LLP Registration No. OC416592 (England and Wales)

OGCI CLIMATE INVESTMENTS HOLDINGS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

OGCI CLIMATE INVESTMENTS HOLDINGS LLP

CONTENTS

OGCI CLIMATE INVESTMENTS HOLDINGS LLP

LLP INFORMATION

Designated members	OGCI Climate Investments LLP OGCI Climate Investments Group Limited
LLP registered number	OC416592
Registered office	7th Floor 50 Broadway London United Kingdom SW1H 0BL
Independent auditors	Ernst & Young LLP 1 More London Place London United Kingdom SE1 2AF

OGCI CLIMATE INVESTMENTS HOLDINGS LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The members present their annual report with the financial statements of OGCI Climate Investments Holdings LLP ("OGCI CI Holdings LLP" or "the LLP") for the year ended 31 December 2022. The LLP was incorporated on 27 March 2017 and its operations, management and governance are governed by the terms of the Members' Agreement ("the Agreement") which was executed on 21 December 2016.

Objectives of the LLP
The LLP is a wholly owned subsidiary of OGCI Climate Investments LLP ("OGCI CI LLP" or "CI"). OGCI CI LLP is an independently managed decarbonization investor, driving substantial reduction in carbon emissions by focusing on the following actions:

- Investing in technologies and projects which can demonstrate near-term reduction in methane or carbon dioxide emissions, and/or recycling/storage of carbon dioxide.
- Collaborating with Oil & Gas Climate Initiative ("the OGCI") members and partners to accelerate commercialization pathways for our portfolio companies, through pilots and global implementation projects.
- Working alongside global funds and investor groups to drive capital into decarbonization.

Review of 2022
The LLP celebrated its fifth anniversary of start of operations in 2022. During the past five years, the LLP has invested in a portfolio of 30 cutting edge technology companies and projects. Our investments are specifically aimed at decarbonizing those sectors within the energy, industrial, built environment and transportation sectors that account for the majority of greenhouse gas ("GHG") emissions but have historically attracted low capital investment for decarbonization.

The LLP deploys an engaged, cross-sector collaboration model to drive near-term GHG impact. Our ongoing partnerships with OGCI member companies and the wider heavy industrial sector allows the LLP to identify opportunity gaps to drive innovation and adoption of our investments' technologies among customers to help support achievement of their own net-zero goals and operational objectives.

The LLP made strong progress in 2022. The portfolio of investments collectively contributed to lowering CO2 emissions by over 20 million tonnes of CO2 equivalent ("MtCO2e") in 2022, and over the past four years, over 50 MtCO2e has been enabled by the portfolio. Moreover, as we consider the commercial success of the portfolio, we have seen a significant increase in the aggregate fair market value, as disclosed in the these financial statements. The fair market value of the portfolio is $491m as at 31 December 2022, as compared to a cost of investment of $321m, resulting in an implied multiple over invested capital of 1.5x.

Pratima Rangarajan, CEO of the LLP, said: "I am immensely proud of our progress. We understand the complex needs of GHG-intensive heavy industries and invest in the technical solutions required to lower the cost of their decarbonization. For impact to be delivered at the scale and speed required, it is imperative that investors, innovators, the private and public sectors collectively exchange ideas and collaborate to drive action. Our progress shows that lowering the cost of decarbonization is not only possible, but it is a reality today. I congratulate all our innovators on their success thus far and look forward to working alongside them to deliver continued results."

The LLP team has deep experience in investment, technical and operational environments within heavy industry, delivering impact-oriented innovations throughout their life cycle.

Portfolio development
During the year ended 31 December 2022 the LLP made six new investments and provided follow-on capital to nine existing portfolio entities. The total amount invested during the year was $75m (2021: $95m). There were five new investments in technologies and projects and one investment into a separate impact fund focused on China. The details are as follows:

- F2V: A flare gas capture project in Oman with an affiliate of Flare2Value International Ltd (F2V) which evolved from our Methane Reduction Call for Proposals in 2020. F2V aims to reduce flaring by delivering flare capture projects which reduce methane and CO2 emissions and recycle the gas for other uses.
- ZincFive: A leader in innovation and delivery of nickel-zinc battery solutions with over 90 patents awarded. ZincFive leverages safe and sustainable nickel-zinc chemistry within its battery solutions to provide high power density and performance. These batteries have significantly lower embodied carbon when compared to current technology.
- Converge: A technology company accelerating decarbonization in the construction sector. Its intelligence platform fuses physical and construction data to improve construction efficiency and allows for lower use of cement in the construction process.

