Distributions from project companies after debt service.

Expenses and administration

Investment management services

Blackfinch will be paid an annual fee of:

- 0.95% of the NAV on up to the first £300 million of NAV;
- 0.85% on NAV between £300 million and £500 million; and
- 0.75% on any excess NAV above £500 million,

(plus VAT if applicable) for the Investment Management services it provides to the Company. The fee will be paid in cash, quarterly in arrears based on the latest published NAV. Each quarter, the Investment Manager shall invest not less than 10% of the management fee it receives in Ordinary Shares. If the Ordinary Shares are trading at a premium, the re-investment of the management fee shall be satisfied by the Investment Manager subscribing for new Ordinary Shares. If the Ordinary Shares are trading at a discount, the Investment Manager shall use its best endeavours to acquire Ordinary Shares in the market in order to satisfy the re-investment of 10% of the management fee. The Investment Manager shall be required to hold the Ordinary Shares it acquires for a period of at least two years from the date on which the relevant management fee is calculated (subject to customary carve-outs, including with the prior consent of the Board).

Asset management services

Blackfinch Energy, a wholly owned subsidiary of the Investment Manager acting as the Asset Manager will charge fees to some of the SPVs for the performance of the asset management services that would otherwise be provided by third parties. The Asset Manager will only be appointed to SPVs where the Investment Manager and the Company agree that the Asset Manager can add value, for example, by providing general, technical, commercial,

administrative and evaluative asset management services in relation to an asset where no prior active asset management has been implemented or provided by a third party. If the Company acquires an asset that already benefits from third party asset management services it is not expected that the Asset Manager will be appointed to provide services in relation to that asset. The provision and costs of these services will be governed by the Asset Management Agreement which will serve as a framework agreement under which relevant SPVs will enter into individual asset management agreements with Blackfinch Energy. The scope of services and charging schedules for each SPV will be negotiated on an arm's length basis and subject to final approval from the Board. The fees to be charged to the SPVs under the Asset Management Agreement will be subject to the following maximum and minimum amounts:

- a minimum of €2,500 per MW and a maximum of €3,000 per MW produced by assets situated in countries which have adopted the Euro as their currency;
- a minimum of £2,500 per MW and a maximum of £3,000 per MW produced by assets situated in the UK; and
- a minimum of the equivalent in local currency to €2,500 per MW and a maximum of the equivalent in local currency to €3,000 per MW produced by assets situated outwith the UK and in countries which have not adopted the Euro as their currency.

The minimum aggregate amount to be paid per annum to the Asset Manager by an SPV is £6,000 or €6,000. The maximum aggregate amount per MW to be paid to the Asset Manager by an SPV may be adjusted to reflect market practice.

These amounts will be subject to annual adjustment in line with RPI, except where such adjustment would result in a reduction in the fees subject to certain exceptions, the individual SPVs will also be responsible for any exceptional costs reasonably and properly incurred by the Asset Manager in providing the services under the Asset Management Agreement.

Fund Administration services

Link Alternative Fund Administrators Ltd will be paid an annual fee of 0.015% of the Gross Asset Value, subject to a minimum annual fee of £48,000 (plus VAT if applicable) for the fund administration services it will be engaged to provide to the Company. The fee will be payable in 12 equal monthly instalments.

Company Secretarial Services

Link Company Matters Ltd will be paid an annual fee of £54,000 (plus VAT) for the company secretarial services. The fee is payable monthly in arrears.

Depository Services

The Bank Of New York Mellon (International) Limited ("**BNY Mellon**") will be paid remuneration calculated by reference to the value of the assets for which it provides safekeeping and/or custody services and transaction fees for corporate and other actions related thereto for depository services it provides to the Company. BNY Mellon is entitled to authorise the release of funds from cash accounts it holds on behalf of the Company to settle all due and payable remuneration, fees, charges and expenses.

The Company will be responsible for its normal third party costs including (without limitation) listing fees, audit and taxation services, legal fees, sponsor fees, registrars' fees, custodian fees, depository fees, receiving agent fees, Directors' fees and other incidental costs.

Part 2

Global Energy Market Overview

In the opinion of the Investment Manager, achieving energy carbon neutral by 2050 is a considerable undertaking for our economies and societies, and one that goes well beyond simply setting long range targets. The climate change agenda has been one of the major concerns of this century. However, achieving carbon neutral goals requires an urgent response in energy transformation that swiftly reduces carbon emissions.

In 2015, the Paris Agreement established a clear goal to limit the increase of global temperature to “well below” 2°C, and ideally to 1.5°C, compared to pre-industrial levels, by mid-century. Rapidly shifting the world away from the consumption of fossil fuels, and towards cleaner renewable forms of energy, is critical to achieving the climate goals agreed upon in Paris. Progress towards the goals set in the Paris Agreement will be brought into focus in November 2021 when the latest United Nations Climate Change Conference takes place in Glasgow, Scotland. It is expected that following this conference there will be a renewed impetus to address the causes of global warming as countries update their plans to significantly reduce the consumption of fossil fuels.

To realise the Energy Transformation Scenario, energy-related CO₂ emissions need to fall 3.8% per year on average until 2050. Annual energy-related CO₂ emissions would need to decline by 70% below today's level by 2050. In order to achieve this, the International Renewable Energy Agency (“IRENA”) has estimated that \$110 trillion of total investment is needed to keep the rise in global temperatures to well below 2 degrees Celsius in this century, out of which some \$27 trillion would be required for renewable energy.¹

Solar photovoltaic (“PV”) and wind energy would lead the way in the transformation of the global electricity sector. Wind power would be a major electricity generation source, supplying more than one-third of total electricity demand. Solar PV power would follow, supplying 25% of total electricity demand, which, compared to 2016 levels, would represent more than a ten-fold rise in solar PV's share of the generation mix by 2050. In the context of total installed capacity by 2050, much greater capacity expansion would be needed for solar PV an estimated 8519 Gigawatts (GW) as compared to wind (6,044 GW), whereas in 2019 wind and solar capacity stood at 622 GW wind (594 GW onshore) and 587 GW solar.

While the 2050 Net Zero goals are underpinned by the Paris Agreement, Bloomberg New Energy Finance (BNEF) expects \$7.7 trillion to be invested in new generating capacity by 2030, with 66% of that going on renewable technologies, including hydro. Out of the \$5.1 trillion to be spent on renewables, the Asia-Pacific region will account for \$2.5 trillion, the Americas \$816 billion, Europe \$967 billion, and the rest of the world (including Middle East and Africa) \$818 billion.²

The main drivers of capital requirements in the renewable energy segment are:

- **Carbon reduction and the green agenda:** The United Nations Climate Change Conference Paris agreement was a major milestone. The United Nations announced a global effort to reduce greenhouse gas (GHG) emissions in order to keep global temperature increases below 2°C, and that limiting the rise to 1.5°C should be the aim to protect island states.³ According to the IRENA, in the scenario of a 1.5°C average warming around \$4.4 trillion per year would need to be invested in energy efficiency between 2021 and 2050.⁴

For Europe, this is supplemented by the European Union (EU) 2020 climate and energy (CARE) package. This is a set of binding legislation to ensure the EU meets its targets of a 20% cut in GHG emissions (from 1990 levels), generates 20% of its energy from renewables, and delivers a 20% improvement in energy efficiency.⁵ The EU renewable energy progress report published in 2020 for progress made up to 2018 states that 16/27 member states are expected to meet (and exceed) their binding target under all assessed circumstances by 2020.⁶ This shows that significant additional investment into renewable energy generation will be required across developed markets. This decade around \$1 trillion of global renewable investment will be required to achieve the commitments set out by government and companies.⁷

1 International Renewable Energy Agency, 2020, Energy Subsidies Evolution in the global energy transformation to 2050
2 Noemi Glickman, 2020, European renewable energy investment set to surge by 2030 on back of nearly \$1 trillion of investment
3 <http://www.cop21.gouv.fr/en/more-details-about-the-agreement/>
4 InfraNews, Why COP21 is a game changer for infrastructure investors, 15 February 2016
5 http://ec.europa.eu/clima/policies/strategies/2020/index_en.htm
6 <http://ec.europa.eu/energy/en/topics/renewable-energy>
7 <http://ec.europa.eu/energy/en/topics/renewable-energy>

- **Cost reduction:** Significant investment, driven to date by government subsidies and guaranteed power price contracts, has resulted in rapid cost reduction across a wide array of renewable energy sources.

Studies of the levelised cost of electricity (which estimate the net present value of the costs of a generating system divided by the expected output over its lifetime) show solar getting closer to gas and coal as an attractively cheap source of power. Auctions of long-term contracts to purchase solar power in countries such as South Africa, the United Arab Emirates, Peru, and Mexico provide real-world evidence that such assumptions may even prove to be conservative. The main factor behind the price drop is an 80% fall in the cost of solar panels since 2010.⁸

Similar advancements in wind technology mean that the levelised cost of electricity is now \$45/MWh for onshore wind, compared with \$72/MWh for a combined cycle gas turbine in Europe.⁹

Europe will continue to be a key player in the offshore wind industry for the foreseeable future with investments into the sector reaching EUR 26.3 billion in 2020, providing 7.1 GW capacity in the coming years.¹⁰

- **Security of supply:** There have been many instances of man-made or natural shocks to the energy generation industry, including in relation to the supply of fuel and electricity. For example, a repeat of the temporary cessation of gas exports from Russia to the Ukraine in July 2015¹⁰ or the uncertainty created in relation to the transfer of electricity between Britain and mainland Europe as a result of the Brexit question¹¹, or the impact of natural disasters on energy policy, such as the global reassessment of using nuclear power after the Fukushima nuclear power plant accident in Japan.^{12,13}

European Energy Market Overview

The EU revised its Renewable Energy Directive in 2018, establishing new binding renewable energy collective targets for 2030. The Directive sets out the delivery of at least 32% of gross final energy consumption from renewable sources for all energy by 2030, representing a significant increase in the previous target of 17% announced in 2015. Individual EU members have also produced a ten-year national energy and climate plan to 2030. These plans outlined the road map for meeting the Directive.

Renewables investment for the past two decades has seen on average 2% year-on-year growth, with \$501bn being deployed into the global energy transition in 2020, of which \$304 billion was invested into new renewable energy capacity. Europe saw the largest contribution globally, with \$166 billion invested throughout 2020. According to the IRENA, this equates to approximately 327 GW of wind and 270 GW of solar.

The EU's Renewable Energy Directive continues to target the closure of coal-based power generation. Coal power output has fallen by 40% in the European Union and the UK since 2000. Recognising this, the European Commission has introduced its 'Coal Regions In Transition' platform, with EU countries being offered €65-75 billion support mechanisms to help create innovative technologies and aid the transition to cleaner forms of energy. The programme is essential to meeting the EU's commitment to reduce CO₂ emissions by at least 55% by 2030, and to become the world's first climate-neutral bloc by 2050.

Blackfinch believes there is a robust flow of transaction opportunities available across the UK, Portugal, Italy and Central and Eastern Europe ("CEE"), and that these regions provide a source of attractive investment opportunities. The benefits of investing in these regions include:

- less crowded investor space than other countries;
- broader pipeline of investment opportunities;
- access to certain technologies (such as hydro and central district heating) less readily available in other parts of Europe; and

⁸ The Economist, Follow the sun, 16 April 2016

⁹ Bloomberg New Energy Finance, H1 2016 Global Levelised Cost of Electricity Update, 12 April 2016

¹⁰ <http://www.bbc.co.uk/news/world-europe-33341322>

¹¹ <http://www.euractiv.com/section/energy/news/uk-energy-links-to-europe-at-risk-from-brexit-analysts-warn>

¹² http://www.upi.com/Business_News/Energy-Industry/2011/09/23/IAEA-sees-slow-nuclear-growth-post-Japan/UPI-87041316777856/

¹³ http://www.economist.com/node/18621367?story_id=18621367

- access to a developed corporate PPA market for long term arrangements with credit-worthy offtakers (corporate PPAs being with corporate end-users of electricity rather than with electricity utilities).

Blackfinch has selected these markets for investment by the Company because it believes they will offer the Company the opportunity to make renewable energy investments that:

- are executed in the UK, Portugal, Italy and CEE, countries that can provide a stable social and governance, and political and economic climate for investment;
- meet the Company's green ambitions by allowing the Company to make investments that contribute towards 'net zero' CO₂ emissions targets and meeting certain aspects of the United Nations' sustainable development goals, through construction and development of a portfolio of renewable energy assets;
- provide access to strong wind and solar resources; and
- Offer diversification from geographies and mature technologies with sustainable, stable revenue streams.

The Investment Manager has a dedicated team split across investment and asset management team, and is supported by a wider business operations team. King Chan and Guy Lavarack, the Co-Lead Fund Managers, are leading the investment and asset management activities whom have combined investment and asset management experience of more than 30 years. Collectively they have strong transactions experience across a wide range of technologies and across Europe. King Chan and Guy Lavarack are support by a strong collective team of twelve energy experts who have an average of 15 years investment and asset management experience.

The Investment Manager has extensive experience in managing complex contractual, technical and legal issues and has supported projects at all stages of development, from pipeline of construction ready projects through to mature operational assets.

The investment team is responsible for originating, negotiating and executing renewable energy and infrastructure investments. The investment team are responsible for capital and acquisition structure including raising debt finances. The asset management team is dedicated to effective active asset management and responsible for the operational and financial performance of the assets.

United Kingdom

Country Background

- The UK has a population of 67 million, which is predicted grow to about 75 million by 2050.¹⁴
- The island nation has an area of 242,000 km².

Economy

- The UK is the second-largest economy in Europe, with a GDP of \$2,640bn.¹⁵
- After the Second World War, recovery in the UK was slower than much of Europe. However, economic growth was comparatively strong through much of the late 20th and early 21st centuries.
- In 2016, the UK voted to leave the European Union (EU). GDP growth has been slow since, averaging about 1.5% until 2019.
- The UK's real GDP growth is predicted to be 4.5% in 2021, after a 9.8% decrease in 2020.¹⁶
- The main short-term economic problems for the UK include an ageing population, uncertainty due to leaving the EU, and low productivity compared to similar countries.¹⁷

¹⁴ UN World Population Prospects 2019.

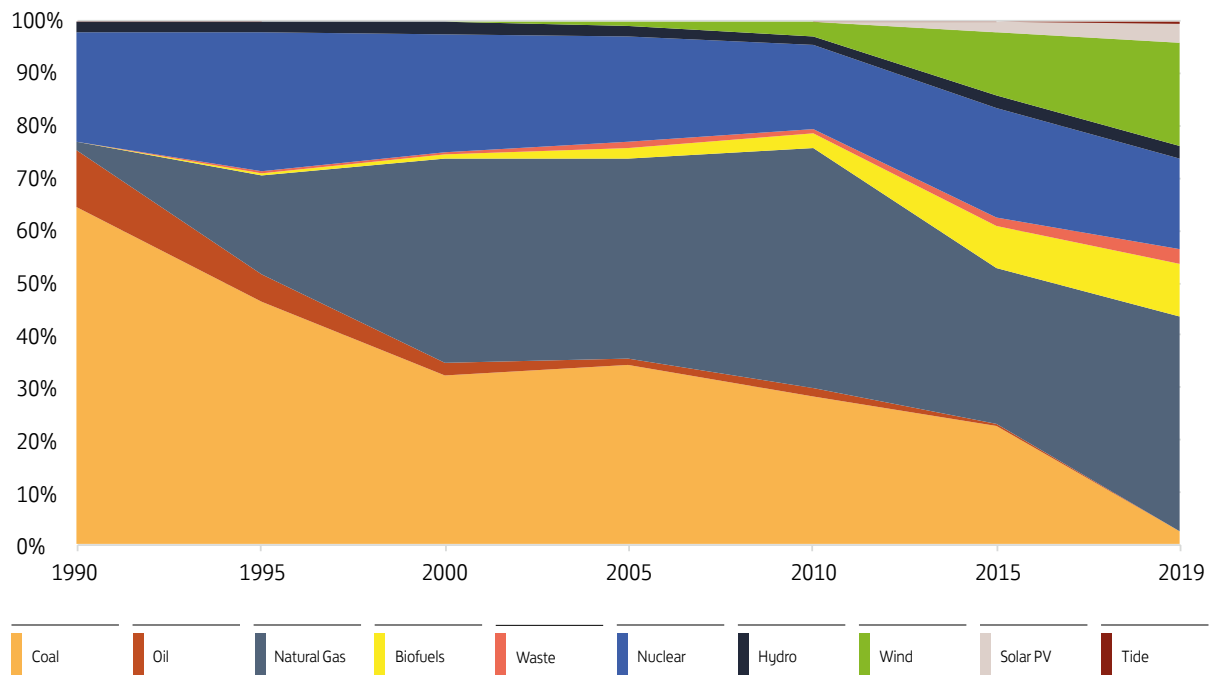
¹⁵ IMF.

¹⁶ IMF World Economic Outlook, January 2021.

¹⁷ Financial Times, UK economists' survey: recovery will be slower than in peer countries, January 2021.

- The UK is predominantly a service-based economy (71.3%), with industry contributing most of the remaining GDP (17.4%).¹⁸

Electricity Generation and Renewable Targets¹⁹



- In 2019, 40.9% of the electricity generated in the UK came from natural gas. The second-largest source was wind (19.8%), followed by nuclear (17.4%), biofuels (10.2%), solar (3.9%), waste (2.8%), coal and hydro (each 2.4%), and oil (0.3%).
- Other than hydro, which has stayed flat for many years, generation from renewable sources has increased rapidly in the last decade, with wind increasing from 10TWh in 2010 to 64TWh in 2019, while solar has increased from near-zero to nearly 13TWh in the same period.
- As of 2019, the UK's energy supply primarily comprised natural gas (39.7%), oil (34.8%), and nuclear power (8.6%). Renewables are split between biofuels (9.2%), wind and solar (3.9%), and hydro (0.3%). The share of coal in the energy mix dropped from 13.3% in 2015 to 3.4% in 2019, and is planned to be phased out entirely before 2025.
- The electricity market in the UK is fully privatised. The transmission network is owned and operated by National Grid, a publicly-listed company.
- Almost half of the current nuclear capacity is set to be retired by 2025, with all but one reactor due to have ceased generation by 2030. However, several reactors are currently under construction, with the first set to begin generating in 2026.²⁰
- In 2019, the UK Climate Change Act 2008 was amended to set a legally binding target to bring 100% of greenhouse gas emissions to net zero by 2050.
- UK energy policy has been outlined in the draft National Energy and Climate Plan (NECP), which was released in January 2019, the Ten Point Plan, released in November 2020, and The Energy White Paper, released in December 2020. Several further policy documents, developing proposals outlined in the White Paper, are expected to be released throughout 2021.

¹⁸ Worldbank, 2019.

¹⁹ IEA.

²⁰ World-nuclear, Nuclear Power in the United Kingdom, updated February 2021.

- The key electricity targets outlined by the Ten Point Plan and developed by the White Paper include:
 - A total of 40 GW of offshore wind by 2030, including 1 GW of floating offshore wind;
 - Expansion of low-cost renewable technology, including solar and onshore wind;
 - A commitment to bring at least one new nuclear site to the point of Final Investment Decision by 2024;
 - A consultation to bring forward the closure of coal to 2024; and
 - An aim to build a commercially viable nuclear fusion power plant by 2040.

Renewable Support Schemes

- Small-scale renewable generation (<5 MW) was supported by a Feed-in Tariff from 2010, although this closed to new projects in March 2019. The support scheme provides two tariffs to generators. As of 1st April 2021, the first (export) tariff provides a price floor for export, set at £55.70/MWh. The second (generation) tariff provides an additional revenue stream for renewable generators, with the tariff dependent on the capacity and technology of the system.
- From 2020, <5 MW installations can access export tariffs under a net-metering scheme known as the Smart Export Guarantee (SEG). Under the scheme, all energy companies with >150,000 customers must provide at least one SEG tariff. However, the minimum level for the tariff is not set.²¹
- The Renewables Obligation (RO) was one of the main support mechanisms for large-scale renewable electricity generation in the UK. Under this scheme, Renewable Obligation Certificates (ROCs) are provided to accredited generators for the renewable energy they generate, which once sold acts as an additional revenue stream. The price is currently set at £50.80 per ROC as of 1st April 2021, with the number of ROCs generated dependent on the capacity and technology of the system. Suppliers are required to provide a number of ROCs equivalent to a percentage of their total generation, either through their own renewable sources or by purchasing ROCs from other generators.²²
- Large scale solar (>5MW) has been excluded from RO support since April 2015, and offshore wind was excluded from April 2016. The RO scheme was closed to all new projects in 2017.
- The current main support is provided by a Contracts for Difference scheme, which is an auction mechanism for 15-year fixed price contracts.²³
- The first auction in 2014 was divided into two pots: one for established technologies (including onshore wind and solar) with a total budget of £65 million, and one for less-established technologies (such as offshore wind) with a £260 million budget. This auction provided support for 2.1 GW capacity, with an average price of £120/MWh for offshore wind and £80/MWh for onshore wind and solar.²⁴
- The second auction in 2017 followed a commitment by the Government to not support onshore wind projects, and had a £290 million budget for the second pot. This resulted in 3.2 GW offshore wind (out of 3.3 GW total), with a price of £74.75/MWh for delivery in 2021/22 and £57.50 for 2022/23.
- Similarly, the third auction only included pot 2 with a budget of £65 million. This resulted in 5.5 GW offshore wind and 275 MW remote island wind, with a price of £39.65/MWh for 2023/24 delivery and £41.611/MWh for 2024/25 delivery.
- The fourth auction round is set to occur in late 2021, and will include three pots: established technologies, such as onshore wind and photovoltaic solar (for the first time since 2014), less-established technologies (no longer including offshore wind other than floating offshore wind) and advanced conversion techniques, and offshore wind. The fourth round aims to increase the total capacity awarded to 12 GW.²⁵

²¹ Ofgem, About the Smart Export Guarantee (SEG).

²² Ofgem, About the RO.

²³ AURES II, Auctions for the support of renewable energy in the UK, September 2019.

²⁴ Carbonbrief.org, Analysis: UK auction reveals offshore wind cheaper than new gas, September 2017.

²⁵ Offshorewind.biz, UK Targets 12 GW of Renewables in Round 4 CfD Auction, November 2020.

Portugal

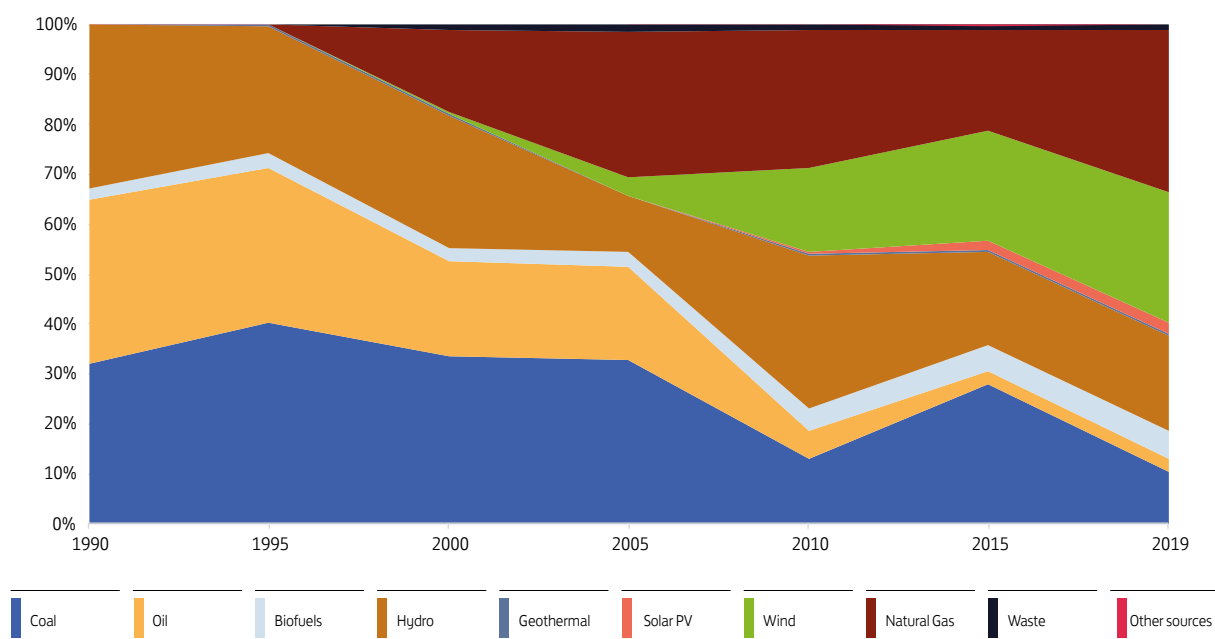
Country Background

- Portugal has a population of 10 million, representing 2.3% of the total European Union (EU) population, and its population is predicted to shrink to about 9 million by 2050.²⁶
- The country has an area of 92,000 km² which is 2% of the EU, approximately 40% the size of the UK.

Economy

- In 2020, Portugal had a GDP of \$220 billion.²⁷
- After dictatorship and decades of stagnation, Portugal underwent strong economic growth from 1975, growing by more than the EU average for much of the 1990s, coinciding with privatisation of many state-controlled firms and liberalisation of the economy.²⁸
- The rate of growth slowed in the 2000s, and fell into recession from 2011 to 2013, before recovering to about 2% GDP growth per year up until COVID-19.
- Portugal's real GDP growth is predicted to be 6.5% in 2021²⁹, after a 10% decrease in 2020 exacerbated by the reduction of tourism due to the pandemic.
- The main short-term economic problems for Portugal include an ageing population³⁰ and chronic underinvestment in public services.³¹
- Portugal is primarily a service-based economy (65.5%), with industry contributing most of the remaining GDP (18.9%).³²

Electricity Generation and Renewable Targets³³



²⁶ UN World Population Prospects 2019.

²⁷ IMF.

²⁸ Cia.gov, Portugal, updated March 2021.

²⁹ IMF World Economic Outlook, January 2021.

³⁰ CaixaBank, The impact of ageing on economic growth in Spain and Portugal, April 2020.

³¹ Reuters, Portugal's economy – an express train at risk of derailing, February 2019.

³² UK Gov Country factsheets, October 2020.

³³ IEA.

- In 2019, 32.5% of electricity generated in Portugal came from natural gas, the largest single source. However, most generation came from renewable sources (25.9% wind, 19.1% hydro, 5.7% biofuels, 2.4% solar, 1.2% waste, 0.4% geothermal). The other contributors were coal (10.5%) and oil (2.3%).
- Portugal is one of the largest renewable electricity producers in Europe, with annual renewable electricity production increasing more than threefold between 2005 and 2019 (with 10 GWh hydro and 14 GWh wind representing 82% of total renewable production), albeit with some stagnation over the last decade due to the removal of subsidies.³⁴
- As of 2019, Portugal's energy supply comprised oil (45.0%) and natural gas (24.7%). However, an increasing portion of supply comes from renewable sources: biofuels (13.5%); wind and solar (7.4%); and hydro (3.5%). Coal contributed 5.9% of the total supply in 2019, compared to 15.0% in 2010.³⁵
- Portugal and Spain have integrated their electricity markets into a single Iberian Electricity Market (MIBEL), sharing a common spot market operator (OMIE) since 2007 and forward market operator (OMIP) since 2006.
- Transmission in Portugal is carried out by Rede Eléctrica Nacional SA (REN) under an exclusive contract with the state on a non-discriminatory basis.
- Portugal's National Energy and Climate plan 2030 (PNEC 2030) has a main target to decarbonise Portugal, reducing greenhouse gases by between 45% and 55% from 2005 levels. It prioritises energy efficiency (reducing primary consumption by 35%) and renewable energy sources (with 47% of gross energy consumption to be from renewable sources).³⁶
- PNEC 2030 targets 9 GW onshore wind (from 5.4 GW in 2020) and 9 GW solar (from 2 GW) by 2030, with the latter split between 7 GW of centralised and 2 GW of decentralised generation. Other renewable sources are planned to only change slightly (hydro from 7 GW to 8.2-8.7 GW, otherwise negligible changes). Coal is planned to be eliminated by 2025.
- PNEC 2030 envisions the introduction of 'green' hydrogen storage to replace fossil fuels in industry and transport, including €7bn investment by 2030 and a strategic partnership with the Netherlands.
- In keeping with the EU 2050 carbon neutrality plans, Portugal has developed a 2050 Carbon Neutrality Roadmap (RNC2050) including targets of over 85% of the energy supply provided by renewable sources and the end of coal power by 2030 and gas power from 2040.³⁷
- Under RNC2050, onshore wind is set to expand to 12GW by 2050, while solar is set to become the largest renewable supply, with 26GW split evenly between centralised and decentralised by 2050.

Renewable Support Schemes

- Electricity from renewable sources registered until 2012 was supported through a feed-in tariff. Since then, new renewable energy source plants were only supported by the wholesale energy market, leading to a reduction in investment in the sector for several years.³⁸
- In 2015, a bidding model offering discounts to a reference tariff for small production and self-consumption (< 1 MW) systems was introduced.
- In June 2019, Portugal introduced renewable energy auctions for solar with a minimum bid volume of 10MW, with winners paid either via guaranteed remuneration for 15 years (contracted with a fixed price, bid at a percentage discount from the reference price and works as a two-way contract for difference) or general remuneration for 15 years (without a fixed price, producer allowed to sell generated electricity at the market price and bid at a contribution to the national electric system).³⁹
- In the first round of auctions, 1.15 GW of solar was allocated with 10GW capacity worth of offers made. However, the competition led to low auction prices, with an average price of €22/MWh and the lowest bid of €14.46/MWh then the lowest feed-in premium for photovoltaic ever in Europe; dramatically lower than the wholesale market price.⁴⁰ The second round of auctions in July 2020 allocated 700 MW with an even lower minimum price of €11.14/MWh. From 2021, two auctions are planned per year.

34 IEA.

35 IEA.

36 NECP 2030, December 2019.

37 Roadmap for carbon neutrality 2050 (RNC2050), June 2019

38 Thomson Reuters, Electricity regulation in Portugal: overview, December 2020.

39 IEA, Portugal renewable energy auctions, June 2020.

40 AURES II, Auctions for the support of renewable energy in Portugal, Dec 2019

Italy

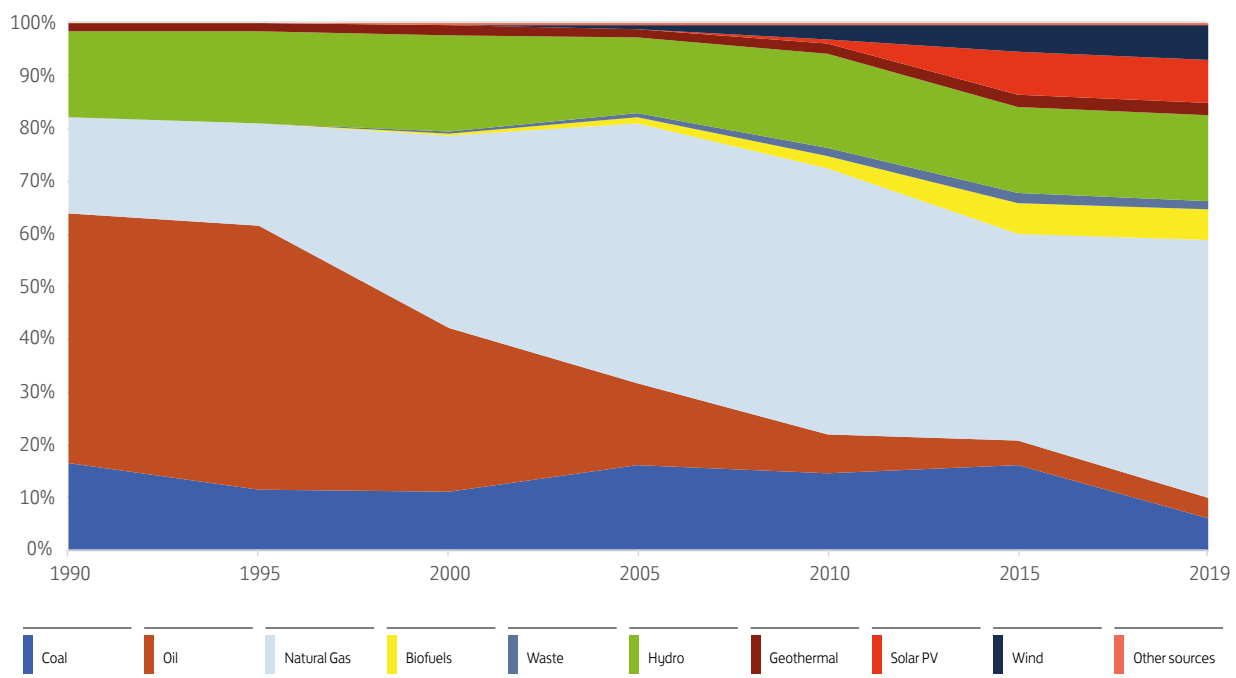
Country Background

- Italy has a population of 60 million, representing 13.5% of the total European Union (EU) population, and its population is predicted to shrink to below 55 million by 2050⁴¹.
- The country has an area of 301,000 km² which is 6.7% of the EU, 1.2 times larger than the UK.

Economy

- Italy has the third largest economy in the EU, with a GDP of \$1,850 billion.⁴²
- After World War II, Italy grew from one of the weakest economies in Europe on the back of a strong engineering sector and a liberal trade policy. The economy is heavily regionally divided, with most economic activity concentrated in the northern parts of the country.
- Italy's high public debt and structural issues have led to financial vulnerability.⁴³ It was badly affected by the global financial crash, only exiting recession in 2015, and growing by about 1% per year up to 2019.
- Italy's real GDP growth is predicted to be 3.0% in 2021 after a 10.5% decrease in 2020 due to being one of the first countries in Europe affected by the COVID-19 pandemic.⁴⁴
- Medium-term concerns for the Italian economy include an ageing population, continued high public debt, high unemployment rates especially among young people, and the largest 'black economy' in Europe (predicted to be as large at one-fifth of GDP⁴⁵).⁴⁶
- Italy is primarily a service-based economy (66.3%), with industry contributing most of the remaining GDP (21.4%).⁴⁷

Electricity Generation and Renewable Targets



41 UN World Population Prospects 2019.

42 IMF.

43 Cia.gov, Italy

44 IMF World Economic Outlook, January 2021.

45 Ft, Pandemic brings Italy's black market out of the shadows, June 2020.

46 Nordea, Country Profile Italy, March 2021.

47 UK Gov Country factsheets, October 2020.

- In 2019, electricity generation in Italy was split between natural gas (49.0% of the total generation) and renewables (16.3% hydro, 8.1% solar, 6.9% wind, 5.7% biofuels, 2.1% geothermal, 1.7% waste). Coal made up 6.1%, compared to 16.0% of the total electricity generation in 2015, and oil made up 3.7%.
- As of 2019, Italy's energy supply primarily comprised natural gas (42.1%) and oil (34.3%), with renewable sources providing 19.4% of the total supply, and coal providing 4.1%.
- The electricity transmission grid is mostly owned and operated under a concession regime by Terna SpA, a publicly-listed company, which acts as both transmission system operator (TSO) and independent system operator (ISO).
- In recent years, Italy has aimed to improve transmission between the north and south of the country, as well as market coupling, which has resulted in price convergence across the country and wholesale prices tending towards those elsewhere in Europe.⁴⁸
- Hydropower generation in Italy has been maintained at about 45 GWh since the 1960s, with minimal plans to increase production or introduce new sites outside of hydroelectric storage systems.⁴⁹
- In 2014, Italy reached its 2020 target of 17% renewables in gross energy consumption after a series of generous subsidies. However, between 2013 and 2018 there was minimal growth for either solar (24 GWh in 2019) or onshore wind (20 GWh). In 2019 and 2020, 0.8 GW solar capacity was added per year.⁵⁰
- Plans to introduce a series of eight nuclear power plans were abandoned in 2011 because of a public vote after the Fukushima accident.
- Under the Italian National Energy and Climate Plan 2021-2030 (NECP), Italy targets a reduction of greenhouse gases (-33% compared to 2005) and an increase in renewable sources (total contribution of 30% energy from RES) in line with the EU-wide directives.⁵¹
- To achieve the NECP targets, Italy plans to increase solar capacity from 20.9 GW in 2019 to 52GW by 2030, and onshore wind from 10 GW to 19 GW, while phasing out coal by the end of 2025.
- There are, however, some concerns about the effect of the transition from thermal generation to renewables on market stability in terms of energy security and adequacy.⁵²

Renewable Support Schemes

- After 2010, solar capacity dramatically increased from 1.9 GW in 2010 to 18.9 GW in 2012 due to the introduction of generous subsidies via five 'Conto Energia' Feed-in Tariff (FiT) schemes between 2005 and 2013. Conto Energia V expired in July 2013, once the overall annual expense reached €6.7 billion for incentive payments to photovoltaic (PV) installations.⁵³
- In July 2019, the Italian government signed a Ministerial Decree granting new incentives to renewable energy sources (FER1 Decree), primarily solar and onshore wind but also a smaller pool for hydroelectric and sewage gases. This decree aimed to support the development of 4.8 GW generating capacity by 2021, with three additional rounds in 2021 for a further 2.3 GW capacity. Projects <1 MW are selected based on environmental criteria and economic priority criteria, while larger projects are selected based on a reverse auction system.⁵⁴

48 IEA, February 2021.

49 Integrated national energy and climate plan, December 2019.

50 IEA, Renewables 2020, November 2020.

51 Integrated national energy and climate plan, December 2019.

52 Italian implementation plan, June 2020.

53 IEA, Feed-in premium for photovoltaic systems (Conto Energia V), December 2014.

54 Dentons, Italy: The 2019-2020 incentives regime for renewable energy plants, December 2020.

- In the first round of auctions in 2019, only 25 MW out of 1,000 MW was awarded to solar developers (19.4 MW allocated for solar out of 425 MW in the second round⁵⁵ and there has been no improvement in the ratio for recent auctions⁵⁶), with the rest going to onshore wind. This is likely due to a subsidy ban for projects on agricultural land, as well as a complex permitting process.⁵⁷ The average price for the first round of auctions was €57/MWh and €64.6/MWh for the second round in 2020.
- FER1 introduced tax incentives to distributed PV under a real-time self-consumption scheme (Scambio sul posto) for installations up to 0.5 MW and a FiP for systems over 0.5 MW.⁵⁸
- A 110% tax rebate for residential PV systems installed, together with building energy efficiency modernisations, was introduced in May 2020 as a part of the COVID-19 economic relief package.

Poland

Country Background

- Poland has a population of 38 million, representing 8.5% of the total European Union (EU) population, and its population is predicted to shrink to below 34 million by 2050.⁵⁹
- The country has an area of 312,000 km² which is 7.1% of the EU, 1.3 times larger than the UK.

Economy

- Poland has the sixth-largest economy in the EU, with a GDP of \$600 billion⁶⁰.
- Poland achieved high-income status only 20 years after transitioning from communism, with an average GDP growth of 4% per year continuing up until 2019 and COVID-19.⁶¹
- Poland's real GDP growth is predicted to be 2.7% in 2021, after a decrease of 3.6% in 2020.⁶²
- The main medium-term concern towards sustaining economic growth is an ageing population and associated tightening labour supply, exacerbated by high emigration rates for young, educated Poles. However, there are also issues with ageing infrastructure and high air pollution in urban areas relative to similar countries.⁶³
- Poland is primarily a service-based economy (56.9%), with industry contributing most of the remaining GDP (28.8%).⁶⁴

⁵⁵ Pv-tech, Solar overlooked again by Italian auction as Portugal tender draws nearer, June 2020.

⁵⁶ Pv-magazine, Italy allocates only 20 MW of PV in fourth renewables auction, January 2021.

⁵⁷ IEA, Renewables 2020, November 2020.

⁵⁸ IEA, Renewables 2020, November 2020.

⁵⁹ UN World Population Prospects 2019.

⁶⁰ World Bank Country Snapshot, April 2020.

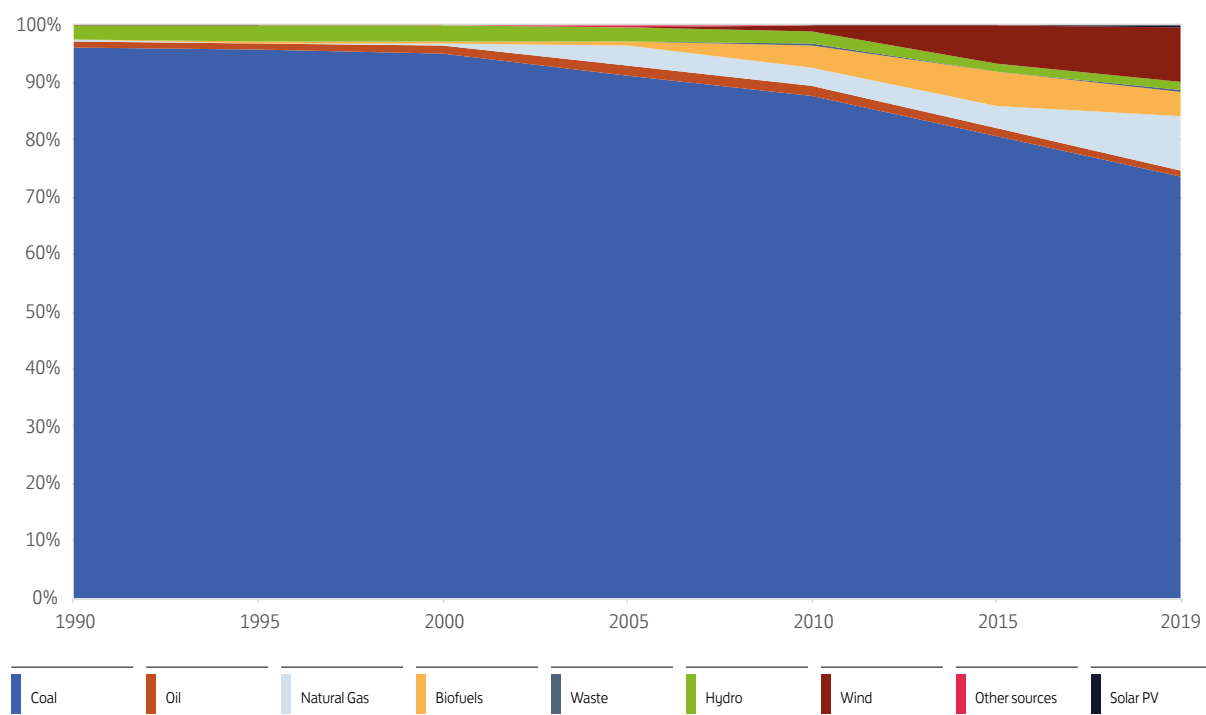
⁶¹ IMF Data mapper, October 2020.

