NS Annual Financial Report

Downing Renewables & Infrastructure Trust

ANNUAL FINANCIAL REPORT

DOWNING RENEWABLES & INFRASTRUCTURE TRUST PLC

Released 07:00:10 03 April 2023

RNS Number : 0338V
Downing Renewables & Infrastructure
03 April 2023

Downing Renewables & Infrastructure Trust PLC

("DORE" or the "Company")

Annual Report and Accounts

Downing Renewables & Infrastructure Trust plc (LSE: DORE) announces its Annual Report and Accounts for the financial year ending 31 December 2022 (the "Annual Report").

The Annual Report is available to view on the Company's website at www.doretrust.com/investor-relations.

Highlights

- Net asset value ("NAV") as at 31 December 2022 was 118.6 pence per ordinary share (£219 million), an increase of 15.1 (14.5%) pence per ordinary share compared with the NAV as at 31 December 2021 of 103.5 pence per ordinary share (£142 million).
- NAV total return[1] of 19.5% for the year to 31 December 2022 and 28.5% since IPO in December 2020.
- Interim dividends of 5 pence per ordinary share paid during the year and a further 1.25 pence per ordinary share declared (but not accrued) relating to the quarter to 31 December 2022. Cash dividend cover of 1.26x[1] for dividends paid during the year.
- The target dividend for the year from 1 January 2023 has been increased by 7.6% to 5.38 pence per ordinary share.
- The Company's portfolio has generated 326GWh, avoided 153,457 tonnes of CO2e and powered the equivalent of 112,523 UK homes. The Company now has a portfolio that is expected to generate 391 GWh of renewable electricity per year, an increase of 96.4% from 31 December 2021. Further deployment through the completion of five investments, costing in aggregate at £72.6 million and comprising:
    - Two operational hydropower plant portfolios, generating 12GWh p.a. and 36GWh p.a. respectively and located in central Sweden, for £20.1 million in January 2022;
    - An operational 46 MW (108GWh p.a.) onshore wind farm located in north-eastern Sweden for £19.8 million in February 2022;
    - A portfolio of operational run-of-river hydropower plants in Sweden (17GWh p.a.) for £16.8 million in May 2022;
    - A further investment into the UK solar portfolio during October 2022 of £10 million, used to repay the mezzanine debt that was present when the portfolio was acquired;
    - A 14GWh hydropower portfolio of seven assets with significant reservoir capacity in Sweden for £5.9 million in November 2022; and
    - Post year end, completed the acquisition of two operational hydropower plants with expected annual generation of 8.3GWh, located in Sweden for £5.1 million.
- Successfully raised gross proceeds of £52.9 million through a placing, an open offer, an offer for subscription and an intermediaries offer at an issue price of 111.0 pence per ordinary share in June 2022, exceeding the target size of the issue.

Key Metrics

	As at or for period ending 31 December 2022	As at or for the period ending 31 December 2021
Market capitalisation	£210m	£142m
Share price	113.5 pence	103.5 pence
Dividends with respect to the year	£8.0m	£2.9m
Dividends with respect to the year per ordinary share	5.0 pence	3.5 pence
GAV[1,][2]	£311m	£221m
NAV	£219m	£142m
NAV per share	118.6 pence	103.5 pence
NAV total return with respect to the year[1,2,4]	19.5%	8.0%

Total Shareholder Return with respect to the year[1,][3]	15.1%	5.%
NAV total return since inception[1,2,][4]	28.5%	7.9%
Total Shareholder Return since inception[1,3]	21.1%	5.3%
Weighted average discount rate	7.7%	7.3%
Environmental Performance	Assets avoided 153,457 tonnes of CO2 and powered the equivalent of 112,523 homes	Assets avoided 80,942 tonnes of CO2 and powered the equivalent of 59,432 homes

Hugh Little, Chair, Downing Renewables & Infrastructure Trust PLC, commented:

"We are very pleased to present DORE's annual results for its second year of operation. The Investment Manager has successfully continued its mandate of strategic diversification and growth, deploying £62.6 million in five new portfolio investments over the period, complemented by an equity raise of £52.9 million in June 2022, exceeding the target size. The Investment Manager's active management and clear insight has delivered a strong performance from owned-assets which has contributed to a cash dividend cover of 1.26x for the dividends of 5 pence per share paid during the year. I am confident that our Investment Manager will continue to take a perceptive approach to pursuing investment opportunities that will deliver the greatest value to shareholders during 2023."

Tom Williams, Partner, Head of Energy and Infrastructure at Downing LLP, commented:

"We are extremely pleased with the progress made by DORE following a strong maiden year. Alongside the strengthening of its hydropower portfolio, DORE acquired its first wind assets as part of a continued commitment to a strategy of diversification by technology and geography, which is proving its credentials through NAV accretion and strong dividend cover. Given the positive operational and financial results in the face of a challenging macroeconomic period, we believe that the Company is well-positioned for future growth and continued strong performance.

About DORE

Downing Renewables & Infrastructure Trust PLC is a closed ended investment company incorporated in England and Wales. The Company aims to provide investors with an attractive and sustainable level of income, with an element of capital growth, by investing in a diversified portfolio of renewable energy and infrastructure assets in the UK, Ireland and Northern Europe.

The Company's strategy, which focuses on diversification by geography, technology, revenue and project stage, is designed to deliver the stability of revenues and the consistency of income to shareholders.

The Company is an Article 9 fund pursuant to the EU Sustainable Finance Disclosure Regulations ("SFDR"). The core sustainable Investment Objective of the Company is to accelerate the transition to net zero through its investments, compiling and operating a diversified portfolio of renewable energy and infrastructure assets to help facilitate the transition to a more sustainable future. This directly contributes to climate change mitigation.

DORE is a Green Economy Mark (London Stock Exchange) accredited company with an ESG framework that aims to provide investors with attractive returns while contributing to the successful transition to a net-zero carbon economy - resulting in a cleaner, greener future.
As at 31 December 2022, the Company had 184,622,487 ordinary shares in issue which are listed on the premium segment of the FCA's Official List and traded on the London Stock Exchange's Main Market.

DORE is managed by Downing LLP (the "Investment Manager" or "Downing").

Strategic Report

Chairman's Statement

On behalf of the Board, I am pleased to present the annual report of Downing Renewables & Infrastructure Trust PLC covering the year to 31 December 2022 (the "Annual Report"). After another successful year of strategic diversification and growth, we continue to execute our business plan and benefit from the expanding Nordic and UK renewables markets.

Additional Equity Issuance

Following the £137.4 million raised during the Company's first financial period the Company established a share issuance programme to enable the issuance of up to a further 250 million ordinary shares over a 12-month period. In order to aid our continuing growth plans and to enable us to pursue value creating opportunities, we issued a further 47.6 million new ordinary shares on 7 June 2022 at a price of 111 pence per share, raising gross proceeds of £52.9 million, exceeding the target size of the issue and increasing the market capitalisation by 25.2%. As at the reporting date, the Company's market capitalisation exceeded £200 million.

An element of the proceeds of the fundraising was immediately used to repay the revolving credit facility ("RCF"), with the remainder earmarked to invest in an attractive pipeline of opportunities to further diversify the portfolio. The fundraise represented c.35% of the Company's Ordinary Share capital immediately prior to the Issue.

Acquisitions

During the period**,** the Company and its wholly owned subsidiaries (together, the "Group") have successfully invested £72.6 million in five new portfolio investments and a further £5.1 million after the year end. The Company now has a portfolio that is expected to generate 391 GWh of renewable electricity per year, double that as at 31 December 2021.

Diversification remains central to the strategy of the fund. During the period we have added wind power, an additional technology to our portfolio as well as acquiring our first hydropower assets in Sweden's SE4 pricing zone. Investing in different technologies in different locations reduces the Company's reliance on any given natural resource, provides exposure to assets with different economic lives and reduces our exposure to any single power market.

Each acquisition made since IPO has been accretive to DORE's NAV. During the year a £9 million increase in NAV was recognised as new investments were revalued throughout the year.

I am very pleased to report that the Investment Manager has made attractive acquisitions since the year end by completing the acquisition of two additional operational hydropower plants in Sweden (with annual generation of 8.3GWh), located on the Gillerån and Moälven rivers in the SE2 electricity pricing zone, for £5.1 million.

Debt Facilities

In the interests of capital efficiency and to enhance income returns, long-term capital growth and capital flexibility, the Company is permitted to maintain a conservative level of gearing. To allow flexibility with making new investments, the Group has access to two separate loan facility agreements: a £40 million RCF with Santander UK plc at a holding company level and a seven-year EUR 43.5 million limited recourse debt facility with SEB at Downing Hydro AB. The RCF was increased from £25 million to £40 million on 26 January 2023. Further information on these facilities can be found in the Investment Manager's Review.

During the period, the RCF allowed the Group the flexibility to capitalise on its investment pipeline. In May 2022 the Group utilised the facility to fund a c.£17 million acquisition of a portfolio of hydropower plants. As mentioned above, the RCF was repaid in full during the period using the proceeds from the subsequent fundraising.

Portfolio Performance

Operating profit for the portfolio of generating assets was 14.7% above our expectations.

The 3,260 operating assets generated 326 GWh of clean electricity during the reporting period. The operational performance of the Swedish wind and UK solar assets was in line with expectations and the dry summer we experienced in Northern Europe, including Sweden, impacted the hydropower portfolio, leading to generation across the hydropower portfolio being 10.8% below long term expectations. This contributed to higher power prices in the region, driving a significant increase in revenue and cashflows, which more than outweighed the generation shortfall caused by the dry conditions.

Financial Results

During the period the NAV per ordinary share increased from 103.5 pence at 31 December 2021 to 118.6 pence at 31 December 2022, an increase of 14.5%. Including dividends paid of 5 pence per ordinary share in the year results in a NAV total return since 31 December 2022 of 19.5%. This increase reflects the net earnings and the valuation uplift across all three technologies following strong operational performance and a favourable economic environment.

The NAV reflects the fair market valuation of the Company's portfolio based on a discounted cash flow analysis over the life of each of the Group's assets plus the value of the Company's other assets and liabilities. The assumptions which underpin the valuation are provided by the Investment Manager and the Board has satisfied itself with the calculation methodology and underlying assumptions.

The portfolio companies distributed £12.3 million to the Company by way of shareholder loan repayments and interest during the period. An element of this cash, £3.8 million, was retained in the Company's subsidiary DORE Hold Co and forms part of the valuation.

The Company made a profit for the year to 31 December 2022 of £33.2 million, resulting in earnings per ordinary share of 20.6 pence. This includes unrealised returns of £28.1 million.

Dividends

The Company has paid interim dividends to Shareholders of 1.25 pence per share for the first three quarters of 2022. I am pleased that a further dividend of 1.25 pence per share has been announced and will be paid on or around 31 March 2023 in respect of the quarter to 31 December 2022.

The Company achieved a cash dividend cover of 1.26x for the dividends of 5 pence per share paid during the period (including the dividend paid during the period in respect of the quarter ending 31 December 2021). Dividend cover is presented excluding dividends paid immediately following the issuance of new shares. If these are included, the dividend cover would be 1.17x. Cash dividend cover has been calculated on a cash basis of income received by the Company and its immediate subsidiary.

The Company will target a dividend of 5.38pps relating to the year to 31 December 2023, a 7.6% increase from 2022. The increased dividend is forecast to be fully covered by the current portfolio. When near term pipeline assets that are under exclusivity are taken into account, the dividend cover against the increased dividend is forecast to be in excess of 1.4x.

This is the second increase in dividend since DORE's IPO in December 2020. As a result of the Company bringing forward the 5 pence per share dividend payment by six months from 1 July 2021, DORE has paid out 1.5 pence per share more in dividends than outlined at the time of the IPO.

Investment Policy

During the period, shareholders approved amendments to the Company's investment policy, including to: (i) increase the geographic and technology investment restrictions until the Company first surpasses a Net Asset Value of £300 million; (ii) increase the limit on short-term borrowings; and (iii) simplify the definition of Gross Asset Value in the Company's investment policy. The new limits are set out on the Company's website and the full investment policy is available in the shareholder circular dated 7 June 2022, also available on the website.

Outlook

2022 was dominated by the ongoing war in Ukraine and rising inflation. The Ukraine crisis has forced governments, companies, and citizens across the world to take a hard look at how energy is sourced and utilised. Over recent years renewables has been a key growth sector for investment companies, however, since the crisis began there have been accelerated commitments to renewables and governments have now realised that the energy transition is not only important for the planet, but also for energy security. We believe that DORE can play an active part in this.
The Board is very satisfied with the £72.6 million deployed in the five high-quality investments made in the year. At a portfolio level, the Investment Manager's in-house asset management team will continue its focus on delivering continued positive operational performance, along with optimisation initiatives where appropriate. The Company will continue to leverage the expertise of the Investment Manager to deliver strong operational performance whilst placing its sustainability goals at the centre of its operational objectives.

In order to increase the Company's diversification, drive efficiencies of scale at the portfolio level, spread the fixed costs over a wider asset base and increase liquidity for current and future shareholders, the Board intends over time to increase the size of the Company through the issue of further shares. Any such issuance will be priced at a premium to the prevailing net asset value and will be dependent on demand from investors as well as the availability of pipeline investments.
The Board looks forward to bringing shareholders further updates on the excellent progress made to date.

Share Buybacks

The Board intends to commence buying back shares in the market where it believes this to be in shareholders' interests, noting that share buybacks represent an attractive opportunity to increase the Company's investment exposure to the existing portfolio at rates of return well in excess of the relevant discount rates.

Hugh W M Little
Chair
31 March 2023
Downing Renewables & Infrastructure Trust PLC

Strategy and Business Model

The Board is responsible for the Company's Investment Objective and Investment Policy and has overall responsibility for ensuring the Company's activities are in line with such overall strategy. The Group's Investment Objective and Investment Policy are published below.

Corporate Summary

The Company is a closed ended investment company incorporated in England and Wales with registration number 12938740. The Company aims to provide investors with an attractive and sustainable level of income, with an element of capital growth, by investing in a diversified portfolio of renewable energy and infrastructure assets in the UK, Ireland and Northern Europe.

As at 31 December 2022, the Company had 184,622,487 ordinary shares in issue which are listed on the premium segment of the Official List and admitted to trading on the London Stock Exchange's Main Market.

Investment Objective

The Company's Investment Objective is to provide investors with an attractive and sustainable level of income returns, with an element of capital growth, by investing in a diversified portfolio of renewable energy and infrastructure assets in the UK, Ireland and Northern Europe.

The core sustainable investment objective of the Company is to accelerate the transition to net zero through its investments, compiling and operating a diversified portfolio of renewable energy and infrastructure assets to help facilitate the transition to a more sustainable future. The Company believes that this directly contributes to climate change mitigation.

The Company has made disclosures under the EU's Sustainable Finance Disclosure Regulation ("SFDR") as part of its commitment to sustainability. The Company is an Article 9 fund under SFDR.

Investment Policy

The Company seeks to achieve its investment objective through investment in a diversified portfolio of renewable energy and infrastructure assets in the UK, Ireland and Northern Europe, comprising (i) pre-dominantly assets which generate electricity from renewable energy sources; and (ii) other infrastructure assets and investments in businesses whose principal revenues are not derived from the generation and sale of electricity on the wholesale electricity markets ("Other Infrastructure") (together "Assets" and each project being an "Asset"). Assets may be operational, in construction or construction-ready, at the time of purchase. In-construction or construction-ready Assets are assets which have in place the required grid access rights, land consents, planning, permitting and regulatory consents in order to commence construction. For the avoidance of doubt, the Company does not acquire or fund Assets that are at an earlier stage of development than construction-ready.

The Company invests in a portfolio of Assets that is diversified by: (i) the principal technology utilised to generate energy from renewable sources, for example solar photovoltaic, wind, hydro-electric or geo-thermal ("Technology"); (ii) geography; and (iii) the stage of development of a project, being one of operational, construction-ready or in-construction (each a "Project Stage").

Whilst the Company intends primarily to take controlling interests, it may acquire a mix of controlling and non-controlling interests in Assets and the Company may use a range of investment instruments in the pursuit of its investment objective, including but not limited to equity and debt investments.

In circumstances where the Company does not hold a controlling interest in the relevant investment, the Company will seek to secure its shareholder rights through contractual and other arrangements, inter alia, to ensure that the Asset is operated and managed in a manner that is consistent with the Company's investment policy.