- Turntide: Turntide Technologies is a US-based business that makes intelligent, efficient electric motor systems. Turntide applies its technology for operations across buildings, agriculture, and transportation segments enabling significant energy savings.
- KeyState: KeyState is a first-of-its-kind project integrating on-site natural gas extraction, chemical production of blue hydrogen, (with carbon capture and storage (CCS)) and the subsequent manufacture of low carbon urea. Once operational, the 7,000-acre site is expected to have the capacity to store over 300,000 tonnes of CO_2 per year.
- China Climate Investments ("CCI"): The LLP, alongside its partners China National Petroleum Corporation (CNPC) and Hainan Free Trade Zone Development Equity Investment Fund Partnership (Hainan FTZ Fund), launched the OGCI China Climate Investments fund in April 2022. CCI follows the successful model deployed by LLP, focusing on driving near-term GHG impact across methane emissions reduction, carbon dioxide emissions reduction and recycling or storage of carbon dioxide.

In addition, on 20 December 2022, we signed a commitment to an investment in CL-Invest AS, a company developing projects which reduce methane and flare emissions from oil and gas infrastructure. CL-Invest works in partnership with national oil companies (NOCs) and independent oil and gas producers to monetize emission reductions, making the projects economically viable and as a result addressing financial barriers for climate change mitigation. The investment was completed in early January 2023 and CL-Invest is now part of our portfolio.

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

- Econic: uses pioneering catalyst technology to incorporate carbon dioxide as a raw material into polyols – a key building block in the production of polyurethane.
- Achates: developing high fuel-efficiency opposed-piston engines that aim to significantly reduce carbon dioxide and nitrogen oxide emissions in heavy duty trucks.
- OnTruck: a digital road freight platform connecting carriers and shippers more efficiently. Ontruck removes carbon emissions generated from empty trucks, enabling a more sustainable future of transportation.
- Clarke Valve: the exclusive manufacturer of the Dilating Disk™ Valve, a next generation control valve with patented stem-seal technology that reduces fugitive methane emissions by 98%.
- Norsepower: designs and manufactures mechanical rotor sails that provide auxiliary propulsion power for large ships, reducing their fuel consumption and associated emissions.
- Metron: a cleantech company that uses AI technology to increase energy efficiency, sustainability, and productivity for industrial facilities.
- Svante: aims to halve the cost of carbon capture through its breakthrough scalable solid-state technology.
- Kairos Aerospace: provides actionable data on major sources of methane emissions from aerial surveys.
- Kelvin: Kelvin delivers safe, secure and smart control of physical systems, utilizing AI to revolutionize complex system control. Through this platform, Kelvin is helping Oil & Gas companies improve economic performance and achieve positive environmental impact.

Piloting or deploying our investee company technologies within our member companies to catalyze and accelerate commercial development, is also a critical element of the LLP's activities. Through partnerships with OGCI members, the LLP has facilitated over 100 deployments of its portfolio companies' decarbonization technologies, enabling those companies to secure commercial contracts with a wide group of customers.

Markets and regulatory frameworks

We recognize the urgency of action on GHG emissions. Most emissions scenarios from the Intergovernmental Panel on Climate Change ("IPCC"), which keep global temperature rises below 1.5 degrees, require us to remove 40-50% of global emissions by 2030. This urgency leads us to invest in companies that will be able to deliver significant GHG impact in the short term.

We know that each tonne of GHG emitted into the atmosphere today will drive temperature change for as long as it is there. The IPCC estimates that the world only has a remaining "GHG budget" of around 500 $GtCO_2e$ for a 50% chance of keeping warming to 1.5 degrees Celsius above pre-industrial levels in 2100. This requires us to think about emissions from a cumulative perspective, so companies that can start reducing emissions today will provide greater benefits than those companies that only start reducing emissions post-2030. 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 Inflation Reduction Act ("IRA") of 2022 was passed. The IRA is a set of federal laws aimed at curbing inflation but importantly also promoting clean energy. As of the date of publication of this report, the EU is building on its existing low carbon strategy with its new Net Zero Industry Act.

