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NS Half-year/Interim Report

Downing Renewables
& Infrastructure Trust

HALF-YEAR REPORT

[DOWNING RENEWABLES & INFRASTRUCTURE TRUST PLC](#)

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Downing Renewables & Infrastructure Trust PLC

Interim Report and Accounts

Downing Renewables & Infrastructure Trust plc ("DORE" or "the Company") announces its interim results for the six months ended 30 June 2024.

The Interim Report and Accounts can be found on the Company's website at:
<https://www.doretrust.com/investor-relations>.

Highlights

- NAV as at 30 June 2024 of £207.6 million, 117.9 pence per ordinary share, an increase of 0.2 pence per ordinary share compared to the NAV as at 31 December 2023.
- NAV total return¹ of 4.0% for the 12 months to 30 June 2024 and 37.9% (9.6% annualised) since IPO.
- Interim dividends per ordinary share of 2.80 pence paid during the period, a 7.7% increase from the corresponding period last year, and a further 1.45 pence per ordinary share declared (but not accrued) relating to the three months to June 2024 to be paid in September 2024.
- The Company has continued its buyback programme, purchasing 4.2 million shares during the period at an average price of 80.4 pence creating further value and increasing NAV per share by 0.9pps. In line with the peer group, the shares traded at a discount during the period, however DORE continues to provide additional market liquidity to help mitigate discount volatility.
- Strong focus on revenue and portfolio optimisation, utilising small capital amounts to invest in opportunities with large impact including:
 - Successfully extending the lease of the Gabrielsberget Syd Vind AB farm to 35 years has resulted in a £4.4 million uplift in its valuation.
 - Successful pre-qualification of DORE's first Swedish hydropower plant for participation in the Frequency Containment Reserve Markets with first revenues being earned in July 2024.
 - Achieving a positive capture price by using water storage with dispatchable hydropower assets of 7.6% for the 12 months to 30 June 2024.
- The Portfolio generated 205 GWh of renewable energy during the period, avoiding 96,764 tonnes of CO₂e² and powering the equivalent of 151,760 UK homes' electricity demand.

Post period end:

- Appointment of a new Non-Executive Director, Astrid Skarheim Onsum who brings extensive knowledge in the energy transition and renewable energy sectors across various geographies.
- Signed an agreement to acquire three hydropower plants and their associated dams on the Norasjon river in SE3, Sweden that will take the hydropower portfolio to 37 plants.

¹This is an alternative performance measure, see the full Interim Report for further details.

²Details on how these are calculated can be found in the full Interim Report.

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

"During the period under review, DORE has continued to prioritise delivering value within the underlying portfolio, with a series of capital expenditure initiatives in progress, all aimed at increasing long term returns for investors, and from which tangible benefits are already emerging. Further, we are confident that by careful selection of the many investment and capital expenditure opportunities identified by the Investment Manager, DORE will continue to progress its strategic priorities, whilst focussing on its principal objective, the optimisation of shareholder returns."

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

"We have focused on increasing productivity through active asset management and portfolio enhancement. Optimisation initiatives across hydropower and wind have progressed well, which have further diversified and strengthened DORE's revenue streams. Acquisitions completed during and after the period-end further underpin the Company's commitment to pursuing this highly diversified strategy. The outlook for DORE remains very encouraging as we progress a significant pipeline of investment opportunities and portfolio enhancements that we expect will deliver inflation-linked returns and robust operational cash flows."

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About DORE

DORE is a closed-end investment trust that aims to provide investors with an attractive and sustainable level of income, with an element of capital growth, by investing in a diversified portfolio of renewable energy and infrastructure assets in the UK, Ireland and Northern Europe. DORE has been awarded the London Stock Exchange's Green Economy Mark in recognition of its contribution to the global 'Green Economy' and also in 2022 DORE won 'Renewables Fund of the Year' at the Sustainable Investment Awards.

The Board classifies DORE as a sustainable fund with a core objective of accelerating the transition to net zero through its investments, compiling and operating a diversified portfolio of renewable energy and infrastructure assets to help facilitate the transition to a more sustainable future. The Company believes that this directly contributes to climate change mitigation.

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

About Downing LLP

The Company is managed by Downing LLP, an established Investment Manager with over 30 years' experience and a considerable track record in the core renewables space. Downing is authorised and regulated by the FCA and, as at 30 June 2024, had over £2.0 billion of assets under management.

The Investment Manager has over 230 employees and partners. The team of over 49 investment and asset management specialists who focus exclusively on energy and infrastructure assets is supported by business operations, IT systems specialists, legal, HR and regulatory and compliance professionals.

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

The Investment Manager has managed investments across various sectors in the UK and internationally and identified the Energy & Infrastructure sector as a core area of focus from as early as 2010. Since then, it has made over 190 investments in renewable energy infrastructure projects and currently oversees 640 MWP of electricity generating capacity, covering seven technologies across c.13,470 installations.

For further details please visit www.downing.co.uk

Key Metrics

	As at or for the 6-month period ended 30 June 2024	As at or for the 6-month period ended 30 June 2023
Market capitalisation	£140m	£184m
Share price	79.4 pence	100.0 pence
Dividends with respect to the period ³	£5.0m	£4.8m
Dividends with respect to the period per ordinary share	2.90 pence	2.69 pence
GAV ^{3,4}	£348m	£319m
NAV	£208m	£217m
NAV per share	117.9 pence	118.0 pence
NAV total return for the period ^{4,5}	2.6%	1.6%
Total Shareholder Return for the period ^{3,6}	-7.4%	-10.5%
NAV total return since inception ^{3,4,5}	37.9%	30.5%
Total Shareholder Return since inception ^{3,6}	-9.3%	2.5%
Weighted average discount rate ⁷	7.7%	7.7%

During the period, assets saved 96,764 tonnes of CO₂e and powered the equivalent of 151,760 homes.

³ Dividends are not paid on shares held in treasury.

⁴ These are alternative performance measures, see the full Interim Report for further details.

⁵ A measure of total asset value including debt held in unconsolidated subsidiaries.

⁶ Total returns, including dividend reinvested.

⁷ This is the weighted average discount used in the valuation of underlying investments.

Chairman's Statement

On behalf of the Board, I am pleased to present the Interim report of the Company covering the period from 1 January 2024 to 30 June 2024 (the "Interim Report").