Investment Restrictions

The Company will observe the following restrictions when making investments:

- the Company may invest no more than 60% of Gross Asset Value in Assets located in the UK, save that until the Net Asset Value of the Company first exceeds £300 million, the Company may invest no more than 75% of Gross Asset Value in Assets located in the UK;
- the Company may invest no more than 60% of Gross Asset Value in Assets located in Ireland and Northern Europe (combined), save that until the Net Asset Value of the Company first exceeds £300 million, the Company may invest no more than 75% of Gross Asset Value in Assets located in Ireland and Northern Europe (combined);
- the Company may invest no more than 50% of Gross Asset Value in any single Technology, save that until the Net Asset Value of the Company first exceeds £300 million, the Company may invest no more than 60% of Gross Asset Value in any single Technology;
- the Company may invest no more than 25% of Gross Asset Value in Other Infrastructure;
- the Company may invest no more than 35% of Gross Asset Value in Assets that are in construction or construction ready;
- the Company may invest no more than 30% of Gross Asset Value in any one single Asset, and the Company's investment in any other single Asset shall not exceed 25% of Gross Asset Value;
- at the time of an investment or entry into an agreement with an Offtaker, the aggregate value of the Company's investments in Assets under contract to any single Offtaker will not exceed 40% of Gross Asset Value;

- no more than 25% of Gross Asset Value will be invested in Assets in relation to which the Company does not have a controlling interest;
- no investments will be made in companies which generate electricity through the combustion of fossil fuels or derive a significant portion of their revenues from the use or sale of fossil fuels unless the purpose of the investment is to transition those companies away from the use of fossil fuels and toward sustainable sources;
- the Company's portfolio will comprise no fewer than six Assets; and
- the Company will not invest in other UK listed closed-ended investment companies. Compliance with the above restrictions will be measured at the time of investment and non-compliance resulting from changes in the price or value of the Assets following investment will not be considered as a breach of the investment restrictions. The Company will hold its investments through one or more SPVs and the investment restrictions will be applied on a look through basis to the Asset owning SPV.

Borrowing Policy

Long-term limited recourse debt at the SPV level may be used to facilitate the acquisition, refinancing or construction of Assets. Where utilised, the Company will seek to adopt a prudent approach to financial leverage with the aim that each Asset will be financed appropriately for the nature of the underlying cashflows and their expected volatility. Total long-term structural debt will not exceed 50% of the prevailing Gross Asset Value at the time of drawing down (or acquiring) such debt.

In addition, the Company and/or its subsidiaries may make use of short-term debt, such as a revolving credit facility, to assist with the acquisition of suitable opportunities as and when they become available. Such short-term debt will be subject to a separate gearing limit so as not to exceed 20% of the prevailing Gross Asset Value at the time of drawing down (or acquiring) any such short-term debt.

The Company may employ gearing at the level of an SPV, any intermediate subsidiary of the Company or the Company itself, and the limits on total long-term structural debt and short-term debt shall apply on a consolidated basis across the Company, the SPVs and any such intermediate holding entities (disregarding for this purpose any intra-Group debt (i.e. borrowings and debt instruments between members of the Group)).

In circumstances where these aforementioned limits are exceeded as a result of gearing of one or more Assets in which the Company has a non-controlling interest, the borrowing restrictions will not be deemed to be breached. However, in such circumstances, the matter will be brought to the attention of the Board who will determine the appropriate course of action.

For general purposes the Company defines "Gross Asset Value" as the aggregate of: (i) the fair value of the Group's underlying investments (whether or not subsidiaries), valued on a discounted cash flow basis as described in the International Private Equity and Venture Capital Valuation Guidelines (latest edition December 2018); (ii) the Group's proportionate share of the cash balances and cash equivalents of Group companies and non-subsidiary companies in which the Group holds an interest; and (iii) the Group's proportionate share of other relevant assets or liabilities of the Group valued at fair value (other than third party borrowings) to the extent not included in (i) or (ii) above. For the purposes of the investment policy only, the definition of Gross Asset Value is adjusted such that the Group's proportionate share of the cash balances and cash equivalents of Group companies and non-subsidiary companies in which the Group holds an interest are multiplied by two to reflect the gearing that the Group could obtain upon investment of such balances.

Currency and Hedging Policy

The Company adopts a structured risk management approach in seeking to deliver stable cash flows and dividend yield. This may include entering into hedging transactions for the purpose of efficient portfolio management. This could include:

- foreign currency hedging on a portion of equity distributions and net asset value(s);
- foreign currency hedging on construction budgets;
- interest and/or inflation rate hedging through swaps or other market instruments and/or derivative transactions; and
- power and commodity price hedging through power purchase arrangements or other market instruments and/or derivative transactions. Any such transactions are not undertaken for speculative purposes.

Cash management

The Company may hold cash on deposit and may invest in cash equivalent investments, which may include short-term investments in money market type funds ("Cash and Cash Equivalents"). There is no restriction on the amount of Cash and Cash Equivalents that the Company may hold and there may be times when it is appropriate for the Company to have a significant Cash and Cash Equivalents position.

Holding and Exit Strategy

It is intended that Assets will be held for the long-term. However, if an attractive offer is received or likely to be available, consideration will be given to the sale of the relevant Asset and reinvestment of the proceeds.

Changes to and Compliance with the Investment Policy

Any material change to the Company's investment policy set out above will require the approval of Shareholders by way of an ordinary resolution at a general meeting and the approval of the FCA.

In the event of a breach of the investment guidelines and the investment restrictions set out above, the AIFM shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service.

Business Model

The Company was incorporated on 8 October 2020 as a public company limited by shares. The Company carries on business as an investment trust within the meaning of section 1158 of the Corporation Tax Act 2010 and was listed on the premium segment of the main market of the London Stock Exchange on 10 December 2020.

The Company holds and manages its investments through a parent holding company, DORE Hold Co Limited, of which it is the sole shareholder. DORE Hold Co in turn holds investments via a number of intermediate holding companies and SPVs. The jurisdictions in which the SPVs are incorporated is typically determined by the location of the assets, and further portfolio-level holding companies may be used to facilitate debt financings.

As at 31 December 2022, the Company owns a portfolio of 3,260 Renewable Energy Assets totalling 186 MW of operational capacity.

Short term debt financing is available through a £40 million RCF which may be drawn on by DORE Hold Co Limited to facilitate future growth plans.

The Company has a 31 December financial year end and announces half-year results in or around September and full-year results in or around March. The Company intends to pay dividends quarterly, targeting payments in or around March, June, September and December each year.

The Company has an independent board of non-executive directors and has appointed Gallium Fund Solutions Limited as its AIFM to provide portfolio and risk management services to the Company. The AIFM has delegated the provision of portfolio management services to the Investment Manager, Downing LLP. Further information on the Investment Manager is provided in the Investment Manager's Report.

As an investment trust, the Company does not have any employees and is reliant on third party service providers for its operational requirements. Likewise, the SPVs do not have any employees and services are also provided through third party providers. Each service provider has an established track record and has in place suitable policies and procedures to ensure they maintain high standards of business conduct and corporate governance.

Financial Objectives

Objective	**KPI and Definition**	**Relevance to Strategy**	**Performance**	**Explanation**
Attractive and sustainable level of income	Dividends per share (pence)	The dividend reflects the Company's ability to deliver a low risk but growing income stream from the portfolio.	The Company has paid dividends of 3.75 pence per share in respect of the year ending 31 December 2022. The company has declared a further 1.25 pence per share to be paid in respect of the period to 31 December 2022.	The Company successfully met the increased dividend guidance of 5 pps for the year to 31 December 2022. The Company's annual dividend target will increase by 7.6% for the year ended 31 December 2023 to 5.38 pence per share.
	Cash dividend cover[5]	Reflects the Company's ability to cover its dividends from the income received from its portfolio.	1.26x - excluding dividends paid immediately following the issuance of new shares 1.17x - including dividends paid immediately following the issuance of new shares	The Company, through DORE Hold Co received distributions of £12.3m from the underlying projects enabling the Company to pay full covered dividends. £8.5 million was paid up via loan interest from DORE Hold Co in the period.
Capital preservation with an element of capital growth	NAV per share (pence)[12]	The NAV per share reflects our ability to preserve capital value and also provide an element of capital growth throughout the life cycle of our assets.	118.6 pence per share	118.6 pence per share as at 31 December 2022. NAV has increased since 31 December 2021 from 103.5 pence per share after taking into account dividends paid and further equity issuance during the year.
	Total NAV return (%)[12]	The total NAV return measure highlights the gross return to investors including dividends paid.	19.5%	The Company's NAV has increased due to the upward revaluation of the Company's Investment in Hold Co, and its investments in a portfolio of renewable energy assets.
	Total Shareholder return since IPO[12]	The share price appreciation plus reinvested dividends over a period, is a measure of a company's capital growth over the long term.	20.8%	The Company's closing share price as at 31 December 2022 was 113.5 pence per share.
	Ongoing charges ratio[12]	Ongoing charges shows the drag on performance caused by the operational	1.5%	Company level budgets are approved annually by the Board and actual spend is reviewed quarterly.

		expenses incurred by the Company.		Transaction budgets are approved by the Board and potential abort exposure is carefully monitored.

Objectives and Key Performance Indicators

The Company sets out above its KPIs which it uses to track the performance of the Company over time against the objectives, as described in the Strategic Report on page 30. The Board is of the opinion that the KPIs detailed in the table above, alongside the environmental, social and governance objectives set out on page 19 provide shareholders with sufficient information to assess how effectively the Company is meeting its objectives. The Board will continue to monitor these KPIs on an ongoing basis.

The Investment Manager

About Downing

The Company is managed by Downing LLP, an established investment manager with over 30 years' experience and a considerable track record in the core renewables space. Downing is authorised and regulated by the FCA and, as at 31 December 2022, had over £1.8 billion of assets under management.

The Investment Manager has over 200 staff and partners. The team of 51 investment and asset management specialists who focus exclusively on energy and infrastructure transactions are supported by business operations, IT systems specialists, legal, HR and regulatory and compliance professionals.

The Investment Manager is responsible for the day-to-day management of the Company's investment portfolio in accordance with the Company's Investment Objective and policy, subject to the overall supervision of the Board.

The Investment Manager has managed investments across various sectors in the UK and internationally and identified the Energy & Infrastructure sector as a core area of focus from as early as 2010. Since then, to date it has made 180 investments in renewable energy infrastructure projects and currently oversees 459 MWp of electricity generating capacity, covering five technologies across c.7,350 installations.

Portfolio Summary

At the year end, through its main subsidiary, the Company owned 185 MW of hydropower, wind and solar assets with expected annual generation of around 382GWh. The portfolio is diversified across 3,260 individual installations and across five different energy markets.
Following the period end the Group has added an additional 1.1 MW of hydropower assets with an additional annual generation of 8.3 GWh. The entire portfolio now stands at 186MW with an aggregate expected annual generation of 391GWh.

The Group currently has no exposure to any assets under construction.

Portfolio composition by valuation, as at 31 December 2022

Technology by Generation	%
Hydro	49%
Wind	28%
Solar	23%

Geographic Exposure by GAV	%
Sweden	50.3%
Great Britain	33.3%
Northern Ireland	9.8%
Cash	6.7%

Power Market Exposure by GAV	%
Sweden - SE2	16.5%
Sweden - SE3	26.1%
Sweden - SE4	7.6%
Great Britain	33.3%
Northern Ireland	9.8%
Cash	6.7%

Investment	Technology	Date Acquired	Location	Power Market / Subsidy	Installed capacity (MW)	Expected annual generation (GWh)
Ugsi	Hydro	Feb-21	Sweden	SE3	1.8	9.9
Båthusströmmen	Hydro	Feb-21	Sweden	SE3	3.5	10.3
Åsteby	Hydro	Feb-21	Sweden	SE3	0.7	2.8
Fensbol	Hydro	Feb-21	Sweden	SE3	3.0	14.0
Rödbjörke	Hydro	Feb-21	Sweden	SE3	3.3	14.9

Väls	Hydro	Feb-21	Sweden	SE3	0.8	3.2
Torsby	Hydro	Feb-21	Sweden	SE3	3.1	13.7
Tvärforsen	Hydro	Feb-21	Sweden	SE2	9.5	37.0
Sutton Bridge	Solar	Mar-21	Great Britain	Great Britain	6.7	6.7
Andover Airfield	Solar	Mar-21	Great Britain	Great Britain	4.3	4.2
Kingsland Barton	Solar	Mar-21	Great Britain	Great Britain	6.0	5.9
Bourne Park	Solar	Mar-21	Great Britain	Great Britain	6.0	6.0
Laughton Levels	Solar	Mar-21	Great Britain	Great Britain	8.3	8.8
Deeside	Solar	Mar-21	Great Britain	Great Britain	3.8	3.4
Redbridge Farm	Solar	Mar-21	Great Britain	Great Britain	4.3	4.2
Iwood	Solar	Mar-21	Great Britain	Great Britain	9.6	9.3
New Rendy	Solar	Mar-21	Great Britain	Great Britain	4.8	4.7
Redcourt	Solar	Mar-21	Great Britain	Great Britain	3.2	3.2
Oakfield	Solar	Mar-21	Great Britain	Great Britain	5.0	4.7
Kerriers	Solar	Mar-21	Great Britain	Great Britain	10.0	9.7
RSPCA Llys Nini	Solar	Mar-21	Great Britain	Great Britain	0.9	0.8
Commercial portfolio	Solar	Mar-21	Great Britain	Great Britain	5.5	4.3
Commercial portfolio	Solar	Mar-21	N. Ireland	N. Ireland	0.7	0.5
Bombardier	Solar	Mar-21	N. Ireland	N. Ireland	3.6	2.8
Residential portfolio	Solar	Mar-21	N. Ireland	N. Ireland	13.1	10.1
Lemmån	Hydro	Jan-22	Sweden	SE3	0.6	2.5
Ryssa Övre	Hydro	Jan-22	Sweden	SE3	0.7	2.6
Ryssa Nedre	Hydro	Jan-22	Sweden	SE3	0.6	2.4
Rots	Hydro	Jan-22	Sweden	SE3	1.0	4.2
Gabrielsberget Syd Vind AB	Wind	Jan-22	Sweden	SE2	46.0	107.9
Vallhaga	Hydro	Jan-22	Sweden	SE2	2.1	12.8
Österforsens Kraftstation	Hydro	Jan-22	Sweden	SE2	1.9	11.5
Bornforsen 1	Hydro	Jan-22	Sweden	SE2	0.5	2.9
Bornforsen 2	Hydro	Jan-22	Sweden	SE2	1.5	9.3
Fridafors	Hydro	May-22	Sweden	SE4	4.4	17.0
Summit	Hydro	Oct-22	Sweden	SE3	3.1	13.4
Summit	Hydro	Oct-22	Sweden	SE2	0.3	1.2
TOTAL AS AT THE REPORTING DATE:					**184.5**	**382.5**

Post balance sheet date acquisitions

Investment	Technology	Date Acquired	Location	Power Market / Subsidy	Installed capacity (MW)	Expected annual generation (GWh)
Högforsen	Hydro	Feb-22	Sweden	SE2	0.4	2.5
Gottne	Hydro	Feb-22	Sweden	SE2	0.7	5.8
TOTAL AS AT THE DATE OF THIS REPORT:					**185.6**	**390.8**

Investment Manager's Report

Introduction

We are delighted with the progress made during the year. During the reporting period, the Company announced five acquisitions, all of which were accretive to NAV as their fair value throughout the year exceeded cost at acquisition. The acquisitions strengthen the diversification of technology, geography and power market exposure that is central to the aims of the Company. During the year the GAV grew by 40% from £221.1 million to £310.4 million, and the expected annual generation of the portfolio grew by 93% from 199 GWh to 382 GWh.

Acquisitions and Capital Deployment

We have continued to expand the portfolio completing five acquisitions in the wind and hydropower sectors totaling £53 million, and deploying a further £10 million in the UK solar portfolio.

The Group's first wind acquisition was a 46 MWp operational wind farm in north-eastern Sweden. In addition, four additional Swedish hydropower portfolios were acquired, including the Group's first investment in the SE4 pricing zone in Sweden. All acquisitions are 100% owned by the Group.

During the year, a £9 million increase was recognised as new investments were revalued throughout the year.

Hydro - Downing Hydro AB

The Company has a significant exposure to hydropower investments, which offer additional benefits to other renewable generation technologies. The capacity factor of hydropower assets is much higher than a wind or solar asset, it is generating for a much higher proportion of the year, sometimes in excess of 70% of the time. The assets have very long lives and, all things remaining equal, should be worth the same in 30 years as they are today. That underpins NAV resilience and means the cash flows being generated by the assets are wholly income yield and not a return of capital.

Hydropower also enables the storage of water in reservoirs, which provides an ability to control timing of generation and align it to periods of higher power prices. This complements traditional battery technology storage facilities, which have faster reaction times but can only provide power for a shorter period of time.

DHAB is the vehicle through which the Group acquires and owns its portfolio of hydropower plants. In January 2022, the Group acquired two operational portfolios of hydropower plants located in central Sweden for £20.1 million. The acquisition comprised a c. 12 GWh per annum portfolio of hydropower plants and a c. 36 GWh per annum portfolio. These acquisitions were largely funded through a drawdown on the DHAB Swedish hydropower portfolio debt facility signed in November 2021 with Skandinaviska Enskilda Banken AB ("SEB").