OGCI CLIMATE INVESTMENTS HOLDINGS LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Despite recent growth in climate capital, climate investing and technology adoption remain in their early stages. For impact to be delivered at the scale and speed required, it is imperative that investors, innovators and the private and public sectors collectively exchange ideas and collaborate to drive action. At CI, we combine our impact-first investment model with collaborative interaction and shared insights within our wider network, to encourage the development of the impact ecosystem. The global adoption of the energy transition agenda and the deployment of capital into the wider sector at pace is all positive for the LLP and its prospects.

Measurement and reporting of GHG impact

CI impact strategy & methodology
To drive increased, accurate allocation of capital into climate impact we need robust and objective metrics for evaluating the potential carbon reduction impact of different investment opportunities. We have developed and operationalized a GHG impact measurement methodology for our firm and have used the methodology to set targets and measure delivery from our portfolio.

To drive further improvements, we have shared our methodology with other investment funds through our collaborative initiative, Project FRAME. Project FRAME, a platform seeking to introduce a common framework for assessing future GHG reduction, is focused on estimating the impact of investments. During 2022, we were pleased to see significant interest in Project FRAME from other institutions, and at the end of the year there were approximately 350 participating organizations, of which some 120 were investors with over $60bn of assets under management. The methodology quantifies past ("realized") and future ("planned") impact of our investments on GHG emissions, measured in tonnes of CO2e.

Realized impact
In 2022, CI published its inaugural Impact Report. This confirmed that its portfolio of investments avoided, reduced, recycled or stored 30 MtCO2e of GHG emissions between 2019-2021. As already noted above, in 2022 the portfolio enabled over 20MtCO2e, bringing cumulative impact to over 50 MtCO2e between 2019-2022. We expect to publish our 2022 Impact Report in the second quarter of 2023 and have engaged Ernst & Young LLP to undertake a limited assurance review of our published results and methodology.

Designated Members
OGCI Climate Investments Group Ltd and OGCI CI LLP were designated 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. 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 2022 are set out in note 16 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.

The Board & Management of the LLP
The Board of OGCI CI LLP oversees the operation of the entity and subsidiaries, including OGCI CI Holdings LLP 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 OGCI CI LLP and subsidiaries and approves individual investment and divestment decisions which are above the authority level delegated to the CEO.

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

Board members of OGCI CI LLP during the period were:

Director	**Nominating Member**	**Dates**
Angelo Amorelli	BP Technology Ventures Ltd	January to May
Sam Skerry	BP Technology Ventures Ltd	May to November
Mahesh Natarajan	BP Technology Ventures Ltd	November to December
Barbara Burger	Chevron Products UK Ltd	January to March
Jim Gable	Chevron Products UK Ltd	April to December
Francesca Ciardiello	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
Eduardo Cavalcanti Guimaraes	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 November
Adel Mahdi	SAEV Guernsey Ltd	December
Alexander Boekhorst	Shell Petroleum Co Ltd	January to December
Francois Badoual	Total Holdings UK Ltd	January to February
Gilles Cochevelou	Total Holdings UK Ltd	February to December
Bjorn Otto Sverdrup1	OGCI Executive Committee	January to December

1. 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

OGCI CI Holdings LLP is governed under the same principles of the OGCI CI LLP Members' Agreement. 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 Executive Team.

UK taxation of income

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.

OGCI CLIMATE INVESTMENTS HOLDINGS LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Going concern basis of preparation

Going concern - 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 2023 was approved by the Board on 14 December 2022. Approval of the budget reflects the continued confidence and commitment of the member companies and the Board to the aims of the LLP. Management and the Board consider that the level of expenditure approved in the budget is appropriate to enable the LLP to continue to progress its strategic GHG reduction goals.

In times of market pressures and volatility, 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 its $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.

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

Auditor

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

On behalf of the board

DocuSigned by:

Pratima Rangarajan

F709FE8F0858497...

Pratima Rangarajan, Director

OGCI Climate Investments Group Limited

Designated Member

Date 27th April 2023

OGCI CLIMATE INVESTMENTS HOLDINGS LLP

MEMBERS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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 UK adopted 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.

OGCI CLIMATE INVESTMENTS HOLDINGS LLP

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OGCI CLIMATE INVESTMENTS HOLDINGS LLP

Opinion

We have audited the financial statements of OGCI Climate Investments Holdings LLP (the "Partnership") for the year ended 31 December 2022 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 19, 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; 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 this gives rise to 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.

