LLP Registration No. OC415130 (England and Wales)

OGCI CLIMATE INVESTMENTS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

OGCI CLIMATE INVESTMENTS LLP

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OGCI CLIMATE INVESTMENTS LLP

LLP INFORMATION

Designated Members	BP Technology Ventures Limited (until 1 January 2021) Shell Petroleum Company Limited (until 1 January 2021) Eni UK Limited (from 1 January 2021) Equinor New Energy Limited (from 1 January 2021)
Members	SAEV Guernsey I Limited Repsol Energy Ventures S A Total Holdings UK Limited Petrobras International Braspetro B.V. Chevron Products UK Ltd Oxy Climate Ventures, Inc. ExxonMobil Engineering Europe Limited
LLP registered number	OC415130
Registered office	Suite 1 3rd Floor 11-12 St. James's Square London United Kingdom SW1Y 4LB
Independent auditors	Ernst & Young LLP 1 More London Place London United Kingdom SE1 2AF

OGCI CLIMATE INVESTMENTS LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The members present their annual report together with the financial statements of OGCI Climate Investments LLP ("the LLP") for the year ended 31 December 2021. The LLP was incorporated on 16 December 2016 and its operations, management and governance are governed by the terms of the Members' Agreement ("the Agreement") which was executed on 21 December 2016.

Principal activities
The LLP is the investment arm of the Oil & Gas Climate Initiative ("the OGCI").

Our key aim is to drive substantial reduction in carbon emissions by:

- investing in technologies and projects which can demonstrate near-term reduction in methane or carbon dioxide emissions, and/or sequestration/utilization of carbon dioxide.
- collaborating with OGCI members and other partners to accelerate commercialization pathways for our portfolio companies, through pilots and global implementation projects.
- co-investing with global funds and investor groups to drive capital into decarbonization.

Review of 2021
Impact from COVID-19
The global COVID-19 pandemic continued to affect markets, businesses and individuals in 2021, whether through personal impact, disrupted business development, supply chain pressures, or lost revenue.

The LLP was not immune to these effects, but with our distributed workforce structure and virtual collaboration, we were able to continue to operate as effectively, as we did in 2020. Office based staff worked from home when appropriate, in line with government guidance and legislation. The welfare of our staff was the key priority, and we took steps to ensure all employees and contractors were provided with regular health and well-being support as well as any necessary equipment to enable them to continue to work effectively.

Moreover, the LLPs activities were fully supported by member companies in 2021. The 2021 investment and operating budgets were increased from 2020 levels, to enable acceleration of progress towards our impact goals. Investments were made in five new portfolio companies and the existing portfolio was supported, providing follow-on finance to eight companies. The aim was to ensure the portfolio was appropriately supported through the year, to enable continued development of emissions reduction technologies and projects.

Portfolio development
During the year ended 31 December 2021, the wholly owned subsidiary of the LLP, OGCI Climate Investments Holdings LLP, made five new investments and provided follow-on capital to eight existing portfolio entities. The total amount invested during the year was $95m (2020: $50m). The five new investments were as follows:

- Andium: Andium's operating system helps some of the largest oil and gas organizations gain visibility into operations with real-time, remote monitoring of wellsite assets. Its most recent capital raise accelerated the deployment of proprietary Video Solutions product lines for flare monitoring, tank telemetry, and object detection, and helped Andium develop methane detection technology, which was recently deployed with a large operator in the Permian.

- Next Decade: The Next Decade project aims to provide low carbon liquefied natural gas (LNG) by incorporating carbon capture and storage into its development of the Rio Grande LNG facility in Brownsville, Texas. At full-scale, the facility is expected to capture greater than 90% of emissions and permanently store more than 5 million metric tonnes of CO_2 per year.

- Metron: METRON is a French cleantech company specializing in energy efficiency and improvement of industrial performance. It provides a software-as-a-service platform coupled with sensing and measurement to a wide range of industrial facilities in order to optimize and accelerate, energy efficiency and productivity.

- Urbint: Urbint has built an AI-powered incident prevention platform for utilities and infrastructure operators, designed to predict threats to workers and critical infrastructure. The company reduces GHG emissions by preventing methane loss from third-party damage to gas pipes and proactively identifying corroded and leaky gas pipes for capital replacement.

- Qnovo: The US-based company sells software products that provide enhanced battery health and performance, including high-speed charging, extended battery longevity and driving range to meet the demands of next generation automobiles and commercial vehicles. In addition, the company's predictive software intelligence enhances battery safety by avoiding battery recalls due to latent manufacturing defects. The technology enables the more efficient use of battery capacity and therefore ultimately reduces the embedded carbon in electric vehicles.

Follow-on investments were made into eight of our portfolio companies, namely:

- Achates: Achates is developing high fuel-efficiency opposed-piston engines that aim to significantly reduce carbon dioxide and nitrogen oxide emissions.
- GHGSat: GHGSat provides accurate, low-cost methane monitoring data and services covering any facility in the world.
- Kairos Aerospace: Kairos Aerospace provides actionable data on major sources of methane emissions from aerial surveys.
- Qnergy: Qnergy provides remote power solutions to help companies improve operational efficiency and reduce emissions.
- SeekOps: Seekops develops and fields advanced sensor technology for the energy sector to detect, localize, and quantify methane emissions through integrated drone-based systems.
- Wabash Valley Resources: WVR is a gasification project that will produce hydrogen and carbon-free power through the capture and storage of over 1.5 million tonnes of CO2e per year.
- Starwood Energy Elysian Ventures: This venture is one of the world's first large-scale commercial projects to capture CO2 from a natural gas power plant and will qualify for carbon capture incentives.
- Svante: Svante aims to halve the cost of carbon capture through its breakthrough scalable technology. The technology captures carbon dioxide from flue gas, concentrates it, then releases it for safe storage or industrial use.

In addition, we were pleased to see the progress in 2021 of the Net Zero Teesside Project (NZT), which was transferred to five of our member companies in the middle of 2020. Three industrial consortia – Northern Endurance Partnership, Net Zero Teesside and Zero Carbon Humber secured further funding from the Industrial Strategy Challenge Fund to deliver the UK's first decarbonised industrial clusters on the east coast of England. NZT is expected to be able to reduce emissions by over 2 million tonnes of CO2 per annum when it is fully operational.

Piloting or deploying our investee company technologies within our member companies to catalyse and accelerate commercial development, is also a critical element of the LLP's activities. During 2021 the LLP passed a milestone of over 50 pilots or deployments of our portfolio technologies with our member companies.

