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Net Asset Value(s)

Downing Renewables  
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## NET ASSET VALUE AND OPERATIONAL UPDATE

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

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#### **Downing Renewables & Infrastructure Trust plc**

##### **Net Asset Value and Operational Update**

The Board of Downing Renewables & Infrastructure Trust plc (the "**Company**" or "**DORE**") is pleased to announce that the Company's unaudited Net Asset Value ("**NAV**") as at 30 September 2024 was £202.6 million or 117.3 pence per share ("**pps**") as at 30 September 2024. This is a decrease of 0.5% from the Company's NAV per share as at 30 June 2024 (£207.6 million or 117.9pps) which also takes into account the payment of the £2.5m (1.45pps) quarterly dividend.

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

- Portfolio performance (+£1.3m, +0.6pps);
- Update to the long-term power price forecasts (+£2.2m, +1.3pps);
- Inflation (-£1.4m, -0.8pps);
- Share buybacks (-£2.6m, +0.7pps);
- Dividend (-£2.5m, -1.4pps); and
- Other movements (-£2.0m, -1.1pps).

As at 30 September 2024 the Company's GAV was £342.0 million (30 June 2024: £347.8 million).

##### **Operational Performance**

Energy generation was 6.7% higher than expected overall. Higher generation in the hydropower and wind portfolios was marginally offset by lower than expected generation across the solar assets.

The grid infrastructure saw slightly higher revenues than expected but lower than expected power pricing in Sweden resulted in operating profits being 9% lower than budgeted.

##### **Power Prices and Inflation**

The increase in forecast future power prices generated a £2.2 million (+1.3pps) increase in NAV, with the majority of the impact felt in the Swedish hydropower.

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

Figure 1: Comparison of weighted average forecast realised prices in the UK (real - 2024)

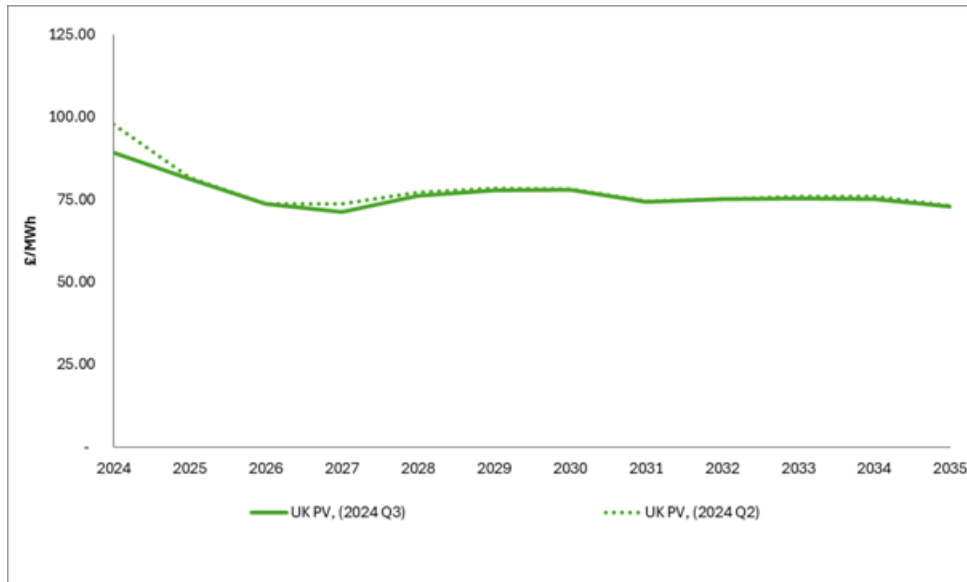
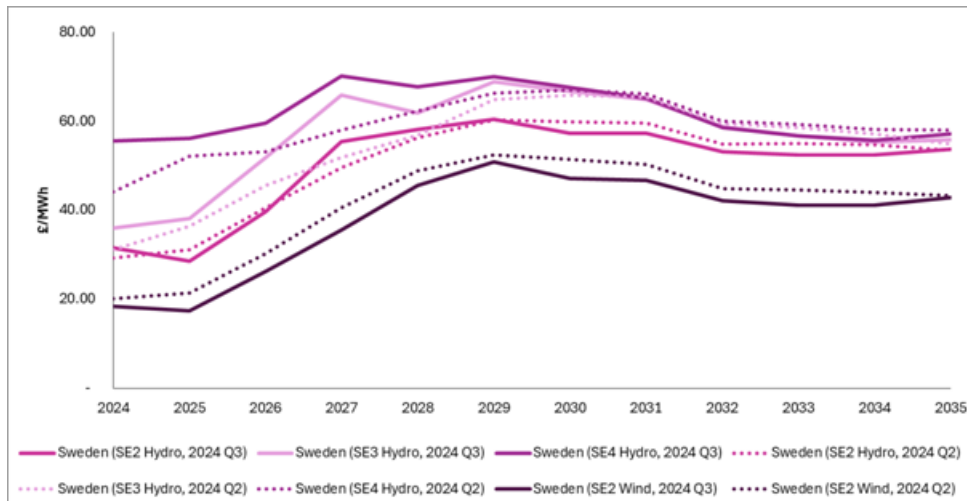