OGCI CLIMATE INVESTMENTS HOLDINGS LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OGCI CLIMATE INVESTMENTS HOLDINGS LLP

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 7, 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.

OGCI CLIMATE INVESTMENTS HOLDINGS LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OGCI CLIMATE INVESTMENTS HOLDINGS LLP

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 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 limited liability partnership and determined that the most significant are those that relate to the reporting framework (UK adopted International Accounting Standards and the Companies Act 2006 as applied to limited liability partnerships) 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 health and safety and GDPR.

- We understood how the partnership is complying with those frameworks by making enquiries of management to understand how the partnership 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 limited liability partnership's financial statements to material misstatement, including how fraud might occur by by considering the risk of management override and by assessing the valuation of the investments to be a fraud risk. We tested that each investment has been recorded at fair value as per IFRS 9. We also noted if there were any indicators of impairment noted under IAS 36 that could have an impact on the fair value of investments.

- Based on this understanding we designed our audit procedures to identify non-compliance 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.

Ernst & Young LLP

William Testa (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date 2 May 2023

OGCI CLIMATE INVESTMENTS HOLDINGS LLP

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 $'000	2021 $'000
Administrative income/(expenses)		41	(14)
Operating profit/(loss)	**4**	41	(14)
Investment income	**7**	2,102	2,024
Other gains and (losses)	**8**	150,678	(13,394)
Profit/(loss) before taxation		152,821	(11,384)
Profit/(loss) for the year before members' remuneration		152,821	(11,384)
Remuneration (credited)/charged to members' distribution accounts	**16**	(152,821)	11,384
Result for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

The notes on pages 16 to 27 are an integral part of these financial statements.

The income statement has been prepared on the basis that all operations are continuing operations.

The profit for the year and total comprehensive income for the year are entirely attributable to the members of the LLP.

OGCI CLIMATE INVESTMENTS HOLDINGS LLP

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 $'000	2021 $'000
Non-current assets			
Investments	9	490,597	263,126
Current assets			
Cash and cash equivalents	18	17	-
Total assets		490,614	263,126
Current liabilities			
Members' interests	16	490,614	263,126
Total liabilities		490,614	263,126

The notes on pages 16 to 27 are an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 27 April 2023 and are signed on its behalf by:

DocuSigned by:
Elisabeth Kvalheim
812D9A84B23941E...

Elisabeth Kvalheim
For and behalf of OGCI Climate Investments LLP
Designated Member

Company Registration No. OC416592

OGCI CLIMATE INVESTMENTS HOLDINGS LLP

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

The LLP has no equity and accordingly has not presented a Statement of Changes in Equity.

The notes on pages 16 to 27 are an integral part of these financial statements.

OGCI CLIMATE INVESTMENTS HOLDINGS LLP

STATEMENT OF CHANGES IN MEMBERS' INTERESTS

FOR THE YEAR ENDED 31 DECEMBER 2022

			Balances classified as debt	
	Notes	Members' capital $'000	Members' distribution account $'000	Total $'000
Balance at 1 January 2021		154,122	25,046	179,168
Remuneration charged to members' distribution accounts		-	(11,384)	(11,384)
Capital introduced		95,343	-	95,343
Dividends distributed		-	(1)	(1)
At 31 December 2021		249,465	13,661	263,126
Remuneration credited to members' distribution accounts		-	152,821	152,821
Capital introduced		74,680	-	74,680
Dividends distributed		-	(13)	(13)
At 31 December 2022	**13**	324,145	166,469	490,614

The notes on pages 16 to 27 are an integral part of these financial statements.

OGCI CLIMATE INVESTMENTS HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

OGCI Climate Investments Holdings LLP ("the LLP") is a limited liability partnership and was incorporated on 27 March 2017 and domiciled in England and Wales.The LLP's registered office is 7th Floor, 50 Broadway, London, United Kingdom, SW1H 0BL.

The principal activity of the LLP is to act as a holding entity for investments made by OGCI Climate Investments LLP.

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.

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.

The LLP's financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with UK adopted 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 year ended 31 December 2022.

1.2 Going concern

The financial performance, position and cash flows are set out on pages 9 to 13. Investment and working capital is provided in the form of funding from member companies of the LLP in accordance with the members agreement.

