

Atrato Onsite Energy Plc

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ATRATO ONSITE ENERGY PLC INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2023

FULLY COMMITTED PORTFOLIO

Atrato Onsite Energy plc (the "**Company**" or "**ROOF**") is pleased to announce its unaudited interim results for the six months ended 31 March 2023 (the "**Period**").

Key metrics

| | As at 31 March 2023 (unaudited) | As at 30 September 2022 (audited) |
|---|--|--|
| Net Asset Value ("NAV") | | |
| | 140.7m | 139.1m |
| NAV per Ordinary Share (p) | 93.8p | 92.8p |
| Ordinary Share price (p) | 85.6p | 99.5p |
| Ordinary Share price discount to NAV | (8.7)% | 7.2% |
| Target dividends per Ordinary Share (p) FY 2023 | 5.0p | 5.0p |
| Ongoing charges ratio ¹ | 1.6% | 1.4% |

The Company has now fully committed its IPO proceeds

- Deployed into operational assets, committed to installation assets or allocated to the Company's executed framework agreements
- Post period end, agreed head of terms for a Revolving Credit Facility with a large UK bank to maintain current deal momentum and to fund further growth. Expected to close by early July 2023.

High quality portfolio with highly contracted index linked long income²

- 98% of annual revenue contracted, of which 95% has inflation linked or fixed uplifts⁴
- 12-year average Power Purchase Agreement ("PPA") duration with high quality institutional grade off-takers: one of the longest in the sector³
- 4% portfolio sensitivity to wholesale power prices; the lowest in the sector³

Advancing our sustainability objectives²

- Forecast 139GWh annual clean energy generation providing an estimated⁴:
 - 28,000 tonnes of carbon avoided⁵
 - 48,000 equivalent homes powered by clean energy⁶
 - Equivalent to 1,100,000 new trees⁷

¹ OCR for 30 September 2022 includes the period prior to IPO when no expenses were incurred

² Including post balance sheet events and excluding commitments under framework agreements

³ Investment Adviser research. Sector comprises UK listed solar focussed renewables companies

⁴ Based on the Company's first full year of operations

⁵ Based on GOV UK publications for scope 1 and 2 emission conversion factors

⁶ Based on Ofgem average UK annual household energy consumption of 2,900kWh

⁷ Estimated based on 28,000t of carbon avoided. Assumes 0.025t of carbon consumed annually per tree

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- The supply of solar energy is expected to save our behind-the-meter customers £87 million during the life of the contract term⁸
- The Board committed to the Net Zero Asset Manager's Initiative ("NZAM") and will publish its targets in the 2023 Annual Report

Financial performance

- Portfolio valued at £63.4 million as at 31 March 2023, reflecting an unlevered discount rate of 6.2% (30 September 2022: 6.6%)
- Full-year 2023 target dividend of 5.0 pence per share
- Prospective forward looking 12-month dividend cover of 1.1x following energisation of all assets under installation⁹, expected March 2024¹⁰

Favourable growth tailwinds

- Available pipeline of opportunities has grown to over £340 million
- Executed two large-scale framework agreements, including appointment as Tesco's provider for next phase of its solar PV roll-out
- Shareholder approval for investment policy amendment to invest in solar assets commercialised through long-term PPAs connected via the grid

Juliet Davenport, Chair of Atrato Onsite Energy plc commented:

"I am very pleased to report that, post period end, we have fully committed the balance of our IPO proceeds.

The global net zero ambition coupled with the drive for better domestic energy security, provide strong tailwinds for the UK renewables sector. Atrato Onsite Energy remains ideally positioned to help facilitate the UK's shift to renewables and we look forward to the continued growth of the Company through 2023 and beyond."

Results presentation today

There will be an in-person presentation for sell side analysts at 8.30 a.m. today, 13 June 2023. Please contact Kaso Legg Communications using the details provided below if you would like to attend.

The presentation will be simulcast online with Q&A function for anybody wishing to join. The webcast can be accessed here: <https://x84vx.app.goo.gl/jQnv>.

The results presentation will be available in the Investor Centre section of the Company's website.

There will be a virtual Investor Meet Company presentation for investors at 4.00pm on 14 June 2023, please visit the link below to register:

<https://www.investormetcompany.com/atrato-onsite-energy-plc/register-investor>

About the Company

Atrato Onsite Energy plc (LSE: ROOF) is an investment company focused on clean energy generation with 100% carbon traceability. The Company specialises in UK commercial solar, helping its corporate clients achieve net zero and reduce their energy bills.

⁸ Calculated as the difference between the PPA price and Aurora's latest wholesale price forecast plus a £70/MWh non-commodity cost in each respective period, discounted to present value

⁹ Including post balance sheet events and excluding commitments under framework agreements

¹⁰ Dividend cover is net of ongoing fund costs

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The Company aims to provide investors with attractive capital growth and long dated, index-linked income, targeting a 5% dividend yield and a NAV total return of 8 - 10%.

Atrato Partners Limited is the Company's Investment Adviser.

Further information is available on the Company's website www.atratoroof.com

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CHAIR'S STATEMENT

I am pleased to present the unaudited interim results for the Company for the six months ended 31 March 2023.

The Ukraine-Russia conflict had a profound impact on the global energy sector in 2022. The conflict drove power prices to record highs, leading to various government interventions across Europe including taxation on generators and price caps for consumers. The increases in both business and retail energy prices propelled inflation higher, sparking a response by central banks to increase interest rates. This increase in interest rates has had various impacts, but for us specifically it affected our 2022 asset valuations as a result of higher discount rates.

Our job during this period was to keep calm, stick to the plan and remain focused on delivering our targets. The Company has fully committed the balance of its IPO proceeds post period end, which, although behind the original IPO target of being fully committed by the end of 2022, is commendable given the market uncertainty experienced in the second half of 2022.

Portfolio update

The Company committed a further £30 million into solar PV systems during the Period, with an additional £39 million being committed post period end. The IPO proceeds are now fully committed across a combination of operational projects, installation projects as well as capital allocated to the Company's executed framework agreements.

In March, shareholders approved an investment policy amendment to capture the growth of opportunities in front-of-the-meter assets available to be commercialised through long-term PPA's. This is a new and exciting renewables market development for the Company, and we expect it to provide an increasingly important source of pipeline going forwards. Our onsite generation deal pipeline remains strong with onsite solar offering the most competitive energy price for the off-taker.

Financials

The Company's NAV grew during the Period, reflecting the acquisitions made to date together with an improvement in discount rates across the portfolio. During the Period the Company declared a dividend of 2.52 pence and a further dividend post the Period of 1.23 pence. The Company remains on track to pay total dividends of 5 pence per Ordinary Share in its second financial year as targeted at IPO.

The uncertain economic backdrop has caused share prices across the renewables sector to fall. The total shareholder return for the Period was (8.9)% In contrast, our NAV total return was +0.9% and the Company remains well positioned to benefit from the strong growth being experienced in the UK renewables market.

Full details of the Company's financial performance are detailed in the Investment Adviser's report below.

Directors

Post the period end, Duncan Neale was appointed as independent Non-executive Director of the Company. Duncan has joined the Audit Committee and Management Engagement Committee and holds the position of Audit Chair.

Duncan is a chief financial officer and finance director with over 20 years of public and private markets experience. Duncan is currently a Non-executive Director and Audit Chair of Gresham House Energy Storage Fund plc.

Portfolio performance

We benefitted from a strong operational performance for the Period with our operational assets producing 8,847MWh, which is 9.5% above budget.

Outlook

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We are delighted to now be fully committed. Once our installation projects become fully operational (expected by March 2024), the Company anticipate to be circa 1.1x covered on its dividend on a 12 month forward looking basis ¹¹.

The Company is experiencing very strong demand for new green energy generation from its corporate client base and has an extensive £340+ million of potential pipeline opportunities available to it. We expect this pipeline to grow further throughout 2023. In order to fund this further growth, the Company has agreed terms for an RCF with a large UK bank, that is attractively priced, reflecting the highly contracted nature of our revenue streams and the high credit quality of our counterparties.

As the Ukraine-Russia conflict continues, the case for domestic energy security has never been stronger. Accelerated investment in additional UK renewable energy capacity is essential to avoid a repeat of the current crisis and when combined with the global net zero ambition, it's clear that the renewables sector continues to benefit from significant tailwinds. ROOF remains ideally positioned to facilitate the UK's shift to renewable energy and we look forward to the continued growth of the Company through 2023 and beyond.



Juliet Davenport OBE
Chair
12 June 2023

¹¹ Dividend cover is net of ongoing fund costs

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INVESTMENT ADVISER'S REPORT

Atrato Partners Limited is the Investment Adviser to Atrato Onsite Energy plc and is pleased to report on the operations of the Company for the Period.

The Investment Adviser is responsible for the sourcing and acquisition of assets as well as the day-to-day management of the Company's investment portfolio. Further details can be found on the Investment Adviser's website at www.atratogroup.com.

Investment Portfolio

Despite the significant volatility we have experienced in wholesale power prices, interest rates and the regulatory environment, we have made significant progress against our targets, having now committed the Company's IPO proceeds into a diversified portfolio of solar assets whilst maintaining the lowest sensitivity to power price movements in the sector.

During the Period, the Company committed £30 million to developing 30MW of solar PV capacity across 3 installation assets. Post the Balance Sheet date, the Company has maintained momentum, committing a further £39 million to a 50MW installation project, its largest solar energy project to date. To date, £118m has been deployed into operational assets or contractually committed to installation projects. The remaining capital has been allocated to the Company's executed framework agreements which have a maximum value of £28m, taking total projected commitments to £146 million. Further details can be found in the post balance sheet section below.

Including the post period end investments, the Company's portfolio comprises 40 individual projects with a total capacity of 142 MW. 32% of the portfolio is operating and 68% is in the installation phase. The portfolio now spans 21 counties, ensuring geographic diversification across the UK and is split between 10 off-takers across multiple industries.

We have built a high-quality portfolio of clean energy assets with highly contracted long-term income. Including the investments made post period end, 98% of annual revenue is contracted under PPAs and subsidies with 95% of revenue subject to inflation or fixed uplifts¹². The weighted average unexpired PPA term is 12 years.