The first portfolio comprises five hydropower plants located on three different rivers in central Sweden. The sites benefit from a long operational history and are located in the county of Dalarna, which is in the attractive SE3 price area. The second of the two new portfolios include four run-of-river hydropower plants situated on a single river in central Sweden. The sites also benefit from a long operational history and were refurbished between 2010 and 2013. The hydropower plants are located in and around the Swedish town Edsbyn in the SE2 pricing zone.

In May 2022, the Company acquired, through DHAB, a 100% interest in an additional portfolio of operational run-of-river hydropower plants in Sweden for a total consideration of approximately £17 million. The acquisition was funded by drawing down on the RCF. This was subsequently repaid in full using part of the net proceeds of the June 2022 capital raise.

The portfolio acquired in May 2022 comprises two hydropower plants located in Sweden's southern SE4 pricing region. The plants were comprehensively renovated between May 2014 and September 2019 and have an aggregate forecast annual production of 17 GWh p.a. The newly acquired hydropower plants will be fully integrated into DORE's existing hydropower operational organisation.

The acquisition in May 2022 represented DORE's first assets located in the attractive southern SE4 pricing region, which has the highest wholesale power prices in Sweden and benefits from export cables to continental Europe. The acquisitions in a new price zone further supports DORE's strategy of focusing on diversification by geography, technology, revenue and project stage, designed to increase the stability of revenues and the consistency of income to shareholders.

In November 2022, DHAB acquired six further hydropower plants in the SE3 pricing region (13GWh) and one hydropower plant in the SE2 region (1 GWh) for a total investment amount of c. £6m. The hydropower plants are a combination of run-of-river and storage assets. This acquisition increased the number of DHAB hydropower plants to 26 and the total forecast annual production of the hydropower portfolio to c.189 GWh, a c.75% increase since 31 December 2021.

The fair value uplift of acquisitions has increased the NAV due to operational and capital efficiencies resulting from the integration of the assets into the Company's platform, and also the more attractive pricing available for individual sites or small portfolios when compared to larger facilities.

A framework agreement is in place with Axpo (a leading Swiss energy company) which allows DHAB to hedge power prices through baseload products. DHAB has hedged positions in line with DORE's risk management strategy. The hydropower assets do not attract material government subsidy payments.

Wind - Gabrielsberget
On 2 February 2022 the Group completed its first onshore wind investment. The Company acquired an operational 46 MW onshore wind project located in Nordmaling, north-eastern Sweden for £19.8 million. The project has been operational for c. 10 years and comprises 20 Enercon turbines with an expected total annual production of 108 GWh. Gabrielsberget has a power purchase agreement with Centrica.

Solar - Further Investment
In line with the original investment case, on 7 October 2022 the Company repaid the mezzanine debt that was present in the UK solar portfolio when acquired in 2021. This has further de-risked the Company's investment and increased the Company's NAV exposure to this attractive portfolio by c.£10 million.

Portfolio Performance

For the period of operations between 1 January 2022 and 31 December 2022, the 3,260 operating assets produced approximately 326GWh of renewable electricity.

From a financial perspective, the combined portfolio performed extremely well with an operating profit of £19.5 million, 14.7% above expectations. Where we report variances against expectations, those expectations and budgets are set with reference to the underlying valuation models. Operating profit was driven primarily by high power prices across the UK and the Nordics, allowing the assets to capture strong wholesale energy revenues. The average power price achieved in the UK and Sweden was £65.54/MWh and EUR 53.27/MWh respectively, reflecting fixed price contracts and hedging activity previously put in place.

Operating profits across the hydropower portfolio were c.£6m, 18.5% higher than expected, despite generation being below expectations at 128 GWh. This was due to precipitation in Sweden falling 19% below the long term yearly average resulting in less water flow through the power plants. The plants were able to maintain their high operating profits despite an unusually dry year in Sweden as a result of high power prices and its ability to utilise its storage capacity enabling it to shift generation to higher pricing periods, further increasing power prices achieved.

The wind portfolio also exceeded financial targets, with an operating profit 68.1% higher than budget. As the operational performance was in line with expectations, generating 108 GWh of electricity during the period, the strong financial performance was due to high power prices in the SE2 region of Sweden.

Operating profit across the solar portfolio was 6.4% higher than expected at £12.6 million as a result of achieving high power prices and higher than expected ROC recycle payments. Generation from the solar portfolio was in line with expectations, generating 90 GWh across the year.

The solar assets experienced strong irradiation levels throughout the year, 8% above expectations. The deviation between irradiation and generation was primarily due to faults in some of the older electrical equipment in the solar fleet and delays in the supply chain resulting in longer than normal waiting times for replacement parts. Throughout the course of the year the Asset Manager has implemented a dynamic spare parts strategy which involves completing various modification works on site to increase the compatibility with available spares and allow for more flexibility across the portfolio. Once complete, this strategy will mitigate against the increased risks of downtime given the current challenges in the supply chain.

In addition, several DNO outages impacted the Ground Mount portfolio throughout the year. The Asset Manager was able to work alongside the network operators to adjust the timing of these to the winter months where the outages would have a lower impact on production or to coincide with planned intrusive preventative maintenance that would otherwise have caused downtime.

	2022				2021			
	Hydro	Wind	Solar	Total	Hydro	Wind	Solar	Total
GWh generated	128.3	108.0	89.9	326.3	108.1	nil	87.0	195.1
Average price per MWh	€72.92	€29.93	£65.54	£50.95	€40.84	n/a	£52.42	£42.83
Revenues (£m)	8.2	3.1	15.4	26.7	3.7	nil	13.1	16.8
Operating profit (£m)	6.0	1.0	12.5	19.5	2.9	nil	10.2	13.1

Portfolio and Asset Management

Downing has invested significantly in an in-house asset management team capable of providing a full scope service to a wide range of generation and storage technologies. Established in 2019, the team totals 24 people, four of whom are based in an office in Stockholm which opened in 2021. There is a broad range of skills and expertise across the asset management team including power markets, engineering, data analytics, finance, and commercial management.

The asset management team works in parallel to the investment team and ensures work is started long before an asset is acquired. Prior to acquisition, Downing carries out a comprehensive onboarding process to ensure that new assets are transitioned smoothly into the wider energy portfolio.

The plan captures all key milestones that need to be completed as part of the transition, including the collection of key documents such as project contracts and design documents. The onboarding process also ensures that the assets are embedded into existing processes, such as contract management and compliance, incident tracking, monitoring, and reporting. Assets are fully incorporated within the asset management team's portfolio reporting systems within 60 days of completion.

This dynamic onboarding process not only enables a smooth transition of new assets but is also critical in supporting the team's data led approach to asset management. By focussing on the collection and quality of the portfolio data set, the team of data analysts have been able to deploy the latest technologies and tools to optimise strategies such as preventative maintenance or water dispatch to increase power generation and therefore returns to investors.

Health and Safety

The health and safety of contractors and the public is a fundamental part of management processes. Throughout the period, a range of workstreams were carried out by the Asset Manager in line with the Company's approach to Health and Safety management.

Following the investment into Gabrielsberget, a 46MW wind site in northern Sweden, the Asset Manager ensured that the appropriate safety procedures are applied on site reflecting the seasonal conditions at the site. During icy conditions and risk of ice falling from turbine blades, all turbines are oriented North to standardise the danger area. In addition, during an icing event and when the blade heating system is activated, technicians must visually inspect the blades and make sure that the work can be performed under safe conditions.

Downing further increased its operational expertise with the appointment of Magnus Hopstadius in January 2023. Magnus has over 14 years' experience in technical asset management, with particular focus on global wind assets. Magnus brings knowledge of global health and safety practises and procedures.

A rolling programme of Health and Safety audits continues across the portfolio. These audits are based on a two-tier approach, where risks and procedures are audited at the site level and also the operator level. Downing has a process of continuous assessment and feedback of site and operator practices, ensuring effective management systems are in place and adhered to.

Finally, IT systems are used to thoroughly track all incidents. As well as these systems enabling performance measurement and trend analysis, they also ensure the effective communication, escalation, and management of incidents.

Optimisation

During the period, the Asset Manager continued to develop and implement performance and proprietary data optimisation strategies, the latter enhancing Downing's data driven approach to asset management.

A digitalisation pilot is underway enabling all hydropower sites in remote areas of Sweden to deliver data such as dam and water flow level to one central hub. This data can be used in real time to automate production planning, enhance maintenance strategies and enable effective monitoring through sensors and detection equipment. The first site was successfully connected in December 2022, with the others to follow in 2023.

In the meantime, the Asset Manager has produced a temporary Optimal Price Analysis tool for the flexible hydropower assets, enabling enhanced commercial monitoring of production planning arrangements.

Work has continued to integrate Green Power Monitor (GPM) across the portfolio. This system allows the Asset Manager to monitor performance and weather conditions in real time. The integration of Gabrielsberget wind farm has required significant hardware development on site in November 2022, including a new system to increase connection speed and allow for extra ports to connect to the GPM. Integration was completed in February 2023. In early 2023, the hydropower sites will also be integrated with GPM.

A co-development project is underway with WinJi AG to create an interface that produces predictive component failure analysis and identification of likely short and long term maintenance costs for ground mounted solar sites. WinJi will use algorithms that consider performance, equipment, incident and meteorological data. WinJi released two iterations of the project during Q4 2022. This included a Mean Time To Failure report to display inverters at portfolio and installation level. Development has continued with mapping GPM error codes to operational faults so that the data can be used to identify anomalies and future faults. In January 2023, Downing appointed Moji Ghorbanali to architect and implement a database for the energy portfolio. This will initially support the automation and efficiency of data processes and will play a key role in driving optimisation through data across the portfolio.

The Asset Manager continues to improve and implement a dynamic spare parts strategy across the portfolio, aimed at reducing downtime and maintaining asset performance. Equipment and technical characteristics of all sites are being reviewed to understand the degree to which there is equipment intercompatibility and an assessment of all parts (i) criticality and (ii) likelihood of failure is underway.

Significant progress has been made on the solar portfolio spare part optimisation process with ground mounted solar assets grouped where they can share key components. A number of initiatives are planned to maximize availability of spare parts, including, for two assets, a wider equipment replacement exercise which will allow for improved performance and also release of parts that can be kept in stock for use across compatible assets with similar characteristics. Key component orders have now been issued and contractual arrangements are underway to allow use of equipment across different assets with multiple changeable settings.

Several new and optimised contracts were placed during the period. With the acquisition of several new hydropower assets during the period, the Asset Manager has incorporated these new sites into the optimised O&M contracts strategy.

Ongoing active power price management ensures that performance optimisations can deliver a strong financial performance for the portfolio.

Financing and Capital Structure

The Group adopts a prudent approach to leverage. Its objective is that each asset will be financed appropriately for the nature of its underlying cashflows and their expected volatility. Long-term debt may be used where appropriate at the SPV level to facilitate acquisitions, refinancing, capital expenditure or construction of assets.

Total long-term structural debt will not exceed 50% of the prevailing Gross Asset Value. At 31 December 2022, including project level financing, the Group's leverage stood at 30%.

In addition, the Company and/or its subsidiaries may also make use of short-term debt, such as a revolving credit facility, to assist with the acquisition of suitable opportunities as and when they become available.

Revolving Credit Facility
As at 31 December 2022, the Group had entered into a loan agreement through its main subsidiary DORE Hold Co Limited for a £25 million RCF with Santander UK plc. The RCF is available until December 2025, with the possibility to be extended for a further year. On 26 January 2023, the Company announced that the RCF had been increased to £40m further facilitating the execution capabilities of the Company's pipeline.

The terms of the RCF now includes a 'Green Projects' initiative, operating under the Loan Market Association's (LMA) Green Loan Principles, a framework of market standards and guidelines that provides a consistent methodology for use across the green loan market.

Under the 'Green Projects' criteria, the RCF can only be used in connection with assets that present environmental benefits and appropriate green credentials. Additional monitoring and reporting obligations on the environmental benefits delivered by such assets will be required, which comfortably aligns with DORE's current investment strategy as an Article 9 fund.

The RCF has the additional benefit of being able to be drawn in both GBP and EUR (with the ability to also able to make use of funds in other currencies) and is priced at the Sterling Overnight Index Average ("SONIA") plus 2.25% per annum. The Group will make use of the RCF mainly to fund the acquisition of additional assets.

Refinancing of Hydropower Assets
The Group initially acquired DHAB, its Swedish hydropower portfolio, on an unlevered basis in February 2021, shortly after the Company's IPO. In light of the strong transaction pipeline and ongoing capital expenditure requirements, DHAB has entered into a seven-year bullet repay EUR 43.5 million debt facility with SEB, a leading corporate bank in the Nordics. As of 31 December 2022, DHAB had utilised EUR 27.4m of the facilities, predominately as source of funding for acquiring further hydropower plants in Sweden during 2022. The remainder of the undrawn facility is predominately to fund future capital expenditure requirements and further acquisitions. The total cost of the drawn debt is 2.3%, benefitting from swaps until end of 2032.

UK Solar Portfolio

Medium term amortising debt (September 2034 maturity) is in place for the United Kingdom solar portfolio and, as at 31 December 2022, comprised outstanding principal amounts of £68.5 million lent by Aviva.

c. 12% of this debt is fixed at an interest rate of 3.37%. The interest rate is fixed in real terms on the remaining balance at 0.5%. The debt service of this larger debt tranche is inflation-adjusted, with indexation tracking UK RPI.

A summary of the debt across the portfolio can be found in the table below:

	2022					2021				
	Hydro	Wind	Solar	Working capital	Total	Hydro	Wind	Solar	Working capital	Total

Equity value (£'m)	103	26.4	62.6	26.9	218.9	65.9	0.0	44.4	31.5	141.8
Debt (£'m)	23.0	0.0	68.5	0.0	91.5	0.0	0.0	79.3	0.0	79.3
GAV (£'m)	126	26.4	131.1	26.9	310.4	65.9	0.0	123.7	31.5	221.1

Foreign Exchange

The Group's assets in Sweden earn revenues in EUR and incur some operational cost in SEK. Assets in UK operate entirely in sterling.

The Group, together with its foreign exchange advisor, has developed and implemented its foreign exchange risk management policy in line with the Prospectus. The policy targets hedging the short to medium-term distributions (up to five years) from the portfolio of assets, that are not denominated in GBP on a "*linear reducing basis*", whereby a high proportion of expected distributions in year one are hedged and the proportion of expected distributions that are hedged reduces in a linear fashion over the following four years. This is a rolling programme and each year further hedges are expected to be put in place to maintain the profile.

In total, 28% of the Group's EUR dividend receipts from SPVs out to March 2026 were hedged as at the reporting date. In addition, 51% of the Group's EUR denominated NAV is hedged.

Power markets and exposure

Through its portfolio companies, the Group adopts a medium to long-term power price hedging policy for its generation assets, providing an extra degree of certainty over the cash flows over the hedged periods. The fixed price generation position for the portfolio as of 31 December 2022 is set out in the chart below, showing the impact of the combination of subsidy and fixed income from power sales. The hedging positions are continuously reviewed to ensure an appropriate position is maintained and new hedges are taken out as appropriate.

The Ukraine war will continue to have a major impact on power prices in Europe and the UK as gas supply is dominated by Russia. Consequently, the UK gas and UK power markets are likely to stay volatile as long as the uncertainty about the Russian gas supply continues. The Company is well protected from this volatility, due its high level of fixed pricing over the short to medium term, which can be seen on the chart below.

United Kingdom

The energy markets continued to be dominated by the Ukraine conflict. Forward natural gas prices started to fall towards the end of the year, especially for Summer and Winter 2023, mostly on the back of warmer weather. There is a belief in the market that Winter 2023 might become tighter than Winter 2022, given Russian gas filling up the storage over 2022 will not be available for 2023.

Consequently, power prices remain volatile, especially in the spot and day ahead markets, mostly due to the volatile gas and carbon prices as described above but also due to maintenance on interconnectors, continued reduced French nuclear capacity and varying wind generation.

During the year, the UK government introduced the Electricity Generator Levy, a windfall profit tax on most non-fossil electricity generators of 45% on power revenue exceeding £75/MWh (inflation adjusted) applied to generation exported to national grid or to local distribution networks. The levy calculation is subject to a £10m allowance. Revenues stemming from behind-the-meter generation (i.e. generation that is not exported to the grid but it is consumed on site) are exempt from this windfall tax and there is a group generation threshold of 50 GWh. The Group is not affected given the total eligible generation for the purpose of the levy is within the threshold.

Nordics

The Nordic power market remained volatile and continues to show a dependency on hydro resources which have seen an increase of intermittent generation of the total production mix for the last ten years. Until October, the year was considerably drier than normal, which led to a deficit in the hydrological balance and a tighter price coupling with the extreme continental prices. Subsequently, high precipitation resulted in high inflow, especially in southern Norway. In addition, temperatures have been higher than normal, resulting in lower demand. The volatility in wind generation added to the volatility in the spot market which was amplified by dry/wet spells, temperature and hydrology levels throughout the fourth quarter of 2022.

Dividends

The Company achieved a cash dividend cover of 1.26x for the dividends of 5 pence per share paid during the period. Dividend cover is presented excluding dividends paid to new shareholders immediately following the issuance of new shares. If these are included, the dividend cover would be 1.17x. Cash dividend cover has been calculated on a cash basis of income received by the company and its immediate subsidiary.