⁶² IMF World Economic Outlook, January 2021.

⁶³ OECD Economic Survey of Poland, December 2020.

⁶⁴ UK Gov Country factsheets, October 2020.

Electricity Generation and Renewable Targets



- Within Poland, electricity generation is dominated by coal (74.0% of generation in 2019, approximately 4% less than 2018⁶⁵), far higher than the European average (17.5%). Renewables contributed slightly more than 15% of the total (9.2% wind, 4.3% biofuels, 1.6% hydro, 0.4% solar), increasing from 11% in 2016. Other contributors included gas (9.2%) and oil (1.1%).
- As of 2019, Poland's energy supply was primarily coal (43.6%), oil (29.3%), and natural gas (16.5%), with biofuels and waste the largest renewable contribution (9.0%). Wind and solar combined comprised 1.4% of the total supply.
- The Polish transmission grid is operated by Polskie Sieci Elektroenergetyczne (PSE), a fully state-owned joint stock company which owns all the transmission assets under a licence issued by the Energy Regulatory Authority.
- An agreement between the Polish government and mining sector has been made to terminate coal mining by 2050, in line with EU-wide goals for carbon neutrality. Poland has not, however, officially endorsed the EU's goal.
- Poland has a goal of achieving 21-23% of gross energy consumption through renewable energy sources by 2030⁶⁶, below the non-binding EU target of 32%, with the target increasing to 28.5% by 2040.
- Between 2010-16, Poland experienced a rapid increase in onshore wind production, adding 770 MW/year. However, the 'Distance Act' Amendment in 2016 set a minimum distance between onshore wind installations (new or repowering) and households and mixed-use buildings to ten times the height of the tower (10H rule), preventing onshore wind construction across 99% of the country. An ongoing legislative proposal would introduce decision on the specific minimum distance on a case-by-case basis, which would be made by the regional director of environmental protection with involvement from local communes whose territory falls within the excluded radius (including public hearings and an extended period for gathering comments from the community).⁶⁷

65

IEA.

66

Poland NECP 2021-2030.

67

Lexology.com, Unlocking the potential of the onshore wind: Liberalization of the 10H Distance ACT, February 2021.

- Poland's energy plans are outlined in Energy Policy of Poland 2040, updated in September 2020 and validated by government resolution in February 2021. The policy includes:⁶⁸
 - Installation of 16 GW of photovoltaic capacity within 20 years (from 300 MW in 2017)
 - Offshore wind capacity to reach 8 GW by 2040
 - Onshore wind capacity to increase by 4GW by 2030 to a peak of 9.5 GW, then a slight increase to 9.7 GW by 2040 (initial draft planned a phase-out to <1 GW by 2040, however this has been revised)
 - No additional hydro energy capacity
 - Introduction of 4 GW nuclear power in 2033
- Under the Offshore Wind Act (effective February 2021), the Polish regulator will allocate financial support for 5.9 GW offshore wind capacity by the end of June 2021, with further support planned resulting in 3.8 GW by 2030, 10 GW by 2040 and 28 GW by 2050.⁶⁹

Renewable Support Schemes

- For developments producing energy before 2016, renewable energy sources were and are mainly supported by a technology-neutral quota system (renewable portfolio standards) with an associated certificate of origin trading scheme (known as "green certificates") which had an average annual certificate price of approximately \$10.75/MWh in 2017.⁷⁰ Green certificates confirm the origin of electricity generation from a renewable energy source and can be traded on the Polish Power Exchange and over the counter. However, increased biofuel production has led to an oversupply of certificates since 2011 affecting prices for green certificates which in turn led to an unfavourable and unpredictable support scheme for participants in the green certificates market⁷¹ and the green certificate system is being phased out and replaced by the auction system introduced by the Renewable Energy Sources Act of 2016.
- Since 2016, the main support system has been an auction support scheme (Aukcyjny system wsparcia) providing two-sided sliding feed-in premiums for 15 years. The auctions are separated based on size (< or > 1 MW capacity) and technology basket (with PV and onshore wind in one basket).¹¹
- The 2020 1.7 GW renewable (solar and onshore wind) auction resulted in: 0.8 GW new solar construction and 0.9GW onshore wind construction (with the lowest price \$60.46/MWh). According to government predictions, the 2021 auction is to be dominated by solar: 1.0 GW small-scale solar, 0.8 GW large-scale solar, 0.6 GW large-scale wind.⁷²
- While technically able to participate in the auctions, under the Offshore Wind Act, the Polish regulator will allocate financial support for 5.9 GW by the end of June 2021. Later contracts for difference offered via auctions will take place, first in 2025 and then in 2027, with each auction offering 2.5 GW capacity.

Average clearing price for the mixed solar and onshore wind auctions

Capacity basket/MW	Average auction price/PLN/MWh		
	2018	2019	2020
< 1	352	318	257
> 1	196	208	224

⁶⁸ D. Hasterok et al., Polish Energy Transition 2040: Energy Mix Optimization Using Grey Wolf Optimizer, MDPI, January 2021.

⁶⁹ Renewablesnow.com, New Polish law to back over 10 GW of offshore wind projects, January 2020.

⁷⁰ res-legal.eu, Poland: summary, last updated 2019

⁷¹ AURES II, Auctions for the support of renewable energy in Poland, Aug 2019

⁷² Dentons, Budget for RES auctions in Poland in 2021, January 2021.

Czech Republic

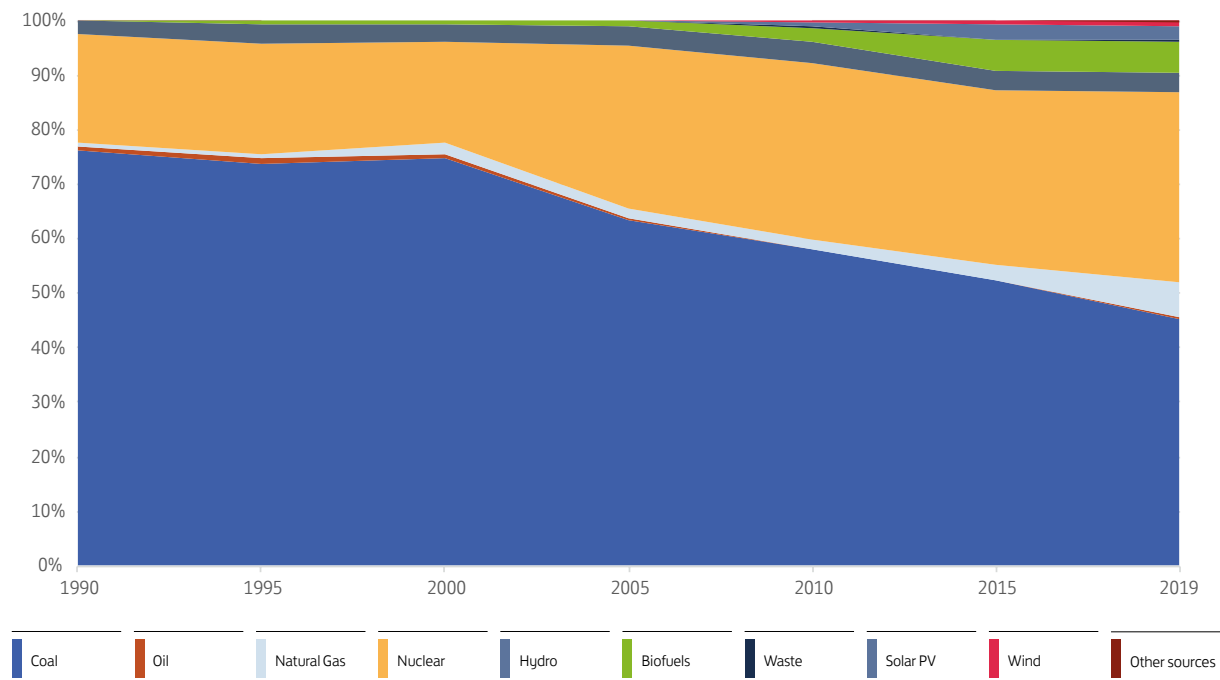
Country Background

- Czech Republic has a population of 11 million, representing 2.4% of the total European Union (EU) population, predicted to only drop by a few hundred thousand by 2050.⁷³
- The country has an area of 79,000 km² which is 1.8% of the EU, approximately 30% the size of the UK.

Economy

- After the separation of Czechoslovakia in 1993, the wealthier, more well-educated Czech Republic experienced reasonable economic growth and low unemployment, bolstered by its proximity to western Europe. Financial mismanagement led to a recession in the late 1990s, but the economy rebounded in the 2000s, becoming one of the fastest-growing countries in the EU after joining in 2004.
- In 2020, Czech Republic had a GDP of \$242 billion.⁷⁴
- While affected by the global financial crash, Czech Republic was insulated by not having adopted the euro and exited recession in 2013. GDP grew by an average of 4% between 2014 and 2019.⁷⁵
- Czech Republic's real GDP growth is predicted to be 5.1% in 2021, after a 6.5% decrease in 2020.⁷⁶
- The main short-term economic problems for Czech Republic are a rapidly ageing population and low productivity compared to similar countries.⁷⁷
- Czech Republic is primarily a service-based economy (56.2%), with industry contributing most of the remaining GDP (32.0%)⁷⁸.

Electricity Generation and Renewable Targets⁷⁹



73 UN World Population Prospects 2019

74 IMF

75 Britannica, Economy of the Czech Republic, updated Mar 2021

76 IMF Jan 2021 World Economic Outlook

77 OECD, Economic Survey of the Czech Republic, Dec 2020

78 UK Gov Country factsheets, Oct 2020

79 IEA

- Electricity generation in Czech Republic in 2019 was dominated by coal (45.3%) and nuclear (34.8%), with natural gas far less prevalent (6.6%) but increasing in recent years. Combined, renewables made up 13.0% of the total, mostly from biofuels (5.7%), but also hydro (3.6%), solar (2.6%), wind (0.8%) and waste (0.2%).
- As of 2019, Czech Republic's energy supply was primarily from coal (32.4%). However, coal's share has been steadily decreasing for many years. Oil (21.9%), nuclear (18.1%), natural gas (16.4%) and biofuels (10.2%) make up most of the remaining supply. Combined, other renewables contribute only 1.0% of the total supply.
- Despite the initial installation of 2TWh of solar between 2010 and 2011 (2.3TWh in 2019), electricity generation from non-biofuel renewable energy sources (RES) has not substantially increased in the last decade. Hydropower (3.2TWh) has not increase since the early 2000s, and the total wind power was only 0.7TWh.
- The solar boom (2009-2010) occurred due to the decreasing price of solar, alongside a generous series of 20-year Feed-in Tariffs (FiTs). While this allowed Czech Republic to fulfil 2020 EU energy targets, it led to increased electricity prices, and has left a widespread negative image of large-scale renewables.
- FiT financial support for RES was slowly dismantled. In 2010, a new levy of 26% on the income of operators of solar systems built after 2008 was introduced, and then prolonged in 2012. The FiT scheme was effectively terminated for all but small-scale hydro systems in 2013.⁸⁰
- The Czech electricity market is a part of the larger Central European market, as a result of extensive cross-border transmission capacities with neighbouring countries, with Czech Republic being the fifth-largest net exporter in the EU.
- The electricity sector is a fully liberalised market. The Czech transmission service operator is ČEPS, a subsidiary of the state-owned ČEZ.
- While a national commission has suggested a 2038 target for the phase out of coal, one of the latest in the EU, this has not yet received government approval.⁸¹
- Under the “unambitious”⁸² Czech National Energy and Climate Plan (NECP) released in 2019, Czech Republic plans to increase the share of renewables in the gross final consumption to 22% by 2030; roughly a 6% increase from 2020. This is planned to be achieved by the installation of a further 2 GW solar capacity (doubling generation to 4 TWh/year) and increasing onshore wind from 0.3 GW to about 1 GW.⁸³ This is the lowest planned renewable energy deployment in the EU.⁸⁴
- While the NECP discusses some possible measures, including tariff support for small-scale RES and the introduction of an auction system (suggested for solar <1 MW, wind <6 MW). A draft proposal for the auction scheme beginning in January 2021 was submitted in 2020. However, it has not yet been implemented.

Renewable Support Schemes

- There are no currently available support schemes for new solar plants, other than grants for small-scale rooftop solar or hybrid solar systems with battery storage.⁸⁵ However, there is currently a draft amendment that would introduce auctions for RES other than solar, which is expected by officials to be competitive without subsidies. Parliament is expected to approve the amendment in the first half of 2021.⁸⁶

80 K. Gürtler, The dismantling of renewable energy policies: the case of Spain and Czech Republic, International Sustainability Transitions Conference 2018, June 2018.

81 Reuters, Czech government fails to agree on 2038 coal phase-out target, February 2021.

82 European commission, Assessment of the final national energy and climate plan of Czechia, October 2020.

83 National energy plan of the Czech Republic, November 2019.

84 EMBER, Czechia: Falling Behind in the Electricity Transition, November 2020.

85 CMS, Renewable energy law and regulation in Czech Republic, December 2020.

86 Dentons, Investing in renewable energy projects in Europe, 2021.

- Wind, hydro, geothermal or biomass plants with capacity <100 kW put into operation before 2016 are eligible to support via FiTs (CZK 1930/MWh in 2019).⁸⁷

Hungary

Country Background

- Hungary has a population of 10 million, representing 2.2% of the total European Union (EU) population, and its population is predicted to shrink to between 8 and 9 million by 2050.⁸⁸
- The country has an area of 93,000 km² which is 2% of the EU, approximately 40% the size of the UK.

Economy

- In 2020, Hungary had a GDP of \$150 billion.⁸⁹
- Hungary suffered economically following the fall of communism in 1989. However, a series of economic reforms, including privatisation and a reduction of social spending, spurred growth, leading to an average GDP growth of about 4% between 1996 and 2006.
- Hungary was hit hard by the global financial crisis, requiring an International Monetary Fund (IMF)/EU support package of \$25 billion and the imposition of budget cuts to reduce the deficit.
- Since 2010, GDP growth has been positive, partially due to increased EU funding. However, Hungary's populist Prime Minister has repeatedly clashed with the EU in recent years.⁹⁰
- Real GDP growth is predicted to be 3.9% in 2021, after a 6.1% decrease in 2020.⁹¹
- The main short-term economic problems for Hungary are labour issues driven by migration and an ageing population, a reliance on EU funding, and uneven economic growth between rural and urban regions.^{92,93}
- Hungary is primarily a service-based economy (55.3%), with industry contributing most of the remaining GDP (26.0%).⁹⁴

87 Res-legal, 2019.

88 UN World Population Prospects 2019.

89 IMF.

90 Britannica, Economy of Hungary.

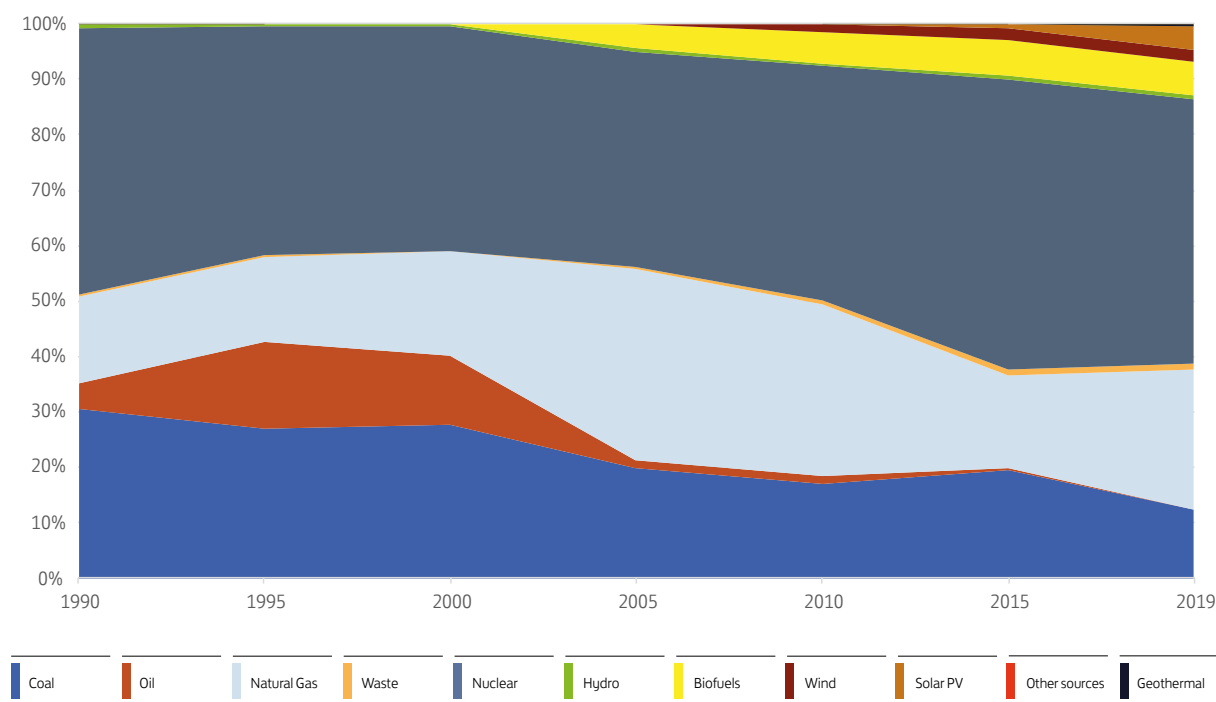
91 IMF Jan 2021 World Economic Outlook.

92 Cia world factbook, Hungary, updated March 2021.

93 Budapest Business Journal, Sun still shines on Hungarian Economy, but Clouds Gather, February 2019.

94 UK Gov Country factsheets, October 2020.

Electricity Generation and Renewable Targets⁹⁵



- Electricity generation within Hungary is dominated by the Paks nuclear power plant, which provided nearly half of the country's total generation in 2019 (16TWh out of 34TWh total, 47.8%). The other major sources are natural gas (25.2%) and coal (12.3%). Renewable energy sources (RES) mainly consist of biofuels (6.1%), which have provided about 6% of total electricity generation consistently since 2008, solar (4.1%), wind (2.1%) and waste (1.1%), with other RES less than 1%. However, the contribution by wind is nearly unchanged compared to a decade ago, while total solar generation has doubled each year since 2012.⁹⁶
- As of 2019, Hungary's energy supply was primarily provided by natural gas (32.8%) and oil (30.7%), with nuclear (16.6%) the next largest contributor. The only major contribution by renewable sources is by biofuels and waste (10.2%), while coal contributed 7.8% and wind and solar contributed 1.7%.
- The Hungarian electricity sector is a fully liberalised market. The transmission system is owned and operated on a non-discriminatory basis by Hungarian Transmission System Operator Company Ltd. (MAVIR), an independent subsidiary of the state-owned MVM. MAVIR is also the administrator for the wholesale market, as well as responsible for the management of cross-border transmission.⁹⁷
- Under the National Energy and Climate Plan (ENCP), passed in 2019, Hungary targets a reduction in greenhouse gas emissions by 2030 of at least 40% compared to 1990s levels, an increase in the share of renewable energy sources to 21% of gross final energy consumption, and an increase of the share of renewable resources within gross final electricity consumption to 20%.
- To achieve these goals, Hungary plans for an increase in solar capacity by approximately 500 MW per year, from 1.2 GW in 2020 to 6.5 GW in 2030. No change in wind capacity is planned.⁹⁸ Instead, wind power was effectively banned in Hungary in 2016 by laws prohibiting wind turbines within 12 km of populated areas, 15 km of military airports or 40 km of Hungarian Defence Force radars, as well as limiting construction on agricultural land and limiting turbines to <2 MW and <100m height.⁹⁹
- Additionally, Hungary has made a long-term commitment to nuclear power; extending the life of the existing four reactors to between 2032 and 2037, as well as applying for permits for two new reactors

⁹⁵ IEA.

⁹⁶ IEA.

⁹⁷ Mvm.hu, Transmission, System Operation.

⁹⁸ ENCP.

⁹⁹ Dailynewshungary.com, Wind power utilisation made impossible in Hungary, September 2016.

each with a capacity of 1.2 GW. Construction on Paks 5 is expected to begin in Q4 2021, with generation beginning in 2026.¹⁰⁰

- Closure of the country's last coal power plant has been moved forward, from 2030 to 2025, as a part of recent commitments to decarbonising electricity generation.¹⁰¹ The 884 MW plant will be replaced with a 200 MW solar farm and 500 MW gas plant at the same site.
- Hungary has adopted legislation committing to the EU-wide climate-neutrality by 2050 plan.¹⁰²

Renewable Support Schemes

- The support system for renewable electricity is governed by the renewable energy support scheme (METÁR), introduced in January 2017. Support was initially split between low (50-500kW), medium (0.5-1.0MW, later changed to 0.3-1.0MW) and large (1-20MW, later changed to 1-50MW) capacity systems. However, the Feed-in Tariff subsidies for the smallest group were unexpectedly cancelled in 2018.¹⁰³
- METÁR operates as a technology-neutral scheme, albeit with wind effectively unable to apply and nearly all bids from solar projects.¹⁰⁴
- In the pilot series of auctions in 2019, 200GWh/year was allocated, split into two auctions between larger capacity (134GWh/year) and smaller capacity (66GWh/year) pools. In each auction the bidders with the lowest offered price won the right to complete the projects with a 15-year support period, as long as both the supported energy limit and available €3 million budget were not reached.
- In the first round, 61 small projects (average bid €74/MWh) and 11 large projects (€65/MWh) were selected, including only one non-PV site; a landfill-gas plant.¹⁰⁵
- The second series of auctions in 2020 commissioned 210 MW of solar projects, fulfilling a production output of 390GWh at a price 23% lower than the 2019 auctions.¹⁰⁶ A third series of auctions is expected to be held in 2022.¹⁰⁷

Austria

Country Background

- Austria has a population of 8.9 million, representing 2% of the total European Union (EU) population, and its population is predicted to increase by a few hundred thousand by 2050.¹⁰⁸
- The country has an area of 84,000 km² which is 1.9% of the EU, approximately one-third the size of the UK.

Economy

- Austria has one of the most stable economies in Europe, with an average growth of 2% per year since the 1980s.
- Austria's economy was affected by the Eurozone crisis and global financial crash, but rebounded quickly, with GDP growth returning to about 2% until the COVID-19 pandemic.
- In 2020, Austria had a GDP of \$430 billion.¹⁰⁹
- Austria's real GDP growth is predicted to be 4.6% in 2021, after a 6.7% decrease in 2020.¹¹⁰

100 World-nuclear.org, Nuclear Power in Hungary, updated January 2021.

101 Euractiv, Hungary brings coal exit forward by five years, to 2025, March 2021.

102 Climatechangenews.com, Hungary sets 2050 climate neutrality goal in law, issues green bond, June 2020.

103 Pv-magazine, Hungary unexpectedly terminates FIT for PV projects ranging from 50 to 500 kW, May 2018.

104 Renewablesnow, Hungary finalises renewables auction with 210 MW of solar and only solar, February 2021.

105 AURES II, Auctions for the support of renewable energy in Hungary, June 2020.

106 Renewablesnow, Hungary finalises renewables auction with 210 MW of solar and only solar.

107 List.solar, Hungary to release renewables auction in July, June 2020,

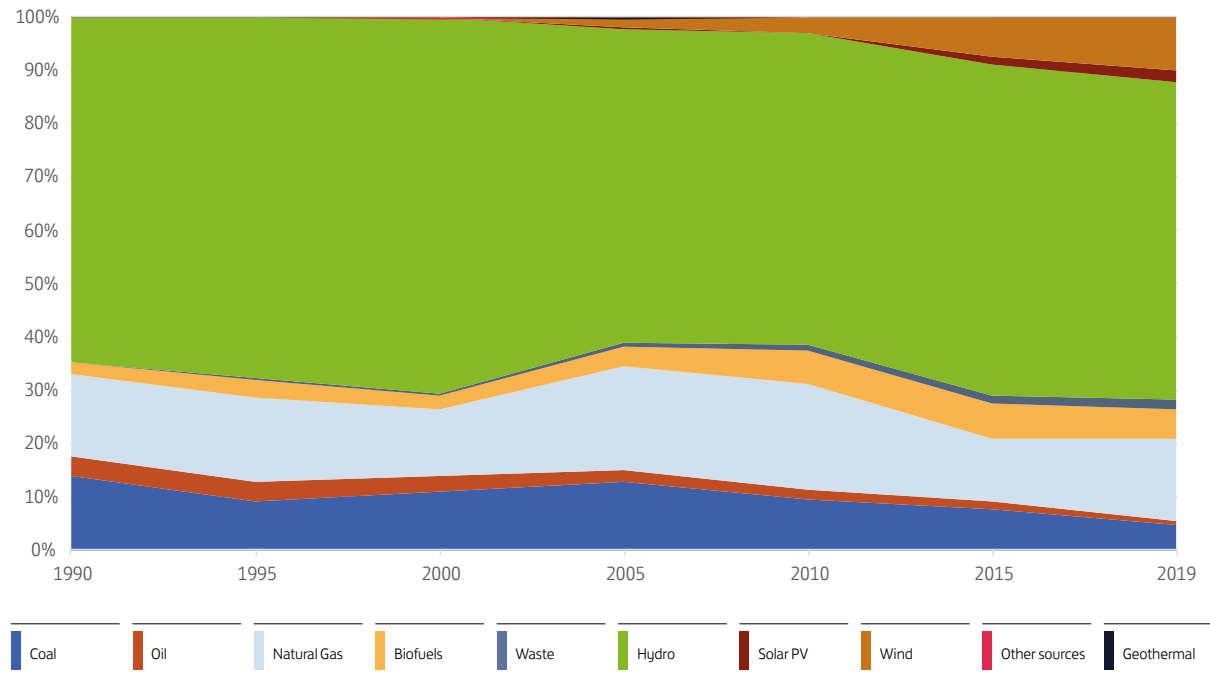
108 UN World Population Prospects 2019.

109 IMF.

110 IMF Jan 2021 World Economic Outlook.

- The main short-term economic problem for Austria is its rapidly ageing population. Austria is also very vulnerable to changes in the German economy, with which it is closely linked.
- Austria is primarily a service-based economy (62.5%), with industry contributing most of the remaining GDP (25.7%).¹¹¹

Electricity Generation and Renewable Targets¹¹²



- Most of the electricity generated in Austria comes from renewable sources (79.2% of the total in 2019) 59.6% of the total being from hydropower, 10.0% from wind, 5.8% biofuels, 2.3% from solar, and 1.5% waste. The largest other single source was natural gas (15.3%).
- While coal contributed 4.6% of Austria's total energy generation in 2019, its final coal plant shut down in 2020 ending the use of coal to generate electricity in the country. Nuclear energy has been banned under the constitution since 1999.
- As of 2019, Austria's energy supply primarily comprised oil (35.7%), renewables (18.7% biofuels and waste, 10.7% hydro and 3.0% solar or wind) and natural gas (23.4%), while coal made up 8.6% of the total.
- The Austrian transmission grid is primarily owned and operated by Austrian Power Grid AG (APG), owning 94% of Austria's high voltage grid.¹¹³
- In recent years, Austria has committed to a series of ambitious plans targeting reduced greenhouse gas emissions and an increased share of renewables in the energy mix, starting with #mission2030 in 2018. This commitment forms the basis of Austria's National Energy and Climate Plan (NECP), and recently the new government introduced a goal of carbon neutrality by 2040 (with intermediate goals in 2030); ten years earlier than the goal set by the EU.
- These targets include:¹¹⁴
 - o Installation of one million roof-mounted solar systems by 2030
 - o 100% of energy supply from renewables by 2030, excluding self-consumption

¹¹¹ UK Gov Country factsheets, October 2020.

¹¹² IEA.

¹¹³ CMS, Electricity law and regulation in Austria, 2015.

¹¹⁴ IEA, Austria 2020 Energy Policy Review, May 2020.

- o No installation of gas-fired heating systems in new buildings after 2025
- o The phase-out of all oil-fired and coal-fired heating systems by 2035
- o 5TWh of green gas injected into the gas grid by 2030
- o Generation of an additional 27TWh/year of renewable electricity by 2030 (11TWh solar, 10TWh wind, 5TWh hydro, 1TWh biomass).

Renewable Support Schemes

- From 2012 to 2021, Austria supported electricity generation from renewable sources through the Green Electricity Law with a Feed-in Tariff (with the amount dependent on the source, e.g., €81.2/MWh for wind, €76.7/MWh for solar in 2019) or investment subsidies for small-scale solar (up to €250/kWp in 2018), with an annually declining budget cap.^{115,116}
- Austria's Renewable Energy Expansion Act (EAG) was passed by the National Council at the beginning of July 2021 which sets a 100% renewable electricity consumption goal by 2030 for Austria. The EAG includes support via market premiums, granted either via competitive auctions (for solar and biomass) or administratively upon a first-come-first-served application (wind, hydro, small-scale biomass and biogas). Auctions may be introduced for wind from 2024, subject to review. Auctions will be published at least two months before the bidding date.¹¹⁷
- Under the EAG, most newly-constructed or extended renewable energy sources are included, however the construction or extension of solar on agricultural land or grassland areas is not subsidised, unless the area is specifically designated for solar.
- The EAG also includes investment grants for solar plants with electricity storage facilities (€60 million/year), hydro (€30 million/year) and small wind plants (€1million/year) connected to the public electricity grid, with the value limited to a maximum of 30% of the required investment volume.

Spain

Country Background

- Spain has a population of 47 million, representing 10% of the total European Union (EU) population, and its population is predicted shrink to below 44 million by 2050.¹¹⁸
- The country has an area of 506,000 km² which is 11.3% of the EU, approximately twice the size of the UK.

Economy

- Spain is the fourth-largest economy in the EU, with a GDP of \$1,250 billion.¹¹⁹
- After years of stagnation, Spain's economy expanded rapidly in the 1970s, the last decade of General Franco's dictatorship. Economic growth was slow from the late 1980s until the Eurozone crisis, in which Spain was one of the countries hardest hit. Years of austerity followed, and in 2012 Spain accepted a €100 billion bailout package from the EU, European Central Bank and the International Monetary Fund. Spain's economy recovered by 2014 and grew by an average of 3% until the pandemic.¹²⁰
- Spain's real GDP growth is predicted to be 5.9% in 2021. This is after a 12.8% decrease in 2020, due to being one of the first European countries affected by the pandemic and a severe reduction of tourism.¹²¹

¹¹⁵ Res-legal, Austria: Summary, December 2018.

¹¹⁶ Mondaq, Austria: Renewable Energy: Amendment of the Austrian Green Electricity Act Doubles Funding, July 2017.

¹¹⁷ Mondaq, Austria: The Renewable Energy Expansion Act, March 2021.

¹¹⁸ UN World Population Prospects 2019

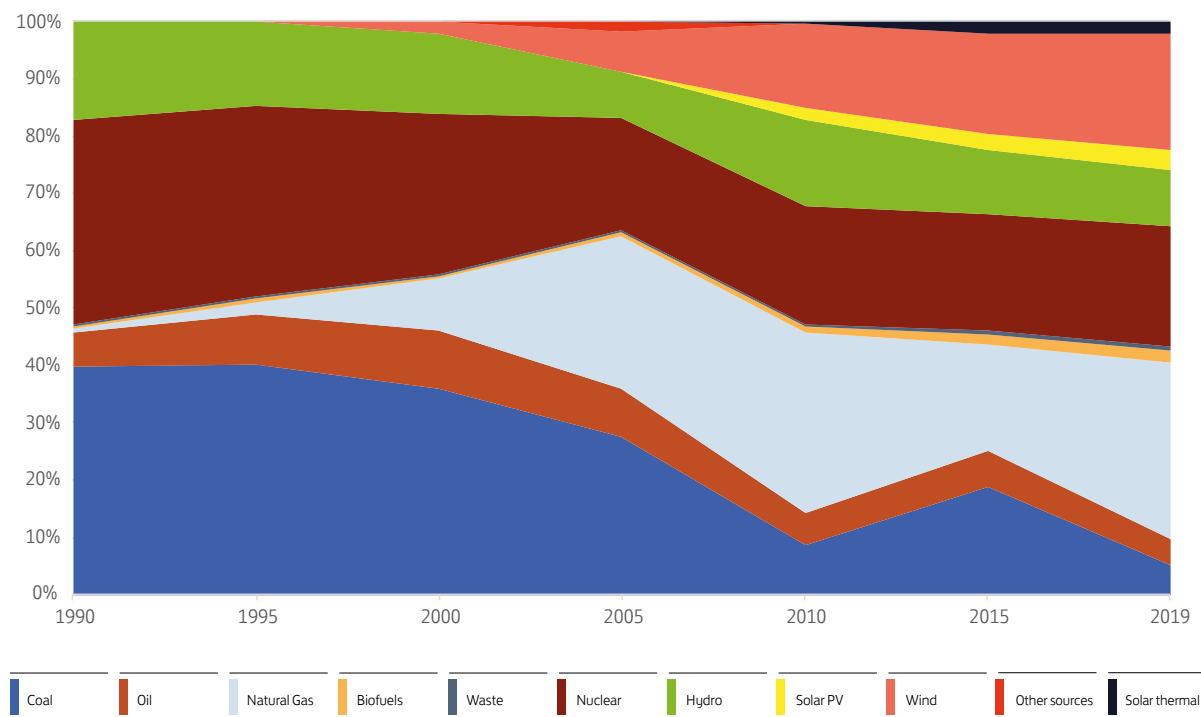
¹¹⁹ IMF

¹²⁰ Britannica, Spain

¹²¹ IMF Jan 2021 World Economic Outlook

- The main short-term economic problems for Spain include a rapidly ageing population, high government debt, high unemployment, and low productivity growth compared to similar countries.¹²²
- Spain is primarily a service-based economy (67.8%), with industry contributing most of the remaining GDP (20.4%).¹²³

Electricity Generation and Renewable Targets¹²⁴



- In 2019, nearly 40% of the electricity generated in Spain came from renewable sources, with the largest contribution from wind (20.3% of the total generation), followed by hydro (9.8%), solar (split between photovoltaics (3.4%) and thermal (2.1%)) and biofuels and waste (2.5%). The largest single source of generation was natural gas (30.8%), while nuclear energy remained a key provider (21.3%). Coal (5.2% in 2019) is planned to be phased out of the electricity generation, possibly as soon as 2025. In 2019, oil contributed 4.6% of the total generation.¹²⁵
- As of 2019, Spain's energy supply primarily comprised oil (42.8%) and natural gas (25.5%), with renewables split between wind and solar (6.8%), biofuels and waste (6.6%) and hydro (1.7%). Nuclear power contributed 12.6% and coal 4.1%.
- The Spanish market is split, with generation and supply partially liberalised, while transmission and distribution are mainly regulated. The transmission grid is exclusively controlled by Red Eléctrica de España, S.A. (REE), which is 20% state-owned.¹²⁶
- Portugal and Spain have integrated their electricity markets into a single Iberian Electricity Market (MIBEL), sharing a common spot market operator (OMIE) since 2007 and forward market operator (OMIP) since 2006.
- Installation of new wind or solar capacity was limited between 2013 and 2019. However, auctions held in 2016 and 2017 awarded 9.3 GW of capacity mainly to solar and wind projects, which led to an increase in capacity in 2019 and 2020.¹²⁷ This, alongside an increase in the installation of solar and wind farms

¹²² Rabobank, Spain: Economic Outlook 2020 and beyond, Jan 2020

¹²³ Worldbank, 2019

¹²⁴ IEA

¹²⁵ Powerengineeringint, Spain's remaining coal-fired plants likely to be phased out by 2025, August 2020.

¹²⁶ Ree, shareholder structure

¹²⁷ CMS, Renewable energy law and regulation in Spain, December 2020.

without a specific remuneration scheme, led to the installation of 4.0 GW solar and 2.2 GW wind capacity in 2019, and 3.3 GW solar and 1.7 GW wind in 2020, compared to less than 0.3 GW and 0.4 GW respectively in 2018.^{128,129}

- In 2018, the newly elected Spanish government suspended the controversial 'sun tax', an additional 7% tax on electricity for buildings with self-generating solar panels.
- Under the Integrated National Energy and Climate Plan 2021-2030 (INECP), amended in January 2020, Spain established four key objectives to achieve by 2030, with the long-term goal of making Spain carbon neutral by 2050:
 - Reduce greenhouse gas emission by 23% compared to 1990 levels
 - Achieve a 42% share of renewable energy in final energy consumption
 - Generate 74% of electricity from renewable sources
 - Improve energy efficiency, with the aim of decreasing primary energy consumption by 39.5%
- To achieve these goals, by 2030 the INECP proposes the installation of a further 30 GW of solar (from 9.0 GW in 2020), a further combined 28 GW of offshore and onshore wind (from 22 GW), to reduce coal to zero (from 7.9 GW) and to reduce nuclear to 3.2 GW (from 7.4 GW).

Renewable Support Schemes

- From 2007, renewable energy in Spain was mainly supported by a Feed-in Tariff scheme. However, this was considered expensive and unsustainable in the years after the global financial crisis, so it was cancelled for new developments in 2010 and retroactively phased out in 2013.
- After several years of minimal available support, Spain introduced a technology-neutral auction system offering support via a Feed-in Premium (with support of 20 years' duration for wind, 25 for biomass), with the first auction in 2016.¹³⁰

Subsidy price for the 2016-2017 and first REER Spanish auctions for each winning technology^{131,132}

Date	Technology	Capacity target/MW	Capacity awarded/MW	Avg. subsidy price/ €/MWh
Jan 2016	Onshore wind	700 in total	569	0
	Biomass		200	0
May 2017	Onshore wind	3,000 in total	2780	39.9
	Other RES		19	41.6
	Solar		1	12.2
Jul 2017	Onshore wind	3,000 in total	1128	28.2
	Solar		3909	32.7
Jan 2021	Onshore wind	1,000	998	25.31
	Any RES	1,000	0	
	Solar	1,000	2036	24.47

- In 2020, Spain introduced a new remuneration framework (REER) via an auction system, offering financial support at a fixed price for a maximum term of between 10 and 15 years.¹³³ An indicative timeline, updated at least annually, proposed the auction of a minimum of 1,000 MW of solar and wind in 2020, followed by 1,500 MW wind and 1,800 MW solar for each subsequent year, up to 2025.¹³⁴

¹²⁸ Pv-magazine, Spain installed 3.2 GW of solar last year, February 2021.

¹²⁹ Renewables, Spain increases wind capacity by 1.7GW in 2020, February 2021.

¹³⁰ Res-legal, Spain: Summary, updated February 2019.

¹³¹ ICIS, Webinar: Trends in renewable energy support, July 2018.

¹³² Aurora, Analysis of the first REER auction in Spain, January 2021.

¹³³ Latham & Watkins, Spain Approves a New Remuneration Regime for Renewable Energy (REER), November 2020.

¹³⁴ Dentons, Renewable energy – Regulatory framework of the new financial scheme and auctions, December 2020.

- In the first REER auction, completed in January 2021, solar won all of the technology-neutral capacity auctioned. The auction was heavily oversubscribed, with 10 GW capacity competing for 3 GW volume.

COVID-19 impact

Between February and May 2020, approximately 100 countries, mainly in Europe, Asia and North America, implemented full lockdown measures to contain the COVID-19 pandemic, while partial lockdowns were introduced across another 100 jurisdictions.¹³⁵ Safety regulations and mobility restrictions also disrupted supply chains and temporarily delayed construction of renewable energy installations, especially onshore wind, and solar PV, in key markets. Since then, renewables-based construction projects, equipment supplies, policy implementation (permitting, licensing, auctions) and financing have returned to near-normal levels in many countries. This is primarily due to project developers and manufacturers having modified their operations to adapt to ongoing social distancing rules.¹³⁶

Global renewable electricity capacity additions were more than 11% lower in the first half of 2020 compared to the first six months of 2019. Developers connected an estimated 40 GW of solar PV, 17% less than the previous year, while wind expansion was down nearly 8%. Conversely, hydropower capacity additions increased in the first half of 2020, mostly owing to the commissioning of large-scale projects in the People's Republic of China. The impact of lockdowns and movement restrictions varied by country and technology, and initial IEA data shows that in most countries not only did renewable energy developers not halt construction, but they accelerated their installation activities once restrictions were eased to make up for delays.¹³⁷

Existing renewable electricity plants are mostly sheltered from both lower electricity demand and declining prices. Many renewable electricity plants have fixed price contracts and are granted priority access to the grid, resulting in little or no output curtailment. COVID-19 lockdown measures have resulted in weekly electricity demand decreasing by 10-35% across affected regions, increasing the overall share of variable renewables to meet this demand. Overall, the energy sector remained resilient with the sector only suffering slight delays in construction.

Levelised Cost of Energy and Private Capital Investment

The EU Strategy on Offshore Renewable Energy report proposes to add 48 GW of offshore wind capacity by 2030, and an additional 240 GW between 2030 and 2050. This is an expected investment, based on 2020 figures, of \$525 billion by 2030 as governments continue to back it for energy security and industrial development reasons. The renewable energy sector has reached sufficient maturity to become a viable investment proposition. As various technologies continue to mature, the potential for generating greater renewable energy will drive appetite for the sector in the long term.

