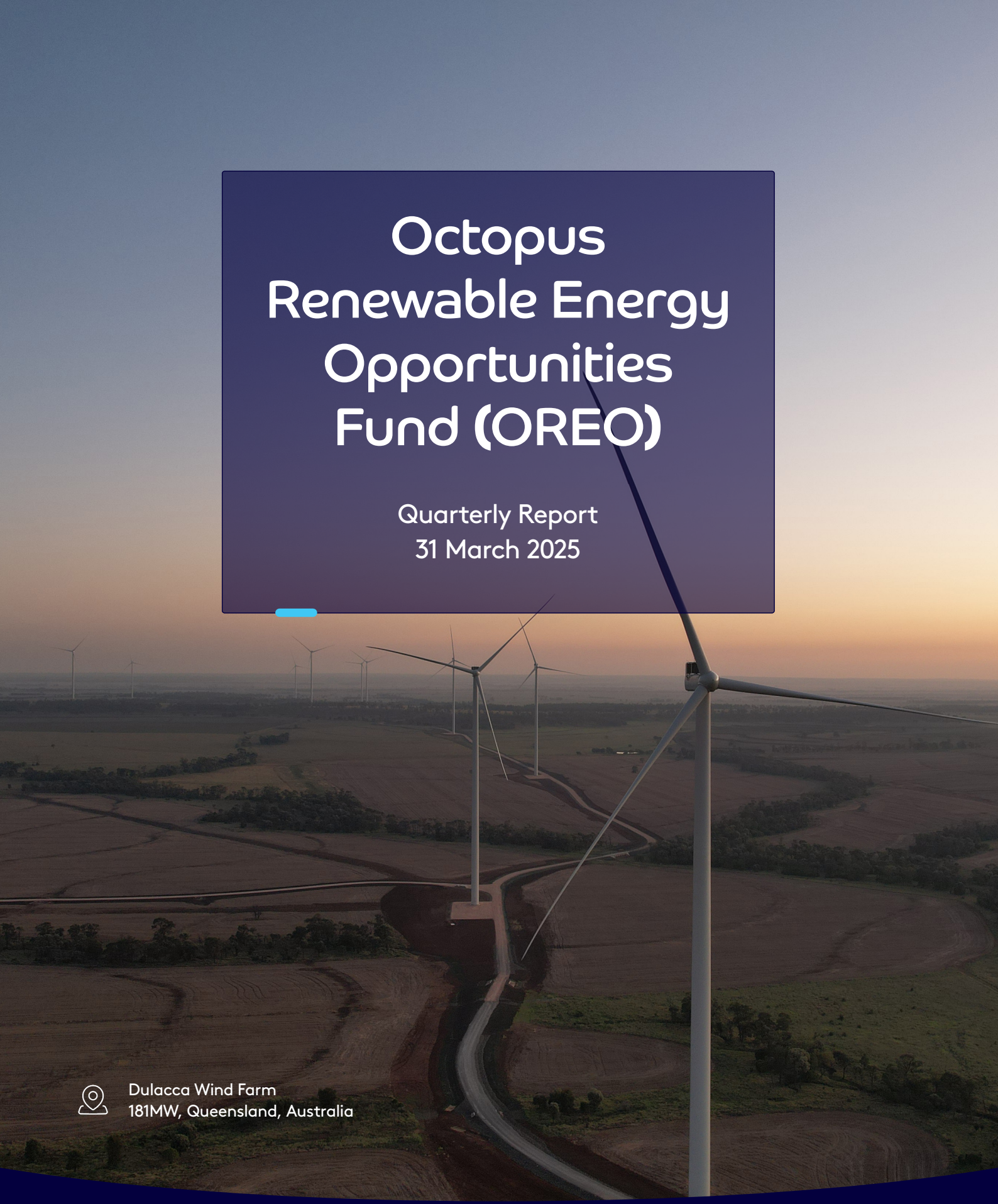
# Octopus Renewable Energy Opportunities Fund (OREO)

Quarterly Report
31 March 2025



Dulacca Wind Farm
181MW, Queensland, Australia

octopus investments
A brighter way

Octopus Renewable Energy Opportunities Fund ("OREO", or the "Fund") is an open ended unregistered wholesale Australian unit trust. The Fund focuses on providing investors with exposure to a diversified portfolio of Australian clean energy infrastructure assets through its investment in the Octopus Australia Master Trust ("OAMT") alongside the Octopus Australia Sustainable Investments Fund ("OASIS").

## Highlights

- The OREO unit price increased by 1.5% during the quarter, reaching $1.1219.
- Over the past 12 months, the Fund achieved a net return of 9.7%, bringing the since-inception net return to 8.2% per annum. In a general market environment driven by geo-political headwinds and extreme volatility, our stable and consistent returns continue to demonstrate resilience through the cycle.
- The Fund continues to track towards a FY25 cash yield within the 4-5% target range.
- During the quarter, the $300m 80MW Fulham Solar Farm and 128MWh Battery project reached financial close. Backed by a Power Purchase Agreement (PPA) from the Victorian State Government, the project utilises market leading technology and will be one of the first DC-coupled solar and battery hybrid assets in Australia, which is expected to provide strong risk-adjusted returns for investors.
- The Fulham project was developed by Octopus Australia (OA) in-house, highlighting the team's unique position in the energy sector as a developer, owner and long-term operator of its assets. The project will also utilise locally manufactured materials throughout construction and is expected to be fully operational in 2027.
- Dulacca Wind Farm was again one of the best performing wind farms in the National Electricity Market. It saw the second highest capacity factor at 42% over the quarter, and a dispatch weighted price of $89.60/MWh, placing it in the top handful of wind assets.
- OA's Energy Markets and Analytics team secured an additional 2.5 year PPA at Dulacca Wind Farm for 20% of sent out generation. Combined with the existing long-term PPA with the Queensland Government owned Cleanco for 70% of generation, it brings the total contracted volume to 90%. This aligns with OA's active revenue strategy, focused on assessing opportunities for additional high-value short-term contracts that de-risk cash-flows and bolster revenues.
- During the quarter, OA's Asset Management team finalised its selection of a new operations and maintenance contractor onsite and agreed a new contract at Darlington Point Solar Farm. This initiative involved securing a markedly reduced price and enhancing contractual terms for onsite performance. These measures added value to the project and are expected to improve contractor, and ultimately, asset performance.
- Fundraising for the acquisition of the Blind Creek Solar Farm and Battery is progressing well, with financial close anticipated in Q3 2025. Watch our latest video to find out more about the project.
- During the quarter The Octopus Australia team welcomed Pratiksha Holavannur as Construction Project Manager, Anh Pham as Business Data Analyst, Nandini Sridhar Murthy as Fund Operations Analyst, Louis Pretorius as Senior Project Manager and Matt McNally as Stakeholder Engagement Manager.

