



Downing Renewables  
& Infrastructure Trust

## ANNUAL FINANCIAL REPORT

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

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## 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 ended 31 December 2023 (the "Annual Report").

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

### Highlights

- Deployed £47m into 11 investments, including:
  - £18m into electricity grids and grid stability infrastructure projects in Sweden and the UK;
  - A further £13m into a portfolio of 1600 operational rooftop solar installations in the UK; and
  - £16m into 9 hydropower plants, including the Company's first investment in Iceland.
- Reduced the proportion of the Company's revenues that are exposed to variable power prices through strategic investments in grid and grid stability assets and the Icelandic hydropower acquisition with its long term, fixed price, inflation linked revenues.
- Generated £24.7 million (up 26.6% from £19.5 million in 2022) operating profit for the underlying portfolio during the period.
- Continued to build out and optimise the hydropower portfolio, implementing hardware and software upgrades necessary to enable access to new lucrative grid frequency markets in Sweden in 2024.
- Interim dividends of **5.38 pence** per ordinary share declared in respect of the year, in line with target. Cash dividend cover of interim dividends paid during the year of 5.285 pence of 1.21x<sup>1</sup>, (2022:1.17x), increasing to 1.78x using pre debt service cashflows.
- The target dividend relating to 2024 has been increased by 7.85% to 5.80 pence per ordinary share.
- NAV total return<sup>1</sup> of 3.5% for the year to 31 December 2023 and 33.0% since IPO in December 2020.
- Net asset value ("NAV") as at 31 December 2023 was £212.1 million or 117.7 pence per ordinary share.
- The Company's renewable energy portfolio generated 395GWh in 2023, (up 21.1% from 326GWh in 2022), avoided 186,348 tonnes of CO<sub>2</sub>e (up 21.4% from 153,457 tonnes of CO<sub>2</sub>e in 2022) and powered the equivalent of 146,183 UK homes (up 29.9% from 112,523 UK homes in 2022).
- Responded to the significant discount at which the Company's shares, and the sector as a whole traded by commencing a buyback programme in March 2023. The Company repurchased 4.38 million shares increasing shareholders' NAV return by 0.6 pence per share.

### Key Metrics

|                                               | As at or for the period ending 31 December 2023 | As at or for the period ending 31 December 2022 |
|-----------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Market capitalisation                         | £162m                                           | £210m                                           |
| Share price                                   | 90.0 pence                                      | 113.5 pence                                     |
| Dividends paid in the year                    | £9.7m                                           | £8.0m                                           |
| Dividends paid in the year per ordinary share | 5.285 pence                                     | 5.000 pence                                     |

|                                                                  |                                                                                              |                                                                                              |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| GAV <sup>2,3</sup>                                               | £352m                                                                                        | £310m                                                                                        |
| NAV                                                              | £212m                                                                                        | £219m                                                                                        |
| NAV per share                                                    | 117.7 pence                                                                                  | 118.6 pence                                                                                  |
| NAV total return with respect to the year <sup>1,2,3</sup>       | 3.5%                                                                                         | 19.5%                                                                                        |
| Total Shareholder Return with respect to the year <sup>1,4</sup> | -16.3%                                                                                       | 15.1%                                                                                        |
| NAV total return since inception <sup>1,2,3</sup>                | 33.0%                                                                                        | 28.5%                                                                                        |
| Total Shareholder Return since inception <sup>1,4</sup>          | 1.1%                                                                                         | 21.1%                                                                                        |
| Weighted average discount rate <sup>5</sup>                      | 7.7%                                                                                         | 7.7%                                                                                         |
| Environmental Performance                                        | Assets avoided 186,348 tonnes of CO <sub>2</sub> and powered the equivalent of 146,183 homes | Assets avoided 153,457 tonnes of CO <sub>2</sub> and powered the equivalent of 112,523 homes |

<sup>1</sup> These are alternative performance measures.

<sup>2</sup> A measure of total asset value including debt held in unconsolidated subsidiaries.

<sup>3</sup> Based on NAV at IPO of £0.98/share

<sup>4</sup> Total returns in sterling, including dividend reinvested

<sup>5</sup> This is the weighted average discount used in the valuation of underlying investments

A glossary of terms can be found in the full Annual Report.

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

"The Board is pleased that during the period DORE continued to build significantly on its key objective of diversification by geography, technology, revenue, and project stage, namely through its investments in electricity grids and grid stability infrastructure projects in Sweden and the UK, and with the Company's first Icelandic hydropower acquisition. We are confident that DORE is well positioned to navigate the ongoing transformative period of both the macroeconomic and the global energy landscapes, and to continue delivering sustainable returns for our shareholders."

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

"It is testament to the strength of our in-house asset management team, and their ability to identify accretive growth opportunities for our assets, that the underlying portfolio has enjoyed a 26% jump in operating profit compared to the previous year. Although electricity markets have returned to normalised levels more quickly than anticipated in some of the regions in which DORE is invested, the strategic investments the Company has made in grid and grid stability assets have mitigated our exposure to this volatility and we continue to see opportunities for further diversification and incremental growth in the portfolio."

### **About DORE**

Downing Renewables & Infrastructure Trust PLC ("DORE" or the "Company") 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 stability of revenues and 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 2023, the Company had 184,622,487 ordinary shares in issue (of which 4,375,363 were held in treasury) 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").

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## Chairman's Statement

On behalf of the Board, I am pleased to present the Annual Report of Downing Renewables & Infrastructure Trust PLC ("DORE") covering the year to 31 December 2023 (the "Annual Report"). As we navigate a transformative period in the global energy landscape, the Company continues to make significant progress in achieving its strategic objectives of delivering sustainable returns through diversification of geography, technology, revenue, and project stage.

### Acquisitions

In the Company's Interim Report I advised that the Investment Manager had continued to deploy the Company's funds during the first half of 2023, when DORE acquired two additional operational hydropower plants in Sweden (with annual generation of 8.3 GWh), for £5.1 million, a portfolio of operational solar PV assets located in the UK for £12.6 million and Mersey Reactive Power, a UK-based, fully operational project providing grid stability services to the transmission system for £11.0 million.

The second half of the year saw further progress in increasing the stability of revenues and consistency of income to shareholders.

In July, DORE made its second acquisition in the grid infrastructure sector, a Swedish Electricity Distribution System Operator, Blasjon Nat AB ("Blasjon"), for £7.6 million. Blasjon is a regulated electricity distributor which 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. Its revenues are set by the Swedish regulator and are dependent on neither volume nor price of electricity, increasing the Company's diversification of revenues and reducing the proportion of the Company's revenues that are exposed to variable power prices.

Further geographic and electricity market diversification was achieved with the acquisition of a 8.3 GWh per annum hydropower plant, located in south-central Iceland, for £5.0 million. The plant has been operational since 2018 and adds long-term, fixed price, inflation-linked revenues to the Company's portfolio, and also reduces the proportion of Company's revenues that are exposed to variable power prices. The Company now generates revenue from four different revenue sources and has two new revenue streams that are not derived from energy sales.

The core Swedish hydropower portfolio was bolstered through the acquisition of a further five hydropower plants for a total investment of £6.0 million. The acquisitions increase the total number of hydropower plants owned by DORE to 34 with a total average annual production of 215 GWh per annum, increasing the Swedish hydropower platform generation capacity by c.14% and the storage capacity to 213 million cubic meters.

Further details on the acquisitions during the period can be found in the Investment Manager's Report below.

The Board is pleased with the deployment of £47 million during the year, further increasing geographical and revenue diversification. At the portfolio level, the Investment Manager's in-house asset management team remains committed to ensuring ongoing positive operational performance. This performance, combined with the accretive acquisitions, has enabled the Company to raise the dividend target by 7.85% to 5.80 pence per ordinary share in respect of the year from 1 January 2024.