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 2023 was approved by the Board on 14 December 2022. Approval of the budget reflects the continued confidence and commitment of the member companies and the Board to the aims of the LLP. Management and the Board consider that the level of expenditure approved in the budget is appropriate to enable the LLP to continue to progress its strategic GHG reduction goals.

In times of market pressures and volatility, 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 its $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.

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

OGCI CLIMATE INVESTMENTS HOLDINGS LLP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 $'000	2021 $'000
Cash used in operating activities	**19**	**-**	**-**
Cash flows used in investing activities			
Purchase of investments	**18**	(583)	-
Cash used in investing activities		**(583)**	**-**
Cash flows from financing activities			
Proceeds from capital contributions	**18**	600	-
Net cash flows from financing activities		**600**	**-**
Net increase in cash and cash equivalents		17	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year	**18**	**17**	**-**

The LLP had no cash as at 31 December 2021 and accordingly has not presented a Statement of Cash Flows for the year.

The notes on pages 16 to 27 are an integral part of these financial statements.

1 Accounting policies (Continued)

1.3 Financial instruments

The fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming the market participants act in their economic best interests.

The LLP uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets and liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the measurement is unobservable.

The LLP's Valuation Committee determines the policies and procedures for fair value measurement. The Valuation Committee is comprised of the Chief Executive Officer, the Chief Investment Officer and the Chief Finance Officer.

The key financial instruments relevant to the LLP are its investments in companies engaged in greenhouse gas (GHG) emission reduction technology development and commercialisation.

Annually, the results of the fair value review are presented to the Audit Committee. This includes a discussion of the major assumptions used in the valuations.

Financial Assets

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 'solely 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

1 Accounting policies **(Continued)**

Valuation techniques used to determine level 2 and level 3 fair values

For the purposes of the fair value disclosures, the LLP has determined classes of assets on the basis of the nature, characteristics and risk of the asset. At present, there is only one class of financial asset, namely trade investments. Trade Investments can include equity or other instruments of another entity. The early stage technology and/or business model investment nature of some LLP investments is such that assessing fair value may be difficult with limited relevant information available in order to assess the fair value. For many investments, which are in early stage ventures, the most appropriate estimate of fair value is likely to be cost or cost less impairment provision.

Subsequent Fair Value Estimates: To value an investment, the LLP places the most weight on valuation methodologies that are objective and timely. For the annual investment valuation, the LLP considers available information from market participants, the relevant marketplace and the global economy along with specific facts and circumstances in determining the fair value of their investments. However, the LLP may conclude, after considering the facts and circumstances, that the best indication of fair value is provided by cost or the value of the latest round of financing.

The LLP reconsiders a company's fair value in connection with each material equity financing, regardless of the LLP's participation. The value of the last round of financing is a factor in determining fair value, but it is not necessarily the only factor. A subsequent equity financing that includes substantially the same group of investors as the prior financing is an appropriate factor to consider in valuing prior investments unless it can be demonstrated that the financing no longer represents fair value.

After some period of time, cost or the latest round of financing becomes less reliable as an approximation of fair value. Therefore, the LLP assesses whether fair value has changed even though there has not been a new round of financing. Examples of changes in circumstances which could indicate a change in fair value may include, but are not limited to, the following:

- The current performance of the company is significantly above or below the expectations at the time of the original investment. Potential indicators of this situation will include evaluation of the company's success or failure in attaining certain milestones, achieving technology breakthroughs, developing proprietary technology, progressing through clinical trials or significantly exceeding or failing to meet budgets.
- Market, economic or company specific conditions have significantly improved or deteriorated since the time of the original investment. Potential indicators of this situation will include evaluation of broad changes in the economic climate, changes in the financing markets, changes in the legal or regulatory environment in which the company operates, changes in the company's cost structure, increased or decreased risk factors faced by the company, or significant fluctuations in share prices of quoted companies operating in the same or a related industry.
- Substantial decreases in the value of quoted, more senior securities of the company (e.g., public debt), defaults on any obligations of the company, a bankruptcy filing, significant ownership dilution caused by recapitalization of the company, or liquidity concerns that are expected to be more than short term in nature are circumstances which may indicate a potential impairment in value.
- Discounted cash flow (DCF) methodologies would be performed if all other methods are not available, using a discount rate commensurate with the risks involved in the investment and based on reliable estimates of future cash flows.
- Contingent consideration – expected cash inflows for project investments based on a fixed return and contingent on reaching specific milestones.