Solar has made enormous strides in a decade, rising from 43.7 GW of total global capacity installed in 2010 to 651 GW as of the year-end 2019. In 2019, solar moved past wind (644 GW) to become the fourth largest source of power on a capacity basis, behind coal (2,089 GW), gas (1,812 GW) and Hydro (1,160 GW). One of the contributors to this is the sharp decline in solar equipment costs, namely the models that go on rooftops and in fields, which have made technology widely available. However, BNEF highlighted that solar only accounted for 2.7% of electricity generated worldwide.¹³⁸

Electricity prices are expressed in one levelised costs of energy (LCOE). LCOE captures the cost of building the power plant itself, as well as the ongoing costs for fuel and operating the power plant over its lifetime. The diagram below, highlights the drastic cost reduction in constructing renewable energy power plants. The largest reduction can be seen in solar and wind, this can be attributed to the rapid speed at which solar and wind has been constructed globally. Solar and wind are relatively cheap to construct, such that the technologies are economically viable to operate without subsidies.

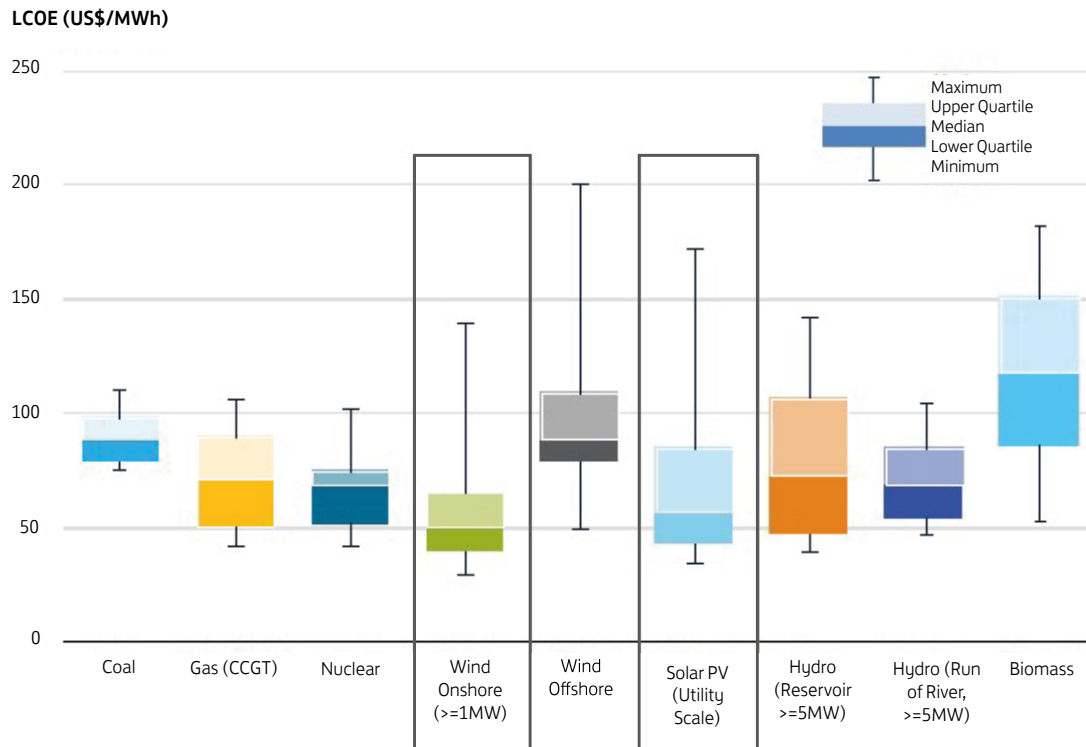
¹³⁵ International Energy Agency, November 2020, Covid-19 and the resilience of renewables

¹³⁶ International Energy Agency, November 2020, Covid-19 and the resilience of renewables

¹³⁷ International Energy Agency, November 2020, Covid-19 and the resilience of renewables

¹³⁸ Veronika Henze, 2020, solar and Wind Reach 67% of New Power Capacity Added Globally in 2019, while Fossil Fuels Slide to 25%

The Price of Electricity from New Power Plants



Source: International Energy Agency ("IEA"). Levelized Cost of Electricity: measure of the aggregate costs required for the production of a MWh, levelized over the lifetime of a production plant. Values at 7% discount rate. The boxes indicate the central 50% of values, i.e. the second and the third quartile. 2025 estimated values based on aggregated data for 24 countries.

The IEA has predicted that global solar and wind capacity is on track to almost double between 2019 and 2025 and outstrip coal and gas, after continuing to surge, despite the economic crises brought on by the COVID-19 pandemic. The lower levelised costs of producing new wind and solar capacity set out in the diagram above are likely to contribute to this predicted increase in capacity as compared to coal and gas. Renewable energy has entered a new phase where subsidies are no longer required to make private capital investments economically viable. The rapid growth of the renewable energy sector has become mature, and investors have been able to significantly de-risk construction and operation of renewable energy sector.

Technologies

The main drivers of capital requirements in the energy supporting infrastructure segment are:

- **Technological advancement:** Historic cost reduction has come as a result of significant increase in renewable energy deployment. The surge in demand has enabled changes to manufacturing processes, materials used, and structures that accelerate the price decline. Technology will continue to become more efficient and reduce in cost.

In parallel, the way in which energy is consumed has changed, and therefore demand-side management is evolving with consumers being rewarded for the demand side services they provide, not using or accepting energy at high demands, including consuming during off-peak hours. Technology is playing its part, particularly in the area of power management. For example, smart meters allow households and businesses to control when they use electricity, based on differential pricing at different times of day. A household may choose to run its washing machines at night-time when power is cheaper rather than in the early evening when it is usually most expensive.

- **New business models:** A liberalised, deregulated, and decentralised power industry leads to new business models as the industry relies less and less on long-term government contracted cash flows. This may take many forms:
 - As traditional renewable energy generation technology approaches grid parity, it will no longer be able to rely on government subsidies to support the bankability of project finance. It will therefore need to secure long-term corporate power purchase agreements (PPAs) to ensure a fixed price offtake against which debt can be sourced. In the US alone, 1.6 GW of renewables capacity was contracted through corporate PPAs in H1 2015, compared to 650 MW contracted from 2008 to 2012. This is aligned with the increasing awareness of companies to their carbon footprint and forms part of their corporate social responsibility agenda. Further examples of corporate offtakers include Apple in Singapore, General Motors in Mexico, Google in the Netherlands, and BT in the UK.¹³⁹
 - Batteries can be used for a great many more services beyond the arbitrage of energy price at times of peak demand. They also provide frequency regulation, voltage support, transmission congestion relief, and transmission and distribution deferral to the grid. Bill management, self-consumption, demand charge reduction and backup power services are provided behind the meter for customers.¹⁴⁰
 - Transmission networks and interconnectors provide strategic point-to-point capacity, which can be sold to various users under short-term and long-term capacity contracts to major utilities and power traders. Through these contracts, a portfolio of capacity users can be established to create a stable and long-term revenue profile to secure project finance.¹⁴¹
- **Energy market disruption:** Electricity networks are critical to achieving energy and climate change objectives, and the evolving nature of generation and demand for electricity brings new challenges. This particularly applies to how society prepares for, and manages, intermittent and uncertain patterns of renewable generation. There will need to be a change in where, when, and how electricity networks are established, operated, and innovated.¹⁴²
 - The scale of the challenge is set by the rate of transition from fossil fuel and nuclear power generation to renewable energy generation. In 2019, coal, oil, gas and nuclear power stations accounted for 60% of installed capacity. By 2050 this is expected to fall to 25%, with an addition of 13,254 GW of renewable capacity forecasted to be added globally, or on average approximately 425 GW each year, creating new opportunities for infrastructure investors.¹⁴³
 - Replacing traditional power generation with renewable power may also be seen as a transition from a centralised to a decentralised electricity generation model. This is likely to require investment in local networks whereby energy can be consumed near the point of generation.
 - In addition, there is a greater need for connection across electricity grids. For example, the UK currently has 4 GW interconnection capacity and approximately 5% of generation capacity. By the early 2020s, this is expected to increase to 11.3 GW.¹⁴⁴ It is expected that investment in onshore, offshore, and cross-border transmission capacity will represent an investment expansion in the UK alone to between £23 billion and £50 billion by 2030.¹⁴⁵

139 Baker & McKinzie, The rise of the corporate PPA, 2015

140 Rocky Mountain Institute, The economics of battery energy storage, September 2015

141 <http://www.eleclink.co.uk/transmission-services.php>

142 <https://www.gov.uk/government/publications/2010-to-2015-government-policy-uk-energy-security/2010-to-2015-government-policy-uk-energy-security#actions>

143 Bloomberg New Energy Finance, New Energy Outlook 2016

144 National Infrastructure Commission, Smart Power

145 University of Cambridge Energy Policy Research Group and Imperial College London, Delivering future-proof energy infrastructure, February 2016

Solar

Solar systems convert energy from the sun into electricity in the form of light and heat. The two main forms of solar technology are:

- **Solar PV:** The dominant form of solar electricity, where solar panels are made of thin layers of semi-conducting material sandwiched between a sheet of glass and a polymer resin. When exposed to sunlight (irradiation), the semi-conducting material becomes 'energised' producing electricity; and
- **Concentrated Solar Power (CSP):** systems generating solar power by using mirrors or lenses to concentrate a large area of sunlight onto a receiver. Electricity is generated when the concentrated light is converted to heat which drives a heat engine connected to an electrical power generators or power a thermochemical reaction. CSP is only viable where there is high irradiation and heat levels.

Solar farms range from small scale through to several hundred MW capacity. The size and scale of a plant is highly dependent on the land and grid connection available in certain locations. Solar can also be mounted onto commercial and residential rooftops, with direct access to the electricity generated.

Solar has become a very mature technology and irradiation levels across the globe are well understood. As such, electricity generation from solar is both predictable and stable.

Wind

Wind turbines convert energy from the wind into electrical energy. First, the blows on aerodynamically shaped blades making them rotate along with the central hub. The hub is connected through a hollow shaft into a gearbox. At suitable wind speeds, this increases the rotation speed enough for the generator to convert the rotational energy into electrical energy using magnetic fields.

Hydroelectricity

Hydroelectric power plants transform the hydraulic energy of a natural or artificial waterway into electricity. To do so, they use the potential energy of a body of water when it transfers from the reservoir to the turbine outlet. The power of a hydraulic system depends on its jump (the difference between the altitude of the reservoir and that of the outlet of the turbines), and on its flow rate (the amount of water flowing through the turbines per unit of time).

Batteries

A rechargeable battery is made of one or more power-generating compartments (cells). Each cell has essentially three components: a positive electrode, a negative electrode, and an electrolyte between them. The positive electrode is typically made from a chemical compound called lithium-cobalt oxide (LiCoO_2) or, in newer batteries, from lithium iron phosphate (LiFePO_4). The negative electrode is generally made from carbon (graphite) and the electrolyte varies from one type of battery to another.

All lithium-ion batteries work in broadly the same way. When the battery is charging up, the positive electrode gives up some of its lithium ions, which move through the electrolyte to the negative electrode and remain there. The battery takes in and stores energy during this process. When the battery is discharging, the lithium ions move back across the electrolyte to the positive electrode, producing the energy that powers the battery.

Hydrogen Power Plants

Hydrogen fuel cells produce electricity by combining hydrogen and oxygen atoms. The hydrogen reacts with oxygen across an electrochemical cell similar to that of a battery to produce electricity, water, and small amounts of heat. Large tanks of liquid hydrogen will feed into thousands of hydrogen fuel cells.

The hydrogen fuel itself can be produced with ever-increasing cost-effectiveness through electrolysis, by splitting water into its constituent hydrogen and oxygen atoms. This generates two useful gases and, when powered by green energy, makes hydrogen production a carbon-neutral act. In theory, this could be a near perfect source of energy as it has no dangerous by-products and is just as fuel-efficient as the average internal combustion engine. The biggest problem is, and always has been, obtaining cheap supplies of hydrogen.

Geothermal

The rock and water in the Earth’s crust can reach heats of around 370°C. Thermal energy contained in the rocks and fluids can be found from shallow depths right down to several miles below the Earth’s surface. Dry steam plants are the most common types of geothermal power plants, accounting for about half of the installed geothermal plants. They work by piping hot steam from underground reservoirs directly into turbines from geothermal reservoirs, which power the generators to provide electricity. After powering the turbines, the steam condenses into water and is piped back into the earth via the injection well.

Central District Heating

Also known as heat networks, district heating systems generate heat in a centralised location and distribute it amongst multiple different buildings. They can be used to provide space or water heating for residential or commercial requirements. Power is normally produced by a centralised system, whether that be biomass, combined heat, and power (CHP), or in smaller systems, gas, or oil boilers. Large CHP boilers are normally powered by fossil fuels, but renewable alternatives using biomass, geothermal, heat pump or solar thermal technology are becoming increasingly common. Heat is distributed to customers through a network of insulated pipes and heat storage units can be added to systems to further even out peak-load demands.

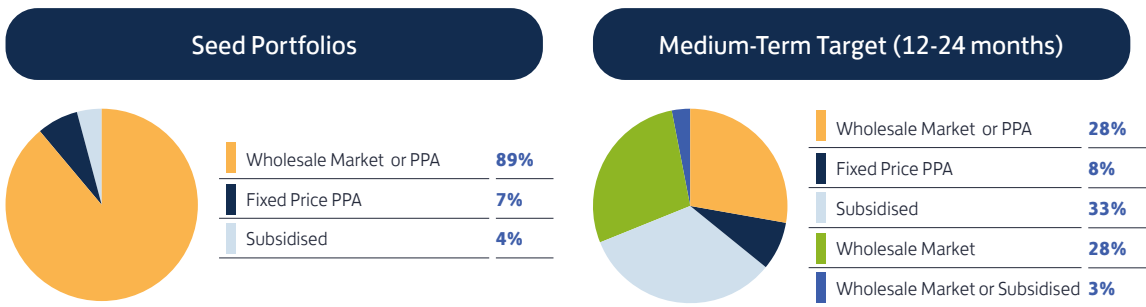
Understanding Available Renewable Energy Revenue Streams

There are a number of revenue sources available to renewable energy generators. Such revenue sources depend on various factors, including project location, commissioning date, and technology. As illustrated in the diagram below, the Seed Assets’ revenue will consist mainly of Wholesale Market or PPA. Where appointed the Asset Manager will be required to actively negotiate corporate PPAs as long term arrangements with credit-worthy offtakers and wholesale PPAs with electricity utilities. The Asset Manager’s team will seek to enhance the portfolio’s revenues through such methods.

Negotiations with such offtakers will only commence once the Company acquires the Seed Assets.

The medium term portfolio construction will consists of diversified revenue streams, this is based on the amalgamation of the seed assets and pipeline. The Asset Manager’s team will seek to diversify the revenue streams and achieve the projected returns and targets.

Indicative revenue split on MW Basis



Source: Blackfinch Investments Limited

There are a number of revenues streams available for renewable energy technologies. Revenue can be thought of as with or without price certainty. The most significant issues in appraising renewable energy generators are as follows:

Wholesale electricity

Electricity cannot (currently) be easily stored at scale. As a result, supply and demand must be quickly balanced through the use of wholesale markets, which trade electricity between suppliers, generators, traders and customers. A generator selling power on a wholesale market receives the available market price at the time, and such prices will fluctuate. Wholesale electricity revenues are therefore not guaranteed until the point of trade unless a generator enters into a forward-looking fixed price arrangement. This pricing uncertainty is available to all renewable energy generators which have a suitable route-to-market.

Floor price arrangements

Power Purchase Agreement (PPA) providers may offer a floor price arrangement, which sets a minimum accepted wholesale electricity price. Price floors can provide an element of certainty over the minimum price achieved per unit of electricity. Contractually, these agreements vary greatly depending on length, wholesale electricity price and perceived value.

Onsite consumption

Renewable energy projects are often installed at or near the location of their final electricity consumption, thereby avoiding the transmission system and distribution network. This is common in the rooftop solar sector, where panels are typically installed on the roof of a building with some or all of the energy generated consumed by the building occupier. Surplus electricity to the occupier's demand may be sold in the wholesale market, depending on the relevant infrastructure.

Subsidy-backed

There are various subsidy support schemes used by governments to encourage the development and generation of renewable energy assets. Key mechanisms are described below along with several specific country examples. Some countries require electricity retailers (utilities) to source a certain quantity from eligible renewable energy generators. Retailers must evidence this by presenting certificates to regulators (often called renewable energy or green certificates), which show how much renewable energy was produced and consumed. The sale of these certificates can be an important revenue stream for renewable energy generators, as they are bought and traded by retailers to meet their quota.

Renewables Obligation Certificates (UK only)

The Renewables Obligation (RO) was the main support scheme for renewable technologies in the UK after its introduction in 2002 until its closure to new assets in March 2017. The scheme was available to all renewable technologies, including co-firing biomass, sewage, and landfill gas. The RO requires electricity suppliers to present a specified number of Renewables Obligation Certificates (ROCs) per MWh supplied, or else pay a buy-out price. The suppliers' cost of compliance is passed on to electricity consumers through levies on bills. The proceeds from the buy-out fund are redistributed to ROC holders in proportion to the number of ROCs they have presented. The price received for each ROC through the buy-out fund is termed the 'recycle price'. By selling the certificates to suppliers, the renewable generators receive an additional revenue stream.

Ofgem, as the administrator of the scheme, issues ROCs to accredited renewables generators for each MWh of electricity produced. The number of certificates issued per MWh depends on the date of accreditation and the technology type.

The RO scheme is scheduled to end in 2037. ROCs will continue to be generated and traded in the UK market until 2027. Post-2027, the price of ROCs will be frozen at the level of the 2027 buyout price, plus 10%, and linked to inflation. The obligation on suppliers will be removed, and the certificates will be bought directly by the Department for Business Energy and Industrial Strategy (BEIS).

Feed in Tariffs

Feed-in Tariffs (FiTs) are government subsidies paid to renewable generators for the amount of renewable electricity generated. Subsidies are paid regardless of the wholesale price which act as an additional revenue stream. In addition, Feed-in Premiums (FiPs) make a top-up payment over and above the wholesale price acting as a price floor mechanism. Originally, these schemes were set up to promote renewable energy installation to counterbalance high installation and technology costs. FiT and FiP rates have gradually regressed, and similar schemes have now closed entirely across many countries, as technology costs have continued to fall.

Auction-led

CfDs promote investment in renewable energy by providing electricity generators, who have high upfront costs and long asset lifetimes, direct protection from downward wholesale price movements.

Typically, eligible electricity generators bid a 'strike price' for CfD contracts, which are then awarded to the lowest bidder. In contrast to a PPA, which sells physical power from the electricity generator, a CfD is a financial instrument. Successful CfD bidders (electricity generators) are paid the difference between the strike price and a 'reference price' (a measure of the average market price for electricity in the given market) for the electricity they produce over a fixed term (for example 15 years in the case of the UK CfD regime). The result is that electricity generators receive a fixed price over the term of the CfD.

Regulated revenue

Regulatory Asset Base (RAB) is a system of long-term tariff design aimed primarily at encouraging investment in the expansion and modernisation of infrastructure. World practices have shown that RAB-based tariff regulation in the electric grid sector has several advantages over the existing cost-plus pricing system for electric grid companies and customers.

Companies in the RAB system provide a secure payback and return on investment sufficient to service loans and generate profits. Additionally, they are stimulated to reduce their costs because the RAB system allows them to retain the funds resulting from cost cutting. As for customers, the RAB system's advantages include a more reliable power supply and services of better-quality owing to new investments.

Construction and Operational Assets

Construction assets have historically been deemed as high risk. Large-scale projects were prone to delays and costs overruns, as previously constructed energy projects were utility scale. As such, constructed large scale utility power projects have attracted significant premiums once they had been constructed. However, renewable energy greenfield and construction projects have significantly altered the risk premium for construction assets. The legacy risk associated with, cost overruns, delays, and land uncertainties, has diminished. The rapid pace at which renewable energy has been constructed in the past decade has turned renewable energy into a mature asset class. Onshore wind and solar farms can be constructed in a fraction of the time it took large scale gas power plants. In addition to the speed in which renewable energy could be constructed, construction risks are typically mitigated by passing on the risks to the sub-contractors, as well as being backed up by contracts and insurance. The maturity of renewable energy markets has led more private capital investment into the construction phase of renewable energy investment. Investments into construction-ready assets attract a premium. Once the projects become operational investors are able to demand a higher purchase price for such assets. Markets for construction-ready renewable energy assets which have shorter track record of investment can provide greater risk adjusted returns, because less mature markets do not attract the same premium as more established markets.

COVID 19

Supply chain disruptions and construction delays slowed the progress of renewable energy projects in the first six months of 2020. However, construction activity did not halt in many countries even during full/partial lockdowns and manufacturing activity has picked up. The IEA has forecast that renewables will achieve record expansion in 2021, with almost 218 GW becoming operational. The rebound is driven by two factors: first, the commissioning of delayed projects in markets where construction and supply chains were disrupted. Second, growth has been continuous in some markets where the pre-pandemic project pipeline was robust as a result of economic attractiveness and uninterrupted policy support.

Part 3

Investment Objective and Policy, Investment Process and Portfolio

Investment Objective

The Company's investment objective is to provide Shareholders with an attractive level of distributions by investing in a diversified portfolio of mixed renewable energy infrastructure assets that have the opportunity for capital appreciation over the medium to long term through active asset management.

Investment Policy

The Company seeks to hold a diversified portfolio of renewable energy infrastructure assets which is naturally hedged to stabilise revenue streams. The Company will be European-focused and will focus on acquiring assets in less crowded markets such as Italy, Portugal, Poland, Czech Republic, Austria and Hungary with some exposure to the UK. Any acquisitions outside of the focus territories will only be located in countries which are members of the OECD at the time of investment ("**OECD Countries**"). The Company will invest in a portfolio of investments with a targeted transaction size of £20 million to £50 million.

The primary eligible sectors for investment will be solar, wind and hydro (together "**Primary Renewable Energy Assets**"). The secondary eligible sectors for investment will be renewable energy infrastructure assets other than wind, solar or hydro assets including (without limitation) assets in hydrogen, storage and central district heating ("**Secondary Renewable Energy Assets**").

The Company will invest in operational, in-construction (being assets where construction has already begun) and construction-ready (being assets where all the necessary consents have been acquired, but construction has not yet begun) renewable energy infrastructure assets. The Company will aim to deploy capital equally between operational assets and non-operational assets (being both in-construction and construction-ready assets), subject to market conditions at the time of investment and the investment restrictions below. In the longer term the in-construction and construction-ready assets acquired by the Company should become operational assets.

Although construction-ready projects expose the Company to certain risks including cost overruns and construction delay, the Company will seek to mitigate these risks by securing completion bonds and where relevant parent company guarantees from any developer. To further mitigate risk, the Company will seek to agree a fixed acquisition price for the assets where the developer assumes, delay and cost overruns.

Investments may take the form of equity and equity-related securities issued by unquoted companies, which may include, without limitation, ordinary share capital, preference shares, convertible debt instruments, equity-related and equity-linked notes issued by portfolio companies, senior loans and subordinated loans. The Company will also be permitted to invest in partnerships, limited liability partnerships and other legal forms of entity where the investment has equity like return characteristics. The Company's investments will be unquoted entities and its primary geographical focus will be Italy, Portugal, the UK and Central Eastern Europe (including Poland, Czech Republic, Austria and Hungary). In the event that the Company is unable to deploy all of its assets in investments within Europe, or in circumstances where more attractive investment opportunities are available outside that focus, but that are within the other parameters of the Company's investment policy, the Company may invest outside its European focus. Investments made outside this geographical focus will only be made in OECD Countries.

The Company will invest in companies which are involved in renewable energy infrastructure projects, including subsidy-free and subsidised construction or operational projects. A minimum of 50% of Gross Asset Value will be invested in Primary Renewable Energy Assets (being renewable energy infrastructure assets in the wind, solar and hydro sectors) assets once the net proceeds from the Issues are substantially invested, and a maximum of 20% of Gross Asset Value will be invested in Secondary Renewable Energy Assets, being renewable energy infrastructure assets in sectors other than wind, solar or hydro, including (without limitation) renewable energy infrastructure assets in hydrogen, storage and central district heating. Operational renewable energy projects will be supported by government-backed revenue streams and/or power purchase agreements, where

available. All underlying activities have a strong emphasis on preserving investor capital with each deal fully analysed by the Investment Manager's specialist management teams.

The Company will at all times invest and manage its assets in a manner which is consistent with the objective of spreading investment risk.

The Company intends to acquire assets through majority shareholder positions in portfolio companies and/or wholly owned special purpose vehicles, but is not restricted from taking minority shareholder positions. Further, there may be circumstances where the ownership of a portfolio company exceeds 50 % of voting and/or economic interests in that portfolio company notwithstanding an initial investment in a minority position.

The Company will seek to ensure that it has suitable investor protection rights through its investment in portfolio companies where appropriate, including rights to ensure that the investment is operated and managed in a manner that is consistent with the Company's published investment policy. Where those rights do not permit or allow the investment to be operated or managed in accordance with the Company's published investment policy, the Company will have the right to dispose of the relevant investment or take (or request) appropriate remedial action.

Pending investment in equities or debt issued by SPVs or other investment vehicles, or reinvestment or distribution of cash receipts or repayments of any outstanding indebtedness, the Company may hold cash on deposit and may invest in cash equivalent investments, which may include but will not be limited to, short-term investments in money market funds, gilts, and tradeable debt securities. There is no restriction on the amount of cash or cash equivalent investments that the Company may hold or where it is held. When fully invested, the Company will hold an appropriate value of its assets in cash or cash equivalent investments for the purposes of making follow-on and other suitable investments and to manage the working capital requirements of the Company.

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 renewable energy projects. Once the funds raised under the Company's initial prospectus have been substantially invested (expected to occur no later than 12 months after initial Admission) the Company's portfolio will comprise no fewer than six Renewable Energy Assets.

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

- the Company may invest up to 20% of its gross asset value in one single asset;
- 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;
- the aggregate value of the Company's renewable energy assets under contract with a single Offtaker will not exceed 20% of the Company's gross asset value at the time of investment or entry into an agreement with such Offtaker;
- no investments will be made in fossil fuel assets;
- a minimum 50% of the Company's gross asset value will be invested or committed to investment in Primary Renewable Energy Assets;
- a maximum of 20% of the Company's gross asset value will be invested or committed to investment in Secondary Renewable Energy Assets; and
- investments made outside the Company's European focus will be limited to a total of 20% of the Company's gross asset value at the time of acquisition and will only be made in OECD Countries.

Compliance with the above restrictions related to gross asset value 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. Gross asset value for the purposes of the Company's investment policy includes cash and cash equivalent instruments.

The Company will hold its investments through one or more SPVs and the investment restrictions will be applied on a look-through basis.

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

Borrowing and gearing policy

The Company may, from time to time, use borrowings for investment purposes, to manage its working capital requirements or in order to fund the market purchase of its own Shares. It is the Company's intention that its borrowings in respect of short-term debt for investment purposes will not exceed 25% of Gross Asset Value at time of drawdown.

Where the Company invests in portfolio companies indirectly (whether through special purpose vehicles as holding entities or otherwise), notwithstanding the previous paragraph, indebtedness in such portfolio companies will not be included in the calculation of borrowings of the Company provided that the provider of such debt only has recourse to the assets of the portfolio company and does not have recourse to the other assets of the Company or other investments made by the Company. It is the Company's intention that the aggregate borrowings of the SPVs which are subsidiaries of the Company will not exceed 50% of the gross asset value of the individual SPV.

Hedging and derivatives

The Company will not use portfolio management techniques such as credit default swaps. The Company may use derivatives for the purposes of currency hedging and interest rate hedging to protect against changes to interest rates in the event that the Company does put in place gearing.

Foreign Exchange Policy

Investment return on investments made by the Company may be subject, *inter alia*, to risks associated with the fluctuations in the exchange rate between the currency of the Company and the currency of any target investment. It is intended that the currency risks associated with capital invested by the Company will be hedged, although the Investment Manager will not be obliged to do so if it considers this to be appropriate in the circumstances, particularly where it considers the currency of the investment is illiquid and therefore it may be prohibitively expensive to establish and/or maintain a hedge. The Investment Manager is permitted to hedge the currency risk associated with any yield and/or capital gain that may arise when the Investment Manager considers there to be sufficient certainty that such yield and/or capital gain will arise. When considering compliance with the Company's investment limitations, the Investment Manager will estimate exchange rates where necessary.

Changes to the Investment Policy

The Company will not make any material changes to its Investment Policy without Shareholder approval, and any such change will be notified to the market through a Regulatory Information Service. Any non-material changes will be subject to Board approval.

In the event of a breach of the investment restrictions set out above, the Investment Manager will inform the Directors upon becoming aware of the same and if the Directors consider the breach to be material, notification will be made to a Regulatory Information Service of details of the breach and any actions that may have been taken to remedy such breach.

Valuation Policy

The Company's valuation policy at the date of publication of this Prospectus is as follows:

Equity investments

Unquoted equity investments will be valued on an objective, consistent and transparent basis for estimating the fair value of unquoted equity securities in accordance with International Financial Reporting Standards and in accordance with the IPEV Guidelines. The unquoted securities valuation policy and the associated valuation procedures are subject to review on a regular basis, and updated as appropriate, in line with industry best practice.

Debt investments

Debt investments will be valued on an objective, consistent and transparent basis for estimating the fair value of debt in accordance with International Financial Reporting Standards and in accordance with the IPEV Guidelines.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

In estimating fair value for an investment, the methodology applied must be appropriate to the nature, facts and circumstances of the investment and its materiality based on reasonable assumptions and estimates. Such methodology, including earnings multiple, cost, cost less a provision or net assets, should be applied consistently.

Publication of the Net Asset Value

The Net Asset Value will be notified through a Regulatory Information Service announcement immediately upon calculation. To ensure the effective management of the portfolio of investments, the Investment Manager will undertake a valuation of portfolio of investments and review the Net Asset Value on a quarterly basis.

The Company may delay public disclosure of the Net Asset Value to avoid prejudice to its legitimate interests, provided that such delay would not be likely to mislead the public and the Company has put in place appropriate measures to ensure confidentiality of that information. The Directors may temporarily suspend the calculation, and publication, of the Net Asset Value during a period when, in the opinion of the Directors:

- there are political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Board, and disposal or valuation of investments of the Company or other transactions in the ordinary course of the Company's business are not reasonably practicable without this being materially detrimental to the interests of Shareholders or if, in the opinion of the Board, the Net Asset Value cannot be fairly calculated;
- there is a breakdown of the means of communication normally used in determining the calculation of the Net Asset Value; or
- it is not reasonably practicable to determine the Net Asset Value on an accurate and timely basis.

Details of any suspension in making such calculations will be announced through a Regulatory Information Service.

Seed Assets and Non-Seed Assets

The Investment Manager has identified a number of assets with an aggregate enterprise value of approximately £750 million, being a combination of the Seed Assets (approximately £230 million) and Non-Seed Assets (in excess of £500 million) which it considers would meet the Company's investment policy and therefore would potentially be suitable for acquisition by the Company. Further information of the Seed Assets and Non-Seed Assets are set out in the tables on pages 90 and 91 below.

The Company entered into the Option Agreement on 22 July 2021 in respect of the Seed Assets, comprising a portfolio of some 21 construction-ready solar assets, of which 19 are in Italy and 2 are in the UK. Under the

Option Agreement the Company will negotiate and enter into a share purchase agreement in respect of the entire issued share capital of each project company that owns each of the individual Seed Assets, based on an agreed form set out in the Option Agreement. The total enterprise value of the Seed Assets is approximately £230 million and is supported by the Valuation Opinion prepared by BDO in respect of the Seed Assets which is set out in Part 10 of this document (which refers to the value of the Seed Assets by reference to their enterprise value). While the enterprise value of the Seed Assets is approximately £230 million, the amount of consideration ultimately payable for the Seed Assets will be subject to adjustment and negotiation of the share purchase agreements to be entered into in respect of each individual Seed Asset. The option arrangements pass all construction risk onto the contractor as the assets are being acquired pursuant to a fixed price contract under which the vendor will deliver the completed projects to the Company. In the event that certain conditions precedent which will be set out in the share purchase agreement for each Seed Asset, are not met, the Company will have the ability to exercise a put option requiring the vendor to re-purchase that Seed Asset. Further details of these arrangements are set out in paragraph 5.6. of Part 6 below. Subject to final legal and technical due diligence having been undertaken prior to the acquisition of each of the Seed Assets, the Investment Manager believes that the Seed Assets will have been sufficiently de-risked to achieve satisfactory returns.

Following Initial Admission, the Investment Manager, on behalf of the Company will negotiate share purchase agreements for the Company to enter into in respect of those Seed Assets the Company wishes to acquire to form the Company's initial portfolio. This will be based on the amount raised under the Initial Issues and the findings of the due diligence that has already been and that will be undertaken, including the vendor due diligence reports that have been prepared. The acquisition of the Seed Assets will be subject to completion of satisfactory due diligence by the Investment Manager on behalf of the Company and completion of the necessary legal processes, all of which are expected to be confirmatory in nature. In particular, the following actions will need to be undertaken to reach completion of the acquisition of the Seed Assets:

- completion of legal advisory work, including property due diligence and agreeing a suitable sale and purchase agreement and ancillary documents; and
- completion of technical due diligence by the Company's technical adviser.

The Investment Manager selected predominantly construction-ready solar assets as Seed Assets due to:

- economies of scale – Concentrating the Seed Assets in the UK and Italy enables the Investment Manager's asset management team to actively manage the construction process of the assets through to operations;
- transaction costs – streamlining the acquisition process will reduce the transaction costs of the portfolio; and
- valuation – Once the assets become operational, the value of the assets should increase as they would be expected to attract a premium. As such, the Net Asset Value of the Company should reflect any such increases.

It is expected, therefore, that initially the Company's portfolio will be heavily weighted towards in-construction and construction-ready assets, but within 24 months of Initial Admission it is expected that at least 50% of the assets in the Company's portfolio will be operational. Following this initial investment period, the Company will aim to deploy capital equally between operational assets and non-operational assets (being both in-construction and construction-ready assets), subject to market conditions at the time of investment and the Company's investment policy. In the longer term the in-construction and construction-ready assets acquired by the Company should become operational assets. Neither the Investment Manager nor the Company have undertaken their own due diligence on the Seed Assets although there has been a vendor due diligence exercise carried out in relation to the Seed Assets. The Company intends to undertake further due diligence prior to the acquisition of the Seed Assets. There can be no assurance that the Company will acquire any or all of the Seed Assets.

The vendor of the Seed Assets is Enviromena. Enviromena is an integrated clean energy group which develops, constructs, operates and maintains renewable energy projects. Enviromena has had a strong relationship with Blackfinch since 2015 and currently provide ongoing support to Blackfinch on originations and technical development.

In addition, the Company has entered into preliminary discussions or negotiations with the owners of a further pipeline of renewable energy infrastructure assets comprising 821 MWp (the “**Non-Seed Assets**”), which consist of: (i) 231 MWp of wind (of which 123 MWp is operational and 108 MWp is construction-ready); (ii) 258 MWp of solar (of which 96MWp is operational and 162 MWp is construction-ready); (iii) a 60 MWp hydro plant which is operational; and (iv) 272 MWp of other technologies. The Non-Seed Assets are almost exclusively off-market transactions which have been sourced by strategic partners of the Investment Manager.

Project details and specifications for the Seed-Assets and Non-Seed Assets

Seed Assets

Site Name	Country	Tech	Project Stage	COD	Site Size (MWp)	Revenue	Project IRR	Average Yield	Invested Capital	Operational NAV
Alliste	Italy	Solar	Construction Ready	31/07/2022	1	CfD	6.65%	7.22%	£916,639	£1,084,550
Collepasso	Italy	Solar	Construction Ready	31/07/2022	1	CfD	6.32%	6.98%	£907,281	£1,039,454
Bau Sa Mola	Italy	Solar	Construction Ready	30/09/2022	1	CfD	5.90%	6.71%	£982,140	£1,079,169
Sigma Candela 1	Italy	Solar	Construction Ready	30/09/2022	17.7	Merchant/ Fixed PPA	8.10%	9.78%	£12,988,536	£16,415,090
Sigma Ascoli Satriano 1	Italy	Solar	Construction Ready	31/01/2023	17.8	Merchant/ Fixed PPA	8.11%	9.78%	£13,388,943	£16,934,455
Golfo Aranci	Italy	Solar	Construction Ready	30/09/2022	5.2	CfD	8.84%	9.16%	£4,350,912	£6,354,158
Gravina 1 & 2	Italy	Solar	Construction Ready	31/12/2023	84.4	Merchant/ Fixed PPA	8.41%	10.13%	£67,479,627	£88,159,797
Sigma Candela 2	Italy	Solar	Construction Ready	31/08/2023	15.5	Merchant/ Fixed PPA	8.41%	10.09%	£11,384,623	£14,856,342
Taranto 2	Italy	Solar	Construction Ready	30/09/2022	8.1	Merchant/ Fixed PPA	8.48%	10.21%	£6,518,898	£8,578,363
Roccaforzata	Italy	Solar	Construction Ready	30/09/2022	13.5	Merchant/ Fixed PPA	8.57%	10.17%	£10,869,040	£14,385,106
Lecce 1	Italy	Solar	Construction Ready	31/08/2022	6.2	Merchant/ Fixed PPA	8.53%	10.07%	£4,727,126	£6,221,818
Fiume Santo 3	Italy	Solar	Construction Ready	30/09/2022	7.5	CfD	8.51%	8.90%	£6,447,274	£9,152,979
Francavilla	Italy	Solar	Construction Ready	31/08/2023	8	Merchant/ Fixed PPA	8.15%	9.70%	£6,387,915	£8,095,903
Sigma Ascoli Satriano 2	Italy	Solar	Construction Ready	31/08/2023	20	Merchant/ Fixed PPA	8.41%	10.10%	£15,070,211	£19,673,838
Taranto 3	Italy	Solar	Construction Ready	30/09/2022	6.3	Merchant/ Fixed PPA	8.71%	10.46%	£4,852,507	£6,538,127
Grosseto	Italy	Solar	Construction Ready	31/08/2022	5.9	Merchant/ Fixed PPA	7.32%	8.77%	£4,397,597	£5,092,443
Banzi 1	Italy	Solar	Construction Ready	31/03/2023	10	Merchant/ Fixed PPA	7.78%	9.31%	£8,013,321	£9,763,670
Tripputi	Italy	Solar	Construction Ready	31/03/2023	11.2	Merchant/ Fixed PPA	8.00%	9.67%	£8,976,512	£11,233,319
Banzi 2	Italy	Solar	Construction Ready	31/03/2023	10	Merchant/ Fixed PPA	7.99%	9.66%	£7,970,745	£9,960,000
Cruxton	UK	Solar	Construction Ready	30/09/2022	10	Merchant/ Fixed PPA	6.18%	7.26%	£7,308,192	£8,509,945
Parley Court	UK	Solar	Construction Ready	30/09/2023	40	Merchant/ Fixed PPA	6.42%	7.41%	£28,039,474	£33,562,445
					300		7.96%	9.46%	£231,977,513.34	£296,690,973

Source: Blackfinch Investments Limited

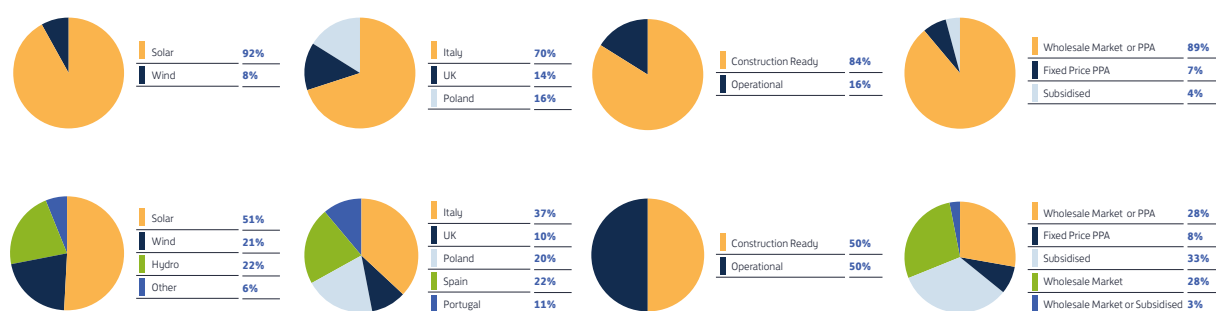
The Investment Manager seeks to continually build its investment pipeline, which should benefit the Company. However, there can be no assurance that any of the Non-Seed Assets will remain available for purchase, either at all or on commercially acceptable terms to the Company. The Non-Seed Assets are illustrated below.

Non-Seed Assets

Site Name	Site Size (MWp)	Location	Technology	Project Stage	Revenue
Cuba	25.5	Poland	Wind	Operational	Merchant/Fixed PPA
Flair	30.0	Poland	Solar	Operational	Fixed Price PPA
Gecko	31	UK	Batteries	RTB	Fixed Price PPA
Gevasi	40	Spain	Solar	Operational/RTB	Merchant
Porto Ribeira	20	Portugal	Solar	Operational	FiT
Porto Ribeira	5	Portugal	Wind	Operational	FiT
Porto Ribeira	41	Portugal	Heat and Power	Operational	FiT
Wings	125	Poland	Onshore Wind	Operational/RTB	Merchant
Connections	122	Italy	Solar	RTB	Merchant
Starters	200	Portugal & Spain	Hydrogen	RTB	Subsidies are being determined in Spain and Portugal
Alfa Pero	60	Portugal	Hydro	Operational	Long term PPA
Chimes	30	Poland	Onshore Wind	Operational	Green Certificates
Bells	25.5	Poland	Solar	Operational	CFDs
Re Totti	20	Italy	Solar	RTB	Merchant
De Nada	39	Italy	Onshore Wind	RTB	CFD/Merchant
Perticara	7	Italy	Onshore Wind	RTB	RID + Incentivo support schemes
821					

Source: Blackfinch Investments Limited

Anticipated make up of the Company's portfolio of investments:



Source: Blackfinch Investments Limited

The Investment Manager and the Board believe that, with the Investment Manager's experience and work undertaken by it to date, suitable assets will be identified, assessed, and acquired such that the net proceeds of the Initial Issues will be substantially committed within 12 months of Initial Admission. It is expected that any operational assets acquired by the Company will be revenue-generating on acquisition. All of the solar assets in the Seed Assets are expected to be operational assets within 30 months of Initial Admission.