### Debt Facilities

In the interests of capital efficiency and to enhance the potential for income returns, and long-term capital growth, the Company is permitted to maintain a conservative level of gearing. As at 31 December 2023, the total Portfolio's gearing (expressed as a loan to value (LTV) ratio) was 40% (2022: 30%). The Company has access to a £40m Revolving Credit Facility ("RCF"), of which £18.6m is drawn. There are two additional long term debt facilities at asset level, a £78.8 million facility which is fully drawn and a €68.5 million facility of which €49.4 million was drawn as at 31 December 2023. In total, the sterling value of debt was £140 million at 31 December 2023. The weighted average cost of debt across the borrowings is 2.5%.

Further information on these facilities can be found in the Investment Manager's Report, and the Company's borrowing policy is laid out in the full Annual Report.

### Portfolio Performance

The underlying portfolio generated £24.7 million (2022: £19.5 million) operating profit during the period<sup>6</sup>, an 11.6% return (2022: 8.9%) on equity capital deployed. The 4,866 core renewable energy assets produced approximately 396 GWh of renewable electricity, enough to power 146,183 houses, with the two new grid infrastructure assets in particular performing well.

### Financial Results

Despite the strong return on capital deployed, during the period the NAV per ordinary share decreased 0.8% from 118.6 pence at 31 December 2022 to 117.7 pence at 31 December 2023. Including dividends paid of 5.285 pence per ordinary share in the year, the NAV total return since 31 December 2022 was 3.5% resulting from the valuation across all four technologies and the payment of the dividend. The reduction in NAV was largely driven by future power prices being forecast to return to more normalised levels more rapidly than anticipated at the start of the year.

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. Further details of the valuation changes are given in the full Annual Report.

The portfolio companies distributed £15.2 million to the Company by way of shareholder loan repayments and interest during the period. Cash of £3.7 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 2023 of £6.9 million, resulting in earnings per ordinary share of 3.8 pence.

### Dividends

The Company has paid interim dividends to shareholders of 1.345 pence per share for the first three quarters of 2023, and a further dividend of 1.345 pence per share was announced on 20 February 2024 in respect of the quarter to 31 December 2023. Together, these amount to the 5.38 pence per share target for the 2023 financial year, announced on 2 March 2023.

In cash terms, the Company and its subsidiary achieved a cash dividend cover of 1.21x against the dividends of 5.285 pence per share paid during the year. When amortisation of debt is added back, the dividend cover was 1.78x. Cash dividend cover has been calculated on the basis of cash actually received by the Company and its immediate subsidiary, post the payment of any debt service obligations.

The Company will target a dividend of 5.80 pence per share relating to the year to 31 December 2024, a 7.85% increase from 2023. The increased dividend is expected to be covered by cash in excess of 1.35x by the current portfolio.

### Capital Structure

Share prices across the broad infrastructure investment fund sector are depressed and the Company is trading at a discount to NAV. The Board is closely monitoring the Company's share price discount and is committed to buying back its own shares when deemed appropriate. While share buybacks will not necessarily prevent the discount from widening, particularly in times of market weakness or volatility, the Board believes that buybacks enhance the NAV per share for existing shareholders, provide some additional market liquidity and help to mitigate discount volatility which can damage shareholder returns.

During the twelve months to 31 December 2023 the Company has bought back a total of 4,375,363 shares into treasury at a cost of £4.1 million. Since the period end, a further 2,544,899 shares have been bought back into treasury at a cost of £2.1m. As at 10 April 2024, the Company had 184,622,487 shares in issue (including 6,920,262 shares held in treasury, which are available to be resold at a premium to NAV per ordinary share when the opportunity arises).

Alongside buybacks the Board has balanced accretive acquisitions and revenue optimisation initiatives. 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 continues to make progress in considering potential co-investors for its existing Swedish hydropower assets.

### Outlook

The Board is pleased with the deployment of £47 million in high-quality investments made in the year and is especially encouraged by the progress made into further diversifying the portfolio with acquisitions in both a new geography (Iceland) and a new technology (grid infrastructure).

In 2024, the Investment Manager's in-house asset management team will continue to focus on delivering positive operational performance and increasing revenues from the portfolio through optimisation initiatives and careful allocation of capital.

The area of greatest focus and where the potential return is greatest is in implementing the software and hardware upgrades that enable the hydropower plants to participate in frequency containment reserve ("FCR") markets in Sweden. This increases the number of revenue streams and the overall capital value of the plants and the Investment Manager believes that this could add as much as 5% to the value of the hydropower portfolio over time with little capital investment required. The hardware has currently been installed at 20 plants.

The Company will continue to leverage the deep expertise of the Investment Manager to deliver strong operational performance while placing its sustainability goals at the centre of its operational objectives.

The Board looks forward to bringing shareholders further updates on future progress.

**Hugh W M Little**  
Chair

10 April 2024

Downing Renewables & Infrastructure Trust PLC

<sup>6</sup> Based on figures from underlying spv unaudited management accounts which are not included within this report.

## 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 4.035 pence per share in respect of the year ending 31 December 2023. The company has declared a further 1.345 pence per share to be paid in | The Company successfully met the increased dividend guidance of 5.38 pence per share for the year to 31 December 2023. The Company's annual dividend target will increase by 7.85% for the year ended |

|                                                        |                                                  |                                                                                                                                                    |                                            |                                                                                                                                                                                                                                   |
|--------------------------------------------------------|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                        |                                                  |                                                                                                                                                    | respect of the period to 31 December 2023. | 31 December 2024 to 5.80 pence per share.                                                                                                                                                                                         |
|                                                        | Cash dividend cover <sup>12</sup>                | Reflects the Company's ability to cover its dividends from the income received from its portfolio.                                                 | 1.21x                                      | The Company, through DORE Hold Co received distributions of £15.2m from the underlying projects enabling the Company to pay fully covered dividends. £11.5 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) <sup>12</sup>              | The NAV per share reflects our ability to preserve capital value and provide an element of capital growth throughout the life cycle of our assets. | 117.7 pence per share                      | 117.7 pence per share as at 31 December 2023. NAV has decreased since 31 December 2022 from 118.6 pence per share after taking into account dividends paid.                                                                       |
|                                                        | Total NAV return (%) <sup>12</sup>               | The total NAV return measure highlights the gross return to investors including dividends paid.                                                    | 3.5%                                       | The Company's NAV has decreased due to the downward revaluation of the Company's Investment in Hold Co, however the Total NAV % increased due to dividends paid.                                                                  |
|                                                        | Total Shareholder return since IPO <sup>12</sup> | The share price movement plus reinvested dividends over a period, is a measure of a company's capital growth over the long term.                   | 1.1%                                       | The Company's closing share price as at 31 December 2023 was 90.0 pence per share.                                                                                                                                                |
|                                                        | Ongoing charges ratio <sup>12</sup>              | Ongoing charges shows the drag on performance caused by the operational expenses incurred by the Company.                                          | 1.6%                                       | Company level budgets are approved annually by the Board and actual spend is reviewed quarterly. Transaction budgets are approved by the Board and potential abort exposure is carefully monitored.                               |

<sup>12</sup>These are alternative performance measures.

A glossary of terms can be found in the full Annual Report.

#### 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 Sustainability report in the full Annual Report. The Board is of the opinion that the KPIs detailed in the table above, alongside the environmental, social and governance objectives set out in the full Annual Report 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.

#### Portfolio Summary

At the year end, through its main subsidiary, DORE HoldCo Limited, the Company owned a renewable energy portfolio of hydropower, wind and solar assets, representing 203 MW of installed capacity with expected annual generation of around 424 GWh.

The Company also owns a grid infrastructure portfolio including a shunt reactor that regulates voltage on the UK Transmission System by absorbing 200MVAR reactive power per hour and a Swedish Electricity Distribution System Operator which delivers electricity to c.1,500 domestic and business customers.

The generating portfolio is diversified across 4,868 individual installations and across five different energy markets. The grid infrastructure portfolio is diversified across two geographies and technologies.