Revenue Optimisation

In an increasingly challenging time for capital availability, I am pleased to see that the Investment Manager has prioritised delivering value within the underlying portfolio, with a series of initiatives aimed at increasing returns to shareholders.

The period saw continued focus on revenue resilience, increasing the quality of earnings and diversifying revenues through operational and strategic improvements. The optimisation initiatives progressed during the period further underpin the Company's commitment to focusing on shareholder value.

Notably, the Company continues to optimise its use of water storage in its dispatchable hydropower portfolio, achieving a positive capture ratio of 7.6% for the 12 months to June 2024.

To provide further stable revenues, the Company successfully translated the Icelandic Power Purchase Agreement ("PPA") from Icelandic Krona to Euro, reducing volatility and providing constant inflation linked, eight-year 100% pay-as-produce offtake payments from HS Orka, the third largest energy company in Iceland.

In June 2024, Downing Hydro AB ("DHAB") pre-qualified its first hydropower plant site, Gottne, for participation in the Frequency Containment Reserve ("FCR") markets in Sweden, which serve to stabilise the Swedish grid. Gottne hydropower plant has now successfully been earning FCR revenues since 5 July 2024. Work is continuing to enable additional hydropower plants to access the FRC markets.

A contractual improvement for the grid infrastructure assets was completed in August 2024. Mersey Reactive Power Limited, a UK-based, fully operational 200 MVar shunt reactor renegotiated its contract with the National

Grid to provide additional reactive power. The project's annual revenue will increase up to c.30% for the remainder of the nine-year contract, the equivalent of £300,000 per annum.

Blasjon Nat AB ("Blasjon"), operates as the sole Electricity Distribution System Operator ("DSO") in its concession area. Consequently its tariffs to customers are regulated by the Ei, the Swedish regulator for all Swedish DSOs. Ei has reached a final regulatory conclusion for the DSOs for Regulatory Period 4 (2024-2027). The regulatory conclusion allows Blasjon (and its industry peers) to charge end users a 4.53% real Weighted Average Cost of Capital ("WACC") over the next four-year period. This can be compared to a real WACC of 3.6% for the previous regulatory period (restated from 2.3% by Ei following appeal by the industry). The higher real WACC is reflective of increases in cost of capital such as interest rates compared to the previous regulatory period.

In the period the Company, prompted by extensions of certain land leases, extended the economic life of the Gabrielsberget Syd Vind AB wind farm to 35-years (a five-year increase from the original 30-year assumption). The extended operating life has resulted in a £4.4 million uplift in the assets' valuation.

Acquisitions

Post period end, the Company signed an agreement to acquire three Swedish hydropower plants and their associated storage reservoirs. Completion is subject to customary regulatory approvals. The combined expected annual average production is c. 7 GWh, with a potential to increase production by a further 0.5 GWh following the implementation of Downing Hydro's modernisation programme. The total investment for the acquisition of these assets is c. £5 million.

The Swedish energy market is divided into four pricing regions. This transaction offers an opportunity to extend the geographical catchment area of the current portfolio within the SE3 region. The portfolio has an attractive revenue profile, with a significant part of its production during the winter months and it benefits from storage capacity, creating the potential for further revenue optimisation.

The Company has also secured opportunities to construct battery storage projects on land owned by the hydropower facilities at projected returns in excess of similar investments held by the Company and in excess of equivalent projects in the UK. A grid connection agreement, facilitating a 20 MW Battery Energy Storage System ("BESS") installation focused on Frequency Containment Markets, has been signed with Ellevio for the Tvarforsen site.

Further details on the optimisation initiatives and acquisitions progressed during the period can be found in the Investment Manager's Report in the full Interim Report.

Debt Facilities

In the interests of capital efficiency and to enhance income returns, long-term capital growth and capital flexibility, the Company is permitted to maintain a conservative level of gearing. As at 30 June 2024, the total Portfolio's gearing (expressed as a loan to value ("LTV") ratio) was 40%⁸.

The Company has access to a £40m Revolving Credit Facility ("RCF") which can be drawn in either Euros or Sterling, of which £18.6 million is drawn in Euros. On 24 June 2024, the Company converted its total drawings under the RCF of £18.6 million into a EUR denominated loan of €22.0 million. This allows the Company to take advantage of lower interest rates in Europe and provides a natural hedge for Euro distributions from the Swedish and Icelandic wind and hydropower assets.

The Portfolio's gearing also includes two long term debt facilities at asset level, a £79.6 million facility which is fully drawn and a €68.5 million facility of which €49.4 million was drawn as at 30 June 2024. In total, the Sterling value of debt was £140.2 million as at 30 June 2024. The weighted average cost of debt across the long term borrowings is 1.8%, which is fixed until 2033.

⁸ These are alternative performance measures, see the full Interim Report.

Financial Results

During the period to 30 June 2024 the NAV per ordinary share increased from 117.7 pence at 31 December 2023 to 117.9 pence, an increase of 0.2% and representing a total return of 2.6% including dividends paid. The NAV total return from IPO to 30 June 2024 is 37.9%, when dividends paid of 15.33 pence per ordinary share are included.

The Company made a profit for the period to 30 June 2024 of £3.9 million, resulting in earnings per ordinary share of 2.2 pence.

Portfolio Performance

The underlying portfolio generated a £14.3 million operating profit during the period. The 4,856 core renewable energy assets produced approximately 205 GWh of renewable electricity, enough to power 145,000 UK houses per year.

For the period, energy generation was slightly below expectations mainly due to natural resource constraints. The wind and solar portfolios suffered from significantly lower than expected wind speeds and low irradiation levels respectively, while the hydropower portfolio experienced a harsh winter resulting in icing considerations followed by abnormal levels of spring floods. However, strong power prices across the portfolio led to operating profit being in line with expectations at £14.3 million.

Dividends

The Company's dividend in respect of the quarter to 31 December 2023 of 1.345 pence per share was announced and paid during the period, as well as the first increased quarterly dividend of 1.45 pence per share, paid in June 2024.

The Board was pleased to announce a target dividend of 5.80 pence per share relating to the year to 31 December 2024, a 7.85% increase from 2023. I am pleased to report that a further dividend of 1.45 pence per share has been announced and will be paid on or around 27 September 2024 in respect of the quarter to 30 June 2024.