Investment process

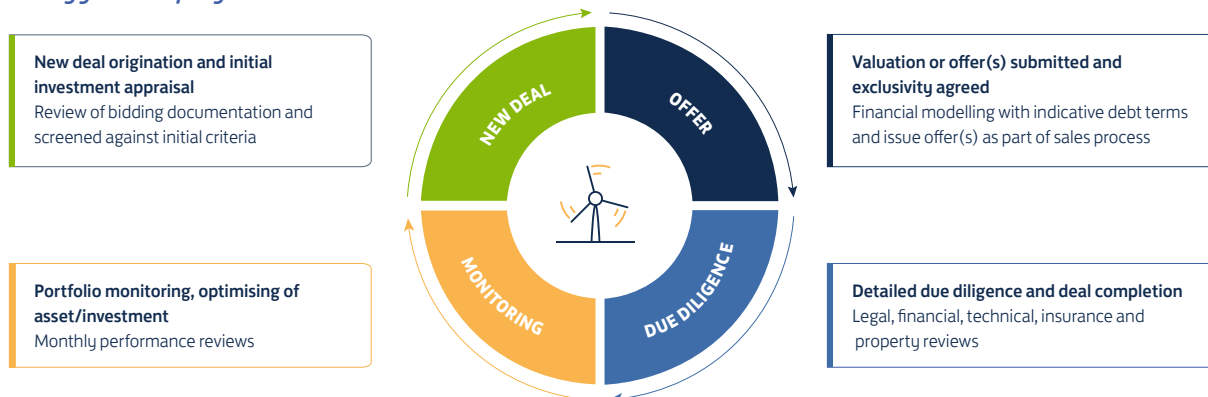
The Investment Manager will source investment opportunities from its established global network in the renewable energy market. In addition, the Investment Manager may also source prospective investments from other Blackfinch Managed Funds. As the portfolio of the Company matures, the Investment Manager is aiming to ensure that no more than 50% of the Company's Gross Asset Value is invested in non-operational assets at any one time.

The Company will predominantly make its investments through a series of wholly-owned special-purpose vehicles ("SPVs"), which will individually own the renewable energy assets within the Company's portfolio. The jurisdictions in which the SPVs will be incorporated will be determined with reference to the location of the renewable energy assets acquired. Where the Investment Manager believes that value can be added to the SPVs, the Asset Manager will be appointed to provide the relevant SPV with asset management services.

Neither the SPVs, nor the Company, will conduct any trading activity which is significant in the context of the Company and its subsidiaries. Each SPV will enter into contractual arrangements with third parties for the maintenance and operation of the renewable energy assets they own.

The investment process will, in general, proceed in the stages described below. The Investment Manager's reporting and decision-making process will be conducted whether the potential transaction is an investment, a disposal or a refinancing of an existing Asset.

Energy Deal Lifecycle



Source: Blackfinch Investments Limited

Deal Screening

Each prospective investment will first be assessed against the Company's investment objectives and policy. Full consideration will also be given to the Investment Manager's environmental, social and governance (ESG) policy to ensure consideration is given to the wider stakeholder impacts and risks inherent in the Company's investments and decision making. If a prospective investment is considered potentially suitable, and in line with the ESG policy, a high-level financial and economic analysis and review of the investment will be undertaken by the Investment Manager.

Sighting Paper

The Energy & Infrastructure ("E&I") Investment Team at Blackfinch will perform an initial review of an investment opportunity and prepare a 'Sighting Paper' summary, which is shared with the senior management of the Investment Manager and members of the Investment Manager's Investment Committee ("IC").

The Sighting Paper will include an overview of the opportunity, key characteristics, investment rationale, summary returns, key risks, and next steps. Consideration will be given to matters such as suitability (from a portfolio, investment objectives and ESG perspective), high-level returns, capital structure, likely transaction structure, and process. Other matters highlighted at this stage will include key risks and items to focus on during due diligence.

Following discussion and approval of the Sighting Paper, the Investment Team will proceed to submit a non-binding offer in relation to the opportunity. A *de minimis* initial budget for due diligence may also be approved at this stage which will be payable by the Company.

First-Stage Investment Committee Approval

Should a transaction proceed to a stage where significant third-party due diligence costs are required to be incurred, the Investment Team will prepare a deal memorandum (“Deal Memorandum”) which includes a detailed review of the opportunity, with the aim of obtaining first-stage IC approval.

The Deal Memorandum sets out the investment technology and stage of development, suitability, key risks, returns, jurisdiction and the regulatory and policy background. Detail is also included on the transaction process and timetable and approval is sought for a due diligence budget, which costs will be met by the Company. The Deal Memorandum then continues to outline the key value drivers underpinning the projected returns, principal contractual arrangements, counterparties, and stakeholders (including their experience and track record in the sector), an overview of past performance (where the Asset is operational), initial identified risks and proposed due diligence process, advisers, and their proposed scopes of work. Any debt or hedging requirements will also be considered at this stage.

The impact on the Company’s portfolio of a proposed investment in any renewable energy asset is also outlined. Portfolio composition, concentration, revenue mix and wholesale electricity price exposure are each highlighted before and after inclusion of the proposed investment in a renewable energy asset.

Following first-stage IC approval, the Investment Manager will be authorised to carry out detailed due diligence within the approved budget, and negotiate commercial terms and transaction documentation. This approval will be reported to the Board by the Investment Manager.

Where any potential transactions involve unusual tax implications, low tax jurisdictions, unusual structuring or have significant complexity, potential financial exposure or risk, new technologies or geographical jurisdictions or deviation from approved policies, the Investment Manager will consult the Board before it starts detailed due diligence and negotiation of the commercial terms of the proposed investment.

External advisers in relation to a proposed investment will be appointed through the Investment Manager’s adviser appointment process. Generally, the approach to adviser selection will be to undertake a tender process among the panel of preferred advisers for which the Investment Manager has secured preferential rates, to ensure the Company can get the best price and quality for the work required.

Transaction Execution

Following first-stage IC approval, the Investment Manager and technical, commercial and energy market specialists from the E&I Investment Team will work together to conduct detailed due diligence, utilising external professional advisers (including technical, legal, insurance, financial and tax advisers) where needed.

Technical due diligence will typically include a physical site visit and a review of: site designs; construction and maintenance contracts; planning permissions; accreditations; grid connection agreements; health and safety assessments; and energy yield assessments. In addition, where an asset is operational, an analysis of prior performance data and operations and maintenance reports will be undertaken.

Legal due diligence will typically involve external legal advisers reviewing and advising on: the contractual structure; property documents (such as leases, easements, wayleaves and origins of title to land); planning permissions; grid connection agreements; construction and maintenance contracts; and offtake arrangements.

Financial and tax due diligence will typically include a review of: the project budgets; the project financial models; historical financial statements; and tax returns. Where a site is operational, the energy yield assessment will take into account prior operational performance, and the financial and tax due diligence will include a review of prior financial performance and revenue streams.

The Company will typically invest in assets held through corporate structures where the Investment Manager will also conduct appropriate due diligence on the corporate entities and counterparties to ensure that they are competent, stable, and appropriate. In addition, where the Company makes investments in assets held in shared

ownership or co-investment arrangements, the Investment Manager will negotiate shareholder arrangements and constitutional documents to ensure the interests of the Company are appropriately protected.

The Investment Manager and Asset Manager will direct, review, and assess the due diligence findings to arrive at an informed view on the risks involved and possible mitigation. The external professional advisers will also work with the Investment Manager's teams to establish the optimum financial and tax structures for the prospective investment.

At the same time as carrying out due diligence, the Investment Manager will enter into negotiations for the commercial terms with the vendor, crystallising whether the deal represents an investable proposition. The team will also engage with ESG-related risks and opportunities via additional due diligence as needed, and via engagement with the seller and related counterparties.

If key aspects of the prospective deal change during this stage, such as key changes in returns, or material risks are encountered during due diligence, then the Investment Manager may refer to the IC to ensure it is satisfied that the transaction parameters remain with the existing approvals.

Final Investment Committee Approval

Once due diligence and negotiations have substantially completed, a further memorandum (the "Final Deal Memorandum") (comprising a comprehensive investment paper in the same format as the Deal Memorandum for first-stage IC approval) will be prepared for the IC and, if approved, shared with the Board and the Investment Manager.

This Final Deal Memorandum will include a summary of the due diligence findings, detailed forecasts of operational and financial performance, returns and sensitivity analysis, and a comparison of the transaction against prior transactions by the Company, as well as comparable transactions in the wider market.

The Final Deal Memorandum will also include details of the ESG evaluation, measures to ensure effective stewardship of these principles on an ongoing basis, reporting protocols and how periodic reviews will be conducted.

The Board will have the opportunity to make such observations and comments as it thinks fit on the Final Deal Memorandum, communicating such observations and comments to the IC. The IC will consider and take account of the observations and comments received from the Board and, if necessary, re-evaluate the proposal to ensure it is in line with the Company's investment objectives and policy. This may result in additional due diligence and analysis requests.

As set out below, any decision to proceed with a transaction shall be the sole responsibility of the Investment Manager. The acquisition of assets by the Company from, disposal of assets by the Company to, or co-investment by the Company with other Blackfinch Managed Funds will be subject to approval from the Board (all of whom are independent of the Investment Manager) prior to the acquisition, disposal or co-investment proceeding.

Pre-Completion

The Investment Manager will facilitate completion of the transaction through provision of the following services:

- negotiating the final forms of all transaction documents;
- ensuring appropriate insurance is put in place; and
- establishing the relevant company structure and necessary bank accounts.

Prior to completion, a note will be issued by the Investment Manager to the IC, outlining any material changes since its final approval of the transaction on the basis of the Final Deal Memorandum, and seeking the IC's approval to complete the transaction on that basis. Following approval by the IC of the pre-completion note, the Investment Team will inform the Board in relation to any such changes. At this point, the Board will again be given the opportunity to make such observations and comments as it thinks fit.

Post-Completion

During the transaction process the asset management team will start on-boarding the Asset to its systems. After the completion and execution of the transaction, the Investment Manager will finalise handover by completing a checklist documenting matters, including:

- registration of documentation with the relevant authorities and filing of Company Secretarial documents;
- filing of insurance policies, legal bible, completion statements, loan notes, share certificates, etc.;
- clearance of any conditions subsequent;
- confirmation of cash receipts/payments by solicitors;
- balance sheet opening position;
- scheduling of SPV board meetings, accounting timelines, etc.;
- scheduling of debt service payments and reporting requirements; and
- setup and reporting on KPIs:
 - o operational;
 - o financial;
 - o commercial; and
 - o ESG.

Asset Management

The investment strategy is to combine the proven track record of the Asset Manager to develop new infrastructure assets through active sourcing, on-time, and on-budget construction delivery to create attractive infrastructure assets, and the extensive experience of cash flow enhancement through portfolio management. The Asset Manager is a wholly owned subsidiary of the Investment Manager, whose team comprise members of the Investment Manager's investment management team. Further detail on the Investment Manager are set out on page 44. The Asset Manager may be appointed pursuant to the Asset Management Agreement, where the Manager and the Company agree that these techniques may add value to the assets held by the relevant SPV, further details of which are set out in paragraph 5.7 of Part 6 below.

The Asset Manager has a team of experts who are able to carry out active asset management, drive returns and maximize total shareholder's return, as illustrated in the table below:

The Investment Manager has internal operational capabilities for managing renewable energy asset operations along their whole lifecycle, in different technologies and geographies throughout Europe.

The asset management approach adopted by the team is integrated, proactive and forward-looking, incorporating the whole set of competences necessary, achieved either internally or through external partners.

1. Asset Management Activities

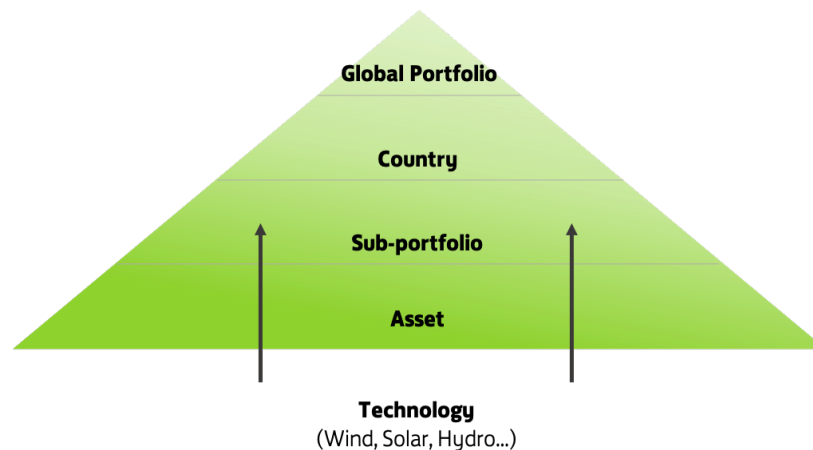
Strategic Goal

The goal is to create, sustain and protect the value generated by the assets, stabilising the cashflow available for distribution to investors. This is achieved by:

- selecting the assets at the outset, based on their technical characteristics at the moment of design or acquisition;
- integrating a set of technical, operational, financial, commercial, administrative, and tax expertise competencies;
- managing an ever-changing regulatory and commercial environment;

- maintaining a long-term view over the whole asset lifecycle, from asset inception to end-of-life (revamping, expansion, decommissioning, disposal); and
- using direct experiences from the following disciplines: asset development; design; construction; maintenance; control; financing and refinancing; asset decommissioning and revamping; and asset sale from both buy-side and sell-side.

Four Operational Levels



Four Levels

Asset management occurs at four levels:

- single asset;
- sub-portfolio (e.g., acquired assets belonging to, developed or constructed by the same entities, with their standards and same technologies);
- country level (as energy markets, regulations, debt structure, tax and administration are country-specific); and
- overall portfolio level.

Technology View

Assets are also integrated by technology, to create efficiency in operative processes as well as procurement.

Forward-Looking Activities

Asset management is made of proactive and forward-looking activities to anticipate and predict events, so that the *probability* of impacting events on the overall plant performances can be reduced, and, in case events do happen, there is a clear and fast *response* to *contain* any negative impacts on cashflow. These triggered responses are the result of predefined contingency plans derived from the Investment Manager's on-the-ground experience.

Asset management is also a forward-looking activity to *improve* the cashflow, for example to prepare for the constant evolution of requirements set by the regulators and grid operators in terms of energy programming and related variation in pricing. Though renewable energy is a very stable asset class compared to others, its own success is accelerating the redefinition of the rules of the game, in a positive way for renewable energy investors. Asset management activity must be prepared for the inevitable evolution of the regulatory space, and the changes in commercial terms, to harvest the new opportunities arising over the 20-plus years of lifetime of a renewable energy plant and sites.

Lifecycle Management

From sourcing to development, from construction to operations and revamping, a through-life active asset management strategy is adopted, which leverages the Investment Manager's capability to develop and operate

high quality infrastructure assets through active sourcing, on-target construction delivery to exacting performance-led specifications; and optimised cashflows from effective data analysis and efficient portfolio management.

On the operational side, the life-cycle management follows the spirit of the widely-recognised ISO55000 standard, which underwrites robust value protection and creation throughout the full asset lifecycle.

Combination of Competencies

The asset value is created both from the design of assets and during their operation. Therefore, it is essential to have an asset management strategy that takes into account the very beginning of asset life, the plant design and development phase, both in case of green-field and brown-field assets, and has a very clear 'ownership strategy' in the daily operations.

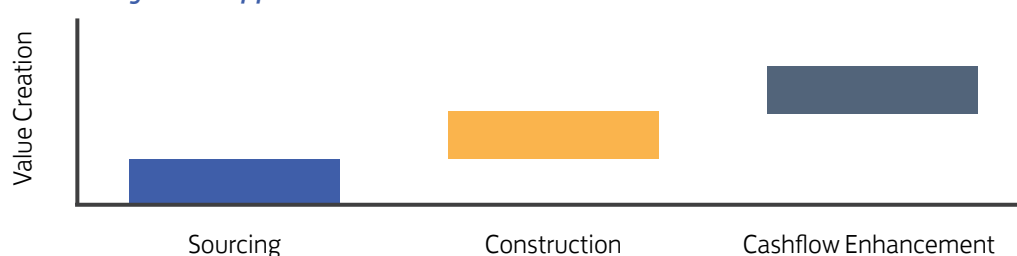
The asset value is primarily generated by decisions and processes in the following areas, which require a combination of competencies and experiences:

- **Technical:**
 - At development, design and construction stage (e.g., owner's engineering, selection of local developers, selection of suppliers, EPC selection, key components selection, quality assurance, standardisation, mismatching management, system integration design and execution) that impact the technical yield of the plan (resource and revenues).
 - During the normal operation stage (operational costs, uptime and downtime, recursive preventive maintenance, performance monitoring, inspections).
 - At discontinuity moments during asset lifetime, for both positive events (e.g., revamping, capacity expansion, technology substitutions, additional system integration for harvesting more yield or accessing new revenues streams, like grid ancillary services) and negative events (e.g., downtime, incidents due to weather, human acts, etc.).
- **Commercial:** Power Purchase Agreement (PPA) negotiation and compliance; choice; negotiation and management of revenues streams; management of counterpart risks; energy and ancillary services pricing; energy trading; risk sharing with suppliers; etc.
- **Financial:** Asset cashflow planning and treasury management; loan management; budgeting; planning; asset debt optimisation; debt renegotiation and exit; covenants management; contract management and third-party reporting; portfolio cashflow programming; revenues streams management; etc.
- **Regulatory Compliance:** grid technical compliance; inspection preparation and management; output planning compliance; regulatory compliance, health and safety compliance, and asset management service quality; etc.
- **Administrative, Taxation and Corporate Compliance:** to maintain the expected level of compliance with the local and group corporate and tax laws, especially as the portfolio of assets will be in different jurisdictions, with cross-country tax benefits and optimisation.
- **ESG Compliance and Adherence to the Highest Ethical Standards:** to avoid reputational risks.

Value-impacting risks are systematically identified, evaluated, and prioritised to ensure appropriate mitigations are devised and routinised.

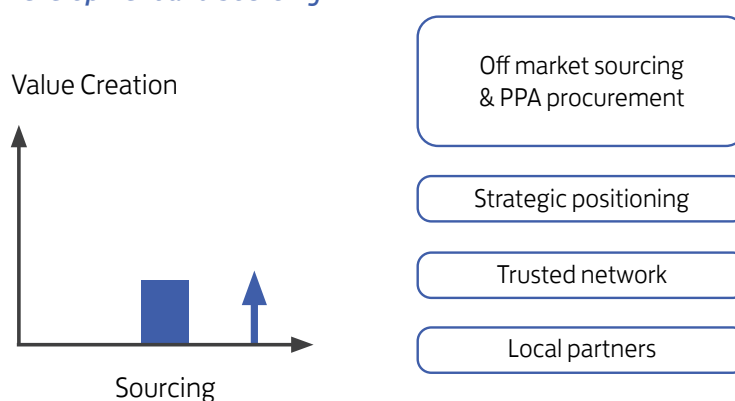
2. Asset Management By Phases along the Lifecycle

Active Asset Management Approach



a. Asset Management Development and Sourcing

Asset Management Development and Sourcing



Development of Assets: Greenfield Origination and Management

The origination of new opportunities are carefully considered, with construction and operational sensitivities in mind, so as to capitalise on opportunities to leverage existing supplier relationships, procurement terms and technical insights. At the same time, care is taken to ensure that an acceptable commercial balance is found between portfolio diversification and portfolio complexity (including asset size, asset age, technology, location and counterparties).

As Investment Manager, Blackfinch do not take development risk, however it is fundamental to source assets under development that are designed and developed according to the best standards, balanced in terms of type, zones, and timing. Where appointed, the Asset Manager will lead and steer the development process with the local development partners and EPCs, setting and verifying the Investment Manager's standards when possible, or selecting later-stage developments compatible with the Investment Manager's guidelines. The Investment Manager believes an early engagement in asset development secures access to assets at better prices, avoiding tender processes and higher prices for developed and built plants. Moreover, it allows the Investment Manager to select and control the quality of the plants 'by design', allowing for better quality control, faster 'time to revenue', and less chance of adverse events during operations. The Investment Manager's team has a proven track record of successfully developing renewable energy assets, and consequently has a deep understanding of the critical risks governing the development and construction phases, including consent and connection challenges.

Greenfield Origination Partnerships

The Investment Manager will work with strategic partners (and also industrial partners) to secure exclusive access to investment opportunities. This approach is well-established in the energy sector with an increasing number of privately developed opportunities being communicated to small networks, which are not always public, auction-led procurements. The Company will typically seek to take majority or controlling shareholdings or at least secure significant negative control entitlements.

The Investment Manager's investment management team has an established network of core relationships in the targeted sectors and countries spanning the last 20 years. Key strategic partners have been selected on

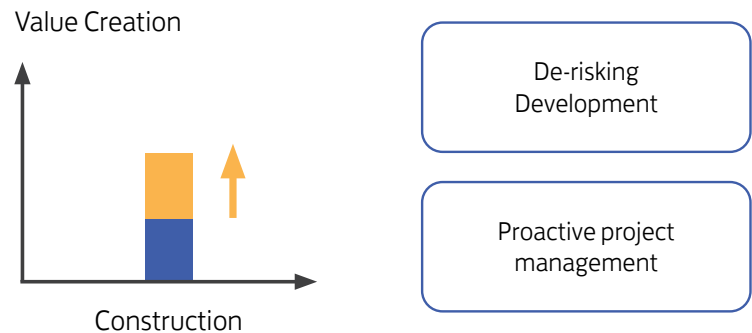
merit and past performance with the Investment Manager. It also has existing relationships with PPA brokers that would otherwise be sold through an exchange. In addition, the Investment Manager has experience of multiple PPA exchanges with other assets under management.

Operating Assets: Brownfield Origination

The origination of brownfield assets, which will constitute a small part of the Company’s portfolio in the long term, is made on the basis of a preliminary selection and a direct technical and commercial due diligence of current performances. This identifies the risks and opportunities to improve the output and expand the size of the plants. Risk-adjusted pricing of asset acquisition is crucial. The key competence in assessing assets is internal to the Investment Manager’s organisation, with the internal expertise to perform preliminary and final due diligences. The Investment Manager’s experience in development and construction of assets is crucial to spot any problem or opportunity before acquisition.

Asset Management Development and Sourcing

Construction



Construction risk is substantially passed to EPC partners. However, the Asset Manager has the internal technical and project management competences that allow for hands-on management during construction, which is key to the de-risking and delivery of development investments. The Asset Manager will be deeply involved in the preparation of functional power station and balance of plant specifications, optimising designs for construction and operations, selecting competent contractors and technical advisors, and ensuring reliable tier 1 equipment is selected.

EPC Selection and Terms

The Investment Manager will assist with full turnkey EPC selection and negotiation, in line with the best practices in the market, with reference to the commercial risk, technical performance risk and warranties, liquidated damages, etc. Where the Investment Manager believes value may be added, the Asset Manager will also act as owner/ engineer during the design, construction, commissioning, testing and final acceptance of plants.

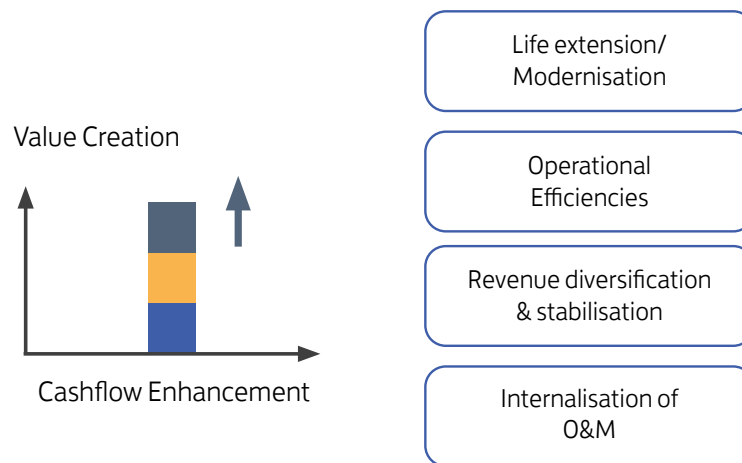
Construction Quality and Safety

Site safety is of critical concern during this phase. Consequently, the Asset Manager ensures all contractors are suitably qualified, able to demonstrate a robust safety track record and assume the appropriate responsibilities under Construction, Design and Management (“CDM”) regulations.

The Investment Manager has a track record of successfully developing renewable energy assets with the most recent example being a 6 MW solar farm in the UK (Llwyndyrus Solar Farm Limited held by Sedgwick Trading Limited Blackfinch Investment Inheritance tax portfolio) taken through to a commercial operation date in 2021 on-time and on-budget. The ability to select the right construction partners and to implement robust contractual framework to mitigate risks constitutes a key value driver for complex infrastructure projects. In addition, the Investment Manager employs a number of experienced asset managers with direct exposure to managed construction projects. A hands-on management philosophy has been key to the de-risking and delivery of development investments by the Investment Manager and will be the approach adopted by the Company.

b. Operations and Cashflow Enhancement

Operations (Cashflow Enhancement)



Value Maintenance and Enhancement During Operations

The Investment Manager will seek to achieve expected value through the execution of efficient and effective asset management and Operations and Maintenance (“O&M”) activities, using and bettering the standards outlined by ISO55000 best practice and supported by a high-performing team. The Investment Manager will apply key tools such as asset registers, risk registers, and contract obligation registers, to maintain administrative control and ensure counterparty compliance. The Investment Manager will undertake routine performance monitoring, site inspections and contract administration, among other duties. Safety is again a primary focus during this phase, and consequently the Investment Manager will appoint and audit competent contractors to undertake safe maintenance, inspection, and site access control.

Activities During Operations

The Investment Manager also seeks to exceed expected value through the following example activities:

- Optimisation of granular data streams (i.e. sensors>data logger>telecoms link>data base>visualisation platform) to allow detailed yield reconciliations to identify energy loss concentrations relative to actual resource, availability, power performance and metering to refine the value improvement focus. Complete and continuous data flows also allow for more effective site monitoring, more accurate trend analysis and fewer availability warranty carve-outs.
- Integration of monitoring systems, as acquisition could bring in several different systems to be integrated in one monitoring room.
- Output prediction algorithms, increasingly relevant for intermittent energy plants like renewables, in order to comply with local technical standards and grid operator planning requirements. These activities will become significant in the future, as renewable energy increases in the generation mix in some areas, and ancillary services to the grid are introduced, with the possibility to activate additional revenue flows from ancillary services, optimisation of energy curtailments, peak shaving and shifting using storage.
- Proactively identify and prevent the possible reduction in plant availability and performance ratios in the plants, based on granular site data. Independently determine monthly availability and ratify with O&M contractors, to allow liquidated damages to be progressively estimated throughout the production year. This improves warranted performance transparency and avoids lengthy end of year disputes. The design of clear performance algorithms at EPC/O&M contract award is a fundamental element of a proactive plant management.
- Using clustered cause analysis and string data to predict degradation in plant performances. Use asset power curve and downtime pareto charts to identify latent reliability and performance trends and challenge/incentivise O&M contractors to address these beyond warranted thresholds.

- Security management is more relevant in some target countries, so security monitoring and checks are arranged using remote technologies, integrated with the digital control technologies and agreement for local security inspections.
- Challenging O&M contractors to evidence their approach to condition monitoring and predictive maintenance (such as current-voltage characteristic (I-V) curve, temperature trends and vibrations) to move beyond the basic scheduled preventative maintenance doctrine, and resolve issues before uncontrolled breakdowns occur at inconvenient times.
- Auditing security provisions and O&M contractor fault logs, scheduled service records and fault reports, so that robust evidence can always be provided to insurance underwriters to maximise cost and business interruption recovery potential. The Investment Manager also ensures all viable claims are notified early to avoid prejudice or breach carve-outs.
- Ensuring operational expenditure is comprehensive, with allocated contingency for evaluated risks. The Investment Manager also ensures key contracts are subject to retendering after expiry of the initial term; framework agreements are sought for common services where appropriate; and the frequency of cyclical maintenance works are spread out as far as possible.
- The Investment Manager lobbies distribution network operators (DNOs) to reduce planned grid outages or move their timing to lower production periods. The Investment Manager also looks to seek to use outage periods for other maintenance obligations such as onsite high voltage system inspections and maintenance.
- The Investment Manager will prepare for extended life operations by verifying basic preventative maintenance disciplines of surface cleaning, moisture ingress prevention, connection torqueing, corrosion treatment and climate control are well executed. The Investment Manager plans for third party residual life analysis and structural inspection at 20 years, with sample-based non-destructive testing follow ups thereafter (bolts, welds, teeth). Through-life blade and photovoltaic (PV) module inspection, cleaning and minor repairs are expected, as are mid-life overhauls of generators and PV inverters. Prevent hot spots and string performance degradation due to faulty PV panels.
- Where feasible, the Investment Manager looks to improve asset productivity and revenue streams through capital investment activities such as repowering, co-location of complimentary assets (such as battery, wind, solar), site extensions, asset sharing (e.g., evacuation lines, pooling stations), asset enhancements (including software upgrades, retro fits, etc.), or smart grid control adaptations.
- Managing revenue risk through the negotiation and re-negotiation of competitive PPAs, offtake agreements, usage agreements or leasing arrangements that offer credit risk diversification and optimised terms for part of the revenues – while potentially keeping some residual revenue or value exposure.
- Energy trading opportunities are managed, and additional revenue streams are added with ancillary services to the grid, participating in proactive 'day before' bids.
- Existing debt or leasing facilities will be managed proactively, including the covenants, and renegotiation and improvement of terms at asset and portfolio level.

Operations and Maintenance Internal Oversight

O&M activities will be directly managed, and performed either by EPC, under their responsibility, at least during the warranty periods, or by trusted sub-contractors directly engaged by the Investment Manager.

The Investment Manager will activate direct O&M activity management to grant a proactive maintenance approach, with the reduction of unexpected repair costs or reduction in output, and a reduction of monthly costs by curtailing the layers of intermediation of a highly fragmented sector.

c. Asset Discontinuity Management

The Investment Manager has the experience of managing both unexpected and anticipated events – positive and negative – that require a one-off activity. Examples of such events may include: weather damage; theft; land issues; legal disputes; default of contractors; default of previous owners or co-owners; acquisition of distressed assets; cases of land renegotiation of financing; changes in law; the introduction of new technical standards; the introduction of grid operational standards; evolution of trading prices; negative prices; asset decommissioning; asset performance enhancement; asset hybridisation; asset modification in sizing; technology revamping in panels; string efficiency systems; change of inverters; and other events related to renewable energy operations.

Conflicts of Interest

The Investment Manager and its officers, employees and consultants may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Manager may provide investment management services, investment advice or other services in relation to a number of funds that may have similar investment policies to that of the Company. The Investment Manager will have regard to its obligations under the Management Agreement including its obligations or otherwise to act in the best interests of the Company, so far as is practicable having regard to its respective obligations to other clients or funds, should potential conflicts of interest arise. The only other fund currently managed or advised by the Investment Manager that invests in opportunities that conflict with those that the Company may be interested in is the “Blackfinch Adapt” inheritance tax discretionary portfolio service (“**Blackfinch Adapt IHT Service**”). The focus of the Company is on renewable energy assets in Italy, Portugal, Poland, Czech Republic, Austria and Hungary with some exposure to the UK. In the event that the Company is unable to deploy all of its assets in investments within Europe, or in circumstances where more attractive investment opportunities are available outside that focus, but that are within the other parameters of the Company’s investment policy, the Company may invest outside its European focus. Such investments will be limited to a total of 20% of Gross Asset Value at the time of acquisition. Any acquisitions outside of the focus will only be located in OECD Countries. The Company will invest in a portfolio of investments with a targeted transaction size of £20 million to £50 million. Accordingly, the Company and Blackfinch Adapt IHT Service have agreed that any renewable energy investment opportunities in Europe but outside the UK will be allocated to the Company and any renewable energy investment opportunities with a value above £20 million, regardless of location, will also be allocated to the Company on a first refusal basis. Any renewable energy investment opportunities in the UK with a value of up to £25m will be allocated to Blackfinch Adapt IHT Service for first refusal. The Directors have satisfied themselves that the Investment Manager has procedures in place to address potential conflicts of interest.

Part 4

The Issues

Introduction

The Company is targeting Initial Gross Proceeds of £300 million through the issue of Ordinary Shares at the Initial Issue Price (being £1.00 per Share) pursuant to the Initial Issues. The Initial Net Proceeds are expected to be approximately £98 million on the assumption that the Minimum Gross Proceeds of £100 million are raised through the Initial Issues. The Initial Issues are conditional upon, *inter alia*, Minimum Gross Proceeds of £100 million being raised under the Initial Issues

The Company will invest the Initial Net Proceeds in accordance with the Company's investment policy, in order to achieve the Company's investment objective to provide Shareholders with an attractive level of distribution by investing in a diversified portfolio of mixed renewable energy infrastructure assets that have the opportunity for capital appreciation over the medium to long term through the asset management expertise of the Investment Manager's team.

The results of the Initial Issues (including the number of Shares issued thereunder and the Initial Gross Proceeds) will be announced by the Company through a Regulatory Information Service on 1 October 2021.

The Receiving Agent will notify Intermediaries of the number of Shares in respect of which their application under the Intermediaries Offer has been successful. The Joint Bookrunners will notify Placees of the number of Shares in respect of which their application under the Initial Placing has been successful. Dealings in the Shares issued pursuant to the Initial Issues will not be permitted prior to Initial Admission.

Following the Initial Issues, the Directors may undertake Subsequent Placings pursuant to the Placing Programme. The Directors are authorised to issue up to 300 million Shares, less any Shares issued pursuant to the Initial Issues, pursuant to the Placing Programme. The Placing Programme will enable the Company to raise additional capital in the period from 7 October 2021 to 6 September 2022 if it is deemed to be in the best interests of the Company.

The Issues have not been, and will not be, underwritten and, accordingly, the maximum number of Shares available under the Issues should not be taken as an indication of the final number of Shares that will be issued pursuant to the Issues. The Company intends to use the proceeds of the Initial Issues to fund the acquisition of the Seed Assets (subject to satisfactory due diligence, and completion of all other customary legal formalities), for general working capital purposes and to cover the costs of the Initial Issues (which will include the cost of redeeming the redeemable preference shares referred to at paragraph 6.17 of Part 6 below). If the Net Proceeds exceed the consideration payable for the Seed Assets, then, subject to its working capital requirements, the excess amount will be deployed in purchasing renewable energy assets pursuant to the Company's published investment policy (including some or all of the Non-Seed Assets, subject to due diligence and completion of all other customary legal formalities).

In the event that there are any significant changes affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of this Prospectus, the Company will publish a supplementary prospectus in accordance with applicable law and regulation. Any supplementary prospectus published will give details of the significant change(s) or the significant new matter(s). If a supplement to this Prospectus is published prior to Admission, investors will have the right to withdraw their applications for Shares made prior to the publication of the supplement. Such withdrawal must be made within the time limits and in the manner set out in any such supplement (which shall not be shorter than two clear business days after the publication of the supplement).

Conditions to the Issues

The Initial Issues

The Initial Issues are conditional, *inter alia*, on:

- Minimum Gross Proceeds of £100 million (or such lesser amount as the Company, the Joint Bookrunners and the Investment Manager may agree and that is disclosed in a supplementary prospectus) being raised pursuant to the Initial Issues;
- Initial Admission having occurred on or prior to 8.00 a.m. on 6 October 2021 (or such later time and/or date, not being later than 8.00 a.m. on 31 December 2021 as the Company, the Joint Bookrunners and the Investment Manager may agree); and
- in respect of the Initial Placing only, the Placing Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms at any time prior to Initial Admission.

If the conditions to the Initial Issues are not satisfied or, if applicable, waived, the Issues will not proceed and any applications made in respect of the Issue will be rejected. In such circumstances, application monies will be returned (at the applicants' sole risk) without payment of interest, as soon as practicable thereafter.

Initial Placing

The total number of Shares allotted under the Initial Placing will be determined by the Company, the Sponsor, the Joint Bookrunners and the Investment Manager after taking into account demand for the Shares and prevailing economic and market conditions.

The Company, the Directors, the Investment Manager and the Joint Bookrunners have entered into the Placing Agreement pursuant to which the Joint Bookrunners have agreed, subject to certain conditions, to use their respective reasonable endeavours to procure Placees under the Initial Placing at the Initial Issue Price in return for the payment by the Company of placing commission to the Joint Bookrunners.

Details of the Placing Agreement are set out in paragraph 5.2 of Part 6 of this Prospectus.

The terms and conditions of application which shall apply to any subscription for Shares under the Initial Placing are set out in Part 8 of this Prospectus.

The agreement to subscribe for Shares under the Initial Placing is conditional on Initial Admission and will become an unconditional commitment on Initial Admission. The agreement to subscribe once made may not be withdrawn without the consent of the Directors.

The Initial Placing will remain open until 5.00 p.m. on 30 September 2021 (or such later date, not being later than 31 December 2021, as the Company, the Joint Bookrunners and the Investment Manager may agree). If the closing date of the Initial Placing is extended, the revised timetable will be notified by an announcement through a Regulatory Information Service.

Placing Programme

To become effective, each Subsequent Placing will require the following events to occur:

- appropriate Shareholder authority remaining in place;
- the Admission Condition being satisfied in respect of each such Subsequent Placing;
- a valid supplementary prospectus being published by the Company if such is required by the UK Prospectus Regulation; and
- the Placing Agreement being wholly unconditional as regards the relevant Subsequent Placing (save as to the relevant Subsequent Admission) and not having been terminated in accordance with its terms prior to the relevant Subsequent Admission.

In circumstances where these conditions are not fully met, the relevant issue of Shares pursuant to a Subsequent Placing will not take place. For the avoidance of doubt, if the Initial Issues are not successful the launch of the Company will not occur and no Subsequent Placings will take place.

Subscriber warranties

Each subscriber for Shares in the Initial Placing and the Placing Programme and each subsequent investor in the Shares will be deemed to have represented, warranted, acknowledged and agreed to the representations, warranties, acknowledgments and agreements set out in Part 8 of this Prospectus.

The Company, the Investment Manager, the Joint Bookrunners and the Sponsor, and their respective directors, officers, members, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with, the investor will immediately notify the Company and the Joint Bookrunners.

Initial Placing arrangements

The Placing Agreement contains provisions entitling the Joint Bookrunners to terminate the Initial Placing (and the arrangements associated with it) at any time prior to Initial Admission in certain circumstances.

If this right is exercised, the Initial Placing and these arrangements will lapse and any monies received in respect of the Initial Placing will be returned to applicants without interest at their risk.

The Placing Agreement provides for the Joint Bookrunners to be paid a commission in respect of the Shares to be allotted pursuant to the Initial Placing. Any commissions received by the Joint Bookrunners may be retained, and any Shares subscribed for by the Joint Bookrunners may be retained, or dealt in, by them for their own benefit.

The Joint Bookrunners and/or their affiliates, acting as an investor for its or their own account(s), may subscribe for and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company or other related investments in connection with the Issues or otherwise. Accordingly, references in this Prospectus to the Shares being issued, offered, subscribed or otherwise dealt with should be read as including any issue or offer to, acquisition of, or subscription or dealing by, the Joint Bookrunners and any of their affiliates acting as an investor for its or their own account(s). Neither the Joint Bookrunners nor any of their affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Placing Programme arrangements

Shares may be issued under the Placing Programme during the period commencing at 8.00 a.m. on 7 October 2021 and ending at 5.00 p.m. on 6 September 2022 (or any earlier date on which it is fully subscribed, or otherwise at the discretion of the Directors). The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Shares over a period of time. The issue of Shares pursuant to the Placing Programme is at the discretion of the Directors. Under the Placing Agreement, the Joint Bookrunners have agreed, subject to certain conditions, to use their respective reasonable endeavours to procure subscribers for the Shares made available in the Placing Programme.

Any issues of Shares under the Placing Programme will be notified by the Company by an announcement through a Regulatory Information Service and the Company's website prior to each Admission.

The minimum Placing Programme Price of any Shares issued pursuant to a Subsequent Placing will be not less than the last published cum income Net Asset Value per Share together with a premium to at least cover the costs and expenses of the relevant Subsequent Placing (including, without limitation, any placing commissions). As such, it is not anticipated that there will be any dilution in the Net Asset Value per Share as a result of any Subsequent Placing.

Any Shares issued under the Placing Programme will rank *pari passu* with the Shares then in issue (save for any dividends or other distributions declared, made or paid on the Shares by reference to a record date prior to the issue of the relevant Shares under the Placing Programme).

The terms and conditions of application which shall apply to any subscription for Shares under the Placing Programme are set out in Part 8 of this Prospectus.

The Offer for Subscription

The Company is making an offer of Ordinary Shares pursuant to the Offer for Subscription at the Initial Issue Price, subject to the terms and conditions of the Offer for Subscription as set out in Part 9 of this Prospectus. These terms and conditions and the Application Form set out at Appendix 1 to this Prospectus should be read carefully before an application is made. Investors should consult their independent financial adviser if they are in any doubt about the contents of this Prospectus or the acquisition of Ordinary Shares.

The Offer for Subscription is being made in the UK only. Applications under the Offer for Subscription must be for Ordinary Shares with a minimum subscription amount of £1,000 and thereafter in multiples of £1 or such lesser amount as the Company may determine (at its discretion). Multiple applications will not be accepted. Applications under the Offer for Subscription once made, may not be withdrawn without the consent of the Directors.