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

#### Portfolio composition by valuation, as at 31 December 2023

| Technology by GAV (%) |    |
|-----------------------|----|
| Hydro                 | 44 |
| Solar                 | 42 |
| Wind                  | 8  |
| Grid Services         | 5  |
| Cash                  | 1  |

| Geography by GAV (%) |    |
|----------------------|----|
| Sweden               | 52 |
| Great Britain        | 37 |
| Northern Ireland     | 8  |
| Iceland              | 2  |
| Cash                 | 1  |

| Power Market Exposure by GAV (%) |    |
|----------------------------------|----|
| Great Britain                    | 34 |
| Sweden - SE2                     | 26 |
| Sweden - SE3                     | 21 |
| Northern Ireland                 | 8  |
| No Exposure                      | 5  |
| Sweden - SE4                     | 4  |
| Iceland                          | 2  |

| Investment                 | Technology | Date Acquired | Location                   | Power Market / Subsidy | Installed capacity (MW) | Expected annual generation (GWh) |
|----------------------------|------------|---------------|----------------------------|------------------------|-------------------------|----------------------------------|
| Ugsi                       | Hydro      | Feb-21        | Alvadalen, Sweden          | SE3/n/a                | 1.8                     | 10.0                             |
| Bathusstrommen             | Hydro      | Feb-21        | Alvadalen, Sweden          | SE3/n/a                | 3.5                     | 13.7                             |
| Asteby                     | Hydro      | Feb-21        | Torsby, Sweden             | SE3/n/a                | 0.7                     | 2.8                              |
| Fensbol                    | Hydro      | Feb-21        | Torsby, Sweden             | SE3/n/a                | 3.0                     | 14.0                             |
| Robjorke                   | Hydro      | Feb-21        | Torsby, Sweden             | SE3/n/a                | 3.3                     | 14.9                             |
| Vals                       | Hydro      | Feb-21        | Torsby, Sweden             | SE3/n/a                | 0.8                     | 3.2                              |
| Torsby                     | Hydro      | Feb-21        | Torsby, Sweden             | SE3/n/a                | 3.1                     | 13.2                             |
| Tvarforsen                 | Hydro      | Feb-21        | Torsby, Sweden             | SE2/n/a                | 9.5                     | 36.9                             |
| Sutton Bridge              | Solar      | Mar-21        | Somerset, England          | UK/ROC                 | 6.7                     | 6.7                              |
| Andover Airfield           | Solar      | Mar-21        | Hampshire, England         | UK/ROC                 | 4.3                     | 4.2                              |
| Kingsland Barton           | Solar      | Mar-21        | Devon, England             | UK/ROC                 | 6.0                     | 5.9                              |
| Bourne Park                | Solar      | Mar-21        | Dorset, England            | UK/ROC                 | 6.0                     | 6.0                              |
| Laughton Levels            | Solar      | Mar-21        | East Sussex, England       | UK/ROC                 | 8.3                     | 8.8                              |
| Deeside                    | Solar      | Mar-21        | Flintshire, Wales          | UK/FIT                 | 3.8                     | 3.4                              |
| Redbridge Farm             | Solar      | Mar-21        | Dorset, England            | UK/ROC                 | 4.3                     | 4.2                              |
| Iwood                      | Solar      | Mar-21        | Somerset, England          | UK/ROC                 | 9.6                     | 9.3                              |
| New Rendy                  | Solar      | Mar-21        | Somerset, England          | UK/ROC                 | 4.8                     | 4.7                              |
| Redcourt                   | Solar      | Mar-21        | Carmarthenshire, Wales     | UK/ROC                 | 3.2                     | 3.2                              |
| Oakfield                   | Solar      | Mar-21        | Hampshire, England         | UK/ROC                 | 5.0                     | 4.7                              |
| Kerriers                   | Solar      | Mar-21        | Cornwall, England          | UK/ROC                 | 10.0                    | 9.7                              |
| RSPCA Llys Nini            | Solar      | Mar-21        | Swansea, Wales             | UK/ROC                 | 0.9                     | 0.8                              |
| Commercial portfolio       | Solar      | Mar-21        | Various, England and Wales | UK/FIT                 | 5.5                     | 4.3                              |
| Commercial portfolio       | Solar      | Mar-21        | Various, Northern Ireland  | SEM/NIROC              | 0.7                     | 0.5                              |
| Bombardier                 | Solar      | Mar-21        | Belfast, N. Ireland        | SEM/ROC                | 3.6                     | 2.8                              |
| Residential portfolio      | Solar      | Mar-21        | Various, N. Ireland        | SEM/NIROC              | 13.1                    | 10.1                             |
| Lemman                     | Hydro      | Jan-22        | Alvadalen, Sweden          | SE3/n/a                | 0.6                     | 2.6                              |
| Ryssa Ovre                 | Hydro      | Jan-22        | Mora, Sweden               | SE3/n/a                | 0.7                     | 2.6                              |
| Ryssa Nedre                | Hydro      | Jan-22        | Mora, Sweden               | SE3/n/a                | 0.6                     | 2.4                              |
| Rots Ovre                  | Hydro      | Jan-22        | Alvadalen, Sweden          | SE3/n/a                | 0.8                     | 2.8                              |
| Rots Nedre                 | Hydro      | Jan-22        | Alvadalen, Sweden          | SE3/n/a                | 0.3                     | 1.4                              |
| Gabrielsberget Syd Vind AB | Wind       | Jan-22        | Aspea, Sweden              | SE2/n/a                | 46.0                    | 107.9                            |
| Vallhaga                   | Hydro      | Jan-22        | Edsbyn, Sweden             | SE2/n/a                | 2.6                     | 12.8                             |
| Osterforsens Kraftstation  | Hydro      | Jan-22        | Edsbyn, Sweden             | SE2/n/a                | 1.5                     | 11.5                             |
| Bornforsen 1               | Hydro      | Jan-22        | Edsbyn, Sweden             | SE2/n/a                | 0.7                     | 2.9                              |
| Bornforsen 2               | Hydro      | Jan-22        | Edsbyn, Sweden             | SE2/n/a                | 1.4                     | 9.3                              |
| Fridafors Ovre             | Hydro      | May-22        | Fridafors, Sweden          | SE4/n/a                | 2.3                     | 10.0                             |
| Fridafors Nedre            | Hydro      | May-22        | Fridafors, Sweden          | SE4/n/a                | 2.9                     | 7.7                              |
| Hedvigsfors                | Hydro      | Oct-22        | Sweden                     | SE2/n/a                | 0.3                     | 1.2                              |
| Gysinge                    | Hydro      | Oct-22        | Sweden                     | SE3/n/a                | 0.3                     | 2.5                              |
| Brattfallet                | Hydro      | Oct-22        | Sweden                     | SE3/n/a                | 0.5                     | 3.7                              |
| Molnbacka                  | Hydro      | Oct-22        | Sweden                     | SE3/n/a                | 1.8                     | 3.8                              |
| Varan Ovre                 | Hydro      | Oct-22        | Sweden                     | SE3/n/a                | 0.2                     | 1.2                              |
| Varan Nedre                | Hydro      | Oct-22        | Sweden                     | SE3/n/a                | 0.2                     | 1.2                              |