The table below outlines the Company's investment portfolio to date, including post balance sheet events:

| Off-taker | Location | Sector | Capacity (MWp) | Status | Expected Energisation date | Remaining term |
|----------------------------|------------------|-----------------|----------------|--------------|----------------------------|----------------|
| As at 31 March 2023 | | | | | | |
| Amazon | 7 sites | Tech | 12 | Operational | Energised | 18 |
| Anglian Water | 7 sites | Utility | 14 | Operational | Energised | 22 |
| Beverage Company | Northamptonshire | FMCG | 29 | Installation | Dec-23 | 10 |
| Gardner | Derbyshire | Aerospace | 1 | Operational | Energised | 24 |
| Huntapac | Lancashire | FMCG | 1 | Installation | Sep-23 | 15 |
| Marks & Spencer | Leicestershire | Grocery | 6 | Operational | Energised | 12 |
| Nissan | County Durham | Autos | 20 | Installation | Jul-23 | 20 |
| Recipharm | Cheshire | Pharmaceuticals | 1 | Operational | Energised | 25 |
| Tesco | 19 sites | Grocery | 7 | Operational | Aug-23 ¹³ | 18 |

¹² Based on the Company's first full year of operations

¹³ One Tesco site is currently under installation and is due to be operational August 2023

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| | | | | | | |
|----------------------------------|-----------------|-----------------|------------|--------------|-----------|-----------|
| Vale of Mowbray | North Yorkshire | FMCG | 1 | Operational | Energised | 24 |
| Total as at 31 March 2023 | | | 93 | | | 16 |
| Utility company | North Yorkshire | Utility | 50 | Installation | Mar-24 | 3 |
| Vale of Mowbray – (buy-out) | North Yorkshire | Food production | (1) | Operational | Energised | (24) |
| Total¹⁴ | | | 142 | | | 12 |

All of the Company's installation projects are expected to be fully operational by the end of March 2024. At the point that the invested portfolio is fully operational, the Company expects to be circa 1.1x covered on its dividend on a 12-month forward looking basis¹⁵. Investments made post period-end increased the Company's power price sensitivity to c. 4.0% (0.3% as at 30 September 2022), in line with the Company's long-term target at IPO of 4.0%. Despite this adjustment, the Company maintains the lowest power price sensitivity in the sector.

Investment policy amendment

The Company's target investment market is fast-moving and dynamic, with new developments continuing to emerge. The Investment Adviser monitors developments to ensure that the Company's commercial offering remains as attractive and competitive as possible. One such development has been grid connected solar PV systems that share the same technology as onsite solar assets and are commercialised through long-term PPAs with the same type of contract counterparty as the onsite assets ("**Long-Term Grid Assets**").

At the time of IPO, typical grid connected PPAs were 1-3 years in duration. Since then, the Investment Adviser has seen an increase in demand from corporates for 10–15-year PPAs of this type, many of which originate from initial discussions around onsite energy solutions. As a result of this structural change, the Investment Adviser worked with the Company to expand its product offering and react to this new and exciting source of demand.

At the Company's AGM in March 2023, shareholders approved an amendment of the investment policy to enable the Company to acquire Long-Term Grid Assets as part of its core strategy. These assets enable the Company to generate green energy for corporates in excess of what may be possible onsite. An example of this is the London Road project which will be commercialised under a c. 10 year PPA with a beverage company. The agreement will save the beverage company an estimated 6,500 tonnes of CO₂ a year and provide a material energy cost saving.

Team update

The Investment Adviser's renewable's team consists of nine dedicated professionals, with the necessary skills and experience to deliver on the Company's strategy. The team's expertise spans engineering, sustainability, project delivery, business development and financial analysis. The Investment Adviser also benefits from the wider resource of the Atrato Group platform, utilising central resource as required across finance, legal, compliance, human resources, investor relations and management.

Portfolio performance

In the Period, the portfolio generated 8,847 MWh of clean energy. The portfolio's operational assets performed above expectations for the Period with electricity generated from our operational assets 9.5% above the budgeted generation.

¹⁴ As at announcement date

¹⁵ Dividend cover is net of ongoing fund costs

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Net production variance vs. expected (GWh) for the Period

| | Actual (GWh) | Budget (GWh) | GWh above expectation | % above expectation |
|------------------------|-----------------|-----------------|--------------------------|------------------------|
| Operating assets total | 8.847 GWh | 8.077 GWh | 0.769 | 9.5% |

Avoided emissions in the period (Scope 2, excluding Scope 3, savings from avoided transmission and distribution losses on behind-the-meter assets) were 1,700t CO₂e which is an equivalent emission saving of 5.8 million miles in a medium petrol-powered car or 75,000 trees planted.

Our Nissan installation project experienced some weather and grid related delays and is now expected to be fully energised by July 2023. All other installation projects are progressing as expected.

Pipeline

The Company continues to progress a significant pipeline of UK solar assets currently totalling 420MW (£340+ million). 86MW of the pipeline relate to operational assets, while the remaining 334MW relates to new installations. Demand remains very strong for the Company's green energy solutions and attractive PPA pricing, with the Investment Adviser now receiving 17 new enquiries per month on average.

During the Period, the Company committed £30 million to new installation projects to take the total committed IPO proceeds to £80 million at 31 March 2023. Subsequently, as announced on 14th April 2023, the Company committed £39 million to a 50MW ground mounted project in North Yorkshire, taking total commitments to date of £118 million. In addition, the Company signed framework agreements during the period with a potential maximum value of £28 million. These sites are exclusive to the Company and are undergoing detailed design and contract negotiation prior to a financial commitment being contractually confirmed. These framework projects have taken the Company's total projected commitment to £146 million and will be funded out of remaining cash and the RCF facility.

Future pipeline opportunities will be funded via the remaining RCF facility, which also benefits from an accordion feature.

Financial performance

The financial statements of the Company for the six months ended 31 March 2023 are set out in this interim report. These interim financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the applicable legal requirements.

For the six months ending 31 March 2023, the Company's operational portfolio generated revenues of £0.9 million, 9% above budget. Operational expenditure for the Period totalled £0.7 million, EBITDA for the portfolio over the six months ending 31 March 2023 was £0.2 million. The Company has included this alternative performance indicator for the first time to provide insight to earnings generated at the project level.

During the Period the Company's NAV increased from £139.1 million to £140.7 million or 93.8 pence per Ordinary Share (September 2022: 92.8p). NAV increases were driven by an improvement in discount rates, the addition of new assets and the re-rating of installation assets as they became operational. The overall positive NAV increase was £4.0 million. This was offset by the £3.78 million in dividends paid in the Period. Further details on the portfolio valuation are provided below.

Dividends

The Company aims to provide investors with capital growth alongside a progressive dividend, underpinned by the contractual inflation and fixed uplifts within its PPA agreements.

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Once the installation assets become fully operational, the current dividend target (5p per Ordinary Share) is projected to be 1.1x covered from project revenues¹⁶.

Portfolio valuation

The valuation of the Portfolio as at 31 March 2023 was £63.4 million. The table below shows a breakdown of the Portfolio valuation during the Period.

| | For the six months ended 31 March 2023 | Period from Incorporation on 16 September 2021 to 31 March 2022 |
|---|--|---|
| | £m | £m |
| Portfolio valuation as at 30 September | 47.1 | - |
| Investments in the period | 11.7 | 0.9 |
| Interest receivable | 0.7 | - |
| Portfolio fair value movement (September 2022: (£1.8m)) | 3.9 | 0.1 |
| Portfolio valuation as at 31 March | 63.4 | 1.0 |

The valuation of the Company's Portfolio is performed on a semi-annual basis at 31 March and 30 September. The Investment Adviser is responsible for advising the Board in determining the valuation of the Portfolio and, when required, carrying out the fair market valuation of the Company's investments.

A discounted cash flow ("DCF") valuation methodology is applied to determine the fair value of each investment which is customary for valuing privately owned renewable energy assets and considered consistent with the requirements of compliance with International Financial Reporting Standard ("IFRS") 9 and IFRS 13.

Using the DCF methodology, the fair value is derived from the present value of each investment's expected future cash flows, using reasonable assumptions and forecasts for revenues and operating costs and an appropriate discount rate. Key macroeconomic and fiscal assumptions for the valuations are set out in Note 13 to the financial statements.

The Company's NAV as at 31 March 2023 is £140.7 million or 93.8 pence per ordinary share.

The Company's portfolio of assets was valued at £63.4 million¹⁷, reflecting acquisitions, planned milestone payments for the installation assets and interest of £12.4 million. The NAV also reflects changes to economic, wholesale energy and asset specific assumptions and is net of distributions to shareholders.

Portfolio acquisitions in the period

The Company made three new installation commitments during the period; a 1.3MW site at Huntapac Produce Ltd in Lancashire, a 0.4MW site at Tesco Thetford and the 28.4MW London Road site in Northamptonshire. These new projects totalled £30 million of capital commitments.

There were £0.6 million of ongoing installation payments in relation to the Recipharm, Gardner and Nissan sites.

Valuation economic assumptions

¹⁶ Dividend cover is net of ongoing fund costs

¹⁷ This is the value of funds injected into the SPVs as at 31 March 2023 and not the full committed amount to projects

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The main economic assumptions used in the portfolio valuation are discount rates, annual energy production, merchant power prices, various operating expenses and associated annual escalation rates. These are consistent with those outlined on page 14 of the 30 September 2022 Annual Report.

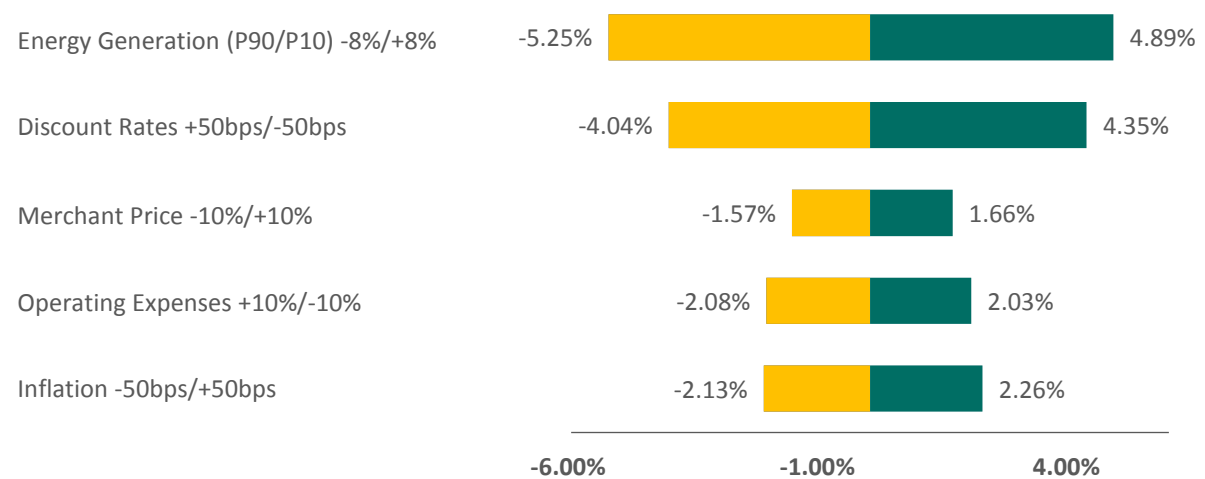
Weighted average discount rate for valuation

A range of discount rates are applied in calculating the fair value of the investments, considering the location, technology and lifecycle stage of each asset as well as leverage and the counterparty risk. The weighted average discount rate as at 31 March 2023 is 6.2% (30 September 2022: 6.6%).