Where payment is to be made by cheque or banker's draft, Application Forms must be accompanied by a cheque or banker's draft in Sterling made payable to "Link Market Services Ltd Re: Blackfinch Renewable European Income Trust plc – OFS CHQ A/C" for the appropriate sum and should be returned to the Receiving Agent by no later than 11.00 a.m. on 30 September 2021. For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by no later than 11.00 a.m. on 30 September 2021. Applicants should send payment to the relevant bank account as detailed on the Application Form. Applicants must ensure that they remit sufficient funds to cover any charges incurred by their bank. The payment instruction relating to the electronic transfer must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, for example: MJ Smith 01234 5678910. The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference nor where a payment has been received but without an accompanying Application Form. The account name for any electronic payment should be in the name that is given on your Application Form and payments must relate solely to your application. It is recommended that such transfers are actioned within 24 hours of posting your application and be received by no later than 11.00 a.m. on 30 September 2021.

In some cases, as determined by the amount of your investment, the Receiving Agent may need to ask you to submit additional documentation in order to verify your identity and/or the source of funds for the purpose of satisfying its anti-money laundering obligations. If additional documentation is required in relation to your application, the Receiving Agent will contact you to request the information needed. The Receiving Agent cannot rely on verification provided by any third party including financial intermediaries. Ordinary Shares cannot be allotted if the Receiving Agent has not received satisfactory evidence and/or the source of funds, and failure to provide such evidence may result in a delay in processing your application or your application being rejected.

Applicants choosing to settle via CREST, that is DvP, will need to input their instructions in favour of the Receiving Agent's Participant Account RA06 by no later than 11.00 a.m. on 30 September 2021 for the Receiving Agent to match in CREST, allowing for the delivery and acceptance of Ordinary Shares to be made against payment of the Initial Issue Price per Ordinary Share in Sterling through the CREST system upon the relevant settlement date, following the CREST matching criteria set out in the Application Form.

In addition to completing and returning the Application Form to the Receiving Agent, applicants intending to hold Ordinary Shares in certificated form will also need to complete and return a Tax Residency Self Certification Form. The "Tax Residency Self-Certification Form (Individuals)" form can be found at Appendix 3 to this Prospectus, further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and

Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot give any financial, legal or tax advice or any advice on how to complete the Tax Residency Self Certification Form.

It is a condition of any application under the Offer for Subscription that a completed version of the relevant Tax Residency Self-Certification Form is provided with the Application Form before any application under the Offer for Subscription can be accepted, with the exception of any investors that are paying for their subscription through CREST on a DvP basis, as no Tax Residency Self- Certification Form will be required for DvP CREST investors to accompany the duly completed Application Form. Application Forms that are returned without the completed Tax Residency Self- Certification Forms (except for DvP CREST investors) will be referred to the Company after the Offer for Subscription closes at 11.00 a.m. on 30 September 2021. It will then be the Company's decision if these Application Forms can be accepted under the Offer for Subscription.

If the Offer for Subscription is extended, the revised timetable will be notified via a Regulatory Information Service announcement.

The Intermediaries Offer

Investors may subscribe for Shares at the Initial Issue Price (being £1.00 per Share) pursuant to the Intermediaries Offer. Only the Intermediaries' retail investor clients in the United Kingdom are eligible to participate in the Intermediaries Offer. Under the Intermediaries Offer, members of the general public in the United Kingdom may be eligible to apply for Shares through the Intermediaries, by following their relevant application procedures, by no later than 2.00 p.m. on 30 September 2021.

Individuals who are aged 18 or over, companies and other bodies corporate, partnerships, trusts, associations and other unincorporated organisations are permitted to apply to subscribe for or purchase Shares under the Intermediaries Offer. Only one application for Shares may be made for the benefit of any one person under the Intermediaries Offer. Underlying Applicants are responsible for ensuring that they do not make more than one application under the Intermediaries Offer (whether on their own behalf or through other means, including, but without limitation, through a trust or pension plan). Intermediaries may not make multiple applications on behalf of the same person.

There is a minimum application amount of £1,000 per retail investor under the Intermediaries Offer. There is no maximum application amount under the Intermediaries Offer. No Shares allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom, except in certain limited circumstances and with the consent of the Board, the Sponsor, the Joint Bookrunners and the Investment Manager. Applications under the Intermediaries Offer must be by reference to the total monetary amount the applicant wishes to invest and not by reference to a number of Shares or the Initial Issue Price.

An application for Shares under the Intermediaries Offer means that the applicant agrees to acquire the relevant Shares at the Initial Issue Price. Each applicant must comply with the appropriate money laundering checks required by the relevant Intermediary. Where an application is not accepted or there are insufficient Shares available to satisfy an application in full, allocations of Shares may be scaled down to an aggregate value which is less than that applied for. The relevant Intermediary will be obliged to refund the applicant as required and all such refunds will be in accordance with the terms provided by the Intermediary to the applicant. Neither the Company, the Investment Manager, the Registrar, the Receiving Agent, the Joint Bookrunners nor the Sponsor accept any responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Each Intermediary has agreed, or will on appointment agree, to the Intermediaries Terms and Conditions (further details of which are set out in Part 6 of this Prospectus), which regulate, *inter alia*, the conduct of the Intermediaries Offer on market standard terms, and may provide for the payment of commission to any Intermediary. Under the Intermediary Terms and Conditions, in making an application, each Intermediary will also be required to represent and warrant, among other things, that it is not located in the United States and is not acting on behalf of anyone located in the United States. Under the Intermediaries Offer, the Shares will be offered outside the United States only in offshore transactions as defined in, and in reliance on, Regulation S.

In addition, the Intermediaries may prepare certain materials for distribution or may otherwise provide information or advice to retail investors in the United Kingdom, subject to the terms of the Intermediaries Terms and Conditions. Any such materials, information or advice are solely the responsibility of the Intermediaries and will not be reviewed or approved by the Company, the Investment Manager, the Joint Bookrunners or the Sponsor. Any liability relating to such documents will be for the Intermediaries only. Any Intermediary that uses this Prospectus must state on its website that it uses this Prospectus in accordance with the Company's consent. If a retail investor asks an Intermediary for a copy of the Prospectus in printed form, that Intermediary must send (in hard copy or via an email attachment or web link) such Prospectus to that retail investor at the expense of that Intermediary.

Intermediaries are required to provide the terms and conditions of the relevant offer made by the Intermediary to any prospective investor who has expressed an interest in participating in the Intermediaries Offer. Allocations of Shares under the Intermediaries Offer will be at the absolute discretion of the Company (in consultation with the Joint Bookrunners, the Investment Manager and the Sponsor). The publication of this Prospectus and any actions of the Company, the Joint Bookrunners, the Investment Manager, the Sponsor, the Intermediaries or other persons in connection with the Issues should not be taken as any representation or assurance as to the basis on which the number of Shares to be offered under the Intermediaries Offer or allocations within any Intermediaries Offer will be determined and all liabilities for any such action or statement are hereby disclaimed by the Company, the Joint Bookrunners, the Investment Manager and the Sponsor. The Intermediaries will be notified as soon as reasonably practicable after allocations are decided. The relevant Intermediaries notification will be sent by email to each Intermediary separately and shall specify:

- the aggregate number of Shares allocated to, and to be acquired by, the relevant Intermediary (on behalf of the relevant retail investors);
- if applicable, the basis on which the relevant Intermediary should allocate Shares to retail investors on whose behalf the Intermediary submitted applications;
- the total amount payable by the Intermediary in respect of such Shares; and
- the CREST DvP settlement instructions.

Pursuant to the Intermediaries Terms and Conditions, each Intermediary has undertaken to make payment on their own behalf (and not on behalf of any other person) of the consideration for the Shares allocated to it under the Intermediaries Offer at the Initial Issue Price to the Receiving Agent (acting as settlement agent to the Intermediaries Offer) by means of the CREST system against delivery of the Shares on the date of Initial Admission. Each retail investor who applies for Shares in the Intermediaries Offer through an Intermediary shall, by submitting an application to such Intermediary, be required to agree that it must not rely, and will not rely, on any information or representation other than as contained in the Prospectus or any supplement thereto published by the Company prior to the relevant Admission. Each Intermediary acknowledges that none of the Company, the Investment Manager and the Sponsor will have any liability to the Intermediary or any retail investor for any such other information or representation not contained in this Prospectus or any such supplement thereto published by the Company prior to the relevant Admission.

The Intermediaries authorised as at the date of this Prospectus to use this Prospectus in connection with the Intermediaries Offer are:

- AJ Bell Youinvest;
- Equiniti Shareview;
- Hargreaves Lansdown;
- idealing;
- Interactive Investor;
- Redmayne Bentley;
- shareDeal active; and
- X-O.

Any new information with respect to Intermediaries unknown at the time of approval of this Prospectus, including in respect of any Intermediary that is appointed by the Company in connection with the Intermediaries Offer after the date of this Prospectus following its agreement to adhere to and be bound by the terms of the Intermediaries Terms and Conditions and any Intermediary that ceases to participate in the Intermediaries Offer, will be made available (subject to certain restrictions) at the Company's website www.bret.energy.

Admission and dealings

Initial Admission

Applications will be made to the FCA for all of the Shares (issued and to be issued) in connection with the Initial Issues to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for all such Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Initial Admission will become effective, and dealings for normal settlement in such Shares will commence on the Main Market, at 8.00 a.m. on 6 October 2021. The Initial Issues cannot be revoked after dealings have commenced on 6 October 2021.

Payment for the Shares, in the case of the Initial Placing, should be made in accordance with settlement instructions to be provided to Placees by the Joint Bookrunners. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for the Shares will be rejected. Payment for the Shares, in the case of the Offer for Subscription, should be made in accordance with the Terms and Conditions of the Offer for Subscription. Payment for the Shares, in the case of the Intermediaries Offer, should be made in accordance with the Intermediaries Terms and Conditions. To the extent that any application for Shares is rejected in whole or in part (whether by scaling back or otherwise), monies received will be returned without interest at the risk of the applicant.

Shares will be issued under the Initial Issues in registered form and in respect of the Initial Placing and the Offer for Subscription, may be held either in certificated form or in uncertificated form. Shares issued under the Intermediaries Offer will be held in uncertificated form. It is expected that definitive certificates in respect of Shares issued in certificated form will be despatched within 10 Business Days of Initial Admission. Share certificates will be sent to Shareholders at their own risk. Temporary documents of title will not be issued. Pending despatch of such certificates, transfers will be certified against the register of members. It is expected that CREST stock accounts will be credited in respect of Shares issued in uncertificated form as soon as is reasonably practical on the morning of 6 October 2021. The ISIN for the Shares is GB00BM9DG166 and the SEDOL is BM9DG166.

Dealings in the Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

The Shares issued pursuant to the Initial Issues will be denominated in Sterling.

Subsequent Admissions

Applications will be made to the FCA and the London Stock Exchange for all of the Shares (issued and to be issued) in connection with the Placing Programme to be admitted to the premium segment of the Official List and to trading on the Main Market. It is expected that such admission and dealings in the Shares issued pursuant to the Placing Programme would commence in the period from 7 October 2021 to 6 September 2022.

Payment for the Shares, in the case of any Subsequent Placing, should be made in accordance with settlement instructions to be provided to Placees by the Joint Bookrunners. To the extent that any application for Shares is rejected in whole or in part (whether by scaling back or otherwise), monies received will be returned without interest at the sole risk of the applicant.

The Shares issued pursuant to the Placing Programme will be issued in registered form and may be held either in certificated form or in uncertificated form. The Shares allocated will be issued through the CREST system unless otherwise stated. The Shares will be eligible for settlement through CREST with effect from the relevant Subsequent Admission. The Company via the Registrar will arrange for CREST to be instructed to credit the appropriate CREST accounts of the applicants concerned or their nominees with their respective entitlements

to the Shares. The names of applicants or their nominees that invest through their CREST accounts would be entered directly on to the share register of the Company.

Dealings in the Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

Any Shares issued under the Placing Programme will be denominated in Sterling.

Costs and expenses of the Issues

There are no expenses charged to the investor by the Company. The costs and expenses of, and incidental to, the formation of the Company and the Initial Issues which are to be met by the Company will not exceed an amount equal to 2% of the Initial Gross Proceeds.

Assuming the target Initial Gross Proceeds of £300 million are raised, the Initial Net Proceeds are expected to be approximately £294 million. On the basis that the Minimum Gross Proceeds are raised pursuant to the Initial Issue, the Initial Net Proceeds are expected to be approximately £98 million.

Any expenses incurred by any Intermediary are for its own account. Prospective investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application made through that Intermediary pursuant to the Intermediaries Offer. The Intermediaries Terms and Conditions restrict the level of commission that Intermediaries are able to charge any of their respective clients acquiring Shares pursuant to the Intermediaries Offer.

Expenses of the Placing Programme will be calculated at the time of each Subsequent Placing and the terms of each Subsequent Placing, including expenses, will be announced through a Regulatory Information Service at the time of each such Subsequent Placing.

Scaling Back

The Directors have been authorised to issue up to 300 million Shares pursuant to the Issues. In the event that the aggregate applications under the Initial Issues were to exceed 300 million Shares, the Directors reserve the right, at their sole discretion, but after consultation with the Investment Manager, the Joint Bookrunners and the Sponsor, to scale back applications in such amounts as they consider appropriate. The Directors may also scale back any applications in respect of any Subsequent Placing. The Directors may also, at their sole discretion, give preference to any investor (including any Intermediary under the Intermediaries Offer) in the event applications require to be scaled back and may agree to a minimum amount of Shares being allocated to an investor. The Company reserves the right to decline in whole or in part an application for Shares pursuant to the Issues. Accordingly, applicants for Shares may, in certain circumstances, not be allotted the number of Shares for which they applied.

Fractions

Fractions of Shares will not be issued under the Issues. If (other than on a scaling back) the amount of subscription monies received by the Company in relation to an application for Shares exceeds the aggregate subscription price, at the Issue Price of the Shares issued pursuant to such application, such excess amount be returned without interest at the risk of the applicant.

Commissions

The Joint Bookrunners will be entitled to a commission payable by the Company in connection with the proceeds raised under the Placing. No commissions will be payable by the Company to Placees under the Placing.

Typical investor

The Directors believe that the typical investors for whom an investment in the Company is appropriate are private investors and institutional investors investing for regular income and capital appreciation from renewable energy assets. An investment in the Company is only suitable for persons capable of evaluating

the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from the investment. Potential investors should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

CREST

CREST is a paperless settlement procedure enabling securities to be transferred from one person's CREST account to another without the need to use share certificates or written instruments of transfer. The Articles permit the holding of the Shares under the CREST system and the Company has applied for the Shares to be admitted to CREST with effect from Initial Admission. Accordingly, settlement of transactions in the Shares following Initial Admission may take place within the CREST system if any Shareholder so wishes (provided that the Shares are not in certificated form).

CREST is a voluntary system and, upon the specific request of a Shareholder, the Shares of that Shareholder which are being held under the CREST system may be exchanged, in whole or in part, for share certificates. If a Shareholder or transferee requests Shares to be issued in certificated form, a share certificate will be dispatched either to them or their nominated agent (at their own risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Shares.

Overseas investors

The distribution of this Prospectus and the offering of Shares in jurisdictions other than the United Kingdom may be restricted by law or regulation and accordingly persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions. No action has been taken to permit the distribution of this Prospectus and the offering of Shares in any jurisdiction outside the United Kingdom where such action is required to be taken.

Prospective investors in any territory other than the United Kingdom should refer to the section entitled "Selling restrictions" in the "Important Information" section of this Prospectus. Prospective investors who are in any doubt as to their position under their local securities laws or regulations are strongly recommended to consult their own professional advisers as soon as possible.

The Company reserves the right to treat as invalid any application or agreement to subscribe for Shares under the Issues if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities laws or regulations of any jurisdiction.

In particular, investors should note that the Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any other state or other jurisdiction of the United States and the Company has not registered, and does not intend to register, as an investment company under the U.S. Investment Company Act. Accordingly, the Shares may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. Person except in a transaction meeting the requirements of an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.

This Prospectus does not constitute an offer to sell or issue, or the solicitation of an offer to purchase or subscribe for, Shares in any jurisdiction in which such offer or solicitation would be unlawful.

Money laundering

Pursuant to anti-money laundering laws and regulation with which the Company must comply in the UK, the Company and its agents, including the Administrator, the Registrar, the Receiving Agent, the Investment Manager, the Sponsor and the Joint Bookrunners may require evidence in connection with any application for Shares, including further identification of the applicant(s) before any Shares are issued.

Each of the Company and its agents, including the Administrator, the Registrar, the Receiving Agent, the Investment Manager, the Sponsor and the Joint Bookrunners reserves the right to request such information as is necessary to verify the identity of a Shareholder or prospective Shareholder and (if any) the underlying beneficial owner or prospective beneficial owner of a Shareholder's Shares. In the event of delay or failure by

the Shareholder or prospective Shareholder to produce any information required for verification purposes, the Board, in consultation with any of the Company's agents, including the Administrator, the Registrar, the Receiving Agent, the Investment Manager, the Sponsor and the Joint Bookrunners, may refuse to accept a subscription for Shares, or may refuse the transfer of Shares held by any such Shareholder.

Part 5

Taxation

The following information is only a summary of the law concerning the tax position of individual subscribers in Investment Trusts based in the United Kingdom. Therefore, potential Investors are recommended to consult a duly authorised financial adviser as to the taxation consequences of an investment in the Company. All taxes referred to in this document are UK taxes and are likely to be dependent on the Company maintaining its Investment Trust status. Tax rates may be subject to change and will depend on individual circumstances.

The Company

The Company will apply to be approved by HMRC as an investment trust. It is the intention of the Directors to continue to conduct the affairs of the Company so that it satisfies the conditions necessary for this approval to be maintained. However, neither the Investment Manager nor the Directors can guarantee that this approval will be maintained.

In respect of each accounting period for which the Company continues to be approved by HMRC as an Investment Trust, the Company will be exempt from UK corporation tax on its chargeable gains. The Company will, however, (subject to what follows) be liable to UK corporation tax (currently at 19%) on its income in the normal way.

In principle, the Company will be liable to UK corporation tax on any dividend income it receives. However, there are exemptions from this charge which are expected to be applicable in respect of many of the dividends the Company will receive.

A company that is an Investment Trust in respect of an accounting period is able to take advantage of modified UK tax treatment in respect of its “qualifying interest income” for an accounting period (referred to here as the “streaming regime”). Pursuant to the streaming regime the Company may, if it so chooses, designate as an “interest distribution” all or part of any amount it distributes to Shareholders as dividends, to the extent that it has “qualifying interest income” for the accounting period. Were the Company to designate any dividend it pays in this manner, it would be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period. It is not expected that the Company will have material amounts of qualifying interest income (if any), but to the extent that it does the Company may decide to designate some or all of the dividends paid in respect of a given accounting period as interest distributions.

Shareholders

Taxation of chargeable gains

Individual Shareholders who are resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal of Ordinary Shares. Individuals generally compute their gains by deducting from the net sale proceeds the capital gains base cost in respect of their Ordinary Shares. The resulting gains will be taxable at the capital gains tax rate applicable to the individual (currently 10% for basic rate taxpayers and 20 % for those whose total income and chargeable gains are above the higher rate threshold), and may be reduced by capital losses brought forward from previous tax years or losses in the year, and by annual exemptions (the annual exemption from capital gains tax for UK resident individuals is £12,300 for 2021/22).

Shareholders within the charge to corporation tax are taxed on the chargeable gains made, computed by deducting from the net sales proceeds the chargeable gains base cost in respect of their Ordinary Shares.

Shareholders within the charge to corporation tax do not qualify for the annual exemption. Indexation allowance was frozen with effect from 31 December 2017, and will not therefore apply to disposals of any Ordinary Shares which were acquired after such date.

Subject to the paragraph below (dealing with temporary non-residents) Shareholders who are not resident in the UK for UK tax purposes will not generally be subject to UK tax on chargeable gains, unless they carry on a trade, profession or vocation in the UK through a branch or agency, or (in the case of a company) carry on a trade in the UK through a permanent establishment, and the Ordinary Shares disposed of are used, held or

acquired for the purposes of that branch, agency or permanent establishment, or used for the purposes of the trade. In addition, chargeable gains realised by non-residents on the disposal of interests in UK land, or assets deriving at least 75 % of their value from UK land where the non-resident has a substantial indirect interest in that land, are subject to UK tax.

A Shareholder who is an individual, who has ceased to be UK resident for tax purposes in the UK for a period of five years or less and who disposes of Ordinary Shares during that period may be liable to UK taxation on capital gains on their return to the UK (subject to the relevant conditions being met and any available exemption or relief). If applicable, the tax charge will arise in the tax year that the individual returns to the UK. Shareholders who are not resident in the UK may be subject to charges to foreign taxation depending on their personal circumstances.

No tax is deducted from any dividends (including any “interest distributions”) paid by the Company to Shareholders who are individuals, and there are no tax credits attached to any such dividends. No tax is deducted from any dividends (including any “interest distributions”) paid by the Company to Shareholders who are companies.

Taxation of dividends – individuals

(a) Dividends which are not designated as “interest distributions”

For individual Shareholders resident in the UK, the first £2,000 of dividend distributions received in each tax year are free of income tax (the “annual dividend allowance”). Where an individual’s dividend income from all sources exceeds the annual dividend allowance, the excess will be liable to income tax at the dividend tax rates reflecting the Shareholder’s highest rate of tax. The dividend tax rates are 7.5 % for basic rate taxpayers, 32.5 % for higher rate taxpayers and 38.1 % for additional rate taxpayers. Dividends received within a Shareholder’s dividend allowance count towards total taxable income and affect the rate of tax due on any dividends received exceeding it.

(b) “Interest distributions”

Should the Directors elect to apply the streaming regime to any dividends paid by the Company, a UK resident individual Shareholder in receipt of such a dividend (an interest distribution) would be treated as though they had received a payment of interest. Depending on whether the Shareholder is a basic, higher or additional rate taxpayer, such a Shareholder would be subject to UK income tax at the current rates of 20 %, 40 % or 45 % respectively. No withholding tax will be applied to such distributions.

Each UK resident individual who is a basic rate taxpayer is entitled to a personal saving allowance which exempts the first £1,000 of savings income (which includes “interest distributions” from the Company) from income tax. The exempt amount is reduced to £500 for higher rate taxpayers, and additional rate taxpayers do not receive any such allowance.

Taxation of dividends – companies

No tax is deducted from any dividends (including any “interest distributions”) paid by the Company to Shareholders who are companies.

(a) Dividends which are not designated as “interest distributions”

Subject to the “interest distributions” section below, UK resident Shareholders within the charge to corporation tax will be subject to UK corporation tax on receipt of dividends, unless such dividends can be treated as an exempt distribution. This is dependent upon the satisfaction of certain conditions set out in Part 9A of the Corporation Tax Act 2009. There is no guarantee that such conditions will be satisfied and it will be necessary for Shareholders to consider their application in respect of every dividend received.

(b) Interest distributions

If the Directors were to elect for the streaming regime to apply, and such UK resident corporate Shareholders were to receive dividends designated by the Company as interest distributions, such UK resident corporate Shareholders would be subject to corporation tax on any such amounts received.

It is particularly important that prospective investors who are not resident in the UK for tax purposes obtain their own tax advice concerning tax liabilities on dividends received from the Company.

SIPPs and SSASs

The Directors have been advised that the Ordinary Shares should be eligible for inclusion in a UK self-invested personal pension (a “SIPP”) or a UK self-administered scheme (a “SSAS”), subject to the terms of, and the discretion of the trustees (or, where applicable, the providers) of, the SIPP or the SSAS, as the case may be.

ISAs

Ordinary Shares issued by the Company should qualify as investments which are eligible for inclusion in an Individual Savings Account (“ISA”), subject to applicable annual subscription limits and eligibility requirements. Investments held in ISAs are free from UK tax on both capital gains and income. Individuals wishing to invest in Ordinary Shares through an ISA should contact their professional advisers regarding their eligibility.

Stamp duty and stamp duty reserve tax

No stamp duty or stamp duty reserve tax is payable on the Issues of shares. The transfer on the sale of shares is usually liable to *ad valorem* stamp duty or stamp duty reserve tax. Such duties would be payable by the individual who purchases the shares from the original subscriber.

Investors not residing in the UK

Investors who are not resident in the UK or who may become a non-resident should seek their own professional advice as to the consequences of making an investment in an Investment Trust, as they may be subject to tax in other jurisdictions as well as in the UK.

General

The information in this Part 5 is based on existing legislation, including taxation legislation. The tax legislation of the UK and of any other jurisdiction to which an Investor is subject may have an impact on the income and capital gains received from the securities. Levels and bases of, and relief from taxation are subject to change and such change could be retrospective.

Part 6

Additional Information

1. The Company

- 1.1 The Company was incorporated and registered in England and Wales on 9 April 2021 under the name Blackfinch Renewable Energy Infrastructure Trust plc with registered number 13325382 as a public company limited by shares under the Act. On 20 July 2021 the Company changed its legal and commercial name to Blackfinch Renewable European Income Trust plc. The principal legislation under which the Company operates is the Act.
- 1.2 On 30 June 2021 the Company gave notice to the Registrar of Companies of its intention to carry on business as an investment company under section 833 of the Act.
- 1.3 On 6 July 2021 the Registrar of Companies issued the Company with a certificate under section 761 of the Act.
- 1.4 The Company has not traded since incorporation. The Company is domiciled in England. The LEI of the Company is 213800FWLQWK6ICQUP91.
- 1.5 The registrar of the Company from Initial Admission will be Link Market Services Limited. They will be responsible for maintaining the register of members of the Company from Initial Admission.

2. Share capital

- 2.1 The Company was incorporated with two ordinary shares issued fully paid to the subscribers to the memorandum of the Company (the “**Subscriber Shares**”) which are held by HK Nominees Limited and HK Registrars Limited. The Subscriber Shares will continue to be held by HK Nominees Limited and HK Registrars Limited following Initial Admission.
- 2.2 By ordinary and special resolutions passed on 28 June 2021:
 - 2.2.1 the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company. This power was limited to the allotment of relevant securities up to an aggregate nominal amount of £3,050,000 and the authority was to expire on the later of 15 months from the date of the resolution or the next annual general meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting);
 - 2.2.2 the Directors were empowered (pursuant to section 570(1) of the Act) to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority referred to in paragraph 2.2.1 above as if section 561 of the Act did not apply to any such allotment, such power to expire at the conclusion of the Company’s next annual general meeting, or on the expiry of 15 months following the passing of the resolution, whichever was the later (unless previously renewed or extended by the Company in general meeting). This power was limited to the allotment of equity securities in connection with:
 - 2.2.2.1 the allotment of equity securities in connection with the Issues of 50,000 Redeemable Preference Shares of £1 each in the capital of the Company;
 - 2.2.2.2 the Issues;
 - 2.2.2.3 an offer of equity securities by way of rights; and
 - 2.2.2.4 otherwise than pursuant to paragraphs 2.2.2.1 to 2.2.2.3, an offer of equity securities up to an aggregate nominal amount of 20% of the issued ordinary share capital of the Company immediately following closing of the Issues;

- 2.2.3 the Company adopted new articles of association, details of which are set out in paragraph 3 below.
- 2.2.4 the Company was authorised to make one or more market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares provided that:
- 2.2.2.5 the maximum aggregate number of Ordinary Shares authorised to be purchased was an amount equal to 14.99% of the issued ordinary share capital of the Company following the Issues;
- 2.2.2.6 the minimum price which could be paid for an Ordinary Share was £0.01;
- 2.2.2.7 the maximum price which could be paid for an Ordinary Share was an amount, exclusive of expenses, equal to the higher of (i) 105% of the average of the middle market prices shown in the quotations for a Share in the Daily Official List of the London Stock Exchange for the five Business Days immediately preceding the day on which that Share is purchased and (ii) the amount stipulated by Article 5(6) of the Market Abuse Regulation; and
- 2.2.2.8 unless renewed, the authority thereby conferred was to expire either at the conclusion of the next annual general meeting of the Company or on the expiry of 15 months from the passing of this resolution, whichever is the later to occur, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry.
- 2.3 On 28 June 2021, 50,000 Redeemable Preference Shares in the Company were allotted and issued to Blackfinch Investments and paid up as to one-quarter so as to enable the Company to obtain a certificate under section 761 of the Act. Once fully paid up, the Redeemable Preference Shares will be redeemed by the Company out of the proceeds of the Issues. Each of the Redeemable Preference Shares which is redeemed shall automatically be cancelled.
- 2.4 Save as disclosed in paragraphs 2.1 and 2.3, since the date of its incorporation, no share or loan capital of the Company or any subsidiary has been issued or agreed to be issued, or (except pursuant to the Issues) is now proposed to be issued, for cash or any other consideration. No commissions, discounts, brokerages, or other special terms have been granted by the Company in connection with the Issues or sale of any share or loan capital since its incorporation.
- 2.5 No share or loan capital of the Company is under option or has been agreed conditionally or unconditionally to be put under option.
- 2.6 The Shares will be in registered form and temporary documents of title will not be issued. The ISIN of the Ordinary Shares is GB00BM9DG166 and the SEDOL code is BM9DG166.
- 2.7 The issued share capital of the Company, assuming full subscription under the Issues and assuming that the Redeemable Preference Shares have been redeemed in full out of the proceeds of the Issues, will be as follows:

<i>Issued Ordinary Shares of £0.01 each</i>	
<i>Number</i>	<i>Nominal Value</i>
<i>300,000,002</i>	<i>£3,000,000.02</i>

- 2.8 The Company will be subject to the continuing obligations of the Financial Conduct Authority and the London Stock Exchange with regard to the Issues of securities for cash and the provisions of section 561 of the Act (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) will apply to the Company to the extent any such issues are not subject to the dis-application referred to in sub-paragraph 2.2.2 above.

3. Articles of Association

- 3.1 The articles of association of the Company provide that its principal object is to carry on the business of an Investment Trust and that the liability of members is limited.
- 3.2 The articles of association of the Company, which were adopted by special resolution on 28 June 2021, contain, *inter alia*, provisions to the following effect:

3.2.1 Voting Rights

Subject to any disenfranchisement as provided in paragraph 3.2.5 below and subject to any special terms as to voting on which any Shares may be issued, on a show of hands every member present in person (or being a corporation, present by authorised representative) shall have one vote and, on a poll, every member who is present in person or by proxy shall have one vote for every Share of which he is the holder. The Shares shall rank *pari passu* as to rights to attend and vote at any general meeting of the Company.

3.2.2 Rights Attaching to the Redeemable Preference Shares

Each of the Redeemable Preference Shares carries the right to a fixed, cumulative, preferential, dividend of 0.1% per annum (exclusive of any imputed tax credit available to shareholders) on the nominal amount thereof, but confers no right to vote except as otherwise agreed by the holders of a majority of the Shares. On a winding-up, the Redeemable Preference Shares confer the right to be paid the nominal amount paid on such shares. The Redeemable Preference Shares are redeemable at any time by the Company and by the holder at any time after the Minimum Gross Proceeds are raised under the Issues. Each Redeemable Preference Share which is redeemed, shall, thereafter, be cancelled without further resolution or consent.

3.2.3 Transfer of Shares

The Ordinary Shares are in registered form and will be freely transferable. All transfers of Ordinary Shares must be effected by a transfer in writing in any usual form or any other form approved by the Directors. The instrument of transfer of an Ordinary Share shall be executed by or on behalf of the transferor and, in the case of a partly paid share by or on behalf of the transferee. The Directors may refuse to register any transfer of a partly paid Share, provided that such refusal does not prevent dealings taking place on an open and proper basis and may also refuse to register any instrument of transfer unless:

- 3.2.3.1 it is in respect of a fully paid share;
- 3.2.3.2 it is in respect of a share on which the Company does not have a lien;
- 3.2.3.3 it is in respect of only one class of share;
- 3.2.3.4 it is in favour of not more than four joint holders as transferees; and
- 3.2.3.5 it is lodged at the Company's registered office or at such other place as the Directors may from time to time determine, to be registered and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

3.2.4 Dividends

The Company may in general meeting by ordinary resolution declare dividends in accordance with the respective rights of the members, provided that no dividend shall be payable in excess of the amount recommended by the Directors. The Directors may pay such interim dividends as appear to them to be justified. No dividend or other monies payable in respect of an Ordinary Share shall bear interest as against the Company. There are no fixed dates on which entitlement to a dividend arises.

All dividends, interest or other sums payable unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. Subject to a resolution by the Board all dividends unclaimed for a period of twelve years after having been declared shall be forfeited and shall revert to the Company. The payment of any unclaimed dividend, interest or other sum payable by the Company on or in respect of any share into a separate account shall not constitute the Company a trustee thereof.

3.2.5 Disclosure of Interest in Ordinary Shares

If any member or other person appearing to be interested in shares of the Company is in default in supplying within 42 days (or 28 days where the shares represent at least 0.25% of its entire issued share capital) after the date of service of a notice requiring such member or other person to supply to the Company in writing all or any such information as is referred to in section 793 of the Act, the Directors may, for such period as the default shall continue, impose restrictions upon the relevant shares.

The restrictions available are the suspension of voting or other rights conferred by membership in relation to meetings of the Company in respect of the relevant shares and additionally in the case of a shareholder representing at least 0.25% by nominal value of any class of shares of the Company then in issue, the withholding of payment of any dividends on, and the restriction of transfer of, the relevant shares.

3.2.6 Distribution of Assets on Liquidation

On a winding-up, any surplus assets of the Company will be divided amongst the holders of its Shares according to the respective numbers of Shares held by them in the Company and in accordance with the provisions of the Act, subject to the rights of any shares which may be issued with special rights or privileges. The Company's articles of association provide that the liquidator may, with the sanction of a resolution and any other sanction required by the Act, divide amongst the members in specie the whole or any part of the assets of the Company in such manner as he may determine.

3.2.7 Changes in Share Capital

3.2.7.1 Without prejudice to any rights attaching to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or in the absence of such determination, as the Directors may determine. Subject to the Act, the Company may issue shares, which are, at the option of the Company or the holder, liable to be redeemed.

3.2.7.2 The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of larger amount, sub-divide its shares or any of them into shares of smaller amounts, or cancel or reduce the nominal value of any shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount so cancelled or the amount of the reduction.

3.2.7.3 Subject to the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account, and may also, subject to the Act (and by resolution of the holders of the shares repurchased where such shares are convertible shares), purchase its own shares.

3.2.8 Variation of Rights

Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of that class) be varied or abrogated either with the consent in writing of the holders of not less than 75% of the nominal amount of the issued shares of that class or with the sanction of a resolution passed at a separate meeting of such holders.

3.2.9 *Directors*

Unless and until otherwise determined by the Company in general meeting, the number of Directors shall not be less than two nor more than ten. The continuing Directors may act notwithstanding any vacancy in their body, provided that, if the number of the Directors is less than the prescribed minimum, the remaining Director or Directors shall forthwith appoint an additional Director or additional Directors to make up such minimum or shall convene a general meeting of the Company for the purpose of making such appointment.

Any Director may in writing under his hand appoint (a) any other Director, or (b) any other person who is approved by the Board of Directors as hereinafter provided, to be his alternate. A Director may at any time revoke the appointment of an alternate appointed by him. Every person acting as an alternate Director shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him.

Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be Managing Director or Joint Managing Directors of the Company, or to hold such other executive office in relation to the management of the business of the Company as they may decide.

A Director of the Company may continue to be or become a Director or other officer, servant or member of any company promoted by the Company or in which it may be interested as a vendor shareholder, or otherwise, and no such Director shall be accountable for any remuneration or other benefits derived as director or other officer, servant or member of such company.

The Directors may from time to time provide for the management and transaction of the affairs of the Company in any specified locality, whether at home or abroad, in such manner as they think fit.

3.2.10 *Directors' Interests*

3.2.10.1 A Director who is in any way, directly or indirectly, interested in a transaction or arrangement with the Company shall, at a meeting of the Directors, declare, in accordance with the Act, the nature of his/her interest.

3.2.10.2 Provided that he/she has declared his interest in accordance with paragraph 3.2.10.1, a Director may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested and may be a director or other officer or otherwise interested in any body corporate promoted by the Company or in which the Company is otherwise interested. No Director so interested shall be accountable to the Company, by reason of his/her being a Director, for any benefit that he/she derives from such office or interest or any such transaction or arrangement.

3.2.10.3 A Director shall not vote nor be counted in the quorum at a meeting of the Directors in respect of a matter in which he/she has any material interest otherwise than by virtue of his/her interest in shares, debentures or other securities of, or otherwise in or through the Company, unless his/her interest arises only because the case falls within one or more of the following paragraphs:

- (a) the giving to him/her of any security or indemnity in respect of money lent or an obligation incurred by him/her at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (b) the giving to a third party of a security or indemnity in respect of a debt or an obligation of the Company or any of its subsidiary undertakings for which he/she has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

- (c) any proposal concerning the subscription by him/her of shares, debentures or other securities of the Company or any of its subsidiary undertakings or by virtue of his participating in the underwriting or sub-underwriting of an offer of such shares, debentures or other securities;

any proposal concerning any other company in which he/she is interested, directly or indirectly, whether as an officer or shareholder or otherwise, provided that he and any persons connected with him do not (to his knowledge) hold an interest in shares representing 1% or more of any class of the equity share capital of such company or
- (d) of the voting rights available to members of the company;
- (e) any proposal relating to an arrangement for the benefit of the employees of the Company or any subsidiary undertaking which does not award to any Director as such any privilege or advantage not generally awarded to the employees to whom such arrangement relates; and
- (f) any arrangement for purchasing or maintaining for any officer or auditor of the Company or any of its subsidiaries, insurance against any liability which by virtue of any rule of law would otherwise attach to him/her in respect of any negligence, breach of duty or breach of trust for which he/she may be guilty in relation to the Company or any of its subsidiaries of which he/she is a director, officer or auditor.

3.2.10.4 When proposals are under consideration concerning the appointment of two or more Directors to offices or employment with the Company, or any company in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and (if not otherwise precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

3.2.11 Remuneration of Directors

- 3.2.11.1 The ordinary remuneration of the Directors shall be such amount as the Directors shall from time to time determine (provided that, unless otherwise approved by the Company in general meeting, the aggregate ordinary remuneration of such Directors, including fees from the Company, shall not exceed £300,000 per year) to be divided among them in such proportion and manner as the Directors may determine. The Directors shall also be paid by the Company all reasonable travelling, hotel and other expenses they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties.
- 3.2.11.2 Any Director who, by request of the Directors, performs special services for any purposes of the Company may be paid such reasonable extra remuneration as the Directors may determine.
- 3.2.11.3 The emoluments and benefits of any executive director for his services as such shall be determined by the Directors and may be of any description, including membership of any pension or life assurance scheme for employees or their dependants or, apart from membership of any such scheme, the payment of a pension or other benefits to him or his dependants on or after retirement or death.

3.2.12 Retirement of Directors

A Director shall retire from office at or before the third annual general meeting following the annual general meeting at which he/she last retired and was re-elected. A retiring Director shall be eligible for re-election.

3.2.13 Borrowing Powers

Subject as provided below, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital.

The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control over its subsidiary undertakings (if any) so as to secure that the aggregate amount at any time outstanding in respect of money borrowed by the group, being the Company and its subsidiary undertakings for the time being (excluding intra-group borrowings), shall not, without the prior sanction of an ordinary resolution of the Company, exceed a sum equal to 25% of the aggregate Gross Asset Value of the Company, calculated at the time of borrowing.

3.2.14 Uncertificated Shares

CREST, a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument, was introduced in July 1996. The Company's articles of association are consistent with CREST membership and allow for the holding and transfer of shares in uncertificated form pursuant to the Uncertificated Securities Regulations 2001.

3.2.15 General Meetings

The Company shall, within 6 months of a company's financial year end, at such time and place as may be determined by the Directors, hold a general meeting as its annual general meeting in addition to any other meetings in that year.

The Directors may, whenever they think fit, convene a general meeting of the Company, and general meetings shall also be convened on such requisition or in default may be convened by such requisitions as are provided by the Act. Any meeting convened under this Article by requisitions shall be convened in the same manner as near to as possible as that in which meetings are to be convened by the Directors.

An annual general meeting shall be called by not less than twenty-one days' notice in writing, and all other general meetings of the Company shall be called by not less than fourteen days' notice in writing. The notice shall be exclusive of the day on which it is given and of the day of the meeting and shall specify the place, the day and hour of meeting, and, in the case of special business, the general nature of such business. The notice shall be given to the members (other than those who, under the provisions of the articles or the terms of issue of the shares they hold, are not entitled to receive notice from the Company), to the Directors and to the Auditors. A notice calling an annual general meeting shall specify the meeting as such and the notice convening a meeting to pass a special resolution or an ordinary resolution as the case may be shall specify the intention to propose the resolution as such.

In every notice calling a meeting of the Company or any class of the members of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her, and that a proxy need not also be a member.

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such time (being not less than fourteen days and not more than twenty-eight days hence) and at such place as the Chair shall appoint. At any such adjourned meeting the member or members present in person or by proxy and entitled to vote shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place. The Company shall give not less than seven clear days' notice of any meeting adjourned for the want of a quorum and the notice shall state that the member or members present as aforesaid shall form a quorum.

The Chair may, with the consent of the meeting (and shall, if so directed by the meeting) adjourn any meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

3.2.16 Duration

3.2.16.1 The Directors will propose an ordinary resolution that the Company continues its business as a closed-ended investment company (a “Continuation Resolution”) at the first annual general meeting of the Company following the fifth anniversary of Initial Admission and after 18 months following Initial Admission if, by then, the Company has not committed 75 % of the net proceeds of the Issues to making investments in renewable energy assets in accordance with its published investment policy. If the Continuation Resolution is passed, the Directors will put a further Continuation Resolution to Shareholders at the annual general meeting of the Company every five years thereafter.

