Downing Renewables & Infrastructure Trust PLC

Annual report

for the period from incorporation on 8 October 2020 to 31 December 2021

Contents

Highlights

Successfully raised gross proceeds during the period of **£137.4** million through a placing, an offer for subscription and an intermediaries offer at an issue price of **100 pence** per ordinary share at IPO in December 2020 (£122.5 million) and a placing at **102.5 pence** per ordinary share in October 2021 (£14.9 million).

Swift deployment of the majority of IPO proceeds through the completion of two investments, investing **£102 million:**

- portfolio of eight operational hydropower plants in central and southern Sweden for **£60 million** in February 2021; and
- a 96MWp portfolio of UK Solar PV assets for **£42 million** in March 2021.

Strong operational performance meant operating profit of investments was **16.9%** above expectations (being the budget figures used when acquiring the assets). Portfolio generation of **195 GWh, 4.7%** above expectations.

Reflecting its impactful investments and specific Sustainable Investment Objectives, the Company became an Article 9 fund pursuant to the EU taxonomy and the EU Sustainable Finance Disclosure Regulations ("SFDR").

Net asset value ("NAV") as at 31 December 2021 of **103.5 pence** per ordinary share, up **5.5 pence** per ordinary share compared to the NAV immediately post IPO of **98 pence** per ordinary share.

Interim dividends per ordinary share of **2.25 pence** paid during the period and a further **1.25 pence** per ordinary share declared (but not accrued) relating to the period to December 2021. Target dividend from 1 July 2021 onwards has been increased against guidance at IPO to **5 pence** per ordinary share per annum.

Cash dividend cover of **1.21x**[1]

1 These are alternative performance measures

Entered, via wholly owned subsidiaries, into two separate loan facility agreements: a **£25 million** Revolving Credit Facility ("RCF") with Santander UK plc and a seven-year **EUR 43.5 million** debt facility with Skandinaviska Enskilda Banken AB ("SEB") for its Swedish hydropower assets.

Post Year End Highlights

Acquired two operational portfolios of hydropower plants, located in central Sweden for **£20.1 million**.

- The portfolio consists of c. 12 GWh pa of hydropower plants located in the SE3 electricity pricing zone and a c. 36 GWh pa portfolio located in the SE2 zone.

Completed the acquisition of an operational 46 MW onshore wind farm located in north eastern Sweden for **£19.8 million**.

- The project has been operational since 2011 and has a strong operational track record. The asset is expected to generate c. 108 GWh of electricity per annum.

Key Metrics

	As at or for period ending 31 December 2021
Total Shareholder Return[1,2]	5.8%
NAV total return since IPO[1,2,3]	7.9%
Share price	103.5 pence
Market capitalisation	£141.8m
GAV[1,4]	£220.9m
Dividends per Ordinary share declared for FY21	3.5 pence
NAV	£141.8m
NAV per share	103.5 pence
Environmental Performance	Assets avoided 90,523 tonnes of CO^2 and powered the equivalent of 41,973 homes

[1] These are alternative performance measures.

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

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

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

About Us

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 the stability of revenues and the consistency of income to shareholders.

The Company is an Article 9 fund pursuant to the EU taxonomy and 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 2021, the Company had 137,008,487 ordinary shares in issue which are listed on the premium segment of the Official List and traded on the London Stock Exchange's Main Market.

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

Chairman's Statement

On behalf of the Board, I am pleased to present the first annual report of Downing Renewables & Infrastructure Trust PLC covering the period since incorporation on 8 October 2020 to 31 December 2021 (the "Annual Report").

Initial Public Offering & Equity Issuance

On 10 December 2020 the Company's ordinary shares were admitted to trading on the premium segment of the main market of the London Stock Exchange following the Company's IPO. The IPO raised gross proceeds of £122.5 million through which we were delighted to welcome a very broad range of shareholders to the register.

In order to aid our continuing growth plans and to enable us to pursue value creating opportunities, we issued a further 14.5 million new ordinary shares on 19 October 2021 at a price of 102.5 pence per share, raising gross proceeds of £14.9 million.

Acquisitions

During the period, the Company and its wholly owned subsidiaries (the "Group") have successfully invested £102 million in new portfolio investments and a further £39.9 million after the year end, via DORE Hold Co Limited, the main investment vehicle for the Group. The Company now has a portfolio that is expected to generate 355 GWh of renewable electricity per year. These acquisitions have enabled us to deploy all the proceeds of equity issuance since incorporation into a portfolio diversified by technology and geography.

In my Interim report to Shareholders on the period to 30 June 2021, I commented on how our investment strategy is to invest in a diversified portfolio of hydropower, solar, wind, geothermal and other infrastructure assets across the UK, Ireland and Northern Europe. Investing in different technologies reduces our reliance on any given renewable energy resource and provides exposure to assets with different economic lives, leading to more stable returns.

I am very pleased to report that the Investment Manager has continued to make great progress in deploying the

The well-publicised increases in power prices and inflation create strong tailwinds for us and I am confident that the Company is well positioned to benefit from these factors as we move into a new phase of growth with intended capital raising and deployment.

Company's equity issuance proceeds. Since the period end, the Company has completed the acquisition of a 46 MWp operational wind farm in north eastern Sweden for £19.8 million. The Company has also added to its existing hydropower portfolio with the acquisition of a 2.9 MWp portfolio of small-scale hydropower assets and 6 MWp portfolio of three hydropower plants in southern and central Sweden. The additional hydropower assets were acquired for £20.1 million.

Debt Facilities

In the interests of capital efficiency and to enhance income returns, long-term capital growth and capital flexibility, the Company is permitted to maintain a conservative level of gearing. To allow flexibility with making new investments, the Company, via wholly owned subsidiaries, entered into two separate loan facility agreements: a £25 million RCF with Santander UK plc and a seven-year EUR 43.5 million debt facility with SEB. Further information on these facilities can be found in the Investment Manager's Review.

The RCF will give the Group the additional flexibility to enable the Investment Manager to capitalise on its current investment pipeline, whilst also facilitating future growth.

Financial Results

During the period the NAV per ordinary share increased from 98 pence at admission (after costs) to 103.5 pence at 31 December 2021, an increase of 5.5 pence. Including dividends paid to date of 2.25 pence per ordinary share, gives a NAV total return since IPO of 7.9%. This increase reflects the net earnings and the valuation uplift of both our hydropower and solar assets following strong operational performance since acquisition alongside a favourable economic environment.

The portfolio companies distributed £4.7 million to the Company by way of shareholder loan repayments and interest during the period. An element of this cash, £2.6 million was retained in the Company's subsidiary DORE Hold Co and forms part of the valuation.

The Company made a profit for the period from incorporation to 31 December 2021 of £10.1 million, resulting in earnings per ordinary share of 9.4 pence. As per the accounting standards, this includes the revaluation of the assets.

Portfolio Performance

The 3,234 operating assets produced approximately 195 GWh of clean electricity during the reporting period. The Board continues to be pleased by the strong operational performance of the portfolio. Generation has exceeded expectations by 4.7% and, in addition to strong generation performance, the Company has benefited from strengthening power prices in both jurisdictions, particularly Sweden. Together, these factors have driven a significant increase in revenue and cashflows.

Dividends and Returns

As I set out in the Company's Interim Report, at IPO the Company set out a dividend target of three interim dividends totalling 3 pence per ordinary share in respect of the financial period from IPO to 31 December 2021, rising to a target annualised dividend yield of 5 pence per ordinary share against the IPO price of 100 pence per ordinary share, in respect of the financial year to 31 December 2022. Thereafter, the Company intends to adopt a progressive dividend policy.

As announced in September 2021, following the rapid deployment of the equity issuance proceeds and the continued strong trading performance since the two portfolios were acquired, the Board announced it was increasing its dividend guidance to 5 pence per share per annum from 30 June 2021 (representing a dividend per share of 1.25 pence for the quarter ending September 2021 and thereafter).

In line with the improved guidance, the Company has paid interim dividends to Shareholders of 1 penny per share for the period from IPO to 30 June 2021 and 1.25 pence per share for the quarter to 30 September 2021. I am pleased that a further dividend of 1.25 pence per share has been announced and will be paid for the quarter to 31 December 2021. The Company continues to meet the increased dividend guidance target.

The Company achieved a cash dividend cover of 1.21x for the dividends of 2.25 pence per share paid during the period. Dividend cover is presented excluding dividends paid immediately following the issuance of new shares. If these are included, the dividend cover would be 1.14x.

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 fair value of other assets and less the Company's 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.

Outlook

The Board is very satisfied with the £142.8 million deployed in the five investments made to date. At a portfolio level, the Investment Manager's in-house asset management team will continue its focus on delivering continued positive operational performance, along with optimisation initiatives where appropriate.

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

The well-publicised increases in power prices and inflation create strong tailwinds for the Company and I am confident that the Company is well positioned to benefit from these factors as we move into a new phase of growth with intended capital raising and deployment. Our Investment Manager continues to take a discerning approach to pursuing investment opportunities that will deliver the greatest value to shareholders. The Company is actively progressing several hundreds of millions of pounds of pipeline opportunities. Opportunities span UK and Nordic hydropower, wind, solar and batteries, Nordic utilities and essential infrastructure.

Net Zero has continued to dominate the agenda during the period, with the long-awaited COP26 climate summit having taken place in Glasgow in November 2021. The size and complexity of the challenge is enormous, requiring interventions across all sectors.

Despite significant headway on several fronts, national climate and financing commitments still fell short of what is needed to come to grips with the climate challenge. It remains clear that more renewable energy generation is necessary.

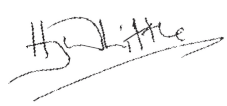
Countries signalled their intention at COP26 to begin the phasing out of traditional energy systems, and this means renewable energies must take the place of fossil fuels.

The scale-up of renewables needed will be substantial. As economies around the world move towards this carbon neutral future, the Company is well positioned to take advantage of this transition.

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

The Company and the Investment Manager continue to monitor the ongoing conflict between Russia and Ukraine and its effect on European power markets.

I would like to thank my fellow Directors and our Investment Manager for their efforts since the Company's IPO and I would like to thank shareholders for their support of the Company, which I am confident is well placed to continue its growth and deliver on its Investment Objectives.



Hugh W M Little
Chair
4 March 2022

Downing Renewables & Infrastructure Trust plc

Sustainability and Responsible Investment

The OECD estimates that $630 billion of new investment is required for each year of the next decade in order to deliver just a 66% chance of limiting temperature increase on the earth's surface to below 2 degrees.[5] It is easy to be dwarfed by the vast scale of effort needed, however by raising capital, deploying it into the renewable energy sector and then managing our generation capacity in the most efficient manner, the company is making a tangible contribution.

Meeting the world's energy needs will require large scale land areas to be converted for renewable energy use.

This highlights the need for responsible stewardship of the land and strong engagement with local communities[6]. These aspects are priority aspects of the Company and Downing's approach to responsible development of energy projects, and are also closely monitored by the Board.

Power density is the metric used to describe the quantity of the earth's surface required to generate a unit of energy. Typically, the power densities of renewable technologies are significantly lower than fossil fuels[7] and therefore the amount of land required is higher.

Environmental performance Acquisition – 31 December 2021	Key Performance Indicators
3,255	Number of renewable generation assets
121.4 MW	MW of installed renewable generation capacity
195 GWh	GWh energy generated
90,523	GHG emissions avoided (tCO2e)
41,973	Equivalent homes powered
4	Number of beehives
12	Number of bird boxes
10	Number of bat boxes
Social performance	
£19,646	Annual community funding
Governance	
14	Number of health and safety audits
0	Number of accidents, injuries, serious injuries

[5] OECD (2017), Investing in Climate, Investing in Growth, OECD Publishing, Paris, https://doi.org/10.1787/9789264273528-en.

[6] https://www.carboncommentary.com/blog/2020/8/23/how-much-space-will-a-100-renewables-uk-require

[7] https://net-zero.blog/book-blog/land-use-by-energy-source#:~:text=Power%20density%20is%20a%20measure,%2C%20industry%2C%20and%20convenience%20living.

Beyond just raising and deploying capital, we have an important part to play in raising awareness on climate change, educating around the solutions and investing in the landscape and communities that we are protecting. Taken together, these aspects of how we behave all add up to our social licence to operate[8].They are not just 'nice to haves', they are critical enablers.

Green Energy Education

The Company and Downing are pleased to be partnering with Earth Energy Education, a company dedicated to getting children out of the classroom and visiting the Company's renewable energy sites across the UK to help educate them about green energy and inspire them about this sector. Pursuing the development and operation of these renewable energy projects has now become an intergenerational responsibility.

During the 2021/22 school year, Earth Energy Education will be facilitating 10 school visits to several ground-mounted solar projects owned by the Company. During these trips, the children will learn what makes solar energy renewable and its environmental benefits. Perhaps most importantly, the children will learn and understand the relationship between climate and energy consumption - important knowledge when addressing climate change.

[8] https://socialicense.com/definition.html

Additionally, Earth Energy Education will be arranging five classroom "solar toy design and make days" leading to one big inter-school solar car race day. By constructing solar toys and sun-fuelled cars, children will get to grips with how solar technology can be used in a hands-on session.

Finally, the group will be holding five "power your school" workshops. Working with a UK-wide network of scientists, children will have the opportunity to record energy data in their school. They will use this data to design the best location to install solar panels or wind turbines. It will be a valuable exercise for the children who will learn about the efficiencies of installing renewable energy generators.

In all, these vital sessions will reach and hopefully inspire around 1,300 children.

Multi-purpose land use

During the period, the Company alongside Downing has been working in collaboration with local branches of the British Beekeepers Association to house bees on its UK Solar sites. Important factors that had to be considered

include flexible access arrangements for the beekeepers and apiary fencing so that grazing sheep don't get too close. The ongoing goal is renewable energy assets that enhance an ecosystem that encompasses and encourages wildlife.

The world is increasingly looking for sustainable and cyclical business practices that benefit the planet and all the creatures that live on it; sheep play an important part in the maintenance of land around the Company's ground-mounted solar panels and the performance of renewable energy assets.

Long grass can cause shading on the panels and reduce their efficiency. The underperformance of one panel will affect the productivity of all the other panels surrounding it as they are connected in a series. It is essential to keep the grass around the solar panels trimmed, but using traditional diesel-powered mowers is time consuming, expensive and not environmentally friendly.

Sheep maintain the land in a fully sustainable and eco-friendly way while enabling dual purpose land use. The sheep support the biodiversity of the area by avoiding the use of pesticides, thus allowing local wildlife and pollinators to flourish and thrive. They also offer a low cost yet highly effective method for stopping grass and weeds from overgrowing. It also minimises the risks of damaging the solar panel infrastructure that a traditional mower can pose.

We are proud to be demonstrating our commitment to the BRE National Solar Centre's *Agricultural Good Practice Guidance for Solar Farms*[9] and the *10 Commitments* of good practice established by the UK Solar Trade association.[10] We currently operate 8 grazing licences and 4 beehives across 247 acres of multi-use land.

[9] NSC_-Guid_Agricultural-good-practice-for-SFs_0914.pdf (bre.co.uk)

[10] Solar Farms: 10 Commitments • Solar Energy UKh

Downing's Approach to Sustainability

The Investment Manager is a Responsible Investor. This responsibility is contextualized by two key commitments; Downing is a signatory of the Principles for Responsible Investment (supported by the United Nations) and the Financial Reporting Council's UK Stewardship Code. Both commitments share in common the integration of Environmental, Social and Governance factors in investment decision-making and the principle of active ownership.

ESG Integration is the systematic and explicit inclusion by investment managers of Environmental, Social and Governance (ESG) factors into financial analysis.

Active ownership is the use of the rights and position of ownership to influence the activities or behaviour of investee companies.

PRI Principles for Responsible Investment

We believe that ESG factors are financially material and present both risks and opportunities for investors. Actively managing material risks and opportunities is how we protect and enhance value for our investors.

The terms 'Responsible' and 'Sustainable' are frequently used interchangeably but we believe that they mean subtly different things. As Investment Manager we are responsible to our investors for the execution of their investment mandate. We put our investor's interests ahead of our own. However, our responsibility is not just owed to our investors, as responsible stewards of capital we have a broader responsibility to society too:

Signatory of:
UK STEWARDSHIP CODE | 2021

"***Stewardship** is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society."*

UK Stewardship Code 2021

When we use the term 'Responsible Investing' we are principally referring to avoiding, mitigating and managing risks on behalf of our investors and the environment and society that we share. The base line for this approach is the Downing exclusion policy.

Downing LLP's investment exclusions are expressions of principles that we share in common with our investors. They are the lines in the sand that collectively we will not cross. Briefly summarizing the policy; exclusions are not applied on the basis of sectors but are informed by two areas: products and behaviors.

There are certain corporate behaviors which we believe that society in the form of customers, suppliers, competitors and regulators will not tolerate and therefore avoiding these companies protects our investors from reputational risk and poor performance outcomes. These behaviors are typically ones which we would not condone in our own business operations or our supplier's and we are aligned with our investors in not wishing to associate ourselves with them. Our framework for acceptable Corporate Behavior is the United Nations Global Compact. Defined breaches of the Global Compact would constitute an investment exclusion.

There are some products which although we cannot uninvent them, we can refuse to fund their production. These products are typically those where there is sufficient international consensus that refusing to invest is a meaningful act, that supports the containment of a product which we believe has no legitimate purpose. Product level exclusions would apply to companies deriving revenue from defined controversial weapons, the manufacture of tobacco products and companies with specific types and levels of fossil fuel exposure.

When we talk about Responsible Investment, we recognize the natural relationship between exclusion, engagement and divestment. Whilst adherence to the principles of the UN Global Compact Is a key tenet of our exclusion policy, proactively encouraging best practice across the thematic areas of the compact Is the foundation for our firm-wide engagement policy.

We are used to thinking about our responsibility to our investors, it is implicit in our fiduciary duty. It is also not unusual for us to be thinking about our investor's beneficiaries too because our investors are frequently investing for their children's future.

The same principle applies to society; when we think about our responsibility to society, in the context of Sustainability we are also thinking about the society of the future.

> "**Sustainable development** is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."
>
> *The Brundtland Commission, Our Common Future*

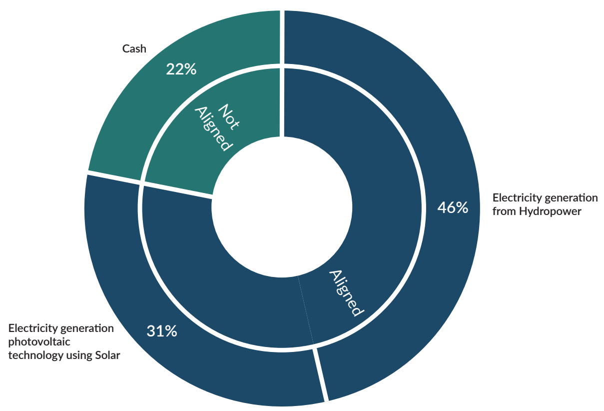
Sustainability, on the face of it is just about the rate at which something can be maintained. Its most frequently used to describe resource efficiency. However, within financial regulation, 'Sustainable Investment' is a defined term:

> **'Sustainable investment'** means an investment in an economic activity that contributes to an environmental objective… or… a social objective… provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices.
>
> *EU Sustainable Finance Disclosure Regulation*

The Company was proud to be awarded The Green Economy Mark by the London Stock Exchange at IPO in December 2020.

The Green Economy Mark was introduced in 2019 and recognises listed companies and funds that derive 50% or more of their revenue from environmental solutions. The award is recognition that the Company meets the required industry standards of the Company's commitment to a sustainable investment approach. It also provides transparency for investors, giving those seeking a sustainable and strong risk-adjusted returns the reassurance that they are investing in a greener future and supporting the UK's commitment to a net-zero economy.

Portfolio alignment to EU taxonomy



In addition to a high degree of taxonomy alignment, the United Nations Sustainable Development Goals are frequently used to describe the positive contribution that our investments make to help solve some of the most pressing needs facing our environment and society.

maximised through the proactive monitoring and incident response within the asset management team. Long term generation prospects are improved through ensuring long term maintenance strategies are appropriate to keep the assets working effectively. In addition, the program underway to extend the generating life of the ground mount solar assets will substantially increase the anticipated generation from existing assets.

Target 7.1:
By 2030, ensure universal access to affordable, reliable and modern energy services

The UK solar portfolio is highly diversified across individual assets and geographies. A significant level of solar generation from the commercial and residential rooftops assets is provided on a free or discounted basis to the property owner. During the period of ownership, 9,908 MWh was made available to residential occupants at no cost. In addition, 7,263 MWh has been made available to commercial landlords on a discounted basis.

Although not all energy generated is used by the property and any excess is exported to the grid, the retail value of the electricity generated is in excess of £2.8m.

Our hydropower portfolio also provides electricity to local residents.