The Board has resolved to pay the Company's fourth interim dividend of the year of 1.25 pence per share, equivalent to £2.3 million, in respect of the three months to 31 December 2022. This will bring total dividends paid in respect of the financial year to 5 pence per share, which is in line with the Company's updated dividend guidance. The fourth interim dividend is not reflected in the accounts to 31 December 2022.

The Company has chosen to designate part of each interim dividend as an interest distribution for UK tax purposes. Shareholders in receipt of such a dividend will be treated for UK tax purposes as though they have received a payment of interest in respect of the interest distribution element of this dividend. This will result in a reduction in the corporation tax payable by the Company.

Dividends in respect of the financial year to 31 December 2022 are as follows:

For the Period Ended	Dividend Paid	No. of Shares	Total Dividend (pence per share)	Interest Element (pence per share)	Dividend Element (pence per share)
March 2022	**June 2022**	137,008,487	1.25	0.810	0.440
June 2022	**September 2022**	184,622,487	1.25	0.750	0.500
September 2022	**December 2022**	184,622,487	1.25	0.625	0.625
December 2022	**March 2023**	184,622,487	1.25	0.880	0.380

The Company intends to pay dividends on a quarterly basis, with dividends typically declared in respect of the quarterly periods ending March, June, September and December. Payment of the relevant dividend declared is expected be made within three months of the relevant quarter end.

The Company will target a dividend of 5.38pps related to the year to 31 December 2023, a 7.6% increase from 2022. The increased dividend is expected to be fully covered by the current portfolio. When near term assets that are under exclusivity are taken into account, the dividend cover against the increased dividend is expected to be in excess of 1.4x.

Net asset value and Portfolio Valuation

The Company's NAV increased by 54.4% during the year from £141.8 million to £218.9 million. On a pence per share basis it increased by 14.6% from 103.5 pence per share to 118.6 pence per share as at 31 December 2022. The NAV increase was driven by additional fundraising, strong operational performance and increases in long term power price forecasts.

The bridge below shows the movement in NAV during the period, with each step explained further below.

DORE NAV Bridge - 31 December 21 to 31 December 22	Movement in NAV (£'m)
Opening (1-Jan-22)	141.8
Management fee	(1.8)
Other costs and charges	(1.9)
Performance	9.3
Future power prices	18.0
Inflation	13.3
FX	2.9
Discount Rate	(10.9)
FV uplift relating to new assets	8.9
Other	(4.7)
Fundraising	51.9
Dividend	(8.0)
Closing (31 December-22)	218.9

Opening

Represents the NAV at 31 December 2021.

Dividends

Distributions paid by the Company in the period.

Management Fee

Fees charged to the Company by the Investment Manager.

Other costs and charges

Charges incurred by the Company, and its immediate subsidiary DORE Hold Co, in its normal operations. No transaction costs are included.

Performance[1]

Represents the difference between the expected performance, and actual performance of the portfolio companies throughout the year.

Power Prices[1]

The Group uses long-term, forward-looking power price forecasts from third party consultants for the purposes of asset valuations. In both the UK and Sweden, an equal blend is taken from the most recent central case forecasts from two leading consultants, enabling a more holistic view of the power market to be included in the valuation. Where fixed price arrangements are in place, the financial model will reflect this price for the relevant time frame. The impact of our short-term power hedging strategy is also included in this step.

The power price forecasts that are used in the valuations are set out below, alongside a comparison against the last reporting period.

Inflation[1]

Near-term inflation forecasts were revised during the period reflective of the increasing rate of inflation and in line with government forecasts.

The Group is now using near-term (calendar year 2023) inflation forecast of 6.42% for the purposes of UK asset valuations, falling to a medium-term inflation forecast of 3.0% from 2024. From 2030 onwards, this forecast reduces to 2.25% in line with the RPI reform announced by the UK Government.

A near-term inflation forecast of 5.58% is used for the Swedish asset valuations. The forecast in the medium term (from 2024) to long term reduces to 2.0%, in line with the long term Swedish central bank's target inflation rate.

Models are also updated quarterly to reflect actual inflation to date.

Foreign Exchange[1]

The impact of foreign exchange movements on underlying investment valuations. The impact of the foreign exchange hedging activity is included in this movement.

Cashflows from assets that are generated in a non-sterling currency are converted in each period they are earned using the actual hedges in place, with the residual amounts converted at the relevant exchange rate.

The relevant exchange rate is taken from a forward curve provided by the Company's foreign exchange advisors for ten years, at which point the exchange rate is held constant due to the impracticalities of hedging currency further into the future.

This step represents the impact of foreign exchange movements on underlying investment valuations.

Discount rate[1]

Discount rates used for the purpose of the valuation process are representative of the Investment Manager's and the Board's assessment of the rate of return in the market for assets with similar characteristics and risk profile.

As a result of movements in the risk-free rate in both the UK and Sweden, discount rates were increased by 0.5% to 8% for the operational levered UK solar and Swedish hydropower portfolios and by 0.3% to 6.3% for the unlevered Swedish wind farm during the period. The increased discount rates took effect as at 30 September 2022.

Discount rates in use across the portfolio range from 6.0% to 8.0%, with the weighted value at 7.7%.

Acquisitions[1]
The difference between the original cost of an investment and the revaluation of that investment throughout the year, using assumptions in place at the time of the acquisition.

Other[1]
Reflects changes to the underlying valuations as a result of changes to operational contracts (such as insurance), long term capital expenditure assumptions and long term debt pricing, along with other minor changes.

[1] This is a component of the Fair Value of Investment.

Asset life

Where the land is owned by an external landlord, which is the case for the UK solar and Swedish wind assets, asset operations have been modelled to the earlier of the expiry of the planning or permit, and the lease agreement. As well as these factors, life assumptions are also capped at the useful economic life of the specific equipment installed on site.

As such, the Swedish wind portfolio is capped at 30 years.

The UK solar portfolio is capped at 25 years. It is noted that over the last few years the market has started to assign economic value to years 25-40 for solar assets, where lease and planning arrangements allow. Downing has and will continue to explore opportunities with local councils and landlords to extend existing planning permissions and lease agreements. In several cases this has been successful and extensions to planning permission have been granted in recent months.

To get comfortable with the technical operation risk post 25 years, we are now in the process of working through the valuation approach for modelling the cash flows after year 25. This involves building an accurate forecast for lifecycle and maintenance costs, based on historic data and external sources. Once this exercise is complete, we will look to include life extensions into the DORE valuation.
Where the land is owned with the asset, which is the case for the Swedish hydro assets, there are no constraints in terms of lease agreements that need to be considered in the valuation. Also, due to the nature of hydro as an asset class, the assets have an infinite life assuming an appropriate level of capex to maintain the equipment and dams etc.

As a result, valuations are based on a perpetual life where the model assumes the portfolio is sold in 2050. The 2050 sales price multiple is calculated as a function of the 2021 purchase price inflated, as well as the annual expected generation.

Portfolio Valuation sensitivities

The NAV reflects the fair market valuation of the Company's portfolio based on a discounted cash flow analysis over the life of each of the Group's assets plus the cash balances of the Company and its holding Company and other cash and working capital balances in the Group.

The portfolio valuation is the largest component of the NAV and the key sensitivities to this valuation are considered to be discount rate and the principal assumptions used in respect of future revenues and costs.

A broad range of assumptions are used in the Company's valuation models. These assumptions are based on long-term forecasts and are generally not affected by short-term fluctuations in inputs, whether economic or technical.

The Investment Manager exercises its judgement and uses its experience in assessing the expected future cash flows from each investment.

The impact of changes in the key drivers of the valuation are set out below.

Discount Rate

The weighted average discount rate of the portfolio at 31 December 2022 was 7.7%.

The Investment Manager considers a variance of plus or minus 1.0% is to be a reasonable range of alternative assumptions for discount rates.

Energy Yield

For the solar assets, our underlying assumption set assumes the so called P50 level of electricity output based on reports by technical advisors. The P50 output is the estimated annual amount of electricity generation that has a 50% probability of being exceeded and a 50% probability of being underachieved.

For hydropower assets, the expected annual average production is applied to the valuation, similar to the P50 assumption applied to solar and wind assets. Given the long operational record of the hydropower assets, the annual production forecast is derived from historic datasets and validated by technical advisors.

The Energy Yield sensitivities uses a variance of plus or minus 5% applied to the generation.

Power Prices

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

While power markets can experience volatility in excess of +/-10% on a short-term basis, the sensitivity is intended to provide insight into the effect on the NAV of persistently higher or lower power prices over the whole life of the portfolio, which is a more severe downside scenario.

Inflation

The Company's inflation assumptions are set out above. A long-term inflation sensitivity of plus and minus 1.0% is presented below.

Foreign Exchange

The Company's foreign exchange policy is set out above. A sensitivity of plus and minus 10% is applied to any non-hedged cashflows derived from non-sterling assets. The Company will also try to ensure sufficient near-term distributions from any non-sterling investments are hedged.

Market development and opportunities

Demand for electricity worldwide continued to be resilient in 2022, despite the global energy crisis caused by Russia's invasion of Ukraine. According to the International Energy Agency ("IEA"), global electricity demand grew by 2% in 2022[6]. The electrification of transport and heating sectors continued to accelerate, with record numbers of Electric Vehicles and heat pumps sold in 2022. However, the unprecedented energy prices in 2022 contributed to a rise in inflation, with the economic slowdowns and high electricity prices stifling growth in electricity demand in most regions of the world.

According to IEA, Renewables and nuclear energy is expected to dominate the growth of global electricity supply over **the next three years, together meeting on average more than 90% of the additional demand. The share of renewables in the global power generation mix is forecast to rise from 29% in 2022 to 35% in 2025.**

As a result of Russia's invasion of Ukraine, combined with other factors such as droughts across Europe (impacting hydro generation) and low nuclear generation due to closures and unavailabilities, the European Union saw in 2022 the highest absolute growth in power generation emissions since 2003 (excluding the 2021 post-pandemic rebound). The setback in the European Union is expected to be temporary, however, as power generation emissions are expected to decrease on average by about 10% annually through 2025. In order to reduce reliance on fossil fuels and to increase resilience to price shocks, the European Commission published its REPowerEU plan in May 2022 to accelerate clean energy deployment.

In 2022, Europe experienced the most pronounced increase in wholesale electricity prices, where they were, on average, more than twice as high as in 2021. The exceptionally mild winter so far in 2022/23 in Europe helped temper wholesale electricity prices, but the prices remain high compared with recent years and there are risks of continued tight supply in Europe for the winter 2023/24.

The Investment Manager is progressing a significant pipeline of opportunities across technologies / sectors including wind, solar, hydro and utilities. The geographical focus of the opportunities in progress is the Nordic region and the UK, with certain further opportunities across Northern Europe.

The outlook for the Company remains encouraging; two new acquisitions have been made in 2022 and proven operational and financial performance from the Company's existing assets provide a strong foundation for future growth.

Section 172(1) Statement

The Directors confirm that they have acted in a way that they consider, in good faith, to be the most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have had regard to the matters set out in section 172(1) of the Companies Act 2006 ("s172 Matters"). The following disclosures describe how the Directors have regard for the s172 Matters.

Section 172(1)	**Description**
(a) the likely consequences of any decision in the long term	The aim of the Board and of the Investment Manager is to ensure the long-term sustainable success of the Company and, therefore, the likely long-term consequences of any decision is a key consideration. The Board and Investment Manager believe they have acted in good faith in managing the Company during the year, with a view to promoting the Company's long-term sustainable success and achieving its wider objectives for the benefit of our shareholders as a whole, having regard to our wider stakeholders and the other matters set out in s172 Matters.
(b) the interests of the company's Employees	As a closed-ended investment company, the Company has no employees; however, the interests of any employees within project companies are considered when making decisions.
(c) the need to foster the company's business relationships with suppliers, customers and others	The Board's approach is described under 'Stakeholder Engagement' below.
(d) the impact of the company's operations on the community and the environment	The Board places a high value on monitoring ESG issues and establishes the overall strategy for ESG matters pertaining to the Company. The Board is responsible for managing any climate-related risks for the group, including transparent disclosure of these risks, and taking mitigating actions to reduce or eliminate them where possible.
(e) the desirability of the company maintaining a reputation for high standards of business conduct	The Board's approach is described under 'Culture and Values' below.
(f) the need to act fairly as between members of the company	The Board's approach is described under 'Stakeholder Engagement' below.

Culture and Values

The overarching duty of the Board is to promote the Company's success for the benefit of investors while taking other stakeholders' interests into consideration. The Company strives to maintain the highest standards of business conduct and corporate governance, and the Investment Manager ensures that appropriate oversight, control, and policies are in place to ensure that the Company treats its stakeholders fairly.

Through ongoing dialogue and engagement with its key stakeholders, the Board seeks to ensure that its purpose, values, and strategy are aligned with this culture of openness, debate, and integrity. The Board, which consists of two male and one female members, aims to create a supportive business culture while also providing constructive challenge, as well as to provide shareholders and other stakeholders with regular information.

Although the Company has no employees, it is committed to respecting human rights in its broader relationships. Both the Company and the Investment Manager have anti-bribery and corruption policies in place to ensure business integrity, a commitment to truth and fair dealing, and compliance with all applicable laws and regulations.

To assist in maintaining a culture of good governance, the Company has several policies and procedures in place, including those relating to diversity, anti-bribery (including the acceptance of gifts and hospitality), tax evasion, conflicts of interest, and Directors' dealings in the Company's shares.

The Board assesses and monitors compliance with these policies on a regular basis through Board meetings and the annual evaluation process. The Board seeks to appoint the most appropriate service providers for the Company's needs and evaluates their services on a regular basis. The Board considers the culture of the Investment Manager and other service providers through regular reporting, receiving regular information, and ad hoc interactions.

Stakeholder Engagement

This section describes how the Board engages with its key stakeholders, how it considers their interests and the outcome of the engagement when making decisions, the long-term consequences of any decision, and how it maintains a reputation for high standards of business conduct.

Stakeholder	**Why is it Important to Engage?**	**How has the Company communicated and engaged?**	**What were the key topics of engagement?**	**Key strategic decisions impacting stakeholder group during period**
Shareholders	Shareholders and their ongoing support are critical to the business's continued existence and the deployment of our long-term investment strategy.	The Company makes regular market announcements where appropriate. The Company has published quarterly fact sheets available on the Company's website. Views and feedback are sought from institutional investors via the Company's corporate broker.	A large number of investor meetings were held prior to fundraising during the year to engage shareholders with the Company's strategy. Prior to the Annual General Meeting ("AGM") in April 2022 and the subsequent General Meeting in June 2022, shareholders were given the opportunity to engage with the Board and the Investment Manager, and are encouraged to do so at other times throughout the year.	The Company has made acquisitions during the year which should be accretive to the NAV over the long-term. The Company raised c.£52.9 million during the year. The proceeds were used to repay the revolving credit facility and to invest in an attractive pipeline of near term opportunities, which are intended to further diversify our portfolio, in line with the Company's strategy. The Company put a revised investment policy to shareholders for approval.
Investment Manager	The Investment Manager is responsible for carrying out the Investment Objective within the parameters of the Company's Investment Policy.	The Board maintains regular and open dialogue with the Investment Manager at Board meetings and has regular contact on operational and investment matters outside of meetings.	In addition to all matters concerning the Company's Investment Objective, the Board met with the Investment Manager to discuss the Group's structure and the interpretation of investment restrictions.	Determination that the Investment Manager maintains a strong internal control environment and that the Investment Manager's continued appointment is in the best interests of shareholders.
Service providers	As an externally managed Company, we are reliant on our service providers to conduct our core activities. We believe that fostering constructive and collaborative relationships with our service providers will assist in the promotion of the success of the Company.	The Board maintains regular contact with its service providers, both through Board and Committee meetings, as well as outside the regular meeting cycle. The Management Engagement Committee is responsible for conducting periodic reviews of service providers. During the year, the Management Engagement Committee assessed that the continued appointment of all service providers remained in the best interests of the Company and its shareholders.	Throughout the year, the Board has worked closely with its professional service providers, such as its external auditors, joint corporate brokers, legal counsel, and the company secretary, to ensure that the Company is managed efficiently and accurately in accordance with applicable laws, regulations, and best practices.	Key service providers have been retained, providing continuity of service and familiarity with the objectives of the Company.
Asset-level counterparties	Asset-level counterparties are an essential stakeholder group and engagement with them is important to ensure assets are operating safely and effectively and performing as expected.	As part of continual monitoring of investments, we have a regular dialogue with these counterparties.	The key engagement with asset-level counterparties was during the due diligence process prior to completing the investment	Acquired five new assets during the period, increasing ongoing servicing requirements from O&M counterparties.