The elevated macro-economic volatility, higher inflation expectations and UK political uncertainty experienced in the fourth quarter of 2022 has settled, stabilising the UK risk free rates and economic outlook. This has allowed the Investment Adviser to reassess the impact on the portfolio and release some of the premium applied previously, reducing the weighted average unlevered discount rate to 6.2%.

Portfolio valuation sensitivities

The figure below shows the impact on the portfolio valuation of changes to the key input assumptions (“Sensitivities”). The Sensitivities are based on the Portfolio as at 31 March 2023. For each sensitivity illustrated, it is assumed that potential changes occur independently with no effect on any other assumption. The low sensitivity to changes in merchant power prices reflects the long-term contracted revenues in the Company’s Portfolio. Similarly, the moderate impacts due to variations in operational expenses, reflects the Company’s assets having a majority of fixed price, long-term operating expenses including operations and maintenance (“O&M”) and property leases.



Volumes

Each asset’s valuation assumes a “P50” level of electricity output based on yield assessments prepared by technical advisers. The P50 output is the estimated annual amount of electricity generation that has a 50% probability of being exceeded – both in any single year and over the long term – and a 50% probability of being underachieved. The P50 provides an expected level of generation over the longer term.

The P90 (90% probability of exceedance) and P10 (10% probability of exceedance) sensitivities reflect the future variability of solar irradiation and the associated impact on output, along with the uncertainty associated with the long-term data sources used to calculate the P50 forecast. The Sensitivities shown assume that the output of each asset in the portfolio is in line with the P10 or P90 output forecast respectively for each asset life.

Power price curve

The Company uses independent and widely used market consultants’ technology-specific capture price forecasts, for the longer term. In the short term, two years from October 2023, the Bloomberg ELUB

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prices have been used. The industry standard sensitivity metric assumes a 10% increase or decrease in power prices relative to the base case for each year of the asset life.

Inflation

The sensitivity assumes a 50bps increase or decrease in inflation relative to the base case for each year of the asset life.

Net assets

Company net assets were £140.7 million as at 31 March 2023.

The net assets comprise the fair value of the Company's investments of £63.4 million, the Company's cash balance of £76.6 million and other net receivables of £0.7 million.

Analysis of the Company's net assets

| | Unaudited 31 March 2023 £m | Audited 30 September 2022 £m |
|--|-------------------------------------|---------------------------------------|
| Fair value of investments | 63.4 | 47.1 |
| Cash | 76.6 | 89.4 |
| Net working capital | 0.7 | 2.7 |
| Net asset value | 140.7 | 139.1 |
| Number of shares | 150.0 | 150.0 |
| Net asset value per share (pence) | 93.8 | 92.8 |

NAV Bridge from 30 September 2022 to 31 March 2023

| Movement in Net Asset Value | £m | Pence per share |
|--------------------------------|--------------|-----------------|
| NAV at September 2022 | 139.1 | 92.8 |
| Dividends paid | (3.8) | (2.5) |
| Discount rate movement | 3.9 | 2.6 |
| Re-rate on yield | 3.3 | 2.2 |
| Net operating cash flow | (1.8) | (1.3) |
| NAV as at 31 March 2023 | 140.7 | 93.8 |

Dividends paid: Dividends of £3.8 million (2.5 pence per share) were paid during the Period in respect of the period to 30 September 2022 declared in November 2022 and the period to 31 December 2022, declared in January 2023. In addition, after the period end, the Company declared a further dividend of 1.23 pence per share in respect of the quarter ended 31 March 2023.

Discount rate movement – The reduction in the weighted average discount rate from 6.6% to 6.2%, has increased the portfolio valuation by £3.9 million (2.6 pence per share). For further information please see Note 8.

Re-rate on yield: Represents the difference between the invested capital and the discounted future cash flows for new acquisitions, which has provided a £3.3 million increase in NAV (2.2 pence per share).

Net operating cash flow: Represents the net cashflows of the Company and its subsidiaries in relation to other operating activities.

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Income

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

In the six-month period ending 31 March 2023, the Company's operating income was £2.5 million (period from incorporation to 31 March 2022 ("previous HY period"): £nil), including interest income of £2.5 million (previous HY period: £nil) and net profit on the movement of fair value of investments of £4.0 million (previous HY period: £0.1 million). The operating expenses included in the statement of comprehensive income for the period were £1.2 million (previous HY period: £1.0 million). These comprise £0.7 million Investment Adviser fees (previous HY period: £0.4 million) and £0.5 million operating expenses (previous HY period: £0.6 million). The details of how the Investment Adviser fees are charged are set out in Note 9 to the financial statements.

Ongoing charges

The ongoing charges ratio ("OCR") is a measure, expressed as a percentage of average net assets, of the regular, recurring annual costs of running the Company. It has been calculated and disclosed in accordance with the AIC methodology, as annualised ongoing charges (i.e. excluding acquisitions costs and other non-recurring items) divided by the average published undiluted Net Asset Value in the period. The ratio was 1.4% for the period from IPO (November 2021) to 30 September 2022, and it is anticipated that the full-year ratio for the year ended 30 September 2023 will increase to 1.6%.

Dividends

During the Period, interim dividends totalling £3.8 million were paid (representing 2.52p per share). The table below outlines the dividends paid during the period and post period end.

| Period | Amount (per Ordinary share) | Amount (total) |
|--------------------------|-----------------------------|----------------|
| During the Period | | |
| 1 July to 30 Sep 2022 | 1.26p | £1.89m |
| 1 Oct to 31 Dec 2022 | 1.26p | £1.89m |
| Post period end | | |
| 1 Jan to 31 Mar 2023 | 1.23p | £1.85m |

Post period end, a further interim dividend of 1.23p per share was paid on 26 May 2023 in respect of the quarter to 31 March 2023 to shareholders recorded on the register on 28 April 2023. The total number of ordinary shares in issue on that record date was 150,000,000 and the total dividend paid to shareholders amounted to £1.85 million.

As such, dividends totalling £3.78 million have been paid in respect of the six-month period under review.

Operating cashflow from the portfolio of assets in the six-month period totalled £1.5 million.

Decarbonisation and the investment opportunity

Wholesale electricity prices remained volatile during the Period as geopolitical factors and weather conditions continued to impact the market. The average monthly price volatility for the day-ahead

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baseload price in Q4 2022 was more than 2.5 times the long-term average volatility for the fourth quarter (from 2014 to 2020 inclusive).

Although average prices in March 2023 fell to their lowest level since August 2021, they remain elevated compared to long-term norms, being 2.75 times the average value for March from 2014 to 2020 (inclusive).

Against this backdrop, energy costs remain a top risk factor for the majority of UK businesses, with wholesale costs and market volatility constituting the top two subcategories of concern for businesses in a 2023 survey. Almost three quarters of businesses surveyed expect costs to continue rising over the next 12 months, despite some continued protection in the form of the revised Energy Bills Discount Scheme (the “**EBDS**”) which replaced the more generous Energy Bill Relief Scheme from 1 April 2023. The EBDS provides relief of up to £19.61 per MWh when wholesale costs exceed £302 per MWh, meaning that the threshold for relief remains significantly higher than the levelized cost of generation for solar energy in the UK.

Alongside the cost savings and price certainty, there has been continued growth in demand for corporate decarbonisation. The Science Based Targets Initiative (“SBTi”) now reports 829 UK companies taking action, of which 430 have had their targets independently validated by the SBTi.

The UK government has recognised solar energy’s role as a cost-effective contributor to a net zero energy mix and stated an ambition to deploy 70GW of solar generation by 2035, a significant increase on the existing 14GW of installed capacity. In support of this, a solar roadmap will be published in 2024, setting out a step-by-step deployment trajectory, and a dedicated taskforce made up of industry and government members is to be established to drive forward both rooftop and ground-mounted capacity. A consultation is already underway to simplify planning processes and expand permitted development rights for large commercial rooftop solar projects and solar car-port structures. Constraints imposed by the grid connection process are also due to be addressed, with the government publishing an action plan this summer and reduced connection application costs having come into force from 1 April 2023.

Financing

The Company is in advanced discussions for a Revolving Credit Facility (“RCF”) with an accordion, raised at Atrato Onsite Energy Holdco Limited level. This facility will allow the Group to continue to secure new investments. The RCF will be available for three years with an option to extend, with a competitive margin for the life of the loan on a floating interest rate over the period.

Going concern

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

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of this report. In reaching this conclusion, the Directors have considered the liquidity of the Company’s portfolio of investments as well as its cash position, income and expense flows. The Company’s net assets at 31 March 2023 were £140.7 million (30 September 2022: £139.1 million). As at 31 March 2023, the Company held £76.6 million (30 September 2022: £89.4 million) in cash. The total expenses for the period ended 31 March 2023 were £1.2 million (31 March 2022: £1.0 million).

Post the balance sheet date the Company increased its total contractual commitment to fund projects under installation to £59 million, as a result of the £39 million investment in project Skeeby. At the date of approval of this report, based on the aggregate of investments, capital commitments and cash held, the Company has substantial operating expenses cover.

Future revenue is principally expected to be derived through loan interest and dividends from profit generated by underlying investments held within the SPVs. Having regard to the current portfolio combined with current cash balances, the Directors consider the Company to be in a position to meet its current and future liabilities over the next 12-month period.

In light of the ongoing conflict of Russia and Ukraine, the Directors have considered any potential impact on the portfolio’s operations and procurement processes, and do not foresee any material adverse

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impact for next 12 months. Energy prices can fluctuate as a result of the conflict, which the Directors maintain under close review; however, no material adverse impact on the business is expected.

Sustainability Report

Introduction

The Company invests in onsite sustainable energy solutions that facilitate savings in greenhouse gases and contribute to the net zero transition. These investments help corporates and landlords to decarbonise their buildings and operations. Investors in the Company are therefore supporting the transition towards sustainable methods of energy generation. The Company aims to increase investment into the renewable energy space, this will help companies and the UK achieve its commitment to reducing its carbon intensity.