The result of such consideration will provide indications whether the carrying value of the investment should be increased or decreased to represent fair value.

When valuation adjustments are necessary, the methodology used uses techniques appropriate to the fair value hierarchy set out above.

1 Accounting policies (Continued)

Changes in level 2 and level 3 fair values are analysed at the end of each reporting period by the valuation team. The LLP will apply fair value measurement hierarchy and techniques under IFRS 13 to assess its investments on an annual basis. The group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

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
Financial liabilities, which for the LLP is solely members capital. 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.

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.

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

1.4 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

1.5 Members' capital

Members' capital, which is repayable as determined and agreed by the members, is accounted for as a current financial liability.

OGCI CLIMATE INVESTMENTS HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies **(Continued)**

1.6 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

1.7 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.

1.8 Allocation of profits & losses

The profits and losses of the LLP are automatically allocated under the terms of the LLP agreement to the members. Under that agreement, all profits & losses are allocated to the current account of OGCI CI LLP. Profits are distributed to members at such times as they may determine appropriate.

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 2022 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 reporting periods and on foreseeable future transactions.

3 Critical accounting estimates and judgements

The preparation of the financial statements in accordance with UK adopted 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.

Fair value of investments

Investments made by the LLP are classified as financial instruments held at fair value through profit and loss and therefore their carrying value is subject to estimation. Further details are given in note 7.

When the fair values of financial assets recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including where there is a recent offer or a recent comparable market transaction, which may provide an observable market price and an approximation to fair value of the private entity.

Alternatively, the discrete scenario analysis approach is adopted. The inputs to this model are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as the probability of reaching the Final Investment Decision ("FID"), the date of FID and discount rates. Changes in assumptions relating to these factors could affect the reported fair value of financial assets, note 8 provides further disclosures.

OGCI CLIMATE INVESTMENTS HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Operating profit/(loss)

	2022	2021
	$'000	$'000
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(41)	14

Foreign exchange gains and losses relate to the revaluation of convertible loan balances held in foreign currencies.

5 Auditor's remuneration

Fees payable for the audit of the LLP is $52,000 (2021 - $46,000) and have been borne by the parent entity, OGCI Climate Investments LLP.

6 Employees

The LLP had no employees during the year.

There were no payroll costs during the year.

7 Investment income

	2022	2021
	$'000	$'000
Interest receivable on convertible loans	444	445
Dividend income	1,394	911
Other investment income	264	668
	2,102	2,024

Interest income
The interest income receivable on convertible loans relates to a total of $14.6m in funding provided to investee companies since 2019. $3.6m of these loans were converted to equity during the year.

Dividend income
Non-cash dividends
Dividends were received by payment in-kind from NextDecade Corporation every quarter during the course of 2022. The total payment in-kind received on the preferred interests held in NextDecade Corporation was $1,393,000.

Cash dividends
Cash dividends totalling $1,500 were also paid by NextDecade Corporation during 2022.

Other investment income
The purchase of shares in NextDecade Corporation were attached with warrants with the right to acquire 0.142% of the fully diluted shares of all outstanding common stock of the company. The value of new warrants issued during 2022 totalled $264,000.

8 Other gains and losses

	2022 $'000	2021 $'000
Change in value of equity investments at fair value through profit or loss	150,413	(14,338)
Change in value of debt investments at fair value through profit or loss	265	944

The changes in value in 2022 are analysed as follows:	Equity instruments $'000	Debt instruments $'000	Total $'000
Increases in fair value through profit or loss (GHGSat, Svante, Boston Metal, Norsepower, Quail Run, Next Decade)	160,667	265	160,932
Decreases in fair value through profit or loss (Achates, Solidia, Econic, Clarke, Wabash, Spruce Power (formerly XL Fleet))	(10,254)	-	(10,254)
	150,413	265	150,678

The changes in value in 2021 are analysed as follows:	Equity instruments $'000	Debt instruments $'000	Total $'000
Increases in fair value through profit or loss (Kairos, Kelvin, Wabash, SeekOps, Elks Hills, Quail Run, Qnergy, Econic (debt), NextDecade)	9,574	944	10,518
Decreases in fair value through profit or loss (Econic, Clarke, XL Fleet, OnTruck)	(23,912)	-	(23,912)
	(14,338)	944	(13,394)

The fair value adjustments outlined above are as a result of quoted market price (level 1 inputs), recent financing transactions (level 2 inputs) and unobservable inputs (level 3 inputs) which have resulted in increases or decreases in the valuation of the companies at 31 December 2022.