Debt-providers	Providers of long-term debt are key to supporting the Company's long-term objectives through enabling the continued financing of investment opportunities.	The Company and its unconsolidated subsidiaries provide regular updates on covenant compliance and current positioning.	Pricing and sizing of the debt was a key consideration for the Company.	Debt will be a key component of the Company's funding strategy looking forward and the portfolio will utilise the RCF debt facility when beneficial.

Risks and Risk Management

The Board recognises that effective risk management is key to the Group's success and that a proactive approach is critical to ensuring the sustainable growth and resilience of the Group. Risk is described as the potential for events to occur that may result in damage, liability or loss. Should any of these events occur, the Company may well be adversely impacted, potentially leading to the disruption of the Company's business model, as well as potential damage to the reputation or financial standing of the Company.

The benefit of a risk management framework is that it allows for potential risks to be identified in advance and may enable these risks to either be mitigated or possibly even converted into opportunities. The Company's Prospectus, issued in June 2022 detailed the potential risks that the Directors considered were material that could occur during the process of implementing the Company's Investment Policy.

Principal Risks and Uncertainties

Procedures to identify principal or emerging risks

It is not possible to eliminate all risks that may be faced by the Company.

The objective of the Company's risk management framework and policies adopted by the Company is to identify risks and enable the Board to respond to risks with mitigating actions to reduce the potential impacts should any of the risks materialise.

The Board, through the Audit and Risk Committee, regularly reviews the Company's risk register, with a focus on ensuring appropriate controls are in place to mitigate each risk. Taking considered risk is the essence of all business and investment activity.

The Board considers the following to be the principal risks faced by the Company along with the potential impact of these risks and the steps taken to mitigate them.

Risk Identified	**Risk Description**	**Risk Impact**	**Mitigation**
Exposure to wholesale electricity prices and risk to hedging power prices	The Company makes investments in Assets with revenue exposure to wholesale electricity prices. The market price of electricity is volatile and is affected by a variety of factors, including market demand for electricity, levels of electricity generation, the generation mix of power plants, government support for various forms of power generation and fluctuations in the market prices of commodities and foreign exchange.	Market demand for electricity can be impacted by many factors, including changes in consumer demand patterns, increased usage of smart grids, a rise in demand for electric vehicle charging capacity and residential participation in renewable energy generation. Such changing dynamics could have a material adverse effect on the Company's profitability, the NAV and the price of the Ordinary Shares. To the extent that the Company or an SPV enters contracts to fix the price it receives on the electricity generated or enters into derivatives with a view to hedging against fluctuations in power prices, the Company or SPV, may be exposed to risk related to delivering an amount of electricity over a specific period. If there are periods of non-production the Company or an SPV may need to pay the difference between the price it has sold the power at and the market price at that time.	The Investment Manager closely monitors exposure to power price movements. Sensitivity to long term forecasts will be disclosed to investors and the Board on a regular basis. Many assets are expected to have a significant proportion of revenue that is not linked to power price forecasts including subsidies such as feed-in-tariffs. In addition, assets are geographically diverse, spreading exposure across different power markets and price drivers. Short and medium-term exposure to power prices will be managed by locking power prices on a rolling basis.
Exposure to the transactional effects of foreign exchange rate fluctuations and risks of foreign exchange hedging	To the extent the Company invests in non-sterling jurisdictions, it may be exposed to foreign exchange risk caused by fluctuations in the value	While the Company and SPVs may enter derivative transactions to hedge such foreign exchange rate exposures, there can be no guarantee that the	Natural hedging of foreign exchange exposure will occur due to an element of costs and debt (for capital structuring

	of foreign currencies when the net income and valuations of those operations in non-Sterling jurisdictions are translated into Sterling for the purposes of financial reporting.	Company and/or SPVs will be able to, or will elect to, hedge such exposures, or that were entered into, will be successful. The Company and/or SPVs may be required to satisfy margin calls in respect of hedges and in certain circumstances may not have such collateral readily available. In these circumstances, the Company could be forced to sell an Asset or borrow further funds to meet a margin call or take a loss on a position. To the extent that the Company and/or SPVs do rely on derivative instruments to hedge exposure to exchange rate fluctuations, they will also be subject to counterparty risk. Any failure by a hedging counterparty to discharge its obligations could have a material adverse effect on the Company's profitability, the NAV and the price of the Ordinary Shares.	purposes) being linked to the local currency. The Company will hedge expected income from foreign assets up to five years in advance.
Non-compliance with the investment trust eligibility conditions under sections S1158/S1159 of the CTA 2010	As an approved investment trust, the Company is exempt from UK corporation tax on its chargeable gains and capital profits on loan relationships.	If the Company fails to maintain its investment trust status from HMRC, in such circumstances, the Company would be subject to the normal rates of corporation tax on chargeable gains and capital profits arising on the transfer or disposal of investments and other assets. Which could adversely affect the Company's financial performance, its ability to provide returns to its Shareholders or the post-tax returns received by its Shareholders.	The Company has contracted out the relevant monitoring to appropriately qualified professionals. The Investment Manager also monitors relevant qualifying conditions. The Investment Manager and the Company Secretary report on regulatory matters to the Board on a quarterly basis. The assessment of regulatory risks forms part of the Board's risk management framework.
Construction risks for certain renewable energy projects	SPVs may undertake projects that are in the Construction Phase or are construction ready which may be exposed to certain risks, such as cost overruns, construction delays and construction defects that may be outside the Company's control.	Should completion of any project overrun (both in terms of time and budget), there is a risk that payments may be required to be made to (or withheld by) a counterparty in relation to the delay. If the completion of a project overruns, it would also result in a delayed start to receipt of revenues, which could affect the Company's ability to achieve its target returns, depending on the nature and scale of such delay. Additional costs and expenses, delays in construction or carrying out repairs, failure to meet technical requirements, lack of warranty cover and/or consequential operational failures or malfunctions may have a material adverse effect on the Company's profitability,	The Investment Manager will monitor construction carefully and report frequently to the Board and AIFM. The Investment Manager has an experienced asset management team including technical experts to oversee construction projects. The Investment Manager will undertake an extensive due diligence process prior to investment with input from the Board (including technical expertise). Third party experts will be used as required to enhance knowledge and experience.

		the NAV and the price of the ordinary shares.	
Reliance on third-party service providers	The Company, whose Board is non-executive, and which has no employees, is reliant upon the performance of third-party service providers for its executive function. The Company relies on the Investment Manager and other service providers and their reputation in the energy and infrastructure market.	The third-party provider may prove to be insufficiently skilled for the role or perform the roles required to an inadequate level, which may cause the Company to underperform, to breach regulations, or in extremis to go into administration.	There are clear service level agreements in place for all third-party providers and provisions are in place that any provider can be replaced, subject to an initial term or a breach of the agreement occurring. They have all been chosen for being skilled and experienced in their areas of expertise. The Board has regular oversight over all the other providers.
Lack of availability of suitable renewable energy projects	Competition for renewable energy projects in the primary investment or secondary investment markets, may result in the Company being unable to make investments or on terms that enable the target returns to be delivered.	If the Investment Manager is unable to source sufficient opportunities within a reasonable timeframe, whether by reason of fundamental change in market conditions creating lack of available opportunities, too much competition or otherwise. A greater proportion of the Company's assets will be held in cash for longer than anticipated and the Company's ability to achieve its Investment Objective may be adversely affected.	The Company has an Investment Manager in place with a strong track record, who strengthened their team ahead of the fund launch. Through extensive industry relationships the Investment Manager provides access to a significant pipeline of investment opportunities.
Conflicts of interest	The Investment Manager and the AIFM may manage from time-to-time other managed Funds pursuing similar investment strategies to that of the Company and which may be in competition with the Company.	The appointment of the AIFM is on a non-exclusive basis and each of the AIFM and Investment Manager manages other accounts, vehicles and funds pursuing similar investment strategies to that of the Company. This has the potential to give rise to conflicts of interest. The Company may also be in competition with other Downing Managed Funds for Assets. In relation to the allocation of investment opportunities.	The AIFM and the Investment Manager have clear conflicts of interest and allocation policies in place. Transactions where it is perceived that there may be potential conflicts of interest are overseen by the Investment Manager's Conflicts Committee, an independent fairness opinion on valuation may also be commissioned where deemed necessary. The application of allocation policy is reviewed by the Investment Managers Compliance Department, and by the Board on annual basis. Further information on these procedures can be found in the Company's Prospectus dated 12 November 2020.
Risks relating to the technical performance of assets	The long-term performance of the assets acquired does not match the expectations at the time of the acquisition.	Incorrect assumptions against technical performance of assets, or the availability of natural resources may lead to additional costs and expenses, carrying out repairs, or reduced revenues. Any delays or reduction in the production or supply of energy may have a material adverse effect on the performance of the Company, the NAV, the	The Company will appoint third party technical advisors for every transaction. The advisors will undertake a review of the technology, design, installation (if applicable), and natural resource availability and provide an analysis of expected long term generation yields. Where Assets are going through construction, appropriate contractual guarantees will be

		Company's earnings and returns to shareholders.	provided. Operators will often provide guarantees as to the availability or performance of Assets.
Counterparties' ability to make contractual payments	The Company's revenue derives from the renewable energy projects in the portfolio, the Company and its SPVs will be exposed to the financial strength of the counterparties to such projects and their ability to meet their ongoing contractual payment obligations.	The failure by a counterparty to pay the contractual payments due, or the early termination of a PPA by an Offtaker due to insolvency, may materially affect the value of the portfolio and could have a material adverse effect on the performance of the Company, the NAV, the Company's earnings and returns to shareholders.	The Investment Manager will look to build in suitable mechanisms to protect the income stream from the relevant renewable energy projects, which may include parent guarantees and liquidated damages payments on termination. Exposure to defaults may be further mitigated by contracting with counterparties who are public sector or quasi-public sector bodies or who are able to draw upon government subsidies to partly fund contractual payments. As part of the acquisition process, the Investment Manager conducts a thorough due diligence process on all projects.
Risks associated with Cyber Security	There exists an increasing threat of cyber-attack in which a hacker may attempt to access the Company's website or its secure data, or the computer systems that relate to one of its Assets and attempt to either destroy or use this data for malicious purposes.	Increased regulation, laws, rules and standards related to cyber security, could impact the Company's reputation or result in financial loss through the imposition of fines. Suffering a cyber breach will also generally incur costs associated with repairing affected systems, networks and devices. If one or several Assets became the subject of a successful cyber-attack, to the extent any loss or disruption following from such attack would not be covered or mitigated by any of the Company's insurance policies, such loss or disruption could have an adverse effect on the performance of the affected Asset and consequently on the Company's profitability, the NAV and the price of the Ordinary Shares.	Cyber security policies and procedures implemented by key service providers are reported to the Board regularly to ensure conformity. Thorough third-party due diligence is carried out on all suppliers engaged to service the Company. All providers have processes in place to identify cyber security risks and apply and monitor appropriate risk plans.

Further financial risks are detailed in note 16 of the financial statements.

Emerging Risks

Emerging risks are characterised by a degree of uncertainty; therefore, the Investment Manager and the Board consider new and emerging risks every six months. The risk register is then updated to include these considerations. The Board has a process in place to identify emerging risks, such as climate related risks, and to determine whether any actions are required. The Board relies on regular reports provided by the Investment Manager and the Administrator regarding risks that the Company faces. When required, experts are employed to provide further advice, including tax and legal advisers.

Climate Change

Environmental laws and regulations continue to evolve as the UK, Europe and the rest of the world continue to focus their efforts on the goals laid out by the Paris Agreement. In jurisdictions where the Company's Assets are located, newly implemented laws and/or regulations may have an impact on a given Asset's activities.

These laws may impose liability whether or not the owner or operator of the Assets knew of or was responsible. There can be no assurance that environmental costs and liabilities will not be incurred in the future. In addition, environmental regulators may seek to impose injunctions or other sanctions on an Asset's operations that may have a material adverse effect on its financial condition and valuation. Climate change may also have other wide-ranging impacts such as an increased likelihood of market reform, insurance coverage availability and cost.

Climate change may also lead to increased variability in average weather patterns such as periods of increased or reduced wind speeds or rainfall as well as extreme events which may affect the performance of the Company's investments.

Physical Effects of Climate Change

While efforts to mitigate climate change continue to progress, the physical impacts are already emerging in the form of changing weather patterns. Such as the recent heatwaves experienced in North America and recent flash flooding seen throughout the UK and Europe.

Extreme weather events can result in flooding, drought, fires and storm damage, which may potentially impair the operations of existing and future portfolio companies at certain locations or impacting locations of companies within their supply chain.

Transition Risks
Much of the conversation around climate change focuses on environmental impacts, such as rising temperatures and extreme weather events. A big part of climate risk, however, involves transition risk - or the risk that results from changing policies, practices and technologies that arise as countries and societies work to decrease their reliance on carbon. In the near and medium term, transition risks to portfolio investments may arise from any unexpected changes to existing government policies. An increase in renewables build-out ambition without sufficient demand could reduce power price forecasts. This could have a negative impact on the valuation of the Company's assets.

Going Concern and Viability Statement

Going Concern

The Board, in its consideration of the going concern position of the Company, has reviewed comprehensive cash flow forecasts prepared by the Company's Investment Manager which are based on market data and believes, based on those forecasts, the assessment of the Company's subsidiary's banking facilities and the assessment of the principal risks described in this report, that it is appropriate to prepare the financial statements of the Company on the going concern basis.

In arriving at their conclusion that the Company has adequate financial resources, the Directors were mindful that the Group had cash of £23 million as at 31 December 2022, though £5.1 million has been spent on new acquisitions since the reporting date. The Group utilised EUR 27.4 million of its facility with SEB to help fund the additional hydropower acquisitions. There is EUR 16.1 million remaining available to be drawn on this facility. The directors are provided with base cash flow forecasts and potential downside scenarios.

Through its main subsidiary, DORE Hold Co Limited, the Company has access to an undrawn £40 million RCF which is available for either new investments or investment in existing projects and working capital. The RCF is currently undrawn.

The Company's net assets at 31 December 2022 were £218.9 million and total expenses for the period ended 31 December 2022 were £2.9 million, which represented approximately 1.5% of average net assets during the period.

The Directors are satisfied that the Company has sufficient resources to continue to operate for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Viability Statement

In accordance with Principle 21 of the AIC Code, the Board has assessed the prospects of the Company over a period longer than 12 months required by the relevant 'Going Concern' provisions. In reviewing the Company's viability, the Directors have assessed the viability of the Company for the period to 31 December 2027 (the 'Period'). The Board believes that the Period, being approximately five years, is an appropriate time horizon over which to assess the viability of the Company, particularly when considering the long-term nature of the Company's investment strategy, which is modelled over five years, and the principal risks outlined above. Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue to operate and to meet its liabilities as they fall due over the period to 31 December 2027.

In making this statement, the Directors have considered and challenged the reports of the Investment Manager in relation to the resilience of the Company, taking account of its current position, the principal risks faced in severe but reasonable scenarios, including a stressed scenario, the effectiveness of any mitigating actions and the Company's risk appetite.

Sensitivity analysis has been undertaken to consider the potential impacts of such risks on the business model, future performance, solvency and liquidity over the period, both on an individual and combined basis. This has considered the achievement of budgeted energy yields, the level of future electricity and gas prices, continued government support for renewable energy subsidy payments and the impact of a downside scenario which includes significant reduction of projects' yields under severe power price and generation volume assumptions.

The Directors have determined that a five-year look forward to December 2027 is an appropriate period over which to provide its viability statement. This is consistent with the outlook period used in medium-term forecasts regularly prepared for the Board by the Investment Manager and the discussion of any new strategies undertaken by the Board in its normal course of business.

These reviews consider both the market opportunity and the associated risks, principally the ability to raise third-party funds and invest capital, or mitigating actions taken, such as a reduction of dividends paid to shareholders or utilisation of additional borrowings available under the RCF.

Board approval of the Strategic Report

The Strategic Report has been approved by the Board of Directors and signed on its behalf by the Chair

Hugh W M Little
Chair
31 March 2023

Extracts from the Directors' Report

Directors

Details of the Directors' terms of appointment can be found in the corporate governance statement and the Directors' remuneration report.

Share Capital

The Company was granted authority at the 2022 AGM to issue up to 13,700,800 Ordinary Shares (equivalent to 10% of the Company's issued Ordinary Share capital as at the date of the AGM) on a non-pre-emptive basis until the conclusion of the Company's next annual general meeting in 2023. No ordinary shares have been allotted under this authority during the year. As at the date of this report, the Company may allot further ordinary shares up to an aggregate nominal amount of £137,008 under its existing authority.

Following the passing of the proposed Issue Resolutions at the General Meeting on 23 June 2022, the Directors were granted authority to issue up to 250 million Ordinary Shares on a non-pre-emptive basis under the Initial Issue and Share Issuance Programme.

Following the General Meeting held on 23 June 2022, the Company announced that gross proceeds of approximately £52.9 million had been raised through the issue of 47,614,000 Ordinary Shares at an issue price of 111.0 pence per Ordinary Share. The shares were issued to institutional investors and professionally advised private investors and admitted to trading on the Premium Segment of the London Stock Exchange's Main Market on 27 June 2022. As at the date of this report, the Company may allot further ordinary shares up to an aggregate nominal amount of £2,023,860 under its existing authority. This authority will expire on 6 June 2023.