During the period, the LLP incurred costs relating to the management of the fund and in relation to the acquisition of investments held by OGCI Climate Investments Holdings LLP.

Markets and regulatory frameworks
Consumers and customers are demanding ever lower or zero carbon products and solutions, whilst governments are mobilizing too on their regulations. For example, the UK's Net Zero strategy was published in 2021 whilst in the USA, the Infrastructure bill was passed. The USA is still progressing its Build Back Better bill which contains big programmes to support carbon capture, hydrogen and renewables.

At Glasgow's COP26 we saw unprecedented announcements: improved promises on carbon reductions, an important initiative on methane, progress on carbon pricing, forests and new goals on coal-fired power generation. The financial community promised better metrics and more pressure towards net zero. The Glasgow Finance group (GFANZ), said to represent over $100T of net zero AUM muscle, and regulators formed the International Sustainability Standards Board (ISSB) to monitor performance.

In order remain relevant and investable, more companies, including all of the OGCI member companies have announced their goal of achieving Net Zero operations within the timeframe set by the Paris Agreement.

The global adoption of the energy transition agenda and the deployment of capital into the wider sector is accelerating at a rapid pace, which is positive for the LLP, as we continue to identify, evaluate and invest in new technologies and projects which have strong impact.

Measurement and reporting of GHG impact

Market context

As we emerge from COP26, we see renewed global momentum to drive decarbonization. More countries and companies have signed up to net zero targets, policy makers have aligned behind carbon dioxide and methane reduction goals, while operating companies and financial institutions have pledged their participation. We also see progress on Carbon pricing regionally, with progress toward the eventual formation of a Global carbon market. The LLP is well positioned to take advantage of these market tailwinds. We have already developed and operationalised impact measurement methodologies. We have used them to set targets and are now delivering on these goals through our investments and commercialisation activities. Moving forward, we will scale our activities by investing in assets and growth companies that can accelerate delivery of carbon reduction.

CI impact strategy & methodology

The world clearly needs solutions that can achieve GHG reduction on a global scale and with urgency. Throughout 2021, investor capital has poured into climate funds. The effectiveness of those investment dollars depends fundamentally on investors' ability to identify opportunities with the greatest potential for climate impact. This requires robust and objective metrics for evaluating the potential carbon reduction impact of different investment opportunities. Alongside other investment funds, the LLP has collaborated to develop such metrics and is part of Project FRAME. Project FRAME, is a collaborative, open source framework to assess future greenhouse gas emissions reduction, is focused on the assessment of impact from investments and we encourage other investors to join us to co-create this shared set of tools (https://projectframe.how/).

The methodology we have developed aims to assess the impact of the investments we make on greenhouse gas (GHG) emissions, measured in tonnes of CO2 per annum.

Realized impact

We have taken a sectoral approach to identifying carbon reduction opportunities and capability gaps, in line with the IPCC 2014 report. As at 31 December 2021, we have made a total of 24 investments in the energy, industrial, commercial transport and buildings sectors. These investments have collectively enabled a reduction of around 7 million tonnes CO2e in 2020 and approximately 15 million tonnes in 2021 compared to the respective baseline scenarios. The methodology and reported CO2 impact figures for a sample of our investments have been independently reviewed by ERM Certification and Verification Services (ERM CVS). This sample covered 99% of the reported emissions and the review confirmed that we have an appropriate methodology in place to calculate realized impact for each of the investments, according to the investments' specific technology or solution, and that we have applied the methodology in calculating the realized impact for 2021. We will continue to refine the methodology for future impact reporting. We will be releasing an Impact report in the second quarter of 2022 to provide more details on our impact methodology and results. ERM CVS' scope work focused on an assessment of the methodology and a review of the realized impact calculations of 2021 for the sampled investments.

Designated Members

On 1 January 2021, in accordance with the Members' Agreement, the role of designated members was rotated from BP Technology Ventures Limited and Shell Petroleum Company Limited to Eni UK Limited and Equinor New Energy Limited.

Members

BP Technology Ventures Limited, Shell Petroleum Company Limited, Eni UK Limited, Repsol Energy Ventures S A, SAEV Guernsey I Limited, Equinor New Energy Limited, Total Holdings UK Limited, Petrobras International Braspetro B.V., Chevron Products UK Ltd, Oxy Climate Ventures, Inc. and ExxonMobil Engineering Europe Limited were members of the LLP throughout the year.

Members' capital and interests
Each member is required to subscribe to the LLP in accordance with the provisions of the Agreement to fund investments of and costs incurred by the LLP. Capital subscribed is repayable by the LLP when the underlying investment to which the capital was applied is realised. Upon realisation of an investment, funds can be reinvested by the LLP at the discretion of the members.

Details of changes in members' capital in the period ended 31 December 2021 are set out in note 25 to the financial statements. The profits and losses of the LLP are automatically allocated under the terms of the Agreement to the members according to their individual capital shares, except for investment income profits which are divided according to the investment income shares for the investment in question. Investment income profit shares will be distributed within 90 days of the end of the financial year of the LLP and all other profit shares will be distributed within 90 days of the relevant amounts being received by the LLP.

The Board & Management of the LLP
The Board oversees the operation of the LLP and subsidiaries, which is carried out on a day-to-day basis by the CEO and Executive Team. The Board also reviews the Strategic Investment Plan on an annual basis, sets targets for the LLP and approves individual investment and divestment decisions which are above the authority level delegated to the CEO.

Board members are appointed nominees of the member companies of the LLP, with sufficient seniority and experience to make a significant contribution to the effectiveness of the Board and success of the LLP.

Board members during the period were:

Director	Nominating Member	Dates
Angelo Amorelli	BP Technology Ventures Ltd	January to December
Barbara Burger 1	Chevron Products UK Ltd	January to December
Paolo Campelli 2	Eni UK Ltd	January to December
Elisabeth Kvalheim	Equinor New Energy Limited	January to December
Vijay Swarup	ExxonMobil Engineering Europe Limited	January to December
Richard Jackson	Oxy Climate Ventures, Inc.	January to December
Rafael Chaves	Petrobras International Braspetro B.V.	January to December
Jaime Martin Juez	Repsol Energy Ventures SA	January to December
Ahmad Al Khowaiter	SAEV Guernsey Ltd	January to December
John MacArthur	Shell Petroleum Co Ltd	January to June
Alexander Boekhorst	Shell Petroleum Co Ltd	June to December
Girish Nadkarni	Total Holdings UK Ltd	January to December
Francois Badoual 3	Total Holdings UK Ltd	December
Jérôme Schmitt 4	OGCI Executive Committee	January to February
Bjorn Otto Sverdrup 4	OGCI Executive Committee	February to December

1. Barbara Burger resigned from the Board in March 2022. Jim Gable has been appointed as the representative of Chevron Products UK Ltd from that date.