|                                      |                  |        |                                   |            |              |              |
|--------------------------------------|------------------|--------|-----------------------------------|------------|--------------|--------------|
| Kristinefors                         | Hydro            | Oct-22 | Sweden                            | SE3/n/a    | 0.1          | 0.7          |
| Hogforsen                            | Hydro            | Feb-23 | Sweden                            | SE2/n/a    | 0.35         | 2.5          |
| Gottne                               | Hydro            | Feb-23 | Sweden                            | SE2/n/a    | 0.7          | 5.8          |
| AEE<br>Renewables UK<br>13           | Solar            | Apr-23 | Devon, England                    | UK/ROC/FIT | 5.6          | 5.6          |
| Gloucester Wind                      | Solar            | Apr-23 | Various, England<br>and Wales     | UK/FIT     | 1.1          | 1.2          |
| Hewas Solar                          | Solar            | Apr-23 | Various, England<br>and Wales     | UK/FIT     | 2.0          | 1.9          |
| Penhale Solar                        | Solar            | Apr-23 | Surrey, England                   | UK/FIT     | 0.3          | 0.4          |
| Priory Farm<br>Solar Farm            | Solar            | Apr-23 | Suffolk, England<br>Great Britain | UK/ROC     | 3.2          | 2.5          |
| St Colomb Solar                      | Solar            | Apr-23 | Various, England<br>and Scotland  | UK/FIT     | 0.8          | 0.6          |
| Blasjon Nat                          | Grid             | Jul-23 | Sweden                            | SE2        | n/a          | n/a          |
| Mersey                               | Shunt<br>reactor | Nov-23 | United Kingdom                    | UK/n/a     | n/a          | n/a          |
| Bruket                               | Hydro            | Dec-23 | Sweden                            | SE2/n/a    | 0.9          | 3.9          |
| Nylandsan                            | Hydro            | Dec-23 | Sweden                            | SE2/n/a    | 0.55         | 1.6          |
| Kallsjon                             | Hydro            | Dec-23 | Sweden                            | SE2/n/a    | 0.25         | 0.7          |
| Tunsjon                              | Hydro            | Dec-23 | Sweden                            | SE2/n/a    | 0.25         | 0.6          |
| Lagmansholm                          | Hydro            | Dec-23 | Sweden                            | SE3/n/a    | 0.5          | 2.4          |
| Urdarfellsvirkjun                    | Hydro            | Dec-23 | Iceland                           | IS/n/a     | 1.1          | 8.3          |
| <b>TOTAL AS AT 31 DECEMBER 2023:</b> |                  |        |                                   |            | <b>202.9</b> | <b>424.2</b> |

## Investment Manager's Report

### Introduction

We are delighted with the progress made investing in the portfolio during the year. The Company announced eight acquisitions in the hydropower, solar and grid infrastructure sectors totaling £47 million, which support and strengthen the Company's aim of diversification by technology, geography, power market exposure and revenue. During the year GAV increased by 13% from £310 million to £352 million and the expected annual generation of the portfolio grew by 11% from 382 GWh to 424 GWh. In addition, two non-generation assets were acquired, providing revenue streams that are not derived from energy sales.

### Acquisitions and Capital Deployment

Although we have focused on growing the core renewables portfolio, we have also prioritised our strategic aim of reducing the proportion of the Company's portfolio that is exposed to merchant power prices through investment in grids and grid infrastructure projects. This is an attractive sector for the Company and one which we believe has huge potential to unlock value.

We delivered further geographical diversification through the acquisition of the Company's first hydropower plant in Iceland, which also benefits from long term, fixed price, inflation linked revenues through its power sales agreement. We believe that Iceland is an attractive market for the Company, particularly given the long term offtake contracts available for generating assets.

A great deal of resource has been dedicated to upgrading the capabilities of the Company's hydropower portfolio, concentrating efforts on the area of the portfolio where the return on investment has the potential to be highest.

#### Hydropower - Downing Hydro AB ("DHAB")

DHAB is the vehicle through which the Group acquires and owns its portfolio of hydropower plants.

In January 2023, the Group acquired a 2.5 GWh hydropower plant in Hogforsen, on the Gilleran river, a tributary to the Indalsalven river, in Sweden's SE2 region. The plant was commissioned in 1915 and in 2011, the plant underwent a major renovation, including replacement of generator, turbine and control system.

In March 2023, the Group acquired a 6 GWh hydropower plant in the municipality of Gottne, located on the Moalven river, also in SE2. The plant underwent a major refurbishment in 2015.

In December 2023, the Group acquired a 7GWh portfolio of four hydropower plants and a reservoir located in the Bruksan tributary in Sweden's SE2. The plants were originally built between 1890 and 1930, three of which were refurbished between 2008 and 2012. All four plants benefit from meaningful reservoir capacity that allows for better water storage and management to optimise production.

Also in December 2023, the Group acquired a 2.4 GWh hydropower plant in the SE3 pricing region located on the Savean river in south-west Sweden. It includes an upstream weir, which regulates waterflow from a lake, enabling better resource management to improve energy production. The hydropower plant was originally built in the 1930s but underwent extensive refurbishment in 2013. This asset expands the existing portfolio into a new geographical area and river system, further diversifying the portfolio across different water catchment areas.

The above acquisitions increased the total number of DORE's Swedish hydropower plants to 34 with a total annual average production of c. 215 GWh. The new hydropower plants will be integrated into the existing portfolio and will continue to support DORE's highly diversified investment strategy, designed to increase the stability of revenues and consistency of income to shareholders.

The acquisitions were accretive to NAV, due to operational and capital efficiencies resulting from the integration of the assets into the Company's platform. During the period, a £0.3 million increase in NAV was recognised as the new investments were brought into the platform.

#### Iceland

The Company acquired its first Icelandic asset, an 8 GWh (1.1 MW) hydropower plant, located in south-central Iceland. The Urdafellsvirkjun plant has been operational since 2018 and comprises a powerhouse, penstock and dam facilities. Unlike the Swedish assets, where the freehold land is owned, this asset has a lease agreement that secures the land and water rights for the next 65 years, with strong rights to extend. The useful life of the asset is valued over 30 years, noting that the Swedish assets are perpetual.

Iceland has a unique energy market shaped by its abundant renewable energy resources, primarily geothermal and hydroelectric power, making it one of the cleanest and most sustainable energy markets globally. Energy-

intensive industrial consumers have been drawn to Iceland due to its ability to provide consistent and relatively low-cost electricity; causing Iceland to have the highest per capita generation/ consumption of renewable energy in Europe. Similar to other European countries, Iceland is actively progressing towards electrification for vehicles and the maritime sector, further increasing future demand for electricity.

The Icelandic hydropower market provides an attractive investment proposition for the Company, with electricity producers benefitting from 100% inflation-linked take-or-pay offtake arrangements with no exposure to merchant power pricing for the duration of the offtake agreement. In the past few years, power prices have been increasing in Iceland but remain relatively low compared to its European peers providing upside opportunities.

The hydropower plant benefits from a Euro denominated, inflation linked, 100% pay-as-produce offtake agreement with HS Orka, the third largest electricity producer in Iceland running until 2032.

#### Solar - Domestic Rooftop Portfolio

In April 2023, the Group acquired a portfolio of operational solar PV assets located in the UK for a cash consideration of £12.6 million. The 13.0 MWp portfolio of two ground-mounted sites and approximately 1,600 commercial and residential installations benefits from high levels of feed-in tariffs and renewable obligation certificate subsidies running to 2037. As a result of acquiring these assets, the proportion of revenue derived from subsidies within the solar portfolio has risen from 51% to 54%.

The new portfolio will increase the total number of DORE's solar assets to c.4,800, with a total annual average production of 100 GWh. The new portfolio benefits from high subsidies, equating to c. £122/MWh during the year. In addition, it has benefited from high fixed power purchase agreements, meaning during 2023 the average power price achieved was £105/MWh.

DORE will remain unaffected by the UK's Electricity Generator Levy ("EGL") following this acquisition, with the Company having significant headroom in the EGL's annual allowance.

#### Grid infrastructure - Blasjon Nat AB

In July, DORE acquired a Swedish Electricity Distribution System Operator ("DSO"), Blasjon Nat AB ("Blasjon"), for £8.5 million. Blasjon is a regulated electricity distributor, which 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 DSO grid network is a monopoly with very long-life assets (comparable to the lifespan of the Company's hydropower portfolio). It is a critical entity within the electricity supply chain that plays a vital role in the efficient and reliable distribution of electrical power to end-users. The electricity distribution system is the part of the power grid responsible for delivering electricity from the generating powerplants to consumers, businesses, and industries at lower voltage levels.

