



NS Net Asset Value(s)

Downing Renewables  
& Infrastructure Trust

## NET ASSET VALUE AND OPERATIONAL UPDATE

### [DOWNING RENEWABLES & INFRASTRUCTURE TRUST PLC](#)

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#### Downing Renewables & Infrastructure Trust plc

#### Net Asset Value and Operational Update

The Board of Downing Renewables & Infrastructure Trust plc (the "**Company**" or "**DORE**") is pleased to announce the Company's unaudited Net Asset Value ("**NAV**") as at 30 September 2023.

#### Net Asset Value as at 30 September 2023

The Company's unaudited NAV was £217.1 million or 118.7 pence per share as at 30 September 2023. This is an increase of 0.6% from the Company's NAV per share as at 30 June 2023 (217.0 million or 118.0 pence per share). The NAV is presented after the payment of the dividend of 1.345 pence per share, equivalent to £2.5 million in aggregate, in respect of the period from 1 April 2023 to 30 June 2023.

The movement in NAV during the quarter was attributable to several factors:

- Portfolio performance (+£4.7m, +2.5pps);
- Update to the long-term power price forecasts (-£6.4m, -3.5pps);
- Other movements including FX movement and dividend (+£1.8m, +1.2pps).

As at 30 September the Company's GAV was £328.3 million (30 June 2023: £319.4 million).

As announced on 16 November, the dividend in respect of the period from 1 July 2023 to 30 September 2023 of 1.345 pence per Ordinary Share has been declared and will be paid to shareholders on the register on 1 December 2023 on or around 29 December 2023.

#### Operational Performance

During the period, energy generation was higher than expected for the portfolio, largely due to the hydropower portfolio experiencing strong water inflows as a result of rainfall levels being much higher than the base case expectation. Generation in the wind and solar assets were below budget as a result of lower than expected availability.

Operating profit was lower than budgeted, due to lower generation in the solar and wind portfolios and lower-than-expected power prices in the Nordic region off the back of higher-than-expected rainfall.

#### Power Prices and Inflation

The decrease in forecast future power prices caused a £6.4 million (-3.5pps) decrease in NAV, with the majority of the impact felt in the Swedish hydropower and wind portfolios.

The power price forecasts used in the Company's valuation are set out below in GBP (real 2023). Where prices are in Euros they are converted back to GBP for the purposes of comparison.

*Figure 1: Comparison of weighted average forecast realised prices in the UK (real - 2023)*