### Fund Statistics

OREO net asset value
**$102m**

OREO assets under management
**$171m**

OREO unit price
**$1.1219**

Distribution per unit financial year to date[1]
**$0.02**

Generator capacity under management
**456MW**

OREO net return since inception
**8.2% p.a.**

Electricity generated
**296k MWh**

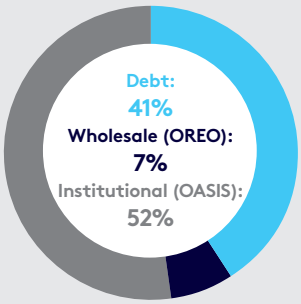
Equivalent number of homes powered[2]
**49k homes**

Tonnes of $CO_2$ avoided[2]
**191k $tCO_2$**

Equivalent number of trees planted[2]
**941k**

[1] Ex-Price; Distribution made semi-annually
[2] Based on current quarter generation

### Assets Under Management

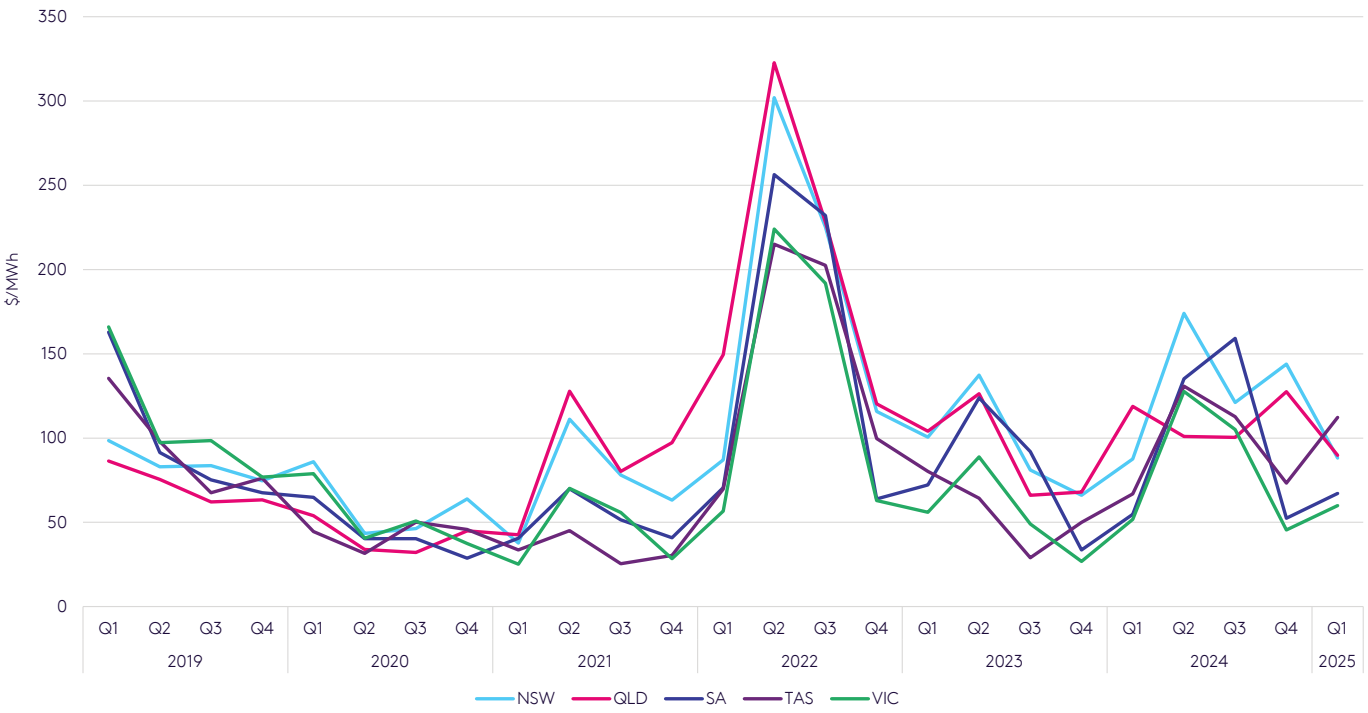


# Energy Markets

## Q1 Market Update

Price outcomes in Q1 2025 were relatively subdued across the National Electricity Market (NEM), with varied changes quarter-on-quarter for the different regions. Average prices in the southern mainland states of Victoria and South Australia saw a small increase, whilst the northern states of New South Wales and Queensland decreased after a particularly volatile and high priced Q4 2024. Typically known for its stable pricing and often operating under the radar, Tasmania recorded the highest average quarterly price, driven by lower hydro output - a rare occurrence historically.

## Quarterly Average Electricity Spot Price




Volatility over the quarter was generally low on the mainland, with a handful of hot weather, high demand or interconnector driven events resulting in isolated periods of volatility. On 12 February, South Australia saw its highest level of demand since 2011, which when combined with constraints on the VIC-SA interconnector drove an afternoon of very high prices. Extreme volatility for the quarter in Queensland was confined to a single hot day in January. This saw the region's highest ever market demand combined with interconnector constraints and effective economic islanding resulting in elevated prices. New South Wales saw the most periods of volatility over the quarter, with the usual drivers of heat, interconnector and coal outages impacting the NEM's largest region. Outside of these single day periods however, prices were reasonably steady on the mainland, with the underlying energy price lower (northern states) or at similar levels (southern states) seen in Q4 2024. Reflective of the growth of rooftop solar, New South Wales and Victoria hit all time low minimum demand levels, whilst the NEM hit a record low for Q1.