Target 7.2:
By 2030, increase substantially the share of renewable energy in the global energy mix

The renewable generation portfolio is proactively managed to maximise financial return from each asset, often meaning that generation is increased over the short and long term. Short term generation is

Target 9.4:
By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

Since acquiring the UK solar portfolio the asset manager has undertook an upgrade to its infrastructure by participating in the Energy Network's Association program to ensure compliance with its engineering recommendations. These changes designed to help National Grid ESO operate the electricity network more efficiently, reduce balancing costs and therefore provide savings to electricity customers.

Target 13.3:
Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

In December 2021 Downing is pleased to be partnering with Earth Energy Education, a company dedicated to getting children out of the classroom and visiting renewable energy sites across the UK to educate them about green energy. During the 2021/22 school year, Earth Energy Education will be facilitating 10 school visits to several ground-mounted solar projects managed by Downing. During these trips, the children will learn what makes solar energy renewable and its environmental benefits. Perhaps most importantly, the children will learn and understand the relationship between climate and energy consumption – important knowledge when addressing climate change.

Target 15.5:
Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species

Across our ground mount solar portfolio, we are now stewards of 358 acres of land. Over preceding generations, intensive farming practices, the use of fertilisers, herbicides and pesticides have had a detrimental impact on farmland birds, pollinators, and the flower-rich habitats themselves[11]. Our ongoing land management plans have seen the sewing of region-specific wildflower seed mixes, the re-introduction of pollinators through partnership with local branches of the British Beekeepers Association and specific measures to encourage UK International Union for Conservation of Nature Red list species back onto the land. Going forward, we are planning an ongoing program of ecological site surveys to identify refine and optimise our contribution to SDG 15.

Target 15.9:
By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts

Target 15.a:
Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems

11 State-of-Nature-2019-UK-full-report.pdf (nbn.org.uk)

Environmental, Social and Governance Objectives

Over the period, we have agreed a set of ESG KPIs against which we intend to track the ESG performance of our investments over time.

Environmental	Social	Governance
Renewable energy capacity	Jobs supported	Board independence & expertise
Renewable electricity / heat generated	Number of accidents, injuries and fatalities	Ratio male to female board members (where funds do not control investments)
GHG emissions avoided	Existence of a formal community engagement / complaints handling process	ABC policies in place and regularly reviewed
GHG emissions (scope 1 and 2)	Number of engagements with stakeholders including local community complaints	Material contractor due diligence
Proportion of purchased energy from renewable sources	Ability to host education visits	
Action taken to avoid or minimise habitat degradation	Education/community visits	
Natural habitat creation / restoration	Community fund contributions	
Environmental incidents including non-compliance with permits / regulations		

Task Force for Climate Related Financial Disclosures ("TCFD")

The TCFD Recommendations are designed to encourage consistent and comparable reporting on climate-related risks and opportunities by companies to their stakeholders. The TCFD Recommendations are structured around four content pillars: (i) Governance; (ii) Strategy; (iii) Risk Management; and (iv) Metrics & Targets. Throughout this report, the Company has reported in line with TCFD recommendations.

The Company strives to maintain the highest standards of corporate governance and effective risk management at both a Company and a portfolio level. Although the Company is not required to report under the recommendations of the TCFD, many of those recommendations are followed in order to enhance the Company's disclosures.

Governance

Governance is the responsibility of the Board, with key functions delivered through delegated committees with the oversight of the Board and the ongoing support of the Investment Manager.

The Board meets on at least a quarterly basis, with additional ad-hoc meetings arranged as appropriate. Information relating to the Company's activities in fulfilling its sustainable Investment Objective are presented on at least a quarterly basis. This data enables the Board to satisfy itself that it is fulfilling the climate mitigation obligations explicit in the Company's sustainable Investment Objective; "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."

On at least an annual basis the Board reviews climatic data, specific to the geographies and asset types in the portfolio, in order to review and develop the Company's strategy in relation to the risks and opportunities from climate change.

The remit of the Board and its Committees are set out in more detail in the Corporate Governance Statement on pages 73 to 81. However, specifically the role of the Audit and Risk Committee is to monitor the effectiveness of the Company's financial reporting, service providers, systems of internal control and risk management, and the integrity of the Company's external audit processes. In fulfilling this purpose, the Committee has oversight of financial disclosures, including TCFD reporting.

In addition to the Board's oversight functions, the Directors have appointed an Investment Manager and delegated the day-to-day management of the Company to the Investment Manager. Rather than creating new structures to govern and oversee the management of climate change risks and opportunities, the Investment Manager has integrated climate change into its existing structures, processes and risk registers. On the instruction of the Board, the Investment Manager gathers portfolio data on an ongoing basis, that enables the board to oversee the delivery of the Company's sustainable Investment Objective.

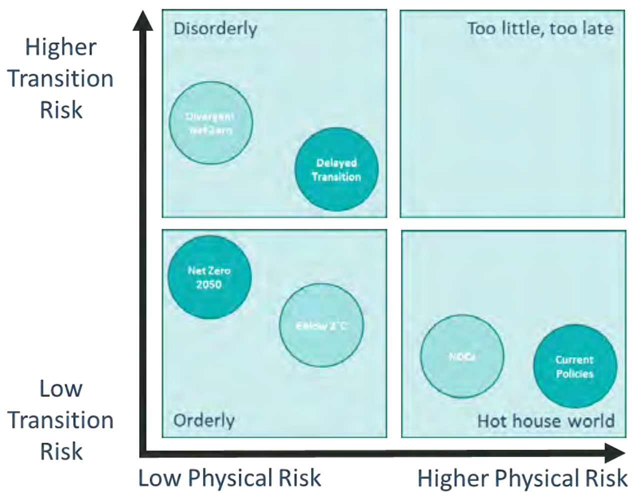
The Investment Manager also provides dedicated subject matter expertise to support the Board's annual review and development of strategy in relation to climate change risks and opportunities. The Investment Manager integrates Environmental, Social and Governance factors into its investment processes, with climatic factors forming integral components of the investment thesis. Finally, the Investment Manager operates an Investment Committee to oversee and approve the acquisition and disposal of assets on behalf of the portfolio. Climatic factors are reviewed as critical components of the investment thesis.

Strategy

Scenario Analysis for Strategy Development

In order to analyse the potential range of risks and opportunities associated with climate change, the Board selected three scenarios from the potential six developed by The Central Banks and Supervisors Network for Greening the Financial System ("NGFS"). Selecting one scenario from each of the available boxes, enabled the board to consider the possible combinations of physical and transitional risks.

NGFS Scenarios



Physical risks arise from the changes in weather and climate that impact infrastructure and economic activity. They are typically sub-divided into acute risks like extreme weather events or chronic risks like rising sea levels, differentiated by the time taken to have a given effect.

Transition risks are the societal changes arising from a transition to a low-carbon economy. They could arise from changes in public sector policies, innovation or the affordability of certain technologies, investor or consumer sentiment towards behaviours or products.

The three selected scenarios are:

1. **The Current Policies Scenario (Base Case)** assumes that only currently implemented policies are preserved, leading to high physical risks. Emissions grow until 2080 leading to about 3°C of warming and severe physical risks. This includes irreversible changes like higher sea levels. This scenario will be updated to reflect progress made at COP26 but remains the base case scenario with the greatest probability.

2. **The Delayed Transition Scenario** assumes global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2°C. Negative emissions are limited. This scenario assumes new climate policies are not introduced until 2030 and the level of action differs across countries and regions based on currently implemented policies.

3. **The Net Zero 2050 Scenario** is an ambitious scenario that limits global warming to 1.5°C through stringent climate policies and innovation, reaching net zero CO_2 emissions around 2050. Some jurisdictions such as the US, UK, EU and Japan reach net zero for all greenhouse gases by this point. This scenario assumes that ambitious climate policies are introduced immediately. Physical risks are relatively low, but transition risks are high.

Scenario Probabilities

These scenarios are not predictions and instead are presented as hypothetical outcomes. However, an analysis of their relative probability indicates how strategy may develop over time or indeed where the Board focused their analysis.

At this point in time, the Net Zero 2050 Scenario is assessed to be the least probable of the three scenarios recognizing the lack of sufficient international consensus, co-operation and investment. The Net Zero 2050 Scenario is dependent upon near term variables and so without significant change, its probability will drop sharply in the near term.

Whilst the Current Policies Scenario will be updated to reflect progress made at COP26, it remains the base case scenario with the greatest probability. If policy progress remains limited, the probability attributed to this >3˚C scenario will increase over time.

The probability of achieving a Delayed Transition Scenario is dependent upon future unknown variables, therefore without any significant change over the medium term, its probability will reduce over time.

Recognising that the Current Policies Scenario is considered the most probable, the Board's analysis of Climate risks was focused on an assumption of higher physical risks and lower transitional risks. The relative probability of these scenarios will be reviewed on at least an annual basis and will inform future strategy development.

Analysis Periods for Strategy Development

Recognising the international climate policy focus on the next 30 years and the projected lifespan of a number of the assets within the Company's portfolio, the Board's scenario analysis was considered over a 30-year period, sub divided into three time horizons: short-term 2022-2030; medium term 2031–2040; and long-term 2041-2050.

The illustrative table below shows how the relative combinations of physical and transitional risks might be expected to develop over time and why the Board's analysis focused on physical risks.

Illustrative Risk Composition over time

	Risk Composition	Short Term 2022 - 2030	Medium Term 2031 - 2040	Long Term 2041 - 2050
Current Policies	Physical	High	Higher	Highest
	Transitional	Low	Low	Low
Delayed Transition	Physical	High	Higher	Low
	Transitional	Low	Highest	High
Net Zero 2050	Physical	Low	Lower	Lowest
	Transitional	Low	Lower	Lowest

Physical Factors, Portfolio Impacts and Modelling

Whilst climate change is a complex phenomenon, physical risks and opportunities to the portfolio were identified across four principal factors: air temperature change, wind speed change, precipitation level change and change to incidence rate of extreme weather events.

In addition to the data above, portfolio efficiency, micro and macro-economic data is reported to the Board on a quarterly basis. Data relating to generation and portfolio efficiency is utilised to assess the effect of any physical risks to the portfolio and the company's delivery of its sustainable Investment Objective. Micro and macro-economic data, for example energy commodity prices, carbon emissions allowance prices and subsidy rates are utilised to assess the impact of transitional risks.

For each risk factor, the portfolio technology and geographic exposure were considered to assess the potential impact on the portfolio. An appropriate modelling input was then identified to enable the Board to assess the potential impact of the factor.

For example, the table below describes how a projected change in precipitation may require changes to ground maintenance activity associated with the solar portfolio and therefor how operational costs could change over time to reflect this. Meanwhile changes to precipitation rates could affect generation from hydropower assets.

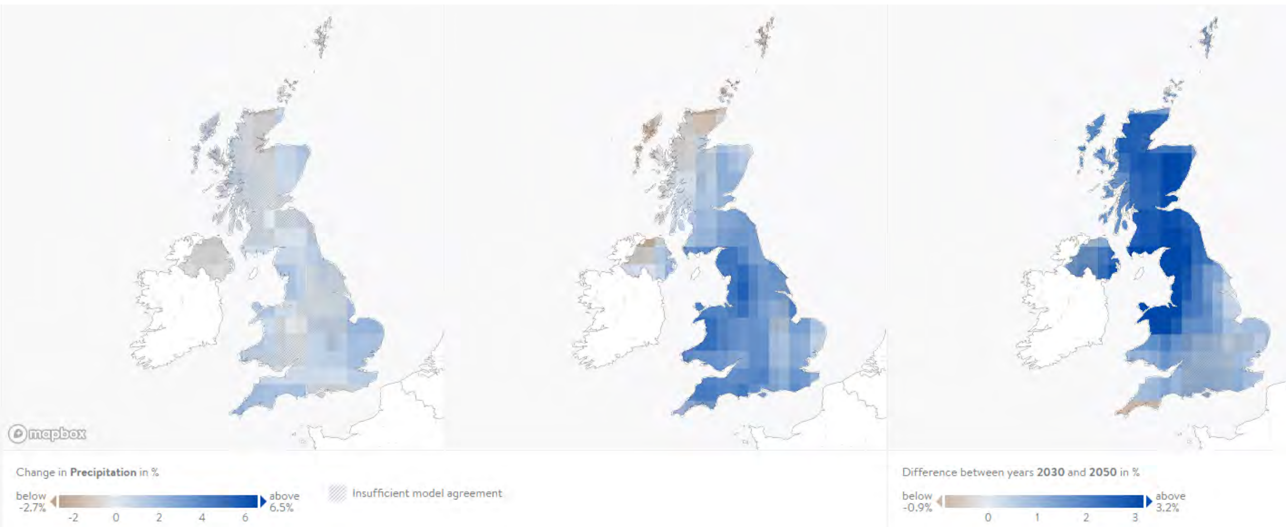
Physical Factors, impact and modelling table

	Physical Factors			
	Solar		Hydropower	
	Impact on Portfolio	Assumption to flex	Impact on Portfolio	Assumption to flex
Air Temperature Δ	Change in tech efficiency due to temperature fluctuations	Performance ratio	Timing of spring melt	Generation profile
Wind Δ	Mounting structure maintenance, potential to reduce surface temperature of modules	Operational costs	Nil	N/A
Precipitation Δ	Ground maintenance activity, potential to impact on surface dust of modules	Operational costs relating to land management	More water flow and generation capability	Generation
Extreme Weather Δ	Damage to equipment	Operational costs (insurance premiums) / Capex on drainage	Spill (efficiency during high water flow) / equipment damage	Generation / Capex

A worked example - precipitation change under the current policies scenario

The company's solar assets are predominantly located in the United Kingdom. The left and middle maps show the projected change in Precipitation (in %) in United Kingdom since the reference period 1986-2006, in the years 2030 and 2050 under a NGFS current policies scenario. The third map shows the difference between the two.

Precipitation Change UK

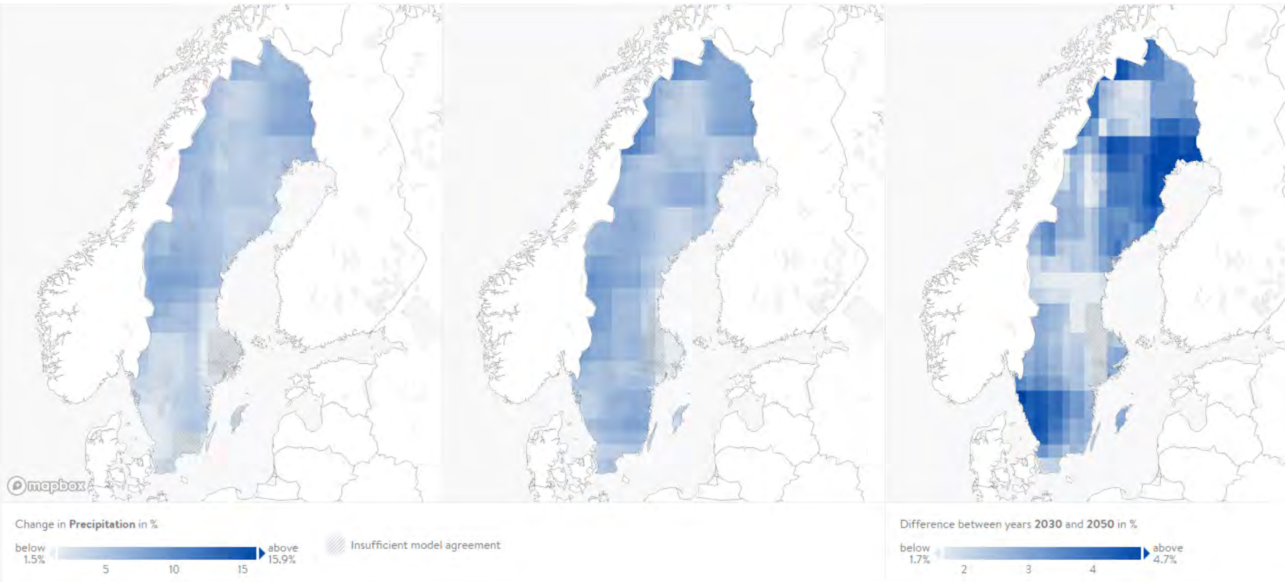


Short Term: Solar modules are typically hydrophobic, making it unlikely that increased precipitation would result in mineral build-up on the modules, however prolonged periods of cloud cover may marginally reduce generation over the short term. Increased precipitation could increase growth of vegetation around module arrays and require more frequent maintenance as a result. To monitor these short-term effects, the efficiency of modules and their generation profiles are monitored on an ongoing basis with this data built into ongoing portfolio valuations. Valuation models already allow for ad hoc maintenance costs within operational expenditure.

Medium Term: Consistently higher precipitation rates may require additional capital expenditure to improve site drainage.

The Company's hydropower assets are predominantly located in Sweden. The left and middle maps show the projected change in Precipitation (in %) in Sweden since the reference period 1986-2006, in the years 2030 and 2050 under a NGFS current policies scenario. The third map shows the difference between the two.

Precipitation Change Sweden



Short, Medium and Long Term: Increased precipitation rates are likely to have a positive effect on generation from hydropower assets. Marginal increases to routine maintenance are likely to be offset by increased generation.

This worked example focused solely on projected precipitation changes in isolation from other factors, across two technology types and geographies. When considered alongside other factors like changes in air temperature and wind speed, the potential future variation in water supply to Nordic hydropower assets was assessed to have a more significant potential impact on portfolio valuations than the marginal impact from UK based solar assets. For this reason, significant work is undertaken before the acquisition of the hydropower portfolio and the forecast impact of climate change on the specifics assets was included within financial pricing models.

Increased precipitation, both on an annual basis and on shorter timeframes can challenge the ability to handle high water flow. Temperature drives the melting of snow reservoirs and milder winters can result in earlier spring floods and increased flow during the winter months.

When the data is available, we consider using seasonal inflow a more accurate measure than precipitation alone as it reflects the dimensioned flow that the power plant will get, both in terms of production and excess water flow.

The projected changes to the climate bring several other considerations in terms of potential impact to asset valuations. Increased inflow during winter months can be beneficial if it continuous to correlate with higher electricity market prices, although changes can also impact the level of wind generation and changing demands for heat.

The relative impact of Physical and Transitional risks

Changes to physical factors are projected from modelled greenhouse gas emissions, extrapolated principally from population growth, economic activity, energy utilisation and the generation mix. Many of these physical factors are omni-directional and the potential effects are assessed to be gradual.

Transitional factors can have a much wider spread of potential outcomes as a result of concentrated human decision-making. For example, population growth is influenced by billions of unconnected human decisions and therefore the probability of directional changes to population growth over the short term are extremely low. In contrast policy changes to government subsidies can be influenced by a relatively small number of people over a short period of time.

Across each of the three scenarios there is an assumption that policies and consumer preferences are likely to become more supportive of renewable energy generation over time. Whilst harder to project than the portfolio effects of physical risks, transitional factors are likely to remain supportive of portfolio valuations.

Portfolio Sensitivity Analysis

Building on the scenario modelling and assumptions set out above, and data provided by NGFS for the most likely scenario we are able to quantify the impact on environmental factors over an appropriate timeframe.

	Metric	2022 - 2030	2031 - 2040	2041 - 2050
Solar - UK				
Air Temperature Δ	temperature of air masses two meters above the Earth's surface	0.3%	0.6%	0.8%
Wind Δ	velocity of an air mass 10 metres above ground	(0.3%)	(0.8%)	(1.7%)
Precipitation Δ	mass of water (both rainfall and snowfall) falling on the Earth's surface	(0.1%)	2.0%	2.9%
Extreme Weather Δ	percentage change in the cost of damage from such events	6.9%	15.3%	23.3%

	Metric	2022 - 2030	2031 - 2040	2041 - 2050
Hydropower - Sweden				
Air Temperature Δ	temperature of air masses two meters above the Earth's surface	0.4%	0.9%	1.2%
Wind Δ	velocity of an air mass 10 metres above ground	(0.1%)	(0.8%)	(1.2%)
Precipitation Δ	mass of water (both rainfall and snowfall) falling on the Earth's surface	0.8%	1.5%	1.9%
Extreme Weather Δ	level of damage from river floods that is expected to occur every year, measured in USD	16.0%	56.0%	34.8%

Taking the changes into account and making appropriate adjustments to valuation assumptions, through generation profiles and levels, operational expenditure (including insurance premiums) and capital expenditure provides us with an estimate of the potential financial impact of climate change to the Company. As all climate related considerations are already included within our investment case, the estimated impact on the NAV of the Company would be approximately 0.74 pence per share.

Strategic Implications and Resilience of DORE's Climate Change strategy

The physical risks of climate change present manageable risks to the portfolio, as described throughout the first section of this report, however society's transition to a lower carbon economy presents significant opportunities and upside potential for the Company. The Company's investment objective is to provide investors with an attractive and sustainable level of income returns, with an element of capital growth, by investing in a diversified portfolio of renewable energy and infrastructure assets in the UK, Ireland and Northern Europe.

Significant growth in renewable energy and its associated infrastructure is critical to meeting the required emission reductions across an expanding electricity generation sector. This positions the Company well to continue delivering value to investors through its robust climate change strategy.