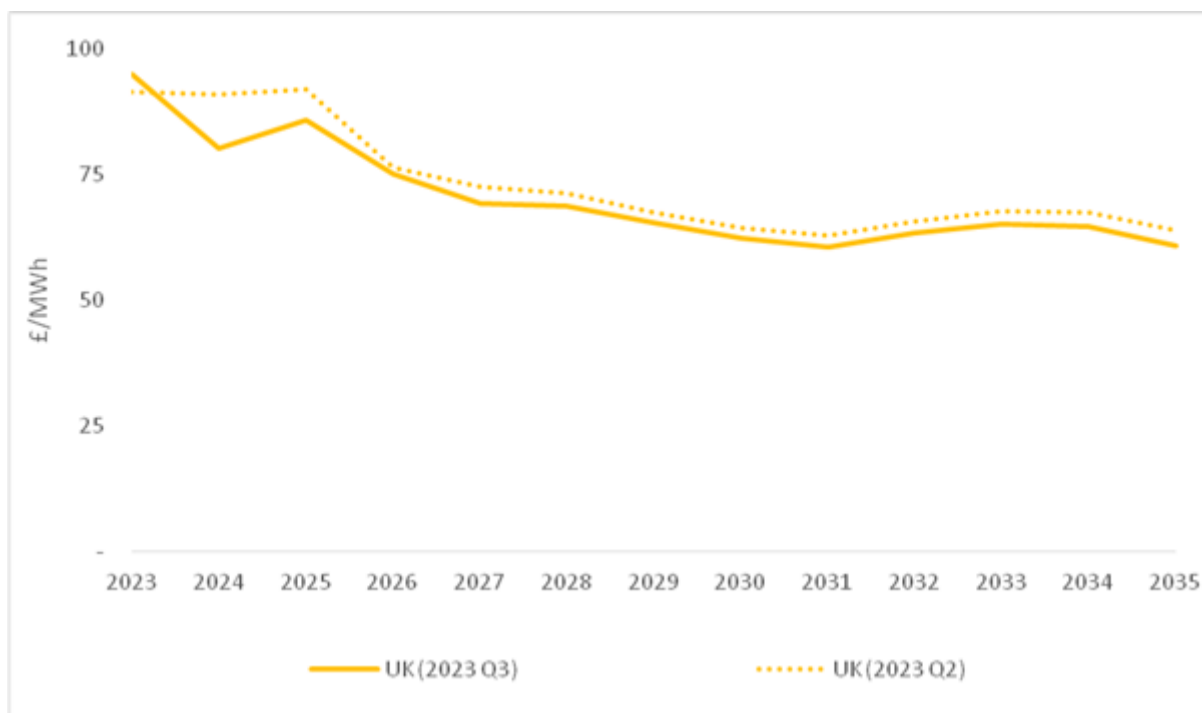
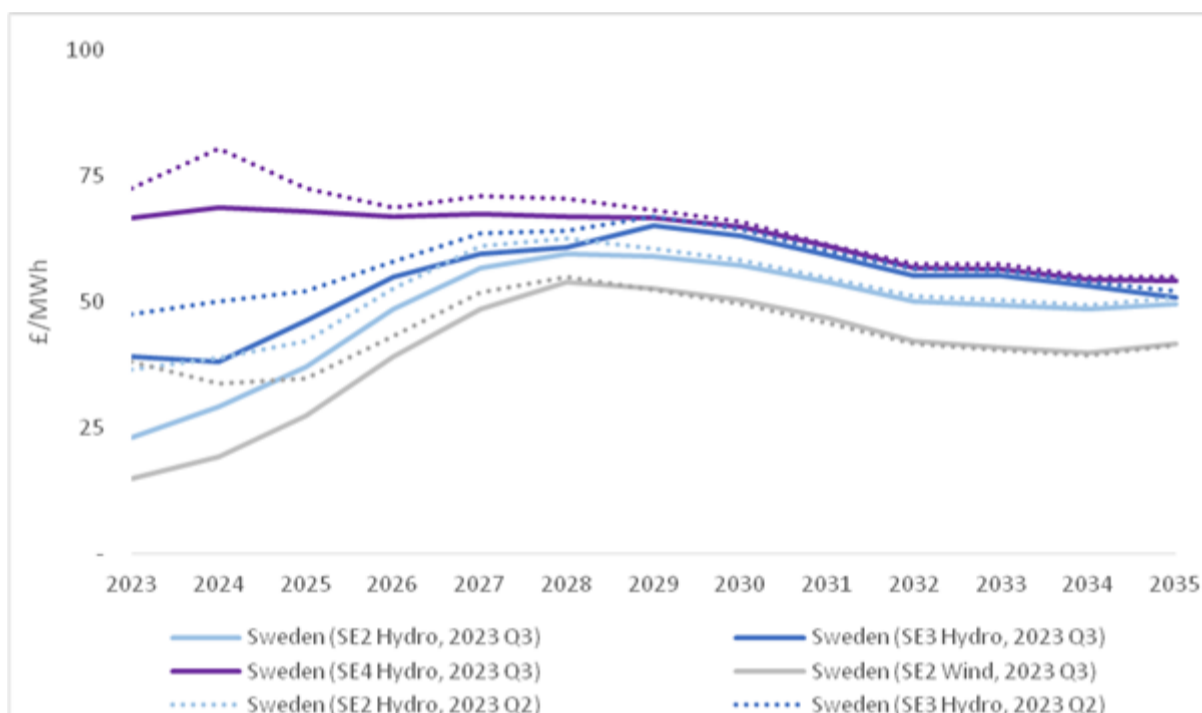


Figure 2: Comparison of weighted average forecast realised prices in Sweden (real - 2023). Prices converted to GBP for comparison purposes.



Inflation assumptions for 2024 have been updated to reflect recently available government forecasts, with UK RPI at 3.46% and Swedish RPI increasing to 4.6%. The UK inflation assumption from 2025-2030 remains at 3%, declining to 2.25% from 2030. The Swedish inflation assumption from 2025 remains at 2%, which is reflective of the Swedish central bank's target inflation rate.