Blasjon's grid network is 436km in length and comprises overhead lines, three primary and 161 secondary substations. Blasjon operates a licensed monopoly in a highly regulated environment and generates consistent and predictable cashflows that are not exposed to energy price fluctuations. Long term revenues under the regulatory regime are linked to inflation and interest rates. Blasjon's revenues are set by Energimarknadsinspektionen, the Swedish electricity market regulator to meet a predetermined return on capital.

#### Grid infrastructure - Reactive Power

In October, the Group acquired Mersey Reactive Power, a UK-based, fully operational 200 MVar shunt reactor for a cash consideration of c.£11.0 million. It is located in Frodsham, Merseyside.

This grid infrastructure asset became operational in May 2022 and was the first project to go live as part of the National Grid's Stability Pathfinder initiative. Mersey Reactive Power further increases the Company's long term, inflation linked, fixed revenues, by virtue of its availability-based contract with National Grid ESO which runs until 2031.

The project, which has an expected asset life of 40 years, supports the UK's electricity system in voltage management, providing reactive power to increase network resilience, reducing costs to consumers and lowering carbon emissions.

Mersey Reactive Power supports the balancing of real and reactive power through a shunt reactor, a piece of electrical equipment used in high-voltage electricity transmission systems. It is a passive device, meaning it does not generate electricity itself but rather helps to regulate the flow of electricity on the power grid.

Traditionally, reactive power services have been provided by large fossil fuel plants, but to support the transition to low and zero carbon energy, new sources and providers of reactive power are needed. The Mersey region has been identified as a key problem area for reactive power, an issue which is expected by National Grid ESO to become more acute as fossil fuel generation assets continue to be decommissioned across the network, positioning the Mersey project well for the future.

Blasjon and Mersey account for 6.5% of the portfolio's annualised revenues, providing a steady stream throughout the year with low seasonal variations.

### **Market Development and Opportunities in the Frequency Regulation Markets**

The outlook for the Company is very encouraging, given the strong operational performance of the existing assets and eight new acquisitions signed in 2023, including the Company's first two grid infrastructure assets, which further diversify the portfolio.

The Investment Manager is focussed on deploying capital into areas of the portfolio where the potential return on capital is the greatest. Accordingly, the Investment Manager is pursuing opportunities to gaining access to the attractive Swedish Frequency Containment Reserve ("FCR") market by building out the hydropower plants into power generation stations through the installation of add-on equipment and software. The Investment Manager has also been identifying sites for the installation of battery energy storage systems ("BESS"), often located on land owned by the hydropower portfolio, which will enable DORE to gain access to the Fast Frequency Reserve ("FFR") markets, thus creating additional revenue streams and increasing productivity of the site.

The FFR market requires instantaneous reactions to address immediate frequency deviations, while FCR provides a slightly more gradual response to maintain overall grid stability. Both reserves play crucial roles in ensuring reliable electricity supply.

The combination of an increasingly centralised operation system across the hydropower portfolio and software and hardware upgrades will enable the Company to regulate its power production to such an extent that it can bid to participate in the FCR markets. The storage capability of hydropower plants acts in a similar but slower manner to that of a battery, allowing hydropower production to be adjusted relatively quickly (up or down) to assist in stabilising the grid.

Downing LLP, a professional Asset Manager (the "Asset Manager") has now upgraded hardware and software at 20 hydropower sites to enable the additional functionality required to participate in these markets, and it is now



anticipated that the first of the Swedish hydropower plants will be able to participate in Q2 2024.

Most of DORE's hydropower plants can participate in the Frequency Containment Reserve for Normal Operation ("FCR-N") market with some assets also deemed suitable for the Frequency Containment Reserve for Disturbances ("FCR-D") market. This opens up the portfolio to new revenue streams with limited capital investment requirement.

Limited supply in the FCR / FFR markets, combined with increased underlying demand resulting from an increased share of intermittent generation in the electricity system, has created high FFR and FCR prices, making the Swedish market particularly attractive.

The Investment Manager has estimated the additional value of the revenues from the FCR-N and FCR-D markets at 4-5% of the net asset value of the hydropower portfolio. Given the advanced status of the programme, approximately 50% of this value is now reflected in the valuation of the hydropower portfolio at 31 December 2023.

A project is also underway to register the Swedish windfarm Gabrielsberget Syd Vind AB for manual Frequency Restoration Reserve ("mFRR") in the Nordics. To enable this, the Asset Manager is upgrading the current hardware onsite to allow for remote power down and this project is expected to be complete in Q2 2024. No value has been included in the valuation of the Swedish windfarm for potential future mFRR revenues.

### Portfolio Performance

For the year to 31 December 2023, the 4,866 core renewable energy assets produced approximately 396 GWh of renewable electricity. Operating profit increased 27% and generation increased 21% in the year.

From a financial perspective, the portfolio generated an operating profit of £24.7 million<sup>8</sup>, which was below expectations. Operating profit variance was primarily caused by low electricity prices across the Nordics resulting from high levels of hydropower generation in the region during a particularly wet summer, combined with low demand from the European market where there has been high levels of gas storage throughout the year. This had a direct impact on the revenues generated by the wind and hydropower portfolios.

Contributions to operating profit from the underlying technologies varied. Operating profit across the solar portfolio exceeded expectations at £16.9m, driven by strong Renewable Energy Guarantee of Origin ("REGO") pricing. Generation from the solar portfolio was 95 GWh across the year and was moderately impacted by proactive interventions to replace and / or upgrade electrical equipment across several ground mount sites. Examples of these projects include replacing PV connectors and panels and a full inverter repowering project in Andover. These workstreams completed during the period now position the portfolio well for improved technical performance going forwards. As previously reported the dynamic spare parts strategy implemented in 2022 continues to support the solar portfolio in mitigating the risk of downtime through prolonged equipment lead times.

Operating profit for the hydropower portfolio was £5.8m, which was lower than expected, despite generation being broadly in line with expectations at 194 GWh. This was driven by power prices in Sweden (which started the year at relatively high levels as a result of the invasion of Ukraine) reducing to more normalised levels more quickly than expected. Operational performance was broadly in line with expectations in the wind portfolio, with generation at 106 GWh. Operating profit was £1.0m, also below budget for the same reasons as the hydropower portfolio.

Investments into new technologies during the period brought additional revenue streams to the portfolio. The grid infrastructure assets had an operating profit of £1m, which was in line with expectations. The UK grid stability asset, Mersey, performed very well during the period, driven by strong availability, enabling the asset to benefit from its fixed revenue contract to provide a reactive power stabilisation service to the National Grid. This was offset by the Swedish electricity distribution grid, Blasjon, incurring excess costs for storm damage repairs. Costs were also incurred for grid and land works required to set up new customer connections, the benefit of which will be reaped in future periods.

<sup>8</sup>Based on underlying spv management accounts

|                       | 2023   |        |        |                     |       | 2022  |       |       |                     |       |
|-----------------------|--------|--------|--------|---------------------|-------|-------|-------|-------|---------------------|-------|
|                       | Hydro  | Wind   | Solar  | Grid/Grid Stability | Total | Hydro | Wind  | Solar | Grid/Grid Stability | Total |
| GWh generated         | 194.2  | 105.8  | 94.7   | N/A                 | 394.7 | 128.3 | 108.0 | 89.9  | N/A                 | 326.3 |
| Average price per MWh | €55.98 | €30.60 | £216.0 | N/A                 | £49.0 | €72.9 | €29.9 | £65.5 | N/A                 | £51.0 |
| Revenues (£m)         | 9.5    | 3.3    | 21.5   | 2.0                 | 36.3  | 8.2   | 3.1   | 15.4  | N/A                 | 26.7  |
| Operating profit (£m) | 5.8    | 1.0    | 16.9   | 1.0                 | 24.7  | 6.0   | 1.0   | 12.5  | N/A                 | 19.5  |

### Portfolio and Asset Management

The Investment Manager has continued to invest and strengthen its capabilities, with seven additional hires during the period. The 31 strong team is located in offices in London, Stockholm and Glasgow, where the skill set and expertise spans a broad range of specialisms such as 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 any acquisition being completed, the asset management team carries out a comprehensive onboarding process to ensure that new assets are transitioned smoothly into the wider energy portfolio resulting in an optimised performance from that asset from day one of ownership.