Risk Management

The ongoing performance of the company's portfolio and all material factors affecting valuation are reviewed on a quarterly basis. Market, climatic factors and events affecting valuation are constantly monitored by the Investment Manager, with any extraordinary events leading to material changes to valuation, communicated to investors.

The Investment Manager utilises in-house subject matter expertise to prepare reports for the board throughout the reporting period. These reports incorporate policy perspectives and data sourced from respected third-party policy experts. On the basis of these reports, the board undertake an annual review and development process in support of the company's climate change strategy, identifying and evaluating the principal climate risks and opportunities.

The board's standard reporting pack contains data that enables them to oversee the delivery of the company's sustainable investment objective, explicitly delivering output that supports Climate Change Mitigation.

Metrics and Targets

The following data is currently utilised to support modelling of risks and opportunities in relation to the portfolio's technical generation mix and geographic exposure. The three common factors across analysis of the portfolio are air temperature, wind speed and precipitation. In addition to these three common factors a fourth data source has been selected for each geography and portfolio technology, as a proxy for potential changes to costs of extreme weather events. The common source of the data is the NGFS Current Policies Scenario and the time period selected aligns to the short, medium and long term horizons identified during scenario analysis for strategy development.

Projected Air Temperature Change (UK and Sweden)

Projected Wind Speed Change (UK and Sweden)

Projected Precipitation Rate Change (UK and Sweden)

Projected annual % change in cost of expected damage from tropical cyclones (UK)

Projected annual % change in cost of expected damage from river floods (Sweden)

These data sources will be updated and reviewed on an at least an annual basis to continue to support scenario analysis and strategy development. Over time, additional data sources may be selected to reflect the portfolio's diversification by technology and geography.

In addition to the data above, portfolio efficiency, micro and macro-economic data is reported to the board on a quarterly basis. Data relating to generation and portfolio efficiency is utilised to assess the effect of any physical risks to the portfolio and the company's delivery of its sustainable investment objective. Micro and macro-economic data, for example energy commodity prices, carbon emissions allowance prices and subsidy rates are utilised to assess the impact of transitional risks.

Scope 1 Emissions: When considering the direct emissions of the company, we assess these to be negligible, recognising that over the reporting period, all company's business has been conducted virtually.

Scope 2 Emissions: The Scope 2 emissions of the portfolio are estimated to be 4,325 kg C02e. These emissions stem principally from electricity utilised by the hydropower assets within the portfolio and are estimated on the basis of electricity usage and geographically specific residual grid emissions factors.

Scope 3 Emissions: The Scope 3 emissions of the portfolio are estimated to be 13,033 kg CO2e. These emissions are estimated principally on the basis of grass-cutting and panel cleaning across the Ground Mounted Solar portion of the portfolio and the accrued mileage of contractors making routine site visits throughout the reporting year.

Strategy and Business Model

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

Corporate Summary

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

As at 31 December 2021, the Company had 137,008,487 ordinary shares in issue which are listed on the premium segment of the Official List and admitted to trading on the London Stock Exchange's Main Market.

Investment Objective

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

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

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

Investment Policy

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

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

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

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

Investment Restrictions

The Company will observe the following investment restrictions when making investments:

- the Company may invest no more than 60% of Gross Asset Value in Assets located in the UK;
- the Company may invest no more than 60% of Gross Asset Value in Assets located in Ireland and Northern Europe (combined);
- no more than 25% of Gross Asset Value will be invested in Assets in relation to which the Company does not have a controlling interest; no investments will be made in companies which generate electricity through the combustion of fossil fuels or derive a significant portion of their revenues from the use or sale of fossil fuels unless the purpose of the investment is to transition those companies away from the use of fossil fuels and toward sustainable sources; and
- the Company will not invest in other UK listed closed-ended investment companies.

The Company will observe the following investment restrictions when making investments, with the relevant limits being calculated on the assumed basis that the Company has gearing in place of 50% of Gross Asset Value:

- the Company may invest no more than 50% of Gross Asset Value in any single Technology;
- the Company may invest no more than 25% of Gross Asset Value in Other Infrastructure;
- the Company may invest no more than 35% of Gross Asset Value in Assets that are in construction or construction-ready;

- the Company may invest no more than 30% of Gross Asset Value in any one single Asset, and the Company's investment in any other single Asset shall not exceed 25% of Gross Asset Value; and

- at the time of an investment or entry into an agreement with an Offtaker, the aggregate value of the Company's investments in Assets under contract to any single Offtaker will not exceed 40% of Gross Asset Value.

Following full investment of the Net Proceeds and following the Company becoming substantially geared (meaning for this purpose by way of long-term debt of 50% of Gross Asset Value being put in place), the Company's portfolio will comprise no fewer than six Assets.

Compliance with the above restrictions will be measured at the time of investment and non-compliance resulting from changes in the price or value of Assets following investment will not be considered as a breach of the investment restrictions.

The Company will hold its investments through one or more SPVs and the investment restrictions will be applied on a look-through basis to the Asset owning SPV.

Borrowing Policy

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

In addition, the Company and/or its subsidiaries may make use of short-term debt, such as a revolving credit facility, to assist with the acquisition of suitable opportunities as and when they become available. Such short-term debt will be subject to a separate gearing limit so as not to exceed 10% of the prevailing Gross Asset Value at the time of drawing down (or acquiring) any such short-term debt.

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

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

Currency and Hedging Policy

The Company will adopt a structured risk management approach in seeking to deliver stable cash flows and dividend yield.

This may include entering into hedging transactions for the purpose of efficient portfolio management. This could include:

- foreign currency hedging on a portion of equity distributions;
- foreign currency hedging on construction budgets;
- interest and/or inflation rate hedging through swaps or other market instruments and/or derivative transactions; and
- power and commodity price hedging through power purchase arrangements or other market instruments and/or derivative transactions.

Any such transactions will not be undertaken for speculative purposes.

Cash management

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

Holding and Exit Strategy

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

Changes to and Compliance with the Investment Policy

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

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

Business Model

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

The Company holds and manages its investments through a parent holding company, DORE Hold Co Limited, of which it is the sole shareholder, DORE Hold Co in turn holds investments via a number of intermediate holding companies and

SPVs. The jurisdictions in which the SPVs are incorporated is typically determined by the location of the assets, and further portfolio-level holding companies may be used to facilitate debt financings.

As at 31 December 2021, the Company owns a portfolio of 3,234 Renewable Energy Assets totalling 121 MW of operational capacity. Medium term structural debt is in place for the United Kingdom solar portfolio and, as at 31 December 2021, this comprised outstanding principal amounts of £79.3 million lent by Aviva and BlackRock. Downing Hydro AB, the intermediate holding company which holds the Swedish hydropower assets has access to a seven-year EUR 43.5 million debt facility with Skandinaviska Enskilda Banken AB ("SEB"). Following the period end, EUR 27.4 million was drawn against this facility to fund the acquisition of two additional Swedish hydropower schemes. The remainder of the undrawn facility is predominately to fund future capital expenditure requirements.

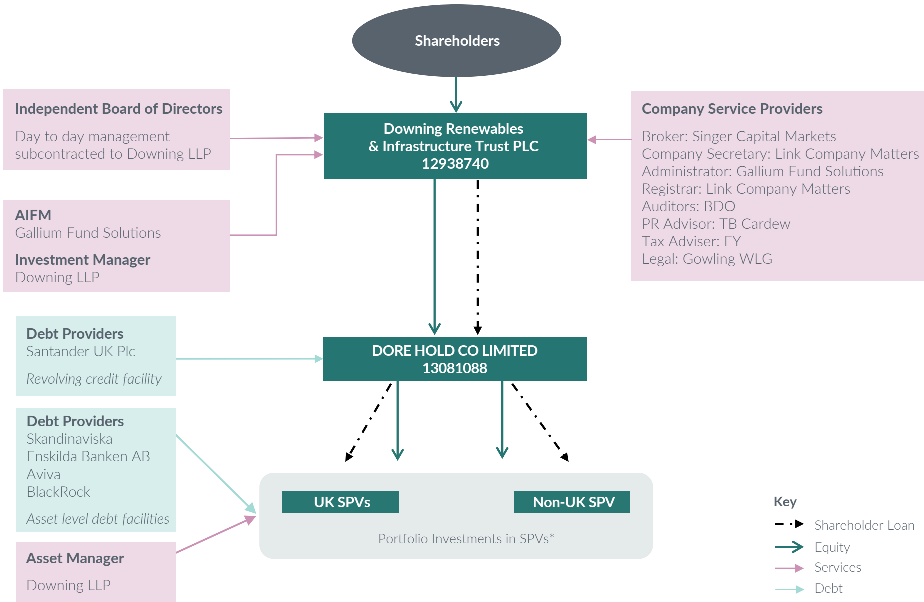
Short term debt financing is available through a £25 million RCF which may be drawn on by DORE Hold Co Limited to facilitate future growth plans.

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

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

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

Figure 1: Company Operating Model



*for illustration purposes, this is a simplified structure. Some investments in SPVs may be held indirectly through portfolio level holding companies.

Objectives and Key Performance Indicators

The Company sets out below its KPIs which it uses to track the performance of the Company over time against the objectives, as described in the Strategic Report on page 26. The Board is of the opinion that the KPIs detailed in the table below, alongside the environmental, social and governance objectives set out on page 16 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.

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 to date of 2.25 pence per share. The company has declared a further 1.25 pence per share to be paid in respect of the period to 31 December 2021.	The Company targeted an initial yield of 3 pps in respect of the period from IPO to 31 December 2021. The company will have paid 3.5 pps in respect of this period exceeding the initial target set at IPO.
	Cash dividend cover[12]	Reflects the Company's ability to cover its dividends from the income received from its portfolio.	1.21x – excluding dividends paid immediately following the issuance of new shares 1.14x. – including dividends paid immediately following the issuance of new shares	The Company, through DORE Hold Co received distributions of £4.7m from the underlying projects enabling the Company to pay full covered dividends. £2.5 million was paid up via loan interest from DORE Hold Co in the period.

Objective	KPI and Definition	Relevance to Strategy	Performance	Explanation
Capital preservation with an element of capital growth	NAV per share (pence)[12]	The NAV per share reflects our ability to preserve capital value and also provide an element of capital growth throughout the life cycle of our assets.	103.5 pence per share	£141.8m / 103.5 pence per share as at 31 December 2021. NAV has increased since IPO (from 98p), after taking into account dividends paid and further equity issuance during the year.
	Total NAV return (%)[12]	The total NAV return measure highlights the gross return to investors including dividends paid.	7.9%	The Company's NAV has increased due to the upward revaluation of the Company's Investment in Hold Co, and its investments in a portfolio of renewable energy assets.
	Total Shareholder return since IPO[12]	The share price appreciation plus reinvested dividends over a period, is a measure of a company's capital growth over the long term.	5.8%	The Company's closing share price as at 31 December 2021 was 103.5 pence per share. The Company's shares were issued at 100 pence per share.
	Ongoing charges ratio[12]	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.

[12] These are alternative performance measures

Read more about the Company's approach to sustainability and ESG on pages 10 to 25.

The Investment Manager

About Downing

The Company is managed by Downing LLP, an established investment manager with over 30 years' experience and a considerable track record in the core renewables space. Downing is authorised and regulated by the FCA and, as at 30 November 2021, had over £1.5 billion of assets under management.

The Investment Manager has over 180 staff and partners. The team of 39 investment and asset management specialists who focus exclusively on energy and infrastructure transactions are supported by business operations, IT systems specialists, legal, HR and regulatory and compliance professionals.

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

The Investment Manager has managed investments across various sectors in the UK and internationally and identified the Energy & Infrastructure sector as a core area of focus from as early as 2010. Since then, to date it has made 141 investments in renewable energy infrastructure projects and currently oversees 474 MWp of electricity generating capacity, covering five technologies across c.7,300 installations.

The key individuals responsible for executing the Company's investment strategy are:

Tom Williams
Partner, Head of Energy and Infrastructure

Tom joined the Investment Manager as Partner in the Energy & Infrastructure team in July 2018. Tom heads up the team and has 23 years of experience as principal and adviser across the private equity and private debt infrastructure sectors. Tom has carried out successful transactions totalling in excess of £13 billion in the energy, utilities, transportation, accommodation and defence sectors.

Tom started his career working as a project finance lawyer in 1999 before moving into private equity with Macquarie Group in London and the Middle East. Tom holds a Postgraduate Diploma in Legal Practice from the Royal College of Law and a BA in law from Cambridge University.

Henrik Dahlström
Investment Director

Henrik joined the Investment Manager as Investment Director in June 2020 to expand its European presence and lead transactions in the Nordic regions. Before joining the Investment Manager, Henrik spent 17 years with Macquarie Infrastructure and Real Assets ("MIRA"). At MIRA, Henrik was a Director responsible for covering the Nordic region. This role included the origination and execution of transactions in the renewable energy and infrastructure sectors as well as holding asset management and board responsibilities.

Henrik has worked across renewable energy and infrastructure sectors as a principal for investments in the UK and in Europe. Henrik holds a master's degree in finance from Gothenburg School of Economics.

Tom Moore
Partner, Head of Fund Reporting and Co-Head of Asset Management

Tom joined the Investment Manager in May 2019 to build a full-service asset management team to provide investors with an efficient and class leading asset management service. Since joining in May 2019, the team has grown to 21 full time employees with expertise split across financial, technical and commercial sectors. The team manages over 474 MWp of energy generating assets across five separate technologies. Tom is also responsible for the reporting and investment operations across the unquoted investment teams.

Prior to joining the Investment Manager, Tom was a Director at Foresight Group, where he had oversight of a significant portfolio of renewable energy investments.

Tom is a chartered accountant and holds a BSc in Economics from the University of York.

Danielle Strothers
Co-Head of Asset Management

Danielle joined the Investment Manager in September 2019. Alongside Tom, she manages the asset management function, focussing on asset performance, business operations and compliance. Danielle is also responsible for the coordination of the valuation process across the energy portfolio.

Prior to joining Downing, Danielle was a Senior Portfolio Manager at Foresight Group, where she was responsible for the operations of their renewable energy portfolio.

Danielle is a chartered accountant and holds a BSc in Accounting & Finance from the University of Birmingham.

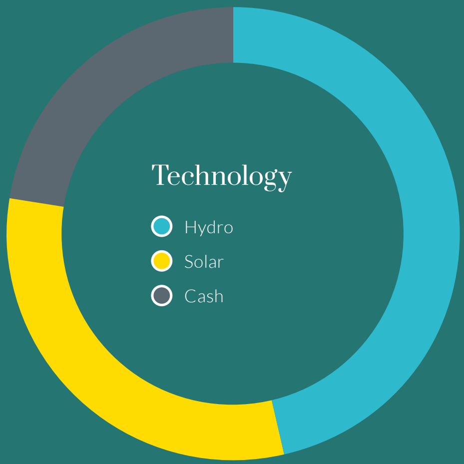
Portfolio Summary

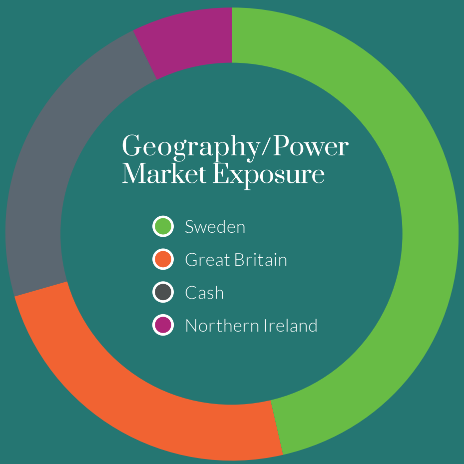
At the period end, through its main subsidiary, the Company owned 121 MWp of hydropower and solar assets with an annual generation of around 200 GWh. The portfolio is diversified across 3,255 individual installations and across four different energy markets.

Following the period end the Group has added an additional 54 MW of wind and hydropower assets with an additional annual generation of 156 GWh. The entire portfolio now stands at 175 MWp with a combined annual generation of 355 GWh.

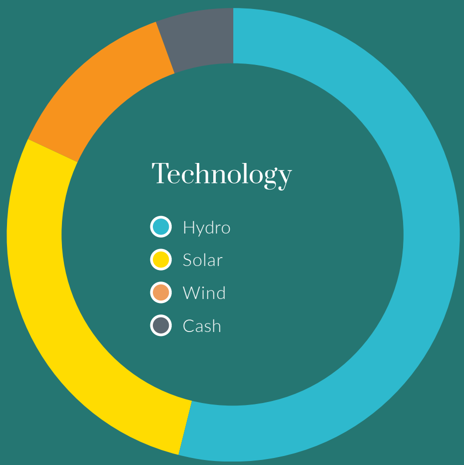
The Group currently has no exposure to any assets under construction.

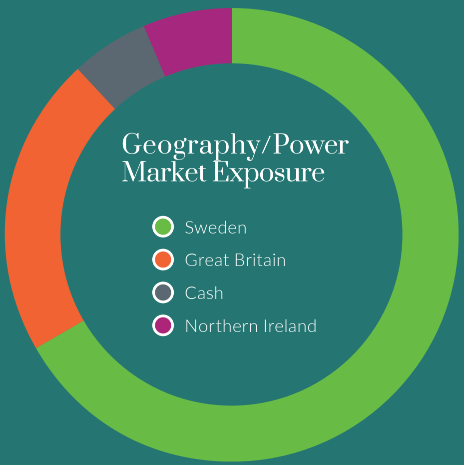
Portfolio composition by valuation, as at the balance sheet date



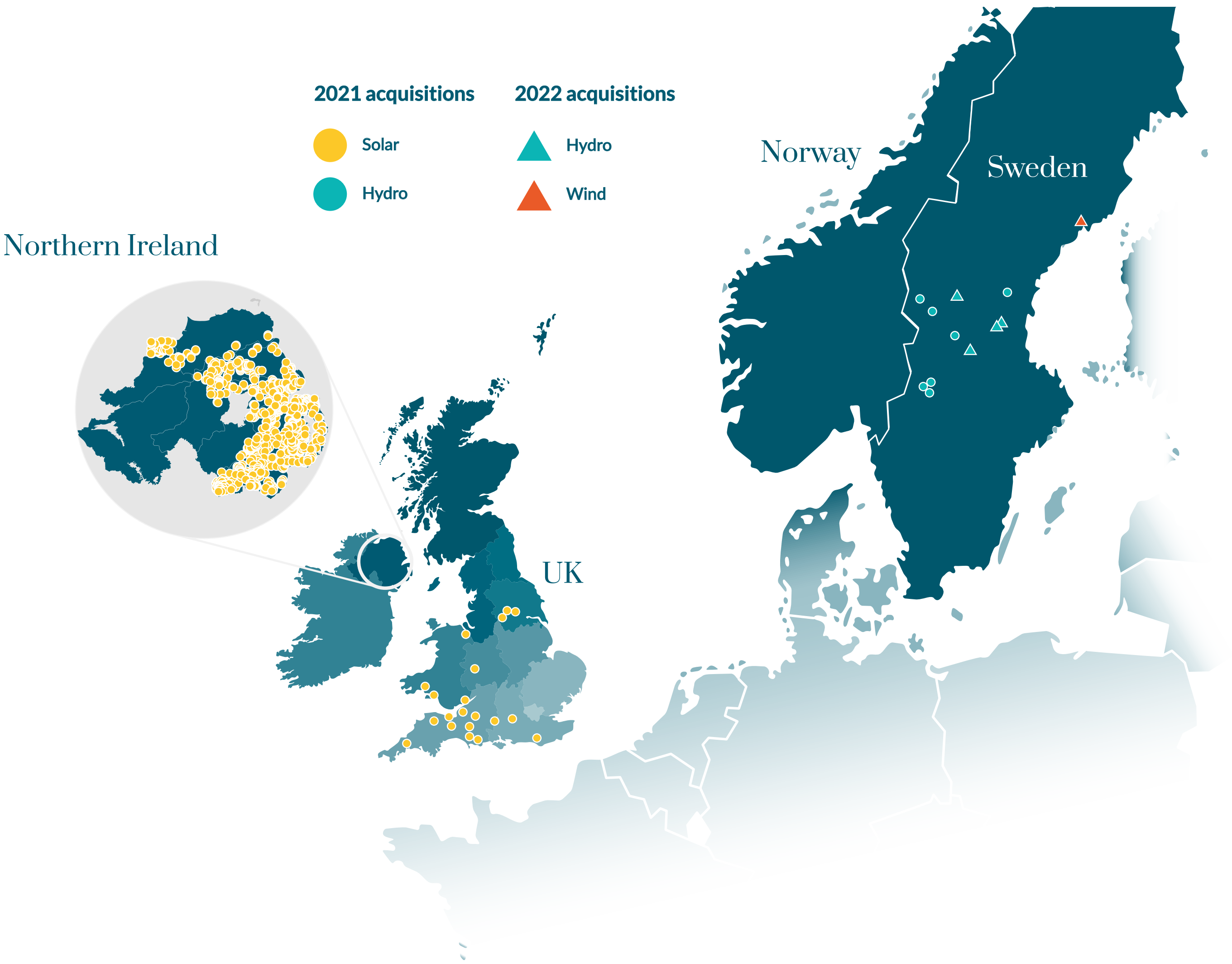


Portfolio composition by valuation, as at 31 January 2022





Portfolio


2021 acquisitions
Solar
Hydro
2022 acquisitions
Hydro
Wind
Northern Ireland
Norway
Sweden
UK