2. Paolo Campelli resigned from the Board in December 2021. Francesca Ciardiello has been appointed from January 2022 as the representative from Eni UK Ltd.

3. Francois Badoual resigned from the Board in February 2022. Gilles Cochevelou has been appointed as the representative of Total Holdings UK Ltd from that date.

4. The chair of the OGCI Executive Committee is a non-voting member of the Board.

The Board is also responsible for appointing the Designated Members in accordance with the Agreement which requires all Members to serve at least one 2-year term as a Designated Member of the LLP.

Governance

Under the terms of the Agreement, the Board has established the following sub-committees:

- Audit Committee: responsible for overseeing the LLP's system of internal control, approving the financial statements and recommending that the Designated Members sign the financial statements on behalf of the members of the LLP.
- Remuneration Committee: responsible for the remuneration policies and practices of the LLP, particularly those of the Senior Management.

UK taxation of income

Under UK tax law, members of the LLP pay tax that is individually assessed on their share of profits. Income taxes are not assessed on the LLP itself and it is therefore not dealt with in these financial statements. The taxation payable on the LLP's profits is the liability of the members.

Going concern basis of preparation

In preparing the accounts, management and the Board are required to assess the LLPs ability to continue as a going concern and whether the going concern assumption is appropriate. Disclosures are required if management and the Board are aware of material uncertainties that may cast doubt on the LLPs ability to continue as a going concern.

The LLP prepares its accounts on the going concern basis. Members of the LLP have committed to invest a minimum of $100m each over a 10-year period in the LLP and subsidiary vehicles. Annual budgets and projections of cash requirements are prepared to enable funding to be agreed. The budget for 2022 was approved by the Board on 16 December 2021. This budget has been increased compared to the 2021 budget, reflecting the continued confidence and commitment of the member companies and the Board to the aims of the LLP. Management and the Board consider that this level of expenditure is appropriate to enable the LLP to continue to progress its strategic GHG reduction goals.

On 24 February 2022, Russia launched a military invasion of Ukraine. The LLP has no financial interests or investment in Russia, Belarus or Ukraine but the conflict has had an impact on member companies, including the following:

- Withdrawal from member company investments and operations in the Russian market
- Sanctions preventing trade with specified Russian individuals and organisations
- Operational disruption in Ukraine
- Volatility of prices in oil and gas markets
- Supply chain disruption

In times of market pressures, such as those from the Ukraine conflict or from COVID-19, members may consider exiting from OGCI Climate Investments LLP. However, under the terms of the members agreement, even if they decide to leave, there is a requirement for them to have been a member for at least two years and then give two years' notice, continuing to fund during that time and selling their interest in the LLP for $1 to the other members. Any member who is forced to exit through non-compliance with the members agreement is required to continue to fund their $100m commitment.

For our member companies, addressing climate change and the energy transition is a critical part of their business strategies, as demonstrated by the Aiming for Zero Methane Emissions Initiative approved by the member companies and launched on 8 March 2022. All members remain committed to OGCI and to funding the LLP in accordance with their commitments under the members agreement.

On the basis of the above, the executive team and the Board consider that the preparation of the accounts under the going concern basis remains appropriate.

Auditor

Ernst & Young LLP have been appointed auditors of the LLP for the year ended 31 December 2021.

On behalf of the board

Francesca Ciardiello

Francesca Ciardiello
For and behalf of Eni UK Ltd
Designated Member
26 April 2022

OGCI CLIMATE INVESTMENTS LLP

MEMBERS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Members are responsible for preparing the financial statements in accordance with applicable laws and regulations. The Partnership (Accounts) Regulations 2008 require the Members to prepare financial statements for each financial year. Under that law the Members have elected to prepare the financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 as applied to qualifying partnerships.

In preparing those financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently, subject to any changes disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable International Accounting Standards in conformity with the requirements of the Companies Act 2006 as applied to qualifying partnerships, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the LLP will continue in business.

The Members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the LLP and to enable them to ensure that the financial statements comply with the Partnership (Accounts) Regulations 2008. They are also responsible for the LLP's system of internal financial control, for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Members' responsibilities set out above are discharged by the Designated Members on behalf of the members. The Designated Members at the date of approval of the financial statements confirm that, so far as they are aware, there is no relevant information of which the LLP's auditors are unaware and each Designated Member has taken all the steps that ought to have been taken by them as members to make themselves aware of any relevant audit information and to establish that the LLP's auditors were aware of that information.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OGCI CLIMATE INVESTMENTS LLP

Opinion

We have audited the financial statements of OGCI Climate Investments LLP (the 'Partnership') for the year ended 31 December 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in members' interest and statement of cash flows and the related notes 1 to 30, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards as applied to limited liability partnerships.

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2021 and of its result for the year then ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards as applied to limited liability partnerships; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the limited liability partnership's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the limited liability partnership's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships' regime

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on page 8, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the partnership'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 members either intend to liquidate the partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (IFRS and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including furlough scheme rules, health and safety and GDPR.

- We understood how the Partnership is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas, and corroborated this by auditing supporting documentation. We also reviewed correspondence with relevant authorities.

- We assessed the susceptibility of the Partnership's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assessing the classification of ExCom expenses to be a fraud risk. We tested specific transactions backing to source documentation, ensuring appropriate classification of the transactions.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to Limited Liability Partnerships. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephney Dallmann

Stephney Dallmann (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date04/29/2022

OGCI CLIMATE INVESTMENTS LLP

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 $'000	2020 $'000
Other income	4	8	1,369
Investment costs		(1,365)	(12,387)
Administrative expenses		(28,245)	(22,666)
Operating loss	5	(29,602)	(33,684)
Dividend income	6	1	-
Finance costs	7	(88)	(119)
Loss before taxation		(29,689)	(33,803)
Loss for the year before members' remuneration		(29,689)	(33,803)
Remuneration charged to members' distribution accounts	25	29,689	33,803
Result for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

The notes on pages 17 to 39 are an integral part of these financial statements.

All results in the current financial year derive from continuing operations.

Loss for the period and total comprehensive expense for the period are entirely attributable to the members of the LLP.