The Company’s sustainability strategy is focused on four ESG principles linked to the UN SDGs that underpin its activities. The Company has identified specific areas of focus in relation to each principle against which it annually benchmarks its progress.

| Principle 1 | | Principle 2 | | Principle 3 | | Principle 4 |
|---|-----------------------------|---|---|---|--|---|
| Support the attainment of the UK emissions targets through the creation of new sustainable energy resource. | | Facilitate the efficient and considered use of finite resources | | Bring value to the communities in which we are active | | Deliver the Company's investment objective through a robust governance framework that recognises its moral and ethical responsibilities to all stakeholders |
| Affordable and clean energy UN SDG 7 | Climate Action UN SDG 13 | Life on Land UN SDG 15 | Responsible production and consumption UN SDG 12 | Gender equality UN SDG 5 | Decent work and economic growth UN SDG8 | |

Principle 1 - Support the attainment of the UK emissions targets through the creation of new sustainable energy resource

The Board has committed to adopt the Net Zero Asset Managers Initiative ("NZAM"). NZAM focuses on the role of the investment community in delivering the goals of the Paris Agreement, a global commitment to achieving a world that exists with net zero greenhouse gas emissions, by 2050 or sooner. This commitment requires the Company to set targets, supported by a road map of achieving net zero operations. This pledge outlines the key objective which is supported by the Task Force on Climate-related Financial Disclosures ("TCFD"). The Company will integrate Science Based Targets into the investment process.

Principle 2 - Facilitate the efficient and considered use of finite resources

With the expansion of the Company’s mandate to allow for investment in ground mounted projects, the Investment Adviser is in the process of reviewing the sustainability strategy to ensure that it remains appropriate. One area that has been identified for review is the Company’s approach to the management of biodiversity risk. The Company intends to provide further details on its approach by the end of the financial year.

Principle 3 - Bring value to the communities in which we are active

The Company through the Investment Adviser is active supporter of education initiatives that align with the Company’s objective to support both gender equality and the right to decent work.

During May 2023 the Investment Adviser held a work experience event for **Into** University at their offices. **Into** University seeks to provide children from Britain’s least privileged neighbourhood with the

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educational support they need to succeed, breaking the poverty circle. The event was attended by 17 year nine students and run by members of the Investment Adviser's team. The focus of the event was to provide exposure to a career in investment management and the skills needed in order to support it. Members of the investment advisory team are also providing mentoring to support individuals starting in higher education.

The Investment Adviser has also supported similar career focused events for STEM learning at locations across the country. STEM aims to improve young people's lives through the power of stem. The Investment Adviser's involvement with STEM also supports the Company's focus on diversity given only 27% of the STEM workforce are female and 12% from ethnic minorities.¹

Establishment of the Investment Adviser foundation has progressed, and the Company will work with the Trustees of the foundation to develop a volunteering and donation strategy for its that aligns with its objectives prior to the Company's financial year end.

Principle 4 – Robust Governance Framework

During the prior period the Investment Adviser focused on the implementation of its Module Procurement Policy, evaluating modern slavery and forced labour practices risks within the Company's supply chain. This policy will remain under review and will be updated to reflect developments in this area.

The Investment Adviser is now focused on the development of a wider set of policies in conjunction with a third-party service that will support the delivery of the investment objective in line with the Company's sustainability principles. These materials will be published on the Investment Adviser's website or that of the Company's as appropriate once available.

In Q2 2023 the Board commissioned a peer review to obtain a benchmark of the Company's position relative to the market. The review will provide valuable guidance on the governance areas on which the Company and the Investment Adviser. The Company also intends to use the review as a method of assessing its performance and that of the investment adviser in delivery of its sustainability objectives.

The Board and the Investment Adviser are working to expand the scope of the Investment Adviser's integrated Sustainable Investment Management System ("**SIMS**"). The system documents how ESG risks are identified, mitigated and measured against company policies and commitments. The development of the SIMS will be completed in H2 2023 and will be reviewed annually to ensure systems performance.

Regulations

The Company has several key developments in regulations and standards that will be material drivers in how the Company reports its ESG performance in the future. These include:

TCFD

While the FCA listing rules do not require the Company to make disclosures under the TCFD framework for the financial year 2022/2023, it intends to do so on a voluntarily basis. Work, including undertaking a carbon inventory calculation, scenario analysis and climate change risk analysis to enable, is ongoing with the Investment Adviser to ensure compliance with this obligation.

UN PRI

The Investment Adviser will submit its first report under the UN PRI framework for the financial year 2022/23. The Company and the Investment Adviser will then seek to implement improvements that result from the review prior to its first published report in 2024.

SDR

The Company notes proposals published by the FCA in relation to the implementation of the Sustainability Disclosure Requirements. The Company agrees that consumers must be able to trust sustainable products and supports the sentiment of the proposals outlined by the FCA in its consultation papers. The Company and the Investment Adviser are developing a strategy for compliance with this

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regulation and the attainment of an investment label aligned with the sustainability objectives of the Company.

Atrato Partners Limited
Investment Adviser
12 June 2023

Interim Management Report

The Directors are required to provide an Interim Management Report in accordance with the Financial Conduct Authority ("FCA") Disclosure Guidance and Transparency Rules ("DTR"). The Chair's Statement and the Investment Advisers' Report in this interim report provide details of the important events which have occurred during the period and their impact on the financial statements. The following statements on risks and risk management, related party transactions, going concern and the Directors' Responsibility Statement below, together constitute the Interim Management Report for the Company for the six months ended 31 March 2023. The outlook for the Company for the remaining six months of the year ending 30 September 2023 is discussed in the Chair's Statement and the Investment Adviser's Report.

Risk and Risk Management

The Company's approach to risk governance and its risk review process are set out in the risks and risk management section of the 2022 Annual Report. The principal risks to the achievement of the Company's objectives are mostly unchanged from those reported on pages 30 to 32 of the 2022 Annual Report, with the key principal risks being:

- **Increased procurement costs** – Due to high levels of inflation, the cost of procuring materials necessary for solar PV installations may be higher than at IPO. Where the Company is unable to offset the increased procurement cost through an increased PPA price, the Company's project level target returns may not be met.
- **Inflation** – If current levels of inflation are maintained, potential off-takers may be unwilling to enter into inflation-linked PPAs. This may result in the Company securing fewer inflation-linked cashflows.
- **Contract counterparty credit risk** – The Company's revenues are dependent on onsite or sleeved users that are contracted under PPAs to pay for electricity generated by solar PV systems. If such counterparties do not fulfil their contractual obligations, the Company may be forced to seek recourse against them.
- **Risks relating to pre-installation assets** – A significant proportion of the Company's pipeline consists of pre-installation assets, which are assets which do not yet have all the necessary consents, rights, and agreements to proceed to the installation phase. There is a risk that these assets may take more time than anticipated to develop into installation assets.
- **Geopolitical risk** – The ongoing conflict in Ukraine has led to higher power prices, which in turn has led to price caps and windfall taxes on UK energy producers.
- **Government policy change** – The Company's renewable investments generate revenue from private PPAs and in some cases, government supported subsidies. There may be changes in government policy which could impact the value of the Company's investments.
- **Power Prices** – The risk that the income and value of the Company's investments may be adversely impacted by changes in the prevailing market prices of electricity and prices achievable for off-taker contracts.

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- **Asset specific risks** – Circumstances may arise that adversely affect the performance of the relevant renewable energy asset. These include health and safety, grid connection, material damage or degradation, equipment failures and environmental risks.

The risks outlined here and in the 2022 Annual Report are mitigated by the Investment Adviser's strategy, experience and the diversification of the Company's pipeline as set out on pages 30 to 32 in the 2022 Annual Report.

Related party transactions

The Company's Investment Adviser ("IA") is considered a related party under the Listing Rules. Under the Investment Adviser Agreement ("IAA"), the IA receives a per annum management fee of 0.7125% of the adjusted NAV up to and including £500 million; and 0.5625% of the adjusted NAV above £500 million, invoiced monthly in arrears. The Investment Adviser also receives a management fee of 0.2375% of the last published NAV up to and including £500 million; and 0.1875% of the last published NAV above £500 million, each invoiced semi-annually in arrears. With the agreement of the Company, Holdco and the Adviser, this semi-annual fee shall be applied by the Adviser in acquiring ordinary shares at the absolute discretion of the Board by any combination of methods as set out in the IAA.

The Investment Adviser receives an accounting and administration fee of £50,000 per annum plus 0.02% of the adjusted NAV in excess of £200 million up to and including £500 million plus 0.015% of adjusted NAV in excess of £500 million. An accounting and administration fee of £800 per Clean Energy Asset held by Holdco up to 100 Clean Energy Assets and £650 per Clean Energy Asset above 100.

No performance fee or asset level fees are payable to the IA under the IAA.

Details of the amounts paid to the Company's IA and the Directors during the period are included in the Note 4 to the Interim Financial Statements.

Alternative Investment Fund Manager (the "AIFM")

JTC Global AIFM Solutions Limited was appointed with effect from IPO as the AIFM under the terms of the AIFM agreement and in accordance with the AIFM Directive.

The AIFM is authorised and regulated by the Guernsey Financial Services Commission.

The AIFM is responsible for the day-to-day management of the Company's investments, subject to the investment objective and investment policy and the overall supervision of the Directors. The AIFM is also required to comply with on-going capital, reporting and transparency obligations and a range of organisational requirements and conduct of business rules. The AIFM must also adopt a range of policies and procedures addressing areas such as risk management, liquidity management, conflicts of interest, valuations, compliance, internal audit and remuneration.

Directors' responsibility statement

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

- a) the condensed interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as contained in UK-adopted IFRS and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by the FCA's Disclosure Guidance and Transparency Rules DTR 4.2.4R; and
- b) the interim management report, including the Chair's Statement and Investment Adviser's Report, includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

This responsibility statement has been approved by the Board of Directors

Atrato Onsite Energy Plc

Duncan Neale

For and on behalf of the Board of Directors

Duncan Neale
Director
12 June 2023

Independent Review Report to Atrato Onsite Energy Plc

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2023 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standards 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2023, which comprises Condensed Statement of Comprehensive Income, the Condensed Statement of Financial Position, the Condensed Statement of Changes in Equity, the Condensed Cash Flow Statement and the related notes.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities of directors

The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

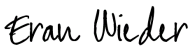
Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

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Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

DocuSigned by:

 BD33F3EF4925439...