Investment	Technology	Date Acquired	Location	Power Market / Subsidy	Installed capacity (MW)	Expected annual generation (GWh)
Ugsi	Hydropower	Feb-21	Älvadalen, Sweden	SE3 / n/a	1.8	10
Båthusströmmen	Hydropower	Feb-21	Älvadalen, Sweden	SE3 / n/a	3.5	14
Åsteby	Hydropower	Feb-21	Torsby, Sweden	SE3 / n/a	0.7	3
Fensbol	Hydropower	Feb-21	Torsby, Sweden	SE3 / n/a	3	14
Rödbjörke	Hydropower	Feb-21	Torsby, Sweden	SE3 / n/a	3.3	15
Väls	Hydropower	Feb-21	Torsby, Sweden	SE3 / n/a	0.8	3
Torsby	Hydropower	Feb-21	Torsby, Sweden	SE3 / n/a	3.1	13
Tvärforsen	Hydropower	Feb-21	Torsby, Sweden	SE2 / n/a	9.5	37
Sutton Bridge	Ground mount solar	Mar-21	Somerset, England	UK / ROC	6.7	7
Andover Airfield	Ground mount solar	Mar-21	Hampshire, England	UK / ROC	4.3	4
Kingsland Barton	Ground mount solar	Mar-21	Devon, England	UK / ROC	6	6
Bourne Park	Ground mount solar	Mar-21	Dorset, England	UK / ROC	6	6
Laughton Levels	Ground mount solar	Mar-21	East Sussex, England	UK / ROC	8.3	9
Deeside	Ground mount solar	Mar-21	Flintshire, Wales	UK / FiT	3.8	3
Redbridge Farm	Ground mount solar	Mar-21	Dorset, England	UK / ROC	4.3	4
Iwood	Ground mount solar	Mar-21	Somerset, England	UK / ROC	9.6	9
New Rendy	Ground mount solar	Mar-21	Somerset, England	UK / ROC	4.8	5
Redcourt	Ground mount solar	Mar-21	Carmarthenshire, Wales	UK / ROC	3.2	3
Oakfield	Ground mount solar	Mar-21	Hampshire, England	UK / ROC	5	5
Kerriers	Ground mount solar	Mar-21	Cornwall, England	UK / ROC	10	10
RSPCA Llys Nini	Ground mount solar	Mar-21	Swansea, Wales	UK / ROC	0.9	1
Commercial portfolio	Rooftop Solar	Mar-21	Various, England	UK / FiT	0.3	0
Commercial portfolio	Rooftop Solar	Mar-21	Various, England & Wales	UK / ROC	5.2	4
Commercial portfolio	Rooftop Solar	Mar-21	Various, N. Ireland	SEM / NIROC	0.7	1
Bombardier	Rooftop Solar	Mar-21	Belfast, N. Ireland	SEM / ROC	3.6	3
Residential portfolio	Residential rooftop solar	Mar-21	Various, N. Ireland	SEM / NIROC	13.1	10
TOTAL AS AT 31 DECEMBER 2021:					**121.5**	**199**
Additions following the Balance Sheet Date:						
Lemmån	Hydropower	Jan-22	Älvdalen, Sweden	SE3 / n/a	0.6	3
Ryssa Övre	Hydropower	Jan-22	Mora, Sweden	SE3 / n/a	0.7	3
Ryssa Nedre	Hydropower	Jan-22	Mora, Sweden	SE3 / n/a	0.6	2
Rots Övre	Hydropower	Jan-22	Älvdalen, Sweden	SE3 / n/a	0.7	3
Rots Nedre	Hydropower	Jan-22	Älvdalen, Sweden	SE3 / n/a	0.3	1
Gabrielsberget Syd Vind	Wind	Jan-22	Aspeå, Sweden	SE2 / n/a	46.0	108
Vallhaga	Hydropower	Jan-22	Edsbyn, Sweden	SE2 / n/a	2.1	12
Österforsens Kraftstation	Hydropower	Jan-22	Edsbyn, Sweden	SE2 / n/a	1.9	12
Bornforsen 1	Hydropower	Jan-22	Edsbyn, Sweden	SE2 / n/a	0.5	3
Bornforsen 2	Hydropower	Jan-22	Edsbyn, Sweden	SE2 / n/a	1.5	9
TOTAL AS AT THE DATE OF THIS REPORT:					**175.4**	**355**

Investment Manager's Report

Introduction

We are delighted with the progress made during the Company's inaugural year. During the reporting period, the Company announced two acquisitions deploying the majority of proceeds from the IPO. In addition to deploying capital quickly, the assets acquired by the Company are of high quality and offer the diversification of technology, geography and power market exposure that is central to the aims of the Company.

Acquisitions

We have remained busy following the period end and have invested a further £39.9 million into three acquisitions in both wind and hydropower investments. This includes a 46 MWp operational wind farm in north eastern Sweden and two additional Swedish hydropower portfolios to complement the Company's existing portfolio. All acquisitions are owned 100% by the Group. The discussion below presents further information on these acquisitions.

Downing Hydro AB

The Group completed its first investment in a portfolio of eight operational hydropower plants located in central and southern Sweden on 1 February 2021 for £59.9 million.

The eight hydropower plants are located across three different rivers in Sweden in two different price zones, with an expected annual average production of 108 GWh. The portfolio has a robust operating track record spanning more than five decades and enjoys storage capacity, in the form of dammed rivers, of 105.6 million cubic meters. This capacity regulates water flow to the turbines and allows the assets to capture periods of higher power prices through the controlled dispatch of generation.

In January 2022, the Group acquired two operational portfolios of hydropower plants located in central Sweden for £20.1 million. The acquisition consisted of a c. 12 GWh per annum portfolio of hydropower plants and a c. 36 GWh per annum portfolio. These acquisitions were largely funded through a drawdown on the Downing Hydro AB (DHAB) Swedish hydropower portfolio debt facility signed in November 2021.

The first portfolio comprises five hydropower plants located on three different rivers in central Sweden. The sites also benefit from a long operational history and are located in the county of Dalarna, which is in the attractive SE3 price area.

The second of the two new portfolios includes four run-of-river hydropower plants situated on a single river in central Sweden. The sites benefit from a long operational history and were refurbished between 2010 and 2013. The hydropower plants are located in and around the Swedish town Edsbyn in the SE2 zone.

A framework agreement is in place with Axpo (a leading Swiss energy company) which allows DHAB to lock in prices. DHAB has hedged positions in line with the requirements under the debt facility. The hydro assets do not attract government subsidy payments.

More information on the synergies within the Swedish hydropower portfolio can be seen in the Portfolio and Asset Management section on page 43.

Chalkhill Solar Portfolio

On 19 March 2021 the Group completed its first UK investment, the acquisition of a portfolio of solar PV assets located across the UK. The portfolio was acquired for a consideration of £42 million. The acquisition target, Chalkhill Life Holdings Limited, benefits from £67.9 million senior debt from Aviva and £10.8 million debt from BlackRock.

The portfolio, described as the "Seed Assets" in the IPO Prospectus, comprises:

- 13 ground-mounted sites located across mainland Great Britain totalling c. 73 MWp;
- 28 commercial rooftop assets totalling c. 10 MWp; and
- 7 residential rooftop portfolios in Northern Ireland totalling c. 13MWp.

Most ground mounted PV assets have a long-term power offtake agreement with Statkraft. The Solar companies have been locking in prices due to the high-power prices in the market.

Gabriel Wind Project

On 2 February 2022 the Group completed its first onshore wind investment. The Company acquired an operational 46 MW onshore wind project located in Nordmaling, north eastern Sweden for approximately £19.8 million.

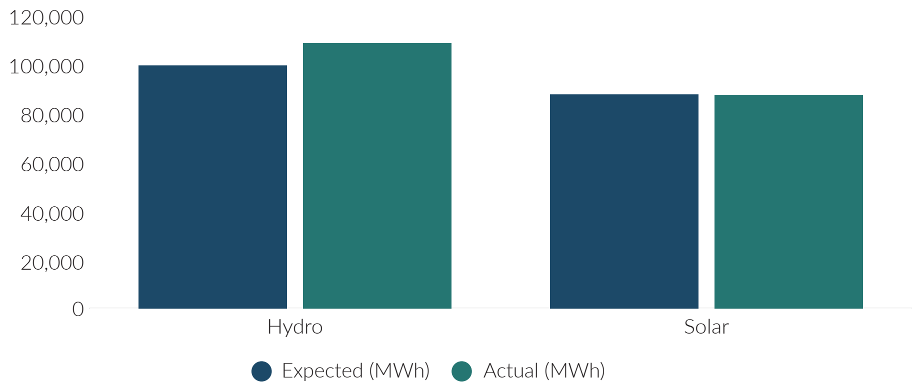
The project has been operational for c. 10 years and consists of 20 turbines with an expected annual production of 108 GWh.

Gabriel has a short-term offtake agreement with Centrica.

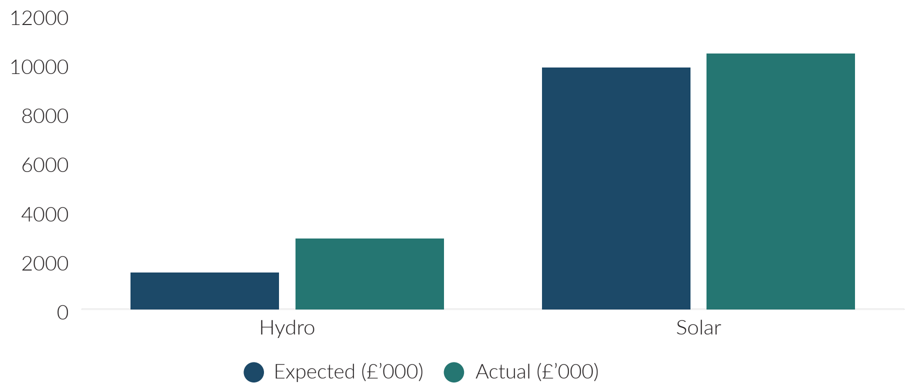
Portfolio Performance

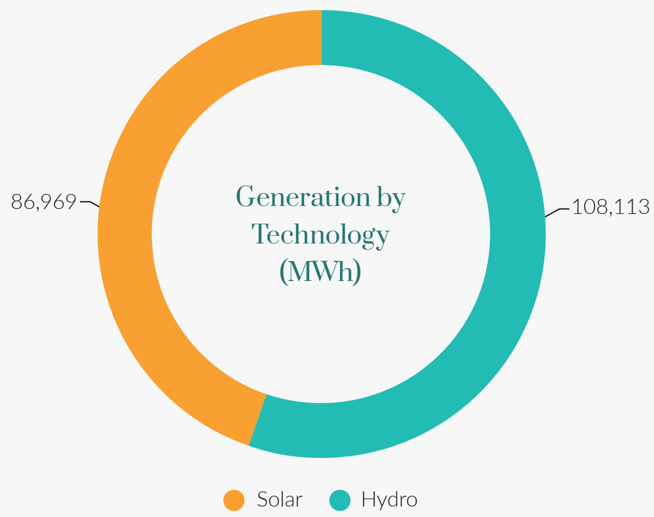
The Company received the economic benefit of the portfolios acquired from 1 February 2021. For the period of operations between 1 February 2021 and 31 December 2021, operating profit for the combined portfolios was 16.9% above expectations, driven primarily by generation being 4.7% above expectations and achieving higher than anticipated power pricing.

Asset Generation vs Budget



Asset Operating Profit vs Budget





The Downing Hydro AB portfolio had a strong period with the hydropower assets generating 108.1 GWh, 9.1% above expectations.

The significant uplift in generation during the period was attributable to a combination of strong plant availability as well as a favourable combination of precipitation and reservoir levels. Operating profit was 92.8% over budget for the period, driven by favourable power prices and production exceeding expectations.

The Solar portfolio performed in line with expectations, with the solar installations generating 86.9 GWh. In terms of operating profit, the portfolio performed above expectations, generating an operating profit of £10.25m, 5.2% above budget.

Average irradiation levels across the solar portfolio were 1.9% above budget during the period. The small deviation between irradiation and generation was mainly due to DNO outages at two of the ground mounted installations. In both instances, the O&M were able to utilise these periods of downtime by conducting intrusive preventative maintenance that would otherwise have caused downtime of their own.

Portfolio and Asset Management

Downing has invested significantly in an in-house asset management team capable of providing a full scope service to a wide range of generation and storage technologies. Established in 2019, the team totals 21 and includes expertise across power markets, engineering, data analytics, finance and commercial management.

The asset management team works in parallel to the investment team and ensures work is started long before an asset is acquired. Prior to acquisition, Downing carries out a comprehensive onboarding process to ensure that new assets are transitioned smoothly into the wider energy portfolio. The plan captures all key milestones that need to be completed as part of the transition, including the collection and storage of a range of key documents including project contracts and design documents, as well as detailed historic performance data.

The onboarding process also involves a detailed review to ensure that the assets are embedded into existing processes, such as contract management and compliance, incident tracking, monitoring, and reporting. Assets are fully incorporated within the asset management team's portfolio reporting systems within 60 days of completion. This reporting environment allows real time, flexible reporting to internal stakeholders.

Health and Safety

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

A dam safety framework was established to ensure effective management of the risks surrounding hydropower activities and classified dams in Sweden. The framework, which is based on industry best practice, focusses on regular inspections, the expertise of operators and the frequency and content of reporting.

Downing significantly increased its operational expertise with the appointment of Ulf Wennilsjo in January 2022. Ulf has over 25 years of experience in the operation and management of large hydropower portfolios in Sweden. As part of his experience, Ulf brings a wealth of knowledge in the management of dam safety practises and procedures.

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

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

Optimisation

The acquisition of the Downing Hydro AB portfolio from Fortum Sweden AB required a detailed transition plan to enable a smooth shift of operations away from being deeply integrated into the vendor's processes and across to Downing.

Several new hydropower operational contracts were placed during the period, including production planning, dispatch optimisation and 24/7 control centre arrangements. Together, these contracts focus on optimising the assets and establishing a framework for the efficient growth of the hydropower portfolio in the future.

The Asset Manager has also commenced a digitalisation project for the hydro portfolio, looking at opportunities to utilise technologies to improve operational efficiencies and reduce downtime. The first step of this involves a trial at one site, which will be rolled out in March 2022. The trial will focus on automated visual monitoring, aiming to reduce workload of the dispatch centre and on call duties, as well as to reduce maintenance costs and downtime.

The Asset Manager is also exploring opportunities for implementing specialist technical performance monitoring equipment, potentially building on the capabilities added to the portfolio during 2021.

Integral to the activity of the asset management team are the data and systems analysts. Downing take a data driven approach to the portfolio and invest significant time and expertise in enabling portfolio improvements through data optimisation strategies. One of these strategies has seen Downing partner with a leading AI technology company. The project aims to leverage artificial intelligence technology from our partner and renewable energy expertise of Downing to better predict short term maintenance and long-term capital costs, enabling faster response times through predictive maintenance, optimised maintenance strategies and dynamic capital expenditure forecasting.

During the period, the Asset Manager continued to develop monitoring capabilities across the portfolio. Using specialised software, automated string analysis was implemented across the ground mounted solar installations, allowing O&M providers to complete more focussed site visits and thereby optimise performance.

An automated daily feed of half hourly satellite irradiation data was also implemented during the period, enabling greater performance monitoring across the rooftop solar installations.

Several new and optimised contracts were placed during the period. New O&M contracts were executed across the residential rooftop and hydropower portfolios. New contracts brought an improved scope of services as well as reduced pricing, while encouraging proactive monitoring of maintenance requirements which is expected to deliver cost efficiencies in the future. New supply and export contracts were also placed and the Asset Manager was able to achieve favourable pricing.

Spare parts strategies have been implemented across the portfolio to help reduce potential downtime in the event of faults, while taking advantage of the size of the portfolio to ensure spare part procurement is efficient and avoids duplication of expenditure.

A phased optimisation project continues across the ground mount solar portfolio to increase the efficiency of modules by reversing the impact of degradation. Phase 1 is complete and continued analysis is taking place, with initial results suggesting improvements to generating capacity.

The ground mount solar portfolio has also achieved compliance with the new accelerated loss of mains requirements, using the available funding from National Grid ESO. Works are underway to achieve compliance for the commercial portfolio.

Financing and Capital Structure

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

Total long-term structural debt will not exceed 50% of the prevailing Gross Asset Value. At 31 December 2021, including project level financing the Group's leverage stood at 28.0%. Since the period end this has increased to 39%.

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

The Group has entered into a loan agreement through its main subsidiary DORE Hold Co Limited for a £25 million RCF with Santander UK plc. The RCF has a four-year term, with the possibility to be extended for a further year, and also includes an uncommitted accordion allowing for an increase in its size to further assist the expected increase of the Company's investment activity.

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

Refinancing of Hydropower Assets

The Group initially acquired DHAB, its Swedish hydropower portfolio, on an unlevered basis in February 2021, shortly after the Company's IPO. In light of the strong transaction pipeline and ongoing capital expenditure requirements, DHAB has entered into a seven-year EUR 43.5 million debt facility with SEB, a leading corporate bank in the Nordics. As of 31 January 2022, DHAB had utilised EUR 27.4m of the facilities, predominately as source of funding for acquiring nine further hydropower plants in Sweden from AB Edsbyn Elverk and ÄSI Kraft AB. The remainder of the undrawn facility is predominately to fund future capital expenditure requirements.

Foreign Exchange

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

The Group, together with its foreign exchange advisor, has developed and implemented its foreign exchange risk management policy in line with the IPO 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.

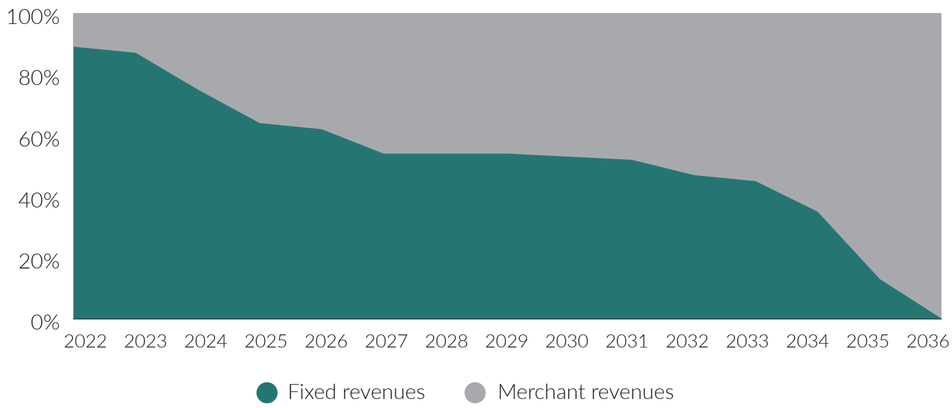
In total, 77% of the Group's EUR dividend receipts from SPVs out to March 2026 were hedged as at the reporting date, meaning only a small portion of these future distributions are subject to the volatility of the spot prices.

Power markets and exposure

Through its portfolio companies, the Group adopts a medium to long-term hedging policy for its generation assets, providing an extra degree of certainty over the cash flows over the hedged periods. The fixed price generation position for the portfolio as of 31 December 2021 is set out in the chart below, showing the impact of the combination of subsidy and fixed income from power sales. The hedging positions are continuously reviewed to ensure an appropriate position is maintained and new hedges are taken out as appropriate.

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

Power Prices – Fixed vs Merchant



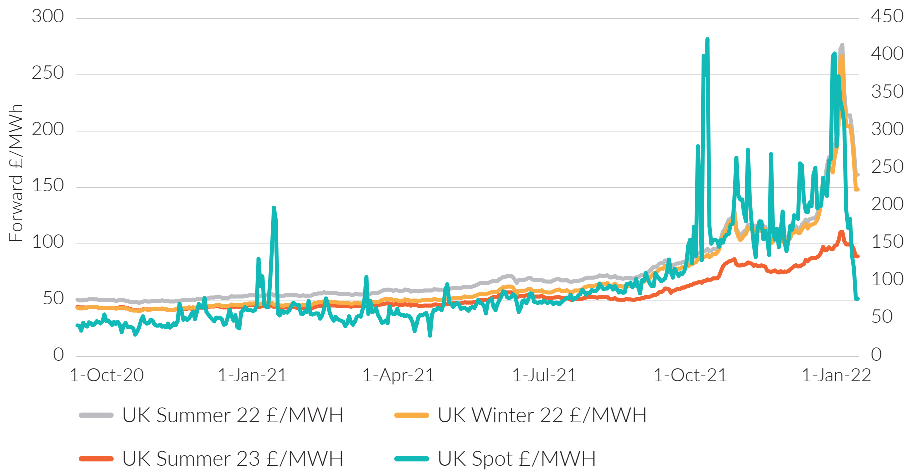
United Kingdom

From IPO in December 2020 through to the end of July 2021, forward power prices increased gradually mostly on the back of increasing carbon prices.