OGCI CLIMATE INVESTMENTS LLP

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 $'000	2020 (Restated) $'000
Non-current assets			
Intangible assets	**8**	90	-
Property, plant and equipment	**12**	805	1,124
Right-of-use asset	**12**	1,964	2,798
Investments	**13**	239,466	144,123
Other receivables	**15**	902	911
		243,227	148,956
Current assets			
Trade and other receivables	**15**	28,181	6,633
Cash and cash equivalents	**29**	24,285	24,943
		52,466	31,576
Total assets		295,693	180,532
Current liabilities			
Trade and other payables	**22**	24,020	29,615
Lease liabilities	**23**	1,113	1,138
		25,133	30,753
Non-current liabilities			
Trade and other payables	**22**	378	659
Lease liabilities	**23**	1,152	2,180
Members' interest	**25**	269,030	146,940
		270,560	149,779
Total liabilities		295,693	180,532

The notes on pages 17 to 39 are an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 26 April 2022 and are signed on its behalf by:

Elisabeth B. Kvalheim

Elisabeth Kvalheim
For and behalf of Equinor New Energy Limited
Designated Member

Company Registration No. OC415130

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

OGCI Climate Investments LLP has no equity and accordingly has not presented a Statement of Changes in Equity.

The notes on pages 17 to 39 are an integral part of these financial statements.

OGCI CLIMATE INVESTMENTS LLP

STATEMENT OF CHANGES IN MEMBERS' INTERESTS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Balances classified as debt		
	Members' capital $'000	Members' distribution account $'000	Total $'000
Balance at 1 January 2020	166,011	(63,433)	102,578
Remuneration charged to members' distribution accounts	-	(33,803)	(33,803)
Capital introduced	88,165	-	88,165
Investment proceeds to be distributed	-	(10,000)	(10,000)
At 31 December 2020	254,176	(107,236)	146,940
Remuneration charged to members' distribution accounts	-	(29,689)	(29,689)
Capital introduced	151,780	-	151,780
Dividends distributed	-	(1)	(1)
At 31 December 2021	405,956	(136,926)	269,030

The notes on pages 17 to 39 are an integral part of these financial statements.

OGCI CLIMATE INVESTMENTS LLP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 $'000	2020 $'000
Cash flows from operating activities			
Cash used in operations	**28**	(55,632)	(42,229)
Interest paid		-	(119)
Net cash flows used in operating activities		**(55,632)**	**(42,348)**
Cash flows from investing activities			
Purchase of intangible assets	**8**	(100)	-
Purchase of property, plant and equipment	**12**	(59)	(50)
Investment in subsidiary	**13**	(95,343)	(40,349)
Dividends received	**6**	1	-
Net cash flows used in investing activities		**(95,501)**	**(40,399)**
Cash flows from financing activities			
Proceeds from capital contributions	**25**	151,780	88,165
Payment of finance leases obligations		(1,133)	(663)
Net cash flows from financing activities		**150,647**	**87,502**
Net (decrease)/increase in cash and cash equivalents		(486)	4,755
Cash and cash equivalents at beginning of year		24,943	20,146
Effect of foreign exchange rates		(172)	42
Cash and cash equivalents at end of year	**29**	**24,285**	**24,943**

The notes on pages 17 to 39 are an integral part of these financial statements.

1 Accounting policies

Company information
OGCI Climate Investments LLP ("the LLP") is a limited liability partnership and was incorporated on 16 December 2016 and domiciled in England and Wales. The LLP's registered office is Suite 1, 3rd Floor 11-12 St. James's Square, London, United Kingdom, SW1Y 4LB.

The LLP is the investment fund of the Oil & Gas Climate Initiative. The LLP was set up with the purpose of collectively investing to support the development, demonstration and rapid scale up of technologies and business solutions that can materially impact global greenhouse gas emissions, in particular those of the oil and gas industry's operations and products, to enable those technologies and solutions to reach commercial sustainability and to catalyse meaningful action on climate change through collaboration and engagement.

1.1 Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to the period presented, unless otherwise stated.

The LLP's financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small LLPs regime. The financial statements have been drawn up for the period from 1 January 2021 to 31 December 2021.

In 2019, the LLP entered into a rental lease agreement for its London office for a 5-year period. As part of the lease agreement, it requires a lump sum amount of $911,000 as a rental deposit from the LLP, and the rental deposits would be repaid at the end of the lease term. However, the LLP recognised the rental deposit as a current asset, when it should have been treated as a non-current asset.. In February 2022, the error was discovered after the LLP conducted a detailed review of the clauses of its rental lease agreement.

The error has been corrected by restating each of the affected financial statement line items for the prior period in note 15 and on the statement of financial position.

Amounts are presented in United States Dollars ("$" or "USD"), being the presentational and functional currency of the LLP, and to the nearest thousand unless otherwise noted.

1 Accounting policies **(Continued)**

1.2 *Going concern*

The financial performance, position and cash flows are set out on pages 12 to 16. Investment and working capital is provided in the form of funding from member companies of the LLP in accordance with the members agreement.

Members of the LLP have committed to invest a minimum of $100m each over a 10-year period in the LLP and subsidiary vehicles. Annual budgets and projections of cash requirements are prepared to enable funding to be agreed. The budget for 2022 was approved by the Board on 16 December 2021. This budget has been increased compared to the 2021 budget, reflecting the continued confidence and commitment of the member companies and the Board to the aims of the LLP. Management and the Board consider that this level of expenditure is appropriate to enable the LLP to continue to progress its strategic GHG reduction goals.

On 24 February 2022, Russia launched a military invasion of Ukraine. The LLP has no financial interests or investment in Russia, Belarus or Ukraine but the conflict has had an impact on member companies, including the following:

- Withdrawal from member company investments and operations in the Russian market
- Sanctions preventing trade with specified Russian individuals and organisations
- Operational disruption in Ukraine
- Volatility of prices in oil and gas markets
- Supply chain disruption

In times of market pressures, such as those from Ukraine conflict or from COVID-19, members may consider exiting from OGCI Climate Investments LLP. However, under the terms of the members agreement, even if they decide to leave, there is a requirement for them to have been a member for at least two years and then give two years' notice, continuing to fund during that time and selling their interest in the LLP for $1 to the other members. Any member who is forced to exit through non-compliance with the members agreement is required to continue to fund their $100m commitment. For our member companies, addressing climate change and the energy transition is a critical part of their business strategies. All members remain committed to OGCI and to funding the LLP in accordance with their commitments under the members agreement. On the basis of the above, the executive team and the Board consider that the preparation of the accounts under the going concern basis remains appropriate.