9 Financial Instruments: Investments

Trade Investments at carrying value	2022 $'000	2021 $'000
Brought forward	263,126	179,168
Change in value of investments held at fair value through profit or loss	150,678	(13,394)
Additions	76,753	97,366
Foreign exchange gain/(loss) on debt instruments	40	(14)
At 31 December	490,597	263,126
Analysed:		
Equity instruments	478,796	257,498
Debt instruments (convertible loans)	11,801	5,628

9 Financial Instruments: Investments **(Continued)**

As at 31 December 2022, the LLP recognised a fair value gain on investments of $155m. The largest contributors to the fair value gain were Svante, Boston Metal and Next Decade. Fair value gains for these three investments totalled $159m. Svante and Boston Metal recognised the uplift in valuation as a result of recent financing transactions. Next Decade is listed on the NASDAQ stock exchange, at 31 December 2022 the closing market price of the company's shares had increased significantly compared to the fixed conversion price of the preference shares held by the LLP, this resulted in a material increase in fair value. In addition, as noted below, the basis of valuation for Wabash and Quail Run was revised to a discrete scenario basis and reclassified as level 3 in the valuation hierarchy in 2021. A total increase in value of $0.7m was recognised in respect of these two investments.

The LLP made new investments during the year totalling $76.8m, this includes both equity investments and convertible loans. The additions include $11.1m in respect of convertible loan notes and accrued interest. These notes accrue interest between 4% to 10% per annum. They are convertible to equity either when the investee company completes a qualifying external financing or if such financing does not take place, at the election of the note holders. During the year $3.7m of loans and interest was converted into equity.

Foreign exchange movements were recognised on debt instruments held by the LLP in foreign currencies.

Assets measured at fair value through profit & loss

			Fair value measurement using		
		Total	**Quoted prices in active markets**	**Significant observable inputs**	**Significant unobservable inputs**
			Level 1	**Level 2**	**Level 3**
		$'000	**$'000**	**$'000**	**$'000**
Trade investments	31 December 2022	490,597	517	467,373	22,707
Trade investments	31 December 2021	263,126	1,861	239,236	22,029

There were no transfers between any levels for recurring fair value measurements during the year. In 2021 the LLP transferred trade investments from level 2 into level 3 as recent financing rounds were not available for investments or a recent financing round no longer represented the true fair value of an investment.

Fair value measurements using significant unobservable inputs (level 3)
The following table presents the movement in level 3 instruments for the year ended 31 December 2022 by class of financial instrument

	Equity instruments
	$'000
At 31 December 2021 and 1 January 2022	22,029
Transfers from Level 2	-
Additions	-
Increases in fair value through profit or loss	826
Decreases in fair value through profit or loss	(148)
At 31 December 2022	22,707

9 Financial Instruments: Investments **(Continued)**

Significant unobservable inputs to valuation

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 December 2022 are shown below:

	Valuation Technique	Significant unobservable input	Range (weighted average)	Sensitivity of the input to the fair value
Non-listed equity investments - projects	Discrete Scenario Analysis	Probability of reaching FID	2022: 70% 2021: 70%	10% increase or decrease in the probability would result in an increase or decrease in fair value by \$2.2 million (2021: \$1.7 million)
		Date of FID	2022: 31 Dec 23 -31 Mar 24 2021: 30 Jun 22 - 14 Feb 23 (31 Oct 22)	6 month earlier or delayed FID decision would result in an increase or decrease in fair value of \$0.6 million (2021: \$0.5 million)
		Discount rate	2022: 8% 2021: 5%	2% increase or decrease in the discount rate would result in an increase or decrease in fair value of \$0.4 million (2021: \$0.4 million)

The LLP has recognised two investments, Wabash and Quail Run, under the Level 3 hierarchy. The LLP used discrete scenario analysis for the valuation these investments.