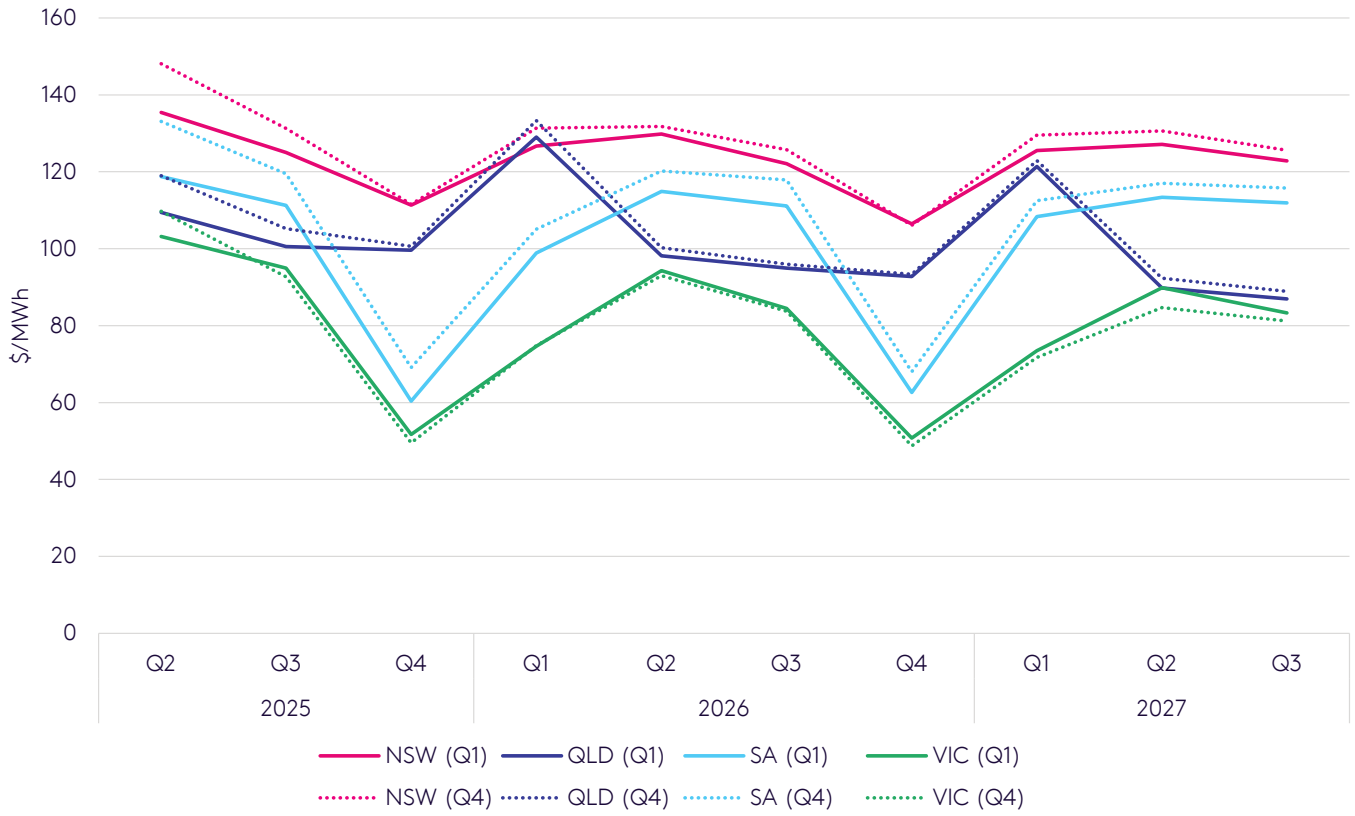
Renewables contributed approximately 43% of total generation in the NEM over the quarter, reflecting almost a 5% increase since Q1 2024. This is an encouraging sign on the road to 82% renewables by 2030, but it also highlights the level of new renewable investment required to reach the target.

South Australia and Tasmania led the charge with each seeing 73% of regional demand met by renewables. For South Australia, this was through a mix of wind and solar, and for Tasmania predominantly hydropower with some wind. Following was Victoria at 49% renewables, through an even mix of solar and wind. The two largest regions, New South Wales and Queensland, saw 39% and 30% renewable contribution respectively, predominantly through solar. This generation mix will change markedly for the currently coal dominated Queensland over the next few years, with the state's wind capacity set to more than double this year alone with the commissioning of two large scale wind farms totalling over 1GW.

There were some major milestones in new transmission build out in Q1 2025, which is crucial to supporting the continued roll out of new renewable generation and storage. The first phase of Project EnergyConnect, providing another connection between South Australia and Victoria, and connecting South Australia to New South Wales for the first time, became operational, increasing the transfer capacity into South Australia by 150MW. The HumeLink project in southern New South Wales received final approvals in late 2024, with the line crucial to connecting the Snowy 2.0 pumped hydro project. Q1 2025 saw the commencement of enabling works such as site establishment, with main construction to begin later in the year.

### Change in Average Quarterly Baseload Futures Prices, Q4 24 to Q1 25

The subdued Q1 2025 price outcomes saw futures prices decline across the quarter, particularly over the remainder of 2025 - the market somewhat correcting itself after the increase seen off the back of a volatile Q4 2024 for the northern states. The longer term saw smaller decreases for New South Wales, Queensland and South Australia, whilst Victoria saw a slight increase across the period.