3.2.16.2 If a Continuation Resolution is not passed, the Directors are required to put forward proposals for the reconstruction, reorganisation or winding-up of the Company to the Shareholders for their approval within six months following the date on which the relevant Continuation Resolution is not passed. These proposals may or may not involve winding-up the Company or liquidating all or part of the Company’s then existing portfolio of investments and, accordingly, failure to pass a Continuation Resolution will not necessarily result in the winding-up of the Company or liquidation of all or some of its investments.

4. Directors and Other Interests in the Company

4.1 The interests of the Directors (and their immediate families) in the share capital of the Company, all of which are beneficial, as they are expected to be on Initial Admission, and of persons connected to the Directors (and their immediate families) and the existence of which is known to, or could with reasonable diligence, be ascertained by that Director, will be as set out below together with the percentages which such interests represent of the Shares in issue if the Issues are fully subscribed:

Name	Number of Ordinary Shares	Percentage of total Ordinary Shares¹
Anthony Marsh	20,000	0.006%
Josephine Bush	10,000	0.003%
Michael Philips	20,000	0.006%
Jane Tozer OBE	10,000	0.003%

1. Assuming Gross Proceeds of £300 million and that 300 million Ordinary Shares are issued pursuant to the Issues.

4.2 As at the date of this document each of HK Nominees Limited and HK Registrars Limited, which are each the owners of one of the subscriber shares in the Company issued on its incorporation, directly or indirectly, jointly or severally, exercise or could exercise control over or own the Company.

4.3 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

4.4 No Director is or has since the period from the Company’s incorporation been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company and remains in any respect outstanding or unperformed.

4.5 No loans made or guarantees granted or provided by the Company to or for the benefit of any director are outstanding.

- 4.6 There are no service contracts in existence between the Company and any of its Directors nor are any such contracts proposed. The services of the Directors are provided to the Company pursuant to letters of appointment dated 25 June 2021, each of which is terminable upon six calendar months' notice given by the Company at any time after the first anniversary of their appointment. All the Directors are non-executive directors. Save in respect of these letters of appointment, no member of any administrative, management or supervisory body has a service contract with the Company.
- 4.7 There are no family relationships between any of the Directors or members of the Investment Manager.
- 4.8 During the five years immediately prior to the date of this document, the Directors have been members of the administrative, management or supervising bodies or parties of the entities specified below (excluding subsidiaries of any company of which he is also a member of the administrative, management or supervisory body):

Anthony Marsh (Chair):

Current Directorships/Partnerships

Umeme Limited (listed on Kampala and Nairobi Exchanges)
African Power Corporation Limited
51 Haven Road Management Company Limited
51 Haven Road Freehold Limited
Energy 4 Impact Limited
Palus Limited

Past Directorships/Partnerships

Green Investment Group Management Limited (a Scottish company registered with number SC460459)
Harith Partners UK Limited

Josephine Bush:

Current Directorships/Partnerships

Vulcan Energy Resources Limited (listed on the Australian Stock Exchange)
JRB Consulting Limited
Net Zero Now Ltd

Past Directorships/Partnerships

Ernst & Young LLP
Ernst & Young Europe LLP
Trustee of the Pilgrim Bandits Charity

Jane Tozer OBE:

Current Directorships/Partnerships

Ventus VCT 2 plc
Citizen's Advice Service in Three Rivers Ltd
GPDF Ltd
Galapagos Conservation Trust

Past Directorships/Partnerships

JP Morgan Income & Growth Investment Trust plc
BMO Global Smaller Companies plc
StatPro plc
Nominet Limited
Warwick Business School Advisory Board
Asthma UK

Michael Phillips:

Current Directorships/Partnerships

Miton Global Opportunities Plc
Rockford Capital Limited
Tyndall Investment Management Limited
Zestec Asset Management Limited

Past Directorships/Partnerships

Aitchesse Limited
Deacon Commercial Development And Finance Limited
Deacon Knowsley Limited
Gresham House EIS Limited
Gresham House Finance Limited
Gresham House Forestry Limited
Gresham House Holdings Limited
Gresham House Investment Management Limited
Gresham House Investors Limited
Gresham House Plc
Gresham House Private Capital Solutions Limited
Gresham House Private Equity Limited
Gresham House Private Wealth Limited
Gresham House Asset Management Limited
Gresham House Capital Partners Limited
Gresham House Real Assets Limited
Gresham House Spe Limited
Gresham House Special Situations Limited
Gresham House Services Limited
Gresham House Smaller Companies Limited
Gresham House Value Limited
Gresham House Vct Limited
New Capital Holdings Limited
Newton Estate Limited
Security Change Limited
Aitchesse (General Partner) Limited*
Pfp General Partner Limited*
Deacon Industrial Projects Limited*
Knowsley Industrial Property Limited*
Watlington Investments Limited*
New Capital Developments Limited*
Quintex Systems Holdings Limited*
Green Air Central Heating Limited*
Intelli Corporate Finance Limited*
Intelli Partners Limited*
Exeter Asset Management Limited*
Iimia (Holdings) Limited*
Amnium Limited*
Exeter Fund Managers Limited**
Global Energy Direct Limited**
Reds Technologies Limited**
Reds Investments Limited*
Staywarm Limited**
Legg Mason Investors Strategic Assets Trust Plc**
Legg Mason Investors Strategic Assets Securities Plc**
Exeter Investment Group Plc*
Bondco 610 Limited*

* in members' (solvent) voluntary liquidation

** dissolved after a creditor's voluntary liquidation

In November 2012, Reds Technologies Limited, a company of which Michael Phillips was chairman, was placed into creditors voluntary liquidation. This followed a considerable reduction in sales activity caused by the UK Government's changes to the solar power Feed in Tariffs regime which had an impact upon consumer confidence in the market in which that company operated. Secured creditors were expected to receive less than 5 pence in the pound and unsecured creditors nothing.

In 2012, an unsatisfied county court judgment of £8,094 was entered against Reds Technologies Limited. In 2010 Reds Technologies Limited acquired Global Energy Direct Limited and Staywarm Limited, Michael Phillips was an executive director of these companies. In 2013, Staywarm Limited was liquidated with two outstanding charges to creditors. In 2014, Global Energy Direct Limited was liquidated.

In February 2003, Legg Mason Investors Strategic Assets Trust plc, an investment trust company of which Michael Phillips was a director, was placed into creditors voluntary liquidation (its subsidiary Legg Mason Investors Strategic Assets Securities plc, which had no creditors, was also placed in liquidation at the same time). Mr Phillips was advised by the liquidators of each of these companies that in relation to Legg Mason Investors Strategic Assets Trust plc all preferential creditors were paid in full. Mr Phillips understands that non-preferential creditors received between 60 and 70 pence for every pound owed. The liquidators advised that for Legg Mason Investors Strategic Assets Securities plc there were no creditors.

In March 2005, Exeter Fund Managers Limited ("EFM"), a company of which Michael Phillips was a director, was put into administration approved by the Financial Conduct Authority (then, the Financial Services Authority ("FSA")). Mr Phillips became a director of EFM at a time when it was already being investigated by the FSA in order to liaise closely with the FSA in order to find a solution to difficulties then being experienced by EFM. The FSA approved administration was part of this solution which was designed to make EFM's assets available to meet claims and enable investors in EFM products to seek recompense from the Financial Services Compensation Scheme. Mr Phillips' involvement ceased when the company went into administration

4.9 None of the Directors in the five years prior to the date of this Prospectus:-

- 4.9.1 save as set out in paragraph 4.8 above, is currently a director of a company or a partner in a partnership or has been a director of a company or a partner in a partnership;
- 4.9.2 has any unspent convictions in relation to fraudulent offences;
- 4.9.3 save as set out in paragraph 4.8 above, has been associated with any bankruptcies, receiverships or liquidations or administrations of any partnership or company through acting in the capacity of a member of any administrative, management or supervisory bodies or as a partner, founder or senior manager of such partnership or company; and
- 4.9.4 has had any official public incriminations and/or sanctions by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a member of the administrative management or supervisory bodies of any company or firm acting, or in the management or conduct of the affairs of, any company or firm.

4.10 No Shares are being reserved for allocation to existing Shareholders, Directors or employees.

4.11 The Company will take out directors' and officers' liability insurance for the benefit of the Directors.

4.12 The estimated aggregate remuneration for the Company, including benefits in kind, to be paid to the Directors in the financial period ending 30 June 2022, based on the arrangements currently in place with each Director, will not exceed £157,500.

4.13 No Director or member of the Investment Manager team has any potential conflict of interest between his duties to the Company and their private interests or other duties.

4.14 There are no restrictions agreed by any Director or member of the Investment Manager on the disposal within a certain time period of their holdings in the Company's securities.

- 4.15 There are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits to the Directors.
- 4.16 None of the Directors or members of the Investment Manager have any service contract with the Company providing for benefits upon termination of employment. See paragraph 5.3 below which refers to the Directors' Letters of Appointment.

5. Material Contracts

The following constitutes a brief summary of the principal contents of each material contract entered into by the Company, otherwise than in the ordinary course of business, since incorporation. There are no other contracts, not being contracts entered into in the ordinary course of business, entered into by the Company which contain any provision under which the Company has an obligation or entitlement which is material to the Company as at the date of this document:

5.1 *Investment Management Agreement*

An agreement (the "**Investment Management Agreement**") dated 7 September 2021 and made between the Company and Blackfinch whereby Blackfinch will, with effect from the date on which the Company is admitted to listing on the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the Main Market of the London Stock Exchange (the "**Effective Date**"), be appointed as the Company's Investment Manager to provide discretionary investment management services to the Company in respect of its portfolio of investments.

Blackfinch will receive an annual fee of:

- 0.95% of the NAV up to the first £300 million of NAV;
- 0.85% on NAV between £300 million and £500 million; and
- 0.75% on any excess NAV above £500 million,

(plus VAT if applicable), payable in cash, quarterly in arrears based on the latest published NAV. Blackfinch is entitled to reimbursement of expenses incurred in performing its duties under the agreement, and will also be entitled to receive and retain transaction and introductory fees, directors' fees, monitoring fees, consultancy fees, corporate finance fees, syndication fees, exit fees and commissions in relation to portfolio companies. Each quarter, the Investment Manager shall invest not less than 10% of the management fee it receives in Ordinary Shares. If the Ordinary Shares are trading at a premium to the mid-price of the Ordinary Shares (as published by the London Stock Exchange) on the date the management fee is calculated, the re-investment of the management fee shall be satisfied by the Investment Manager subscribing for new Ordinary Shares at an issue price which equals the mid-price at close of the market on that date. If the Ordinary Shares are trading at a discount, the Investment Manager shall use its best endeavours to acquire Ordinary Shares in the market in order to satisfy the re-investment of 10% of the management fee. The Investment Manager shall be required to hold the Ordinary Shares it acquires for a period of at least two years from the date on which the relevant management fee is calculated (subject to customary carve-outs, including with the prior consent of the Board).

The agreement includes customary rights of termination for each party. The agreement may be terminated by either party if the other commits a material breach of the Agreement and, being capable of remedy, fails to remedy the same within 30 days of being requested to do so and may also be terminated immediately in the following circumstances: if the Investment Manager ceases to be authorised under FSMA, as an AIFM, or permitted to act as discretionary investment manager; if either party enters into liquidation or has a receiver, administrator, or other similar officer appointed over it or its assets; if the Investment Manager commits an act of fraud, unlawful conduct, gross negligence or wilful default in respect of its duties under the Agreement; and immediately if the Company ceases to carry on business following the failure of the Company to pass a continuation vote, each of which are customary rights of termination.

The appointment of the Investment Manager as the Company's AIFM will continue unless and until terminated by either party giving to the other not less than 12 months' notice in writing, such notice not to take effect before the end of the fifth anniversary following Admission.

Transactions undertaken by the Investment Manager for the Company shall correspond with the provisions of the Investment Manager's written execution policy, and the Investment Manager shall manage conflicts of interest, disclosing to the Board the nature of any material interest which the Investment Manager may have in any proposed transaction to which the Company is, or is to be, a party.

The terms of the agreement offer the Company protection against the key individuals in relation to the management of the Company's assets leaving the Investment Manager. If either or both of Guy Lavarack or King Chan leave the Investment Manager and/or cease to be actively involved in the day to day management of the Company, the Investment Manager shall have 90 days to put forward proposals to the Company for their replacement. The Investment Manager is required to consult with the Company before implementing any proposals.

Under the terms of the agreement, unless otherwise agreed between the Company and the Investment Manager, the Company shall give the Investment Manager at least six months' prior written notice before implementing any proposals to vary the Company's investment objective, investment policy or any other changes that would materially impact the Investment Manager's obligations, rights and duties arising from the Investment Management Agreement.

The provision by the Investment Manager of discretionary investment advisory services is subject to the overall control, direction and supervision of the Directors.

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

The services to be provided by the Investment Manager to the Company shall not be provided on an exclusive basis and the Investment Manager shall be free to render similar services to third parties (subject to the provision of services to the Company under the Investment Management Agreement not being materially adversely affected thereby and compliance with the conflicts of interest policy described on page 102 above).

5.2 Placing Agreement

The Placing Agreement dated 7 September 2021 entered into by the Company, the Investment Manager, the Directors and the Joint Bookrunners pursuant to which, subject to certain conditions, the Joint Bookrunners have agreed to use their reasonable endeavours to procure purchasers for: (i) the Shares to be issued pursuant to the Initial Placing at the Initial Issue Price; and (ii) Shares to be issued pursuant to any Subsequent Placing under the Placing Programme at the applicable Placing Programme Price.

The obligations of the Joint Bookrunners under the Placing Agreement will be subject to certain conditions that are typical for an agreement of this nature. These conditions include, among other things, Initial Admission occurring by 8.00 a.m. on 6 October 2021 (or such later date, not being later than 31 December 2021 as the Company, the Joint Bookrunners and the Investment Manager may agree) and the Initial Gross Proceeds totalling not less than £100 million. In the event that any of the conditions in the Placing Agreement are not met in respect of the Initial Placing or any Subsequent Placing, the Joint Bookrunners shall, amongst other things, not be under any obligation to complete the Initial Placing or any Subsequent Placing, the Company shall withdraw its applications for Initial Admission or the relevant Subsequent Admission (as applicable) (making such announcement as reasonably required by the Joint Bookrunners) and appropriate arrangements for the return of monies received shall be made.

In consideration for their services under the Placing Agreement, the Joint Bookrunners will receive from the Company: (i) in respect of the Initial Issue, a commission calculated by reference to the Initial Gross Proceeds, together with reimbursement for all out-of-pocket expenses incurred by the Joint Bookrunners in connection with the Initial Issue; and (ii) in respect of any Subsequent Placing, placing commission

calculated by reference to the gross proceeds of the relevant Subsequent Placing after deducting the expenses of that Subsequent Placing, together with reimbursement for all out-of-pocket expenses incurred by the Joint Bookrunners in connection with the relevant Subsequent Placing.

The Company, the Directors and the Investment Manager have in the Placing Agreement given certain customary warranties, and the Company and the Investment Manager have agreed to provide customary indemnities to the Joint Bookrunners.

The Placing Agreement can be terminated by the Joint Bookrunners giving notice to the Company and the Investment Manager in certain circumstances that are typical for an agreement of this nature at any time prior to Initial Admission. These circumstances include: (a) any of the conditions of the Placing Agreement are not satisfied or waived (if capable of waiver) at the required time(s); (b) any matter has arisen which would, in the good faith opinion of the Joint Bookrunners, require the publication of a supplementary prospectus; (c) the Company or any Director or the Manager fails to comply in any material respects with any of its or his obligations under the Placing Agreement or under the terms of the Placing; (d) a breach by the Company, any of the Directors or the Investment Manager of any of the representations, warranties or undertakings contained in the Placing Agreement; (e) the occurrence of certain material adverse changes in the condition of the Company or the Manager; or (f) certain adverse changes in financial, political or economic conditions.

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

5.3 *Directors' Letters of Appointment*

Each of the Directors entered into an agreement with the Company dated 25 June 2021 as referred to in paragraph 4.7 above whereby he or she is required to devote such time to the affairs of the Company as the Board reasonably requires consistent with their role as non-executive director.

- Anthony Marsh is entitled to receive an annual fee of £47,500 (plus VAT if applicable).
- Jane Tozer is entitled to receive an annual fee of £40,000 (plus VAT if applicable).
- Josephine Bush is entitled to receive an annual fee of £35,000 (plus VAT if applicable).
- Michael Phillips is entitled to receive an annual fee of £35,000 (plus VAT if applicable).

Each party can terminate the agreement by giving to the other at least six months' notice in writing to expire at any time after the date 15 months from the respective commencement dates. No benefits are payable on termination.

5.4 *Fund Administration Agreement*

An agreement dated 7 September 2021 and made between the Company and the Administrator, whereby the Administrator will provide certain fund administration and accounting services to the Company in respect of the period from Initial Admission until the termination of the Administration Agreement, for an annual fee of 0.015% of the Gross Asset Value, subject to a minimum annual fee of £ 48,000 (plus VAT if applicable). The fee will be payable in 12 equal monthly instalments.

The Administration Agreement will continue unless and until terminated by either party giving to the other not less than 6 months' notice in writing, such notice not to take effect before the end of the first anniversary following Admission, but subject to early termination in certain circumstances.

Under the Administration Agreement, each party has given customary warranties in favour of the other.

5.5 *Company Secretarial Agreement*

An agreement dated 29 June 2021 and made between the Company and the Company Secretary, whereby the Company Secretary will provide certain company secretarial services to the Company in respect of the period from Initial Admission until the termination of the Company Secretarial Agreement, for an annual fee of £54,000 (plus VAT if applicable).

The Company Secretarial Agreement will continue unless and until terminated by either party giving to the other not less than 6 months' notice in writing, such notice not to take effect before the end of the first anniversary following Admission, but subject to early termination in certain circumstances.

5.6 **Option Agreement**

The Company has entered into the Option Agreement pursuant to which, ME Developments II Limited, and ME Developments III Limited (the “**Seed Portfolio Companies**”), (which companies own the SPVs which hold the Seed Assets (the “**Project Companies**”)) will grant the Company an option to acquire the entire issued share capital in each of the Project Companies.

Under the Option Agreement, each of the Seed Portfolio Companies have granted to the Company a period of exclusivity in respect of the acquisition of the share capital or assets each Project Company. When each Project Company has satisfied certain conditions set out in the Option Agreement (comprising the grant of planning permission, entry into an option for lease for the relevant Project Company, a grid connection offer having been accepted, the relevant Seed Portfolio Company having issued a vendor due diligence report in respect of the Project Company and the ordinary shares of the Company have been admitted to the Official List, together being the “**Exchange Conditions**”) the Seed Portfolio Company must serve notice on the Company (an “**Exchange Notice**”). Following service of an Exchange Notice, exclusivity over the relevant Project Company will continue for a further 10 weeks, in which period the Company must carry out its due diligence, agree a purchase price, agree and enter into a share purchase agreement, and agree and enter into an engineering procurement and construction contract, in the latter two cases, based on the form appended to the Option Agreement.

The consideration for each Project Company is to be agreed based on a mechanism set out in the Option Agreement with an obligation to act in good faith to agree any relevant adjustments. The consideration provisions are not legally binding on the parties, but instead set out the intentions of the parties as to how payment by the Company to the Seed Portfolio Company in respect of each Project Company is to be calculated and satisfied.

Exclusivity over the Project Companies under the Option Agreement continues until the earlier of 12 months from the date of the Option Agreement or 10 weeks after the Company has been served an Exchange Notice in respect of a Project Company, or until the Company notifies the relevant Seed Portfolio Company that it does not wish to enter into a share purchase agreement in respect of a Project Company for which an Exchange Notice has been served.

Appended to the Option Agreement is a framework share purchase agreement (the “**Share Purchase Agreement**”) to be entered into between the Company and the relevant Seed Portfolio Company in respect of each Project Company that the Company opts to acquire. The key terms of the Share Purchase Agreement are that the Company will pay the consideration due for each Project Company together with sufficient cash to enable each Project Company to repay any debts owed to the Seed Portfolio Companies.

Enviromena and the Seed Portfolio Companies will give customary warranties under the Share Purchase Agreement, including as to title to shares, tax, and project rights that are expected to be in place at completion of each Share Purchase Agreement, as well as a tax covenant in favour of the Company.

Each Share Purchase Agreement contains a put option agreement (a “**Put Option**”) that allows the Company to sell a Project Company it has acquired back to the Seed Portfolio Company, in certain circumstances. These circumstances include matters such as works not being completed on time, the equipment used by a Project Company not meeting the specification, liquidated damages becoming payable under the engineering procurement and construction contract for that Project Company, planning permission being denied, or there being certain breaches of planning permission or the grid connection offer or similar.

If the Company elects to exercise a Put Option in respect of a Project Company, the Seed Portfolio Company will purchase that Project Company for a consideration equal to the sum of the consideration paid by the Company, together with any debt repaid by the Company.

Under the agreement Enviromena and the Seed Portfolio Companies are required to use their reasonable endeavours to progress the development of the projects and to keep the Company updated on the same. Enviromena and the Seed Portfolio Companies are required to use their reasonable endeavours to satisfy any pre-commencement planning conditions and to make representations to the relevant planning authority in the event of any onerous planning conditions being applied following planning permission being granted. Enviromena and the Seed Portfolio Companies are required to use their reasonable endeavours to conclude negotiations with third party service providers and contractors to finalise all legal documents and arrangements in respect of the projects.

5.7 **Asset Management Agreement**

The Company has entered into the Asset Management Agreement with the Asset Manager, a wholly owned subsidiary of the Investment Manager, to provide asset management services to certain of the SPVs. The Asset Management Agreement is a framework agreement whereby the Company will procure that selected SPVs will enter into an asset management agreement with the Asset Manager substantially in the same form as provided in the schedule to the Asset Management Agreement in respect of the renewable energy assets held by that SPV. The Asset Manager will provide general, technical, commercial, administrative and/or evaluative asset management services as required and stipulated by each SPV to which the Asset Manager is appointed to provide asset management services.

The fees to be charged to the SPVs under the Asset Management Agreement will be subject to the following maximum and minimum amounts:

- a minimum of €2,500 per MW and a maximum of €3,000 per MW produced by assets situated in countries which have adopted the Euro as their currency;
- a minimum of £2,500 per MW and a maximum of £3,000 per MW produced by assets situated in the UK; and
- a minimum of the equivalent in local currency to €2,500 per MW and a maximum of the equivalent in local currency to €3,000 per MW produced by assets situated outwith the UK and in countries which have not adopted the Euro as their currency.

The minimum aggregate amount to be paid per annum to the Asset Manager by an SPV is £6,000 or €6,000. The maximum aggregate amount per MW to be paid to the Asset Manager by an SPV may be adjusted to reflect market practice.

These amounts will be subject to annual adjustment in line with RPI, except where such adjustment would result in a reduction in the fees subject to certain exceptions, the individual SPVs will also be responsible for any exceptional costs reasonably and properly incurred by the Asset Manager in providing the services under the Asset Management Agreement.

The Asset Management Agreement continues for a period of five years and thereafter is terminable by either party on prior written notice of 12 months to the other party, such notice is not to be delivered prior to the fourth anniversary of the Asset Management Agreement commencing. The Asset Management Agreement is also subject to other customary rights of termination such as the occurrence of certain insolvency events on the part of either party.

The Asset Management Agreement will terminate automatically on the termination of the Investment Management Agreement. The underlying asset management agreements entered into between the Asset Manager and the SPVs will not terminate automatically on termination of the Asset Management Agreement and will continue until terminated in accordance with the terms of those agreements.

5.8 **Depositary Agreement**

The Company has entered into a Depositary Agreement with The Bank Of New York Mellon (International) Limited dated 6 August 2021. Under this agreement BNY Mellon is paid remuneration calculated by reference to the value of the assets for which it provides safekeeping and/or custody services and transaction fees for corporate and other actions related thereto an annual fee (plus VAT if applicable) for

depository services it provides to the Company. BNY Mellon is entitled to authorise the release of funds from cash accounts it holds on behalf of the Company to settle all due and payable remuneration, fees, charges and expenses. The fee is payable quarterly in arrears.

6. General

- 6.1 The Company's principal place of business is at 1350-1360 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, Gloucestershire GL3 4AH and the registered office of the Company is at 6th floor, 65 Gresham Street, London, EC2V 7NQ. The telephone number of the Company is 01452 717070 and its website address is: www.bret.energy. The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus. The Company has no subsidiaries or associated companies.
- 6.2 There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) since incorporation which may have, or have had in the recent past, significant effect on the Company's financial position or profitability.
- 6.3 The Company does not have, nor has it had since incorporation, any employees and it neither owns nor occupies any premises.
- 6.4 The Company's accounting reference date is 30 June in each year.
- 6.5 The Investment Manager is Blackfinch, (LEI 213800F8C8V12SJ7U074), a private limited company registered in England and Wales and incorporated pursuant to and operating under the Act on 10 April 1992 under company number 02705948, which is authorised and regulated by the Financial Conduct Authority and whose principal place of business and registered office is at 1350-1360 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, Gloucestershire GL3 4AH. The principal legislation under which it operates is the Act. The Investment Manager is domiciled in England and its legal and commercial name is Blackfinch Investments Limited. The telephone number of the Investment Manager is 01452 717070 and its website is www.blackfinch.com. The information on their website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.
- 6.6 The Issues are not underwritten. The expenses of and incidental to the Issues and the listing of the Shares, including registration and listing fees, printing, advertising and distribution costs, legal and accounting fees and expenses, are payable by the Company. If the maximum of £300 million is raised under the Issues the net proceeds will amount to approximately £294million.
- 6.7 Save in connection with the Initial Issues, Ordinary Shares have not been marketed to and are not available to the public. Market makers will not be offered the opportunity to subscribe for Ordinary Shares under the Issues.
- 6.8 BDO LLP was appointed as auditor of the Company on 16 June 2021. It is registered to carry out audit work by the Institute of Chartered Accountants of England and Wales. The Company shall take all reasonable steps to ensure that its auditor is independent of it and has obtained written confirmation from its auditor that it complies with guidelines on independence issued by its national accountancy and auditing body.
- 6.9 The Company has given notice to the Registrar of Companies, pursuant to section 833 of the Act, of its intention to carry on business as an investment company, which will enhance its ability to pay dividends out of income. If and when capital profits are realised which the Directors consider it appropriate to distribute by way of dividend (for example on the disposal of a successful investment), the Directors would anticipate revoking this status.
- 6.10 Save for the agreements described in paragraphs 5.1 to 5.3 (inclusive) of this Part 6, there have been no related party transactions since the incorporation of the Company.
- 6.11 Save for the agreements described in paragraphs 5.1, 5.3, 5.7 and 5.8 of this Part 6, there are no material potential conflicts of interest which a service provider to the Company may have as between their duty to the Company and duties owed by them to third parties and their other interests. In order to manage such potential conflicts of interest it is a term of the agreement between the Investment Manager and the

Company referred to in paragraph 5.1 of this Part 6 that the Investment Manager shall manage conflicts of interest, disclosing to the Board the nature of any material interest which the Investment Manager may have in any proposed transaction to which the Company is, or is to be, a party, the Investment Manager not causing the Company to become a party to any such contract or transaction except with the prior approval of those members of the Board who are independent of the Investment Manager (such prior approval not to apply to the allocation of investment opportunities governed by the Investment Management Agreement).

- 6.12 Since the date of its incorporation, the Company has not commenced operations. No financial statements have been made up as at the date of this document.
- 6.13 The Company has no existing interests in real property and has no tangible fixed assets which are material to its business.
- 6.14 The Investment Manager accepts responsibility for: the information in Part 1 of this Prospectus under the headings “Investment Manager Team” and “Investment Manager Team Track Record” and any other information or opinions attributed to it in this Prospectus. To the best of the knowledge of the Investment Manager, those parts of the Prospectus for which the Investment Manager is responsible are in accordance with the facts and make no omission likely to affect their import.
- 6.15 The Company is of the opinion that, subject to the receipt of the Minimum Gross Proceeds, the working capital available to the Company is sufficient for its present requirements, that is for at least 12 months from the date of this Prospectus.
- 6.16 The Issues will not proceed if the Minimum Gross Proceeds are not raised.
- 6.17 The capitalisation of the Company as at the date of this document is shareholders’ equity of £12,500.02 comprising 50,000 redeemable preference shares of £1 each paid up as to one- quarter and 2 Ordinary Shares of £0.01 paid up in full.
- 6.18 As at the date of this Prospectus, the Company did not have loan capital outstanding, any other borrowings nor guaranteed, unguaranteed, secured and unsecured indebtedness, including indirect and contingent indebtedness.
- 6.19 The Company does not assume responsibility for the withholding of tax at source.
- 6.20 Securities in certificated form belonging to the Company will be held as custodian on its behalf by BNY Mellon whose registered office is at 1 Canada Square, London, E14 5AL (telephone 0207 570 1784). The terms upon which the securities are to be held are summarised in paragraph 5.7 of this Part 6.
- 6.21 The Company has to satisfy a number of tests to qualify as an Investment Trust and will be subject to various rules and regulations in order to continue to qualify as an Investment Trust, as set out under the heading “Taxation” in Part 5 of this document. In addition, the following restrictions are imposed upon the Company under the rules relating to admission to the Official List:
 - 6.21.1 it, or any of its subsidiaries, must not conduct any trading activity which is significant in the context of the group as a whole;
 - 6.21.2 it must not invest more than 10% in aggregate of the value of its total assets (at the time the investment is made) in other listed closed-ended investment funds except listed closed-ended investment funds which themselves have published investment policies to invest no more than 15% of their total assets in other closed-ended investment funds; and
 - 6.21.3 it must manage and invest its assets in accordance with the investment policy set out on page 85 of this Prospectus, which contains information about the policies which it will follow relating to asset allocation, risk diversification and gearing and which includes maximum exposure.
- 6.22 Blackfinch has given, and has not withdrawn, its written consent to the Issues of this document with the inclusion of its name in this document in the form and context in which they are included. The full name

and address of Blackfinch are set out on page 36, together with details of their material interests in the Company at paragraphs 5.1 and 5.7 of this Part 6.

- 6.23 The Issues have been sponsored by Howard Kennedy whose offices are at No.1 London Bridge, London SE1 9BG and which is authorised and regulated by the Financial Conduct Authority. The Sponsor has given, and has not withdrawn, its written consent to the Issues of this document with the inclusion of its name in the form and context in which it is included.
- 6.24 BDO LLP has given and not withdrawn its written consent to the inclusion in this Prospectus of the Valuation Opinion and has authorised the contents of the Valuation Opinion for the purposes of this Prospectus. For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f), BDO LLP accepts responsibility for the Valuation Opinion. To the best of the knowledge of BDO LLP the Valuation Opinion is in accordance with the facts and the letter makes no omission likely to affect its import. BDO LLP is a member firm of the Institute of Chartered Accountants in England and Wales.
- 6.25 There have been no significant changes in the financial position of the Company since it was incorporated.
- 6.26 Shareholders will be informed, through a Regulatory Information Service announcement, if the qualifying status restrictions which apply to the Company as an Investment Trust detailed in this document are breached.
- 6.27 Mandatory takeover bids: The City Code on Takeovers and Mergers (the “City Code”) applies to all takeover and merger transactions in relation to the Company from Admission and operates principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment.
- 6.28 The City Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company the other holders of securities must be protected. This is reinforced by Rule 9 of the City Code which requires that a person, together with persons acting in concert with him, who acquires shares carrying voting rights which amount to 30% or more of the voting rights to make a general offer. “Voting rights” for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting. A general offer will also be required where a person, who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights, acquires additional shares which increase his percentage of the voting rights. Unless the Panel on Takeovers and Mergers (the “Panel”) consents, the offer must be made to all other shareholders, be in cash (or have a cash alternative) and cannot be conditional on anything other than the securing of acceptances which will result in the offeror and persons acting in concert with him holding shares carrying more than 50% of the voting rights.
- 6.29 There are not in existence any current mandatory takeover bids in relation to the Company.
- 6.30 Squeeze out: Section 979 of the Act provides that if, within certain time limits, an offer is made for the share capital of a company, the offeror is entitled to acquire compulsorily any remaining shares if it has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90% in value of the shares to which the offer relates and in a case where the shares to which the offer relates are voting shares, not less than 90%, of the voting rights carried by those shares. The offeror would effect the compulsory acquisition by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, six weeks from the date of the notice, pay the consideration for the shares to the relevant company to hold on trust for the outstanding shareholders. The consideration offered to shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration available under the takeover offer.
- 6.31 Sell out: Section 983 of the Act permits a minority shareholder to require an offeror to acquire its shares if the offeror has acquired or contracted to acquire shares in a company which amount to not less than 90% in value of all the voting shares in the company and carry not less than 90%, of the voting rights. Certain time limits apply to this entitlement. If a shareholder exercises its rights under these provisions, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

- 6.32 The maximum number of Ordinary Shares which are the subject of this Prospectus is 300,000,000 Ordinary Shares.
- 6.33 The Prospectus has been approved by the Financial Conduct Authority, as competent authority under the UK Prospectus Regulation. The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval shall not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares.
- 6.34 The information contained in this document sourced from third parties has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third parties, no facts have been omitted which would render such information inaccurate or misleading. Where such information has been included in this document, the source of that information has been identified.
- 6.35 The Company is an alternative investment fund for the purposes of AIFMD and is subject to the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773). The Company is subject to the Listing Rules and the Disclosure Guidance and Transparency Rules. The Company is not otherwise regulated.

7. The Intermediaries

- 7.1 The Intermediaries authorised as at the date of this Prospectus to use this Prospectus in connection with the Intermediaries Offer are:
- 7.1.1 AJ Bell Youinvest;
 - 7.1.2 Equiniti Shareview;
 - 7.1.3 Hargreaves Lansdown;
 - 7.1.4 idealing;
 - 7.1.5 Interactive Investor;
 - 7.1.6 Redmayne Bentley;
 - 7.1.7 shareDeal active; and
 - 7.1.8 X-O.
- 7.2 Any new information with respect to Intermediaries unknown at the time of approval of this Prospectus, including in respect of any Intermediary that is appointed by the Company in connection with the Intermediaries Offer after the date of this Prospectus following its agreement to adhere to and be bound by the terms of the Intermediaries Terms and Conditions and any Intermediary that ceases to participate in the Intermediaries Offer, will be made available (subject to certain restrictions) at the Company's website www.bret.energy.

8. Documents for Inspection

- 8.1 The Company's memorandum and articles of association are available for inspection at the offices of Howard Kennedy LLP, No.1 London Bridge, London SE1 9BG, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until closing of the Issues and may also be inspected at the Company's website address at www.bret.energy.

Dated: 7 September 2021

Part 7

Definitions

The following definitions are used throughout this document and, except where the context requires otherwise, have the following meanings.

Act	Companies Act 2006, as amended
Admission	Admission of the Ordinary Shares to the Official List and to trading on the London Stock Exchange's main market for listed securities
Admission Condition	The FCA having acknowledged to the Company or its agent (and such acknowledgment not having been withdrawn) that the application for the admission of the relevant Ordinary Shares to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("listing conditions")) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions have been satisfied and the London Stock Exchange having acknowledged to the Company or its agent (and such acknowledgment not having been withdrawn) that the relevant Ordinary Shares will be admitted to trading on the Main Market, subject only to allotment
AIC	The Association of Investment Companies
AIFM	An alternative investment fund manager within the meaning of AIFMD
AIFMD	The European Union's Alternative Investment Fund Managers Directive (No. 2011/61/EU) and all legislation made pursuant thereto including, where applicable, the applicable implementing legislation and the regulations in each member state of the European Union
AIM	The AIM market of the London Stock Exchange
Application Form	The application form for use in respect of the Offer for Subscription which is set out at the end of this document
Articles	The articles of association of the Company from time to time.
Asset Manager	Blackfinch Energy Limited, a subsidiary of Blackfinch Investments Limited
Barclays	Barclays Bank PLC, acting through its investment bank
Blackfinch Energy Team	Those members of Blackfinch's wider investment management team who are dedicated energy specialists
Blackfinch Group	Blackfinch Investments Limited and its holding and subsidiary companies
Blackfinch IHT Portfolios	The "Adapt IHT Portfolios" constituting a discretionary managed portfolio service that is managed and administered by the Investment Manager
Business Days	Any day (other than Saturday or Sunday or public holiday in the UK) on which clearing banks in London are open for normal banking business

CfD	An electricity contract for difference, usually comprising a long-term price stabilisation agreement between an electricity generator and a government counterparty. Typical features of CfDs are that the electricity generator will sell energy into the market as usual with a variable top up to the market price paid by the CfD counterparty to achieve a pre-agreed strike price, to reduce exposure to fluctuating electricity prices. At times when the market price exceeds the strike price, the generator is required to pay back the difference, thus protecting consumers from over-payment.
Company	Blackfinch Renewable European Income Trust plc
construction-ready	Assets which have in place the required access rights, land consent, permitting and regulatory consents in order to enable the relevant project to commence construction.
CREST	The computerised settlement system to facilitate the transfer of title to securities in uncertificated form operated by Euroclear UK & Ireland Limited
CTA 2010	Corporation Tax Act 2010, as amended
Directors, Board of Directors or Board	The directors of the Company whose names appear on page 36 of this document
Disclosure Guidance and Transparency Rules or DGTR	Disclosure guidance and transparency rules, being the rules published by the FCA from time to time and relating to the disclosure of information in respect of financial instruments
EEA	European Economic Area
EEA Member States	The member states of the European Economic Area
Enviromena	Enviromena Asset Management UK Limited
EPC	engineering, procurement and construction (of a renewable energy asset)
EU AIFM Delegated Regulation	The Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
EU AIFM Directive	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, and the EU AIFM Delegated Regulation
EU GDPR	The General Data Protection Regulation (EU) 2016/679
EU Market Abuse Regulation or EU MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing the Directive of the European Parliament and of the Council of 28 January 2003 and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC

EU MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (“ MiFID ”) and Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (“ MiFIR ”), and together with MiFID, “ MiFID II ”.
EU Money Laundering Directive	Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing)
EU Packaged Retail Investment and Insurance Products Regulations	Regulation (EU) No. 1286/2014 on key information documents for packaged retail and insurance-based investment products
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
Eurozone	the geographical and economic region comprising those countries that have fully adopted the Euro as their national currency
Financial Conduct Authority or FCA	The United Kingdom Financial Conduct Authority
Financial Adviser	A natural or legal person which is authorised and regulated by the FCA to give advice to its clients on investments
finnCap	finnCap Ltd
FSMA	Financial Services and Markets Act 2000, as amended
Fund Administrator	Link Alternative Fund Administrators Limited
GCC Countries	The member countries of the Gulf Co-operation Council (consisting of Qatar, the UAE, Kuwait, Bahrain, Saudi Arabia and Oman)
Gross Asset Value	The fair value of the Company's investments (whether or not subsidiaries and including cash and cash equivalent instruments) valued in accordance with the Company's valuation policy from time to time
Gross Proceeds	The total funds raised under the Issues
GW	Giga-watt, being a unit of electric capacity
HMRC	HM Revenue and Customs
Howard Kennedy or Sponsor	Howard Kennedy Corporate Services LLP, which is authorised and regulated by the FCA
Initial Admission	Admission of the Ordinary Shares issued pursuant to the Initial Issues
Initial Closing Date	30 September 2021 or, if later, such date as the Directors have at their discretion selected as the Initial Closing Date
Initial Gross Proceeds	The gross proceeds of the Initial Issue

Initial Issues	The issue of Shares at the Initial Issue Price under the Initial Placing, Intermediaries Offer and Offer for Subscription as described in Part 4 of this Prospectus
Initial Issue Price	£1.00 per Share
Initial Net Proceeds	The proceeds of the Initial Issue, after deduction of costs and expenses
Initial Placing	The initial placing of Shares at the Initial Issue Price by the Joint Bookrunners on behalf of the Company as described in Part 8 of this Prospectus
Initial Target Dividend	has the meaning given to it in Part 1 of this document
in-construction	Construction-ready projects where construction has commenced.
Intermediaries	The entities listed in Part 6 of this Prospectus, together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of this Prospectus and “Intermediary” shall mean any one of them
Intermediaries Booklet	The booklet entitled Intermediaries Booklet and containing, among other things, the Intermediaries Terms and Conditions
Intermediaries Offer	The offer of Shares at the Initial Issue Price by the Intermediaries as described in Part 4 of this Prospectus
Intermediaries Terms and Conditions	The terms and conditions agreed between the Company and the Intermediaries in relation to the Intermediaries Offer contained in the Intermediaries Booklet
International Financial Reporting Standards	The International Financial Reporting Standards, as adopted by the European Union, as amended from time to time
Investment Manager or Blackfinch or Blackfinch Investments	Blackfinch Investments Limited, authorised and regulated by the Financial Conduct Authority, Investment Manager to the Company’s portfolios of investments
Investment Management Agreement	The Investment Management agreement between the Company and the Investment Manager dated 7 September 2021, a summary of which is set out in Part 6 of this document
Investment Trust	A company approved as an investment trust for the purposes of section 1158 of the CTA 2010 by the board of HMRC
Investment Trust Regulations	The Investment Trust (Approved Company) (Tax) Regulations 2011
Investor(s)	An individual(s) aged 18 or over who subscribes for Shares under the Issues
IPEV Guidelines	International Private Equity and Venture Capital Valuation Guidelines
Issue Price	In the case of the Initial Issue, the Initial Issue Price and in the case of any Subsequent Placing, the applicable Placing Programme Price
Issues	Together, the Placing, the Offer for Subscription, the Intermediaries Offer and the Placing Programme
Joint Bookrunners	Barclays and finnCap