Both of these investments made significant progress during the year towards Final Investment Decision (FID). At FID, the LLP receives its return on investment. The probability of reaching FID, together with other key inputs listed above have been applied in the scenario analysis calculations, resulting in a net increase in fair value of a total of \$0.7m.

10 Subsidiaries

Name of undertaking	Principal activities	Class of share held	Ownership interest (%)	Voting power held (%)
OGCI Climate Investments (QR), Inc.	Holding company for investment	Ordinary	100	100
OGCI Climate Investments Elk Hills Carbon Inc.	Holding company for investment	Ordinary	100	100
OGCI Climate Investments Keystate Inc.	Holding company for investment	Ordinary	100	100

The registered office for all three subsidiaries is Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County, Delaware, USA, 19808.

11 Associates

Details of the company's associates at 31 December 2022 are as follows:

Name of undertaking	Country of incorporation	Ownership interest (%)	Nature of business
Econic Technologies Ltd	United Kingdom	20-25%	Recycle CO2
Wabash Valley Resources	Indiana, US	30-35%	Recycle CO2
SeekOps Inc.	Texas, US	20-25%	Methane Detection
F2V Oman Holding Limited	United Kingdom	40-45%	Methane Reduction
OGCI China Climate Investments LLP	China	10-15%	Investment Fund

The LLP is classed as an investment entity and therefore, in accordance with IAS 28 has not applied the equity accounting method for the above associates. These investments have been accounted for at fair value in these financial statements.

12 LLP Financial Risk Factors

The LLP's activities expose it to a variety of financial risks: liquidity risk, market risk (including fair value pricing 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.

13 Financial Instruments: Liabilities

	2022 $'000	2021 $'000
Members' capital classified as debt, at amortised cost	324,145	249,465
	324,145	249,465

The increase in members' capital is due to the increase in investment activity by the LLP. The Board reviews the Strategic Investment Plan on an annual basis, sets targets for OGCI CI LLP and subsidiaries and approves individual investment and divestment decisions which are above the authority level delegated to the CEO. The LLP calls for the capital as and when investments are due to be funded.

14 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 $'000
At 31 December 2021	
Trade and other payables excluding non-financial liabilities	239,465
At 31 December 2022	
Trade and other payables excluding non-financial liabilities	314,146

Members are required to provide OGCI CI Holdings LLP with capital in accordance with the provisions of members agreement, in order to fund investments. This capital is accounted for within trade and other payables. Capital subscribed is repayable by the LLP when required by the members. As this capital is repayable on demand it has been categorised as payable within 1 year, however it is not the intention of the members to recall this within the next year.

15 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. Market risk comprises three types of risk: interest rate risk, foreign exchange risk and other price risk. The LLP only exposed to other price risk through its trade investments which are held at fair value.

16 Members' interests

	2022 $'000	2021 $'000
At the beginning of the year	263,126	179,168
Members' capital introduced classified as debt	74,680	95,343
Members' distribution account comprised of:		
Remuneration credited/(charged)	152,821	(11,384)
Dividends distributed	(13)	(1)
At the end of the year	490,614	263,126

Members' capital, is repayable as determined and agreed by the members. This means it is theoretically repayable on demand and as a result is accounted for as a current financial liability. However, it is not the intention of members to recall this amount within the next year.

Members' distribution accounts represent profits and losses automatically allocated to members as set out in the LLP agreement.

17 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.

The company is not subject to any externally imposed capital requirements.

18 Cash and cash equivalents

	2022	2021
	$'000	$'000
Cash at bank and in hand	17	-

During 2022 the LLP opened a new bank account to make the initial seed investment in OGCI China Climate Investments ("CCI"). A total of $583,000 was invested into CCI. OGCI Climate Investments LLP transferred $600,000 into the LLP's bank account in order to fund this investment.

19 Reconciliation of profit/(loss) to cash generated from operations

	2022	2021
	$'000	$'000
Operating profit/(loss)	152,821	(11,384)
Adjustments for:		
Members remuneration allocated to distribution account	(152,821)	11,384
Cash generated from operations	-	-

20 Controlling party

OGCI Climate Investments LLP is the immediate and ultimate controlling entity of the LLP, having its registered address at 7th Floor, 50 Broadway, London, SW1H 0BL.

21 Events after the reporting date

Investments

Post-year end the LLP has completed three investments in new investee companies worth US$31.2m and six follow-on investments in existing investee companies totalling US$23.1m.