A special resolution was passed at the 2022 AGM granting the Directors authority to repurchase up to 20,537,572 Ordinary Shares (representing 14.99% of the Company's issued Ordinary Share capital as at the date of the AGM) during the period, expiring on the earlier of the Company's annual general meeting to be held in 2023 and 31 December 2023. This authority will expire at the conclusion of, and renewal will be sought at, the annual general meeting to be held later this year. Ordinary Shares purchased by the Company may be held in treasury or cancelled. No ordinary shares have been bought back under this authority.

At the year end, and at the date of this report, the issued share capital of the Company comprised 184,622,487 ordinary shares. At general meetings of the Company, ordinary shareholders are entitled to one vote on a show of hands and, on a poll, to one vote for every ordinary share held.

At 31 December 2022 and at the date of this report, the total voting rights of the Company were 184,622,487.

Statement of Directors' Responsibilities

In respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare financial statements in accordance with UK adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a directors' report, a strategic report and directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

The Directors confirm that, to the best of their knowledge:

- The financial statements have been prepared in accordance with the applicable set of accounting standards and Article 4 of the IAS regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company.
- The annual report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board.

Hugh W M Little (Chair)
31 March 2023

Non-Statutory Accounts

The financial information set out below does not constitute the Company's statutory accounts for the year ended 31 December 2022 but is derived from those accounts. Statutory accounts for the period for the year ended 31 December 2022 will be delivered to the Registrar of Companies in due course. The Auditor has reported on those accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006. The text of the Auditor's report can be found in the Company's full Annual Report on the Company's website at www.doretrust.com.

Statement of Comprehensive Income

For the year from 1 January 2022 to 31 December 2022

	Notes	**Revenue 31 December 2022 £'000s**	**Capital 31 December 2022 £'000s**	**Total 31 December 2022 £'000s**	**Revenue 31 December 2021 £'000s**	**Capital 31 December 2021 £'000s**	**Total 31 December 2021 £'000s**
Income							
Return on investment	*5*	8,044	28,058	36,102	4,978	7,327	12,305
Total income		**8,044**	**28,058**	**36,102**	**4,978**	**7,327**	**12,305**
Expenses							
Investment management fees	*4*	(1,781)	-	(1,781)	(1,284)	-	(1,284)
Directors' fees	*18 & 22*	(125)	-	(125)	(146)	-	(146)
Other expenses	*6*	(1,001)	-	(1,001)	(745)	-	(745)
Total expenses		**(2,907)**	**-**	**(2,907)**	**(2,175)**	**-**	**(2,175)**
Profit before taxation		**5,137**	**28,058**	**33,195**	**2,803**	**7,327**	**10,130**
Taxation	*7*	-	-	**-**	**-**	**-**	**-**
Profit after taxation		**5,137**	**28,058**	**33,195**	**2,803**	**7,327**	**10,130**
Profit and total comprehensive income attributable to:							
Equity holders of the Company		**5,137**	**28,058**	**33,195**	**2,803**	**7,327**	**10,130**
Earnings per share - Basic & diluted (pence)	*8*	**3.2**	**17.4**	**20.6**	**2.6**	**6.8**	**9.4**

The total column of this statement is the Statement of Comprehensive Income of the Company prepared in accordance with International Financial Reporting Standards (IFRS) as adopted. The supplementary revenue return and capital columns have been prepared in accordance with the Association of Investment Companies Statement of Recommended Practice (AIC SORP).

Statement of Financial Position

As at 31 December 2022

	Notes	**31 December 2022 £'000s**	**31 December 2021 £'000s**
Non-current assets			
Investments at fair value through profit and loss	*9*	196,866	131,508
		196,866	**131,508**
Current assets			
Trade and other receivables	*10*	567	280
Cash and cash equivalents	*15*	23,328	11,254
		23,895	**11,534**
Total assets		**220,761**	**143,042**
Current liabilities			
Trade and other payables	*11*	(1,862)	(1,201)
		(1,862)	**(1,201)**
Total liabilities		**(1,862)**	**(1,201)**
Net assets		**218,899**	**141,841**
Capital and reserves			
Called up share capital	*12*	1,846	1,370
Share Premium		65,910	14,506
Special distributable reserve	*13*	114,618	118,435
Revenue reserve		1,140	203

Capital reserve		35,385	7,327
Shareholders' funds		**218,899**	**141,841**
Net asset value per ordinary share (pence)	*14*	**118.57**	**103.5**

The audited financial statements of Downing Renewables & Infrastructure Trust PLC were approved by the Board of Directors and authorised for issue on 31 March 2023 and are signed on behalf of the Board by:

Hugh W M Little
Chair
Company registration number 12938740

Statement of Changes in Equity

For the year ending 31 December 2022

	Notes	Share Capital	Share Premium	Capital Reserve	Revenue Reserve	Special Distributable Reserve	Total
		£'000s	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Balance at the start of the period		-	-	-	-	-	-
Gross proceeds from share issue		1,370	136,001	-	-	-	137,371
Bonus shares		-	(52)	-	-	-	(52)
Share issue costs		-	(220)	-	-	(2,450)	(2,670)
Dividend		-	-	-	(2,600)	(338)	(2,938)
Transfer to special distributable reserve		-	(121,223)	-	-	121,223	-
Total comprehensive income for the period		-	-	7,327	2,803	-	10,130
Net assets attributable to shareholders at 31 December 2021		**1,370**	**14,506**	**7,327**	**203**	**118,435**	**141,841**
Gross proceeds from share issue	12	476	52,375	-	-	-	52,851
Share issue costs	12	-	(971)	-	-	22	(949)
Dividends	20	-	-	-	(4,201)	(3,840)	(8,041)
Total comprehensive income for the year		-	-	28,058	5,137	-	33,195
Net assets attributable to shareholders at 31 December 2022		**1,846**	**65,910**	**35,385**	**1,140**	**114,618**	**218,899**

The Company's distributable reserves consist of the Special distributable reserve, Capital reserve attributable to realised gains and Revenue reserve. There have been no realised gains or losses at the reporting date.

Statement of Cash Flows

For the year ending 31 December 2022

	Notes	**Year to 31 December 2022 £000s**	**Incorporation to 31 December 2021 £000s**
Cash flows from operating activities			
Profit before taxation		**33,196**	**10,130**
Adjusted for:			
Interest income	*5*	(7,792)	(4,978)
Unrealised gains on investments at fair value	*5*	(28,058)	(7,327)
Increase in receivables		(285)	(280)

Increase in payables		661	1,201
Net cash outflows from operating activities		**(2,278)**	**(1,254)**
Cash flows from investing activities			
Purchase of investments	*9*	(38,008)	(121,749)
Loan Interest Received	*9*	8,500	2,546
Net cash outflows from investing activities		**(29,508)**	**(119,203)**
Cash flows from financing activities			
Gross proceeds of share issue	*12*	52,852	137,371
Bonus shares	*12*	-	(52)
Dividends Paid	*20*	(8,041)	(2,938)
Share issue costs	*12*	(949)	(2,670)
Net cash flows from financing activities		**43,862**	**131,711**
Increase in cash and cash equivalents		12,074	11,254
Cash and cash equivalents at the start of the year		11,254	-
Cash and cash equivalents at the end of the year	*15*	**23,328**	**11,254**

Notes to the Financial Statements

For the year ending 31 December 2022

1. General Information

The Company is registered in England and Wales under number 12938740 pursuant to the Companies Act 2006 and its registered office Link Company Matters Limited 6th Floor, 65 Gresham Street, London, United Kingdom, EC2V 7NQ.

The Company was incorporated on 8 October 2020 and is a Public Limited Company and the ultimate controlling party of the group. The Company's ordinary shares were first admitted to the premium segment of the Financial Conduct Authority's Official List and to trading on the Main Market of the London Stock Exchange under the ticker DORE on 10 December 2020.

The audited financial statements of the Company (the "financial statements") are for the period from 1 January 2022 to 31 December 2022 and comprise only the results of the Company, as all of its subsidiaries are measured at fair value in line with IFRS 10 as disclosed in note 2.

The Company's objective is to generate an attractive total return for investors comprising stable dividend income and capital preservation, with the opportunity for capital growth through the acquiring and realising value from a diverse portfolio of renewable energy infrastructure projects.

The Company currently makes its investments through its principal holding company and single subsidiary, DORE Hold Co Limited ("Hold Co"), and intermediate holding companies which are directly owned by the Hold Co. The Company controls the Investment Policy of each of the Hold Co and its intermediate holding companies in order to ensure that each will act in a manner consistent with the Investment Policy of the Company.

The Company has appointed Downing LLP as its Investment Manager (the "Investment Manager") pursuant to the Investment Management Agreement dated 12 November 2020. The Investment Manager is registered in England and Wales under number OC341575 pursuant to the Companies Act 2006. The Investment Manager is regulated by the FCA, number 545025.

2. Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.
The financial statements have also been prepared as far as is relevant and applicable to the Company in accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued in October 2019 by the Association of Investment Companies ("AIC").

The financial statements are prepared on the historical cost basis, except for the revaluation of certain financial instruments at fair value through profit or loss. The principal accounting policies adopted are set out below. These policies are consistently applied.

The financial statements are presented in Sterling, which is the Company's functional currency and are rounded to the nearest thousand, unless otherwise stated.

Estimates and underlying assumptions are reviewed regularly on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future year affected.

<u>Basis of Consolidation</u>
The sole objective of the Company and through its subsidiary DORE Hold Co Limited is to own Renewable Energy Infrastructure Projects, via individual corporate entities. Hold Co typically will issue equity and loans to finance its investments.

The Directors have concluded that in accordance with IFRS 10, the Company meets the definition of an investment entity having evaluated the criteria that needs to be met (see below). Under IFRS 10, investment entities are required to hold subsidiaries at fair value through profit or loss rather than consolidate them on a line-by-line basis, meaning Hold Co's cash, debt and working capital balances are included in the fair value of the investment rather than in the Company's assets and liabilities. Hold Co has one investor which is the Company. However, in substance, Hold Co is investing the funds of the investors of the Company on its behalf and is effectively performing investment management services on behalf of many unrelated beneficiary investors.

<u>Characteristics of an investment entity</u>
There are three key conditions to be met by the Company for it to meet the definition of an investment entity. For each reporting year, the Directors will continue to assess whether the Company continues to meet these conditions:

- It obtains funds from one or more investors for the purpose of providing these investors with professional investment management services;
- It commits to its investors that its business purpose is to invest its funds solely for the returns (including having an exit strategy for investments) from capital appreciation, investment income or both; and

- It measures and evaluates the performance of substantially all its investments on a fair value basis.

In satisfying the second criterion, the notion of an investment timeframe is critical. An investment entity should not hold its investments indefinitely but should have an exit strategy for their realisation. The Company intends to hold its renewable energy infrastructure assets for the remainder of their useful life to preserve the capital value of the portfolio. However, as the renewable energy infrastructure assets are expected to have no residual value after their useful lives, the Directors consider that this demonstrates a clear exit strategy from these investments.

Subsidiaries are therefore measured at fair value through profit or loss, in accordance with IFRS 13 "Fair Value Measurement", IFRS 10 "Consolidated Financial Statements" and IFRS 9 "Financial Instruments".

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

Going concern
The Directors have adopted the going concern basis in preparing the Annual Report. The following is a summary of the Director's assessment of going concern status of the Company. In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its cash position, income and expense flows. As at 31 December 2022, the Company had net assets of £218.9 (2021: £141.8) million including cash balances of £23.3 (2021: £11.3) million which are sufficient to meet current obligations as they fall due**.** Since the year end £5.1 million has been spent on new acquisitions. The Group, through one of its unconsolidated subsidiaries, utilised EUR 27.4 million of its facility with SEB to help fund the additional hydropower acquisitions. Through its main subsidiary, DORE Hold Co Limited, the Company has access to a RCF of £40 million which is available for either new investments or investment in existing projects and working capital**.** At the reporting date £0m had been drawn down from the RCF.
The Directors and the Investment Manager continue to actively monitor this and its potential effect on the Company and its investments.

In particular, they have considered the following specific key potential impacts:

• Unavailability of key personnel at the Investment Manager or Administrator; and

• Increased volatility in the fair value of investments.

The directors have considered the impact of the Ukraine war on SPV revenues, which are derived from the sale of electricity, and note that 58% of revenues are not exposed to floating power prices. Revenue is received through power purchase agreements in place with providers of electricity to the market and also through government subsidies. In the year since acquisition and up to the date of this report, there has been no significant impact on revenue and cash flows of the SPVs. The SPVs have contractual operating and maintenance agreements in place with large and reputable providers. Therefore, the Directors and the Investment Manager do not anticipate a threat to the Group's revenue.

The Directors do not consider that the effects of COVID-19 have created a material uncertainty over the assessment of the Company as a going concern.

The Directors have reviewed Company forecasts and projections which cover a period of at least 12 months from the date of approval of this report, considering foreseeable changes in investment and trading performance, which show that the Company has sufficient financial resources to continue in operation for at least the next 12 months from the date of approval of this report. The directors have considered the impact of the current economic environment in their review. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation and accordingly. They continue to adopt the going concern basis in preparing the financial statements.

Segmental reporting
The Chief Operating Decision Maker (the "CODM") being the Board of Directors, is of the opinion that the Company is engaged in a single segment of business, being investment in renewable energy infrastructure.

The Company has no single major customer. The internal financial information to be used by the CODM on a quarterly basis to allocate resources, assess performance and manage the Company will present the business as a single segment comprising the portfolio of investments in renewable energy infrastructure assets.

Critical accounting judgements, estimates and assumptions
In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the fair value of assets and liabilities that affect reported amounts. It is possible, that actual results may differ from these estimates.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Estimates, by their nature, are based on judgement and available information, hence actual results may differ from these judgements, estimates and assumptions.
The key assumptions that have a significant impact on the carrying value of investments that are valued by reference to the discounted value of future cashflows are the useful life of the assets, the discount rates, the rate of inflation, the price at which the power and associated benefits can be sold and the amount of electricity the assets are expected to produce. The sensitivity analysis of these key assumptions is outlined in note 9 to the financial statements.

Useful lives are based on the Investment Manager's estimates of the period over which the assets will generate revenue which are periodically reviewed for continued appropriateness. Where land is leased from an external landlord, the operational life assumed for the purposes of the asset valuations is valued at the earlier of planning or lease expiry. Where a project has a life in excess of 75 years, the land it is located on is owned and there are no constraints regarding planning, asset valuations are based on a perpetual life including long term capital expenditure assumptions. This is the basis for the valuation of the hydropower assets. The actual useful life may be a shorter or longer period depending on the actual operating conditions experienced by the asset.

The discount rates are subjective and therefore it is feasible that a reasonable alternative assumption may be used resulting in a different value. The discount rates applied to the cashflows are reviewed regularly by the Investment Manager to ensure they are at the appropriate level. The Investment Manager will take into consideration market transactions, where of similar nature, when considering changes to the discount rates used.

The revenues and expenditure of the investee companies are frequently, partly, or wholly subject to indexation and an assumption is made as to near term and long-term rates.

The price at which the output from the generating assets is sold is a factor of both wholesale electricity prices and the revenue received from the Government support regimes. Future power prices are estimated using external third-party forecasts which take the form of specialist consultancy reports, which reflect various factors including gas prices, carbon prices and renewables deployment, each of which reflect the UK and global response to climate change.

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

As noted above, the Board have concluded that the Company meets the definition of an investment entity as defined in IFRS 10. This conclusion involved a degree of judgement and assessment as to whether the Company meets the criteria outlined in the accounting standards.

New, revised and amended standards applicable to future reporting periods
There were no new standards or interpretations effective for the first time for periods beginning on or after incorporation that had a significant effect on the Company's financial statements. Furthermore, none of the amendments to standards that are effective from that date had a significant effect on the financial statements.

New and revised standards not applied

At the date of authorisation of these financial statements, the following amendments had been published and will be mandatory for future accounting periods. Effective for accounting periods beginning on or after 1 January 2022:

- a number of narrow-scope amendments to IFRS 3 "Business combinations", IAS 16 "Property, plant and equipment", IAS 37 "Provisions, contingent liabilities and contingent assets" and annual improvements on IFRS 1 "First-time Adoption of IFRS", IFRS 9 "Financial instruments", IAS 41 "Agriculture" and the Illustrative Examples accompanying IFRS 16 "Leases".

Effective for accounting periods beginning on or after 1 January 2023:

- Narrow-scope amendments to IAS 1 "Presentation of Financial Statements", Practice statement 2 and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

- Amendments to IAS 12, "Income Taxes" - deferred tax related to assets and liabilities arising from a single transaction.

- Amendments to IFRS 17, "Insurance contracts" - this standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts.

Effective for accounting years beginning on or after 1 January 2024:

- Amendments to IAS 1 on classification of liabilities clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting year.