The onboarding 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, and 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 of an acquisition.

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 and deploying the latest technologies and tools to optimise strategies such as preventative maintenance or water dispatch to increase power generation and therefore returns to investors.

The effectiveness of having such a dynamic and efficient onboarding process was demonstrated during the period as the asset management team onboarded two new grid technologies. As a result of well-established systems and processes, the asset management team quickly completed onboarding and have now fully incorporated these new technologies into normal operations and existing systems.

#### Optimisation

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

Significant progress has been made on the previously reported hydropower digitalisation project. Four pilot hydropower sites were successfully connected to a centralised control and data system and performance of these sites can now be remotely monitored and controlled. Furthermore, the sites are now being integrated into GPM software, which will allow extended analytics and insights and mark the completion of the pilot project. This will also enable the Asset Manager to use real-time data on reservoir levels and flow rates, alongside the Optimal Price Analysis tool to make flexible decisions on optimal periods of generation. Given the success of the pilot projects, the digitalisation programme is now being rolled out across the balance of the hydropower portfolio.

The asset management team has undertaken several optimisation projects to replace and improve technical equipment within the UK ground-mounted solar portfolio. Having recognised a systematic issue with inverters at one 4.3 MW site, the asset management team successfully replaced all 200 inverters during the period, with old inverters now kept in stock as spare parts. Inverters at five additional sites were upgraded during the period to improve heat dissipation which will reduce failure rates and downtime in the future. The asset management team has also been active in pursuing a number of warranty claims against panel manufactures where systematic panel defects exist. So far these claims have been successful at two sites where 100% of panel connectors have been replaced by the manufacturer.

Ongoing active power price management ensures revenues are optimised in the UK and Nordic markets. This included the forward sale REGO and Guarantee of Origin (GOO) certificates which will enable the portfolio to benefit from the current strong market pricing of these certificates and fix strong and stable revenues for several years into the future.

#### Health and Safety

The health and safety of contractors and the public is a fundamental part of management processes. Throughout the period, the Investment manager maintained a range of workstreams in line with the Company's approach to Health and Safety management and continued to actively review the approach to ensure continuous improvement.

Following the investment in Blasjon, a Swedish Electricity Distribution System Operator delivering electricity to c.1,500 domestic and business customers, the Investment Manager has undertaken a thorough review of operational procedures which confirmed adherence to Swedish Standard Electrical Safety Guidelines (ESAs) procedures for the asset. The asset runs at a significant distance through rural mountainous areas of Sweden where access is often difficult and requires specialist vehicles such as snowmobiles. To enhance contractor safety and optimise grid stability in the case of cables impacted by adverse weather conditions, a phased programme is underway to upgrade the isolation methods of overhead cables.

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 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.

#### **Financing and Capital Structure**

The Company through its subsidiary DORE Holdco Limited adopts a prudent approach to leverage. Its objective is that each asset will be financed appropriately for the nature of its underlying cashflows. 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 2023, including project level financing, the Company and its subsidiaries' leverage stood at 40%.

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 2023, 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. As at 31 December 2023, the total drawn amount under the RCF was £18.6 million.

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. The RCF is available to be drawn for the funding of investments and working capital requirements. 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 be able to make use of funds in other currencies) and is priced at the Sterling Overnight Index Average ("SONIA") or Euro Interbank Offered Rate ("EURIBOR") plus 2.25% per annum.

#### 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. Given the strong transaction pipeline and ongoing capital expenditure requirements, DHAB entered into a seven-year bullet repayment EUR 43.5 million debt facility with SEB, a leading corporate bank in the Nordics.

In December 2023, the SEB facility was increased from EUR 43.5 million to EUR 68.5 million to fund future capital expenditure requirements and further acquisitions. The total all-in cost of the drawn debt for 2024 is c. 3.3%, benefitting from swaps until end of 2033.

As of 31 December 2023, DHAB has drawn down EUR 49.4 million under the facility, predominately as source of funding for acquiring further hydropower plants in Sweden during 2023 but also to fund some of the capital expenditure in DHAB.

#### UK Solar Portfolio

Long term amortising debt (September 2034 maturity) is in place for the UK solar portfolio and, as at 31 December 2023, comprised outstanding principal amounts of £68.3 million lent by Aviva and £10.5 million lent by institutional investors managed by Vantage Infrastructure.

Approximately 12% of this debt is nominal with a fixed 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 (excluding the RCF) can be found in the table below:

|                    | 2023  |      |       |                             |                    |       | 2022  |      |       |                             |                    |       |
|--------------------|-------|------|-------|-----------------------------|--------------------|-------|-------|------|-------|-----------------------------|--------------------|-------|
|                    | Hydro | Wind | Solar | Grid<br>Infra-<br>structure | Working<br>capital | Total | Hydro | Wind | Solar | Grid<br>Infra-<br>structure | Working<br>capital | Total |
| Equity value (£'m) | 111.5 | 27.2 | 68.1  | 19.6                        | 4.3                | 230.7 | 103.0 | 26.4 | 62.6  | n/a                         | 26.9               | 218.9 |
| Debt (£'m)         | 42.8  | 0.0  | 78.7  | 0.0                         | 0.0                | 121.5 | 23.0  | 0.0  | 68.5  | n/a                         | 0.0                | 91.5  |
| GAV (£'m)          | 154.3 | 27.2 | 146.8 | 19.6                        | 4.3                | 352.2 | 126.0 | 26.4 | 131.1 | n/a                         | 26.9               | 310.4 |

#### **Foreign Exchange**

The Group's generating assets in Sweden earn revenues in EUR and incur some operational cost in SEK. Blasjon revenues and costs are in SEK. From 1 March 2024, Urdafellsvirkjun's revenues exposure is Euro. 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, 46% of the Group's EUR dividend receipts from SPVs out to March 2027 were hedged as at the reporting date. In addition, 54% 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 a portion of the Company's cash flows. The fixed price generation position for the portfolio as of 31 December 2023 is set out in the chart below, showing the benefits 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 war in Ukraine will continue to have a major impact on power prices in Europe and the UK where 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 to its high level of fixed pricing over the short to medium term.

#### Nordic Power Market

The Nordic power market was dominated by the falling gas and power prices on the continent, a cold spell resulting in demand increase and a delayed spring flood. Prolonged outages with Swedish and Finnish nuclear facilities also contributed. Consequently, the market remained volatile, albeit less volatile than for the last quarter of 2022. The variability in wind generation added to the volatility on the spot market. The news about the cracks in some the French nuclear facilities also resulted in some bullish news for the Nordic power markets at the end of March. The latter part of Q1 and the beginning of Q2 saw a cold snap in the Nordic regions. The weather then became warmer than is seasonally typical by the end of May, which resulted in the delayed spring flood and sudden hydro inflows at approximately twice the seasonal average. The high hydro levels combined with high wind and PV solar generation lead to very low (sometimes negative) spot prices across the Nordics and Europe. In June, prices increased due to high continental temperatures and lower precipitation, combined with reduced French nuclear availability and low renewable generation. However, prices decreased again in Q3 due to high precipitation. The spot market occasionally traded at negative prices because of low demand and high wind generation.

#### UK power market

Weather and LNG supply dominated the evolution of forward power prices in the UK throughout the year. Prices gradually came down from the previously reported extreme highs in September 2022. Power prices are now trading below the levels of just before the Ukraine war but still higher than the longer historical price range. The market witnessed a number of mini rallies due to industrial action in France, news about potential new cracks in French nuclear power plants, extreme temperature spikes on the continent in the Summer and news about potential supply issues in the gas markets. As cold weather combined with signs of tightness in physical supply, National Grid ESO ordered three coal-fired units to be readied for production. Potential gas supply issues included North Sea gas outages, threats to global gas supply due to potential industrial actions from Australian LNG workers and rising maintenance restrictions. These mini rallies were short lived, however, as overall gas reserves have been high due to a relatively mild winter and relatively wet summer, pushing prices down.