1.3 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

An intangible asset with a finite useful life is amortised and is subject to impairment testing. An intangible asset with an indefinite useful life is not amortised, but is tested annually for impairment. When an intangible asset is disposed of, the gain or loss on disposal is included in profit or loss.

The LLP amortises intangible assets with a limited useful life, using the straight-line method over the following periods:

Website domain	10 years

1 Accounting policies **(Continued)**

1.4 Property, plant and equipment

Property, plant and equipment is stated in the financial statements at cost less accumulated depreciation and any impairment value. Depreciation is provided to write off the cost less estimated residual value of property, plant and equipment over its expected useful life (which is reviewed at least at each financial period end), on a straight-line basis as follows:

Right of use asset	5 years
Leasehold improvements	5 years
Plant and equipment	2-5 years

Any gain or loss arising on the de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income in the period that the asset is derecognised.

1.5 Investments

The only investments held by the LLP are those in subsidiary companies. Investments in subsidiary companies are capital contributions and therefore fall outside the scope of IFRS 9. The investments are reported at cost in the statement of financial position.

1.6 Fair value measurement

The LLP has assessed that the fair values of cash and short term deposits, trade receivables and trade payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on demand deposits, and other short term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Included within the cash and cash equivalent balance on the Statement of Financial Position is restricted cash held as collateral for the purposes of providing credit to the LLP for the use of a company commercial credit card programme. In addition, the LLP may sometimes hold cash at year end, which has been paid in by the members for the sole purpose of funding an investment transaction that will complete after 31 December.

1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1 Accounting policies **(Continued)**

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the LLP's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'sole payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The LLP's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the LLP commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

Financial assets at amortised cost

This category is the most relevant to the LLP. The LLP measures financial assets at amortised cost when both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The LLP's financial asset held at amortised cost includes trade receivables.

1 Accounting policies **(Continued)**

Impairment of financial assets

The carrying amounts of the LLP's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income in those expense categories consistent with the function of the impaired asset.

The LLP performs an assessment at each reporting date for expected credit losses (ECLs) for all debt instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the LLP expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables the LLP applies a simplified approach in calculating ECLs. Therefore, the LLP does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The LLP has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The LLP's financial liabilities include trade and other payables and the members' interests.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss
  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains and losses on liabilities held for trading are recognised in the statement of profit or loss. The LLP has not designated any financial liability as at fair value through profit or loss.
- Loans and borrowings
- This is the category most relevant to the LLP. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. The EIR amortisation is included as finance costs in the statement of profit or loss.

1 Accounting policies **(Continued)**

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

1.9 Members' Capital
Members' capital is repayable to members on the realisation of investments to which the capital has been applied. As such, it has been classified as a debt-like item in these financial statements.

Allocation of profits and losses
The profits and losses of the LLP are automatically allocated under the terms of the LLP agreement to the members according to their individual capital shares, except for Investment Income Profits which are divided according to the Investment Income Shares for the investment in question.

1.10 Taxation
Under UK tax law, as a Limited Liability Partnership, the LLP is not subject to taxation on profits arising in LLP.

Members are individually assessed and liable for taxation arising on their shares of profits and accordingly no provision in recognised in these financial statements.

1.11 Employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the LLP has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution scheme
The LLP operates a defined contribution plan with an administered fund for all eligible employees. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. The LLP has no legal or constructive obligations to pay contributions in addition to its fixed contributions.

1 Accounting policies **(Continued)**

1.12 Leases

The LLP applied IFRS 16 Leases (as issued by the IASB in January 2016) for the first time in 2019. IFRS 16 introduced new or amended requirements with respect to lease accounting. It introduced significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these leases and right of use assets are within these financial statements in Notes 12 and 23.

The LLP leases its head office building for a period of 5 years. This is a non-cancellable agreement which ends in May 2024. The lease payments are fixed and paid every quarter. At inception the LLP assessed the lease and it has been classified as a finance lease under IFRS 16. For the purposes of applying the approach under IFRS 16, the LLP elected to:

- measure the capital amount as a right-of-use asset since commencement date, 10 May 2019, using an incremental borrowing rate of 3.26% given by the LLP's bank.
- apply practical expedient not to recognise a right-of-use asset or lease liability to leases for which the lease term ends within 12 months of the date of initial application; and
- apply the practical expedient to include any initial direct costs associated with the lease of the office building.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset and are presented as a separate line in the statement of financial position.

1.13 Grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

1.14 Foreign exchange

Transactions in foreign currencies are initially recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Statement of Financial Position date. Exchange differences are recognised in the Statement of Comprehensive Income.

1 Accounting policies **(Continued)**

1.15 Investment costs and Administrative expenses

Investment costs include fees and other amounts payable in connection with the purchase of investments in equity interests or related to projects. Such fees include legal costs, due diligence expenditure and specific project related costs. Administrative expenses include all other costs not reported under investment costs. This includes the cost of management and staff in the LLP.

The LLP also acts as an agent for the Executive Committee (ExCom) of the OGCI, managing the payment of certain expenses related to ExCom activities. Costs related to the ExCom are funded by members of OGCI through a separate bank account. The funding and associated costs are netted in the presentation of these financial statements, with any surplus funding available at the end of the year being included in deferred income in the statements of financial position.

2 Adoption of new and revised standards and changes in accounting policies

(i) New and amended standards adopted by the LLP

There were no new International Financial Reporting Standards that were applicable for the current reporting period.

(ii) New standards not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the LLP. These standards are not expected to have an impact on the entity in the current or future periods and on foreseeable future transactions.

3 Significant accounting estimates and judgements

The preparation of the LLP's financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, required management to make judgements, estimates and assumptions that effect the application of policies and reported amounts in the financial statements. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances. Information about such judgements and estimation is contained in the accounting policies and/or notes to the financial statements and the key areas are summarised below:

Key estimates

Depreciation of property, plant and equipment
Depreciation rates are based on the estimated useful lives and residual value of the assets involved, see note 12.

Long-Term Incentive Plan (LTIP)
The LLP has implemented a LTIP for certain employees to take effect from when employees join and maturing over a 3-year period. These accounts include amounts of the LTIP benefit accruing for employees for 2021 based on the principles agreed with the Remuneration Committee.

The key principles of the scheme are as follows:

- LTIP operates as a deferred cash bonus plan, providing for the grant of annual cash awards after a 3-year accrual period. The maximum award will either be increased or reduced to reflect the Participant's start date.
- The awards under LTIP are subject to a combination of corporate and individual performance criteria to determine the annual vesting percentage for the award depending on grade. This is either a 50%/50% split or 30%/70% split.
- The maximum amount payable under the scheme is either 100% or 75% of salary depending on grade at the end of the 3 year period (either increased or reduced to reflect the Participant's start date) and then a maximum of 33 1/3% or 25% for each year thereafter.