BDO LLP
 Chartered Accountants
 London, UK
 12 June 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Results

Condensed Statement of Comprehensive Income

| | | For the six-month period ended 31 March 2023 (unaudited) | | | For the period from incorporation on 16 September 2021 to 31 March 2022 (unaudited) | | |
|--|-------|--|---------|-------|---|---------|--------|
| | Notes | Revenue | Capital | Total | Revenue | Capital | Total |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Fair value of investments | 8 | - | 3,990 | 3,990 | - | 103 | 103 |
| Investment Income | 3 | 2,473 | - | 2,473 | | | |
| Investment advisory fees | 4 | (692) | - | (692) | (382) | - | (382) |
| Other expenses | 4 | (467) | - | (467) | (210) | (401) | (611) |
| Profit / (loss) on ordinary activities before taxation | | 1,314 | 3,990 | 5,304 | (592) | (298) | (890) |
| Taxation | 5 | - | - | - | - | - | - |
| Profit / (loss) on ordinary activities after taxation | | 1,314 | 3,990 | 5,304 | (592) | (298) | (890) |
| Profit / (loss) per share | 7 | 0.88 | 2.66 | 3.54 | (0.01) | - | (0.01) |

The "Total" column of the Condensed Statement of Comprehensive Income is the profit and loss account of the Company.

All revenue and capital items in the above statement derive from continuing operations.

Profit / (loss) on ordinary activities after taxation is also the "Total comprehensive profit / (loss) for the Period".

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

Atrato Onsite Energy Plc

Incorporated in England and Wales with registered number 13624999

Condensed Statement of Financial Position As at 31 March 2023

| | | As at 31 March 2023 (unaudited) £'000 | As at 30 September 2022 (audited) £'000 |
|---|-------|--|--|
| | Notes | | |
| Non-current assets | | | |
| Investments at fair value through profit or loss | 8 | 63,415 | 47,105 |
| Current assets | | | |
| Fixed deposits | | - | 20,000 |
| Cash and cash equivalents | | 76,611 | 69,361 |
| Trade and other receivables | | 1,043 | 3,215 |
| | | 77,654 | 92,576 |
| Current liabilities: amounts falling due within one year | | | |
| Trade and other payables | | (419) | (555) |
| | | (419) | (555) |
| Net current assets | | 77,235 | 92,021 |
| Net assets | | 140,650 | 139,126 |
| Capital and reserves | | | |
| Share capital | 10 | 1,500 | 1,500 |
| Capital reduction reserve | 11 | 137,285 | 141,065 |
| Revenue and capital reserve | | 1,865 | (3,439) |
| Shareholders' funds | | 140,650 | 139,126 |
| Net assets per Ordinary Shares (GBP pence) | 12 | 93.8 | 92.8 |

The unaudited interim financial statements were approved by the Board of Directors and authorised for issue on 12 June 2023 and were signed on its behalf by:

Duncan Neale

Duncan Neale
Director

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

Incorporated in England and Wales with registered number 13624999.

Atrato Onsite Energy Plc

Condensed Statement of Changes in Equity

For the six-months ended 31 March 2023 (unaudited)

| | Notes | Share capital £'000 | Share premium account £'000 | Capital reduction reserve £'000 | Capital reserve £'000 | Revenue reserve £'000 | Total £'000 |
|---|-------|------------------------|-----------------------------------|--|-----------------------------|-----------------------------|----------------|
| Opening equity as at 30 September 2022 | 10 | 1,500 | - | 141,065 | (2,251) | (1,188) | 139,126 |
| Total comprehensive income/(expense) for the Period | | - | - | - | 3,990 | 1,314 | 5,304 |
| Dividends paid | 6 | - | - | (3,780) | - | - | (3,780) |
| Closing equity as at 31 March 2023 | | 1,500 | | 137,285 | 1,739 | 126 | 140,650 |

For the period from Incorporation on 16 September 2021 to 31 March 2022 (unaudited)

| | Notes | Share capital £'000 | Share premium account £'000 | Capital reduction reserve £'000 | Capital reserve £'000 | Revenue reserve £'000 | Total £'000 |
|---|-------|------------------------|-----------------------------------|--|-----------------------------|-----------------------------|----------------|
| Opening equity as at 16 September 2021 | | - | - | - | - | - | - |
| Shares issued in the Period | 10 | 1,500 | 148,500 | - | - | - | 150,000 |
| Share issue cost | 10 | - | (2,968) | - | - | - | (2,968) |
| Transfer to capital reduction reserve | 11 | - | (145,532) | 145,532 | - | - | - |
| Profit/(loss) for the Period | | - | - | - | (298) | (592) | (890) |
| Closing equity as at 31 March 2022 | | 1,500 | - | 145,532 | (298) | (592) | 146,142 |

The Company's distributable reserves consist of the capital reduction reserve, capital reserves attributable to realised gains and revenue reserve and totals £137 million at 31 March 2023. All capital reserves are unrealised.

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

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Condensed Statement of Cash Flows

| | | For the six months ended 31 March 2023 (unaudited) | Period of Incorporation from 16 September 2021 - 31 March 2022 (unaudited) |
|--|-------|--|--|
| | Notes | £'000 | £'000 |
| Operating activities cash flows | | | |
| Profit / (loss) on ordinary activities before taxation | | 5,304 | (890) |
| Adjustments for: | | | |
| Movement in fair value of investments | 8 | (3,990) | (103) |
| Interest income | 3 | (2,473) | - |
| Decrease / (increase) in trade and other receivables | | 1,991 | (6) |
| (Decrease) / increase in trade and other payables | | (46) | 716 |
| Net cash inflow/(outflow) from operating activities | | 786 | (283) |
| Investing activities | | | |
| Purchase of investments | | (11,691) | (921) |
| Decrease in fixed deposit | | 20,000 | - |
| Interest income received | | 1,935 | - |
| Net cash inflow / (outflow) from investing activities | | 10,244 | (921) |
| Financing activities | | | |
| Proceeds of share issues | | - | 150,000 |
| Share issue costs | | - | (2,968) |
| Dividends paid | 6 | (3,780) | - |
| Net cash (outflow) / inflow from financing activities | | (3,780) | 147,032 |
| Increase in cash | | 7,250 | 145,828 |
| Cash and cash equivalents at beginning of the Period | | 69,361 | - |
| Cash and cash equivalents at end of the Period | | 76,611 | 145,828 |

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

Notes to the condensed unaudited financial statements

For the six months ended 31 March 2023

1 General information

Atrato Onsite Energy Plc (the “**Company**”) is a closed-ended investment company domiciled and incorporated in the United Kingdom on 16 September 2021 with registered number 13624999. The registered office of the Company is 6th Floor, 125 London Wall, London, EC2Y 5AS. Its share capital is denominated in Pounds Sterling (GBP) and currently consists of one class of ordinary shares. The shares are publicly traded on the London Stock Exchange under a premium listing. These unaudited interim financial statements of the Company are for the six months ended 31 March 2023 and have been prepared on the basis of the accounting policies set out below. The financial statements comprise only the results of the Company as its investment in Atrato Onsite Energy Holdco Limited (“**Holdco**”) is

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measured at fair value as detailed in the significant accounting policies below. The Company and its subsidiaries invest in a diversified portfolio of onsite energy assets generally on the rooftop of UK commercial buildings, which benefit from long-term growing income streams with limited exposure to wholesale power prices.

Atrato Partners Limited (the “**Investment Adviser**”) provides investment advisory services and JTC Global AIFM Solution Limited as the AIFM provides investment management services to the Company, each under the terms of the agreement between it and the Company.

2 Basis of preparation

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

The interim financial statements have also been prepared as far as is relevant and applicable to the Company in accordance with the Statement of Recommended Practice (“**SORP**”) “Financial Statements of Investment trust companies and Venture Capital Trusts” issued in July 2022 by the Association of Investment Companies (“AIC”).

The interim financial statements are prepared on the historical cost basis, except for the revaluation of certain financial instruments at fair value through profit and loss. The principal accounting policies adopted are set out below. These policies have been consistently applied throughout the six months to 31 March 2023.

The interim financial statements are prepared on the going concern basis in accordance with international accounting standards.

These condensed financial statements do not include all information and disclosures required in the annual financial statements. The financial information contained in this interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the six months ended 31 March 2023 has not been audited.

The currency of the primary economic environment in which the Company operates and where its investments are located (the functional currency) is Pounds Sterling. The financial statements are presented in Pounds Sterling and rounded to the nearest thousand.

Estimates and underlying assumptions are reviewed regularly on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The significant estimates, judgments or assumptions for the Period are set out below under Critical accounting judgements, estimates and assumptions.

Going concern

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

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of this report. In reaching this conclusion, the Directors have considered the liquidity of the Company’s portfolio of investments as well as its cash position, income and expense flows. The Company’s net assets at 31 March 2023 were £140.7 million (30 September 2022: £139.1 million). As at 31 March 2023, the Company held £76.6 million (30 September 2022: £89.4 million) in cash. The total expenses for the period ended 31 March 2023 were £1.2 million (31 March 2022: £1.0 million).

Post the balance sheet date the Company increased its total contractual commitment to fund projects under installation to £59 million, as a result of the £39 million investment in project Skeeby. At the date of approval of this report, based on the aggregate of investments, capital commitments and cash held, the Company has substantial operating expenses cover.

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Future revenue is principally expected to be derived through loan interest and dividends from profit generated by underlying investments held within the SPVs. Having regard to the current portfolio combined with current cash balances, the Directors consider the Company to be in a position to meet its current and future liabilities over the next 12-month period.

In light of the ongoing conflict of Russia and Ukraine, the Directors have considered any potential impact on the portfolio's operations and procurement processes, and do not foresee any material adverse impact for next 12 months. Energy prices can fluctuate as a result of the conflict, which the Directors maintain under close review; however, no material adverse impact on the business is expected.

Critical accounting judgments, estimates and assumptions

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Estimates, by their nature, are based on judgment and available information; hence actual results may differ from these judgments, estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are those used to determine the fair value of the investments. There have been no changes to the significant estimates, judgements and assumptions to those set out on pages 68 to 71 of the 2022 Annual Report; a summary of these is provided below:

Key estimation: Fair value estimation for investments at fair value

The Company's investments in unquoted investments are valued by reference to valuation techniques approved by the Directors and in accordance with the International Private Equity and Venture Capital Valuation Guidelines.

Discounted cash flow ("DCF") models are used to determine the fair value of the underlying assets in HoldCo. The value of HoldCo includes any working capital not accounted for in the DCF models, such as cash or entity level payable and receivables. Unobservable inputs used within the DCF models include the discount rate. An increase or decrease in the discount rate would lead to a corresponding decrease or increase in the fair value of the investments. The Company's investments at fair value are not traded in active markets.