### LGC Pricing

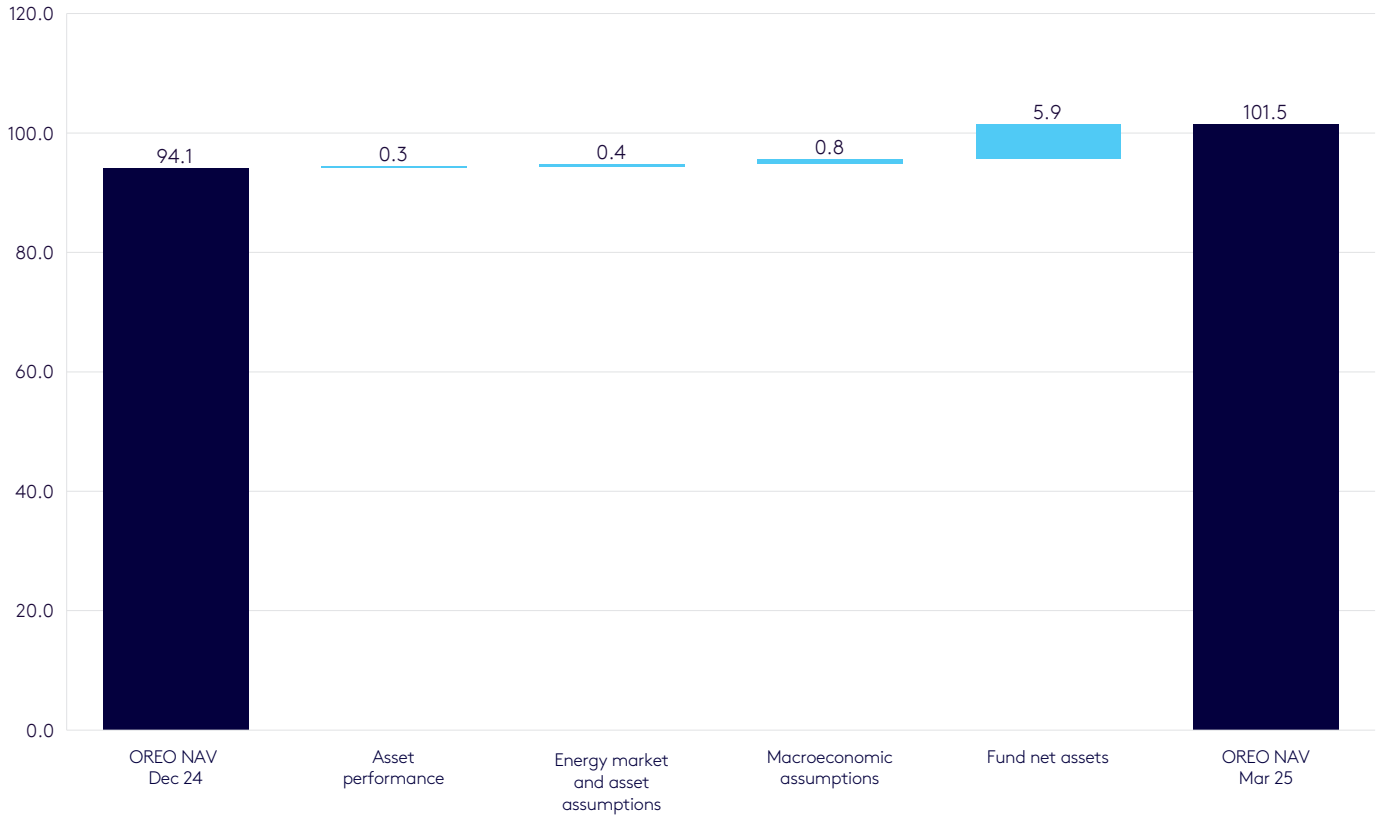
LGC prices continued their decline to start 2025, with the spot price dropping below $30/certificate in early January and declining consistently over the quarter to end in the low to mid $20/certificate range. Future certificate prices also declined through the quarter, though not to the same extent as spot.

The key drivers of declining LGC prices are attributed to weakening corporate voluntary demand and new generation coming online, resulting in an oversupply of certificates.

The introduction of the Renewable Energy Guarantee of Origin scheme later this year, which will operate a certificate scheme alongside the LRET scheme until its expiry in 2030, also created uncertainty.

# Valuation Bridge

### Fund Equity Value Bridge $m




The OREO portfolio net asset value as at 31 March 2025 was $101.5m representing an increase of $7.4 m in fund value over the quarter.

### Asset performance +0.3m

Octopus Australia's operating assets performed well over the quarter, with Dulacca Wind Farm ranking as one of the best performing assets in the NEM. Price volatility in the Queensland region meant the asset was able to deliver revenue well above forecasts. Darlington Point's performance was in line with expectations.

### Energy market and asset assumptions +$0.4m

There was a moderate increase in wholesale energy prices with the continued recognition of post 2030 LGCs over the quarter.

### Macroeconomic assumptions +$0.8m

The reduced short term inflation expectation had a negative impact on the valuation of the assets, due to their revenues being linked to the consumer price index.

### Fund net assets +$5.9m

The movement in fund net assets is primarily made up of an increase in cash to provide funding for the acquisition of Fulham.

# Portfolio Performance

## Fund Performance Summary

| | 3 months | 6 months | 1 year (p.a.) | 2 year (p.a.) | Since Inception (p.a.) |
|---|---|---|---|---|---|
| Net return[1] | 1.5% | 4.6% | 9.7% | 10.0% | 8.2% |

| | Financial Year To Date |
|---|---|
| Net yield[2] | 1.9% |

## Quarterly Portfolio Performance – OREO

| | Opening NAV (Dec 24) ($m) | Capital Contributed Over Quarter ($m) | Closing NAV (Mar 24) ($m) | Distributions Over Quarter ($m) | Total Return Over Quarter (%) |
|---|---|---|---|---|---|
| **Operational** | | | | | |
| Darlington Point Solar Farm | 34.8 | – | 34.8 | - | -0.7% |
| Dulacca Wind Farm | 34.5 | – | 34.5 | - | 5.0% |
| **Construction** | | | | | |
| Fulham Solar Farm and Battery | - | 8.0 | 8.2 | - | NM |

[1]Annualised IRR net of fees and expenses, periods less than one year are not annualised.

[2]De-annualised IRR for the period.

NM: Not Meaningful as investment is new.

