Key Information Document

Investor Class (ISIN: GB00BLNNFZ25)

HARMONY ENERGY INCOME TRUST PLC

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

You are about to purchase a product that is not simple and may be difficult to understand.

Product

Name: C Shares in Harmony Energy Income Trust plc ("HEIT" or the "Company")
Name of PRIIP Manufacturer: Harmony Energy Income Trust plc
ISIN: GB00BLNNFZ25
Contact details: www.heitp.co.uk or telephone number +44 (0) 20 7409 0181 for more information
Competent authority: The Financial Conduct Authority
Date of production of this document: 31st December 2022

What is this product?

Type: HEIT is a public company incorporated in England and Wales with company number 13656587. This is a closed-ended investment company.

Objectives: The PRIIP's primary investment objective is to provide investors with an attractive and sustainable level of income returns, with the potential for capital growth, by investing in commercial scale energy storage and renewable energy generation projects, with an initial focus on a diversified portfolio of battery energy storage systems located in Great Britain.

Intended retail investor: This product is for retail and professional investors who have a long-term investment horizon, have basic capital markets knowledge or experience in investing in shares and have the ability to bear investment losses as a result of any potential stock market volatility. The Specialist Fund Segment is only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in securities admitted to trading on the Specialist Fund Segment is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment product.

The C Shares are admitted to the Specialist Fund Segment of the main market of the London Stock Exchange plc (the "Specialist Fund Segment"). The C Shares will not convert into Ordinary Shares until at least 90 per cent. of the net proceeds of the C Share issue have been deployed in accordance with the Company's investment policy (or, if earlier, 12 months after the date of their issue).

Maturity: There is no maturity date.

What are the risks and what could I get in return?

Risk indicator

1	2	**3**	4	5	6	7

Lower risk and typically lower rewards — **Higher risk and typically higher rewards**

The risk indicator assumes you keep the Product for 5 years. The actual risk can vary significantly if you redeem at an early stage and you may get back less.

The summary risk indicator is a guide to the level of risk of the Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the market or because we are not able to pay you. We have classified this Product as 3 out 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact our capacity to pay you. This Product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay what is owed, you could lose your entire investment.

Performance Information

The main factors that may affect the performance of HEIT are the performance of the utility-scale battery energy storage projects within the portfolio and the ability of the Investment Manager to: (i) make appropriate recommendations to the AIFM to allow the Company to acquire suitable projects, and (ii) manage investments in those projects in accordance with the Company's investment policy. Other factors that may affect the performance of HEIT's C Shares are the supply and demand for the shares, market or economic conditions and general investor sentiment.

Since trading began on 8 November 2021, HEIT's ordinary shares have generated a share-price total return (net of costs) of 24.8% per annum with an annualised risk of 15.0%. In comparison, over the same period, the broader UK equity market, the FTSE All Share, returned 1.6% per annum, with an annualised risk of 16.2%. The C shares began trading on 13 October 2022.

Our forward-looking moderate performance scenario for the ordinary shares is an annualised return of 14.9% over the recommended holding period of five years. We have used this return in our Reduction in Yield (RIY) calculations below.

To examine objective data for HEIT's ordinary share performance characteristics, used the returns of a portfolio of battery energy storage funds from 24 May 2018 to 8 November 2021 as a proxy for HEIT's total returns (net of costs) prior to commencement of trading (the "**Energy Storage Proxy**"). For the period from 1 January 1999 to 8 November 2021 we further used the returns of a portfolio of renewable energy funds and UK energy and infrastructure equity indices as a proxy for HEIT's total returns (net of costs). These constituents were dynamically reweighted based on available data to give a full daily performance history from 1 January 1999 (the "**Long-Term Proxy**").

What could affect my return positively?

Specific factors that might affect returns positively would be: performance of the projects within the portfolio in line with or exceeding the Company's targets; the ability of the Investment Advisor to successfully develop and operate the projects within their geographic markets; the ability to acquire promising projects through careful due diligence; suitable energy trading conditions; and revenue optimisation strategies for the projects within the portfolio performing better than expected. In addition, continued growth in the renewables sector and an increase in the underlying price of natural gas is likely to have a positive effect on performance. Overall improvements in broader equity market valuations are also likely to correlate to improvements in HEIT's valuation, with improving company valuations most likely during larger positive broader equity market movements. In terms of quantitative evidence, the Energy Storage Proxy had a most favourable one-year return of 34.2%, and over the five-year recommended holding period, the Long-Term Proxy had a most favourable rolling five-year performance of 21.7% per annum.