In Q3 2021, global issues with coal and gas supply, combined with an increased demand, resulted in rising global gas ("LNG") and coal prices. This combined with low wind levels, outages of domestic CCGTs and nuclear generation, fears of wider issues with the nuclear fleet in France and the unexpected long-term outage of one of the cross-border interconnectors between the UK and France created a perfect storm. High spot prices and high forward prices resulted.

By then gas, power and carbon were now all in unprecedented levels relative to the last 10 years, with a significant uplift in September. Given the unprecedented high prices at the time, we took action to increase the portfolio's hedges.

Power prices peaked in October 2021 before declining on the back of falling gas prices. However, the bearish sentiment was short lived and prices recovered as carbon prices rose again. Escalating Russian action in Ukraine and associated sanctions, new carbon price records and French power supply concerns (with multiple French nuclear plants facing extended 10-year maintenance outages throughout 2022) pushed prices to unprecedented levels.

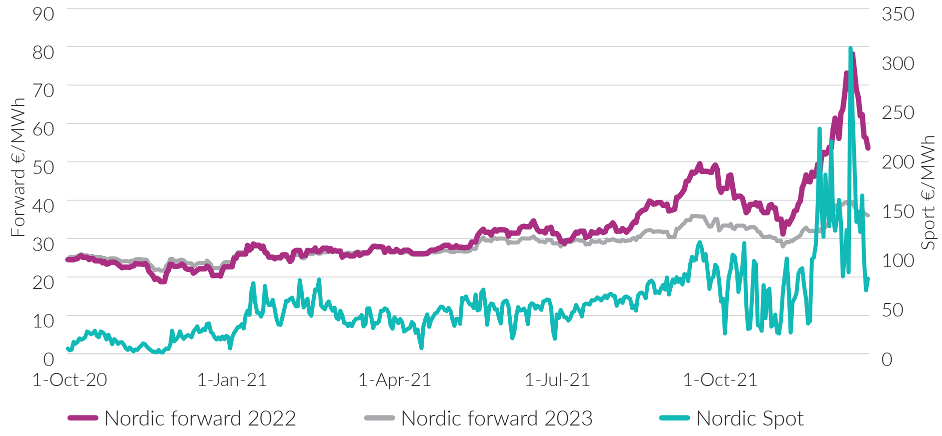


Nordics

Q4 of 2020 saw bearish sentiments in the Nordic electricity markets mostly due to reduced demand and a hydrological surplus, pushing spot prices to €0/MWh from time to time.

Market prices increased during January 2021 due to a cold spell in the Nordics as well as continental Europe. Prices came down a little after the cold spell ended but stayed at healthier levels, compared to 2020, throughout the spring and early summer of 2021. Due to a dry summer, the Nordic hydrological deficit continued to increase, which resulted in higher power prices by the end of summer 2021.

High precipitation combined with surging wind started to push down the spot and forward prices at the end of September 2021. By the beginning of November 2021, prices started to increase again mostly on the back of the price surge in the European continent due to increasing gas prices. Similar to the UK, the surge first intensified and then ended in the week leading up to Christmas. At the end of December prices came off significantly.



Dividends

The Company achieved a cash dividend cover of 1.21x for the dividends paid of 2.25 pence per share paid during the period. Dividend cover is presented excluding dividends paid to new shareholders immediately following the issuance of new shares. If these are included, the dividend cover would be 1.14x.

The Board has resolved to pay the Company's third interim dividend of 1.25 pence per share, equivalent to £1.7 million, in respect of the three months to 31 December 2021. This will bring total dividends paid in respect of the first financial year to 3.5 pence per share, which is in line with the Company's updated dividend guidance. The third interim dividend is not reflected in the accounts to 31 December 2021.

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 2021 are as follows:

Dividend Paid	For the Period	No. of Shares	Total Dividend (pence per share)	Interest Element (pence per share)	Dividend Element (pence per share)
September 2021	June 2021	122,500,000	1.00	0.50	0.50
December 2021	September 2021	137,008,487	1.25	0.81	0.44
March 2022	December 2021	137,008,487	1.25	0.83	0.42

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

Valuation of the portfolio

Net asset value

The Company's NAV increased by 18% during the period from £120.0 million to £141.8 million. On a pence per share basis it increased by 5.5 pence from 98 pence per share to 103.5 pence per share as at 31 December 2021. The NAV increase was driven by additional fundraising, strong operational performance and increases in long term power price forecasts.

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

NAV Movement Bridge

Opening

Represents the NAV at IPO net of launch costs.

Dividends

Distributions paid by the Company in the period.

Management Fee

Fees charged to the Company by the Investment Manager.

Other costs and charges

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

Performance

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

Power Prices

The Group uses long-term, forward-looking power price forecasts from third party consultants for the purposes of asset valuations. In both the UK and Sweden, an equal blend is taken from the most recent central case forecasts from two leading consultants. 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

The Group uses a near-term inflation forecast of 2.75%, rising to a medium-term inflation forecast of 3.0% for the purposes of UK asset valuations. From 2030 onwards, this forecast reduces to 2.25% because of the RPI reform recently announced by the UK Government. Models are updated quarterly to reflect inflation to date.

For the Swedish asset valuations, a 2.0% inflation forecast is used, reflective of the Swedish central bank's target inflation rate.

Foreign Exchange

The impact of foreign exchange movements on foreign cash balances and on underlying investment valuations.

Other

Reflects changes to operational contracts (such as insurance) and debt terms, and other minor changes.

Key Valuation Assumptions

Asset life

Where land is leased from an external landlord, the operational life assumed for the purposes of the asset valuations is valued at the earlier of planning or lease expiry.

Where a project has an indefinite life, the land it is located on is owned and there are no constraints regarding planning, asset valuations are based on a perpetual life. This is the basis for the valuation of the hydropower assets.

The asset life assumed for each of the ground mounted solar sites was set taking into consideration the length of the respective planning consent and term of leasing agreement in place at the time of acquisition. On a capacity-weighted basis this results in an average asset life of close to 25 years. There is an ongoing process underway to extend planning and lease terms to allow the assets to operate for longer than initially expected. This project is expected to increase the weighted useful life of the ground mount portfolio to 27.8 years. The extension to asset life assumptions to this level would, if implemented on 31 December 2021, result in a valuation gain of approximately £1.1m.

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 rate of return in the market for assets with similar characteristics and risk profile.

Discount rates in use across the portfolio range from 5.5% to 7.5%, with the weighted value at 7.3%.

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

Portfolio Valuation sensitivities

The NAV of the Company is comprised of the sum of the discounted value of future cash flows of the underlying investments in solar and hydropower 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.

Discount Rate

The weighted average discount rate of the portfolio at 31 December 2021 was 7.3%.

The Investment Manager considers a variance of plus or minus 0.5% is to be a reasonable range of alternative assumptions for discount rates.

Energy Yield

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

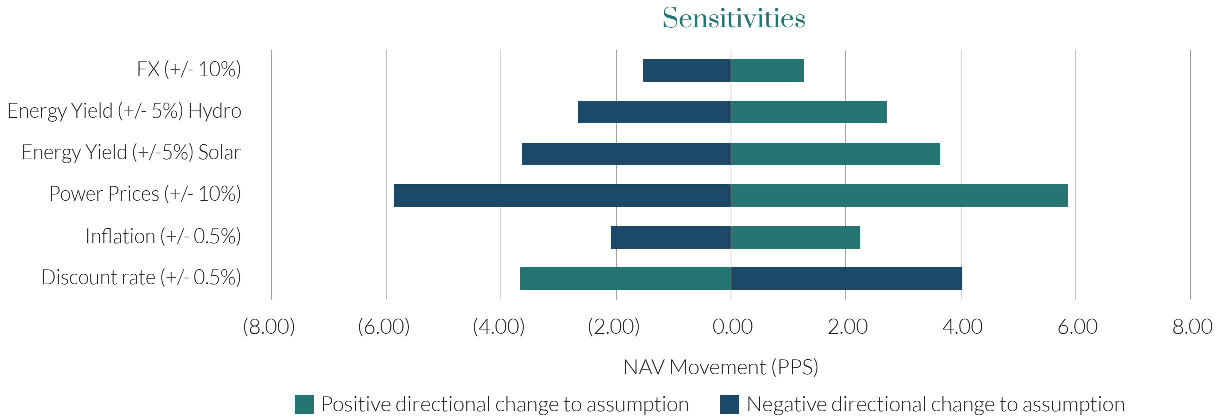
For hydropower assets, the expected annual average production is applied to the valuation, similar to the P50 assumption applied to solar and wind assets. Given the long operational record of the hydropower assets, the annual production forecast is derived from historic datasets and validated by technical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

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

Power Prices

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

While power markets can experience volatility in excess of +/-10% on a short-term basis, the sensitivity is intended to provide insight into the effect on the NAV of persistently higher or lower power prices



over the whole life of the portfolio, which is a more severe downside scenario.

Inflation

The Company's inflation assumptions are set out above. A long-term inflation sensitivity of plus and minus 0.5% is presented below.

Foreign Exchange

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

Market development and opportunities

Since the IPO of the Company, the demand for electricity around the globe has continued to grow, this has pushed energy prices to unprecedented levels. According to the IEA, global electricity demand grew by more than 6% in 2021 and was the largest in percentage terms since 2010[13].

Although electricity produced from renewable sources grew by 6% in 2021, this was not enough to keep up with the rising demand. There is clearly still work to be done.

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

A key message coming out of the pandemic has been that governments continue to look to "build back better" following the uncertainty of the previous years, caused by the Covid-19 pandemic. This year the UK played host to COP26, which has raised the global ambition on climate action.

The outlook continues to remain favourable for companies involved in the renewable energy and infrastructure space. In 2021, the renewable energy industry remained remarkably resilient. Decreasing costs of renewable energy technologies, along with the growth of battery storage, have made renewables one of the most competitive energy sources in many areas.

Following COP26 many countries have set ambitious clean energy goals, increasing renewable portfolio standards with many also enacting energy storage mandates. The rollout of renewable energy capacity is poised to accelerate in 2022 and beyond, as concern for climate change grow and demand for cleaner energy sources from most market segments accelerates.

The outlook for the Company is encouraging; three new acquisitions already made in 2022 (including the Company's first wind asset) and proven operational and financial performance from the Company's existing assets provide a strong foundation for future growth.

[13] Surging electricity demand is putting power systems under strain around the world - News - IEA

Section 172(1) Statement

The following disclosure describes how the Directors have had regard to the matters set out in section 172(1)(a) to (f) when performing their duty under s172 of the Companies Act 2006 and forms the Directors' statement required under section 414CZA of the Companies Act 2006.

Section 172(1)	Description
(a) the likely consequences of any decision in the long term	In managing the Company, the aim of the Board and of the Investment Manager is to ensure the long-term sustainable success of the Company and, therefore, the likely long-term consequences of any decision are a key consideration. In managing the Company during the period since IPO, the Board and Investment Manager believe they have acted in the way which we considered, in good faith, with a view to promoting the Company's long-term sustainable success and to achieving its wider objectives for the benefit of our shareholders as a whole, having had regard to our wider stakeholders and the other matters set out in Section 172 of the Companies Act.
(b) the interests of the company's Employees	As a closed-ended investment company, the Company does not have any employees, however the interests of any employees within project companies are considered when making decisions.
(c) the need to foster the company's business relationships with suppliers, customers and others	The Board's approach is described under 'Stakeholder Engagement' below.
(d) the impact of the company's operations on the community and the environment	The Board places a high value on the monitoring of ESG issues and sets the overall strategy for ESG matters related to the Company. The Board takes responsibility in managing any climate-related risks for the group, including transparent disclosure of these risks, and takes mitigating actions to reduce or eliminate them where possible. A description of the Company's sustainable and responsible Investment Policy is set out on pages 10 to 16.
(e) the desirability of the company maintaining a reputation for high standards of business conduct	The Board's approach is described under 'Culture and Values' below.
(f) the need to act fairly as between members of the company	The Board's approach is described under 'Stakeholder Engagement' below.

Culture and Values

The Directors' overarching duty is to promote the success of the Company for the benefit of investors, with due consideration of other stakeholders' interests. The Company seeks to maintain the highest standards of business conduct and corporate governance and ensures via the Investment Manager that appropriate oversight, control and suitable policies are in place to ensure the Company treats its stakeholders fairly.

The Board seeks to ensure the alignment of its purpose, values and strategy with this culture of openness, debate and integrity through continued dialogue and engagement with its key stakeholders. The Board, made up of two male and one female members, aims to achieve a supportive business culture combined with constructive challenge and to provide a regular flow of information to shareholders and other stakeholders.

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

The Company has several policies and procedures in place to assist with maintaining a culture of good governance including those relating to diversity, antibribery (including the acceptance of gifts and hospitality), tax evasion, conflicts of interest, and Directors' dealings in the Company's shares. Further information can be seen in the Nomination Committee Report on page 82.

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

Stakeholder Engagement

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

Stakeholder	Why is it Important to Engage?	How has the Company communicated and engaged?	What were the key topics of engagement?	Key strategic decisions impacting stakeholder group during period
Shareholders	Shareholders and their continued support is critical to the continuing existence of the business and delivery of our long-term investment strategy.	The Company makes regular market announcements where appropriate. The Company has published quarterly fact sheets available on the Company's website. Views and feedback are sought from institutional investors via the Company's corporate broker.	A large number of investor meetings were held prior to IPO in December 2020 and in respect of the subsequent fundraising in October 2021 to engage shareholders with the Company's strategy.	The Company made two acquisitions during the period which should be accretive to the NAV over the long-term. The Company increased its annual dividend guidance to 5 pence per share, continuing to position the Company as an attractive proposition for income seeking investors.
Investment Manager	The Investment Manager is responsible for executing the Investment Objective within the bounds of the Investment Policy of the Company.	The Board maintains regular and open dialogue with the Investment Manager at Board meetings and has regular contact on operational and investment matters outside of meetings.	In addition to all matters related to the execution of the Company's Investment Objective, the Board engaged with the Investment Manager on the structure of the Group and the interpretation of investment restrictions.	Determination that the Investment Manager maintains a robust internal control environment, and that the continued appointment of the Investment Manager is in the best interests of shareholders.
Service providers	As an externally managed Company, we are reliant on our service providers to conduct our core activities. We believe that fostering constructive and collaborative relationships with our service providers will assist in the promotion of the success of the Company.	The Board maintains regular contact with its service providers, both through Board and Committee meetings, as well as outside the regular meeting cycle. The Management Engagement Committee is responsible for conducting periodic reviews of service providers. During the period, the Management Engagement Committee assessed that the continued appointment of all service providers remained in the best interests of the Company and its shareholders.	Being the inaugural annual report for the Company the Audit and Risk Committee, in particular the Chair, have been engaged with the external auditors to ensure the process was undertaken effectively. The Board sought advice from the Company's Broker and Legal Counsel in respect of various matters, including the interpretation of investment restrictions.	Key service providers have been retained, providing continuity of service and familiarity with the objectives of the Company. During period, there was a non-material amendment to the Investment Policy. For the purpose of acquiring the solar assets, the Company's Investment Policy was temporarily amended to permit the Company to invest no more than 61% of Gross Asset Value in assets located in the UK. The previous limit was 60%.

Stakeholder	Why is it Important to Engage?	How has the Company communicated and engaged?	What were the key topics of engagement?	Key strategic decisions impacting stakeholder group during period
Asset-level counterparties	Asset-levelcounterparties are an essential stakeholder group and engagement with them is important to ensure assets are operating safely and effectively and performing as expected.	The Group made its first investment on 1 February 2021. As a result, during the reporting period communications with asset-level counterparties have been limited. As part of continual monitoring of future investments, we expect a regular dialogue with these counterparties.	The key engagement with asset-level counterparties was during the due diligence process prior to completing the investment.	Acquired two new assets during the period, increasing ongoing servicing requirements from O&M counterparties.
Debt-providers	Providers of long-term debt are key to supporting the Company's long-term objectives through enabling the continued financing of investment opportunities.	During the period, the Company, via its unconsolidated subsidiaries, entered into an RCF and also refinanced its hydropower assets. This included a comprehensive negotiation of terms. The Company and its unconsolidated subsidiaries provide regular updates on covenant compliance and current positioning.	Pricing and sizing of the debt was a key consideration for the Company.	Debt will be a key component of the Company's funding strategy looking forward and the portfolio will utilise the RCF debt facility in the coming months. Following the period end, the hydropower level debt was utilised to acquire further hydropower assets. More information on these acquisitions can be found on pages 40 and 41.

Risks and Risk Management

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

The benefit of a risk management framework is that it allows for potential risks to be identified in advance and may enable these risks to either be mitigated or possibly even converted into opportunities. The Company's IPO Prospectus, issued in November 2020 detailed the potential risks that the Directors considered were material that could occur during the process of implementing the Company's Investment Policy.

Principal Risks and Uncertainties

Procedures to identify principal or emerging risks

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

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

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

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

Risk Identified	Risk Description	Risk Impact	Mitigation
Exposure to wholesale electricity prices and risk to hedging power prices	The Company makes investments in Assets with revenue exposure to wholesale electricity prices. The market price of electricity is volatile and is affected by a variety of factors, including market demand for electricity, levels of electricity generation, the generation mix of power plants, government support for various forms of power generation and fluctuations in the market prices of commodities and foreign exchange.	Market demand for electricity can be impacted by many factors, including changes in consumer demand patterns, increased usage of smart grids, a rise in demand for electric vehicle charging capacity and residential participation in renewable energy generation. Such changing dynamics could have a material adverse effect on the Company's profitability, the NAV and the price of the Ordinary Shares. To the extent that the Company or an SPV enters contracts to fix the price it receives on the electricity generated or enters into derivatives with a view to hedging against fluctuations in power prices, the Company or SPV, may be exposed to risk related to delivering an amount of electricity over a specific period. If there are periods of non-production the Company or an SPV may need to pay the difference between the price it has sold the power at and the market price at that time.	The Investment Manager closely monitors exposure to power price movements. Sensitivity to long term forecasts will be disclosed to investors and the Board on a regular basis. Many assets are expected to have a significant proportion of revenue that is not linked to power price forecasts including subsidies such as feed-in-tariffs. In addition, assets are geographically diverse, spreading exposure across different power markets and price drivers. Short- and medium-term exposure to power prices will be managed by locking power prices on a rolling basis. See chart on page 48 for an illustration of the portfolio's current fixed vs merchant revenues.
Exposure to the transactional effects of foreign exchange rate fluctuations and risks of foreign exchange hedging	To the extent the Company invests in non-sterling jurisdictions, it may be exposed to foreign exchange risk caused by fluctuations in the value of foreign currencies when the net income and valuations of those operations in non-Sterling jurisdictions are translated into Sterling for the purposes of financial reporting.	While the Company and SPVs may enter derivative transactions to hedge such foreign exchange rate exposures, there can be no guarantee that the Company and/or SPVs will be able to, or will elect to, hedge such exposures, or that were entered into, will be successful. The Company and/or SPVs may be required to satisfy margin calls in respect of hedges and in certain circumstances may not have such collateral readily available. In these circumstances, the Company could be forced to sell an Asset or borrow further funds to meet a margin call or take a loss on a position. To the extent that the Company and/or SPVs do rely on derivative instruments to hedge exposure to exchange rate fluctuations, they will also be subject to counterparty risk. Any failure by a hedging counterparty to discharge its obligations could have a material adverse effect on the Company's profitability, the NAV and the price of the Ordinary Shares.	Natural hedging of foreign exchange exposure will occur due to an element of costs and debt (for capital structuring purposes) being linked to the local currency. The Company will hedge expected income from foreign assets up to five years in advance.

Risk Identified	Risk Description	Risk Impact	Mitigation
Non-compliance with the investment trust eligibility conditions under sections S1158/ S1159 of the CTA 2010	As an approved investment trust, the Company is exempt from UK corporation tax on its chargeable gains and capital profits on loan relationships.	If the Company fails to maintain its investment trust status from HMRC, in such circumstances, the Company would be subject to the normal rates of corporation tax on chargeable gains and capital profits arising on the transfer or disposal of investments and other assets. Which could adversely affect the Company's financial performance, its ability to provide returns to its Shareholders or the post-tax returns received by its Shareholders.	The Company has contracted out the relevant monitoring to appropriately qualified professionals. The Investment Manager also monitors relevant qualifying conditions. The Investment Manager and the Company Secretary report on regulatory matters to the Board on a quarterly basis. The assessment of regulatory risks forms part of the Board's risk management framework.
Construction risks for certain renewable energy projects	SPVs may undertake projects that are in the Construction Phase or are construction ready which may be exposed to certain risks, such as cost overruns, construction delays and construction defects that may be outside the Company's control.	Should completion of any project overrun (both in terms of time and budget), there is a risk that payments may be required to be made to (or withheld by) a counterparty in relation to the delay. If the completion of a project overruns, it would also result in a delayed start to receipt of revenues, which could affect the Company's ability to achieve its target returns, depending on the nature and scale of such delay. Additional costs and expenses, delays in construction or carrying out repairs, failure to meet technical requirements, lack of warranty cover and/or consequential operational failures or malfunctions may have a material adverse effect on the Company's profitability, the NAV and the price of the ordinary shares.	The Investment Manager will monitor construction carefully and report frequently to the Board and AIFM. The Investment Manager has an experienced asset management team including technical experts to oversee construction projects. The Investment Manager will undertake an extensive due diligence process prior to investment with input from the Board (including technical expertise). Third party experts will be used as required to enhance knowledge and experience.
Reliance on third-party service providers	The Company, whose Board is non-executive, and which has no employees, is reliant upon the performance of third-party service providers for its executive function. The Company relies on the Investment Manager and other service providers and their reputation in the energy and infrastructure market.	The third-party provider may prove to be insufficiently skilled for the role or perform the roles required to an inadequate level, which may cause the Company to underperform, to breach regulations, or in extremis to go into administration.	There are clear service level agreements in place for all third-party providers and provisions are in place that any provider can be replaced, subject to an initial term or a breach of the agreement occurring. They have all been chosen for being skilled and experienced in their areas of expertise. The Board has regular oversight over all the other providers.