Figure 2: Comparison of weighted average forecast realised prices in Sweden (real - 2024). Prices converted to GBP for comparison purposes



The Company continues to manage exposure to merchant power pricing effectively with 65% of the Company's UK revenues fixed for the next 10 years (39% of the Company's total revenues fixed for that period).

As part of the 30 September 2024 valuation, the inflation forecasts for 2024 and 2025 have been updated to align with the latest market consensus. The full year expectations for the RPI rate remained unchanged for 2024, with 2025 expectations moderately increasing. CPI expectations are slightly increased for both 2024 and 2025. Swedish CPI rates for both 2024 and 2025 remained unchanged. Lastly, expectations for the European CPI rate for 2024 have been reduced, however they remain unchanged for 2025.

#### Discount rates

There have been no movements in discount rates for the period. The weighted average discount rate of the portfolio remains at 7.7%.

#### Hydropower portfolio

DORE is delighted to announce that the previously announced acquisition of three hydropower plants, Hagby, Gytorp and Hammarby, occurred on 21<sup>st</sup> November 2024. DORE now has 37 assets within the hydropower portfolio with a forecast annual average production of c. 222 GWh.

#### Wind portfolio

Generation in the wind portfolio was 23% ahead of budget, however this was offset by materially lower than budgeted prices.

## Grid portfolio

During the quarter, the investment manager's in-house asset management team created additional value to the portfolio by renegotiating the Mersey shunt reactor contract, which drove a 30% uplift to long term contracted revenues. Additionally, Blåsjön's real WACC for this regulatory period increased to 4.5%, up from 3.6%, resulting in increased future revenues for DORE.

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

"Our focus continues to be on capital allocation and value creation and in particular we are pleased to see further value through portfolio enhancements realised in this quarter's NAV. We are also pleased with the Company's recent hydropower acquisitions which provide further opportunities to create value for shareholders through our digitalisation and revenue optimisation programme. Portfolio assets continue to perform well with energy generation ahead of expectations albeit in challenging power price conditions. "

ENDS

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## About Downing Renewables & Infrastructure Trust plc

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

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

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

## About Downing

Downing is a responsible investment manager established in London in 1986. We currently manage £2.1 billion of assets under a broad range of investment mandates across our funds, investment trusts and tax-efficient products. As a certified B Corporation, we are focussed on creating a sustainable future, our key investment areas are renewable energy, infrastructure, property and healthcare.

Downing has c.80 professionals dedicated to renewable energy and infrastructure and a proven track record in renewables. Since 2010, Downing has made more than 200 investments and has over £920 million of assets under management in this sector.

For further details please visit [www.downing.co.uk](http://www.downing.co.uk)

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