Capital Structure

In the six months to 30 June 2024, the Company has demonstrated strong resilience despite a challenging market. High interest rates to control inflation have created uncertainty among investors about when the tightening cycle would peak and the possibility of prolonged higher rates. Share price discounts to NAV across the real assets investment trust sector widened significantly. To address these conditions and protect shareholders' interests, the Board implemented the share buyback programme in March 2023. 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 six months to 30 June 2024 the Company has bought back a total of 4,214,899 shares into treasury at a cost of £3.4 million, the total number of shares repurchased as at 30 June 2024 was 8,590,262. The buybacks added 0.9 pence per share to NAV during the period. Since the period end, a further 1,944,855 shares have been bought back into treasury at a cost of £1.5 million. As at 18 September 2024, the Company had 184,622,487 shares in issue (including 10,535,117 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 prioritised revenue optimisation initiatives. The Company has utilised small amounts of capital to invest in opportunities with large impact, increasing capital efficiency in particular in its hydropower portfolio, where we are now earning revenues from Swedish FCR markets.

The Board continues to pursue further opportunities to expand its investment in this strategy with the aim of increasing overall portfolio returns.

Outlook

Despite the market challenges experienced across the investment trust sector over the past two years, the fundamental driving forces behind renewable energy investment are stronger than ever. In the UK, the new Labour Government has emphasised its commitment to the deployment and operational performance of renewable assets, while in the Nordics there is continued substantial growth of the renewable energy sector to achieve net zero obligations, enhancing our confidence in our strategy and outlook.

DORE is strategically positioned to play a key role in the energy transition. There are more opportunities to make compelling investments than any other time in the life of the Company. Through selective investments, we aim to progress the Company's strategic priorities and enhance shareholder returns.

Our diversified portfolio of hydropower, wind, solar, and grid infrastructure assets consistently performs well, delivering inflation-linked returns and generating robust operational cash flows. By maintaining a disciplined approach to capital allocation and pursuing revenue optimisation projects, DORE is well positioned to provide continued growth while placing its sustainability goals at the centre of its operational objectives.

I am also delighted to welcome our new Non-Executive Director, Astrid Skarheim Onsum, who was appointed to the board on 15 July 2024. Astrid's engineering background combined with a successful career working in energy markets and a more recent focus on renewable energy within the Nordic Region will expand the knowledge and experience of the Board.

Hugh W M Little Chair

18 September 2024

Downing Renewables & Infrastructure Trust PLC

Portfolio Summary

At the period end, the Company owned 202.7 MWp of hydropower, wind and solar assets with an annual generation of around 424.2 GWh. The portfolio is diversified across 4,858 individual installations and across five different energy markets.

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

Portfolio composition by valuation, as at 30 June 2024

Technology by GAV	
Hydro	42%
Solar	42%
Wind	8%
Grid Services	6%
Cash	2%

Geographic Exposure by GAV	
Sweden	52%
Great Britain	37%
Northern Ireland	8%

Cash	2%
Iceland	1%

Power Market Exposure by GAV	
Great Britain	33%
Sweden SE2	26%
Sweden SE3	20%
Northern Ireland	8%
No Exposure	6%
Sweden SE4	4%
Cash	2%
Iceland	1%

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 Övre	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 Övre	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 Övre	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
Vårån Övre	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 Renewables UK 13	Solar	Apr-23	Devon, England	UK / ROC / FIT	5,5	5,6
Gloucester Wind	Solar	Apr-23	Various, England and Wales	UK / FIT	1,1	1,2
Hewas Solar	Solar	Apr-23	Various, England and Wales	UK / FIT	2,0	1,9
Penhale Solar	Solar	Apr-23	Surrey, England	UK / FIT	0,3	0,4
Priory Farm Solar Farm	Solar	Apr-23	Suffolk, England Great Britain	UK / ROC	3,2	2,5
St Colomb Solar	Solar	Apr-23	Various, England and Scotland	UK / FIT	0,8	0,6
Blasjon Nat	Grid	Jul-23	Sweden	SE2	n/a	n/a
Mersey	Shunt 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	0,2	0,7
Tunsjon	Hydro	Dec-23	Sweden	SE2/ n/a	0,2	0,6
Lagmansholm	Hydro	Dec-23	Sweden	SE3/ n/a	0,5	2,4
Urdarfellvirkjun	Hydro	Dec-23	Iceland	IS/ n/a	1,1	8,3
TOTAL AS AT 30 JUNE 2024					202,7	424,2

Post period end acquisitions:

Investment	Technology	Date Signed	Location	Power Market / Subsidy	Installed capacity (MW)	Expected annual generation (GWh)
Gyttorp	Hydro	Aug-24	Sweden	SE3/ n/a	0,5	1,0
Hagby	Hydro	Aug-24	Sweden	SE3/ n/a	1,2	3,6
Hammarby	Hydro	Aug-24	Sweden	SE3/ n/a	2,1	2,1

Introduction

The first half of 2024 has been challenging but productive with active asset management and portfolio enhancement being our key focus. The optimisation initiatives have progressed well and acquisitions completed during and after the period end, further underpin the Company's commitment to pursuing a highly diversified investment strategy. The optimisation projects provide new and improved long-term revenue streams, and the new acquisitions (post reporting period) provide additional geographical coverage within SE3, Sweden.

Acquisitions/Revenue Optimisation

In the period the Company continued to prioritise revenue optimisation projects to diversify fixed revenue streams and enhance shareholder return.

Swedish FCR Markets

In the period, DHAB pre-qualified its first hydropower plant site, Gottne, for participation in the Frequency Containment Reserve markets (FCR-N and FCR-D) in Sweden. The pre-qualification process is administered by Svenska Kraftnat ("SvK", the Swedish Transmission System Operator). Once a company has successfully completed the pre-qualification process with SvK, it allows the company to operate in the FCR markets, designed to stabilise the Swedish grid. Gottne hydropower plant has now successfully been earning revenues since 5 July 2024. Gottne is one of the first small-scale hydropower plants to be qualified by SvK for both FCR-N and FCR-D, following significant work by the Asset Manager.

FCR is a type of ancillary service provided by power system operators to maintain the grid frequency within the standard range. If the frequency deviates from this value, it can cause significant issues and even blackouts. The combination of an increasingly centralised operation system across the hydro portfolio and software and hardware upgrades enable the Company to regulate its power production to such an extent that it can bid for FCR contracts.

DHAB has applications to the Swedish Transmission System Operator for two further hydropower plants to participate in the FCR-D market. Further sites will be submitted for FCR pre-qualification as DHAB will continue to roll out this programme across many of its hydropower plants.