Key judgement: Basis of non-consolidation

The Company has adopted the amendments to IFRS 10, which states that investment entities should measure all of their subsidiaries that are themselves investment entities at fair value.

The Company owns 100% of its subsidiary HoldCo. The Company invests in special purpose vehicles through its investment in HoldCo. The Company and HoldCo meet the definition of an investment entity as described by IFRS 10. Under IFRS 10 investment entities measure subsidiaries at fair value rather than being consolidated on a line-by-line basis, meaning HoldCo's working capital balances are included in the fair value of the investment rather than in the Company's current assets. HoldCo has one investor, which is the Company. However, in substance, HoldCo is investing the funds of the investors of the Company on its behalf and is effectively performing investment management services on behalf of many unrelated beneficiary investors.

Key judgement: Characteristics of an investment entity

Under the definition of an investment entity, the entity should satisfy all three of the following tests:

- a) The Company obtains funds from one or more investors for the purpose of providing those investors with investment management services;

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- b) The Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both (including having an exit strategy for investments); and
- c) The Company measures and evaluates the performance of substantially all of its investments on a fair value basis.

In assessing whether the Company meets the definition of an investment entity set out in IFRS 10, the Directors note that:

- a) The Company has multiple investors and obtains funds from a diverse group of shareholders who would otherwise be less able to individually invest in renewable energy and/ or infrastructure assets;
- b) The Company's purpose is to invest funds for both investment income and capital appreciation. HoldCo and the future SPVs will have indefinite lives. However, the underlying assets do not have unlimited life and have minimal residual value at the end of that life, meaning they will not be held indefinitely. The Company intends to hold the renewable assets on a long-term basis to achieve its investment objectives. Depending on the circumstances of each renewable asset, decisions will be made whether to extend leases and repower assets as they approach the end of their useful life or sell the assets to interested parties who may take a more optimistic view of asset value; and
- c) The Company measures and evaluates the performance of all of its investments on a fair value basis, which is the most relevant for investors in the Company. The Directors use fair value information as a primary measurement to evaluate the performance of all the investments and in decision-making.

The Directors are of the opinion that the Company meets all the typical characteristics of an investment entity and therefore meets the definition set out in IFRS 10.

The Directors agree that investment entity accounting treatment reflects the Company's activities as an investment trust.

The Directors believe the treatment outlined above provides the most relevant information to investors.

Segmental reporting

The Board is of the opinion that the Company is engaged in a single segment of business, being investment in renewable energy infrastructure assets to generate investment returns whilst preserving capital. The financial information used by the Board to manage the Company presents the business as a single segment.

Adoption of new and revised standards

At the date of approval of these financial statements, there were no new or revised standards or interpretations relevant to the Company which had come into effect.

3 Investment Income

| | For the six-month period ended 31 March 2023 (unaudited) | | | For the period from incorporation on 16 September 2021 to 31 March 2022 (unaudited) | | |
|----------------------------------|---|---------|-------|---|---------|-------|
| | Revenue | Capital | Total | Revenue | Capital | Total |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Interest income from investments | 1,666 | - | 1,666 | - | - | - |
| Interest income from deposits | 807 | - | 807 | | | |

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| | | | | | | |
|-------------------------|-------|---|-------|---|---|---|
| Total investment income | 2,473 | - | 2,473 | - | - | - |
|-------------------------|-------|---|-------|---|---|---|

4 Operating expenses

| | For the six-month period ended 31 March 2023 (unaudited) | | | For the period from incorporation on 16 September 2021 to 31 March 2022 (unaudited) | | |
|------------------------------------|--|---------|-------|---|---------|-------|
| | Revenue | Capital | Total | Revenue | Capital | Total |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Investment management fees | 692 | - | 692 | 382 | - | 382 |
| Director's fees | 88 | - | 88 | 67 | - | 67 |
| Company's auditors fees: | | | | | | |
| - in respect of audit services | 39 | - | 39 | - | - | - |
| - in respect of non-audit services | 45 | - | 45 | 55 | - | 55 |
| Other operating expenses | 295 | - | 295 | 88 | 401 | 489 |
| Total operating expenses | 1,159 | - | 1,159 | 592 | 401 | 993 |

5 Taxation

(a) Analysis of charge /(credit) in the period

| | For the six-month period ended 31 March 2023 (unaudited) | | | For the period from incorporation on 16 September 2021 to 31 March 2022 (unaudited) | | |
|------------------------------------|--|---------|-------|---|---------|-------|
| | Revenue | Capital | Total | Revenue | Capital | Total |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Corporation tax | 289 | 878 | 1167 | - | - | - |
| Tax charge/(credit) for the period | - | - | - | - | - | - |

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

The effective UK corporation tax rate applicable to the Company for the year is 22% (2022: 19%), a blended rate of 19% to 31 March 2023 and 25% for April to September 2023. The tax charge/(credit) differs from the charge/(credit) resulting from applying the standard rate of UK corporation tax for an investment trust company. The differences are explained below:

| | For the six-month period ended 31 March 2023 (unaudited) | | | For the period from incorporation on 16 September 2021 to 31 March 2022 (unaudited) | | |
|---|--|---------|-------|---|---------|-------|
| | Revenue | Capital | Total | Revenue | Capital | Total |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Profit/(loss) before taxation | 1,314 | 3,990 | 5,304 | (592) | (298) | (890) |
| Corporation tax at 22% (PY:19%) | 289 | 878 | 1,167 | (112) | (57) | (169) |
| Effects of: | | | | | | |
| Profit / (loss) on investments held at fair value not taxable | - | (878) | (878) | - | - | - |
| Expenses not deductible for tax purposes | - | - | - | - | - | - |
| Excess expenses relieved from prior year | - | - | - | - | - | - |
| Interest distributions | (289) | - | (289) | 112 | 57 | - |
| Total tax charge/(credit) for the period | - | - | - | - | - | - |

6 Dividends

| | For the six-month period ended 31 March 2023 (unaudited) | | | For the period from incorporation on 16 September 2021 to 31 March 2022 (unaudited) | | |
|--|--|-----------------|-------|---|-----------------|-------|
| | Pence per Ordinary Share | Capital reserve | Total | Pence per Ordinary Share | Capital reserve | Total |
| Q4 2022 Dividend – paid 16 December 2022 (2022: nil) | 1.26 | 1,890 | 1,890 | - | - | - |

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Q1 2023 Dividend – paid 24 February 2023

| | | | | | | |
|--------------|-------------|--------------|--------------|----------|----------|----------|
| (2022: nil) | 1.26 | 1,890 | 1,890 | - | - | - |
| Total | 2.52 | 3,780 | 3,780 | - | - | - |

On 19 April 2023, the Company declared an interim dividend in respect of the period from 1 January 2023 to 31 March 2023 of 1.23 pence per Ordinary Share, paid on 26 May 2023 to Shareholders on the register on 28 April 2023. On that record date, the number of Ordinary Shares in issue was 150,000,000 and the total dividend paid to Shareholders amounted to £1.8 million. The dividend has not been included as a liability at 31 March 2023.

7 Earnings per share

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

| | For the six-month period ended 31 March 2023 (unaudited) | | | For the period from incorporation on 16 September 2021 to 31 March 2022 (unaudited) | | |
|---|---|-------------|-------------|---|----------|---------------|
| | Revenue | Capital | Total | Revenue | Capital | Total |
| Profit/(loss) attributable to the equity holders of the Company (£'000) | 1,314 | 3,990 | 5,304 | (592) | (298) | (890) |
| Weighted average number of Ordinary Shares in issue (000) | 150,000 | 150,000 | 150,000 | 98,233 | 98,233 | 98,233 |
| Earnings/(loss) per Ordinary Share (pence) – basic and diluted | 0.88 | 2.66 | 3.54 | (0.01) | - | (0.01) |

8 Investment held at fair value through profit or loss

As set out in note 2, the Company accounts for its interest in its wholly owned direct subsidiaries as an investment at fair value through profit and loss.

(a) Summary of valuation

| | As at 31 March 2023 (unaudited) £'000 | As at 30 September 2022 (audited) £'000 |
|--|--|--|
| Opening balance | 47,105 | - |
| Portfolio assets acquired | 10,891 | 48,955 |
| Additional investment in intermediary | 800 | - |
| Interest receivable | 629 | - |
| Movement in fair value of investments | 3,990 | (1,850) |
| Total investments at the end of the period/year | 63,415 | 47,105 |

* Distributions received in the period relates to interest paid on shareholder loans.

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

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

| | As at 31 March 2023 (unaudited) £'000 | As at 30 September 2022 (audited) £'000 |
|--|--|--|
| Opening balance | 47,105 | - |
| Portfolio assets acquired | 11,691 | 48,955 |
| Distributions received | (1,521) | - |
| Movement in fair value | 6,579 | (1,739) |
| Fair value of portfolio of assets at the end of the period/year | 63,854 | 47,216 |
| Cash held in intermediate holding companies | 154 | - |

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| | | |
|--|---------------|---------------|
| Fair value of other net assets in intermediate holding companies | (593) | (111) |
| Fair value of Company's investments at the end of the period/year | 63,415 | 47,105 |

(c) Investment gains / (losses) in the period

| | As at 31 March 2023 (unaudited) £'000 | As at 30 September 2022 (audited) £'000 |
|---------------------------------------|--|--|
| Movement in fair value of investments | 3,990 | (1,850) |

Fair value of portfolio of assets

The Investment Adviser has carried out fair market valuations of the investments as at 31 March 2023.

The Directors have satisfied themselves as to the methodology used, the discount rates applied and the valuation. All investments are in renewable energy assets and are valued using a discounted cash flow methodology. The Company's holding of an investment represents its interest in both the equity and debt instruments of the investment. The equity and debt instruments are valued as a whole using a blended discount rate. The weighted average cost of capital applied to the portfolio of assets range from 5.55% to 7.00%.

The Company has modelled the enacted corporation tax rates of 19% for the period to 31 March 2023 and 25% thereafter.

Inflation rates are assumed based on available market forecasts of the inflation indices (RPI and CPI, where applicable) and capped where a cap exists in the contract.

The power price forecasts used in the valuations are based on market forward prices from independent and widely used market expert consultants' relevant technology-specific capture price forecasts for each asset.

Fair value of intermediate holding company

The other net assets in the intermediate holding company substantially comprise working capital balances; therefore the Directors consider the fair value to be equal to the book values. The sensitivity to unobservable inputs is based on management's expectations of reasonable possible shifts in these inputs. The valuation sensitivity of each assumption is shown in Note 13.