# Portfolio Summary

| Project | Technology | Location | Generator Capacity (MW) | Battery Capacity (MW/MWh) | Date Acquired |
|---|---|---|---|---|---|
| **Operational** | | | | | |
| Darlington Point | Solar | NSW | 275 | – | Jul-22 |
| Dulacca | Wind | QLD | 181 | – | Oct-23 |
| **Construction** | | | | | |
| Fulham | Solar and Battery | VIC | 80 | 64/128MWh | Mar-25 |

| | Asset | | | | OREO[2] | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Project | Enterprise Value ($m) | Asset NAV ($m) | Gearing[1] | OREO Ownership % | Equity Invested ($m) | NAV ($m) | Distributions ($m) | MOIC[3] | IRR (%p.a.) |
| **Operational** | | | | | | | | | |
| Darlington Point | 420.0 | 260.3 | 38.0% | 13% | 33.1 | 34.6 | 2.3 | 1.1 | 5.3% |
| Dulacca | 638.3 | 272.5 | 50.3% | 13% | 29.0 | 36.2 | 5.0 | 1.4 | 29.4% |
| **Operational** | | | | | | | | | |
| Fulham | 61.5 | 61.5 | | 13% | 8.0 | 8.2 | - | 1.0 | NM |

[1] Gearing is defined as debt/EV.

[2] Numbers since inception.

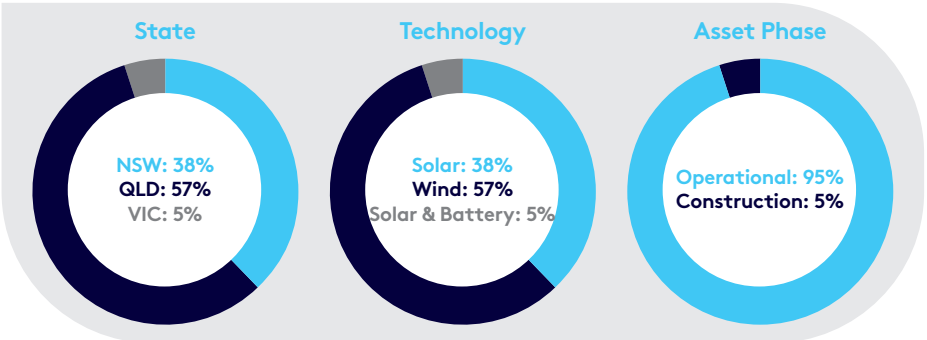
[3] MOIC = Multiple of invested capital.

**456MW**
operational under management

**76%**
operational output contracted

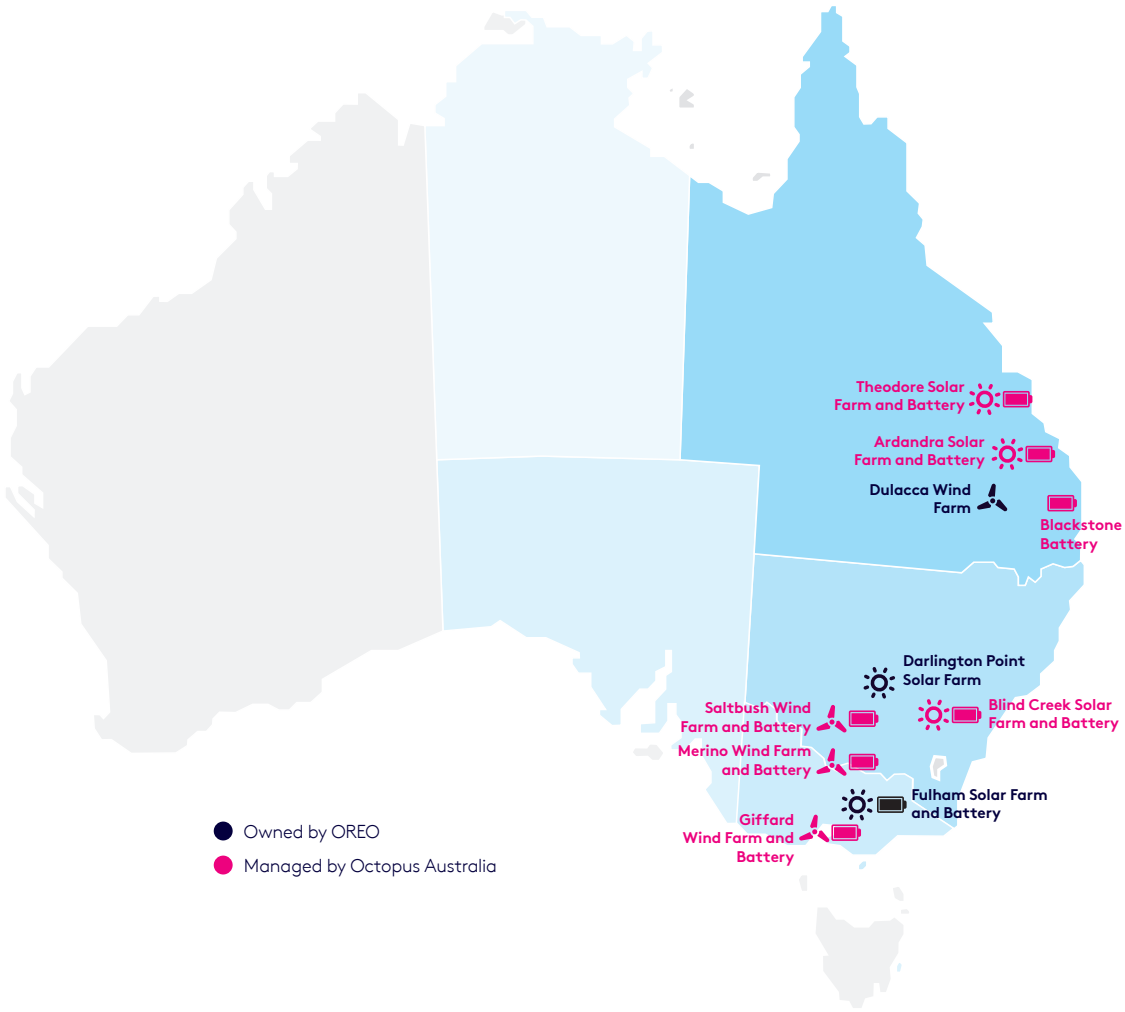
## Portfolio Composition

Portfolio composition broken down by total assets under management.