Acquisition of three hydropower plants in Sweden

In July, the Company signed an agreement to acquire three Swedish hydropower plants and their associated dams. The combined expected annual average production is c. 7 GWh, with a potential increase of 0.5 GWh after further upgrades have taken place. The total investment is c. £5 million.

All three hydro plants, Hagby, Gyttop and Hammarby, are located on the Norasjön River in the Orebro County in the SE3 price region in Sweden. Two of the plants - Hagby and Gyttop - were built in 1946 and underwent extensive refurbishment in 2012. The third, Hammarby, was built in 1982 and recently underwent a significant upgrade.

The transaction offers a strategic opportunity to extend the current portfolio into a new geographical area of SE3. The portfolio has an attractive revenue profile, with a significant part of its production during the winter months.

Once the transaction completes, the Company's hydropower portfolio will have 37 assets with a forecast annual average production of c. 222 GWh.

Improved Contract and Revenue for Mersey Reactive Power

In August, Mersey Reactive Power Limited, a UK-based, fully operational 200 MVar shunt reactor which the Company acquired in June 2023 renegotiated its contract with the National Grid Electricity System Operator ("NGESO") to provide additional reactive power.

The shunt reactor is now available to be called upon by the network operator for unlimited use throughout the year, which will allow DORE to benefit from increased revenues under the availability-based Pathfinder Contract, part of National Grid's Stability Pathfinder Initiative. DORE expects the shunt reactor to receive an increase in annual revenue of up to c.30%, which is the equivalent of £300,000 per annum, for the remainder of the nine-year contract.

Blasjön

Blasjön, a Swedish Electricity Distribution System Operator acquired by DORE in July 2023, has reached a final regulatory conclusion with Ei, the Swedish regulator for the electricity distribution sector. Blasjön and its industry peers are allowed to charge end users 4.53% of its Weighted Average Cost of Capital (WACC) over the next four-year period.

The transmission and distribution of electricity in Sweden is considered a natural monopoly, which means its tariffs and charges to customers are subject to regulation. Ei, implements revenue caps for each distribution system operator for a regulatory period of four years and has concluded the regulatory decision for Regulatory Period 4 (RP4, 2024-2027) for Blasjön. As part of the regulatory decision, Blasjön will be making investments during the period totalling c. SEK 33.2 million (c. £2.5 million). The real Weighted Average Cost of Capital (WACC) which Blasjön is allowed to apply to its charges is set at 4.5%. As a comparison, Ei concluded a WACC of 3.6% for RP3 (2020 - 2023, restated from 2.3% by Ei, following appeal by the industry).

Blasjon also announced the appointment of Jan Delin as its new Chief Executive Officer following the retirement of Ingemar Persson after 27 years in the role. Mr. Delin, who was previously CEO of regional Swedish utility Edsbyn Elverk for nine years, has been a Board member of Blasjon for four years.

Case Study - Gabrielsberget

The Company purchased Gabrielsberget Net Wind farm in the SE3 pricing region of Sweden in January 2022 for a total consideration of £19.8 million. As at 30 June 2024, the wind asset is valued at £29.1 million after distributions of £2.7 million.

This uplift in valuation has been secured from a combination of contributing factors, including asset performance, macroeconomic factors and active asset management. A total of £5.5 million of uplift can be directly attributable to operational improvements made by the Asset Manager in the past 2.5 years.

Gabrielsberget Value Drivers (£m)

Cost	19.8
Asset Performance/profit	1.2
Macroeconomic	1.3
Directly attributable - operational	5.5
Directly attributable - acquisition	2.2
Other	1.8
Total Value at 30 June 2024	31.8
Distributions	(2.7)
Valuation at 30 June 2024	29.1

Two contractual improvements led to a £1.1 million uplift in valuation, £900,000 associated with a new Operations and Maintenance ("O&M") contract and £200,000 from a new insurance contract. In 2023, the Asset Manager carried out an in-depth tender process for a new O&M provider. The contract inherited at acquisition was not adequate to effectively manage the asset and was overly expensive. The Investment Manager was able to renegotiate the price to reduce the cost significantly and adjusted the scope to better fit the wind farm needs. This has been an improvement to the quality of maintenance of the asset, maximising its efficiency and lifespan as well as ensuring safety and compliance with regulatory requirements.

A £3.2 million uplift was recognised following a technical evaluation to consider the economic life of the wind farm and the lifecycle costs associated with a possible life extension. As a result, the valuation now reflected a 35-year economic life (a 5-year increase from the original 30-year assumption) for turbines representing c.37 MW of the total 46 MW capacity. The life extension was identified at acquisition as possible future value but was not recognised until the technical adviser's work had been completed.

A further £1.2 million uplift was recognised with the 5-year extension of Gabrielsbergets' lease. As part of this exercise, technical advisors were engaged to review the viability and projected cash flows associated with the operation of the project through the extended term with these figures added to projected cash flows for the asset. The extended lease term has been agreed with the landlord whilst, the formal conformation from the authority of the extension registration is still in progress.

The Asset Manager continues to explore new opportunities to increase efficiency and value in the wind project, creating attractive returns to shareholders.

Case Study - Capture Price and Hydrogrid

Over the past 15 years the Swedish energy market has changed significantly, with a shift from equal parts hydropower and nuclear energy to a more diversified balance of hydropower, nuclear and wind. The increase in wind generation in the market creates a more intermittent energy supply, which can cause grid stability issues and increased price volatility. The challenges created by the higher proportion of wind generation in the Swedish energy market, however, provide an opportunity for hydropower plant owners.

Now that a larger share of Swedish energy is being produced by assets with intermittent production, the Transmission System Operator ("TSO") finds it more difficult to balance the grid. The increased need for grid balancing resulted in an increase in the prices for ancillary services such as those associated with maintaining the integrity and stability of the energy system as well as the power quality. This has provided an opportunity for new entrants into the ancillary services market in Sweden, especially for hydropower operators with certain scale. DHAB can use its existing assets to enter these markets quickly and efficiently which creates additional incremental income streams. Further information on DHAB's entrance into the ancillary markets can be found in the full Interim Report.

Historically, Swedish energy prices have been stable, similar to a normal distribution around the mean price. However, Sweden is now experiencing a much flatter power price profile with large volumes trading at very low and very high prices. This provides an opportunity for dispatchable operators as they can adjust their production to hours with higher prices. Currently, 63% of DHAB's generation capacity is dispatchable, which we expect to become increasingly more valuable due to limited new hydropower capacity and its share of production expected to reduce from c. 40% to c. 25% over the next 15 years.