9 Investment advisory fee

| | For the six-month period ended 31 March 2023 (unaudited) | | | For the period from incorporation on 16 September 2021 to 31 March 2022 (unaudited) | | |
|-------------------------|---|------------------|----------------|---|------------------|----------------|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Investment advisory fee | 692 | - | 692 | 382 | - | 382 |

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The Investment Advisory Agreement (“IAA”) dated 1 November 2021 between the Company and Atrato Partners Limited as the Investment Adviser and JTC Global AIFM Solutions Limited as the AIFM, appointed the Investment Adviser to act as the Company’s investment adviser. The AIFM has been appointed pursuant to the AIFM agreement dated 1 November 2021 between the AIFM and the Company as the alternative investment fund manager for the purposes of the AIFM Directive. Accordingly, the AIFM is responsible for providing portfolio management and risk management services to the Company.

The fees relating to the IAA are set out in the Investment Adviser report and the Annual Report for 30 September 2022. No amendments have been made during the period.

10 Share capital

| | As at 31 March 2023 (unaudited) | | As at 30 September 2022 (audited) | |
|---|---------------------------------|-----------------------------|-----------------------------------|-----------------------------|
| | Number of shares | Nominal value of shares (£) | Number of shares | Nominal value of shares (£) |
| Allotted, issued and fully paid: | | | | |
| Opening Balance | 150,000,000 | 1,500,000 | - | - |
| Allotted upon incorporation | | | | |
| Shares of £0.01 each (ordinary shares) | - | - | 1 | 0.01 |
| Issue of redeemable preference shares | - | - | 50,000 | 50,000 |
| Allotted / redeemed following admission to LSE | | | | |
| Shares issued | - | - | 149,999,999 | 1,500,000 |
| Initial redeemable preference shares redeemed | - | - | (50,000) | (50,000) |
| Closing balance | 150,000,000 | 1,500,000 | 150,000,000 | 1,500,000 |

Ordinary shareholders are entitled to all dividends declared by the Company and to all of the Company’s assets after repayment of its borrowings and ordinary creditors. Ordinary shareholders have the right to vote at meetings of the Company. All Ordinary Shares carry equal voting rights.

11 Capital reduction reserve

As indicated in the Prospectus, following admission of the Company’s shares to trading on the LSE, the Directors applied to the Court and obtained a judgement on 28 January 2022 to cancel the amount standing to the credit of the share premium account of the Company. The amount of the share premium account cancelled and credited to the Company’s Capital reduction reserve was £145,579,902, which is being utilised to fund distributions to the Company’s Shareholders.

12 Net assets per Ordinary Share

| | As at 31 March 2023 (unaudited) | As at 30 September 2022 (audited) |
|---|---------------------------------------|---|
| Total shareholders’ equity (£’000) | 140,650 | 139,126 |
| Number of Ordinary Shares in issued (’000) | 150,000 | 150,000 |
| Net asset value per Ordinary Share (pence) | 93.8 | 92.8 |

13 Financial instruments by category

The Company held the following financial instruments at fair value at 31 March 2023. There have been no transfers of financial instruments between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

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a. Financial instruments by category

| As at 31 March 2023 (unaudited) | | | | |
|--|---|--|--|----------------|
| | Financial assets at fair value through profit & loss £'000 | Financial asset at amortised cost £'000 | Financial liabilities at amortised cost £'000 | Total £'000 |
| Non-current assets | | | | |
| Investments at fair value through profit or loss (Level 3) | 63,415 | - | - | 63,415 |
| Current assets | | | | |
| Other receivables and prepayments | - | 1,043 | - | 1,043 |
| Fixed deposits | - | - | - | - |
| Cash and cash equivalents | - | 76,611 | - | 76,611 |
| Total assets | 63,415 | 77,654 | - | 141,069 |
| Current liabilities | | | | |
| Trade and other payables | - | - | (419) | (419) |
| Total liabilities | - | - | (419) | (419) |
| Net assets | 63,415 | 77,654 | (419) | 140,650 |

| As at 30 September 2022 (audited) | | | | |
|--|---|--|--|----------------|
| | Financial assets at fair value through profit & loss £'000 | Financial asset at amortised cost £'000 | Financial liabilities at amortised cost £'000 | Total £'000 |
| Non-current assets | | | | |
| Investments at fair value through profit or loss (Level 3) | 47,105 | - | - | 47,105 |
| Current assets | | | | |
| Other receivables and prepayments | - | 3,215 | - | 3,215 |
| Fixed deposits | - | 20,000 | - | 20,000 |
| Cash and cash equivalents | - | 69,361 | - | 69,361 |
| Total assets | 47,105 | 92,576 | - | 139,681 |
| Current liabilities | | | | |
| Trade and other payables | - | - | (555) | (555) |
| Total liabilities | - | - | (555) | (555) |
| Net assets | 47,105 | 92,576 | (555) | 139,126 |

The above tables provide an analysis of financial instruments that are measured subsequent to their initial recognition at fair value as follows:

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are those derived from valuation techniques that include inputs to the asset or liability that are not based on observable market data (unobservable inputs).

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

The Company's financial assets and liabilities as summarised above are expected to be realised within 12 months of the reporting date, excluding those held in FVTPL. The financial assets and financial liabilities measured at amortised cost's carrying amount is approximated to its fair value which is classified at level 3 at the fair value hierarchy.

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The Level 3 fair value measurements derive from valuation techniques that include inputs to the asset or liability that are not based on observable market data (unobservable inputs).

Reconciliation of Level 3 fair value measurement of financial assets and liabilities

An analysis of the movement between opening and closing balances of the investments at fair value through profit or loss is given in note 8.

The fair value of the investments at fair value through profit or loss includes the use of Level 3 inputs. Please refer to note 4 for details of the valuation methodology and sensitivities.

Valuation sensitivities

The sensitivities are based on the existing portfolio of assets as at 31 March 2023 as well as cash flows of conditional acquisitions, and as such may not be representative of the sensitivities once the Company is fully invested and geared. For each of the sensitivities shown, it is assumed that potential changes occur independently with no effect on any other assumption.

The below figures show the impact to NAV of changes to the key input assumptions (sensitivities). The sensitivities are based on the existing portfolio of assets as at 31 March 2023.

Discount rate

The discount rate is considered the most significant unobservable input through which an increase or decrease would have a material impact on the fair value of the investments at a fair value through profit or loss. The weighted average cost of capital applied to the portfolio of assets range from 5.55% to 7.00%.

An increase of 0.5% in the discount rate would cause a decrease in total portfolio value of 2.2 pence per Ordinary Share and a decrease of 0.5% would cause an increase of 2.3 pence per Ordinary Share.

| Discount Rate | + 50 bps | - 50 bps |
|---------------------------------|----------|----------|
| Increase/(decrease) in NAV (£m) | (3.2) | 3.5 |
| NAV per share | 91.6p | 96.1p |
| NAV per share change | (2.2p) | 2.3p |
| Change | (2.3)% | 2.5% |

Energy production

Energy production, as measured in MWh per annum, assumed in the DCF valuations is based on a P50 energy yield profile, representing a 50% probability that the energy production estimate will be met or exceeded over time. An independent engineer has derived this energy yield estimate for each asset by considering a range of irradiation, weather data, ground-based measurements and design/site-specific loss factors including module performance, module mismatch, inverter losses, and transformer losses, among others. The P50 energy yield case includes a 0.5% annual degradation through the entirety of the useful life. In addition, the P50 energy yield case includes an assumption of availability, which ranges from 99% to 100%, as determined reasonable by an independent engineer at the time of underwriting the asset.

Solar assets are subject to variation in energy production over time. An assumed "P90" level of energy yield (i.e. a level of energy production that is below the "P50", with a 90% probability of being exceeded) would cause a decrease in the total portfolio valuation of 2.8 pence per Ordinary Share, while an assumed "P10" level of power output (i.e. a level of energy production that is above the "P50", with a 10% probability of being achieved) would cause an increase of 2.6 pence per Ordinary Share in the total portfolio valuation.

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| Energy production | P90 | P10 |
|---------------------------------|--------|-------|
| Increase/(decrease) in NAV (£m) | (4.2) | 4.0 |
| NAV per share | 91.0p | 96.4p |
| NAV per share change | (2.8p) | 2.6p |
| Change | (3.0)% | 2.8% |

Power price curve

The power price forecasts for each asset are based on a number of inputs. The sensitivity assumes a 10% increase or decrease in power prices relative to the base case for each year of the asset life.

For an increase in power prices by 10%, there is a 0.9 pence per Ordinary Share increase in NAV, while a decrease of 10% in power prices has a decrease of 0.8 pence per Ordinary Share in NAV, due to low merchant power price exposure.

| Power price curve | +10% | -10% |
|---------------------------------|--------|-------|
| Increase/(decrease) in NAV (£m) | (1.2) | 1.4 |
| NAV per share | 93.0p | 94.7p |
| NAV per share change | (0.8p) | 0.9p |
| Change | (0.9)% | 1.0% |

Inflation

The sensitivity assumes a 50bps increase or decrease in inflation relative to the base case for each year of the asset life.

A 50bps increase in inflation would result in a 1.3% increase in NAV while a 50bps decrease would decrease the NAV by 1.2%.

| Inflation | +10% | -10% |
|---------------------------------|--------|-------|
| Increase/(decrease) in NAV (£m) | (1.7) | 1.9 |
| NAV per share | 92.7p | 95.0p |
| NAV per share change | (1.1p) | 1.2p |
| Change | (1.2)% | 1.3% |

14 Financial risk management

The Company's activities expose it to a variety of financial risks, including credit, liquidity and market risk. These financial risks form part of the Company's overall principal risks.

The Investment Adviser, AFIM and the Administrator report to the Board on a bi-annual basis and provide information to the Board, which allows it to monitor and manage financial risks relating to the Company's operations.

Credit risk

Credit risk is the risk that financial loss arises from the failure of a customer or counterparty to meet its obligations under a contract.

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The Company's credit risk exposure, in relation to cash holdings is minimised by dealing with financial institutions with investment grade credit rating. The Company has no significant credit exposure at the current time. Exposure in relation to customers will be mitigated by a combination of due diligence procedures performed at inception of a PPA and diversity of counterparties in the portfolio.

As at 31 March 2023, the Company's maximum exposure is the cash and cash equivalents stated at the balance sheet. Appropriate credit checks are required to be made on all counterparties to the Company. Cash is held in accounts with HSBC Bank Plc, which has a credit rating as per Moody's Investor Services of A1. During the six months ended 31 March 2023, there are no balances past due or impaired.