Listing Rules	The Listing Rules issued by the Financial Conduct Authority and made under Part VI of the FSMA
London Stock Exchange	London Stock Exchange plc
Main Market	The main market for listed securities operated by the London Stock Exchange
Minimum Gross Proceeds	The minimum gross proceeds of the Initial Issues, being £100 million
MW	Mega-watt, being a unit of electric capacity
MWp	Mega-watt peak, being the measurement for the output of power from a source
NAV per Share	Last announced Net Asset Value divided by the number of Shares in issue at the date of calculation. Between the date of this Prospectus and the date on which the Company first announces its Net Asset Value, this will be deemed to be £1
Net Asset Value or NAV	The aggregate of the gross assets of the Company less its gross liabilities
Net Proceeds	The proceeds of the Issue, after deduction of all costs and expenses
Non-Seed Assets	The assets, details of which are set out on page 91
O & M	Operation and maintenance (of a renewable energy asset)
OECD Countries	The member states of the Organisation for Economic Co-operation and Development being: Austria, Australia, Belgium, Canada, Chile, Colombia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.
Offer or Offer for Subscription	The offer for subscription as described in Part 4 of this document
Official List	The Official List of the Financial Conduct Authority
Offtaker	A purchaser of electricity
Option Agreement	The option agreement entered into between the Company and M E Developments II Limited, and ME Developments III Limited on 22 July 2021, in relation to the Seed Assets
Ordinary Shares or Shares	Ordinary shares of £0.01 each in the capital of the Company
Persons Discharging Managerial Responsibilities	Persons discharging managerial responsibilities for the purposes of and subject to the obligations in Article 19 of MAR
Placee	A placee under the Initial Placing or a Subsequent Placing (as the context requires)
Placing Agreement	The placing agreement between the Company, the Investment Manager, the Directors, and the Joint Bookrunners dated 7 September 2021, a summary of which is set out in Part 6 of this Prospectus
Placing Programme	The programme of placings of Shares at the Placing Programme Price as described in this Prospectus

Placing Programme Price	The price at which Shares will be issued under the Placing Programme, as agreed by the Board and the Joint Bookrunners in accordance with the terms of the Placing Agreement at the time of each Subsequent Placing of Shares under the Placing Programme which shall be not less than the last published cum income Net Asset Value per Share at the time of the Subsequent Placing plus a premium to at least cover the costs and expenses of such Subsequent Placing (including, without limitation, any placing commissions), as determined by the Board at the time of the Subsequent Placing
Primary Renewable Energy Asset	A renewable energy infrastructure asset in the wind, solar or hydro sectors
Prospectus	This document
Prospectus Regulation Rules	The Prospectus Regulation Rules issued by the Financial Conduct Authority and made under Part VI of FSMA and pursuant to the UK Prospectus Regulation on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market
Redeemable Preference Shares	Redeemable preference shares of £1 each in the capital of the Company
Receiving Agent or Registrar	Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL
Regulation S	Regulation S under the U.S. Securities Act
Regulatory Information Service	A regulatory information service that is on the list of regulatory information services maintained by the FCA
Restricted Jurisdiction	Any jurisdiction where local law or regulations may result in a risk of civil, regulatory or criminal exposure or prosecution if information or documentation concerning the Issues (including this Prospectus) is sent or made available to a person in that jurisdiction
Secondary Renewable Energy Asset	A renewable energy infrastructure asset in a sector other than wind, solar or hydro, including (without limitation) renewable energy infrastructure assets in hydrogen, storage, and central district heating
Seed Assets	The 21 construction-ready solar Seed Assets which are subject to the Option Agreement
Shareholders	Holders of Ordinary Shares
Subsequent Admission	Admission of the Ordinary Shares issued pursuant to the Placing Programme
Subsequent Placing	A placing of Shares under the Placing Programme at the applicable Placing Programme Price by the Joint Bookrunners on behalf of the Company as described in Part 8 of this Prospectus
Target Dividend	Has the meaning given to it in Part 1 of this document
Target Net Total Return	Has the meaning given to it in Part 1 of this document
Terms and Conditions of Application	The terms and conditions of application under the Issues set out in Part 9 of this document

UK Corporate Governance Code	The UK Corporate Governance Code dated July 2018, as published by the Financial Reporting Council and as amended from time to time
UK AIFMD Laws	(i) the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) and any other implementing measure which operated to transpose EU AIFM Directive in to UK law before 31 January 2020 (as amended from time to time including by the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 (SI 2019/328)); and (ii) the UK versions of the EU AIFM Delegated Regulation and any other delegated regulations in respect of the EU AIFM Directive, each being part of UK law by virtue of the European Union (Withdrawal) Act 2018, as further amended and supplemented from time to time including by the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 (SI 2019/328), the Technical Standards (Alternative Investment Funds Management Directive) (EU Exit) Instrument 2019 (FCA 2019/37) and the Exiting the European Union: Specialist Sourcebooks (Amendments) Instrument 2019 (FCA 2019/25)
UK Corporate Governance Code	The UK Corporate Governance Code issued by the Financial Reporting Council, as amended from time to time
UK GDPR	The UK version of the EU GDPR which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019
UK MAR	The UK version of the EU Market Abuse Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations 2019
UK MiFID Laws	(i) the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (SI 2017/701), The Data Reporting Services Regulations 2017 (SI 2017/699) and the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017 (SI 2017/488), and any other implementing measure which operated to transpose EU MiFID II in to UK law before 31 January 2020 (as amended and supplemented from time to time including by: (1) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (2) The Financial Regulators' Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (3) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (4) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019; and (ii) the UK version of Regulation (EU) No 600/2014 of the European Parliament, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by: (a) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (b) The Financial Regulators' Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (c) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (d) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019

UK Money Laundering Regulations 2017 or ML Regulations	The UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2017/692) as amended and supplemented from time to time including by the Money Laundering and Transfer of Funds (Information) (Amendment) (EU Exit) Regulations 2019
UK PRIIPs Laws	The UK version of the EU Packaged Retail Investment and Insurance Products Regulations which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Packaged Retail and Insurance-based Investment Products (Amendment)(EU Exit) Regulations 2019 (February 2019); and the Cross-Border Distribution of Funds, Proxy Advisors, Prospectus and Gibraltar (Amendment) (EU Exit) Regulations 2019
UK Prospectus Amendment Regulations 2019	The Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234
UK Prospectus Regulation	The UK version of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including but, not limited to, by the UK Prospectus Amendment Regulations 2019 and The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019))
Underlying Applicant	Investors who apply to an Intermediary to acquire Shares under the Intermediaries Offer
United States or US	The United States of America, its territories and possessions, any state of the United States of America, the District of Columbia, and all other areas subject to its jurisdiction
U.S. Investment Company Act	The United States Investment Company Act of 1940, as amended
U.S. Persons	As defined in Regulations made under the U.S. Securities Act
U.S. Securities Act	The United States Securities Act of 1933, as amended
U.S. Tax Code	The United States Internal Revenue Code of 1986, as amended
Valuation Opinion	The opinion provided by BDO LLP in relation to the valuation of the Seed Assets, as reproduced in Part 10 of this Prospectus

Part 8

Terms and Conditions of the Initial Placing and the Placing Programme

1. Introduction

- 1.1. Ordinary Shares are available under the Initial Placing at the Initial Issue Price (being £1.00 per Share) and Ordinary Shares will be available under the Placing Programme at the relevant Placing Programme Price. The Ordinary Shares will, when issued and fully paid, include the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.
- 1.2. Participation in the Initial Placing and/or any Subsequent Placing is only available to institutional and other sophisticated investors. Each person who is invited to and who chooses to participate in the Initial Placing and/or a Subsequent Placing (a “**Placee**”) which confirms its agreement to the Joint Bookrunners to subscribe for Shares under the Initial Placing and/or a Subsequent Placing under the Placing Programme will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.3. The Joint Bookrunners and the Company expressly reserve the right to require any Placee to agree to such further (or modified) terms and/or conditions and/or give such additional (or modified) warranties and/or representations as they (in their absolute discretion) see fit and/or may require any such Placee to execute a separate placing letter and/or other documentation.
- 1.4. The commitment to acquire Shares under the Initial Placing and/or a Subsequent Placing under the Placing Programme will be agreed orally with the Joint Bookrunners as agents for the Company and further evidenced in a contract note (“**Contract Note**”) or placing confirmation (“**Placing Confirmation**”).

2. Agreement to subscribe for Shares and conditions

- 2.1. A Placee agrees to become a member of the Company and agrees to subscribe for those Shares allocated to it by the Joint Bookrunners, in the case of the Initial Placing, at the Initial Issue Price and, in the case of a Subsequent Placing, at the relevant Placing Programme Price, conditional on:
 - 2.1.1. in the case of the Initial Placing, the Placing Agreement becoming unconditional (save for any condition relating to the Initial Admission) and not having been terminated on or before the date of Initial Admission and, in the case of any Subsequent Placing, the Placing Agreement relating to the relevant Subsequent Admission) and not having been terminated prior to the date of the relevant Subsequent Admission;
 - 2.1.2. in the case of the Initial Placing, Initial Admission occurring and becoming effective by no later than 8.00 a.m. (London time) on 6 October 2021 (or such later date as the Company, the Joint Bookrunners and the Investment Manager may agree and, in any event, no later than 31 December 2021), and in the case of any Subsequent Placing, the relevant Subsequent Admission occurring and becoming effective by no later than 8.00 a.m. on such dates as may be agreed between the Company, the Joint Bookrunners and the Investment Manager prior to the closing of each Subsequent Placing, not being later than 6 September 2022;
 - 2.1.3. in the case of the Initial Placing, the Minimum Gross Proceeds being raised;
 - 2.1.4. in the case of any Subsequent Placing, a valid supplementary prospectus being published by the Company if such is required; and
 - 2.1.5. in the case of any Subsequent Placing, the relevant Placing Programme Price being determined by the Directors.

If any of these conditions are not satisfied, the Initial Placing and/or the Subsequent Placing (as the case may be) will lapse and the Placee's rights and obligations shall cease and terminate at such time, and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

- 2.2. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.
- 2.3. The commitments of the Placees are subject to scale down on such basis as the Company (in consultation with the Investment Manager and the Joint Bookrunners) may determine.

3. Payment for Shares

- 3.1. Each Placee must pay the applicable Issue Price for the Shares issued to the Placee in the manner and by the time directed by the Joint Bookrunners (or either of them). If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for Shares may, at the discretion of the Joint Bookrunners, either be rejected or accepted and, in the latter case, paragraph 3.2 of these terms and conditions shall apply.
- 3.2. In the event of any failure by a Placee to pay the applicable Issue Price for the Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and the relevant Joint Bookrunner elects to accept that Placee's application, the relevant Placee is hereby deemed to have irrevocably and unconditionally appointed either of the Joint Bookrunners or any nominee of either of the Joint Bookrunners, as its agent to use its reasonable endeavours to sell (in one or more transactions) all or any of the Shares allocated to the Placee in respect of which payment shall not have been made as directed on such Placee's behalf and to indemnify each of the Joint Bookrunners and their respective affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales. A sale any or all of such Shares shall not release the relevant Placee from the obligation to make such payment for the relevant Shares to the extent that the relevant Joint Bookrunner or its nominee has failed to sell such Shares at a consideration which, after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, is equal to or exceeds the applicable Issue Price.
- 3.3. The contract created by the acceptance of applications in respect of allotment of Shares under the Initial Placing will be conditional on gross subscriptions under the Issues reaching the Minimum Gross Proceeds. If this condition is not met, the Initial Placing will be withdrawn and subscription monies will be returned to Placees at their own risk, without interest. The Initial Placing is not underwritten. No Subsequent Placing will be underwritten.

4. Representations and warranties

- 4.1. By agreeing to subscribe for Shares, each Placee which enters into a commitment to subscribe for Shares will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to represent, warrant, undertake, agree and acknowledge to each of the Company, the Investment Manager and each of the Joint Bookrunners that:
 - 4.1.1. in agreeing to subscribe for Shares under the Initial Placing and/or under a Subsequent Placing, it is relying solely on this Prospectus and any supplement prospectus published by the Company prior to Admission of the relevant Shares and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Issues, the Initial Placing, any Subsequent Placing and/or the Placing Programme. It agrees that none of the Company, the Investment Manager or the Joint Bookrunners, nor any of their respective officers, agents, or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
 - 4.1.2. if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Shares under the Initial Placing and/or under a Subsequent Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Investment Manager, either of the Joint Bookrunners or the Registrar or any of their respective officers, agents or employees acting in

breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Initial Placing and/or any Subsequent Placing;

- 4.1.3. it has carefully read and understands this Prospectus in its entirety and acknowledges that it is acquiring Shares solely on the basis of this Prospectus and any supplement prospectus published by the Company prior to the Admission of the relevant Shares and no other information and on the terms and subject to the conditions set out in this Part 8, the Contract Note or Placing Confirmation (as the case may be) and the Articles as in force at the date of Admission of the relevant Shares, and that in accepting a participation in a Placing and/or a Subsequent Placing (as the case may be) it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for Shares;
- 4.1.4. it makes the representations, warranties, undertakings, agreements and acknowledgements set out in this Prospectus, including:
- (a) it is located outside the United States and is acquiring the Shares in an “offshore transaction” in compliance with Regulation S;
 - (b) if it is acquiring the Shares as a fiduciary or agent for one or more investor accounts, it has full power and authority to make (and it does make) the representations, warranties, undertakings, agreements and acknowledgements herein on behalf of each such account;
 - (c) the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, distributed or otherwise transferred, directly or indirectly, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States;
 - (d) the Company has not been and will not be registered under the U.S. Investment Company Act and as such investors are not and will not be entitled to the benefits of the U.S. Investment Company Act;
 - (e) it is not acquiring the Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or any directed selling efforts (as that term is defined in Regulation S) and that its purchase of the Shares is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act;
 - (f) it is acquiring the Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for any distribution, sale or other transfer of the Shares in any manner that would violate the U.S. Securities Act or any other applicable laws; and
 - (g) no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “plan” as defined in Section 4975 of the U.S. Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Tax Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the U.S. Tax Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the U.S. Tax Code, its purchase, holding, and disposition of the Shares must not constitute or result in a non-exempt violation of any such substantially similar law;

- 4.1.5. it has not relied on the Joint Bookrunners or any person affiliated with the Joint Bookrunners in connection with any investigation of the accuracy of any information contained in this Prospectus;
- 4.1.6. the content of this Prospectus and any supplement prospectus issued by the Company is exclusively the responsibility of the Company and its Directors (and in respect of certain sections of this Prospectus, the Investment Manager) and neither the Joint Bookrunners nor any person acting on behalf of either of them nor any of their respective Affiliates are responsible for or shall have any liability for any information, representation or statement contained in this Prospectus, any such supplement prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Initial Placing and/or under a Subsequent Placing based on any information, representation or statement contained in this Prospectus, such supplementary prospectus or otherwise;
- 4.1.7. it acknowledges that no person is authorised in connection with the Initial Placing and/or any Subsequent Placing to give any information or make any representation other than as contained in this Prospectus and any supplement prospectus issued by the Company prior to the date of Admission of the relevant Shares and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Manager or the Joint Bookrunners;
- 4.1.8. it acknowledges that neither of the Joint Bookrunners nor any of their respective affiliates or any person acting on their behalf makes any representation, express or implied, or accepts any responsibility whatsoever for the contents of this Prospectus or for any other statement made or purported to be made by them or on its or their behalf in connection with the Company, the Shares, the Issues, the Initial Placing, any Subsequent Placing and/or the Placing Programme;
- 4.1.9. it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);
- 4.1.10. if it is within the United Kingdom, it is a qualified investor within the meaning of Article 2 of the UK Prospectus Regulation (a "UK Qualified Investor") who (a) falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the "Order") or is a person to whom the Shares may otherwise lawfully be offered under the Order; and (b) is a person who is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook;
- 4.1.11. if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- 4.1.12. if it is a resident in the EEA (a) it is a qualified investor within the meaning of Article 2 of the EU Prospectus Regulation (an "EEA Qualified Investor"); and (b) if that EEA Member State has implemented the EU AIFM Directive, that it is a person to whom the Shares may lawfully be marketed under the EU AIFM Directive or under the applicable implementing legislation (if any) of that relevant EEA Member State;
- 4.1.13. in the case of any Shares acquired by a Placee as a financial intermediary within the EEA as that term is used in the EU Prospectus Regulation or as a financial intermediary within the United Kingdom as that term is used in the UK Prospectus Regulation: (a) the Shares acquired by it in the Initial Placing and/or any Subsequent Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any EEA Member State or the United Kingdom (as applicable) other than EEA Qualified Investors or a UK Qualified Investor (as applicable), or in circumstances in which the prior consent of the Joint Bookrunners has been given to the offer or resale; or (b) where Shares have been acquired by it on behalf of persons in any EEA Member State or the United Kingdom other than EEA Qualified Investors or UK Qualified

Investors (as applicable), the offer of those Shares to it is not treated under the EU Prospectus Regulation or the UK Prospectus Regulation (as applicable) as having been made to such persons;

- 4.1.14. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Ordinary Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and acknowledges and agrees that no document is being issued by the Joint Bookrunners in connection with the Initial Issues and/or Placing Programme in their capacity as authorised persons under section 21 of FSMA and it may not therefore be subject to the controls which would apply if they were made or approved as a financial promotion by an authorised person;
- 4.1.15. it is aware of and acknowledges that it is required to comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Ordinary Shares in, from or otherwise involving, the United Kingdom;
- 4.1.16. it is aware of the provisions regarding insider dealing in the United Kingdom under the Criminal Justice Act 1993, the UK MAR and the Proceeds of Crime Act 2002 (or equivalent legislation in any applicable jurisdiction) with respect to anything done by it in relation to the Initial Placing, any Subsequent Placing and/or the Shares, and confirms that it has and will continue to comply with any obligations imposed by such statutes;
- 4.1.17. it will (or will procure that its nominee will), if applicable, make notification to the Company of the interest in its Shares in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules as they apply to the Company;
- 4.1.18. no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the Ordinary Shares or possession of this Prospectus (and any supplementary prospectus issued by the Company prior to the relevant Admission), in any country or jurisdiction where action for that purpose is required;
- 4.1.19. if it is acting as a “distributor” (for the purposes of MiFID II Product Governance Requirements):
 - (a) it acknowledges that the Target Market Assessment undertaken by the Investment Manager and the Joint Bookrunners does not constitute: (a) an assessment of suitability or appropriateness for the purposes of the UK MiFID Laws and EU MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares and each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels;
 - (b) notwithstanding any Target Market Assessment undertaken by the Investment Manager and the Joint Bookrunners, it confirms that it has satisfied itself as to the appropriate knowledge, experience, financial situation, risk tolerance and objectives and needs of the investors to whom it plans to distribute the Ordinary Shares and that it has considered the compatibility of the risk/reward profile of such Shares with the end target market; and
 - (c) it acknowledges that the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom;

- 4.1.20. that neither the Joint Bookrunners, their ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to such Placee or any of its clients for any matter arising out of the Joint Bookrunners' roles as placing agents and joint bookrunners or otherwise in connection with the Initial Issues and/or the Placing Programme and that where any such responsibility or liability nevertheless arises as a matter of law such Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which such investor or any of its clients may have in respect thereof;
- 4.1.21. that it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Proceeds of Crime Act 2002 and the ML Regulations (or equivalent legislation in any applicable jurisdiction);
- 4.1.22. the commitment to subscribe for Ordinary Shares on the terms set out in these terms and conditions will continue notwithstanding any amendment that may in the future be made to the terms of the Placing Programme and that it will have no right to be consulted or require that its consent be obtained with respect to the Company's conduct of the Placing Programme;
- 4.1.23. it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Shares and it is not acting on a non-discretionary basis for any such person;
- 4.1.24. if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Initial Placing and/or any Subsequent Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Shares pursuant to the Initial Placing and/or any Subsequent Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or material could lawfully be provided to it or such person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 4.1.25. if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee's agreement to subscribe for Shares under the Initial Placing and/or under any Subsequent Placing and will not be any such person on the date any such agreement to subscribe under the Initial Placing and/or under any Subsequent Placings is accepted;
- 4.1.26. if it is a pension fund or investment company, its acquisition of the Shares is in full compliance with applicable laws and regulations;
- 4.1.27. it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other offering materials concerning the Initial Placing and/or any Subsequent Placing or the Shares to any persons within the United States (subject to certain limited exceptions), nor will it do any of the foregoing;
- 4.1.28. it acknowledges that neither the Joint Bookrunners nor any of their respective Affiliates, nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Initial Placing and/or any Subsequent Placing or providing any advice in relation to the Initial Placing and/or any Subsequent Placing and its participation in the Initial Placing and/or any Subsequent Placing is on the basis that it is not and will not be a client of either of the Joint Bookrunners or any of their respective Affiliates and that neither the Joint Bookrunners nor any of their respective affiliates have any duties or responsibilities to it for providing the protections afforded to their respective clients or for providing advice in relation to the Initial Placing and/or any Subsequent Placing nor in respect of any representations, warranties, undertakings or indemnities contained in these terms and conditions or otherwise required to be given by it in connection with its participation under the Initial Placing and/or any Subsequent Placing;

- 4.1.29. it acknowledges that where it is subscribing for Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account:
- (a) to subscribe for the Shares for each such account;
 - (b) to make on each such account's behalf the representations, warranties and agreements set out in this Prospectus and any supplement prospectus published by the Company prior to Admission of the relevant Shares; and
 - (c) to receive on behalf of each such account any documentation relating to the Initial Placing and/or any Subsequent Placing in the form provided by the Company and/or the Joint Bookrunners,
- and it agrees that the provisions of this paragraph shall survive any resale of the Shares by or on behalf of any such account;
- 4.1.30. it irrevocably appoints any director of the Company and any director of either of the Joint Bookrunners to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Shares for which it has given a commitment under the Initial Placing and/or any Subsequent Placing, in the event of its own failure to do so;
- 4.1.31. it accepts that if the Initial Placing and/or any Subsequent Placing does not proceed or the conditions to the Placing Agreement are not satisfied or the Shares for which valid applications are received and accepted are not admitted to trading on the Main Market and to listing on the premium listing segment of the Official List for any reason whatsoever then none of the Joint Bookrunners, the Company, the Investment Manager or any of their respective affiliates or persons controlling, controlled by or under common control with any of them or any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- 4.1.32. in connection with its participation in the Initial Placing and any Subsequent Placing it has observed, has complied with and will comply with all relevant legislation and regulations;
- 4.1.33. it acknowledges that the Joint Bookrunners and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- 4.1.34. where it or any person acting on behalf of it is dealing with a Joint Bookrunner, any money held in an account with that Joint Bookrunner on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require that Joint Bookrunner to segregate such money, as that money will be held by that Joint Bookrunner under a banking relationship and not as trustee;
- 4.1.35. any of its clients, whether or not identified to the Joint Bookrunners, will remain its sole responsibility and will not become clients of either of the Joint Bookrunners for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 4.1.36. it accepts that the allocation of Shares shall be determined by the Company in its absolute discretion (in consultation with the Investment Manager and the Joint Bookrunners) and that the Company may scale down any Placing or Subsequent Placing commitments for this purpose on such basis as it may (in consultation with the Investment Manager and the Joint Bookrunners) determine;
- 4.1.37. time shall be of the essence as regards its obligations to settle payment for the Shares and to comply with its other obligations under the Initial Placing and/or under a Subsequent Placing;
- 4.1.38. its commitment to acquire Shares will be agreed orally with a Joint Bookrunner as agent for the Company and that a Contract Note or Placing Confirmation will be issued by the relevant Joint

Bookrunner as soon as possible thereafter. That oral confirmation will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and the relevant Joint Bookrunner to subscribe for the number of Shares allocated to it at the Initial Issue Price or the applicable Placing Programme Price on the terms and conditions set out in this Part 8 and, as applicable, in the Contract Note or Placing Confirmation, and the Articles of Association of the Company. Except with the consent of the relevant Joint Bookrunner, such oral commitment will not be capable of variation or revocation after the time at which it is made; and

- 4.1.39. the representations, undertakings and warranties contained in this Prospectus are irrevocable. It acknowledges that each of the Joint Bookrunners and the Company and their respective Affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Shares are no longer accurate, it shall promptly notify the Joint Bookrunners and the Company. It undertakes to hold harmless and indemnify each of the Company and each Joint Bookrunner and their respective affiliates from and against any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of any breach of the representations, warranties, undertakings, agreements and acknowledgments in this Part 8.
- 4.1.40. For the avoidance of doubt, nothing in these terms and conditions is intended to exclude the liability of any person for fraud or fraudulent misrepresentation made by that person.
- 4.1.41. The Company reserves the right to reject all or part of any offer to purchase Shares for any reason. The Company also reserves the right to sell fewer than all of the Shares offered by this Prospectus or to sell to any purchaser fewer than all of the Shares a purchaser has offered to purchase.

5. Money laundering

5.1. Each Placee acknowledges and agrees that:

- 5.1.1. its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person:
 - (a) subject to the UK Money Laundering Regulations 2017 in force in the United Kingdom; or
 - (b) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the UK Money Laundering Regulations 2017 (which may include the provisions of the EU Money Laundering Directive); or
 - (c) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the EU Money Laundering Directive; and
- 5.1.2. due to anti-money laundering requirements, the Joint Bookrunners and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, the Joint Bookrunners and the Company may refuse to accept the application and the subscription moneys relating thereto. Each Placee undertakes to hold harmless and indemnify each of the Joint Bookrunners and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it or has not been provided on a timely basis.

6. Supply and disclosure of information

If either of the Joint Bookrunners, the Registrar, the Receiving Agent or the Company or any of their respective agents request any information about a Placee's agreement to subscribe for Shares under the Initial Placing and/or any Subsequent Placing, such Placee must promptly disclose it to them.

7. Non United Kingdom investors

- 7.1. If the Placee is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Initial Placing and/or under a Subsequent Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Shares pursuant to the Initial Placing and/or under a Subsequent Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements.
- 7.2. None of the Shares has been or will be registered under the laws of the United States, Canada, Australia, the Republic of South Africa or Japan. Accordingly, the Shares may not be offered, sold, issued or delivered, directly or indirectly, (subject to certain limited exceptions) within any of the United States, Canada, Australia, the Republic of South Africa or Japan or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan unless an exemption from any registration requirement is available.

8. Miscellaneous

- 8.1. The rights and remedies of the Company, the Investment Manager, each of the Joint Bookrunners and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 8.2. On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Initial Placing and/or any Subsequent Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.
- 8.3. Each Placee agrees to be bound by the Articles (as amended from time to time) once the Shares, which the Placee has agreed to subscribe for pursuant to the Initial Placing and/or any Subsequent Placing, have been acquired by the Placee. The contract to subscribe for Shares under the Initial Placing and/or any Subsequent Placing, and the appointments and authorities mentioned in this Prospectus and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, the Investment Manager, the Joint Bookrunners and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.
- 8.4. In the case of a joint agreement to subscribe for Shares under the Initial Placing and/or any Subsequent Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 8.5. The Joint Bookrunners and the Company expressly reserve the right to modify the Initial Placing and/or any Subsequent Placing (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Initial Placing and each Subsequent Placing are subject to the satisfaction of the conditions contained in the Placing Agreement (which include, but are not limited to, those set out in paragraph 5.2 of Part 6 of this Prospectus), and such Placing Agreement not having been terminated prior to Admission of the relevant Shares. The Joint Bookrunners have the right to waive or not to waive any such conditions (save for Admission) or terms and shall exercise that right without recourse or reference to Placees. Further details of the terms of the Placing Agreement are contained in paragraph 5.2 of Part 6 of this Prospectus.

Part 9

Terms and Conditions of Application under the Offer for Subscription

1. Introduction

- 1.1. The Offer for Subscription is being made only in the United Kingdom. The Ordinary Shares are only suitable for investors: (i) who understand and are willing to assume the potential risks of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Ordinary Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment. If you are in any doubt about the contents of this Prospectus, you should consult your accountant, legal or professional adviser or financial adviser.
- 1.2. Ordinary Shares are available under the Offer for Subscription at the Initial Issue Price, being £1.00 per Share.
- 1.3. Applications to acquire Shares under the Offer for Subscription must be made on the Application Form or as may be otherwise published by the Company. Completed Application Forms should be returned by posting it (or delivering by hand during normal business hours) to Link Group, Corporate Actions 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL so as to be received by no later than 11.00 a.m. on 30 September 2021, together with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow for at least 2 days for delivery. Application Forms received after this date may be returned.
- 1.4. You may pay for your application for Shares by cheque submitted with the Application Form, by way of electronic bank transfer or via DvP in CREST (any Application Forms for CREST investments must be completed by the named CREST investor and not any underlying beneficial investor). Application Forms accompanied by a post-dated cheque will not be processed until the cheque can be presented and will not be treated as being received by the Receiving Agent until that date. The Receiving Agent cannot accept post-dated cheques with any date post the closure date of 30 September 2021.
- 1.5. For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 11:00 a.m. on 30 September 2021. Applicants should send payment to the relevant bank account as detailed on the Application Form. Applicants must ensure that they remit sufficient funds to cover any charges incurred by their bank.
- 1.6. The payment instruction relating to the electronic transfer must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, for example: MJ Smith 01234 567890. The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference nor where a payment has been received but without an accompanying Application Form.
- 1.7. The account name for any electronic payment should be in the name that is given on your Application Form and payments must relate solely to your application. It is recommended that such transfers are actioned within 24 hours of posting your application and be received by no later than 11.00 a.m. on 30 September 2021.
- 1.8. Applicants choosing to settle via CREST, that is DvP, will need to input their instructions in favour of the Receiving Agent's Participant Account RA06 by no later than 11.00 a.m. on 30 September 2021, for the Receiving Agent to match in CREST, allowing for the delivery and acceptance of Ordinary Shares to be made against payment of the Issue Price per Ordinary Share in Sterling through the CREST system upon the relevant settlement date, following the CREST matching criteria set out in the Application Form.

In the event that applications for shares exceed the number of shares available, applicants wishing to settle by DVP should contact Link Group to confirm the number of shares allocated and the amount of money required to settle by DVP.

Please contact Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

- 1.9. In addition to completing and returning the Application Form to the Receiving Agent, applicants intending to hold Ordinary Shares in certificated form will also need to complete and return a Tax Residency Self Certification Form. The “Tax Residency Self-Certification Form (Individuals)” form can be found at Appendix 2 of the Application Form, further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from the Receiving Agent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot give any financial, legal or tax advice.
- 1.10. It is a condition of any application under the Offer for Subscription that a completed version of the relevant Tax Residency Self-Certification Form is provided with the Application Form before any Application under the Offer for Subscription can be accepted, with the exception of any investors that are paying for their subscription through CREST on a DvP basis, as no Tax Residency Self-Certification Form will be required for DvP CREST investors to accompany the duly completed Application Form.
- 1.11. Application Forms that are returned without the completed Tax Residency Self-Certification Forms (except for DvP CREST investors) will be referred to the Company after the Offer for Subscription closes at 11.00 a.m. on 30 September 2021. It will then be the Company’s decision if these Application Forms can be accepted under the Offer for Subscription.
- 1.12. The right is reserved by the Company to reject any application in whole or part only or to accept any application in whole or part only. Multiple applications are not permitted. If any application is not accepted, or if any contract created by acceptance does not become unconditional, or if any application is accepted for fewer Shares than the number applied for, or if in any other circumstances there is an excess paid on application, the application monies or the balance of the amount paid or the excess paid on application will be returned without interest by post at the risk of the applicant. In the meantime application monies will be retained in a designated bank account.
- 1.13. The contract created by the acceptance of applications in respect of allotment of Shares under the Offer will be conditional on gross subscriptions under the Issues reaching the Minimum Gross Proceeds and other conditions set out in paragraph 4.1 below. If these conditions are not met, the Offer will be withdrawn and subscription monies will be returned to Investors at their own risk, without interest. The Offer is not underwritten.
- 1.14. Applications may be rejected in whole or in part at the sole discretion of the Company. If the Offer for Subscription is extended, the revised timetable will be notified via a Regulatory Information Service announcement.

2. Offer to Subscribe for Ordinary Shares

- 2.1. By completing and delivering an Application Form, you, as the applicant and, if you sign the Application Form on behalf of another person or corporation, that person or corporation:
 - 2.1.1. offer to subscribe for the number of Ordinary Shares at the Initial Issue Price as may be purchased by the subscription amount total specified in Box 1 on your Application Form (being a minimum of £1,000 or such smaller amount as may be accepted, and thereafter in multiples of £1), on the terms and subject to the conditions set out in this Prospectus, including these Terms and Conditions of Application and the Articles of the Company;
 - 2.1.2. agree that, in consideration of the Company agreeing that it will not, prior to the date of Initial Admission, offer for subscription any Shares to any person other than by means of the procedures

referred to in this Prospectus, your application may not be revoked (subject to any legal right to withdraw your application which arises as a result of the publication of a supplement prospectus) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, upon receipt by the Receiving Agent of your duly completed Application Form by no later than 11.00 a.m. on 30 September 2021;

- 2.1.3. undertake to pay the amount specified in Box 1 (being the Initial Issue Price multiplied by the number of Shares applied for) on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured, you will not be entitled to receive a share certificate in respect of the Shares applied for in certificated form or be entitled to commence dealing in the Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Shares unless and until you make payment in cleared funds for such Shares and such payment is accepted by the Receiving Agent (which acceptance shall not constitute an acceptance of your application under the Offer for Subscription and shall be in its absolute discretion and on the basis that you indemnify the Company, the Receiving Agent, the Sponsor, the Joint Bookrunners and their respective affiliates against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that the Company may (without prejudice to its other rights) avoid the agreement to allot such Shares to you and may issue or allot such Shares to some other person, in which case you will not be entitled to any refund or payment in respect of such Shares (other than the refund to you by way of a cheque, at your risk, of an amount equal to the proceeds of the remittance (if any) accompanying your Application Form, without interest);
- 2.1.4. agree that where on your Application Form a request is made for Shares to be deposited into a CREST account on a DvP basis the Receiving Agent may in its absolute discretion amend the Application Form so that such Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST account or in receiving your remittance in cleared funds as approved by the Company);
- 2.1.5. agree, in respect of applications for Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 2.1.4 above to issue Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph 2.1.4 above (and any monies returnable to you) may be retained by the Receiving Agent:
 - (a) pending clearance of your remittance;
 - (b) pending investigation of any suspected breach of the warranties contained in paragraph 5.1 below or any other suspected breach of these Terms and Conditions of Application; or
 - (c) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of applicable anti-money laundering requirements,
 and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- 2.1.6. agree that, where electronic transfer of a sum exceeding €15,000 is being made (or the Sterling equivalent) you may be required to provide the Receiving Agent with additional documentation in order to verify the identity of the payer and/or the source of funds for the purpose of satisfying its anti-money laundering obligations. If such additional documentation is required the Receiving Agent will contact you to provide the information required.
- 2.1.7. agree, on the request of the Receiving Agent, to disclose promptly in writing to it such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which it may consider appropriate;

- 2.1.8. agree that, if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Receiving Agent) following a request therefor, the Company may terminate the agreement with you to allot Shares and, in such case, the Shares which would otherwise have been allotted to you may be re-allotted or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a UK clearing bank to the bank account on which the payment accompanying the application was first drawn without interest and at your risk;
- 2.1.9. agree that you are not, and are not applying on behalf of a person who is, engaged in money laundering, drug trafficking or terrorism;
- 2.1.10. undertake to ensure that, in the case of an Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- 2.1.11. undertake to pay interest as described in paragraph 3.2 below if the remittance accompanying your Application Form is not honoured on first presentation;
- 2.1.12. authorise the Receiving Agent to procure that there be sent to you a definitive certificate in respect of the number of Shares for which your application is accepted or, if you have completed sections 1 and 3 of the Application Form, but subject to paragraph 2.1.4 above, to deliver the number of Shares for which your application is accepted into CREST on a DvP basis only;
- 2.1.13. confirm that you have read and complied with paragraph 6.7 of this Part 9 below;
- 2.1.14. agree that all subscription cheques and payments for certificated investments will be processed through the following bank accounts opened and held by the Receiving Agent:
 - (a) For Cheque payments – in the name of: Link Market Services Ltd Re: Blackfinch Renewable European Income Trust plc – OFS CHQ A/C; and
 - (b) For CHAPS payments – in the name of: Link Market Services Ltd Re: Blackfinch Renewable European Income Trust plc – OFS CHAPS A/C,
- 2.1.15. agree that your Application Form is addressed to the Receiving Agent on behalf of the Company;
- 2.1.16. agree that your application must be for a whole number of Shares and that, if a fractional entitlement to a Share arises on your application, the number of Shares issued to you will be rounded down to the nearest whole number and any fractions will be retained by the Company for its own benefit;
- 2.1.17. agree that any application may be rejected in whole or in part, or scaled down or limited, at the sole discretion of the Company; and
- 2.1.18. acknowledge that the Initial Issues will not proceed if the conditions set out in paragraph 4.1 below are not satisfied.

3. Acceptance of your Offer

- 3.1. The basis of allocation will be determined by the Company in consultation with Blackfinch and the Joint Bookrunners. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application on such basis as they may determine. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions of Application. In particular, but without limitation, the Company and Receiving Agent reserve the right (but shall not be obliged) to accept (i) Application Forms and accompanying remittances which are received otherwise than in accordance with

these Terms and Conditions of Application; and (ii) an application for less than £1,000, or which is for more than £1,000 but not a multiple of £1.

- 3.2. The Receiving Agent will present all cheques and banker's drafts for payment on receipt and will retain document of title and surplus monies pending clearance of successful applicants' payment. The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your Application Form is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Company to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Company plus two % per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.
- 3.3. Payments must be in Sterling and cheques or banker's drafts should be drawn on a branch in the United Kingdom of a bank or building society that is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or that has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of an individual applicant where they have sole or joint title to the funds, should be made payable to Link Market Services Ltd Re: Blackfinch Renewable European Income Trust plc – OFS CHQ A/C" and crossed "A/C payee only". Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping/endorsing the cheque or banker's draft to that effect. The account name should be the same as that shown on the Application Form.
- 3.4. For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value to be received by no later than 11.00 a.m. on 30 September 2021 directly to the bank account detailed below.

The payment instruction relating to the electronic transfer must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, for example: MJ Smith 01234 567890. The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference nor where a payment has been received but without an accompanying Application Form.

Bank:	Lloyds Bank plc
Sort Code:	30-80-12
Account No:	21913868
Swift code:	LOYDGB21F09
IBAN:	GB68LOYD30801221913868
Account Name:	Link Market Services Ltd Re:Blackfinch Renewable European Income Trust plc – OFS CHAPS A/C

- 3.5. Electronic payments must be made in Sterling and come from a UK bank account and from a personal account in the name of the individual applicant where they have sole or joint title to the funds. The account name should be the same as that given in section 2 of the Application Form and payments must relate solely to your application. You should tick the By Bank Transfer box given in section 1 of the Application Form. It is recommended that such transfers are actioned within 24 hours of posting your application.
- 3.6. You may be required to provide the Receiving Agent with additional documentation in order to verify the identity of the payer and/or the source of funds for the purpose of satisfying its anti-money laundering obligations. If such additional documentation is required the Receiving Agent will contact you to provide the information required.
- 3.7. Any delay in providing monies and any additional evidence requested by the Receiving Agent may affect acceptance of the application. If the Receiving Agent is unable to match your application with a bank payment, there is a risk that your application could be delayed or will not be treated as a valid application and may be rejected by the Company and/or the Receiving Agent.

- 3.8. You should check with your bank regarding any limits imposed on the level and timing of transfers allowed from your account (for example, some banks apply a maximum transaction or daily limit, and you may need to make the transfer as more than one payment). You should also ensure that any charges levied by your bank for completing the transfer are paid separately.
- 3.9. The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference or where a payment has been received but without an accompanying Application Form.
- 3.10. If you choose to settle your application within CREST, that is by Delivery versus Payment (“DvP”), you or your settlement agent/custodian’s CREST account must allow for the delivery and acceptance of your Shares to be made against payment using the CREST matching criteria set out below, however this option can only be used if your name and address details in section 2 of the Application Form match that of your nominated CREST account:

Trade date:	4 October 2021
Settlement date:	6 October 2021
Company:	Blackfinch Renewable European Income Trust plc
Security description:	Ordinary Shares of 1p each
SEDOL:	BM9DG166
ISIN:	GB00BM9DG166
CREST message type:	DEL

- 3.11. Should you wish to settle by DvP (and your details in section 2 of the Application Form match that of your nominated CREST account), you will need to input your CREST DEL instructions to the Receiving Agent’s Participant account RA06 by no later than 11.00a.m. on 30 September 2021. The Receiving Agent will not take any action until a valid DEL message has been alleged to the RA06 Participant account by the applicant. No acknowledgement of receipt or input will be provided.
- 3.12. You must also ensure that you or your settlement agent/custodian has a sufficient “debit cap” within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.
- 3.13. Applicants wishing to settle by DVP will still need to complete and submit a valid Application Form to be received by the Receiving Agent by no later than 11.00a.m. on 30 September 2021. The Receiving Agent can only accept DvP Application Forms duly completed and signed by the named CREST investor and not by any underlying beneficial holder. You should tick the CREST payment Box given on section 1 on the Application Form.

In the event that applications for shares exceed the number of shares available, applicants wishing to settle by DVP should contact Link Group to confirm the number of shares allocated and the amount of money required to settle by DVP.

Please contact Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

- 3.14. In the event of late/non-settlement the Company reserves the right to deliver your Shares outside of CREST in certificated form provided that payment has been made in terms satisfactory to the Receiving Agent and/or the Company and all other conditions of the Offer for Subscription have been satisfied.

4. Conditions

- 4.1. The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:
 - 4.1.1. Initial Admission occurring by not later than 8.00 am on 6 October 2021 (or such later date as the Company, Blackfinch and the Joint Bookrunners may agree);

- 4.1.2. gross subscriptions under the Issues reaching the Minimum Gross Proceeds; and
- 4.1.3. the Placing Agreement not having been terminated prior to the date of Initial Admission.
- 4.2. In circumstances where these conditions are not fully met, the Offer for Subscription will not proceed, and subscription monies will be returned in the same manner the investment was received by the Receiving Agent to applicants, at their own risk, without interest.
- 4.3. You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other rights you may have.