The impact of these standards is not expected to be material to the reported results and financial position of the Company.

3. Significant Accounting Policies

Financial Instruments

Financial assets and financial liabilities are recognised on the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are to be de-recognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred, and the transfer qualifies for de-recognition in accordance with IFRS 9 Financial Instruments.

Financial assets

The Company classifies its financial assets as either investments at fair value through profit or loss or financial assets at amortised cost. The classification depends on the purpose for which the financial assets are acquired. Management determines the classification of its financial assets at initial recognition.

Investments at fair value through profit or loss ("FVTPL")

The fair value of investments in renewable energy infrastructure projects is calculated by discounting at an appropriate discount rate future cash flows expected to be received by the Company's intermediate holdings, from investments in both equity (dividends and equity redemptions), shareholder and inter-company loans (interest and repayments).

Investments are designated upon initial recognition as held at fair value through profit or loss. Gains or losses resulting from the movement in fair value are recognised in the Statement of Comprehensive Income at each valuation point. As shareholder loan investments form part of a managed portfolio of assets whose performance is evaluated on a fair value basis, loan investments are designated at fair value in line with equity investments. The Company's loan and equity investments in Hold Co are held at fair value through profit or loss. Gains or losses resulting from the movement in fair value are recognised in the Company's Statement of Comprehensive Income at each valuation point.

Financial assets are recognised/derecognised at the date of the purchase/disposal. Investments are initially recognised at cost, being the fair value of consideration given. Transaction costs are recognised in the Statement of Comprehensive Income as incurred. Fair value is defined as the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is calculated on a levered, discounted cashflow basis in accordance with IFRS 13.

Financial assets at amortised cost

Loans and other receivables are measured at amortised cost using the effective interest method, less any impairment. They are included in current assets, except where maturities are greater than 12 months after the reporting date, in which case they are to be classified as non-current assets. The Company's financial assets held at amortised cost comprise "other receivables" and "cash and cash equivalents" in the statement of financial position.

Impairment

Impairment provisions for loans and receivables are recognised based on a forward-looking expected credit loss model. All financial assets assessed under this model are immaterial to the financial statements.

Financial liabilities

Financial liabilities are classified as other financial liabilities, comprising other non-derivative financial instruments, including trade and other payables, which are to be measured at amortised cost using the effective interest method.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

The Company's Ordinary Shares are classified as equity and are not redeemable. Costs associated or directly attributable to the issue of new equity shares are recognised as a deduction in equity and are charged either from the share premium account or the special distributable reserve, created on court cancellation of share premium account.

Taxation

The Company is approved as an Investment Trust Company ("ITC") under sections 1158 and 1159 of the Corporation Taxes Act 2010 and part 2 Chapter 1 Statutory Instrument 2011/2999. The approval is subject to the Company continuing to meet the eligibility conditions of the Corporation Tax Act 2010. The Company intends to ensure that it complies with the ITC regulations on an ongoing basis and regularly monitors the conditions required to maintain ITC status.

Under the current system of taxation in the UK, the Company is not liable to taxation on its operations in the UK. Current tax is the expected tax payable on the taxable income for the year, using tax rates that have been enacted or substantively enacted at the date of the Statement of Financial Position.

Dividends

Dividends to the Company's shareholders are recognised when they become legally payable. In the case of interim dividends, this is when they are paid. In the case of final dividends, this is when they are approved by the shareholders at the Annual General Meeting.

Income

Income includes investment income from financial assets at FVTPL and finance income.

Investment income from financial assets at FVTPL is recognised in the Statement of Comprehensive Income within income when the Company's right to receive payments is established.

Finance income comprises interest earned on intercompany loans and is recognised on an accruals basis.

Expenses

Expenses are accounted for on an accruals basis. Share issue expenses directly attributable to the listing of shares are charged through profit and loss with incremental costs associated with raising capital charged through the Special

Distributable Reserve or Share Premium Account. The Company's investment management fee, administration fees and all other expenses are charged through the Statement of Comprehensive Income. In respect of the analysis between revenue and capital these items are presented and charged 100% as revenue items.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances, deposits held on call with banks and other short-term highly liquid deposits with original maturities of three months or less.

Deposits to be held with original maturities of greater than three months are included in other financial assets. There are no expected credit losses as the bank institutions will have high credit ratings assigned by international credit rating agencies.

4. Investment management fees

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to a management fee from the Company, which is calculated quarterly in arrears at 0.95% of NAV per annum up to £500 million and 0.85% per annum of NAV in excess of £500 million.

The Company incurred £1,780,561 (2021: £353,135) of management fees during the year, investment management fees of £1,426,289 (2021: £933,414) were unpaid at the year end.
No performance fee is payable to the Investment Manager under the Investment Management Agreement and there are no provisions that would entitle the Investment Manager to a performance fee in respect of future years.

5. Return on investment

	31 December 2022	31 December 2021
	£'000s	£'000s
Unrealised movement in fair value of investments (Note 9)	28,058	7,327
Interest receivable on shareholder loans (note 9)	7,792	4,978
Provision of Corporate Services to DORE Holdco Limited	252	-
	36,102	**12,305**

6. Other expenses

	31 December 2022	31 December 2021
	£'000s	£'000s
Alternative investment fund manager fee	152	110
Fees payable to the Company's auditor for the audit of the Company's annual accounts	167	96
Fees payable to the Company's auditor for other services	-	89
Company secretarial fee	58	62
Legal fees	69	87
Depositary fee	49	48
Hedging advisory	25	39
Marketing fee	64	53
Broker fee	88	53
Retainer fee	-	34
Professional fees	199	
Other fees	130	74
	1,001	**745**

Total fees payable to BDO LLP for non-audit services during the year were £157,500 (2021: £88,500) for professional fees provided in respect of the share issuance programme, this cost was taken directly to share premium. These services were pre-approved by the Audit and Risk Committee and are not subject to the fee cap. Audit fees which relate to the year ending 31 December 2022 were £154,500, £12,500 relate to accruals for the period ending 31 December 2021.

7. Taxation

Taxable income during the year was offset by expenses and the tax charge for the year ended 31 December 2022 is £Nil.

As described above, the Company is recognised as an ITC for accounting years and therefore not liable to UK taxation. To the extent that there is insufficient group tax relief available to eliminate taxable profits, the Company may make interest distributions to reduce taxable profits to nil.

(a) Analysis of charge in the year

	Revenue	Capital	Total
	£'000	£'000	£'000
Analysis of tax charge / (credit) in the year:			
Current tax:			
UK corporation tax on profits of the year	-	-	-
Adjustments in respect of previous year	-	-	-
	-	-	-
Deferred tax:			
Origination & reversal of timing differences	-	-	-
Adjustments in respect of previous years	-	-	-

Tax charge / (credit) on profit on ordinary activities	-	-	-

(b) Factors affecting total tax charge for the year

The effective UK corporation tax rate applicable to the Company for the year is 19%. The tax charge differs from the charge resulting from applying the standard rate of UK corporation tax for an investment trust company. The differences are explained below.

	Revenue	Capital	Total
	£'000	£'000	£'000
Profit / (Loss) on ordinary activities before tax	5,336	25,058	30,394
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	1,013	4,761	5,774
Effect of:			
Capital profits not taxable	-	(4,761)	(4,761)
Non-taxable income	-	-	-
Expenses non deductible		-	
Interest distributions	(1,013)	-	(1,013)
Timing differences	-	-	-
Group relief	-	-	-
Excess management expenses	-	-	-
Total charge / (credit) for the year	-	-	-

HM Revenue & Customs ("HMRC") has granted approval to the Company's status as an investment trust, and it is the Company's intention to continue meeting the conditions required to obtain approval in the foreseeable future. Investment companies which have been approved by HMRC under section 1158 of the Corporation Tax Act 2010, as amended are exempt from tax on capital gains.

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from 1 April 2023. This rate has been substantively enacted at the balance sheet date.

There is no unrecognised deferred tax asset or liability at 31 December 2022.

8. Earnings per share

	Revenue	Capital	Total
	£'000	£'000	£'000s
Revenue and capital profit attributable to equity holders of the Company	5,137	28,058	33,196
Weighted average number of ordinary shares in issue	161,532,958	161,532,958	161,532,958
Basic and diluted earnings per share (pence)	**3.2**	**17.4**	**20.6**

Basic and diluted earnings per share are the same as there are no arrangements which could have a dilutive effect on the Company's ordinary shares.

9. Investments at fair value through profit and loss

	Total 2022 £'000s	Total 2021 £'000s
Fair value at start of the year	**131,508**	**-**
Loan advanced to DORE Hold Co Limited	38,008	113,749
Shareholding in DORE Hold Co limited	-	8,000
Unrealised gain on investments at FVTPL	28,058	7,327
Loan Interest (movement)	(708)	2,432
Fair value at end of the year	**196,866**	**131,508**

There is a loan agreement between the Company and DORE Hold Co Limited for £200,000,000 (2021: £120,000,000). At the reporting date £151,756,990 (2021: £113,748,641) had been advanced. The rate of interest on the loan is a rate agreed between DORE Hold Co Limited and the Company and has been set at 6% per annum. Interest accrued at the year end and outstanding at the reporting date amounted to £1,724,341 (2021: £2,432,398). Interest is repayable at the repayment date of 31 December 2030 unless otherwise agreed between the parties to repay earlier.

The Company received interest payments of £8,500,000 (2021: £2,546,000) during the year. Included in the fair value are cash balances at DORE Hold Co of £4.8 million (2021: £21.8 million).

The Company owns 100% of the nine shares in DORE Hold Co Limited. These shares were allotted for a consideration of £8,000,000.

<u>Fair value measurements</u>
IFRS 13 "Fair Value Measurement" requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities ranges from level 1 to level 3 and is determined on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of the Company's investments is ultimately determined by the underlying net present values of the SPV ("Special Purpose Vehicle") investments. Due to their nature, they are always expected to be classified as level 3 as the investments are not traded and contain unobservable inputs.

The fair value hierarchy consists of the following three levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table analyses the Company's assets at 31 December 2022:

	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	Total £'000s
Investment portfolio summary				
Unquoted investments at fair value through profit and loss	-	-	196,866	196,866
Total	**-**	**-**	**196,866**	**196,866**

The determination of what constitutes 'observable' requires significant judgement by the Company. Observable data is considered to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The only investment held at fair value is the investment in DORE Holdco Limited, which is fair valued at each reporting date. The investment has been classified within level 3 as the investment is not traded and contains unobservable inputs.

As the fair value of the Company's equity and loan investments in Hold Co is ultimately determined by the underlying fair values of the SPV investments, the Company's sensitivity analysis of reasonably possible alternative input assumptions is the same as for the Group.

There have been no transfers between levels during the year.

Valuations are derived using a discounted cashflow methodology in line with IPEV Valuation Guidelines and take into account, inter alia, the following:

i. due diligence findings where relevant;
ii. the terms of any material contracts including PPAs;
iii. asset performance;
iv. power price forecasts from leading market consultants; and
v. the economic, taxation or regulatory environment.

The DCF valuations of the Company's investments represent the largest component of GAV and the key sensitivities are considered to be the discount rate used in the DCF valuations and assumptions in relation to inflation, energy yield, foreign exchange and power price.

The shareholder loan and equity investments are valued as a single class of financial asset at fair value in accordance with IFRS 13 Fair Value Measurement.

Sensitivity
Sensitivity analysis is produced to show the impact of changes in key assumptions adopted to arrive at the valuation. For each of the sensitivities, it is assumed that potential changes occur independently of each other with no effect on any other base case assumption, and that the number of investments in the portfolio remains static throughout the modelled life. Accordingly, the NAV per share impacts shown below assume the issue of further shares to fund these commitments.

The analysis below shows the sensitivity of the portfolio value (and its impact on NAV) to changes in key assumptions as follows:

Discount rate
The weighted average valuation discount rate applied to calculate the portfolio valuation is 7.7%.

An increase or decrease in this rate by 1.0% points has the following effect on valuation.

Discount rate	NAV per share impact	-1.0% change	Total portfolio Value	+1.0% change	NAV per share impact
		£'000	£'000	£'000	
Directors' valuation - Dec 2022	10.53	19,438	196,866	(16,238)	(8.80)

Energy yield
The table below shows the sensitivity of the portfolio valuation to a sustained decrease or increase of energy generation by minus or plus 5% on the valuation, with all other variables held constant. The fair value of the solar investments is based on a "P50" level of electricity generation for the renewable energy assets, being the expected level of generation over the long term. For hydropower assets, the expected annual average production is applied to the valuation, similar to the P50 assumption applied to solar and wind assets.

A change in the forecast energy yield assumptions by plus or minus 5% has the following effect.

Energy Yield	NAV per share impact	-5% change	Total portfolio Value	+5% change	NAV per share impact
		£'000	£'000	£'000	
Directors' valuation - Dec 2022	(9.42)	(17,383)	196,866	17,369	9.41

Power prices
The sensitivity considers a flat 10% movement in power prices for all years, i.e. the effect of adjusting the forecast electricity price assumptions in each of the jurisdictions applicable to the portfolio down by 10% and up by 10% from the base case assumptions for each year throughout the operating life of the portfolio.

A change in the forecast electricity price assumptions by plus or minus 10% has the following effect.

Power Prices	NAV per share impact	-10% change	Total portfolio Value	+10% change	NAV per share impact
		£000	£000	£000	
Directors' valuation - Dec 2022	(9.84)	(18,172)	196,866	18,126	9.82

Inflation
The projects' income streams are principally a mix of subsidies, which are amended each year with inflation, and power prices, which the sensitivity assumes will move with inflation. The projects' operating expenses typically move with inflation, but debt payments are fixed. This results in the portfolio returns and valuation being positively correlated to inflation. The weighted average long-term inflation assumption across the portfolio is 2.4%.

The sensitivity illustrates the effect of a 1.0% decrease and a 1.0% increase from the assumed annual inflation rates in the financial model for each year throughout the operating life of the portfolio.

Inflation	NAV per share impact	-1.0% change	Total portfolio Value	+1.0% change	NAV per share impact
		£'000	£'000	£'000	
Directors' valuation - Dec 2022	(5.52)	(10,192)	196,866	11,263	6.10

Foreign exchange
The Company, where appropriate, seeks to manage its exposure to foreign exchange movements, to ensure that the Sterling value of known future investment commitments is fixed. The portfolio valuation assumes foreign exchange rates based on the relevant foreign exchange rates against GBP at the reporting date. A change in the foreign exchange rate by plus or minus 10% (Euro against Swedish Krona), has the following effect on the NAV, with all other variables held constant. The effect is shown after the effect of current level of hedging which reduces the impact of foreign exchange movements on the Company's NAV.

Foreign Exchange	NAV per share impact	-10% change	Total portfolio Value	+10% change	NAV per share impact
		£'000	£'000	£'000	
Directors' valuation - Dec 2022	(8.26)	(15,258)	196,866	18,606	10.08

10. Trade and other receivables

	31 December 2022	31 December 2021
	£'000s	£'000s
Prepayments	271	14
VAT	44	266
Debtors	252	-
	567	**280**

11. Trade and other Payables

	31 December 2022	31 December 2021
	£'000s	£'000s
Accounts Payable	1,098	51
Accruals	764	1,150
	1,862	**1,201**

Included in the accruals amount at the year end, £525,893 relates to the management fee charged by Downing LLP during the year.

12. Called up share capital

Allotted, issued and fully paid:	**Number of Shares**
Opening Balance at 1 January 2022	**137,008,487**
Ordinary Shares issued - June 2022	47,614,000
Closing Balance of Ordinary Shares at 31 December 2022	**184,622,487**

Each ordinary share has equal rights to dividends and has equal rights to participate in a distribution arising from a winding up of the Company.

The Company issued 47,614,000 additional ordinary shares on 27 June 2022 raising gross proceeds of £52,851,540. The share issue costs incurred to raise the funding was £971,557. Accrued share issuance costs of £22,432 relating to the previous accounting year was rebated. The net share issuance costs for the year therefore amounted to £949,124.

13. Special distributable reserve

At 31 December 2022 the special distributable reserve account was £114,617,564. (2021: 118,435,271).

14. Net asset value per ordinary share

The basic total net assets per ordinary share is based on the net assets attributable to equity shareholders as at 31 December 2022 of £218,899,172 (2021: £141,841,774) and ordinary shares of 184,622,487(2021: 137,008,487) in issue at 31 December 2022.

There is no dilution effect and therefore no difference between the diluted total net assets per ordinary share and the basic total net assets per ordinary share.

15. Cash and Cash equivalents

At the year end, the Company had cash of £23.3 (2021: £11.3) million. This balance was held by the Royal Bank of Scotland.

16. Financial Risk Management

The Company's investment activities expose it to a variety of financial risks, including interest rate risk, foreign exchange risk, power price risk, credit risk and liquidity risk. The Board of Directors have overall responsibility for overseeing the management of financial risks, however the review and management of financial risks are delegated to the AIFM and Investment Manager.

Each risk and its management are summarised below.