There are no other significant judgements and estimates that have been applied in the preparation of these financial statements.

VAT accrual
The LLP has recognised an accrual in these accounts for estimated VAT payable to HM Revenue & Customs following a review of VAT recoverable activities.

4 Other income

	2021	2020
	$'000	$'000
Other income		
Interest income	8	8
Government grants receivable	-	1,361
	8	1,369

5 Operating loss

	2021 $'000	2020 $'000
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(54)	228
Depreciation of property, plant and equipment	1,212	1,244
Tax relating to overseas branches	22	27
Amortisation of intangible assets	10	-
Corporate finance services costs (from US-based subsidiary)	8,880	7,166
Marketing related costs (from US-based subsidiary)	278	-
Commercialisation related costs (from US-based subsidiary)	1,371	-
Investment related legal costs	1,318	682

Administrative expenses includes costs recharged from OGCI Climate Investments (USA) Inc. These costs relate to employment costs and running costs of that entity, which supports the main business operations of the LLP.

The main contributor to the increase in administrative expenses is due to an increase in staff and recruiting in the LLP and its subsidiary OGCI CI Climate Investments (USA) Inc.

Included within investment costs for 2020 were project costs relating to Net Zero Teeside (NZT). On August 1, 2020, the LLP completed the sale of its NZT asset to a consortium of five of its member companies and incurred no further costs after this date, for more details on NZT see note 26.

Investment related legal costs increased due to higher investment activity in the year.

6 Dividend income

	2021 $'000	2020 $'000
Dividends from shares in group undertakings	1	-

Dividend income was received from OGCI Climate Investments Holdings LLP during the year.

7 Finance costs

	2021 $'000	2020 $'000
Interest on lease liabilities	88	119

8 Intangible assets

	Domain
	$'000
Cost	
Additions	100
At 31 December 2021	100
Amortisation and impairment	
Charge for the year	10
At 31 December 2021	10
Carrying amount	
At 31 December 2021	90

The intangible asset held on the balance sheet relates to a domain name purchased during the year for $100k.

9 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	**$'000**	**$'000**
For audit services		
Audit of the financial statements of the company	69	55

OGCI Climate Investments LLP has also borne the audit fees related to its subsidiary undertaking OGCI Climate Investments Holdings LLP. This fee, which was approximately $46,000 (2020 - $36,600) is not included in the above total.

Non-audit fees for assurance services totalled $136,000 (2020 - $128,700).

10 Employees

The average monthly number of employees (including directors) employed by the LLP during the period was:

	2021	2020
	Number	**Number**
Average number of employees	24	21

10 Employees **(Continued)**

The total number of employees of the LLP at 31 December 2021 was 33; 26 of these employees were dedicated to LLP activities and 7 employees to ExCom activities.

The staff costs below which relate to the employees dedicated to LLP investment activities and have been charged in the Statement of Comprehensive Income was as follows:

	2021	2020
	$'000	$'000
Wages and salaries	8,768	7,195
Social security costs	1,385	1,127
Pension costs	572	313
	10,725	8,635

The above figures include accrued bonus and LTIP payments for 2021 of $4,365,000 (2020: $3,479,000)

In addition to the above, payroll costs for the 7 (2020: 6) employees working on ExCom activities were $1,728,000 (2020: $1,100,000). Payroll costs relating to ExCom employees are reported net against the funding provided by the ExCom members and therefore have a nil impact on the Statement of Comprehensive Income.

11 Retirement benefit schemes

Defined contribution schemes

The LLP established a defined contribution pension scheme in 2018 for all qualifying employees. The LLP has no additional liability beyond the contribution that it makes into the pension scheme. The total costs charged to statement of comprehensive income in respect of the defined contribution plans were $572,000 (2020: $313,000). This scheme has been accounted for on a defined contribution basis and contributions are charged directly to the statement of comprehensive income. The assets of the scheme are held separately from those of the LLP in an independently administered fund.

12 Property, plant and equipment

	Right-of-use asset	Leasehold improvement	Plant and equipment	Total
	$'000	$'000	$'000	$'000
Cost				
At 1 January 2020	4,170	782	986	5,938
Additions	-	-	50	50
At 31 December 2020	4,170	782	1,036	5,988
Additions	-	-	59	59
At 31 December 2021	4,170	782	1,095	6,047
Accumulated depreciation and impairment				
At 1 January 2020	538	72	212	822
Charge for the year	834	156	254	1,244
At 31 December 2020	1,372	228	466	2,066
Charge for the year	834	157	221	1,212
At 31 December 2021	2,206	385	687	3,278
Carrying amount				
At 31 December 2021	1,964	397	408	2,769
At 31 December 2020	2,798	554	570	3,922

Plant and equipment additions for the year relate almost entirely to new computer equipment purchased.

Finance Leases
The carrying value of assets under finance leases at 31 December 2021 was $1,872,000 (2020: $2,666,000). During 2019, $3,972,000 was included in additions for the LLP's head office. The right of use asset also includes $198,000 of initial direct costs relating to the leased asset.

13 Investments in subsidiary companies

	2021 $'000	2020 $'000
Balance at 1 January	144,123	103,774
Investments in subsidiary companies	95,343	40,349
Balance at 31 December	239,466	144,123

14 Subsidiaries

Details of the LLP's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Class of share held	Ownership interest (%)	Voting power held (%)	Nature of business
OGCI Climate Investments Holdings LLP	N/A	100	100	Holding company for investments
OGCI Climate Investments Group Limited	Ordinary	100	100	Intermediate holding company
OGCI Climate Investments (USA) Inc.	Ordinary	100	100	Employment company for US based staff

The registered office of OGCI Climate Investments Holdings LLP and OGCI Climate Investments Group Limited is Suite 1, 3rd Floor 11-12 St. James's Square, London, SW1Y 4LB.

The registered office of OGCI Climate Investments (USA) Inc. is Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County, Delaware, USA, 19808.

15 Trade and other receivables

	Current 2021 $'000	Current 2020 (Restated) $'000	Non-current 2021 $'000	Non-current 2020 (Restated) $'000
Trade receivables	2,709	1,024	-	-
Other receivables	24,752	2,374	902	911
VAT recoverable	167	2,775	-	-
Prepayments	553	460	-	-
	28,181	6,633	902	911

Trade receivables balance are primarily related to amounts due from ExCom members for funding of the ExCom costs during 2021.