#### Discount rates

There have been no material movements in our discount rates for the period. Project BlueSea (see below) was brought into the portfolio with a discount rate of 7.1%, reducing the weighted average discount rate of the portfolio from 7.8% to 7.7%. Other project discount rates have not been changed.

#### Recent deployment and acquisitions

In July 2023, DORE completed the acquisition of Project BlueSea, a Swedish Electricity Distribution System Operator for £7 million. This regulated electricity distributor delivers 16-18 GWh per annum of electricity through medium and low voltage lines to its c.1,500 domestic and business customers in Stromsund, northern Sweden. The acquisition was funded using drawings from the Company's RCF.

Greater than expected earnings in this investment in the period leading up to acquisition resulted in an uplift of £0.1m to the Company's portfolio value.

In June 2023, DORE signed an agreement to acquire the Company's first grid services asset, Mersey, with completion subject to receiving approval from OFGEM. Approval was granted on 23 October and the transaction was completed on 31 October. Mersey is a UK-based, fully operational 200 MVAR shunt reactor purchased for £11.0 million. The impact of the Mersey acquisition is not included within the September NAV.

#### Update on hydropower portfolio upgrade and entry into frequency markets

Downing Hydro AB ("DHAB") is working to upgrade its hardware and software systems to enable up to 25 of the existing 28 hydropower sites to participate in the Swedish Frequency Containment Reserve ("FCR") market.

As at mid-November 2023 the physical installations were completed at eight sites. Work proceeds on certain software, administrative, registration and pre-qualification processes, which need to be completed before the assets can participate in the FCR markets.

#### Capital allocation and delivering value for shareholders

The Board continues to keep the Company's share price discount to NAV and capital allocation approach under close review and to date has balanced accretive acquisitions and revenue optimisation initiatives with employing its share buyback.

The Company has benefitted in particular from its hydropower aggregation, modernisation and revenue optimisation strategy and has further opportunities to expand its investment in this strategy with the aim of increasing overall portfolio returns. The Company has also secured opportunities to construct battery storage projects on land owned by the hydropower facilities at projected returns in excess of other investments held by the Company and in excess of equivalent projects in the UK.

In light of the potential value to the Company of: (1) these investment opportunities; (2) reducing borrowings under the RCF; and (3) the value created through ongoing share buybacks, the Company is in the very early stages of considering potential co-investors for its existing Swedish hydropower assets.

**Tom Williams, Partner, Head of Energy and Infrastructure at Downing LLP, commented:** "We are pleased with the Company's performance in the third quarter and to have further diversified the portfolio by adding grid services income to the revenue mix. We are particularly pleased with the progress of the hydropower portfolio upgrades which we hope will see us entering the frequency containment markets for our first project by the end of the year, demonstrating our ability to build out our energy platforms and add value to existing assets. DORE's focus on maximising returns and value for shareholders remains sharp in identifying accretive opportunities both within the current portfolio and expanding pipeline."

**ENDS**

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**About Downing Renewables & Infrastructure Trust plc (DORE)**

DORE is a closed-end investment trust that 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 and Northern Europe. DORE has been awarded the London Stock Exchange's Green Economy Mark in recognition of its contribution to the global 'Green Economy' and also in 2022 DORE won 'Renewables Fund of the Year' at the Sustainable Investment Awards.

The Board classifies DORE as a sustainable fund with a core objective of accelerating 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.

DORE's strategy, which focuses on diversification by geography, technology, revenue and project stage, is designed to increase the stability of revenues and the consistency of income to shareholders. For further details please visit [www.doretrust.com](http://www.doretrust.com)

LEI: 2138004JHBJ7RHDYDR62

**About Downing LLP**

Downing is a responsible investment manager established in London in 1986. We currently manage £1.9 billion of assets under a broad range of investment mandates across our funds, investment trusts and tax-efficient products. As a certified B Corporation, we are focussed on creating a sustainable future, our key investment areas are renewable energy, infrastructure, property and healthcare.

Downing has c.50 professionals dedicated to renewable energy and infrastructure and a proven track record in renewables. Since 2010, Downing has made more than 175 investments and has over c. £760 million of assets under management in solar, wind, hydro and battery storage technology.

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