Due to the influx of wind energy in Sweden, days with high wind speeds typically result into high intraday price volatility and lower prices often during periods of lower demand, causing wind capture price ratios to dip below 100% in the last few years. The hydropower sector has been the main beneficiary of this with the sector's capture prices reaching almost 115% in 2023. With the expectation of further development of assets with intermittent production, we expect this to continue to provide positive capture price opportunities for the hydropower market. To run a successful dispatch strategy and maximise the capture price we have worked to improve the portfolio's real time data and automation.

After extensive market research, the Asset Manager decided to make use of the Hydrogrid system to maximise its opportunities within its dispatch strategy. Hydrogrid provides real time planning and dispatch for hydro plants. The platform uses real time generation, hydrological modelling, inflow forecasts and power market data to produce a production plan for each asset that is optimal for the portfolio. The production plan is regularly updated based on changes in real time conditions such as changes in weather forecasts and power prices whilst ensuring regulatory obligations are met.

The aim of the Asset Manager is to make use of Hydrogrid to increasingly automate the production planning process so that more time can be focused on key operational and strategic decisions. A pilot project has been completed for the Norsalven cascade which includes Asteby, Fensbol, Robjorke and Kristinefors and corresponding reservoirs. The rollout will start in Q3 2024 and will take around 6 months to complete. The project also contemplates the incorporation of ancillary services in the production plan.

Capture prices achieved in for the 12 months to June 2024 were at a 7.6% premium, and with the assistance of Hydrogrid we are seeking to improve the capture price further. Maximising our capture price strategy continues to offer value optimisation, with a permanent 1% uplift in capture price representing a potential c. £1.4 million increase in net present value.

Market Development and Opportunities

The outlook for the Company is very encouraging. The Investment Manager is progressing a significant pipeline of opportunities across technologies, geographies and sectors including wind, solar, hydropower, utilities, battery storage and ancillary markets and continues to work to finalise a series of investments. The main geographical focus of the opportunities in progress is the Nordic region and the UK, with certain further opportunities across Northern Europe.

In July, the UK voted in the first Labour Government for 14 years. Labour is keen to ramp up renewable energy generation capacity to meet the Paris Agreement target of cutting carbon by 68% by 2030. To meet this, the target capacity for offshore wind is a quadrupling, onshore wind is doubling and solar is tripling.

To meet these ambitious targets, Sir Keir Starmer's government has already begun to take steps to cut the UK's emissions by changing the rules to make it easier to build onshore wind projects in England and greenlighting new solar farms.

Within the hydropower portfolio, the Investment Manager has now submitted applications to the Swedish Transmission System Operator for two further hydropower plants to participate in the FCR-D market. Further sites will be submitted for FCR pre-qualification as DHAB continues to roll out this programme across many of its hydropower plants.

The Company has a significant landbank alongside its hydropower plants that make suitable locations for battery installations and is well positioned for a reduced cost of entry to the FCR and Fast Frequency Reserve ("FFR") markets. Supply constraints in the FCR / FFR markets combined with increased underlying demand as a result of an increased share of intermittent generation in the electricity system has resulted in high FFR and FCR prices historically, making the market particularly attractive. Batteries, especially large-scale energy storage systems, play a crucial role in modern power systems due to their ability to store and release electricity quickly. This makes them valuable assets for providing FCR and FFR services to the grid.

Portfolio Performance

During the reporting period, the 4,858 operating assets produced approximately 205GWh of renewable electricity, enough to power over 151,760 UK homes annually. From a financial perspective, DORE's combined portfolio produced an operating profit of £14.3 million. This was in line with expectations, despite constraints in natural resources.

The hydropower portfolio benefitted from higher than seasonally average rainfall for the period and generated 110GWh of electricity. This was slightly below expectations as a result of some availability issues due to a particularly harsh winter causing icing disturbances in some of Sweden's rivers, followed by strong spring floods which carried debris and clogged a number of intake channels requiring downtime for clearance. Operating profit

was higher than projected at £3.8 million, driven by higher than expected power prices particularly in the SE2 and SE4 pricing regions.

The solar portfolio generated 49GWh, below expectations mainly due to a combination of poor irradiation levels and some unavoidable downtime for National Grid cable improvements at one site. Operating profit was lower than projected at £9.3 million, driven by the lower than expected generation but alleviated somewhat due to high fixed prices under some of the portfolios' PPA terms.

The wind portfolio's technical availability was in line with projections and 45GWh of electricity was generated. This figure was 15.1% lower than expected, directly attributable due to windspeeds being significantly lower than average. In turn, operating profit was 18.7% lower than expected.

The grid infrastructure portfolio's operating profit was slightly above expectations for the period at £753,000, with the Mersey shunt reactor exceeding expectations as a result of strong availability enabling the asset to provide its service consistently to the National Grid.

Asset Generation vs Budget for six months to 30 June 2024

	Actual Production (MWh)	Expected Production (MWh)
Hydro	110,051.20	113,317.09
Solar	49,187.60	55,877.37
Wind	45,637.55	53,734.00

Asset Operating Profit vs Budget for six months to 30 June 2024

	Actual Operating Profit (£)	Expected Operating Profit (£)
Electrical Grid	707,372	729,431
Hydro	3,893,720	4,138,752
Solar	9,438,460	9,625,909
Wind	426,823	617,353

Portfolio and Asset Management

Downing has invested significantly in an in-house asset management team capable of providing a full scope service to a wide range of generation, grid and storage technologies. Established in 2019, the team totals 35 and includes expertise across power markets, engineering, data analytics, finance and commercial management.

Ancillary Services Projects

In response to opportunities identified in the ancillary market, the Asset Manager has been pursuing a number of ongoing ancillary service projects during the period. These services not only take advantage of additional revenue streams when registered assets are requested to power up/down, but also support the relevant local grid with supply and demand challenges.

The digitalisation of the hydropower portfolio has continued to progress, supporting optimisation of dispatching, including participation in the FCR markets. To successfully participate in the provision of FCR services, the hydropower portfolio must meet stringent technical demands and as a result the Asset Manager has been iteratively and comprehensively evaluating each site's suitability for FCR-N (for normal grid disturbances) and FCR-D (for significant grid disturbances) to establish refurbishment plans on a site-by-site basis.