# Pipeline

| Project | Technology | Generator Capacity (MW) | Battery Capacity (MW/MWh) | Current Stage |
|---|---|---|---|---|
| **Current Octopus Australia Managed** | | | | |
| Blind Creek | Solar and Battery | 300 | 243/486 | Development |
| Blackstone | Battery | – | 500/1,000 | Development |
| Ardandra | Solar and Battery | 97 | 75/150 | Development |
| Theodore | Solar and Battery | 70 | 40/160 | Development |
| Giffard | Wind and Battery | 417 | 400/800 | Development |
| Saltbush | Wind and Battery | 410 | 250/1,000 | Development |
| Merino | Wind and Battery | 1,000 | 400/800 | Development |
| **Total** | | **2,294** | **1,908/4,396** | |



# Asset Summaries

## Darlington Point Solar Farm

### Asset Summary

| | |
|---|---|
| **Location** | NSW |
| **Technology** | Solar |
| **Acquisition Date** | July 2022 |
| **Status** | Operational |
| **Generator Capacity** | 275 MW |

### Investment Summary[1]

| | |
|---|---|
| **Total Equity Invested** | $234.9m |
| **Total Debt** | $203.8m |
| **Enterprise Value** | $438.7m |

### Investment Background

Darlington Point Solar Farm was the first acquisition by Octopus Australia and has been managed by the team since it began construction in 2018. DPSF achieved full operations in early 2022 and has long-term PPAs covering 80% of its generation. It is the cornerstone asset of OREO.

### Performance

Darlington Point had a challenging quarter with generation impacted by a series of grid outages. While the asset performed solidly in December and January, which are its largest months of generation, February and March were impacted by delayed line maintenance, and some line upgrades were implemented by Transgrid on the New South Wales side of the border and AusNet on the Victorian side of the border. All generators in the local area were impacted by these outages and relative to other impacted farms, Darlington Point performance was solid.

The OA team are in talks with both network service providers to reduce the impact of further grid outages going forward.

Merchant pricing was less than forecast but this had a relatively minor impact due to 80% of Darlington Point's generation being contracted.

During the quarter, the team finalised its selection of a new operations and maintenance contractor onsite and agreed a new contract. This initiative involved securing a markedly reduced price and enhancing contractual terms for onsite performance. These measures added value to the project and are expected to improve contractor, and ultimately, asset performance.

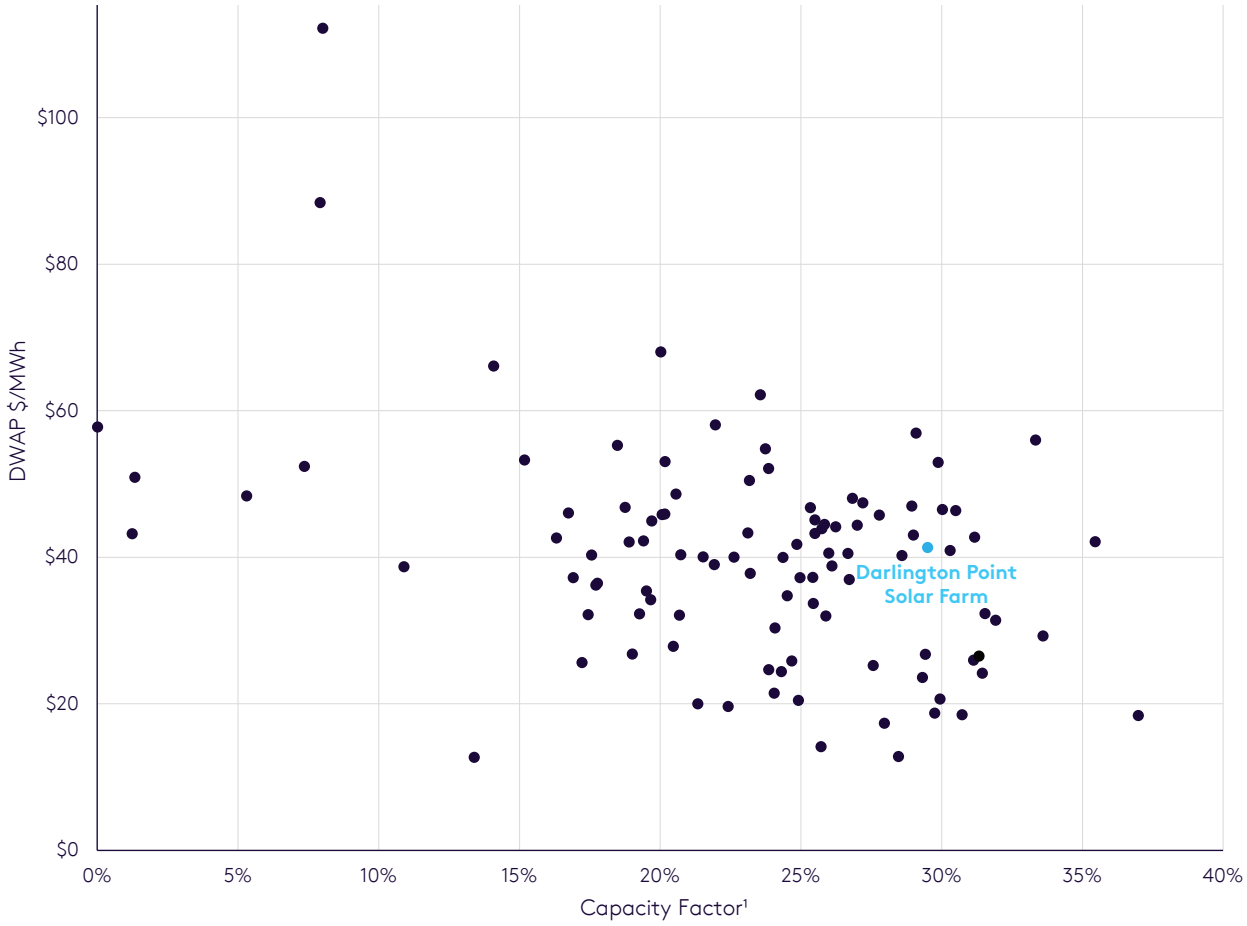
### Valuation

| | |
|---|---|
| **100% Asset NAV** | $260.3m |

The relatively soft performance of the asset combined with weaker short-term price forecasts led to a small reduction in the asset valuation.