#### **Dividends**

The Company achieved a cash dividend cover of 1.21x post debt service and 1.78x before debt service for dividends of 5.285 pence per share paid during the year. 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 1.345 pence per share, equivalent to £2.4 million, in respect of the three months to 31 December 2023. This will bring total dividends paid

in respect of the financial year to 5.38 pence per share, which is in line with the Company's dividend guidance. The fourth interim dividend is not reflected in the accounts to 31 December 2023.

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 2023 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 2023           | June 2023      | 184,587,487   | 1.345                            | 0.875                              | 0.470                              |
| June 2023            | September 2023 | 183,919,987   | 1.345                            | 1.076                              | 0.269                              |
| September 2023       | December 2023  | 181,411,624   | 1.345                            | 1.143                              | 0.202                              |
| December 2023        | March 2024     | 180,247,124   | 1.345                            | 1.009                              | 0.336                              |

The Company intends to continue 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 to be made within three months of the relevant quarter end.

The target dividend for the year from 1 January 2024 has been increased by 7.85% to 5.80 pence per ordinary share. On a 3 year average basis, future dividend cover is expected to exceed 1.35x.

#### Net asset value and Portfolio Valuation

The Company's NAV decreased by 3.1% during the year from £218.9 million to £212.1 million. The NAV movement comprised a positive contribution of £11.5 million from valuation gains, offset by dividends and share buybacks of £13.8 million combined, and management and other costs of £4.5 million.

At a per share level, the effect of the share buyback was to increase the NAV per share by 0.6p, partially offsetting the overall NAV per share decrease of 0.8% from 118.6 pence per share to 117.7 pence per share as at 31 December 2023.

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

| NAV Movement Bridge (£'m)             |        |        |
|---------------------------------------|--------|--------|
| Opening NAV (1-Jan-23)                | 218.9m | 118.6p |
| Performance                           | 16.0m  | 8.7p   |
| Power Curve                           | -17.8m | -9.6p  |
| Inflation                             | -1.6m  | -0.9p  |
| Discount Rate                         | -0.5m  | -0.3p  |
| FV uplift relating to new investments | 1.1m   | 0.6p   |
| Accessing new revenue streams         | 3.0m   | 1.6p   |
| Contractual changes                   | 3.1m   | 1.7p   |
| FX and Other                          | 8.2m   | 4.4m   |
| Dividend                              | -9.7m  | -5.3p  |
| Share Buybacks                        | -4.1m  | 0.6p   |
| Management Fee                        | -2.0m  | -1.1p  |
| Other Costs and Charges               | -2.5m  | -1.4p  |
| Closing NAV (31-Dec-23)               | 212.1m | 117.7p |

#### Opening

Represents the NAV at 31 December 2022.

#### Performance<sup>1</sup>

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

#### Power Prices<sup>1</sup>

The Group uses long-term, forward-looking power price forecasts from third party consultants for the purposes of asset valuations. In the UK an equal blend is taken from the most recent central case forecasts from two leading consultants, whilst in Sweden an equal blend is taken from the most recent central case forecasts from three leading consultants. This is then blended with actual pricing for forward market trades for the next four years in Sweden and the next three years in the UK 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.

#### Inflation<sup>1</sup>

2023 inflation forecasts were revised during the period reflecting the increasing rate of inflation and in line with government forecasts.

The Group is now using the near-term (calendar year 2024) inflation forecast of 3.46% for the purposes of UK asset valuations, falling to a medium-term inflation forecast of 3.00% from 2025. From 2030 onwards, this forecast reduces to 2.25% in line with the RPI reform announced by the UK Government.

A near-term inflation (calendar year 2024) forecast of 4.60% is used for the Swedish asset valuations. The forecast in the medium term (2025 onwards) to long term reduces to 2.00%, in line with the long term Swedish central bank's target inflation rate.

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

#### Discount rate<sup>1</sup>

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 the UK, the weighted average discount rate of the levered and unlevered Solar portfolio increased by 0.2% to 8.0%. The increased discount rates took effect as at 30 June 2023.

Discount rates in use across the portfolio range from 6.3% to 8.05%, with the weighted average value at 7.7%.

#### Acquisitions<sup>1</sup>

The difference between the original cost of an investment and the revaluation of that investment throughout the year.

#### Accessing new revenue streams<sup>1</sup>

Net present value of 50% of budgeted FCR revenues on the hydro portfolio after significant progress has been made in the hardware and software upgrades to participate in the FCR markets.

#### Contractual Changes<sup>1</sup>

Reflects changes to underlying valuations as a result of changes to operational contracts (such as insurance).

#### FX and Other<sup>1</sup>

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.

Other reflects changes to the underlying valuations as a result of changes to long term capital expenditure assumptions and long term debt pricing, along with other minor changes including increases relating to improved spot rates and impact from increasing the size of the facility.

#### Dividends

Distributions paid by the Company in the period.

#### Share buybacks

This is the cost of repurchasing shares in the market.

#### 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 Limited, in its normal operations. No transaction costs are included.

<sup>1</sup> 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, Icelandic Hydro 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, a useful economic life of 30 years is assumed for the Swedish wind portfolio commencing 2010.

An average useful economic life of 25 years is used for the UK solar portfolio. 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.

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 a very long life assuming an appropriate level of capex to maintain the equipment and dams etc.

#### 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 the 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 2023 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 / Availability

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.

Grid infrastructure assets do not generate energy. For Mersey, a shunt reactor, availability is used as a comparable sensitivity. Blasjon is not dependent on availability, as the regulator sets the total revenue cap and therefore its

result does not vary in this sensitivity.

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

#### Price

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.

Grid Infrastructure assets do not generate energy and are therefore not reliant on power prices. Mersey is reliant on a contract with National Grid which is currently in place until 2032. After this agreement expires the price is unknown; pricing after 2032 has been sensitised relative to the base case. Blasjon is reliant on the WACC assumption which is set by the regulator and drives the regulatory cap. The WACC assumption can be used as a comparable sensitivity for pricing.

#### 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.

## Non-Statutory Accounts

The financial information set out below does not constitute the Company's statutory accounts for the year ended 31 December 2023 but is derived from those accounts. Statutory accounts for the period for the year ended 31 December 2023 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](http://www.doretrust.com)

## Statement of Comprehensive Income

For the year from 1 January 2023 to 31 December 2023

|                                                               | Notes*  | Revenue<br>31<br>December<br>2023<br>£'000s | Capital<br>31<br>December<br>2023<br>£'000s | Total<br>31<br>December<br>2023<br>£'000s | Revenue<br>31<br>December<br>2022<br>£'000s | Capital<br>31<br>December<br>2022<br>£'000s | Total<br>31<br>December<br>2022<br>£'000s |
|---------------------------------------------------------------|---------|---------------------------------------------|---------------------------------------------|-------------------------------------------|---------------------------------------------|---------------------------------------------|-------------------------------------------|
| <b>Income</b>                                                 |         |                                             |                                             |                                           |                                             |                                             |                                           |
| Return on investment                                          | 5       | 10,872                                      | (564)                                       | 10,308                                    | 8,044                                       | 28,058                                      | 36,102                                    |
| <b>Total income</b>                                           |         | <b>10,872</b>                               | <b>(564)</b>                                | <b>10,308</b>                             | <b>8,044</b>                                | <b>28,058</b>                               | <b>36,102</b>                             |
| <b>Expenses</b>                                               |         |                                             |                                             |                                           |                                             |                                             |                                           |
| Investment management fees                                    | 4       | (2,043)                                     | -                                           | (2,043)                                   | (1,781)                                     | -                                           | (1,781)                                   |
| Directors' fees                                               | 18 & 22 | (150)                                       | -                                           | (150)                                     | (125)                                       | -                                           | (125)                                     |
| Other expenses                                                | 6       | (1,191)                                     | -                                           | (1,191)                                   | (1,001)                                     | -                                           | (1,001)                                   |
| <b>Total expenses</b>                                         |         | <b>(3,384)</b>                              | <b>-</b>                                    | <b>(3,384)</b>                            | <b>(2,907)</b>                              | <b>-</b>                                    | <b>(2,907)</b>                            |
| <b>Profit before taxation</b>                                 |         | <b>7,488</b>                                | <b>(564)</b>                                | <b>6,924</b>                              | <b>5,137</b>                                | <b>28,058</b>                               | <b>33,195</b>                             |
| <b>Taxation</b>                                               | 7       | -                                           | -                                           | -                                         | -                                           | -                                           | -                                         |
| Profit after taxation                                         |         | 7,488                                       | (564)                                       | 6,924                                     | 5,137                                       | 28,058                                      | 33,195                                    |
| <b>Profit and total comprehensive income attributable to:</b> |         |                                             |                                             |                                           |                                             |                                             |                                           |
| Equity holders of the Company                                 |         | 7,488                                       | (564)                                       | 6,924                                     | 5,137                                       | 28,058                                      | 33,195                                    |
| Earnings per share - Basic & diluted (pence)                  | 8       | 4.1                                         | (0.3)                                       | 3.8                                       | 3.2                                         | 17.4                                        | 20.6                                      |