Included within other receivables under current assets, are amounts due from member companies for drawdown notices issued but not due at 31 December 2021 together with funds due from ExCom to the LLP. These relate to costs paid on behalf of ExCom from 2018 to 2021.

The other receivables balance of $902,000 under non current assets relates to the deposit paid for the LLP's head office lease. Due to the nature of this receivable it should have been classified as a non current asset on the prior year balance sheet and has therefore restated the 2020 balance of $911,000 from current assets to non current in these financial statements. The difference between the 2020 and 2021 amounts is a result of foreign exchange translation at the year end date.

The members consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Impairment
Current trade receivables are carried at the original invoice amount less provision made for impairment of these receivables. Trade receivables are measured at amortised cost.

The LLP applies IFRS 9 to recognise a provision for impairment of trade receivables. This is established using the expected credit loss impairment model as per IFRS 9. The LLP applies the simplified approach on all trade receivables. An Expected Credit Loss ("ECL") assessment was performed by the LLP however the identified credit loss was immaterial therefore no adjustments were made to the financial statements.

The carrying value of trade receivables represents the maximum exposure to credit risk. No collateral is held as security.

16 Financial instruments

Financial assets

Cash and cash equivalents

	2021	2020
	$'000	**$'000**
Cash and cash equivalents	24,285	24,943
At 31 December	24,285	24,943

Cash and cash equivalents at 31 December 2021 includes $3,983,000 (2020: $3,580,000) of restricted cash. $3,778,000 (2020: $3,375,000) of this relates to funding received from Members for follow-on investments to be made in 2022, whilst the remainder represents collateral for the purposes of providing credit for a commercial credit card programme.

Financial assets

Debt instruments at amortised cost:

	2021	2020
	$'000	**$'000**
Trade and other receivables excluding prepayments and VAT recoverable	28,363	4,309
At 31 December	28,363	4,309

Debt instruments at amortised cost include trade receivables from related parties.

Financial liabilities

Other financial liabilities at amortised cost, other than interest bearing loans and borrowings:

	2021	2020
	$'000	**$'000**
Trade and other payables excluding non-financial liabilities	26,663	33,592

Fair value measurement
The LLP has assessed that the fair values of cash and short term deposits, trade receivables and trade payables approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments risk management objectives and policies
The LLP's principal financial liability comprise trade and other payables. The main purpose of this financial liability is to finance the LLP's operations. The LLP's principal financial assets include trade receivables and cash and cash equivalents that derive directly from its operations.

17 LLP Financial Risk Factors

The LLP's activities expose it to a variety of financial risks: liquidity risk, credit risk, market risk (including foreign exchange risk), and capital risk.

The LLP's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the LLP's financial performance. The objective is to identify, quantify, manage and then monitor events or actions that could lead to financial losses.

Risk management is carried out under policies approved by the Board of Directors. LLP identifies and evaluates financial risks in close co-operation with the LLP's operating units. The Board provides principles for overall risk management such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

18 Liquidity risk

Liquidity risk arises from the LLP's ongoing financial obligations, including settlement of financial liabilities such as trade and other payables, as well as members' capital.

The table below sets out the contractual maturities (representing undiscounted contractual cash-flows) of trade and other payables:

	Up to 1 year	Between 1 & 5 years	Total
	$'000	$'000	$'000
At 31 December 2020			
Trade and other payables excluding non-financial liabilities	30,703	2,889	33,592
	30,703	2,889	33,592
At 31 December 2021			
Trade and other payables excluding non-financial liabilities	25,133	1,530	26,663
	25,133	1,530	26,663

Note 22 explains the key contributors resulting in the movement in trade and other payables.

19 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The LLP is exposed to credit risk primarily from its financing activities, including deposits with banks and financial institutions.

Expected Credit Loss ("ECL")
An Expected Credit Loss ("ECL") assessment was performed by the LLP however the identified credit loss was immaterial therefore no adjustments were made to the financial statements. Amounts within trade receivables are payable by members to support the activities of the ExCom following their approval of the expenditure budgets. Since year end, the LLP has received $2,250,000 relating to the trade receivables balance.

Credit risk from financing activities
Credit risk from balances with banks and financial institutions is managed by the LLP's treasury policy.

The credit quality of the cash and cash equivalents can be assessed by reference to external credit ratings:

	2021	2020
	$'000	$'000
Upper medium grade (Investment grade)	24,285	24,943

20 Market risk

Market risk management
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include trade and other payables. Market risk comprises three types of risk: interest rate risk, foreign exchange risk and other price risk. The LLP is not exposed to other price risk such as commodity price risk neither to cash flow interest rate risk as all its borrowings are fixed rate borrowings.

Foreign exchange risk
Foreign exchange risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The main currency risk that the LLP is exposed to is British Pounds Sterling (GBP) risk as part of its costs are incurred in this currency.

The sensitivity of the results to a change in these currency is as follows, the below figure show the effect this would have on the statement of comprehensive income:

	Change in rate	2021	2020
	%	$'000	$'000
Trade and other payables	+5%	(27)	(52)
	-5%	27	52

21 Capital risk management

The LLP's objectives when managing capital are to safeguard the LLP's ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, under the terms of the LLP agreement, the LLP may retain cash due to be distributed to members, call on additional contributions from members, or sell assets.

22 Trade and other payables

	Current 2021 $'000	Current 2020 $'000	Non-current 2021 $'000	Non-current 2020 $'000
Trade payables	2,607	1,626	-	-
Amounts owed to subsidiary undertakings	2,535	2,500	-	-
Accruals	14,866	12,862	378	659
Social security and other taxation	293	278	-	-
Other payables	3,719	12,349	-	-
	24,020	29,615	378	659

The increase in trade payables is due to the increase in the LLP's activities during the year.

Included within accruals is VAT payable to HM Revenue & Customs as mentioned in note 3.

Other payables includes funds due from ExCom to the LLP. These relate to costs paid on behalf of ExCom from 2018 to 2021. Also included within other payables are surplus funds available for ExCom due to underspend during the year and prior years.

23 Lease liabilities

	Present value	
	2021	2020
Maturity analysis	**$'000**	**$'000**
Within one year	1,113	1,138

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2021 $'000	2020 $'000
Current liabilities	1,113	1,138
Non-current liabilities	1,152	2,180
	2,265	3,318

23 Lease liabilities (Continued)

Amounts recognised in profit or loss include the following:	2021 $'000	2020 $'000
Interest on lease liabilities	88	119

24 UK taxation of income

Under UK tax law, members of the LLP pay tax that is individually assessed on their share of profits. Income taxes are not assessed on the LLP itself and it is therefore not dealt with in these financial statements. The taxation payable on the LLP's profits is the liability of the members.