Simultaneously, Downing has been assessing and pursuing opportunities to install BESS at some of the Company's hydropower sites. Installing BESS will enable Downing to participate in further frequency regulation markets such as Fast Frequency Reserve ("FFR"), which works similarly to FCR in that it actively assists on the management of grid imbalances. On Tvarforsen hydropower estate land, the Company have successfully secured the grid connection and building permit to operate a 20 MW BESS, able to provide three hours of continuous energy at 7 MW power output. Subject to finalisation of procurement and construction, the BESS could become operational during 2025.

There is a pipeline of further Behind-The-Meter BESS under development for the hydropower estate which would enable it to operate in the FCR market independent of hydropower production.

With a view to participating in the manual Frequency Restoration Reserve ("mFRR"), hardware enhancements have been made at Gabrielsberget wind farm during the period and we expect the site to be able to perform prequalification tests in late 2024.

Optimisation of portfolio service

The Asset Manager has continued to develop and implement performance and proprietary data optimisation and power pricing strategies, enhancing Downing's data driven approach to asset management and unveiling further efficiencies.

The Asset Manager has reconceptualised the hydropower O&M service framework, streamlining in-house management of O&M services to enable it to work closely with a more agile network of local technicians. This is a cost-effective model which we expect to help facilitate the Company's ambitions around ancillary markets and high-quality asset management in a growing portfolio.

The Asset Manager continues to progress several optimisation projects to replace and improve technical equipment within the UK ground-mounted solar portfolio, including enhancement of the dynamic spare parts stock which aims to reduce downtime and maintain asset performance given prolonged equipment lead times in the

market. The spare transformer stock increased from 4 to 9 during the period, the strategically intercompatible nature of which means cover is now available for 41 of the total 43 transformers installed on the UK ground-mounted solar portfolio. Inverter and panel spare parts have also been purchased and are already being actively used across the portfolio to significantly reduce downtime.

The Asset Manager has also been active in pursuing a number of warranty claims against solar panel manufacturers. These claims are being carried out preventatively to address systematic defects before they cause any potential downtime. In order to collect the information required for the series of claims, the Asset Manager used a new high-resolution drone in combination with image recognition software to photograph and categorise panels. This data collection method has successfully allowed for the collection and sorting of high-resolution photographs of 80,488 panels across three sites at a significantly reduced cost. Feedback has been received from one of the three claims so far where warranty claims on 13,647 panels have been accepted and equipment is due to arrive in September 2024 for replacement. All disused panels will be returned to the manufacturer for recycling.

Health and Safety

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

In order to ensure a consistent approach to health and safety management, the Asset Manager has continued to engage a third-party expert to provide health and safety support to assess systems in place and revise existing processes where applicable. To further reinforce a positive health and safety culture, the Asset Manager rolled out interactive health and safety training for Directors of the Company's portfolio of assets.

A rolling programme of health and safety audits continues across the portfolio. These audits are based on a two-tier approach, where risks and procedures are audited at the site level and also at the asset 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. These systems not only act as tools for the enabling of performance measurement and trend analysis, but also ensure the effective communication, escalation, and management of incidents.

Financing and Capital Structure

The Company and its subsidiaries (the "Group") adopt a prudent approach to leverage, aiming at a total long-term structural debt not exceeding 50% of the prevailing Gross Asset Value. Its objective is that each asset will be financed appropriately for the nature of its underlying cashflows and their expected volatility. Long-term debt may be used where appropriate at the SPV level to facilitate acquisitions, refinancing, capital expenditure or construction of assets.

At 30 June 2024, including project level financing, the Group's gearing (expressed as a LTV ratio) was 40%. All third-party debt is held by the Company's subsidiaries.

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

Revolving Credit Facility

The Group has access to a loan agreement through its main subsidiary DORE Hold Co with Santander UK plc. The RCF is available until December 2025, with the possibility to be extended for a further year. The RCF has the additional benefit of being able to be drawn in both GBP and EUR and is priced at the Sterling Overnight Index Average ("SONIA") for the case of GBP funding or EURIBOR for EUR funding, in both cases combined with a margin set at 2.25% per annum. The Group will make use of the RCF mainly to fund the acquisition of additional assets.

On 24 June 2024, the Company converted drawings under the RCF of £18.6 million into a EUR denominated loan of €22.0 million. This allows the Company to take advantage of lower EURIBOR rates and provides a natural hedge for EUR distributions received from our Swedish and Icelandic portfolio.

Refinancing of Hydropower Assets

The Group acquired the first set of assets now aggregated under the ownership of DHAB, its holding company for the 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 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 interest rate swaps until end of 2033.

As of 30 June 2024, DHAB has drawn down EUR 49.4 million under the facility, predominately as source of funding for the acquisition of hydropower plants in Sweden during 2023 but also to fund some of the capital expenditure in DHAB.

UK Solar Portfolio

Medium term amortising debt (September 2034 maturity) is in place for the United Kingdom solar portfolio and, as at 30 June 2024, comprised outstanding principal amounts of £69.7 million lent by Aviva and £10.0 million lent by

institutional investors managed by Vantage Infrastructure.

The Aviva debt operates on the basis of fixed rates, with approximately 12% on a nominal fixed rate of 3.37% and the balance on a 0.5% interest rate, fixed in real terms. The debt service of this larger debt tranche is inflation-adjusted, with indexation tracking UK RPI. The Vantage Infrastructure managed facility has an all in fixed rate of 1.54%, operating on the basis of a similar inflation-adjusting mechanism.

A summary of the debt (excluding the RCF) across the portfolio can be found in the table below:

	30 June 2024						31 December 2023					
	Hydro	Wind	Solar	Grid Infrastructure	Working capital	Total	Hydro	Wind	Solar	Grid Infrastructure	Working capital	Total
Equity value (£'m)	105.2	29.1	65.0	19.9	7.1	226.3	111.5	27.2	68.1	19.6	4.3	230.7
Debt (£'m)	41.9	0.0	79.6	0.0	0.0	121.5	42.8	0.0	78.7	0.0	0.0	121.5
GAV (£'m)	147.1	29.1	144.6	19.9	7.1	347.8	154.3	27.2	146.8	19.6	4.3	352.2

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 revenue exposure has been in Euro. Assets in the UK operate entirely in Sterling.