5. Representations, Warranties and Undertakings

- 5.1. By completing an Application Form, you:
 - 5.1.1. agree that all documents in connection with the Offer and any returned monies will be sent by post at your risk and will be sent to you at the address supplied in the Application Form (or in the case of joint applicants, the address of the first-named applicant);
 - 5.1.2. agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all the information and representations, including the risk factors, contained therein;
 - 5.1.3. confirm that in making an application you are not relying on any information or representations in relation to the Company or the Shares other than those contained in this Prospectus and any supplement prospectus published by the Company prior to Initial Admission (on the basis of which alone your application is made) and you accordingly agree that no person responsible solely or jointly for the Prospectus, any such supplement prospectus or any part thereof or involved in the preparation thereof will have any liability for any such other information or representation;
 - 5.1.4. acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in this Prospectus and any supplement prospectus published by the Company prior to Initial Admission and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, Blackfinch, the Receiving Agent, the Sponsor or either of the Joint Bookrunners or any of their respective affiliates;
 - 5.1.5. agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer and any non-contractual obligations arising in connection therewith shall be governed by and construed in accordance with English law, and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or any court of competent jurisdiction;
 - 5.1.6. agree that, in respect of those Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company as instructing the Registrar to enter your name on the register of members of the Company;
 - 5.1.7. irrevocably authorise the Company, the Registrar, the Receiving Agent and/or the Sponsor or any person authorised by either of them, as your agent, to do all things necessary to effect registration of any Shares subscribed by or issued to you into your name and authorise any representative of the Company, the Registrar, the Receiving Agent or of the Sponsor to execute any documents required therefor and to enter your name on the register of members of the Company;
 - 5.1.8. undertake to provide the Company with any information which the Company, Blackfinch, the Receiving Agent, the Sponsor or either of the Joint Bookrunners may request in connection with your application or to comply with the legislation governing Investment Trust or other relevant legislation (as the same may be amended from time to time) including without limitation

satisfactory evidence of identity to ensure compliance with the ML Regulations and other anti-money laundering requirements;

- 5.1.9. warrant and represent that, in connection with your application, you have observed and complied with the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, Blackfinch, the Receiving Agent, the Sponsor or either of the Joint Bookrunners, or any of their respective affiliates, officers, agents or employees, acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory in connection with the Offer of your application;
- 5.1.10. confirm that you have read and complied with paragraphs 6.1 to 6.7 below;
- 5.1.11. confirm that you have reviewed the restrictions contained in paragraph 7.1 below and warrant that you (and any person on whose behalf you apply) comply or have complied with the provisions therein;
- 5.1.12. warrant that you are not under the age of 18 years on the date of your application;
- 5.1.13. acknowledge that you have been notified of the information in respect of the use of your personal data by the Company set out in this Prospectus;
- 5.1.14. represent and warrant that you are: (i) highly knowledgeable and experienced in business and financial matters as to be capable of evaluating the merits and risks of an investment in the Shares; (ii) fully understand the risks associated with such investment; and (iii) are able to bear the economic risk of your investment in the Company and are currently able to afford the complete loss of such investment;
- 5.1.15. warrant that, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, you have complied with all such laws and none of the Company, Blackfinch, the Receiving Agent, the Sponsor or either of the Joint Bookrunners will infringe any laws of any such territory or jurisdiction directly or indirectly as a result of in consequence of any acceptance of your application;
- 5.1.16. agree that the Receiving Agent, the Sponsor and each of the Joint Bookrunners are acting for the Company in connection with the Offer and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of Shares or concerning the suitability of Shares for you or be responsible to you for the protections afforded to their customers;
- 5.1.17. undertake and warrant that, if you sign the Application Form on behalf of somebody else or yourself and another or others jointly or a corporation, you have the requisite power to make such investments as well as due authority to do so on behalf of such other person(s), and such other person(s) will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose a power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary with the Application Form;
- 5.1.18. warrant that you are not subscribing for the Shares using a loan which would not have been given to you or any associate or not have been given to you on such favourable terms, if you have not been proposing to subscribe for the Shares.
- 5.1.19. warrant that you are not a "US Person" as defined in the U.S. Securities Act, nor a resident of Canada and that you are not applying for any Shares on behalf of or with a view to their offer, sale or delivery, directly or indirectly, to or for the benefit of any US Person or a resident of Canada;
- 5.1.20. warrant that: (i) your place of birth was not the USA, (ii) you do not have a current US residence or mailing address, (iii) you do not have a current US telephone number, (iv) you do not have a standing instruction(s) to pay amounts in your bank account to a US bank account, (v) you do not have a

current power of attorney or signatory authority granted to a person with a US address, and (vi) you do not have an in-care-of or hold mail address that is the sole address you have provided to us;

- 5.1.21. represent, warrant and undertake that you have not, directly or indirectly, distributed, forwarded, transferred or otherwise permitted the Prospectus or any other presentation or offering materials concerning the Shares or the Offer for Subscription into or within the United States or to any US Person, nor will you do any of the foregoing;
- 5.1.22. represent and warrant that no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “plan” as defined in Section 4975 of the U.S. Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Tax Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the U.S. Tax Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the U.S. Tax Code, its purchase, holding, and disposition of the Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- 5.1.23. represent and warrant that the information contained in the Application Form is true and accurate;
- 5.1.24. acknowledge that the key information document prepared by Blackfinch pursuant to the PRIIPs Regulation can be provided to you in paper or by means of a website, but that where you are applying under the Offer for Subscription directly and not through an adviser or other intermediary, unless requested in writing otherwise, the lodging of an Application Form represents your consent to being provided the key information document via the website at www.bret.energy, or on such other website as has been notified to you. Where your application is made on an advised basis or through another intermediary, the terms of your engagement should address the means by which the key information document will be provided to you; and
- 5.1.25. confirm that if you are apply on behalf of someone else you will not, and will procure that none of your affiliates will, circulate, distribute, publish or otherwise issue (or authorise any other person to issue) any document or information in connection with the Issue, or make any announcement or comment (whether in writing or otherwise) which states or implies that it has been issued or approved by or prepared in conjunction with the Company or any person responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof or which contains any untrue statement of material fact or is misleading or which omits to state any material fact necessary in order to make the statement therein misleading.

6. Anti-Money Laundering Regulations

- 6.1. You agree that, in order to ensure compliance with the ML Regulations, the Proceeds of Crime Act 2002 and any other applicable regulations, the Receiving Agent may at its absolute discretion require verification of identity from any person lodging an Application Form (the “holder”) and may further request from you and you will assist in providing identification of:
 - 6.1.1. the owner(s) and/or controller(s) (the “payer”) of any bank account not in the name of the holder(s) on which is drawn a payment by way of banker’s draft or cheque; or
 - 6.1.2. where it appears to the Receiving Agent that a holder or the payer is acting on behalf of some other person or persons.
- 6.2. Any delay or failure to provide the necessary evidence of identity may result in your application being rejected or delays in crediting CREST accounts or in the despatch of documents.
- 6.3. Without prejudice to the generality of paragraphs 27 to 34, verification of the identity of holders and payers will be required if the value of the Shares applied for, whether in one or more applications considered to be connected, exceeds €15,000 (or the Sterling equivalent). If, in such circumstances, you use a building society cheque or banker’s draft, you should ensure that the bank or building society issuing the payment enters the

name, address and account number of the person whose account is being debited on the reverse of the cheque or banker's draft and adds its stamp.

- 6.4. Further, if, in such circumstances, the person whose account is being debited is not a holder, you may be required if requested by the Receiving Agent to provide for both the holder and the payer an original or a copy of that person's passport or driving licence certified by a solicitor and an original or certified copy of the following no more than three months old, a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressees' risk), together with a signed declaration as to the relationship between the payer and the holder.
- 6.5. For the purpose of the ML Regulations, a person making an application for Shares will not be considered as forming a business relationship with the Company or the Receiving Agent but will be considered as effecting a one-off transaction with either the Company or with the Receiving Agent. Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company and the Receiving Agent from the applicant that the ML Regulations will not be breached by the application of such remittance.
- 6.6. The person(s) submitting an application for Shares will ordinarily be considered to be acting as principal in the transaction unless the Receiving Agent determines otherwise, whereupon you may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).
- 6.7. The Receiving Agent may undertake electronic searches for the purposes of verifying your identity. To do so the Receiving Agent may verify the details against your identity, but may also request further proof of your identity. The Receiving Agent reserves the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.

7. Overseas Persons

- 7.1. The attention of potential investors who are not resident in, or who are not citizens of, the United Kingdom is drawn to this paragraph 7.1:
 - 7.1.1. the offer of Shares under the Offer for Subscription to persons who are resident in, or citizens of, countries other than the United Kingdom ("Overseas Persons") may be affected by the law of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for Shares under the Offer for Subscription. It is the responsibility of all Overseas Persons receiving this Prospectus and/or wishing to make an application to subscribe for Shares under the Offer for Subscription to satisfy him or herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
 - 7.1.2. No person receiving a copy of this Prospectus in any territory other than the United Kingdom may treat the same as constituting an offer or invitation to him, unless in the relevant territory such an offer can lawfully be made to him without compliance with any further registration or other legal requirements.
 - 7.1.3. No person receiving a copy of this Prospectus or an Application Form in any territory other than the UK may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her or such Application Form could lawfully be used without contravention of any regulations or other legal requirements and without compliance with any further registration or other legal requirements.
 - 7.1.4. Unless otherwise expressly agreed with the Company, persons (including, without limitation, custodians, nominees and trustees) receiving this Prospectus should not distribute or send it to US Persons or in or into the United States, Australia, Canada, Japan, New Zealand or South Africa,

their respective territories or possessions or any other jurisdiction, or to any other person, where to do so would or might contravene local securities laws or regulations.

- 7.1.5. None of the Shares have been or will be registered under the laws of Australia, Canada, Japan, New Zealand, the Republic of South Africa or under the U.S. Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States, Australia, Canada, Japan, New Zealand, or the Republic of South Africa. If you subscribe for Shares pursuant to the Offer for Subscription you will, be deemed to represent and warrant to the Company that you are not a US Person or a resident of Australia, Canada, Japan, New Zealand, the Republic of South Africa or a corporation, partnership or other entity organised under the laws of the United States or Canada (or any political subdivision of either) or Australia or Japan or New Zealand or the Republic of South Africa and that you are not subscribing for such Ordinary Shares for the account or benefit of any US Person or resident of Australia, Canada, Japan, New Zealand or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Shares in or into the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or to any US Person or person resident in Australia, Canada, Japan, New Zealand or the Republic of South Africa. No Application Form will be accepted if it shows the applicant, payer or a holder having an address in the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa.
- 7.1.6. The Company reserves the right to treat as invalid any agreement to subscribe for Shares pursuant to the Offer for Subscription if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

8. Miscellaneous

- 8.1. The Shares have not been and will not be registered under the U.S. Securities Act, as amended, or under the securities laws of any state or other political subdivision of the United States and may not be offered or sold in the United States of America, its territories or possessions or other areas subject to its jurisdiction ("the USA"). In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Investment Manager will not be registered under the United States Investment Advisers Act of 1940, as amended. No application will be accepted if it bears an address in the USA.
- 8.2. This application is addressed to the Receiving Agent and the Company. The rights and remedies of the Company, Blackfinch, the Receiving Agent, the Sponsor and each of the Joint Bookrunners under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to any of them, and the exercise or partial exercise of one will not prevent the exercise of the others.
- 8.3. The dates and times referred to in these Terms and Conditions of Application may be altered by the Company (in consultation with Blackfinch and the Joint Bookrunners). The Company will notify investors via a Regulatory Information Service of any changes.
- 8.4. The section headed Notes on the Application Form forms part of these Terms and Conditions of Application.
- 8.5. Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as used elsewhere in this Prospectus.
- 8.6. Intermediaries who have not provided personal recommendations or advice to UK retail clients on the Ordinary Shares being applied for and who, acting on behalf of their clients, return valid Application Forms bearing their FCA number may be entitled to commission on the amount payable in respect of such Shares allocated. Intermediaries may agree to waive part or all of their initial commission in respect of an application for Ordinary Shares under the Offer. Intermediaries should keep a record of Application Forms submitted bearing their stamp to substantiate any claim for their commission.

Part 10

BDO Valuation Opinion Letter

Blackfinch Renewable European Income Trust plc
6th Floor, 65 Gresham Street
London
EC2V 7NQ

and

Howard Kennedy Corporate Services LLP
1 London Bridge
London
SE1 9BG

7 September 2021

Dear Sirs

Proposed acquisition of a seed portfolio by Blackfinch Renewable European Income Trust plc (the "Company") (the "Transaction")

Valuation opinion letter

We are writing to provide to the Company and Howard Kennedy Corporate Services LLP (the "**Sponsor**") our opinion on the reasonableness of the proposed transfer price of a portfolio of solar photovoltaic assets (together, the "**Seed Portfolio**") for the purposes of the **Transaction**. The details of the Seed Portfolio are comprehensively described on pages 88 to 90 of the prospectus issued by the Company dated 7 September 2021 (the "**Prospectus**").

Our opinion covers the following 21 assets comprising the Seed Portfolio:

- "Sigma Candela 1", a 17.7MWp Italy-based construction-ready Solar photovoltaic asset;
- "Sigma Ascoli Satriano 1", a 17.8MWp Italy-based construction-ready Solar photovoltaic asset;
- "Golfo Aranci", a 5.2MWp Italy-based construction-ready Solar photovoltaic asset;
- "Gravina 1 & 2", a 84.4MWp Italy-based construction-ready Solar photovoltaic asset;
- "Sigma Candela 2", a 15.5MWp Italy-based construction-ready Solar photovoltaic asset;
- "Taranto 2", a 8.1MWp Italy-based construction-ready Solar photovoltaic asset;
- "Roccaforzata", a 13.5MWp Italy-based construction-ready Solar photovoltaic asset;
- "Lecce 1", a 6.2MWp Italy-based construction-ready Solar photovoltaic asset;
- "Fiume Santo 3", a 7.5MWp Italy-based construction-ready Solar photovoltaic asset;
- "Francavilla", a 8.0MWp Italy-based construction-ready Solar photovoltaic asset;
- "Sigma Ascoli Satriano 2", a 20.0MWp Italy-based construction-ready Solar photovoltaic asset;
- "Taranto 3", a 6.3MWp Italy-based construction-ready Solar photovoltaic asset;
- "Grosseto", a 5.9MWp Italy-based construction-ready Solar photovoltaic asset;
- "Banzi 1", a 10.0MWp Italy-based construction-ready Solar photovoltaic asset;
- "Tripputi", a 11.2MWp Italy-based construction-ready Solar photovoltaic asset;
- "Banzi 2", a 10.0MWp Italy-based construction-ready Solar photovoltaic asset;
- "Alliste", a 1.0MWp Italy-based construction-ready Solar photovoltaic asset;
- "Collepasso", a 1.0MWp Italy-based construction-ready Solar photovoltaic asset;
- "Bau Sa Mola", a 1.0MWp Italy-based construction-ready Solar photovoltaic asset;
- "Crupton", a 10.0MWp UK-based construction-ready Solar photovoltaic asset; and
- "Parley Court", a 40.0MWp UK-based construction-ready Solar photovoltaic asset.

Our opinion on the reasonableness of the transfer price has been provided to the Company and the Sponsor in connection with the Transaction. In providing our opinion, we are not making any recommendations to any person regarding the Prospectus in whole or in part and are not expressing an opinion on the fairness

of the terms of the Transaction, other than in respect of the Enterprise Value, or the terms of any investment in the Company. It is the responsibility of the directors of the Company (the "**Directors**") to agree the final consideration for the Seed Assets in connection with the Transaction. It is our responsibility to form an opinion as to whether the Enterprise Value in connection with the Transaction falls within a range which we consider to be fair and reasonable.

Basis of opinion

Our opinion assumes a willing buyer and seller, dealing at arm's length and with equal information.

Our opinion is necessarily based on economic, market and other conditions as in effect on, and the tax, accounting and other information available to us as of 7 September 2021. It should be understood that subsequent developments may affect our views and that we do not have any obligation to update, revise or reaffirm the views expressed in this letter. Specifically, it is understood that our opinion may change as a consequence of changes to market conditions, interest rates, the prospects of the renewable energy sector in general or the Seed Portfolio in particular.

In providing this opinion, we have relied upon the commercial assessment of the Directors and Blackfinch Investments Limited (the "**Adviser**"), in relation to a number of issues, including the markets in which the Seed Portfolio operates. In forming our opinion, we have also relied upon the information, forecasts and underlying assumptions which were provided by the Company and the Adviser and for which the Directors are wholly responsible. We have not undertaken any form of investigation, verification, audit or other work in relation to the information, forecasts and assumptions provided to us. In particular, we have not formed a view on the achievability of the forecasts provided to us.

In forming our opinion, we have used a discounted cash flow methodology, whereby the estimated future cash flows accruing to each asset in the Seed Portfolio have been discounted using discount rates reflecting the risks associated with each asset and the time value of money. In considering the discount rate applicable to each asset within the Seed Portfolio, we took into account various factors, including, but not limited to, the stage reached by each project, the period of operation, the historical track record and the terms of the project agreements.

We have made the following key assumptions in forming our opinion:

- since the final consideration for each Seed Portfolio asset will be fully paid to the relevant seller only once the relevant assets is operating to specification, we have assessed the Enterprise Value of each asset assuming it is operational using the construction start date as the valuation date;
- the models for the Seed Portfolio provided by the Company and the Adviser accurately reflect the terms of all agreements relating to the Seed Portfolio;
- the accounting policies applied in the models for the Seed Portfolio assets are in accordance with the applicable tax legislation and do not materially misstate the future liability of the underlying project entities of the Seed Portfolio assets to pay tax;
- each underlying project entity of the Seed Portfolio has legal title to all of the assets which are set out in the respective models for the Seed Portfolio, and each underlying project entity of the Seed Portfolio is entitled to receive the income assumed to be received by the Seed Portfolio assets in the respective models;
- there are no material disputes with parties contracting directly or indirectly with each underlying

project entity of the Seed Portfolio, nor any going concern issues, nor performance issues with regard to the contracting parties, nor any other contingent liabilities, which as at the date of the delivery of our valuation opinion letter are expected to give rise to a material adverse effect on the future cash flows of the underlying project entities of the Seed Portfolio as set out in the respective models provided to us;

- exchange rates as applied in models for the Italy-based assets within the Seed Portfolio of 1.17 €/£ have been used to convert euro to sterling amounts. We draw attention to the fact that the non-sterling element of the Seed Portfolio is material and highlight that our discounted cash flow analysis underpinning our opinion does not reflect exchange rate risks; and
- any cash flows within the models which are due to the Company from the Seed Portfolio will not be adversely impacted by legal or financial restrictions associated with the underlying project entities holding the Seed Portfolio assets.

Opinion

While there is clearly a range of possible values for the Seed Portfolio and no single figure can be described as a "correct" valuation, BDO LLP advises the Company and the Sponsor that, based on market conditions on 7 September 2021, and on the assumptions stated above, in our opinion the Enterprise Value of the Seed Portfolio of £231.98 million falls within a valuation range which we consider to be fair and reasonable.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f), we are responsible for this letter as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this letter is in accordance with the facts and this letter makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 of the UK version of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "**UK Prospectus Delegated Regulation**").

Responsibility

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this valuation opinion letter or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 to the UK Prospectus Delegated Regulation, consenting to its inclusion in the Prospectus.

Yours faithfully

BDO LLP

Appendix 1

Application Form for the Offer for Subscription

For official use only

BLACKFINCH RENEWABLE EUROPEAN INCOME TRUST PLC

Please send this completed Application Form by post or by hand (during normal business hours only) to Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL so as to be received no later than 11.00 a.m. (London time) on 30 September 2021.

Important: before completing this form, you should read the accompanying notes.

To: Link Group, acting as Receiving Agent for Blackfinch Renewable European Income Trust plc

1 Application

I/We the person(s) detailed in section 2 below offer to subscribe for the amount shown in the box in section 1 subject to the Terms and Conditions set out in Part 9 of the Prospectus dated 7 September 2021 and subject to the Articles of Association of the Company.

In the box in this section 1 (write in figures, the aggregate value, at the Initial Issue Price (being £1.00 per Ordinary Share), of the Ordinary Shares that you wish to apply for – being a minimum of £1,000 and thereafter in multiples of £1).

£	Payment Method (Tick appropriate box)		
	Cheque/Banker's draft	Bank transfer	CHAPS settlement (DvP)

2 Details of Holder(s) in whose name(s) Ordinary Shares will be issued (BLOCK CAPITALS)

Mr, Mrs, Miss or Title

Forenames (in full)

Surname/Company Name

Address (in full)

.....

.....

Designation (if any)

Date of Birth

Second joint holder (if relevant)

Mr, Mrs, Miss or Title

Forenames (in full)

Surname

Date of Birth

f

Third joint holder (if relevant)

Mr, Mrs, Miss or Title

Forenames (in full)

Surname

Date of Birth

Fourth joint holder (if relevant)

Mr, Mrs, Miss or Title

Forenames (in full)

Surname

Date of Birth

3 CREST details

Only complete this section if Ordinary Shares issued are to be deposited in a CREST on a DvP basis which must be in the same name as the holder(s) given in section 2 and the Application Form must be completed and signed by the named CREST investor and not any beneficial holder.

CREST Participant ID:

--	--	--	--	--

CREST Member Account ID:

--	--	--	--	--	--	--	--

4 Signature(s) all holders must sign

Execution by individuals:

First Applicant Signature		Date	
Second Applicant Signature		Date	
Third Applicant Signature		Date	
Fourth Applicant Signature		Date	

Execution by a company:

Executed by (Name of company):		Date	
Name of Director:		Signature	Date
Name of Director/ Secretary:		Signature	Date
If you are affixing a company seal, please mark a cross here:		Affix Company Seal here:	

5 Settlement details

(a) Cheque/Banker's Draft

If you are subscribing for Ordinary Shares and paying by cheque or banker's draft, attach to this form your cheque or banker's draft for the exact amount shown in the box in section 1. Cheques or banker's drafts in Sterling must be made payable to **Link Market Services Ltd Re: Blackfinch Renewable European Income Trust plc – OFS CHQ A/C**. Cheques and banker's drafts must be drawn on an account at a branch of a bank or building society in the United Kingdom and must bear the appropriate sort code in the top right hand corner. You should tick the relevant payment method box in section 1.

(b) Bank transfer

For applicants sending subscription monies by electronic bank transfer (CHAPs), payment must be made for value by 11.00 a.m. on 30 September 2021 directly into the bank account detailed below. The payment instruction must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, **for example**, MJ SMITH 01234 567 8910.

Bank:	Lloyds Bank plc
Sort Code:	30-80-12
Account No:	21913868
Swift code:	LOYDGB21F09
IBAN:	GB68LOYD30801221913868
Account Name:	Link Market Services Ltd Re: Blackfinch Renewable European Income Trust plc - OFS CHAPs A/C

Electronic payments must come from a UK bank account and from a personal account in the name of the individual applicant where they have sole or joint title to the funds. The account name should be the same as that inserted in section 2 of the Application Form and payments must relate solely to your Application. You should tick the relevant payment method box in section 1. It is recommended that such transfers are actioned within 24 hours of posting your application.

Evidence of the source of funds may also be required. Typically, this will be a copy of the remitting bank account statement clearly identifying the applicant's name, the value of the debit (equal to the application value) and the crediting account details or application reference. If such evidence of source of funds is required the Receiving Agent will contact you to request such documents.

Any delay in providing monies may affect acceptance of the application. If the Receiving Agent is unable to match your application with a bank payment, there is a risk that your application could be delayed or will not be treated as a valid application and may be rejected by the Company and/or the Receiving Agent.

Please Note - you should check with your bank regarding any limits imposed on the level and timing of transfers allowed from your account (for example, some banks apply a maximum transaction or daily limit, and you may need to make the transfer as more than one payment).

The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference or where a payment has been received but without an accompanying Application Form.

f

(c) CREST Settlement

If you so choose to settle your application within CREST, that is by DvP, you or your settlement agent/custodian's CREST account must allow for the delivery and acceptance of Ordinary Shares to be made against payment of the Initial Issue Price per Ordinary Share using the CREST matching criteria set out below:

Trade date:	4 October 2021
Settlement date:	6 October 2021
Company:	Blackfinch Renewable European Income Trust plc
Security description:	Ordinary Shares of 1 penny
SEDOL:	BM9DG166
ISIN:	GB00BM9DG166
CREST message type:	DEL

Should you wish to settle by DvP, you will need to input your CREST DEL instruction(s) in favour of Link Group's Participant Account RA06 by no later than 11.00 a.m. on 30 September 2021.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

Applicants wishing to settle by DvP will still need to complete and submit a valid Application Form by the 11.00 a.m. deadline and the Application Form must be completed and signed by the named CREST investor and not any beneficial holder. You should tick the CREST payment method box in section 1.

Note: Link Group will not take any action until a valid DEL message has been alleged to the RA06 Participant Account by the applicant. No acknowledgement of receipt or input will be provided.

In the event of late/non settlement the Company reserves the right to deliver Ordinary Shares outside of CREST in certificated form provided that payment has been made in terms satisfactory to the Company and all other conditions of the Offer for Subscription have been satisfied.

In the event that applications for shares exceed the number of shares available, applicants wishing to settle by DVP should contact Link Group to confirm the number of shares allocated and the amount of money required to settle by DVP.

Please contact Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

6 Anti-money Laundering

Anti-money laundering checks are required by law to be performed on certain financial transactions. The checks are undertaken to make sure investors are genuinely who they say they are and that any application monies have not been acquired illegally or that Link Group itself is not being used as part of criminal activity, most commonly the placement, layering and integration of illegally obtained money.

Whilst Link Group may carry out checks on any application, they are usually only performed when dealing with application values above a certain threshold, commonly referred to as the anti-money laundering threshold which is €15,000 (or Sterling equivalent, approximately £13,000).

Link Group will make enquiries to credit reference agencies to meet its anti-money laundering obligations and the applicant may be required to provide an original or certified copy of their passport, driving licence and recent bank statements to support such enquiries. Anti-money laundering checks do not mean the investor is suspected of anything illegal and there is nothing to worry about.

The checks made at credit reference agencies leave an 'enquiry footprint' – an indelible record so that the investor can see who has checked them out. The enquiry footprint does not have any impact on their credit score or on their ability to get credit. Anti-Money Laundering Checks appear as an enquiry/soft search on the investors credit report. The report may contain a note saying "Identity Check to comply with Anti Money Laundering Regulations"

7 Contact details

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Company (or any of its agents) may contact with all enquiries concerning this application. If no details are provided this may delay obtaining the additional information required and may result in your application being rejected or revoked.

E-mail address:
Telephone No:

8 Queries

If you have a query concerning the completion of this Application Form, please telephone Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

f

Appendix 2

Notes on How to Complete the Offer for Subscription Application Form

Applications should be returned so as to be received by Link Group no later than 11.00 a.m. on 30 September 2021.

In addition to completing and returning the Application Form to Link Group, you will also need to complete and return a Tax Residency Self Certification Form, unless you are a CREST investor and are paying for your investment through CREST on a DvP basis. The “individual tax residency self-certification – sole holding” form can be found at the end of this Prospectus. Further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside of the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. It is a condition of application that (where applicable) a completed version of the Tax Residency Self Certification Form is provided with the Application Form before any application can be accepted.

Helpline: If you have a query concerning the completion of this Application Form, please telephone Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

1 Application

Fill in (in figures) in the box in section 1 the aggregate total value, at the Initial Issue Price (being £1.00 per Ordinary Share), of the Ordinary Shares being subscribed for. The value must be a minimum of £1,000 and thereafter in multiples of £1.

Financial intermediaries who are investing on behalf of clients should make separate applications for each client.

2 Payment method

Mark in the relevant box in section 1 to confirm your payment method, i.e. cheque/banker's draft, bank transfer or settlement via CREST on a DvP basis.

3 Holder details

Fill in (in block capitals) the full name(s) of each holder and the address of the first named holder in section 2. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Application Form in section 4.

4 CREST

If you wish your Ordinary Shares to be deposited in a CREST account in the name of the holders given in section 2, enter in section 3 the details of that CREST account and ensure your Application Form is signed by the CREST holder and not by any underlying beneficial investor. Where it is requested that Ordinary Shares be deposited into a CREST account, please note that payment for such Ordinary Shares must be made by DvP in CREST only.

5 Signature

All holders named in section 2 must sign section 4 and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney.

The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

6 Settlement details

(a) *Cheque/Banker's draft*

All payments by cheque or banker's draft must accompany your application and be for the exact amount inserted in the box in section 1 of the Application Form. Your cheque or banker's draft must be made payable to **Link Market Services Ltd Re: Blackfinch Renewable European Income Trust plc – OFS CHQ a/c** in respect of an Application and crossed "**A/C Payee Only**". Applications accompanied by a post-dated cheque will not be accepted.

Cheques or banker's drafts must be drawn on an account where the applicant has sole or joint-title to the funds and on an account at a branch of a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner.

Third party cheques may not be accepted, with the exception of building society cheques or banker's drafts where the building society or bank has inserted on the back of the cheque the full name of the building society or bank account holder and have added the building society or bank branch stamp. The name of the building society or bank account holder must be the same as the name of the prospective investor. Please do not send cash. Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity.

(b) *Bank transfer*

For applicants sending subscription monies by electronic bank transfer (CHAPs), payment must be made for value by 11.00 a.m. on 30 September 2021 directly into the bank account detailed below. The payment instruction must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, **for example**, MJ SMITH 01234 567 8910.

Bank:	Lloyds Bank plc
Sort Code:	30-80-12
Account No:	21913868
Swift code:	LOYDGB21F09
IBAN:	GB68LOYD30801221913868
Account Name:	Link Market Services Ltd Re: Blackfinch Renewable European Income Trust plc – OFS CHAPs A/C

Electronic payments must come from a UK bank account and from a personal account in the name of the individual applicant where they have sole or joint title to the funds. The account name should be the same as that inserted in section 2 of the Application Form and payments must relate solely to your Application. You should tick the relevant payment method box in section 1. It is recommended that such transfers are actioned within 24 hours of posting your application.

Evidence of the source of funds may also be required. Typically, this will be a copy of the remitting bank account statement clearly identifying the applicant's name, the value of the debit (equal to the application value) and the crediting account details or application reference. If such evidence of source of funds is required the receiving agent will contact you to request such documents.

Any delay in providing monies may affect acceptance of the application. If the Receiving Agent is unable to match your application with a bank payment, there is a risk that your application could be delayed or will not be treated as a valid application and may be rejected by the Company and/or the Receiving Agent.

Please Note - you should check with your bank regarding any limits imposed on the level and timing of transfers allowed from your account (for example, some banks apply a maximum transaction or daily limit, and you may need to make the transfer as more than one payment).

The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference or where a payment has been received but without an accompanying Application Form.

(c) CREST settlement

The Company will apply for the Ordinary Shares issued pursuant to the Offer for Subscription in uncertificated form to be enabled for CREST transfer and settlement with effect from Initial Admission (the “**Relevant Settlement Date**”). Accordingly, settlement of transactions in the Ordinary Shares will normally take place within the CREST system.

The Application Form contains details of the information which the Company’s Receiving Agent, Link Group, will require from you in order to settle your application within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for Link Group to match to your CREST account, Link Group will deliver your Ordinary Shares in certificated form provided payment has been made in terms satisfactory to the Company.

The right is reserved to issue your Ordinary Shares in certificated form should the Company, having consulted with Link Group, consider this to be necessary or desirable. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST or on the part of the facilities and/or system of Link Group in connection with CREST.

The person named for registration purposes in your Application Form must be the named CREST holder as per the registration details held in the CREST system and not any underlying beneficial holder’s details. Neither Link Group nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. You will need to input the DvP instructions into the CREST system in accordance with your application in favour of Link Group’s RA06 CREST participant. The input returned by Link Group of a matching or acceptance instruction to our CREST input will then allow the delivery of your Ordinary Shares to your CREST account against payment of the Initial Issue Price through the CREST system upon the Relevant Settlement Date.

By returning your Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian’s CREST account allows for the delivery and acceptance of Ordinary Shares to be made prior to 11.00 a.m. on 30 September 2021 against payment of the Initial Issue Price. Failure by you to do so will result in you being charged interest at the rate of two percentage points above the then published bank base rate of a clearing bank selected by Link Group.

If you so choose to settle your application within CREST, that is by DvP, you or your settlement agent/custodian’s CREST account must allow for the delivery and acceptance of Ordinary Shares to be made against payment of the Initial Issue Price per Ordinary Share using the following CREST matching criteria set out below:

Trade date:	4 October 2021
Settlement date:	6 October 2021
Company:	Blackfinch Renewable European Income Trust plc
Security description:	Ordinary Shares of one penny
SEDOL:	BM9DG166
ISIN:	GB00BM9DG166
CREST message type:	DEL

Should you wish to settle by DvP, you will need to input your CREST DEL instruction(s) in favour of Link Group’s Participant Account RA06 by no later than 11.00 a.m. on 30 September 2021.

You must also ensure that you or your settlement agent/custodian has a sufficient “debit cap” within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

Applicants wishing to settle by DvP will still need to complete and submit a valid Application Form by the 11.00 a.m. deadline. You should tick the relevant payment method box in section 1.

In the event that applications for shares exceed the number of shares available, applicants wishing to settle by DVP should contact Link Group to confirm the number of shares allocated and the amount of money required to settle by DVP.

Please contact Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Note: Link Group will not take any action until a valid DEL message has been alleged to the Participant Account by the applicant.

No acknowledgement of receipt or input will be provided.

In the event of late/non settlement the Company reserves the right to deliver Ordinary Shares outside of CREST in certificated form provided that payment has been made in terms satisfactory to the Company and all other conditions of the Offer for Subscription have been satisfied.

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Appendix 3

Tax Residency Self-Certification Form (Individuals)



Tax Residency Self-Certification Form (Individuals)	
A separate form is required for each holder	
Company that shares are held in: *	Blackfinch Renewable European Income Trust plc
Investor code – please leave this field blank for Link to complete	
Name: *	
Registered Address: * <i>If your address has changed, then you will need to notify us separately. See the questions and answers.</i>	
Tax Residence Address <i>Only if different to your registered address above.</i>	
Date of Birth * (DD/MM/YYYY)	
Country/Countries of Residence for Tax Purposes	
Country of residence for tax purposes	Tax Identification Number In the UK this would be your NI number
1 *	1 *
2	2
3	3
4	4
US Citizen Please mark the box ONLY if you are a US Citizen (see Definitions) <input type="checkbox"/>	
Declarations and Signature I acknowledge that the information contained in this form and information regarding my shares may be reported to the local tax authority and exchanged with tax authorities of another country or countries in which I may be tax resident where those countries have entered into Agreements to exchange Financial Account information. I undertake to advise the Company within 30 days of any change in circumstances which causes the information contained herein to become incorrect and to provide the Company with a suitably updated Declaration within 30 days of such change in circumstances. I certify that I am the shareholder (or I am authorised to sign for the shareholder**). If this relates to a joint holding, I also acknowledge that as a joint holder I may be reported to the relevant tax authority if all the other holders do not provide a Tax Residency Self-Certification. I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.	
Signature: *	
Print Name: *	
Date: *	
Daytime telephone number/ email address***	

* Mandatory field

** If signing under a power of attorney, please also attach a certified copy of the power of attorney.

*** We will only contact you if there is a question around the completion of the self- certification form.

Introduction

The law requires that Financial Institutions collect, retain and report certain information about their account holders, including the account holders tax residency.

Please complete the form above and provide any additional information requested.

If your declared country/countries of residence for tax purposes is not the same as that of the Financial Institution and is either the US or is on the OECD list of countries which have agreed to exchange information (<http://www.oecd.org/tax/transparency/AEOI-commitments.pdf>), the Financial Institution will be obliged to share this information with its local tax authority who may then share it with other relevant local tax authorities.

Failure to validly complete and return this form will result in you being reported onwards to the relevant local tax authority. Additionally, if this form has been issued in conjunction with an application for a new holding, then your application may be adversely impacted.

Definitions of terms used in this form can be found below.

If your registered address (or name) has changed, then you must advise us separately. Any details you enter in the "Tax Residence Address" will be used for tax purposes only and will not be used to update your registered details.

If any of the information about your tax residency changes, you are required to provide the Company with a new, updated, self-certification form within 30 days of such change in circumstances.

Joint Holders (if relevant)

All joint holders are treated as separate holders for these tax purposes and every joint holder is required to give an Individual Tax Residency Self-Certification. If any one or more is reportable, the value of the whole shareholding will be reported for all joint shareholder(s).

If we do not receive the self-certification from each joint shareholder, then the whole holding will be treated as undocumented and all holders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

If you have any remaining questions about how to complete this form or about how to determine your tax residency status you should contact your tax adviser.

Definitions

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("The Common Reporting Standard") <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/> contains definitions for the terms used within it. However, the following definitions are for general guidance only to help you in completing this form.

"Account Holder"

The Account Holder is either the person(s) whose name(s) appears on the share register of a Financial Institution. Or where Link Group holds the shares on your behalf, the person whose name appears on the register of entitlement that Link Group maintains.

"Country/Countries of residence for tax purposes"

You are required to list the country or countries in which you are resident for tax purposes, together with the tax reference number which has been allocated to you, often referred to as a **tax identification number (TIN)**. Special circumstances (such as studying abroad, working overseas, or extended travel) may cause you to be resident elsewhere or resident in more than one country at the same time (dual residency). The country/countries in which you might be obliged to submit a tax return are likely to be your country/countries of tax residence. If you are a US citizen or hold a US passport or green card, you will also be considered tax resident in the US even if you live outside the US.

“Tax Identification Number or TIN”

The number used to identify the shareholder in the country of residence for tax purposes.

Different countries (or jurisdictions) have different terminology for this and could include such as a National Insurance number, social security number or resident registration number. Some jurisdictions that do issue TINs have domestic law that does not require the collection of the TIN for domestic reporting purposes so that a TIN is not required to be completed by a shareholder resident in such jurisdictions. Some jurisdictions do not issue a TIN or do not issue a TIN to all residents.

“US Citizen”

- All US citizens. An individual is a citizen if that person was born in the United States or if the individual has been naturalized as a US citizen.
- You can also be a US citizen, even if born outside the United States if one or both of your parents are US citizens.

If you have any questions about these definitions or require further details about how to complete this form then please contact your tax adviser.

NOTHING IN THIS PROSPECTUS CAN BE CONSIDERED TO BE TAX ADVICE.

Questions & Answers

Why are you writing to me and asking for a “Tax Residency Self Certification”?

The governments of more than 90 countries around the world have agreed to exchange tax related information. These governments have passed similar sets of laws to enable the Automatic Exchange of Information (“AEOI”). The full list of countries involved can be seen at: www.oecd.org/tax/transparency/AEOI-commitments.pdf

Additionally, the United States has over 100 similar agreements with many countries referred to as the ‘Foreign Account Tax Compliance Act’.

The legislation can vary slightly from jurisdiction to jurisdiction, but at a high level, it requires Financial Institutions to:

- Identify existing Holders that may be resident (for tax purposes) in other participating jurisdictions. Then contact any such Holders and request that they complete a “Tax Residency Self Certification” form.
- Obtain a “Tax Residency Self Certification” form for all new Holders.
- Identify holders who move from one jurisdiction to another and request that they complete a “Tax Residency Self Certification” form.
- Identify Holders who have payments sent to a different jurisdiction.
- Submit a return to the Financial Institution’s “local” tax authority on an annual basis. As an example for a company incorporated in the UK, then the local tax authority would be HM Revenue & Customs (HMRC).
- Follow up on any non-responders at least annually for at least 3 years.

The “local” tax authority will pass information onto the tax authority in the relevant jurisdiction. As an example the tax authority in the US is the Inland Revenue Service (“IRS”), so HMRC will exchange information with IRS.

Where can I find out more information about the legislation?

The legislation is quite complex and you may wish to speak to your tax adviser.

The web site of your local tax authority will contain more information e.g. HMRC for the UK; the IRS for the US; Jersey Income Tax Department for Jersey, etc.

Additionally, the web site of The Organisation for Economic Co-operation and Development (OECD) gives further information.

What happens if I do not complete the form?

In the annual report that the Financial Institution sends to their local tax authority you will be shown as 'Undocumented'.

The local tax authority will collate the responses from all of its financial institutions and pass that information onto the relevant local tax authority for the jurisdictions identified.

Link Group is not able to comment on what action the tax authority for the jurisdiction will take.

What if I am a Tax Resident in 2 or more countries?

The self-certification form allows for up to 4 tax residencies to be recorded.

I do not pay tax or I do not know which country I am tax resident in

Please refer to your local tax authority or tax adviser.

I do not have a tax identification number

Please refer to your local tax authority or tax adviser.

Note that different countries call their tax identification numbers using alternative terminology. As an example in the UK it would be a National Insurance number.

I have already completed a W8 or W9 form. Do I still need to complete a "Tax Residency Self Certification"?

Yes. The US legislation governing W8/W9 forms overlaps with US FATCA legislation.

What is classed as my Tax Residence Address?

Please refer to your local tax authority or tax adviser.

In addition, you may wish to consider: Where you are a citizen with a passport; Your residential home address in a country and unrestricted right of entry back into that country once you depart.

Joint Holders

When there are multiple holders on an account, then every joint holder must complete a Tax Residency Self Certification and every joint holder will receive a letter in their own right. The letter will be sent to the registered address recorded for the holding.

Joint holders are treated as separate holders for these tax purposes. If any one of the joint holders is reportable, the value of the whole shareholding will be reported for all of the joint shareholder(s).

If we do not receive a validly completed self-certification for each joint shareholder, the whole shareholding will be treated as "undocumented" and all shareholders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

I have given a different address for tax purposes; will the registered address of my shareholding be altered?

No. The details on the Self Certification form are for tax purposes only. If you want to alter any of the registered details relating to your investment, then you need to call Link Group on 0371 664 0321; calls to the Helpline are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales.