25 Member's interest

	2021 $'000 Capital	2021 $'000 Distribution	2020 $'000 Capital	2020 $'000 Distribution
At the beginning of the year	254,176	(107,236)	166,011	(63,433)
Capital introduced	151,780	-	88,165	-
Investment proceeds distributed	-	-	-	(10,000)
Charged to distribution account	-	(29,689)	-	(33,803)
Dividends distributed	-	(1)	-	-
At the end of the year	405,956	(136,926)	254,176	(107,236)
Total		**269,030**		**146,940**

Members' capital is repayable to members on the realisation of investments to which the capital has been applied. As such, it has been classified as a debt-like item in these financial statements.

In 2020, the LLP, through OGCI Climate Investments Holdings LLP, received US$10m in cash following the repayment of convertible loans from one of its investee companies. The US$10m received from the repayment of the loans was returned to member companies, via offset of drawdown in January 2021.

Members' distribution accounts represent both profits and (losses) automatically allocated to members' and investment capital proceeds as set out in the LLP agreement.

26 Net Zero Teesside (NZT)

On August 1, 2020, the LLP completed the sale of its NZT asset to a consortium of five of its member companies (the "Project Partners"). Under the Sale & Purchase Agreement ("SPA"), the consideration payable by the Project Partners to the LLP is deferred, and contingent upon NZT reaching a Final Investment Decision ("FID"). In the event that the Project Partners decide to abandon the Project, the LLP will not receive any consideration unless the Project or any part of it is sold to a third party. In such a case, any consideration received from the third party will be allocated to the LLP and the Project Partners in proportion to their respective investments in the NZT project.

As the NZT sale involved the transfer of intellectual property ("IP"), it constitutes a transfer of an intangible asset and therefore falls under the scope of IAS 38. In instances where the consideration for the sale or transfer of an intangible asset is entirely contingent, the consideration is not recognised on the Balance Sheet until such time as receipt of the consideration is almost certain. Should the NZT project proceed as planned and reach FID, the consideration payable to the LLP will be based on the total investment made by the LLP in the project up until 1 July 2020 (approx. US$33m), in addition to an agreed annual rate of return from the transfer date until FID. Based on a "Discrete Scenario Analysis" Valuation approach undertaken by management, the fair value of this consideration as at 31 December 2021 is estimated to be US$34.9m (2020: US$31.4m).

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures.*

	2021 $'000	2020 $'000
Salaries and short-term employee benefits	5,639	4,792
Other long-term benefits	1,112	723
	6,751	**5,515**

Included within short-term benefits are accrued bonuses for key management personnel totalling $2,245,000 (2020: $1,681,000).

Other long-term benefits includes the defined contribution pension and estimates for the Long-Term Incentive Plan (LTIP) for key management personnel in accordance with *Key Estimates* as per note 3.

27 Related party transactions **(Continued)**

Members

Member companies have provided resources and expertise over the period to the LLP. A total charge of $248,000 (2020: $9,798,700) has been incurred in the year for those services where the costs are being recharged. The 2021 charges were services used by the LLP from one member company. All of the 2020 charges were related to services provided by the member companies for the Net Zero Teeside project.

Subsidiaries

During the year there were transactions between the LLP and one of it's subsidiaries, OGCI Climate Investments (USA) Inc. These transactions involved the subsidiary charging the LLP for the cost of providing corporate finance and other services to the LLP during 2021. Total amount recharged to the LLP was $10,529,000 (2020: $7,165,900), As at 31 December 2021, the LLP owed a balance of $2,535,000 (2020:$2,499,900) to OGCI Climate Investments (USA) Inc. which has been included within the statement of financial position.

No guarantees have been given or received.

28 Cash generated from operations

	2021 $'000	2020 $'000
Loss for the year	(29,689)	(33,803)
Adjustments for:		
Interest income	(8)	-
Finance costs	88	119
Dividend income	(1)	-
Amortisation of intangible assets	10	-
Depreciation of property, plant and equipment	1,212	1,244
Net foreign exchange differences	(220)	8
(Decrease) in LTIP accrual	(281)	(348)
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(21,648)	3,131
Decrease in trade and other payables	(5,095)	(12,580)
Cash used in operations	(55,632)	(42,229)

29 Cash and cash equivalents

	2021 $'000	2020 $'000
Cash at bank and in hand	24,285	24,943

Cash and cash equivalents at 31 December 2021 includes $3,983,000 (2020: $3,580,000) of restricted cash. $3,778,000 (2020: $3,375,000) of this relates to funding received from Members for follow-on investments to be made in 2022, whilst the remainder represents collateral for the purposes of providing credit for a commercial credit card programme.

30 Events after the reporting date

Investments
Post-year end the LLP, through OGCI Climate Investments Holdings LLP, has completed three investments in new investee companies worth US$16.56m and four follow-on investments in existing investee companies totalling US$5.27m.

Russia-Ukraine conflict
On 24 February 2022, Russia launched a military invasion of Ukraine. The LLP has no financial interests or investment in Russia, Belarus or Ukraine but the conflict has had an impact on member companies, including the following:

- Withdrawal from member company investments and operations in the Russian market
- Sanctions preventing trade with specified Russian individuals and organisations
- Operational disruption in Ukraine
- Volatility of prices in oil and gas markets
- Supply chain disruption

Despite the impact that the conflict is having, addressing climate change and the energy transition is a critical part of our member companies' business strategies. All members remain committed to OGCI and to funding the LLP in accordance with their commitments under the members agreement.

None of our portfolio companies have direct operations in, or material exposure to Russia, Belarus or Ukraine. The impact of sanctions and disruption to the business environment in both countries is not expected to have a material impact on the portfolio company operations.

Ongoing COVID-19 impact
The roll-out of vaccination programmes during 2021 and the relaxation of COVID-19 restrictions has substantially reduced the effects of the pandemic on the LLP. Our offices have reopened and office-based staff are able to work flexibly from both their home and office location. Our distributed workforce structure and virtual collaboration tools enables us to operate effectively under these flexible arrangements. We continue to support our investee companies and progress new and follow-on investments in our portfolio.

Our members continue to support our activities for 2022 and beyond, to enable the LLP to achieve its investment and impact goals.

As at the date of approval of the accounts, we are not aware of any material changes in valuation as a result of the Ukraine conflict or COVID-19 that need to be disclosed.