Risk Identified	Risk Description	Risk Impact	Mitigation
Lack of availability of suitable renewable energy projects	Competition for renewable energy projects in the primary investment or secondary investment markets, may result in the Company being unable to make investments or on terms that enable the target returns to be delivered.	If the Investment Manager is unable to source sufficient opportunities within a reasonable timeframe, whether by reason of fundamental change in market conditions creating lack of available opportunities, too much competition or otherwise. A greater proportion of the Company's assets will be held in cash for longer than anticipated and the Company's ability to achieve its Investment Objective may be adversely affected.	The Company has an Investment Manager in place with a strong track record, who strengthened their team ahead of the fund launch. Through extensive industry relationships the Investment Manager provides access to a significant pipeline of investment opportunities.
Conflicts of interest	The Investment Manager and the AIFM may manage from time-to-time other managed Funds pursuing similar investment strategies to that of the Company and which may be in competition with the Company.	The appointment of the AIFM is on a non-exclusive basis and each of the AIFM and Investment Manager manages other accounts, vehicles and funds pursuing similar investment strategies to that of the Company. This has the potential to give rise to conflicts of interest. The Company may also be in competition with other Downing Managed Funds for Assets. In relation to the allocation of investment opportunities.	The AIFM and the Investment Manager have clear conflicts of interest and allocation policies in place. Transactions where it is perceived that there may be potential conflicts of interest are overseen by the Investment Manager's Conflicts Committee, an independent fairness opinion on valuation may also be commissioned where deemed necessary. The application of allocation policy is reviewed by the Investment Managers Compliance Department, and by the Board on annual basis. Further information on these procedures can be found in the Company's Prospectus dated 12 November 2020.
Risks relating to the technical performance of assets	The long-term performance of the assets acquired does not match the expectations at the time of the acquisition.	Incorrect assumptions against technical performance of assets, or the availability of natural resources may lead to additional costs and expenses, carrying out repairs, or reduced revenues. Any delays or reduction in the production or supply of energy may have a material adverse effect on the performance of the Company, the NAV, the Company's earnings and returns to shareholders.	The Company will appoint third party technical advisors for every transaction. The advisors will undertake a review of the technology, design, installation (if applicable), and natural resource availability and provide an analysis of expected long term generation yields. Where Assets are going through construction, appropriate contractual guarantees will be provided. Operators will often provide guarantees as to the availability or performance of Assets.

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

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

Emerging Risks

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

Climate Change

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

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

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

Physical Effects of Climate Change

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

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

Transition Risks

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

Going Concern and Viability Statement

Going Concern

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

In arriving at their conclusion that the Company has adequate financial resources, the Directors were mindful that the Group had cash of £33 million as at 31 December 2021, though £39.9 million has been spent on new acquisitions since the reporting date. The Group utilised EUR 27.4 million of its facility with SEB to help fund the additional hydropower acquisitions. There is EUR 16.1 million remaining of this facility.

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

The Company's net assets at 31 December 2021 were £141.8 million and total expenses for the period ended 31 December 2021 were £2.2 million, which represented approximately 1.6% of average net assets during the period.

In light of the ongoing COVID-19 pandemic the Directors have fully considered each of the Company's investments. Given the nature of the Company's portfolio, the Directors do not foresee any immediate material risk to the Company's investment portfolio and income from underlying SPVs.

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

Viability Statement

In accordance with Principle 21 of the AIC Code, the Board has assessed the prospects of the Group over a period longer than 12 months required by the relevant 'Going Concern' provisions. In reviewing the Company's viability, the Directors have assessed the viability of the Company for the period to 31 December 2026 (the 'Period'). The Board believes that the Period, being approximately five years, is an appropriate time horizon over which to assess the viability of the Company, particularly when taking into account the long term nature of the Company's investment strategy, which is modelled over five years, and the principal risks outlined above. Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue to operate and to meet its liabilities as they fall due over the period to 31 December 2026.

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

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

The Directors have determined that a five-year look forward to December 2026 is an appropriate period over which to provide its viability statement. This is consistent with the outlook period used in medium-term forecasts regularly prepared for the Board by the Investment Manager and the discussion of any new strategies undertaken by the Board in its normal course of business.

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

Board approval of the Strategic Report

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

H W Little

Hugh W M Little
Chair

4 March 2022

Board of Directors

Hugh W M Little
Chair

Hugh qualified as a chartered accountant in 1982. In 1987 he joined Aberdeen Asset Management ("AAM") and from 1990 to 2006 oversaw the growth of the private equity business before moving into the corporate team as Head of Acquisitions. Hugh retired from AAM in 2015. Since then, he has become chair of Drum Income Plus REIT PLC and CLAN Cancer Support, a Director of Dark Matter Distillers Limited, and a governor of both Robert Gordon University and Robert Gordon's College. Hugh won the 'Non-Executive Director of the Year' award at the Institute of Directors, Scotland awards ceremony held in 2019.

Hugh was appointed as a Director of the Company on 28 October 2020.

Joanna de Montgros
Non-executive Director

Joanna is a specialist in the technical and commercial elements of energy projects, with 20 years' experience in renewable energy and flexibility investments, building on her academic engineering background. In 2015, Joanna co-founded international consultancy company Everoze. Everoze provides a broad range of engineering and strategic consulting services, plus incubation and development of other start-ups in this space. Prior to co-founding Everoze, Joanna led the global Project Engineering group within DNV Renewables and was a member of the DNV Renewable Advisory Board. Joanna's early career included management consultancy (PWC) and project finance (Fortis Bank).

Jo was appointed as a Director of the Company on 28 October 2020.

Ashley Paxton
Non-executive Director

Ashley has 25 years' experience serving the funds and financial services industry in London and Guernsey. Throughout that period, he has served a large number of London listed fund boards on IPOs and other capital market transactions, audit and other corporate governance matters. Ashley was a partner with KPMG in the Channel Islands ("C.I.") from 2002 and transitioned from audit to become its C.I. Head of Advisory in 2008, a position he held through to his retirement from the firm in 2019.

Ashley is a Fellow of the Institute of Chartered Accountants in England and Wales and a resident of Guernsey. Amongst other appointments he serves on the board of JZ Capital Partners Limited, Twentyfour Select Monthly Income Fund Limited and is Chairman of the Youth Commission for Guernsey & Alderney, a locally based charity delivering high quality targeted services to children and young people to support the development of their social, physical and emotional wellbeing.

Ashley was appointed as a Director of the Company on 28 October 2020.

Directors' Report

The Directors of the Company are pleased to present their report for the period ended 31 December 2021.

Directors

The Directors who held office during the year and as at the date of this report are detailed on page 68.

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

Share Capital

At the general meeting held on 26 October 2020, the Company was granted authority to allot up to 200 million ordinary shares, such authority to expire immediately following admission of the Company's ordinary shares to trading on the premium segment of the main market of the London Stock Exchange at IPO ("Admission"). On 10 December 2020, the Company issued 122,500,000 ordinary shares at a price of 100 pence per share, with an aggregate nominal value of £1,225,000, raising gross proceeds of £122,500,000. The shares were issued to institutional and retail investors and admitted to trading on the premium segment of the main market of the London Stock Exchange on 10 December 2020. As a consequence of the above and as at the date of this report, the Company's ability to allot shares under this authority has been exhausted.

In addition to and separate from the above authority, at the general meeting held on 26 October 2020, the Company was granted authority to allot ordinary shares and/or C shares of the Company equal in aggregate to 20% of the number of ordinary shares in issue immediately following Admission, amounting to 24,500,000 shares, such authority to expire on conclusion of the Company's first AGM.

On 19 October 2021, the Company issued 14,508,487 ordinary shares at a price of 102.5 pence per share, with an aggregate nominal value of £145,084.87, raising gross proceeds of £14.87 million. The placing price of 102.50 pence represented a discount of 1.68% to the Company's closing share price of 104.25 pence per share on 28 September 2021 and a premium of 3.33% to the unaudited ex-dividend net asset value per share as at 30 June 2021. The shares were issued to institutional and retail investors and admitted to trading on the premium segment of the main market of the London Stock Exchange on 10 December 2020.

As at 31 December 2021 and the date of this report, the Company has the ability to issue a further 9,991,513 ordinary and/or C shares under this authority. This authority will expire at the conclusion of, and renewal will be sought at, the AGM to be held in April 2022.

At the general meeting held on 26 October 2020, the Company was granted authority to purchase up to 14.99% of the ordinary shares in issue immediately following Admission, amounting to 18,362,750 ordinary shares. This authority will expire at the conclusion of, and renewal will be sought at, the AGM to be held in April 2022. Shares bought back by the Company may be held in treasury, from where they could be reissued at or above the prevailing NAV quickly and cost effectively.

This provides the Company with additional flexibility in the management of its capital base. No shares were bought back or held in treasury during the period under review or at the period end.

At the period end and at the date of this report, the issued share capital of the Company comprised 137,008,487 ordinary shares. At general meetings of the Company, ordinary shareholders are entitled to one vote on a show of hands and, on a poll, to one vote for every ordinary share held.

At 31 December 2021 and at the date of this report, the total voting rights of the Company were 137,008,487.

Substantial Shareholdings

The Directors have been informed of the following notifiable interests in the Company's voting rights as at the date of this report:

Shareholder	Number of Ordinary Shares	% of Total Voting Rights
Bagnall Energy Limited	23,902,437	17.45
T Choithram & Sons Ltd (UK)	10,000,000	7.30
South Yorkshire Pensions Authority	5,000,000	3.65
Stichting Juridisch Eigendom Privium Sustainable Impact Fund	4,500,000	3.28

The Company has not been informed of any changes to the notifiable interests between 31 December 2021 and the date of this report.

Information About Securities Carrying Voting Rights

The following information is disclosed in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and DTR 7.2.6 of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules:

- the Company's capital structure and voting rights and details of the substantial shareholders in the Company are set out above;
- proposals to grant powers to the Board to issue and buy back the Company's shares will be set out in the notice of AGM; and
- there are no restrictions concerning the transfer of securities in the Company or on voting rights, no special rights with regard to control attached to securities and no agreements between holders of securities regarding their transfer known to the Company.

Dividends and Dividend Policy

Dividends paid in respect of the period ended 31 December 2021 are set out on in note 20 to the financial statements.

The Company pays dividends on a quarterly basis. The Company may, where the Directors consider it appropriate, use the special distributable reserve created by the cancellation of its Share premium account to pay dividends. Distributions made by the Company may take either the form of dividend income, or of "qualifying interest income" which may be designated as interest distributions for UK tax purposes.

At IPO, the Company targeted an initial dividend yield of 3% by reference to the Issue Price in respect of the calendar year to 31 December 2021, rising to a target dividend yield of 5% by reference to the Issue Price, in respect of the calendar year to 31 December 2022. On 2 September 2021, the Company announced that, following the rapid deployment of the IPO proceeds, it was increasing its dividend guidance. Following payment of the first interim dividend of 1 pence per share for the period to 30 June 2021, the Company intends to increase the dividend to 5 pence for the year to 30 June 2022 (representing a dividend per share of 1.25 pence for the quarter ending September 2021 and thereafter)[3].

Significant Agreements

During the period under review, the Company entered, via wholly owned subsidiaries, into two separate loan facility agreements: a £25 million Revolving Credit Facility ("RCF") with Santander UK plc and a seven-year EUR 43.5 million debt facility with SEB for its Swedish hydropower assets.

DORE Hold Co Limited has entered into a loan agreement for a £25 million RCF with Santander UK plc. The RCF has a four-year term, with the possibility to be extended for a further year, and includes an uncommitted accordion allowing for an increase in its size to further assist the expected increase of the Group's investment activity. The RCF can be drawn in GBP and EUR (and also able to make use of funds in other currencies) and is priced at the Sterling Overnight Index Average ("SONIA") plus 2.25%.

[3] The dividend targets stated above are targets only and not profit forecasts. There can be no assurance that these targets will be met, or that the Company will make any distributions at all and they should not be taken as an indication of the Company's expected future results.

The Group initially acquired Downing Hydro AB ("DHAB"), its Swedish hydropower portfolio, on an unlevered basis shortly after the Company's IPO in December 2020. DHAB has a seven-year EUR 43.5 million debt facility with SEB.

Both loan facility agreements could alter or terminate on the change of control of the Company.

Further details regarding the principal agreements between the Company and its service providers, including the Investment Manager, are set out in note 4 to the financial statements.

Financial Risk Management

Information about the Company's financial risk management objectives and policies is set out in note 16 to the financial statements.

Greenhouse Gas Emissions and Taskforce on Climate-Related Financial Disclosures

Information about the Group's GHG emissions and the Company's reporting against the TCFD recommendations is set out in the strategic report on pages 17 to 25.

Requirements of the Listing Rules

Listing Rule 9.8.4 requires the Company to include specified information in a single identifiable section of the annual report or a cross reference table indicating where the information is set out. The information required under Listing Rule 9.8.4(7) in relation to allotments of shares is set out on page 70. The Directors confirm that no additional disclosures are required in relation to Listing Rule 9.8.4.

Audit Information

The Directors holding office at the date of this annual report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware. Each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Streamlined Energy Carbon Reporting

As the Company has outsourced operations to third parties, there are no significant greenhouse gas emissions to report from the operations of the Company. The Company qualifies as a low energy user and is therefore exempt from disclosures on greenhouse gas emissions and energy consumption.

Further detail on the Company's environmental reporting can be seen in the Sustainability report on pages 10 to 25.

Future Developments

Further information regarding likely future developments in the business of the Company is set out in the Investment Manager's Report on pages 40 to 54.

Post Balance Sheet Events

Dividends

On 24 February 2022, The Board declared an interim dividend of 1.25 pence per share with respect to the period ended 31 December 2021.

The Dividend is expected to be paid on or around 31 March 2022 to shareholders on the register on 4 March 2022. The ex-dividend date is 3 March 2022.

Acquisitions

The Company, through its main subsidiary acquired two operational portfolios of hydropower plants, located in central Sweden for £20.1 million and also completed the acquisition of an operational 46 MW onshore wind project located in north eastern Sweden for £19.8 million.

This Directors' report has been approved by the Board.

By order of the Board

Link Company Matters Limited
Company Secretary
4 March 2022

Corporate Governance Statement

This corporate governance statement forms part of the Directors' report.

Introduction from the Chairman

I am pleased to introduce this period's corporate governance statement. In this statement, the Company reports on its compliance with the AIC Code, sets out how the Board and its committees have operated during the past year and describes how the Board exercises effective stewardship over the Company's activities in the interests of shareholders. The Board is accountable to shareholders for the governance of the Group's affairs and is committed to maintaining the highest standard of corporate governance for the long-term success of the Company.

The Company reviews its standards of governance against the principles and recommendations of the AIC Code, as published in 2019.

The Board considers that reporting against the principles and recommendations of the AIC Code provides better information to shareholders as it addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies and is endorsed by the FRC. The terms of the FRC's endorsement mean that AIC members who report against the AIC Code and the AIC Guide fully meet their obligations under the UK Code and the related disclosure requirements contained in the listing rules of the FCA.

A copy of the AIC Code can be found at www.theaic.co.uk. A copy of the UK Code can be obtained at www.frc.org.uk.

Statement of Compliance with the AIC Code

Pursuant to the listing rules of the FCA, the Company is required to provide shareholders with a statement on how the main and supporting principles set out in the AIC Code have been applied and whether the Company has complied with the provisions of the AIC Code. The Board recognises the importance of a strong corporate governance culture and has established a framework for corporate governance which it considers to be appropriate to the business of the Company as a whole.

It should be noted that, as an investment trust, all of the Company's Directors are non-executive and most of the Company's day-to-day responsibilities are delegated to third parties. Consequently, the Company has not reported on those provisions of the UK Code relating to the role of the chief executive, executive remuneration or internal audit.

The Board has reviewed the principles and recommendations of the AIC Code and considers that it has complied throughout the year, except that Directors are not appointed for a specific term as all Directors are non-executive and the Company has adopted a policy of all Directors, including the Chairman, standing for annual re-election. The Board is mindful of and will have regard to corporate governance best practice recommendations with respect to the tenure of the Chair and in future succession planning. The Company does not have a Senior Independent Director. The Board believes that the appointment of a Senior Independent Director is not necessary at present given the size of the Company.

The Principles of the AIC Code

The AIC Code is comprised of 18 Principles and 42 Provisions over five sections covering the following areas:

- Board Leadership and Purpose;
- Division of Responsibilities;
- Composition, Succession and Evaluation;
- Audit, Risk and Internal Control; and
- Remuneration

The Board's Corporate Governance Statement sets out how the Company has complied with each of the Principles of the AIC Code.

AIC Code Principle	How the Company Complies
A. A successful company is led by an effective board, whose role is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.	Members of the Board are fully engaged and bring diverse skills to the table fostering healthy debate. The Investment Objective is to provide investors with an attractive and sustainable level of income returns, with an element of capital growth, by investing in a diversified portfolio of renewable energy and infrastructure assets in the UK, Ireland and Northern Europe. As part of this the opportunities and risks faced by the business are considered, monitored and assessed on a regular basis, both in terms of potential and emerging risks that the Company may face. More detail regarding the principal risks and uncertainties and the sustainability of the business model can be found in the Strategic Report on pages 6 to 67.
B. The Board should establish the Company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.	The purpose of the Company is also the Investment Objective which is to provide investors with an attractive and sustainable level of income returns, with an element of capital growth, by investing in a diversified portfolio of renewable energy and infrastructure assets in the UK, Ireland and Northern Europe. The investment process followed by the Investment Manager is set out on pages 26 to 35. The Board embraces a culture of inclusivity, fairness and responsibility, adopting a responsible governance culture. Transparency and openness are important values both amongst Board members and in the Board's dealings with the Company's stakeholders. The Board assesses and monitors its own culture as part of the annual Board evaluation process, including its policies, practices and behaviour to ensure that it is appropriately aligned to the Company's activities.
C. The Board should ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	The Board and the Management Engagement Committee regularly review the performance of the Company and the performance and resources of the Investment Manager and other key service providers to ensure that the Company can continue to meet its objectives. The Audit and Risk Committee is responsible for assessing and managing risks and further information about how this is done can be found in the Audit and Risk Committee Report on pages 84 to 86.
D. In order for the Company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties.	The Board understands its responsibilities to Shareholders and stakeholders and stakeholder considerations form an important part of decision making. Further information on the Company's engagement with stakeholders is set out in the Section 172 statement on pages 55 to 58. The Board considers the impact any decision will have on all relevant stakeholders to ensure that they are making a decision that promotes the long-term success of the Company, including in relation to dividends, new investment opportunities and capital requirements. The Directors welcome the views of all shareholders and place considerable importance on communications with them. All shareholders, while remaining cognisant of any government regulations on social gatherings, are encouraged to attend the AGM, where they will be given the opportunity to question the Chairman, the Board and representatives of the Investment Manager. In addition, the Directors are available to meet shareholders. Shareholders wishing to communicate with the Chairman, or any other member of the Board, may do so by writing to the Company Secretary at dorecosec@linkgroup.co.uk. The Management Engagement Committee reviews the performance and continuing appointment of the Company's key service providers annually to ensure that performance levels satisfactory and any service issues can be discussed, as appropriate.