The Group, together with its foreign exchange advisor, has developed and implemented its foreign exchange risk management policy. The policy targets hedging for the expected 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, 36% of the Group's forecast EUR dividend receipts from SPVs out to June 2028 were hedged as at the reporting date.

Dividend Hedging

	% hedged of forecast distributions
12 months	72%
24 months	43%
36 months	33%
48 months	9%

Power Markets and Exposure

Through its portfolio companies, the Group adopts a medium to long-term power price hedging policy for its generation assets, providing an extra degree of certainty over the cash flows for the hedged periods. The fixed price generation position for the portfolio as of 30 June 2024 can be seen in the full Interim Report, and shows the impact of the combination of the hedging policy with the 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.

Power prices in the first half of 2024 were relatively flat due to high levels of UK and European gas storage, reducing the uncertainty and subsequent volatility previously seen during the Russian invasion of Ukraine. In June prices rallied due to an increase in Asian LNG demand and increasing tensions in the Middle East.

The Company's exposure to power markets remained stable throughout the period.

United Kingdom

Weather, gas storage levels and political tensions controlled the evolution of forward power prices in the UK in the first half of 2024. Cold weather created uncertainty early in the period which pushed prices up, but prices then came off due to increasing imports and strong renewable generation. The market observed a number of short price rallies in late Q1 and early Q2 due to tensions in the Middle East, combined with weak LNG supply. Late Q2 saw further rallies in prices due to intense Asian LNG demand and political instability due to several elections.

Nordics

The Nordic power market was dominated by weather during H1 2024. The start of 2024 saw colder weather than is seasonally normal, resulting in the highest demand seen in four years, uplifting forward power prices. Spot prices were relatively volatile during Q1, where weather was variable throughout the period. Strong winds and high precipitation, bringing prices down, were followed by dry, cold weather and a delayed spring flood bringing prices up. Q2 saw variability due to weather, but otherwise prices remained relatively flat.

Dividends

The Board has declared the Company's interim dividend of 1.45 pence per share, equivalent to £2.6 million, in respect of the three months to 30 June 2024. Once paid, this will bring total dividends paid in respect of the first half of the financial year to 2.90 pence per share. This dividend is not reflected in the accounts to 30 June 2024.

In the Annual Report to December 2023, the Board stated that it would increase its dividend guidance to target 5.80 pence per share for the 12 months to December 2024, a 7.85% increase from 2023. The increased dividend is expected to be fully covered by income from the current portfolio.

The Board 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 paid during the financial year to 31 December 2024 are as follows:

For the Period	Dividend Paid	No. of Shares	Total Dividend (pence per share)	Interest Element (pence per share)	Dividend Element (pence per share)
December 2023	March 2024	180,247,124	1,345	1,00875	0,33625
March 2024	June 2024	178,017,225	1,45	1,0875	0,3625
June 2024	September 2024	176,032,225	1,45	1,0875	0,3625
Total			4,245	3,18375	1,06125

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

Valuation of the portfolio

Net Asset Value

The Company's NAV decreased during the period from £212.1 million to £207.6 million as at 30 June 2024, largely as a result of share buy backs. On a pence per share basis, the NAV increased by 0.2 pence per share from 117.7 pence per share to 117.9 pence per share.

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

DORE Valuation - H1 2024	
Opening NAV 1-Jan-24	212.1
Performance	6.8
Power Curve	(4.2)
Inflation	0.5
FX	0.6
Other Model Updates	(1.4)
Asset Life	4.4
Dividend	(5.0)
Share Buybacks	(3.4)
Management Fee	(1.0)
Other Costs	(1.8)
Closing NAV 30-Jun-24	207.6

Opening

Represents the audited NAV at 31 December 2023.

Performance

Represents the balance sheet variance at the portfolio company level representing higher cashflows than anticipated in the short term.

Power Curve

The Investment Manager uses long-term, forward-looking power price forecasts from third party consultants for the purposes of asset valuations and energy price hedging. 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 asset valuation. Where fixed price arrangements are in place, the valuation models will reflect such fixed price arrangements for the applicable time frame. The impact of the power pricing hedging strategy and adjustments for embedded benefit pricing are also included in this step.

Inflation

Inflation indexation was revised to reflect the latest actuals and a market consensus of quarterly inflation forecasts across the remainder 2024 and 2025, reverting to existing long-term assumptions thereafter.

A summary of annualised rates detailed below, noting that the UK reverts to 2.25% RPI in 2030, in line with the RPI reform announced by the UK government, whereas European CPI reverts to the central bank target rate.

Figures in brackets show the relevant assumption at December 2023

	2024	2025	2026-2029	2030 onwards
UK RPI	3.70% (3.46%)	2.90% (3.00%)	3.00% (3.00%)	2.25% (2.25%)
UK CPI	2.40% (2.38%)	2.10% (2.25%)	2.25% (2.25%)	2.25% (2.25%)
Sweden CPI	2.00% (4.60%)	1.80% (2.00%)	2.00% (2.00%)	2.00% (2.00%)
Eurozone CPI	2.70% (3.20%)	2.00% (2.00%)	2.00% (2.00%)	2.00% (2.00%)

Foreign Exchange

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 between four and ten years, at which point the exchange rate is held constant due to the impracticalities of hedging currency further into the future.

Other Model Updates

Reflects changes to operational contracts (such as insurance), the cost of debt in the future, and other minor changes.

Discount Rates

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

Discount rates in use across the portfolio range from 6.3% and 8.05%, with the weighted average value sitting at 7.7%. This has not moved since reported at 31 December 2023.

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

Asset Life

Where the land is owned by an external landlord and the asset operates on the basis of a land lease agreement, 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 term of the respective lease agreement. In addition to these factors, assets life assumptions are also capped at the useful economic life of the specific equipment installed on site.

As such, a useful economic life of 35 years is assumed for the Swedish wind portfolio commencing in 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 for the extension of the operating life of the Company's assets.

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 or length of planning permit 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 of the Company comprises the sum of the discounted value of future cash flows of the underlying investments in solar, wind, hydropower and the grid infrastructure assets (being the portfolio valuation), the cash balances of the Company and its holding Company and the other assets and liabilities of the Group.

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

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

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

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

NAV Movement (PPS)		
	Negative directional change to assumption (pence per share)	Positive directional change to assumption (pence per share)
FX (+/- 10%)	(5.70)	7.82
Inflation (+/- 1%)	(8.30)	9.66
Power Prices (+/- 10%)	(11.24)	11.20
Generation (+/- 5%)	(9.68)	9.69
Discount Rate (+/- 1%)	13.09	(10.81)

Discount Rate

The weighted average discount rate of the portfolio at 30 June 2024 was 7.7% (December: 7.7%).