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 2023

|                           | Notes* | 31 December<br>2023<br>£'000s | 31 December<br>2022<br>£'000s |
|---------------------------|--------|-------------------------------|-------------------------------|
| <b>Non-current assets</b> |        |                               |                               |

|                                                   |           |                |                |
|---------------------------------------------------|-----------|----------------|----------------|
| Investments at fair value through profit and loss | 9         | 212,030        | 196,866        |
|                                                   |           | <b>212,030</b> | <b>196,866</b> |
| <b>Current assets</b>                             |           |                |                |
| Trade and other receivables                       | 10        | 337            | 567            |
| Cash and cash equivalents                         | 15        | 1,778          | 23,328         |
|                                                   |           | <b>2,115</b>   | <b>23,895</b>  |
| <b>Total assets</b>                               |           | <b>214,145</b> | <b>220,761</b> |
| <b>Current liabilities</b>                        |           |                |                |
| Trade and other payables                          | 11        | (2,083)        | (1,862)        |
|                                                   |           | <b>(2,083)</b> | <b>(1,862)</b> |
| <b>Total liabilities</b>                          |           | <b>(2,083)</b> | <b>(1,862)</b> |
| <b>Net assets</b>                                 |           | <b>212,062</b> | <b>218,899</b> |
| <b>Capital and reserves</b>                       |           |                |                |
| Called up share capital                           | 12        | 1,846          | 1,846          |
| Share Premium                                     |           | 65,910         | 65,910         |
| Special distributable reserve                     | 13        | 107,341        | 114,618        |
| Treasury Account                                  | 12        | (4,065)        | -              |
| Revenue reserve                                   |           | 6,209          | 1,140          |
| Capital reserve                                   |           | 34,821         | 35,385         |
| <b>Shareholders' funds</b>                        |           | <b>212,062</b> | <b>218,899</b> |
| <b>Net asset value per ordinary share (pence)</b> | <b>14</b> | <b>117.65</b>  | <b>118.57</b>  |

The audited financial statements of Downing Renewables & Infrastructure Trust PLC, which can be found in the full Annual Report, were approved by the Board of Directors and authorised for issue on 10 April 2024 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 2023

|                                                                    | Share<br>Capital | Share<br>Premium | Capital<br>Reserve | Treasury<br>Account | Revenue<br>Reserve | Special<br>Distributable<br>Reserve | Total          |
|--------------------------------------------------------------------|------------------|------------------|--------------------|---------------------|--------------------|-------------------------------------|----------------|
| Notes*                                                             | £'000s           | £'000s           | £'000s             | £'000s              | £'000s             | £'000s                              | £'000s         |
| <b>Net cash attributable to shareholders at 31 December 2021</b>   | 1,370            | 14,506           | 7,327              | -                   | 203                | 118,436                             | 141,841        |
| Gross proceeds from share issue                                    | 476              | 52,375           | -                  | -                   | -                  | -                                   | 52,851         |
| Share issue costs                                                  | -                | (971)            | -                  | -                   | -                  | 22                                  | (949)          |
| Dividends                                                          | -                | -                | -                  | -                   | (4,201)            | (3,840)                             | (8,041)        |
| Total comprehensive income for the year                            | -                | -                | 28,058             | -                   | 5,137              | -                                   | 33,195         |
| <b>Net assets attributable to shareholders at 31 December 2022</b> | <b>1,846</b>     | <b>65,910</b>    | <b>35,385</b>      | <b>-</b>            | <b>1,140</b>       | <b>114,618</b>                      | <b>218,899</b> |
| Share issue costs                                                  | 12               | -                | -                  | -                   | -                  | -                                   | -              |
| Shares bought back                                                 | -                | -                | -                  | (4,065)             | -                  | -                                   | (4,065)        |
| Dividends                                                          | 20               | -                | -                  | -                   | (2,419)            | (7,277)                             | (9,696)        |
| Total comprehensive income for the year                            | -                | -                | (564)              | -                   | 7,488              | -                                   | 6,924          |
| <b>Net assets attributable to shareholders at 31 December 2023</b> | <b>1,846</b>     | <b>65,910</b>    | <b>34,821</b>      | <b>(4,065)</b>      | <b>6,209</b>       | <b>107,341</b>                      | <b>212,062</b> |

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. Total reserves available for distribution were £113,897k (2022: £115,756k).

## Statement of Cash Flows

For the year ending 31 December 2023

|                                                         | Notes* | Year to<br>31 December<br>2023<br>£000s | Year to<br>31 December<br>2022<br>£000s |
|---------------------------------------------------------|--------|-----------------------------------------|-----------------------------------------|
| <b>Cash flows from operating activities</b>             |        |                                         |                                         |
| Profit before taxation                                  |        | 6,924                                   | 33,195                                  |
| Adjusted for:                                           |        |                                         |                                         |
| Interest income                                         | 5      | (9,872)                                 | (7,792)                                 |
| Unrealised loss / (gain) on investments at fair value   | 5      | 564                                     | (28,058)                                |
| Decrease/ (Increase) in receivables                     |        | 230                                     | (285)                                   |
| Increase in payables                                    |        | 221                                     | 661                                     |
| <b>Net cash outflows from operating activities</b>      |        | <b>(1,933)</b>                          | <b>(2,279)</b>                          |
| <b>Cash flows from investing activities</b>             |        |                                         |                                         |
| Loan advanced to DORE Holdco Limited                    | 9      | (17,356)                                | (38,008)                                |
| Loan Interest Received                                  | 9      | 11,500                                  | 8,500                                   |
| <b>Net cash outflows from investing activities</b>      |        | <b>(5,856)</b>                          | <b>(29,508)</b>                         |
| <b>Cash flows from financing activities</b>             |        |                                         |                                         |
| Gross proceeds of share issue                           | 12     | -                                       | 52,852                                  |
| Amounts paid in respect of share buybacks               |        | (4,065)                                 | -                                       |
| Dividends paid                                          | 20     | (9,696)                                 | (8,041)                                 |
| Share issue costs                                       |        | -                                       | (949)                                   |
| <b>Net cash flows from financing activities</b>         |        | <b>(13,761)</b>                         | <b>43,862</b>                           |
| Decrease in cash and cash equivalents                   |        | (21,550)                                | 12,074                                  |
| Cash and cash equivalents at the start of the year      |        | 23,328                                  | 11,254                                  |
| <b>Cash and cash equivalents at the end of the year</b> | 15     | <b>1,778</b>                            | <b>23,328</b>                           |

\*The references to the Notes to the Financial Statements are available to view in the full Annual Report.

#### 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> in accordance with DTR 6.3.5(1A) of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

Legal Entity Identifier: 2138004JHBJ7RHDYDR62

#### ENDS

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