Foreign exchange risk
Foreign exchange risk is defined as the risk that the fair value of future cash flows will fluctuate because of changes in foreign exchange rates. The Company monitors its foreign exchange exposures using its near-term and long-term cash flow forecasts. Its policy is to use foreign exchange hedging to provide protection to the level of sterling distributions that the Company aims to receive from portfolio companies over the medium-term, where considered appropriate. This may involve the use of forward exchange. The Company's sensitivity to foreign exchange risk can be seen in note 9.

Interest rate risk
The Company may be exposed to changes in variable market rates of interest as this could impact the discount rate and therefore the valuation of the projects as well as the fair value of the loan receivables. The Company is not considered to be materially exposed to interest rate risk.

The Company's interest and non-interest bearing assets and liabilities as at 31 December 2022 are summarised below:

	Interest Bearing	**Non-Interest bearing**	**Total**
Assets	**£'000**	**£'000**	**£'000**
Cash and cash equivalents	-	23,328	23,328
Trade and other receivables	-	567	567
Investments at fair value through profit and loss	151,757	45,109	196,866
Total assets at 31 December 2022	**151,757**	**69,004**	**220,761**
Total assets at 31 December 2021	**113,749**	**29,293**	**143,042**
Liabilities			
Accrued expenses	-	(1,862)	(1,862)
Total liabilities at 31 December 2022	**-**	**(1,862)**	**(1,862)**
Total liabilities at 31 December 2021	**-**	**(1,201)**	**(1,201)**

Liquidity risk
Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they fall due. The Investment Manager, AIFM and the Board continuously monitor forecast and actual cash flows from operating, financing, and investing activities to consider payment of dividends, repayment of trade and other payables or funding further investing activities.

The Company ensures it maintains adequate reserves, will put in place banking facilities and will continuously monitor forecast and actual cash flows to seek to match the maturity profiles of financial assets and liabilities.

At the year end, the Company's investments were in secured loan and equity investments in private companies, in which there is no listed market and therefore such investments would take time to realise, and there is no assurance that the valuations placed on the investments would be achieved from any such sale process. The Company's Hold Co is the entity through which the Company holds its investments, the liquidity of Hold Co is reflective of the investments in which it holds. The Company's main subsidiary holds an RCF, which has currently been undrawn.

	Less than 1 year	**1-5 years**	**More than 5 years**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Assets				
Investments at fair value through profit and loss (note 9)	-	-	196,866	196,866
Trade and other receivables	252	-	-	252
Cash and cash equivalents	23,328	-	-	23,328
Liabilities				
Trade and other payables	(1,862)	-	-	(1,862)
Total at 31 December 2022	21,718	-	196,866	218,584
Total at 31 December 2021	10,333	-	131,508	141,841

Credit risk
Credit risk is the risk that a counterparty of the Company will be unable or unwilling to meet a commitment that it has entered into with the Company. It is a key part of the pre-investment due diligence. The credit standing of the companies which the Company intends to lend or invest is reviewed, and the risk of default estimated for each significant counterparty position. Monitoring is on-going, and year end positions are reported to the Board on a quarterly basis.

Credit risk may also arise from cash and cash equivalents and deposits with banks and financial institutions. The Company and its subsidiaries may mitigate their risk on cash investments by only transacting with major international financial institutions with high credit ratings assigned by international credit rating agencies.

The carrying value of the investments and cash represent the Company's maximum exposure to credit risk.

The Company's credit risk exposure as at 31 December 2022 is summarised below:

	As at 31 December 2022	**As at 31 December 2021**
	£'000	**£'000**
Trade and other receivables	252	-
Loan Investment	151,757	113,749
Cash and cash equivalents	23,328	11,254
Total	**175,337**	**125,003**

There is a loan agreement between the Company and DORE Hold Co Limited for £200,000,000 (2021: £120,000,000). DORE Hold Co Limited is wholly owned subsidiary of the Company. The total undrawn facility is £48,243,010.

Price risk
Price risk is defined as the risk that the fair value of a financial instrument held by the Company will fluctuate. Investments are measured at FVTPL. As at 31 December 2022, the Company held three investments through its intermediate holding company. The value of the underlying renewable energy investments held by Hold Co will vary according to a number of factors including discount rate used, asset performance and forecast power prices.

Capital risk management
The capital structure of the Company at the year-end consists of equity attributable to equity holders of the Company, comprising issued capital and reserves. The Board continues to monitor the balance of the overall capital structure so as to maintain investor and market confidence. The Company is not subject to any external capital requirements.

Market risk
Returns from the Company's investments are affected by the price at which the investments are acquired. The value of these investments will be a function of the discounted value of their expected future cash flows, and as such will vary with, inter alia, movements in interest rates, market prices and the competition for such assets. The Investment Manager carries out a full valuation quarterly and this valuation exercise takes into account changes described above.

17. Unconsolidated subsidiaries, associates and joint ventures

The following table shows subsidiaries of the Group. As the Company is regarded as an Investment Entity as referred to in note 2, these subsidiaries have not been consolidated in the preparation of the financial statements:

Investment	Place of Business	Ownership Interest as at 31 December 2022
DORE Hold Co Limited[7]	England[8]	100%
DORE Sweden Hold Co Limited[18]	England[17]	100%
Downing Hydro AB[9]	Sweden[10]	100%
Abercomyn Solar Ltd[21]	England[17]	100%
Andover Airfield Solar Developments Ltd[20]	England[17]	100%
Appleton Renewable Energy[11]	England[17]	100%
Appleton Renewables[21]	England[17]	100%
Beeston Solar Energy Ltd[12]	England[17]	100%
Beeston Solar Ltd[21]	England[17]	100%
Bourne Park Solar Ltd[13]	England[17]	100%
Brookside Solar Ltd[21]	England[17]	100%
Brown Argus Trading Ltd[23]	England[17]	100%
Chalkhill Commercial PV Ltd[23]	England[17]	100%
Chalkhill Life Holdings Ltd[18]	England[17]	100%
Deeside Solar Farm Ltd[14]	England[17]	100%
Emerald Isle Solar Energy Ltd[15]	Northern Ireland[17]	100%
Emerald Isle Solar Ltd[21]	Northern Ireland[17]	100%
Greenacre Redbridge Ltd[25]	England[17]	100%
Greenacre Solar Energy Ltd[16]	England[17]	100%
Greenacre Solar Ltd[21]	England[17]	100%
Heulwen Solar Ltd[21]	England[17]	100%
Hulse Energy Ltd[21]	Northern Ireland[17]	100%
Hulse Renewable Energy Ltd[17]	Northern Ireland[17]	100%
KPP132 Ltd[27]	England[17]	100%
KPP141 Ltd[33]	Northern Ireland[17]	100%
Moray Energy Ltd[18]	Northern Ireland[17]	100%
Moray Power (UK) Ltd[27]	Northern Ireland[17]	100%
Moray Power Ltd[21]	Northern Ireland[17]	100%
Newton Solar Energy Ltd[19]	England[17]	100%
Newton Solar ltd[21]	England[17]	100%
Penarth Energy Ltd[21]	England[17]	100%
Ridgeway Solar Energy Ltd[20]	England[17]	100%
Ridgeway Solar ltd[21]	England[17]	100%
Ringlet Trading Ltd[23]	England[17]	100%
ROC Solar (UK) Ltd[21]	Northern Ireland[17]	100%
ROC Solar ltd[21]	Northern Ireland[17]	100%
Solar Finco 1 Limited[22]	England[17]	100%
Solar Finco 2 Limited[23]	England[17]	100%
Solar Finco 3 Limited[23]	England[17]	100%
TGC Solar Oakfield Ltd[29]	England[17]	100%
Triumph Renewable Energy Ltd[33]	Northern Ireland[17]	100%
Triumph Solar Energy ltd[24]	Northern Ireland[17]	100%
Triumph Solar ltd[21]	Northern Ireland[17]	100%
Voltaise (UK) Ltd[25]	England[17]	100%
Voltaise ltd[21]	England[17]	100%
Wakehurst Renewable Energy Ltd[26]	Northern Ireland[17]	100%
Wakehurst Renewables Ltd[21]	Northern Ireland[17]	100%
York NIHE Ltd[36]	Northern Ireland[17]	100%
York Renewable Energy Ltd[27]	England[17]	100%
York Renewables Ltd[21]	Northern Ireland[17]	100%

Watten i Sverige AB[28]	Sweden[10]	100%
Edsbyn Vattenkraft AB[28]	Sweden[10]	100%
Downing Summit AB[28]	Sweden[10]	100%
AB Rots Ovre Kraftverk[28]	Sweden[10]	100%
ASI Produktion AB[28]	Sweden[10]	100%
Downing Wind Sweden Holdco AB[9]	Sweden[10]	100%
Gabrielsberget Syd Vind AB[29]	Sweden[10]	100%

18. Employees and Directors

The Company is governed by a Board of Directors, all of whom are independent and non-executive. During the year, they received fees for their services of £125,000 (2021: £145,833). The Company has 3 non-executive Directors.

Other than the Directors, the Company had no employees during the year.

19. Contingencies and commitments

The Company has no commitments or contingencies. (2021: no commitments or contingencies). The total undrawn facility on the loan between the Company and DORE Hold Co Limited is £48,243,010.

20. Dividends declared

The Company was targeting an initial annualised dividend yield of 3% by reference to the IPO price of £1.00, in respect of the financial year from IPO on 10 December 2020 to 31 December 2021 (equating to 3.0 pence per share), rising to a target annualised dividend yield of 5% by reference to the IPO price in respect of the financial year to 31 December 2022.

	Dividend per share	**Total dividend**
Interim dividends paid during the year ended 31 December 2022	**pence**	**£'000**
With respect to the quarter ended 30 December 2021	1.25	1,713
With respect to the quarter ended 31 March 2022	1.25	1,712
With respect to the quarter ended 30 June 2022	1.25	2,308
With respect to the quarter ended 31 September 2022	1.25	2,308
	5.00	**8,041**

	Dividend per share	**Total dividend**
Interim dividends declared after 31 December 2022 and not accrued in the year	**pence**	**£'000**
With respect to the quarter ended 31 December 2022	1.25	2,308
	1.25	**2,308**

On 23 February 2023, The Board declared an interim dividend of 1.25 pence per share with respect to the year ended 31 December 2022.

The Dividend is expected to be paid on or around 31 March 2023 to shareholders on the register on 3 March 2023. The ex-dividend date is 2 March 2023.

As announced in September 2021, the Company has increased the dividend to 5 pence representing a dividend per share of 1.25 pence for the quarter ending September 2021 and thereafter.

During the year, the Board declared four interim dividends of 1.25 pence per share in respect of the quarterly periods ending 31 March 2022, 30 June 2022, 30 September 2022 and 31 December 2022. As outlined in the Company's Prospectus, the Company has chosen to designate part of these interim dividends as an interest distribution.

The dividend for the period to 31 December 2022, was paid as 0.425 pence per share as an interest payment and 0.825 as an ordinary dividend. The dividend paid for the period to 31 March 2022 was paid as 0.437 pence per share as an interest payment and 0.813 as an ordinary dividend. The dividend paid for the period to 30 June 2022 was paid as 0.5 pence per share as an interest payment and 0.750 as an ordinary dividend. The dividend paid for the period to 30 September 2022 was paid as 0.625 pence per share as an interest payment and 0.625 as an ordinary dividend.

Shareholders in receipt of such a dividend will be treated for UK tax purposes as though they have received a payment of interest in respect of the interest distribution element of this dividend. This will result in a reduction in the corporation tax payable by the Company.

21. Events after the balance sheet date

<u>Dividends</u>
On 24 February 2023, The Board declared an interim dividend of 1.25 pence per share with respect to the period ended 31 December 2022.

The dividend is expected to be paid on or around 31 March 2023 to shareholders on the register on 3 March 2023. The ex-dividend date is 2 March 2023.

The target dividend for the year from 1 January 2023 has been increased by 7.6% to 5.38 pence per ordinary share.

<u>Acquisitions</u>

The Company, through its main subsidiary acquired two operational hydropower plants located in Sweden for £5.1m.

22. Related party transactions.

The amounts incurred in respect of the Investment Management fees during the year to 31 December 2022 was £1,781,037. Of this amount, £1,426,289 were unpaid at 31 December 2022.

The Investment Manager is owed £113,830 commission in respect of funds raised during the placing, open offer, offer for subscription and intermediaries offer. This amount remained unpaid at the year end.

The amounts paid in respect of Directors fees during the year to 31 December 2022 was £125,000. The directors fees were increased by £5,000 per annum from 1 October 2022 which remains unpaid. The amounts paid to individual directors during the year were as follows:

Hugh W M Little (Chair) - £50,000, with an amount of £1,250 unpaid.

Jo Holt - £35,000, with an amount of £1,250 unpaid.

Ashley Paxton - £40,000, with an amount of £1,250 unpaid.

Due to the Company being an externally managed investment company, there are no other fees due to key management personnel.

Intercompany Loans

During the year interest totalling £7.79 (2021: £4.98) million was charged on the Company's long-term interest-bearing loan between the Company and its subsidiary. At the year end, £1.7 (2021: £2.4) million remained unpaid.

The loan to DORE Hold Co Limited is unsecured. As at the balance sheet date, the loan balance stood at £151.7 (2021: £113.7) million.

Company Information

Directors (all non-executive)	Hugh W M Little (Chair) Joanna Holt Ashley Paxton
Registered Office	Link Company Matters Limited 6th Floor 65 Gresham Street London EC2V 7NQ
AIFM and Administrator	Gallium Fund Solutions Limited Gallium House Unit 2 Station Court Borough Green Sevenoaks Kent TN15 8AD
Investment Manager	Downing LLP 6th Floor Saint Magnus House 3 Lower Thames Street London EC3R 6HD
Joint Brokers	Singer Capital Markets LLP 1 Bartholomew Lane London EC2N 2AX Winterflood Securities Limited The Atrium Building Cannon Bridge House 25 Dowgate Hill London EC4R 2GA
Sponsor	Singer Capital Markets Advisory 1 Bartholomew Lane London EC2N 2AX
Company Secretary	Link Company Matters Limited 6th Floor 65 Gresham Street London EC2V 7NQ
Solicitors to the Company	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Registrar	Link Group 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL
Auditor	BDO LLP 55 Baker Street London W1U 7EU

National Storage Mechanism

A copy of the Annual Report will be submitted shortly to the National Storage Mechanism ("NSM") and will be available for inspection at the NSM, which is situated at: https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

Legal Entity Identifier: 2138004JHBJ7RHDYDR62

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[1] These are alternative performance measures

1 These are alternative performance measures.

[2] A measure of total asset value including debt held in unconsolidated subsidiaries.

[3] Total returns in sterling, including dividend reinvested.

[4] Based on NAV at IPO of £0.98/share.

12 These are alternative performance measures

[6] IEA Electricity Market Report, 2023.

[7] DORE Hold Co is the intermediate holding company of the Group, this is 100% owned by DORE PLC

[8] The Registered office is St Magnus House, 3 Lower Thames Street, London EC3R 6HD

[9] These Companies are 100% owned by DORE Hold Co Limited

[10] The registered office is c/o Cirio Advokatbyra Box 3294, 103 65 Stockholm

[11] Appleton Renewable Energy Ltd is 100% owned by Appleton Renewables, Appleton Renewable Energy Ltd, in turn owns 100% of Andover Airfield Solar Developments Ltd

[12] These companies are 100% owned by Solar Finco 1 Ltd

[13] Bourne Park Solar is 100% owned by Penarth Energy Ltd

[14] These companies are 100% owned by Chalkhill Life Holdings Ltd

[15] Emerald Isle Solar Energy Limited is 100% owned by Emerald Isle Solar Ltd

[16] Both companies are 100% owned by Greenacre Solar Ltd

[17] Hulse Renewable Energy Ltd is 100% owned by Hulse Energy Ltd

[18] Moray Energy Ltd and Moray Power (UK) are 100% owned by Moray Power Ltd, Moray Power (UK) Ltd owns 100% of KPP 132 Ltd

[19] Newton Solar Energy is 100% owned by Newton Solar Ltd

[20] Both companies are 100% owned by Ridgeway Solar Ltd

[21] ROC Solar (UK) ltd is 100% owned by ROC Solar Ltd

[22] Solar Finco 1 Ltd is 100% owned by Solar Finco 2 Ltd

[23] Solar Finco 2 Ltd is 100% owed by Solar Finco 3 Ltd

[24] Triumph Solar Energy is 100% owned by Triumph Solar Ltd, Triumph Solar Energy Ltd in turn owns 100% of Triumph Renewable Energy Ltd and KPP 141 Ltd.

[25] Voltaise (UK) Limited is 100% owned by Voltaise Ltd.

[26] Wakehurst Renewable Energy Ltd is 100% owned by Wakehurst Renewables Ltd

[27] These Companies are 100% owned by York Renewables Ltd

28 These Companies are 100% owned by Downing Hydro AB

29 These Companies are 100% owned by Downing Wind Sweden AB

END

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