[1] At acquisition.

## Darlington Point relative performance for quarter versus solar farms in NEM




Darlington Point Solar Farm performed solidly in comparison to other solar farms in the NEM, with a strong capacity factor of 29.5% putting it in the top quartile and a dispatch weighted price of $40/MWh at the median for the quarter.

[1] The capacity factor of a generator is the ratio of its actual electricity output over a period of time (in this case, the quarter) to the theoretical maximum electricity output of its nameplate capacity.

## Dulacca Wind Farm

### Asset Summary

| | |
|---|---|
| **Location** | QLD |
| **Technology** | Wind |
| **Acquisition Date** | October 2023 |
| **Status** | Commissioning (100% output) |
| **Generator Capacity** | 181 MW |

### Investment Summary[1]

| | |
|---|---|
| **Total Equity Invested** | $218.2m |
| **Total Debt** | $399.7m |
| **Enterprise Value** | $617.9m |

### Investment Background

Dulacca Wind Farm is a fully constructed and energised wind asset in QLD, Australia. The team has been managing the asset since it began construction in 2021. Its acquisition by the Fund presented a rare opportunity to acquire a near-operational wind farm with excellent grid location, 300 kilometres west of Brisbane in the Western Downs Region. DWF comprises of 43 wind turbines with a generation capacity of 181MW.

### Performance

Dulacca had another strong quarter beating its modelled assumptions. January in particular saw generation approximately 20% above forecast. Merchant pricing was also close to modelled expectations.

During the quarter, OA's Asset Management team signed a new PPA on the asset which began on 1 March. This PPA locks in a fixed price which reduces pricing risk for a further portion of the asset's output for a two and a half year period. The Energy Markets team actively manage wholesale market exposure across operating assets, in this instance using a short-term PPA to improve risk adjusted returns.

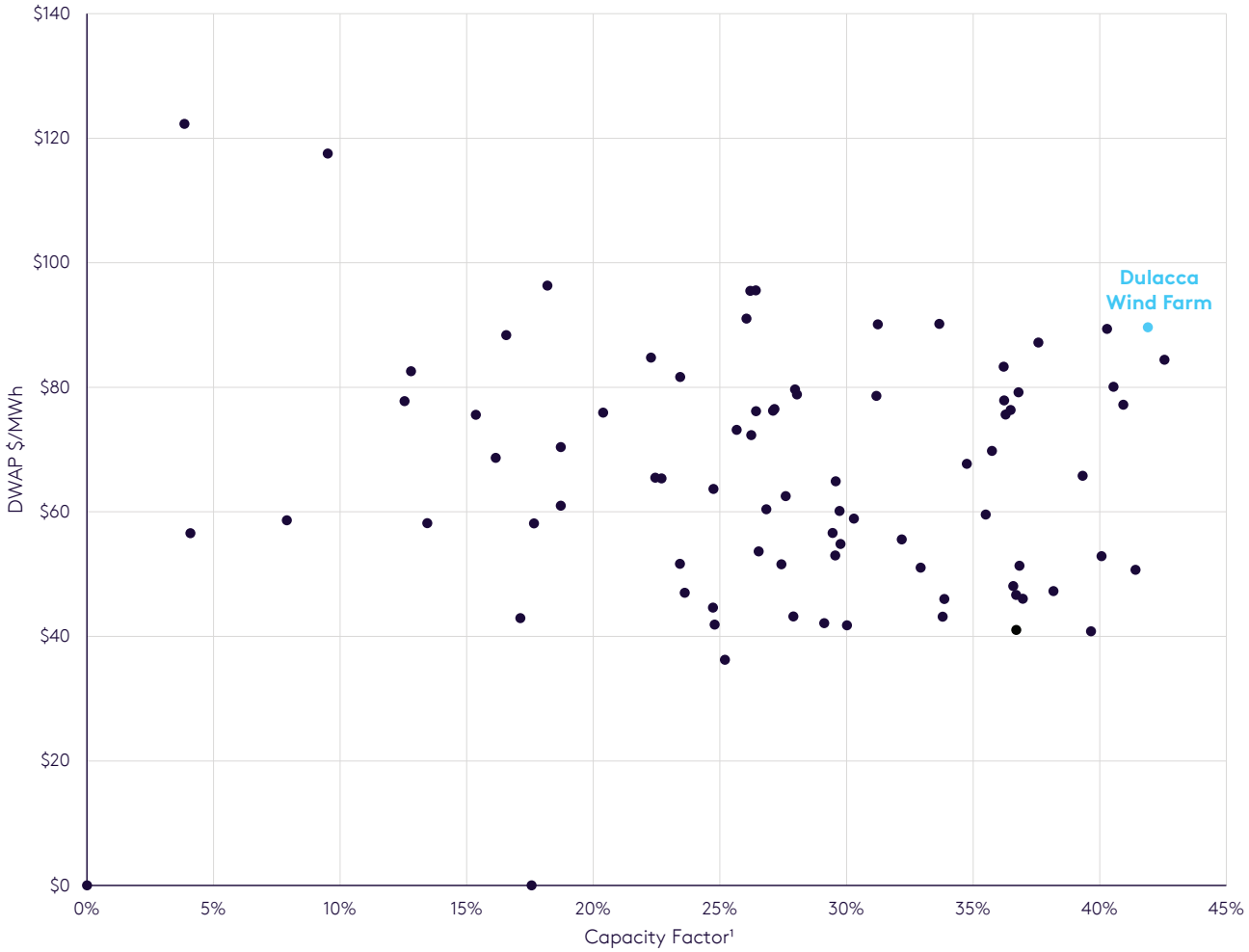
### Valuation

| | |
|---|---|
| **100% Asset NAV** | $272.5 |

Due to the strong underlying asset performance combined with a small increase in long-term forecast prices in Queensland, there was a solid increase in the asset valuation during the quarter.

[1] At acquisition.

## Dulacca DWAP relative performance for quarter versus wind farms in NEM




Dulacca Wind Farm was again one of the highest performing wind farms in the NEM on a merchant basis. It saw the second highest capacity factor at 42% over the quarter, and a dispatch weighted price of $89.60/MWh in the top handful of wind assets. The key factors driving this performance include the high Queensland time weighted average price, a favourable generation profile which results in high output volume and aligns with times of high prices, and a strong grid position with low levels of curtailment.