AIC Code Principle	How the Company Complies
F. The chair leads the Board and is responsible for its overall effectiveness in directing the Company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the Chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that Directors receive accurate, timely and clear information.	The Chair is responsible for leading the Board and is responsible for its overall effectiveness in directing the affairs of the Company. The Chair ensures that all Directors receive accurate, timely and clear information and promotes a culture of openness and debate in Board meetings and within the Company by encouraging and facilitating the effective contribution of other Directors. There is a clear division of responsibilities between the Chair, the Directors, the Investment Manager and the Company's other third-party service providers. The Board meets regularly throughout the year and representatives of the Investment Manager are in attendance, when appropriate, at each meeting and most Committee meetings. The Board has agreed a schedule of matters specifically reserved for decision by the Board which is available on the Company's website. Prior to each Board and Committee meeting, Directors are provided with a comprehensive set of papers giving detailed information on the Company's investment performance, transactions and financial position and all Directors have timely access to all relevant management, financial and regulatory information. The review of the performance of the Chair was carried out during the year by Joanna De Montgros as the Chair of the Nomination Committee as part of the Board evaluation exercise. The document setting out the role of the Chair is available on the Company's website. This review concluded that the Chair continues to make a significant contribution to, and devotes sufficient time to the affairs of, the Company and continues to display excellent leadership.
G. The Board should consist of an appropriate combination of Directors (and, in particular, independent non-executive directors) such that no one individual or small group of individuals dominates the Board's decision making.	All of the Directors are non-executive and are independent of the Investment Manager and the other service providers. The Chair, Hugh Little, was independent of the Investment Manager at the time of his appointment in 2020 and remains so. No Director is a director of another investment company managed by the Company's Investment Manager.
H. Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold third party service providers to account.	As part of the Board evaluation process, the contributions of each Director, as well as the time commitments made by each Board member are considered and reviewed. The Directors' other commitments are regularly reviewed and any new appointments are considered by the other Directors to ensure there is no conflict of interest or risk of over boarding. Following the Board evaluation, it was concluded that each Director provides appropriate levels of challenge and provided the Company and the Investment Manager with strategic guidance and specialist advice when required. The Management Engagement Committee reviews the performance and cost of the Company's third-party service providers on an annual basis. More information regarding the work of the Management Engagement Committee can be found on page 83.
I. The Board, supported by the Company Secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	The Directors have access to the advice and services of the Company Secretary through its appointed representatives and the Company Secretary is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary is also responsible for ensuring good information flows between all parties.

AIC Code Principle		How the Company Complies
Composition, succession and evaluation		
J.	Appointments to the Board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	The Board has established a Nomination Committee, comprising all Directors. This Committee will lead the appointment process of new Directors as and when vacancies arise and as part of the Directors' ongoing succession planning. More information regarding the work of the Nomination Committee can be found on page 82. In accordance with the AIC Code, the Board is comprised of a mixture of individuals who have an appropriate balance of skills and experience to meet the future opportunities and challenges facing the Company. Appointments are made first and foremost on the basis of merit and taking into account the recognised benefits of all types of diversity. The Board ensures that diversity is an important consideration and part of the selection criteria used to assess candidates to achieve a balanced Board. The Board is mindful of the current FCA proposals to incorporate the diversity recommendations from the Parker and Hampton-Alexander reviews into the Listing Rules on a 'comply or explain' basis which will apply to financial years commencing 1 January 2022. Once finalised, these proposals will be taken into consideration in respect of the recruitment of all new Directors of the Company. The Company will report its compliance against this new requirement in the annual report for the year ending 31 December 2022.
K.	The Board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed.	The Directors bring a wide range of skills, experience and knowledge to the Board. Further details are set out in their biographies on page 68. The Directors' skills, experience and knowledge are reviewed as part of the annual Board evaluation process. When considering new appointments in future, the Board will review the skills of the Directors and seek to add persons with complementary skills or who possess skills and experience which fill any gaps in the Board's knowledge or experience and who can devote sufficient time to the Company to carry out their duties effectively.
L.	Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.	The Board has agreed to evaluate its own performance and that of its Committees, Chair and Directors on an annual basis. For the period under review, this was carried out by way of a questionnaire prepared by the Company Secretary. A report was circulated to the Directors which set out the results of the evaluation process and the Directors met subsequently to discuss the findings and take any actions. The Nomination Committee led the evaluation, which covered the functioning of the Board as a whole, the effectiveness of the Board Committees, the performance of the Chair and the independence and contribution made by each Director. The Nomination Committee considers the findings of the evaluation process when making a recommendation to the Board regarding the election and re-election of Directors. Following this review, the Board is satisfied that the structure, mix of skills and operation of the Board is effective and relevant for the Company and it is recommended that shareholders vote in favour of the election of the Directors at the AGM to be held in April 2022. Further information regarding the proposed election of each Director can be found in the Notice of AGM.

AIC Code Principle	How the Company Complies
Audit, risk and internal control	
M. The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself on the integrity of financial and narrative statements.	The Audit and Risk Committee ensures that any work outside the scope of the standard audit work requires prior approval by the Audit and Risk Committee. This enables the Committee to ensure that the Auditor remains fully independent. The Audit and Risk Committee carries out a review of the performance of the Auditor on an annual basis. Feedback from other third parties, including the Investment Manager, is included as part of this assessment to ensure that the Audit and Risk Committee takes into account the views of different parties who have a close working relationship with the Auditor. Further information regarding the work of the Audit and Risk Committee can be found on page 84.
N. The Board should present a fair, balanced and understandable assessment of the Company's position and prospects.	The Board, through the Audit and Risk Committee, has considered the Annual Report and financial statement as a whole and agreed that they believe that the document presents a fair, balanced and understandable assessment of the Company's position and prospects.
O. The Board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives.	The Audit and Risk Committee reviews reports from the principal service providers on compliance and the internal and financial control systems in operation and relevant independent audit reports thereon. The Audit and Risk Committee has carried out an annual review of the effectiveness of the Company's systems of internal control. Given the nature of the business, and being an Investment Trust, the Company is reliant on its service providers and their own internal controls. The Audit and Risk Committee reviews the control systems in operation at the Company's key service providers on an annual basis, insofar as they relate to the affairs of the Company. As set out in more detail in the Audit and Risk Committee on pages 84 to 86, the Company has in place a detailed system for assessing the adequacy of those controls.
P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.	As outlined in the Remuneration Policy on page 91, the Company follows the recommendation of the AIC Code that non-executive Directors' remuneration should reflect the time commitment and responsibilities of the role. The Company's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole and be determined with reference to comparable organisations and appointments. Directors are not eligible for bonuses, share options, long-term incentive schemes or other performance- related benefits as the Board does not believe that this is appropriate for non-executive Directors. The Remuneration Policy is therefore designed to attract and retain high quality Directors, whilst ensuring that Directors remain focused and incentivised to promote the long-term sustainable success of the Company. All Directors hold shares in the Company, all of which were purchased in the open market and using the Directors' own resources. More information regarding the work of the Remuneration Committee can be found in the Remuneration Report and Policy which are set out on pages 87 to 92.
Q. A formal and transparent procedure for developing policy on remuneration should be established. No Director should be involved in deciding their own remuneration outcome.	The Remuneration Policy has been developed with reference to the peer group and the principles of the AIC Code. There are agreed Directors' remuneration levels which all non-executive Directors receive (irrespective of experience or tenure) for Directors, for the Audit and Risk Committee Chair and for the Chair of the Company. Any changes to the Chairman's fee are considered by the Remuneration Committee as a whole, with the exception of the Chair who excuses himself for this part of the meeting.
R. Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.	Any decision with regard to remuneration is taken after considering the performance of the Company and wider market conditions and circumstances.

Board of Directors

Under the leadership of the Chairman, the Board of Directors is collectively responsible for the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society. It provides overall leadership, sets the strategic aims of the Company and ensures that the necessary resources are in place for the Company to meet its objectives and fulfil its obligations to shareholders, within a framework of high standards of corporate governance and effective internal controls. The Directors are responsible for the determination of the Company's Investment Policy and investment strategy and have overall responsibility for the Company's activities, including the review of investment activity and performance and the control and supervision of the Investment Manager.

The Board consists of three non-executive Directors. It seeks to ensure that it has an appropriate balance of skills and experience, and considers that, collectively, it has substantial recent and relevant experience of investment trusts and financial and public company management. The Chairman of the Audit and Risk Committee, Ashley Paxton, has recent and relevant financial experience as set out in his biography on page 68.

The terms and conditions of the appointment of the Directors are formalised in letters of appointment, copies of which are available for inspection from the Company's registered office. None of the Directors has a contract of service with the Company nor has there been any other contract or arrangement between the Company and any Director at any time during the year. Directors are not entitled to any compensation for loss of office.

Board Operation

The Directors have adopted a formal schedule of matters specifically reserved for the approval of the Board. These include the following:

- approval of the Company's Investment Policy, long-term objectives and investment strategy;
- approval of acquisitions from, divestments to, or co-investments by the Company with other funds which are managed by the Investment Manager;
- approval of Annual and Interim Reports and financial statements and accounting policies, prospectuses, circulars and other shareholder communications;
- approval of the raising of new capital and major financing facilities;
- approval of dividends and the Company's dividend policy;
- Board appointments and removals;
- appointment and removal of the Investment Manager, AIFM, Auditor and the Company's other service providers; and
- approval of the Company's operating budgets.

Board Meetings

The Company has four scheduled Board meetings a year, with additional meetings arranged as necessary.

At each Board meeting, the Directors follow a formal agenda which is circulated in advance by the Company Secretary. The Investment Manager, Administrator, AIFM and Company Secretary regularly provide the Board with financial information, including an annual expenses budget, together with briefing notes and papers in relation to changes in the Company's economic and financial environment, statutory and regulatory changes and corporate governance best practice.

At each Board meeting, representatives from the Investment Manager are in attendance to present reports to the Directors covering the Company's current and future activities, portfolio of assets and its investment performance over the preceding period. The Board and the Investment Manager operate in a fully supportive, co-operative and open environment and ongoing communication with the Board is maintained between formal meetings.

Committees

The Board has established four committees to assist its operations: the Audit and Risk Committee, the Management Engagement Committee, the Remuneration Committee and the Nomination Committee. Each committee's delegated responsibilities are clearly defined in formal terms of reference, which are available on the Company's website.

Given the size and nature of the Board it is felt appropriate that all Directors are members of all Committees.

Audit and Risk Committee

The Audit and Risk Committee meets twice a year and is chaired by Ashley Paxton.

The Committee ensures that the Company's financial performance is properly monitored, controlled and reported. The Committee has direct access to the Company's Auditor and provides a forum through which the Auditor reports to the Board. Representatives of the Auditor attend both scheduled meetings of the Committee.

Further details about the Audit and Risk Committee and its activities during the year under review are set out on pages 84 and 86.

Nomination Committee

The Nomination Committee meets once a year and is chaired by Joanna De Montgros. The Committee oversees Board recruitment and succession planning and the annual Board evaluation process.

Further details about the Nomination Committee and its activities during the year under review are set out on page 82.

Management Engagement Committee

The Management Engagement Committee meets once a year and is chaired by Hugh Little. The Committee reviews the performance and continuing appointment of the Investment Manager and the Company's other principal service providers.

Further details about the Management Engagement Committee and its activities during the year under review are set out on page 83.

Remuneration Committee

The Remuneration Committee meets once a year and is chaired by Ashley Paxton. The Committee conducts an annual review of the remuneration of the Directors.

Further details about the Remuneration Committee and its activities during the year under review are set out on page 79.

Meeting Attendance

The number of scheduled Board and Audit and Risk Committee meetings held during the period ended 31 December 2021 and the attendance of the individual Directors is shown below:

	Board		Audit and Risk Committee		Nomination Committee		Remuneration Committee		Management Engagement Committee	
	Number entitled to attend	Number attended	Number entitled to attend	Number attended	Number entitled to attend	Number attended	Number entitled to attend	Number attended	Number entitled to attend	Number attended
Hugh Little	4	4	2	2	1	1	1	1	1	1
Ashley Paxton	4	4	2	2	1	1	1	1	1	1
Joanna De Montgros	4	4	2	2	1	1	1	1	1	1

A number of additional Board and Audit and Risk Committee meetings were held by the Company during the period ended 31 December 2021. These meetings were held in respect of the IPO, acquisitions and fundraising.

Induction of New Directors

A procedure for the induction of new Directors has been established, including the provision of an induction pack containing relevant information about the Company, its processes and procedures. New appointees have the opportunity of meeting with the Chair, relevant persons at the Investment Manager and the Secretary.

Election/Re-election of Directors

Under the Company's Articles of Association and in accordance with the AIC Code, Directors are required to retire at the first AGM following their appointment. Thereafter, at each AGM all Directors will seek annual re-election. In accordance with the above policy, all Directors will be seeking election at the forthcoming AGM.

Following formal performance evaluation as detailed below, the Board strongly recommends the election of each of the Directors based on their experience and expertise in investment matters, their independence and continuing effectiveness and commitment to the Company.

Conflicts of Interest

It is the responsibility of each individual Director to avoid an unauthorised conflict of interest situation arising. The Director must request authorisation from the Board as soon as he/she becomes aware of the possibility of an interest that conflicts, or might possibly conflict, with the interests of the Company ("situational conflicts"). The Company's Articles of Association authorise the Board to approve such situations, where deemed appropriate.

A register of conflicts is maintained by the Secretary and is reviewed at Board meetings, to ensure that any authorised conflicts remain appropriate. The Directors are required to confirm at these meetings whether there has been any change to their position.

The Board is responsible for considering Directors' requests for authorisation of situational conflicts and for deciding whether or not the situational conflict should be authorised. The factors to be considered will include: whether the situational conflict could prevent the Director from properly performing their duties; whether it has, or could have, any impact on the Company; and whether it could be regarded as likely to affect the judgement and/or actions of the Director in question. When the Board is deciding whether to authorise a conflict or potential conflict, only Directors who have no interest in the matter being considered are able to take the relevant decision, and in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors are able to impose limits or conditions when giving authorisation if they think this is appropriate in the circumstances.

Insurance and Indemnity Provisions

The Board has agreed arrangements whereby Directors may take independent professional advice in the furtherance of their duties. The Company has Directors' and Officers' liability insurance and professional indemnity insurance to cover legal defence costs. Under the Company's Articles, the Directors are provided, subject to the provisions of UK legislation, with an indemnity in respect of liabilities which they may sustain or incur in connection with their appointment. This indemnity was in force during the year and remains in force as at the date of this report. Apart from this, there are no third-party indemnity provisions in place for the Directors.

Performance Evaluation of the Board

The Directors are aware that they need to continually monitor and improve performance and recognise this can be achieved through regular Board evaluation, which provides a valuable feedback mechanism for improving Board effectiveness. The Directors have therefore opted to undertake an internal performance evaluation by way of questionnaires specifically designed to assess the strengths and independence of the Board and the Chairman, individual Directors and the performance of the Committees. The evaluation of the Chair is carried out by the other Directors of the Company, led by the Chair of the Nomination Committee. The questionnaires are also intended to analyse the focus of Board meetings and assess whether they are appropriate, or if any additional information may be required to facilitate Board discussions. The Chair acts on the results of the evaluation by recognising the strengths and addressing any weaknesses of the Board as appropriate. The results of the Board evaluation process are reviewed and discussed by the Board as a whole. This evaluation process is carried out annually.

The composition of the Board and, in particular, succession planning are kept under review by the Board and are considered on an annual basis in December each year in conjunction with the evaluation process in order to ensure an orderly refreshment of the Board and to develop a diverse pipeline.

Following the evaluation process conducted during the year under review, the Board considers that all the current Directors contribute effectively and have the skills and experience relevant to the leadership and direction of the Company. The Board has satisfied itself that the Directors have enough time to devote to the Company's affairs.

Internal Control Review

The Board is responsible for the systems of internal controls relating to the Company, including the reliability of the financial reporting process and for reviewing the systems' effectiveness. The Directors have reviewed and considered the guidance supplied by the FRC on risk management, internal control and related finance and business reporting and an ongoing process has been established for identifying, evaluating and managing the principal risks faced by the Company. This process, together with key procedures established with a view to providing effective financial control, was in place during the year under review and at the date of this report.

The internal control systems are designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made and which is issued for publication is reliable, and that the assets of the Company are safeguarded.

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives. It should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Directors have carried out a review of the effectiveness of the systems of internal control as they have operated over the year and up to the date of approval of the report and financial statements. There were no matters arising from this review that required further investigation and no significant failings or weaknesses were identified.

Internal Control Assessment Process

Robust risk assessments and reviews of internal controls are undertaken regularly in the context of the Company's overall Investment Objective:

In arriving at its judgement of what risks the Company faces, the Board has considered the Company's operations in light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- the threat of such risks becoming reality;
- the Company's ability to reduce the incidence and impact of risk on its performance;
- the cost to the Company and benefits related to the review of risk and associated controls of the Company; and
- the extent to which third parties operate the relevant controls.

A risk matrix has been produced against which the risks identified and the controls in place to mitigate those risks can be monitored. The risks are assessed on the basis of the likelihood of them happening, the impact on the business if they were to occur and the effectiveness of the controls in place to mitigate them. This risk matrix is reviewed twice a year by the Audit and Risk Committee and at other times as necessary. The principal risks that have been identified by the Board are set out on pages 59 to 64.

Nomination Committee Report

I am pleased to present the Nomination Committee Report for the period ended 31 December 2021.

Meetings

The Committee comprises all Directors of the Company and met once during the period under review.

Responsibilities of the Committee

The primary responsibilities of the Committee are as follows:

- to review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board;
- to give full consideration to succession planning for Directors in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future;
- to identify and nominate for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- to review the results of the Board performance evaluation process that relate to the composition of the Board; and
- to review annually the time required from non-executive Directors.

Appointment of New Directors

The nomination committee regularly reviews the composition and effectiveness of the Board and its committees with the objective of ensuring that these have the appropriate balance of skills and experience required to meet the current and future opportunities and challenges facing the Company.

When considering the appointment of new Directors, the nomination committee will actively consider a range of factors including the expertise and experience required in a prospective candidate and the diversity of the Board, as set out in the Company's Diversity Policy below.

Diversity Policy

In accordance with the AIC Code, the Board is comprised of a mixture of individuals who have an appropriate balance of skills and experience to meet the future opportunities and challenges facing the Company. Appointments are based on merit and objective criteria that protect against discrimination and are intended to promote a diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

The Board is mindful of the current FCA proposals to incorporate the diversity recommendations from the Parker and Hampton-Alexander reviews into the Listing Rules on a 'comply or explain' basis which will apply to financial years commencing 1 January 2022. Once finalised, these proposals will be taken into consideration in respect of the recruitment of all new Directors of the Company. The Company will report its compliance against this new requirement in the annual report for the year ending 31 December 2022, to be published in 2023.

Tenure Policy

Directors are not appointed for a specific term as all Directors are non-executive. The Company has adopted a policy of all Directors, including the Chairman, standing for annual re-election. The Board is mindful of and will have regard to corporate governance best practice recommendations with respect to the tenure of the Chairman and in future succession planning, as appropriate.

Performance Evaluation of the Board

Information on the performance evaluation of the Board can be found in the Corporate Governance report on page 80.

Joanna de Montgros
Chair of the Nomination Committee
4 March 2022

Management Engagement Committee Report

I am pleased to present the Management Engagement Committee Report for the period ended 31 December 2021.

Meetings

The Committee comprises all Directors of the Company and met once during the period under review.

Responsibilities of the Committee

The primary responsibilities of the Committee are as follows:

- to monitor and evaluate the performance of the Investment Manager and its compliance with the terms of the investment management agreement;
- to monitor and evaluate the performance of the Alternative Investment Fund Manager and its compliance with the terms of the alternative investment fund management agreement;
- to consider the appropriateness of the investment management agreement, that it is fair, complies with all regulatory requirements, conforms with market and industry practice and remains in the best interests of shareholders;
- to consider the appropriateness of the alternative investment fund management agreement, that it is fair, complies with all regulatory requirements, conforms with market and industry practice and remains in the best interests of shareholders;
- to consider and review the level and method of remuneration of the Investment Manager and the Alternative Investment Fund Manager pursuant to the terms of their respective agreements with the Company;
- to consider the continuing appointment of the Investment Manager and Alternative Investment Fund Manager and make recommendations to the Board; and
- to review the performance and services provided by the Company's other service providers and consider whether the continuing appointment of such service providers under the terms of their agreements are in the interests of shareholders as a whole, and make recommendations to the Board.

Continuing Appointment of the Investment Manager

The Board, through the Management Engagement Committee, keeps the performance and continuing appointment of the Investment Manager under continual review. The Committee conducts an annual review of the Investment Manager's performance and makes a recommendation to the Board about its continuing appointment.

The Directors consider that the Investment Manager has executed the Company's investment strategy according to the Board's expectations. Accordingly, the Board believes that the continuing appointment of Downing LLP as the Investment Manager of the Company, on the terms agreed, is in the best interests of the Company and its shareholders as a whole.

Hugh W M Little
Chair of the Management Engagement Committee
4 March 2022

Audit and Risk Committee Report

I am pleased to present the Audit and Risk Committee Report for the period ended 31 December 2021.

Meetings

The Committee comprises all Directors of the Company and met twice during the period under review and once post period end.