The Investment Manager considers a variance of +/- 1.0% to be a reasonable range of alternative assumptions for discount rates.

Generation

For the solar and wind assets, our underlying assumption set assumes the 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, a figure that has similar characteristics 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 also taking into consideration the effect of climate change in the future and validated by technical advisors.

The generation sensitivities use a variance of +/- 5% applied to the generation for each year of the asset life.

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.

Inflation

The Company's inflation assumptions are set out above. A long-term inflation sensitivity of plus and minus 1% is presented.

Foreign Exchange

The Company's foreign exchange policy is set out above. A sensitivity of +/- 10% is applied to any non-hedged cashflows derived from non-sterling assets for each year of the assumed asset life of each asset. The Company will also aim to ensure sufficient near-term distributions from any non-sterling investments are hedged.

Condensed Statement of Comprehensive Income

For the six-month period ended 30 June 2024 (unaudited)

Notes	For the six-month period ended 30 June 2024 (unaudited)			For the six-month period ended 30 June 2023 (unaudited)			
	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s	
Income							
Return on investment	4	5,500	93	5,593	5,253	84	5,337
Total income		5,500	93	5,593	5,253	84	5,337
Expenses							
Investment management fees	3	(996)	-	(996)	(1,003)	-	(1,003)
Directors' fees		(73)	-	(73)	(78)	-	(78)
Other expenses	5	(592)	-	(592)	(500)	-	(500)
Total expenses		(1,661)	-	(1,661)	(1,581)	-	(1,581)
Profit before taxation		3,839	93	3,932	3,672	84	3,756

Taxation	6	-	-	-	-	-	-
Profit after taxation		3,839	93	3,932	3,672	84	3,756
Profit and total comprehensive income attributable to:							
Equity holders of the Company		3,839	93	3,932	3,672	84	3,756
Earnings per share - Basic & diluted (pence)	7	2.17	0.05	2.22	2.85	0.05	2.90

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).

Condensed Statement of Financial Position

As at 30 June 2024 (unaudited)

	Notes	As at 30 June 2024 (unaudited) £'000s	As at 31 December 2023 (audited) £'000
Non-current assets			
Investments at fair value through profit and loss	8	208,425	212,030
		208,425	212,030
Current assets			
Trade and other receivables	9	351	337
Cash and cash equivalents	13	97	1,778
		448	2,115
Total assets		208,873	214,145
Current liabilities			
Trade and other payables	10	(1,247)	(2,083)
		(1,247)	(2,083)
Total liabilities		(1,247)	(2,083)
Net assets		207,626	212,062
Capital and reserves			
Called up share capital	11	1,846	1,846
Share Premium		65,910	65,910
Special distributable reserve		103,607	107,341
Revenue reserve		8,803	6,209
Treasury		(7,454)	(4,065)
Capital reserve		34,914	34,821
Shareholders' funds		207,626	212,062
Net asset value per ordinary share (pence)	12	117.94	117.65

The unaudited financial statements of Downing Renewables infrastructure Trust PLC were approved by the Board of Directors and authorised for issue on 18 September 2024 and are signed on behalf of the Board by:

Hugh W M Little
Chair

Company registration number 12938740

Statement of Changes in Equity

Notes	Share Capital	Share Premium	Capital Reserve	Treasury Account	Revenue Reserve	Special Distributable Reserve	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Balance at the start of the period	1,846	65,910	34,821	(4,065)	6,209	107,341	212,062
Shares bought back	-	-	-	(3,389)	-	-	(3,389)
Share issue costs	-	-	-	-	-	-	-
Dividends	16	-	-	-	(1,245)	(3,734)	(4,979)
Total comprehensive income for the period	-	-	93	-	3,839	-	3,932
Net assets attributable to shareholders at 30 June 2024	1,846	65,910	34,914	(7,454)	8,803	103,607	207,626

For the six-month period ended 30 June 2024 (unaudited)

Notes	Share Capital	Share Premium	Capital Reserve	Treasury Account	Revenue Reserve	Special Distributable Reserve	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Balance at the start of the period	1,846	65,910	35,385	-	1,140	114,618	218,899
Shares bought back	-	-	-	(741)	-	-	(741)
Share issue costs	-	(150)	-	-	-	-	(150)
Dividends	16	-	-	-	(1,560)	(3,226)	(4,786)
Total comprehensive income for the period	-	-	84	-	3,672	-	3,756
Net assets attributable to shareholders at 30 June 2023	1,846	65,760	35,469	(741)	3,252	111,392	216,978

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

Statement of Cash Flows

For the six-month period ended 30 June 2024 (unaudited)

Notes	For the six-month period ended 30 June 2024 (unaudited) £000s	For the six-month period ended 30 June 2023 (unaudited) £'000s
Cash flows from operating activities		
Profit before taxation	3,932	3,757
Adjusted for:		
Interest income	4 (5,003)	(4,757)
Unrealised gain on investments at fair value	4 (93)	(84)
Increase in receivables	(14)	(383)
Decrease in payables	(836)	(1,100)
Net cash outflows from operating activities	(2,015)	(2,567)

Cash flows from investing activities			
Purchase of investments	8	-	(17,356)
Repayment of loan principle	8	3,927	-
Loan Interest Received	8	4,774	3,500
Net cash inflows/ (outflows) from investing activities		8,701	(13,856)
Cash flows from financing activities			
Repurchase of shares into Treasury	11	(3,389)	(741)
Dividends	11	(4,979)	(4,786)
Share issue costs	16	-	(150)
Net cash outflows from financing activities		(8,368)	(5,677)
Decrease in cash and cash equivalents		(1,681)	(22,101)
Cash and cash equivalents at the start of the period		1,778	23,328
Cash and cash equivalents at the end of the period	13	97	1,227

National Storage Mechanism

A copy of the Interim Report will be submitted shortly to the National Storage Mechanism ("NSM") in accordance with DTR 6.3.5(1A) of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules and will be available for inspection at the NSM, which is situated at:

<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

LEI Number: 2138004JHBJ7RHDYDR62

For further information, please contact: Link Company Matters Limited, +44 (0)7596 599436

Name of authorised official of issuer responsible for making notification: Link Company Matters Limited, Company Secretary

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