[1] The capacity factor of a generator is the ratio of its actual electricity output over a period of time (in this case, the quarter) to the theoretical maximum electricity output of its nameplate capacity.

## Fulham Solar Farm and Battery

### Asset Summary

| | |
|---|---|
| **Location** | VIC |
| **Technology** | Solar & Battery |
| **Acquisition Date** | March 2025 |
| **Status** | Construction |
| **Generator Capacity** | 80 MW |
| **Battery Capacity** | 64MW/128MWh |

### Investment Summary[1]

| | |
|---|---|
| **Total Equity Invested** | $184.9m |
| **Total Debt** | $135.0m |
| **Enterprise Value** | $319.9m |

### Investment Background

Fulham Solar Farm and Battery is a DC-coupled 80MW Solar Farm and 64MW/128MWh Battery project that was acquired by the Fund in December 2024.

The project's location utilises existing high-capacity grid infrastructure that directly supplies Victoria's biggest load centre, Melbourne. Fulham is well positioned to benefit from the forecast energy price volatility resulting from the planned closure of Yallourn (coal powered) Power Station in 2029.

Fulham is one of the first DC-coupled hybrid projects in Australia. This market-leading technology operates with higher efficiency and lower power system losses. The integration of the battery and solar farm improves the power generation profile supporting higher revenues.

### Performance

Notice to proceed under the Engineering, Procurement and Construction (EPC) contract was issued on 18 March 2025. To mark the commencement of construction on site, Octopus Australia held a Sod Turning event with the Victorian Minister for Energy and Resources, Hon. Lily D'Ambrosio in early April 2025. Early construction works will commence in the coming quarter.

### Valuation

| | |
|---|---|
| **100% Asset NAV** | $61.5m |

The Octopus Australia valuation policy is to gradually unwind the Equity IRR of the project during the construction period. This unwind commenced on 19 March at the same time as the notice to proceed was issued under the Engineering, Procurement, and Construction (EPC)

[1] Commercial Operations Date.

## Investment Guidelines

- Target Returns **7.0%** net IRR (post annual management and performance fees, before tax).
- Target Yield **4-5%** per annum net yield.
- The Fund, via its investment in the OAMT, intends to invest in a geographically and technologically diversified spread of assets and, over the long term, expects that the following investment guidelines will be met:
  - Investment targets will include utility scale Australian solar PV farms, wind farms, storage and hydrogen opportunities;
  - Leverage will not, in aggregate across the Portfolio, exceed 65% of the gross asset value;
  - At any one time, more than 50% of generation from sites within the Portfolio will be covered by a fixed price contract, with a target of more than 60% under normal market conditions (as determined by the Manager, acting reasonably)
- Quarterly liquidity on best endeavours basis.
- Investment manager **Octopus Aust OREO Manager Pty Ltd.**

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South Yarra VIC 3141

**Apex Fund Services (Australia) Pty Ltd (Administrator)**
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Melbourne VIC 3000

**OneVue Fund Services Pty Ltd (Share Registry)**
Level 16, 385 Bourke Street
Melbourne VIC 3000

**Equity Trustees Limited (Responsible Entity)**
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Melbourne VIC 3000

## Octopus Australia – who we are

Octopus Aust OREO Manager Pty Ltd ("the Manager") is a subsidiary of Octopus Capital Aust Pty Ltd (ACN 627 019 096) ("OCA"), which employs greater than 55 energy professionals and renewables experts across wind/solar/storage development as well as construction, asset and fund management. The team has a deep knowledge of the Australian energy market and has extensive experience within the domestic renewable energy market.

OCA provide its team's experience to the Fund via service contracts directly with the underlying assets (development, construction and asset management) or with the Fund (fund management). Asset-level services relating to a project are carried out by OSCAR Management Aust Pty Ltd ("OSCAR"), a 100% subsidiary of OCA, unless otherwise determined by the Manager in respect of one or more projects. Such services represent the necessary costs associated with developing institutional grade assets designed to perform for 30+ years. Fund management services will be carried out by the Manager.

### Glossary

| | |
|---|---|
| **AEMO** | Australian Energy Market Operator |
| **AC** | Alternating Current |
| **BESS** | Battery Energy Storage Systems |
| **COD** | Commercial Operation Date |
| **CPI** | Consumer Price Index |
| **DC** | Direct Current |
| **DPSF** | Darlington Point Solar Farm |
| **DWF** | Dulacca Wind Farm |
| **IC** | Investment Committee |
| **LGC** | Large-scale Generation Certificate |
| **MW** | Megawatt (all figures are AC unless otherwise specified) |
| **MWh** | Megawatt hour |
| **NEM** | National Electricity Market |
| **OA** | Octopus Australia |
| **OAMT** | Octopus Australia Master Trust |
| **OASIS** | Octopus Australia Sustainable Investments Fund |
| **OCA** | Octopus Capital Aust Pty Ltd |
| **OREO** | Octopus Renewable Energy Opportunities Fund |
| **OSCAR** | OSCAR Management Aust Pty Ltd |
| **PPA** | Power Purchase Agreement |
| **PV** | Photo Voltaic |

## Key risks

An investment in OREO will place capital at risk. The value of investments, and any income, can go down as well as up, so investors could get back less than the amount invested.

Neither past performance nor any forecasts should be considered a reliable indicator of future results. Actual performance will depend on factors such as wholesale power prices, power purchase agreements, regulatory environment, government incentives, exchange rates, inflation, grid connections, asset concentrations and site performance.

OREO is investing in OAMT which is investing in construction and operational renewable energy assets and, therefore, may be exposed to certain risks, such as cost overruns, construction delay and construction defects, which may be outside OREO's control.

Investment valuation is based on financial projections for the Fund's relevant Renewable Energy Assets. Projections will primarily be based on the Investment Manager's assessment and are only estimates based on assumptions made at the time of the projection.

For the full list of investment risks please refer to the OREO Information Memorandum.

# Disclaimer

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