What could affect my return negatively?

Specific factors that could affect returns negatively would be: performance of the underlying utility-scale battery energy storage projects within the portfolio below the Company's targets; unfavourable energy trading conditions; battery delivery and installation delays; equipment failure or degradation for the energy storage projects; a rapid decline in prices for battery systems, which could lower revenue and HEIT's valuation; a default by one or more key suppliers; and more competitive pricing of alternatives such as natural gas. The C Shares may lack trading liquidity and hold a higher concentration of investments, which could negatively impact returns in certain circumstances. In addition, external factors, such as adverse economic and market conditions and unfavourable regulatory changes regarding the design of the energy market could negatively impact on performance. The Energy Storage Proxy's least favourable performance over a rolling one-year was -6.5% and over longer periods, the Long-Term Proxy had a least favourable five-year rolling return of 0.7% per annum.

What could happen in severely adverse market conditions?

HEIT has only been trading since November 2021 and has not experienced severe adverse trading conditions for its shares. However, using the longer history of the Long-Term Proxy there was a loss of 37.3% between June 2001 to January 2003, before the Long-Term Proxy recovered in October 2004. Under severely adverse market conditions, there is a risk that the capital value of an investment in the Company's shares could reduce significantly, potentially down to zero.

What happens if Harmony Energy Income Trust is unable to pay out?

As a shareholder of the Company, you will not be entitled to compensation from the Financial Services Compensation Scheme or any other compensation scheme in the event that the Company were unable to pay any dividends or other returns it may elect to pay from time to time, or if it were unable to pay amounts due to you on a winding-up. No guarantee scheme applies to an investment in the Company.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the Company itself for three different holding periods. The figures assume you invest £10,000. The figures are estimates and may change in the future.

Costs over time

The person selling you, or advising you on, this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment of £10,000

Scenarios	If you cash in after 1 year	If you cash in after 3 years	If you cash in at the end of the recommended holding period of 5 years
Total Costs	£142	£570	£1,269
Impact on return (RIY) per year	1.42%	1.42%	1.42%

Composition of costs

The table below shows:

- The impact each year of the different types of costs on the investment returns you might get at the end of the recommended holding period; and
- The meaning of the different cost categories

This table shows the impact on return per year

One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.00%	The impact of the costs of us buying and selling underlying investments for the product.
	Other on-going costs	1.42%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	0.00%	The impact of the performance fee. We take these from your investment if the Product outperforms its benchmark.
	Carried interests	0.00%	The impact of carried interests.

How long should I hold it, and can I take money out early?

Recommended holding period: 5 years. The Company is designed to be long-term in nature and the returns can be volatile during its life. This is a long-term investment.

The C Shares will ordinarily convert into new Ordinary Shares when at least 90 per cent of the net proceeds of the C Shares have been invested in accordance with the Company's investment policy (or, if earlier, 12 months after the date of issue).

The Company is a closed-ended investment company and the C Shares are admitted to trading on the Specialist Fund Segment. Shareholders who wish to realise their investment may only do so by selling their C Shares to a willing buyer. The price at which the C Shares are traded will be based on trading prices at the time on the London Stock Exchange on any normal business day.

How can I complain?

As a shareholder of HEIT, you do not have the right to complain to the Financial Ombudsman Service (FOS) about the management of HEIT. Complaints about the Company or the Key Information Document should be sent to: The Company Secretary, JTC (UK) Limited, The Scalpel, 18th Floor, 52 Lime Street, London, United Kingdom, EC3M 7AF or by email to HarmonyEnergyIncomeTrustplc@jtcgroup.com.

Other relevant information

The cost, performance and risk calculations included in this KID follow the methodology prescribed by UK rules.

Further information on the principal risks to which HEIT Is exposed is contained within the Company's prospectus dated 15 October, 2021 which, subject to certain access restrictions, is available online at: www.heitp.co.uk.

The distributor will provide you with additional documents where necessary.

Investors should be aware that past performance does not guarantee future performance and loss of principal may occur.