Liquidity risk

The objective of liquidity management is to ensure that all commitments which are required to be funded can be met out of readily available and secure sources of funding.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's trade and other payables with third parties at the reporting date are considered operational in nature and are due and payable within 12 months of the reporting date. As at 31 March 2023, the Company has financial assets of cash and cash equivalents without contractual maturity that can meet the current expected financial liabilities.

Market risk

Market risk is the risk that changes in market prices, such as interest and foreign currency rates and property valuations, will affect the Company's financial performance or the value of its holdings of financial instruments. The objective is to minimise market risk through managing and controlling these risks within acceptable parameters, whilst optimising returns.

The Company uses financial instruments in the ordinary course of business, and also incurs financial liabilities, in order to manage market risks. The Company's interest rate risk on interest bearing financial assets is limited to interest earned on fixed cash deposits. The Interest Rate Benchmark Reform – Phase 2 did not have a material impact on the Company's reported results as the exposure to interest rates is limited to interest earned on fixed deposits.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risk on interest bearing financial assets is limited to interest earned on fixed cash deposits.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. All transactions during the current period were denominated in GBP, thus no foreign exchange differences arose.

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to its shareholders through the optimisation of the debt and equity balances. The Company is not subject to any externally imposed capital requirements.

Equity includes all capital and reserves of the Company that are managed as capital.

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15 Related party transactions

Following admission of the Ordinary Shares (refer to note 10), the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company. The Company does not have an ultimate controlling party.

Details of related parties are set out below.

a) **Accounting, secretarial and directors**

Atrato Partners Limited has been appointed to act as an administrator for the Company under the terms of the IAA, more details are set out below.

Apex Secretaries LLP is currently the secretary of the Company.

Juliet Davenport, Chair of the Board of Directors of the Company, is paid director's remuneration of £50,000 per annum, Faye Goss is paid director's remuneration of £37,500 per annum, Marlene Wood is paid director's remuneration of £42,500 per annum. Post 31 March 2023, the Company appointed Duncan Neale as a new non-executive director and Audit Chair. As Audit Chair, he is paid director's remuneration of £42,500 and Marlene Wood's remuneration changed to £37,500 per annum. Total directors' remuneration of £65,000 was incurred in respect to the Period. Any expenses incurred by Directors which are related to business are also reimbursed.

The interests (all of which are or will be beneficial unless otherwise stated) of the current Directors in the ordinary share capital of the Company as at 31 March 2023 were as follows:

| Director | Shares held at 31 March 2023 |
|------------------|---------------------------------|
| Juliet Davenport | 33,000 |
| Faye Goss | 20,000 |
| Marlene Wood | 20,000 |

During the period, Juliet Davenport acquired 13,000 new shares in the Company.

b) **Investment Adviser**

Fees payable to the Investment Adviser by the Company under the IAA are shown in the Statement of Comprehensive Income and detailed in note 9.

During the Period, investment advisory fees amounted to £702,053 with £249,433 outstanding and payable as at 31 March 2023.

Details of the direct and indirect interests of the Directors of the Investment Adviser and their close families in the ordinary shares of one pence each in the Company at 31 March 2023 were as follows:

Benedict Luke Green, a director of the Investment Adviser: 694,960 shares 0.46 % of the issued share capital).

Steve Peter Windsor, a director of the Investment Adviser: 1,347,128 shares 0.90 % of the issued share capital).

Gurpreet Gujral, Fund manager of the Investment Adviser: 92,862 shares (0.06% of issued share capital).

Natalie Markham, a director of Holdco and SPVs: 18,250 shares (0.01% of issued share capital)

Lara Townsend, a director of Holdco and SPVs: 8,664 shares (0.01% of issued share capital)

c) **Amounts payable to related parties**

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Amounts payable to the Investment Adviser represent expense paid on behalf of the Company and amounted to £249,433 at the Period end.

d) Amounts receivable from related parties

The Company has provided a loan to Holdco for £125 million at 7% interest, of which £10.9 million was drawn during the period, leaving £53.4 million outstanding as at 31 March 2023. The Company additionally provided funding to Holdco for working capital and VAT. The balance outstanding at Period end was £546,624.

16 Unconsolidated Subsidiaries, Associates and Other Entity

The following table shows subsidiaries of the Company as at 31 March 2023. As the Company is regarded as an investment entity as referred to in note 2, these subsidiaries have not been consolidated in the preparation of the financial statements. The Company is the ultimate parent undertaking of these entities.

| Name | Ownership Interest | Investment Category | Country of incorporation | Registered address |
|----------------------------------|--------------------|--|--------------------------|--|
| Atrato Onsite Energy Holdco Ltd | 100% | Holdco subsidiary entity | UK | 6th Floor, 125 London Wall, London, EC2Y 5AS |
| Atrato Rooftop Solar 1 Ltd | 100% | Operating subsidiary entity, owned by Holdco | UK | 6th Floor, 125 London Wall, London, EC2Y 5AS |
| EMDC Solar Ltd | 100% | Operating subsidiary entity, owned by Holdco | UK | 6th Floor, 125 London Wall, London, EC2Y 5AS |
| Hylton Plantation Solar Farm Ltd | 100% | Operating subsidiary entity, owned by Holdco | UK | 6th Floor, 125 London Wall, London, EC2Y 5AS |
| Sonne Solar Ltd | 100% | Operating subsidiary entity, owned by Holdco | UK | 6th Floor, 125 London Wall, London, EC2Y 5AS |
| London Road Energy Centre | 100% | Operating subsidiary entity, owned by Holdco | UK | 6th Floor, 125 London Wall, London, EC2Y 5AS |

Guarantees provided by the Company in relation to liabilities that may arise in Hylton Plantation Solar Farm Ltd or Sonne Solar Ltd have been provided in the table below. The expected economic or cash outflow from the Company is expected to be nil.

| Provider | Investment | Beneficiary | Nature | Purpose | Amount £'000 |
|-------------|--------------|-------------|-----------|----------------|-----------------|
| The Company | Hylton | Nissan | Guarantee | PPA | 10,000 |
| The Company | Sonne Solar | Tesco | Guarantee | Framework PPAs | 10,000 |
| The Company | Sonne Solar | Tesco | Guarantee | PPA | 6,000 to 10,000 |
| The Company | Sonne – LCY2 | Amazon | Guarantee | PPA | 30,000 |
| The Company | Sonne – LTN4 | Amazon | Guarantee | PPA | 30,000 |
| The Company | Sonne – EDI1 | Amazon | Guarantee | PPA | 30,000 |
| The Company | Sonne -MAN2 | Amazon | Guarantee | PPA | 30,000 |
| The Company | Sonne -BHX2 | Amazon | Guarantee | PPA | 30,000 |
| The Company | Sonne -BHX3 | Amazon | Guarantee | PPA | 30,000 |
| The Company | Sonne -BHX4 | Amazon | Guarantee | PPA | 30,000 |

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| Provider | Investment | Beneficiary | Nature | Purpose | Amount £'000 |
|----------|------------|-------------|--------|---------|-----------------|
|----------|------------|-------------|--------|---------|-----------------|

17 Commitments and contingencies

As at 31 March 2023, the Company’s subsidiaries had future investment obligations totaling £19.6 million (30 September 2023: £1.4 million) relating to its solar investments currently undergoing installation.

18 Post balance sheet events

In April, the Company appointed Duncan Neale to the board as a non-executive director and as the new Chair to the Audit Committee.

On 13 April 2023, the Company acquired 100% of the shares in Skeeby Solar Limited (“**Skeeby**”), which is a special purpose vehicle to develop a 50MW solar PV system. The acquisition will see the Company invest £39.4 million, over a twelve month installation period.

On 19 April 2023, the Company declared an interim dividend in respect of the period from 1 January 2023 to 31 March 2023 of 1.23 pence per Ordinary Share, paid on 26 May 2023 to Shareholders on the register on 28 April 2023. On that record date, the number of Ordinary Shares in issue was 150,000,000 and the total dividend paid to Shareholders amounted to £1.8 million. The dividend has not been included as a liability at 31 March 2023.

On 11 May 2023, the new owner of the Vale of Mowbray site exercised the buy-out option in the lease to acquire the solar panels installed at the site for £0.9m.

No other significant events have occurred between 31 March 2023 and the date when the interim accounts were authorised by the Board of Directors, which would require adjustments to, or disclosure in, the Company’s interim accounts.

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Alternative Performance Measures

In reporting financial information, the Company presents alternative performance measures ("APMs") which are not defined or specified under the requirements of IFRS. The Company believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the Company. The APMs presented in this report are shown below:

Premium/Discount

The amount, expressed as a percentage, by which the share price at 31 March 2023, is greater or less the NAV per share.

| | | As at 31 March 2023 | As at 30 September 2022 |
|-----------------------|----------------|---------------------------|-------------------------------|
| NAV per share (pence) | a | 93.8 | 92.8 |
| Share price (pence) | b | 85.6 | 99.5 |
| (Discount) / Premium | (b÷a)-1 | (8.7%) | 7.2% |

Total return

Total return is a measure of performance that includes both income and capital returns. It considers capital gains and the assumed reinvestment of dividends paid out by the Company into its shares on the ex-dividend date. The total return is shown below, calculated on both a share price and NAV basis.

| | | Share price (pence) | NAV (pence) |
|---|----------------|------------------------|--------------|
| For the period from IPO to 31 March 2023 | | | |
| Value at IPO | a | 100.0 | 98.1 |
| Closing at 31 March 2023 | b | 85.6 | 93.8 |
| Dividends paid since IPO | c | 5.5 | 5.5 |
| Adjusted closing (d=b + c) | d | 91.1 | 99.3 |
| Total return | (d÷a)-1 | (8.9)% | 0.9 % |

| | | Share price (pence) | NAV (pence) |
|---|----------------|------------------------|---------------|
| For the period from IPO to 30 September 2022 | | | |
| Value at IPO | a | 100.0 | 98.1 |
| Closing at 30 September 2022 | b | 99.5 | 92.8 |
| Dividends paid since IPO | c | 3.0 | 3.0 |
| Adjusted closing (d=b + c) | d | 102.5 | 95.8 |
| Total return | (d÷a)-1 | 2.5% | (2.3)% |

Ongoing charges ratio

A measure, expressed as a percentage of average NAV, of the regular, recurring annual costs of running an investment company.

| | | For the period from IPO to 31 March 2023 |
|------------------------------|--------------|---|
| Average NAV (£'000) | a | 139,888 |
| Ongoing fees* (£'000) | b | 2,277 |
| Ongoing charges ratio | (b÷a) | 1.6% |

*Ongoing fees for the six months to 31 March 2023 annualised. Consisting of investment management fees and other recurring expenses.