Responsibilities of the Committee

The primary responsibilities of the Committee are as follows:

- to monitor the integrity of the financial statements of the Company including its annual and interim reports and any other formal announcements relating to its financial performance,
- to review and report to the Board on any significant financial reporting issues and judgements which those statements contain having regard to matters communicated to it by the Auditor;
- to review the content of the annual report and financial statements and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides shareholders with sufficient information to assess the Company's performance, business model and strategy;
- to keep under review the Company's internal financial controls and review the adequacy and effectiveness of the Company's internal control and risk management systems and monitor the proposed implementation of such controls;
- to assess the current position of the Company's emerging and principal risks, including those that would threaten its business model, future performance, solvency or liquidity and reputation, and how they are managed and mitigated; and the prospects of the Company over such period as deemed appropriate;
- to manage the relationship with the Company's external Auditor, including reviewing the Auditor's remuneration, independence and performance and make recommendations to the Board as appropriate;
- to review the Auditor's independence and objectivity and the effectiveness and quality of the audit process; and
- to consider annually whether there is a need for the Company to have its own internal audit function.

Activities in the Year

- conducted a review of the internal controls and risk management systems of the Company and its third-party service providers;
- agreed the audit plan and fees with the Auditor in respect of the audit of the initial accounts, interim review of the Interim Report for the period ended 30 June 2021 and the statutory audit of the Annual Report for the period ended 31 December 2021, including the principal areas of focus;
- received and discussed with the Auditor its report on the results of the audit of the initial accounts, the review of the half-yearly financial statements and the year-end audit;
- reviewed the Company's initial accounts, interim and annual financial statements and recommended these to the Board for approval;
- reviewed the methodology and assumptions applied in valuing the assets of the Company; and
- reviewed whether an internal audit function would be of value and concluded that this would provide minimal additional comfort at considerable extra cost to the Company.
- reviewed the adoption of the investment entity accounting standard.

Significant issues

The Committee considered the following key issues in relation to the Company's financial statements during the year. A more detailed explanation of the consideration of the issues set out below, and the steps taken to manage them, is set out in the Principal Risks and Uncertainties on pages 59 to 64.

Valuation of Investments

The discount rates used to determine the valuation are selected and recommended by the Investment Manager. The discount rate is applied to the expected future cash flows from each investment's financial forecasts to arrive at a valuation (discounted cash flow valuation).

The Audit and Risk Committee has considered the subjectivity and appropriateness of the discount rates and other key assumptions used to determine the valuation, of the investments, held through DORE Hold Co, which could affect the NAV and share price of the Company.

These were discussed with the Investment Manager and external auditor.

Internal controls

The Committee carefully considers the internal control systems by continually monitoring the services and controls of its third-party service providers. The Committee reviewed, and where appropriate, updated the risk matrix during the year under review. This is done on a biannual basis. The Committee received a report on internal control and compliance from the Investment Manager, the Administrator and the Registrar and no significant matters of concern were identified.

Going concern and long-term viability of the Company

The Committee considered the Company's financial requirements for the next 12 months and concluded that it has sufficient resources to meet its commitments. Consequently, the financial statements have been prepared on a going concern basis. The Committee also considered the longer-term viability statement within the Annual Report for the period ended 31 December 2021, covering a five-year period, and the underlying factors and assumptions which contributed to the Committee deciding that this was an appropriate length of time to consider the Company's long-term viability.

Adoption of Investment entity accounting standard

Under IFRS 10, investment entities are required to hold subsidiaries at fair value through the Income Statement rather than consolidate them on a line-by-line basis. There are three key conditions to be met by the Company for it to meet the definition of an investment entity. Further detail on this can be found in Note 2 to the Financial Statements.

The Directors have reviewed the criteria and are satisfied that the Company meets the criteria of an Investment Entity under IFRS 10. As explained in Note 2 to the financial statements, the Directors are of the opinion that the Company meets the requirements of an "Investment Entity". Assessing whether the Company and certain subsidiaries met the criteria of Investment Entities, in accordance with definition set out in IFRS 10 was seen as a key judgement. The Audit and Risk Committee debated the appropriateness of adopting the standard with the Investment Manager and independent auditor. The Audit and Risk Committee concluded that applying the investment entity exemption to IFRS 10 will improve stakeholders' understanding of the financial performance and position of the Group.

The Company's viability statement can be found on page 65.

Audit fees and non-audit services provided by the Auditor

The Committee reviewed the audit plan and fees presented by the Auditor and considered its report on the financial statements. Total fees for the year payable to the Auditor amounted to £312,500. This figure includes non-audit fees of £88,500 in respect of the audit of the initial accounts and interim review for the period ended 30 June 2021. Professional fees relating to the reporting accountant services and tax-structuring advice pre-IPO totalled £101,000. Other pre-IPO work included the review of the Company's financial model and this was charged at £27,000.

All non-audit services provided by the Auditor during the year were approved in advance by the Audit and Risk Committee and Directors. Further information on the fees paid to the Auditor is set out in Note 6 to the financial statements.

Effectiveness of the external audit

The Committee reviews the effectiveness of the external audit carried out by the Auditor on an annual basis. The Chairman of the Committee maintained regular contact with the Company's Audit Partner throughout the year and also met with them prior to the finalisation of the audit of the Annual Report and financial statements for the period ended 31 December 2021, without the Investment Manager present, to discuss how the external audit was carried out, the findings from such audit and whether any issues had arisen from the Auditor's interaction with the Company's various service providers.

Independence and objectivity of the Auditor

The Committee has considered the independence and objectivity of the Auditor and has conducted a review of non-audit services which the Auditor has provided during the year under review. The Committee receives an annual confirmation from the Auditor that its independence is not compromised by the provision of such non-audit services. Peter Smith is the Audit Partner allocated to the Company by BDO LLP. The audit of the financial statements for the period ended 31 December 2021 is his first as Audit Partner. The Committee is satisfied that the Auditor's objectivity and independence is not impaired by the performance of their non-audit services and that the Auditor has fulfilled its obligations to the Company and its shareholders.

Appointment of the Auditor

Following consideration of the performance of the Auditor, the services provided during the year and a review of its independence and objectivity, the Committee has recommended to the Board the appointment of BDO LLP as Auditor to the Company. Shareholder approval of the appointment of BDO as Auditor will be sought at the Annual General Meeting of the Company to be held on 6 April 2022.

Ashley Paxton
Chair of the Audit and Risk Committee

4 March 2022

Directors' Remuneration Report

Statement from the Chair

I am pleased to present the Directors' Remuneration Report for the period ended 31 December 2021.

As set out in the Corporate Governance statement on pages 73 to 81, the Remuneration Committee comprises all Directors and meets at least once a year to discuss matters relating to Directors' remuneration.

The Committee reviewed Directors' remuneration at its meeting in November 2021. During the period ended 31 December 2021, the annual fees were set at the rate of £50,000 for the Chair, £40,000 for the Chair of the Audit and Risk Committee and £35,000 for a Director. These fees levels were set in 2020, prior to the Company's IPO. No changes to the fee levels are proposed for the year ending 31 December 2022.

Voting at the AGM

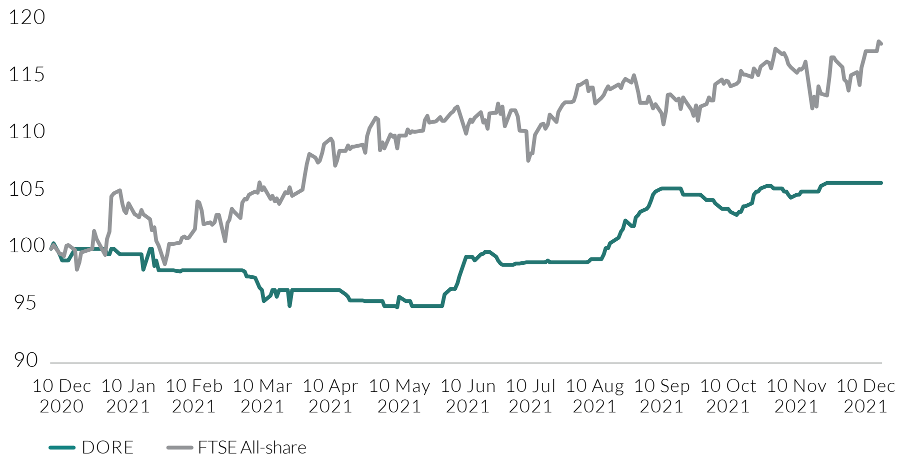
The Directors' Remuneration Report is put to a shareholder vote on an annual basis. The Directors' Remuneration Policy is put to a shareholder vote in the first year of a Company or in any year where there is to be a change to the policy and, in any event, at least once every three years.

As this is the Company's first reporting period, ordinary resolutions will be put to shareholders at the forthcoming AGM to be held in April 2022 to receive and approve the Directors' Remuneration Report and to receive and approve the Directors' Remuneration Policy.

Performance of the Company

The Company was incorporated on 8 October 2020. As such, 31 December 2021 is its first financial period end and historical data is not yet available. The graph below compares the total return to shareholders compared to the FTSE All-Share index.

The Company does not have a specific benchmark but has deemed the FTSE All-Share Index to be the most appropriate comparator for its performance. This graph has been chosen as a comparison as it is a publicly available broad equity index which focuses on smaller companies and is therefore more relevant than most other publicly available indices.



Directors' Remuneration for the Period Ended 31 December 2021 (audited)

The remuneration paid to the Directors during the period ended 31 December 2021 is set out in the table below:

	Fees	*Expenses*	*Total*
	Period ended 31 December 2021 £	**Period ended 31 December 2021 £**	**Period ended 31 December 2021 £**
Hugh W M Little	58,333	Nil	58,333
Joanna de Montgros	40,833	Nil	40,833
Ashley Paxton	46,667	Nil	46,667
	145,833	**Nil**	**145,833**

All Directors were appointed on 28 October 2020. There is no variable component to the Directors' pay, all pay is fixed.

Relative Importance of Spend on Pay

The table below sets out in respect of the period ended 31 December 2021:

a) the remuneration paid to the Directors;

b) the Investment management fee; and

c) the distributions made to shareholders by way of dividend.

	Period ended 31 December 2021 £'000
Directors' remuneration	146
Investment management fee	1,284
Dividends paid to shareholders	2,938

Directors' Interests (audited)

There is no requirement under the Company's Articles of Association for Directors to hold shares in the Company.

As set out in the Company's Prospectus, Joanna de Montgros agreed that any fees payable to her in respect of her first year of service should, save where the Company and the Directors agreed otherwise, be used to acquire shares in the Company.

As at 31 December 2021, the interests of the Directors and any connected persons in the shares of the Company are set out below:

	Period ended 31 December 2021 Number of Shares
Hugh W M Little	150,000
Joanna de Montgros	21,085
Ashley Paxton[4]	80,000

There have been no changes to any of the above holdings between 31 December 2021 and the date of this report.

None of the Directors or any persons connected with them had a material interest in the Company's transactions, arrangements or agreements during the year.

[4] All of Ashley Paxton's shares are held jointly with Alexandra Paxton, a person closely associated with Ashley Paxton.

Remuneration Policy

Introduction

The Directors' Remuneration Policy is put to a shareholder vote in the first year of a Company or in any year where there is to be a change to the policy and, in any event, at least once every three years. As this is the Company's first reporting period, an ordinary resolution will be put to shareholders at the forthcoming AGM to be held in April 2022 to receive and approve the Directors' Remuneration Policy.

Policy

The Company follows the recommendation of the AIC Code that non-executive Directors' remuneration should reflect the time commitment and responsibilities of the role. The Board's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole and be determined with reference to comparable organisations and appointments. The fees of the non-executive Directors are determined within the limits set out in the Company's articles of association; the Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. There are no performance conditions attaching to the remuneration of the Directors as the Board does not consider such arrangements or benefits necessary or appropriate for non-executive Directors. Under the Directors' letters of appointment, there is no notice period, and no compensation is payable to a Director on leaving office.

It is the Board's policy that Directors do not have service contracts, but Directors are provided with a letter of appointment as a non-executive Director. The terms of their appointment provide that Directors shall retire and be subject to election at the first annual general meeting after their appointment. The Directors are subject to retirement by rotation in accordance with the articles of association; however, the Company has adopted the policy of annual re-election of all Directors.

The Company is committed to ongoing shareholder dialogue and any views expressed by shareholders on the fees being paid to Directors would be taken into consideration by the Board when reviewing the Directors' remuneration policy and in the annual review of Directors' fees.

Directors' Fee Levels

	Expected fees for the year ending 31 December 2022	Fees for the period ended 31 December 2021
Chair	£50,000	£58,333
Chair of the Audit and Risk Committee	£40,000	£46,667
Director	£35,000	£40,833

The approval of shareholders would be required to increase the aggregate limit for Directors' fees of £300,000 per annum, as set out in the Company's articles of association.

Approval

The Directors' Remuneration Report was approved by the Board and signed on its behalf by:

Ashley Paxton
Chair of the Remuneration Committee
4 March 2022

Statement of Directors' Responsibilities

In respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors are required to prepare financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period. The Directors are also required to prepare financial statements in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRS as issued by the IASB) have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

Website publication

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

Directors' responsibilities pursuant to DTR4

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

- The financial statements have been prepared in accordance with the applicable set of accounting standards and Article 4 of the IAS regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company.

- The annual report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board.

Hugh W M Little (Chair)
4 March 2022

Independent Auditor's Report

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the period from 8 October 2020 to 31 December 2021;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Downing Renewables & Infrastructure Trust Plc (the 'Company') for the period ended 31 December 2021 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the Audit Committee, we were appointed by the Directors on 10 November 2020 to audit the financial statements for the period ended 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement is one year covering the year ended 31 December 2021. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Assessing and challenging the inputs in the cashflow forecast prepared by the Directors against actual results and contractual commitments, including performing stress testing considering downside scenarios and assessing the impact on the Company's liquidity position;
- Assessing assumptions used within the valuation models to supporting documentation per the Key Audit Matter noted below;
- Reviewing the future commitments of the Company and checking they have been appropriately incorporated into the forecast; and
- Reviewing the amount of headroom in the forecasts of both base case and downside scenarios (e.g. loan facility or viability of future placements).

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matters	Valuation of investments
Materiality	*Company financial statements as a whole* £2.125 million based on 1.5% of net assets *Lower testing threshold* £217,000 based on 10% of gross expenditure for items impacting on realised return.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors or Investment Manager that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matters		How the scope of our audit addressed the key audit matter
Valuation of Investments See note 9 and accounting policy on page 114.	The valuation of unquoted investments is calculated using discounted cash flow models. This is a highly subjective accounting estimate where there is an inherent risk of bias arising from the investment valuations being prepared by the Investment Manager, who is remunerated based on the net asset value of the company. These estimates include judgements including future power prices, power generation, discount rates, useful economic life of assets, tax and inflation. 100% of the underlying investment portfolio is represented by unquoted equity and loan investments. Investments at fair value through profit or loss is the most significant balance in the financial statements and is the key driver of performance therefore we determined this to be a key audit matter.	In respect of the equity investments valued using discounted cash flow models, we performed the following specific procedures: • Obtained and reviewed purchase agreements and contracts and considered whether inputs were accurately reflected in the valuation model • Used spreadsheet analysis tools to assess the integrity of the valuation models • Agreed power generation and power price forecasts to power purchase agreements and independent reports prepared by management's experts . We assessed the competency, independence and objectivity of the management's expert • Challenged the appropriateness of the selection and application of key assumptions in the model including the discount rate, inflation, asset life, energy yield and power price applied by benchmarking to available industry data and consulting with our internal valuations experts • Reviewed the corporation tax workings within the valuation model and considered whether these had been modelled accurately in the context of current corporation tax legislation and rates • Agreed a sample of cash and other net assets to bank statements and investee company management accounts • Considered the accuracy of forecasting by comparing forecasts from acquisition date to period end against actual results For loan investments we vouched the balances recorded to loan agreements and verified the terms of the loan. For each of the key assumptions in the valuation models, we considered the appropriateness of the assumption by benchmarking to available industry data and consulting with our internal valuations experts and considering whether alternative reasonable assumptions could have been applied. We considered each assumption in isolation as well as in conjunction with other assumptions and the valuation as a whole. Where appropriate, we sensitised the valuations where other reasonable alternative assumptions could have been applied. We also considered the completeness and clarity of disclosures regarding the range of reasonable alternative assumptions in the financial statements. **Key observations** Based on our procedures performed we found the valuation of the investment portfolio to be acceptable.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	2021
Materiality	£2.125 million
Basis for determining materiality	1.5% net assets
Rationale for the benchmark applied	Net Asset Value is a key indicator of performance and as such the most relevant benchmark on which to base materiality for the users of the financial statements.
Performance materiality	70% materiality (£1.487 million)
Basis for determining performance materiality	Risk assessment of control environment and consideration of potential errors due to this being a first year audit and the first year in which financial statements have been produced.

Lower testing threshold

We also determined that for items impacting realised return, a misstatement of less than materiality for the financial statements as a whole could influence the economic decisions of users. As a result, we determined a lower testing threshold for these items to be 10% of gross expenditure being £217,000.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £42,000. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 65; and • The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 66.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 93; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 59; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 59; and • The section describing the work of the Audit Committee set out on page 84.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or • the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. We considered the significant laws and regulations to be compliance with Companies Act 2006, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, requirements of s.1158 of the Corporation Tax Act, and applicable accounting standards.

Our procedures included:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the board and relevant Service Organisations regarding known or suspected instances of non-compliance with laws and regulation and fraud. We corroborated our enquiries through our review of board meeting minutes for the year and other evidence gathered during the course of the audit; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

We assessed the susceptibility of the financial statements to material misstatement, including fraud and considered the fraud risk areas to be the valuation of investments and management override of controls.

Our procedures included:

- the procedures set out in the Key Audit Matters section above; and
- testing a sample of journal entries to supporting documentation and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom
4 March 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income

For the Period from 8 October 2020 to 31 December 2021

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

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

Statement of Financial Position

As at 31 December 2021

	Notes	31 December 2021 £'000s
Non-current assets		
Investments at fair value through profit and loss	*9*	131,508
		131,508
Current assets		
Trade and other receivables	*10*	280
Cash and cash equivalents	*15*	11,254
		11,534
Total assets		**143,042**
Current liabilities		
Trade and other payables	*11*	(1,201)
		(1,201)
Total liabilities		**(1,201)**
Net assets		**141,841**
Capital and reserves		
Called up share capital	*12*	1,370
Share Premium	*13*	14,506
Special distributable reserve	*13*	118,435
Revenue reserve		203
Capital reserve		7,327
Shareholders' funds		**141,841**
Net asset value per ordinary share (pence)	*14*	103.5

The audited financial statements of Downing Renewables and Infrastructure Trust PLC were approved by the Board of Directors and authorised for issue on 4 March 2022 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 Period from 8 October 2020 to 31 December 2021

	Notes	Share Capital £'000s	Share Premium £'000s	Capital Reserve £'000s	Revenue Reserve £'000s	Special Distributable Reserve £'000s	Total £'000s
Balance at the start of the period		**–**	**–**	**–**	**–**	**–**	**–**
Gross proceeds from share issue	*12*	1,370	136,001	–	–	–	137,371
Bonus shares	*12*	–	(52)	–	–	–	(52)
Share issue costs	*12*	–	(220)	–	–	(2,450)	(2,670)
Dividends	*20*	–	–	–	(2,600)	(338)	(2,938)
Transfer to special distributable reserve	*13*	–	(121,223)	–	–	121,223	–
Total comprehensive income for the period		–	–	7,327	2,803	–	10,130
Net assets attributable to shareholders at 31 December 2021		**1,370**	**14,506**	**7,327**	**203**	**118,435**	**141,841**

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 Period from 8 October 2020 to 31 December 2021

	Notes	Incorporation to 31 December 2021 £'000s
Cash flows from operating activities		
Profit before taxation		**10,130**
Adjusted for:		
Interest income	*5*	(4,978)
Unrealised gains on investments at fair value	*5*	(7,327)
Increase in receivables		(280)
Increase in payables		1,201
Net cash outflows from operating activities		**(1,254)**
Cash flows from investing activities		
Purchase of investments	*9*	(121,749)
Loan Interest Received	*9*	2,546
Net cash outflows from investing activities		**(119,203)**
Cash flows from financing activities		
Gross proceeds of share issue	*12*	137,371
Bonus shares	*12*	(52)
Dividends	*20*	(2,938)
Share issue costs	*12*	(2,670)
Net cash flows from financing activities		**131,711**
Increase in cash and cash equivalents		11,254
Cash and cash equivalents at the start of the period		–
Cash and cash equivalents at the end of the period	*15*	**11,254**

Notes to the Financial Statements

For the Period from 8 October 2020 to 31 December 2021

1. General Information

The Company is registered in England and Wales under number 12938740 pursuant to the Companies Act 2006 and its registered office Beaufort House, 51 New North Road, Exeter, England, EX4 4EP.

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

The audited financial statements of the Company (the "financial statements") are for the period from incorporation on 8 October 2020 to 31 December 2021 and comprise only the results of the Company, as all of its subsidiaries are measured at fair value in line with IFRS 10 as disclosed in Note 2.

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

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

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

2. Basis of preparation

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the applicable legal requirements of the Companies Act 2006. In addition to complying with international accounting standards in conformity with the requirements of the Companies Act 2006, the financial statements also comply with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The financial statements have also been prepared as far as is relevant and applicable to the Company in accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued in October

2019 by the Association of Investment Companies ("AIC").

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

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

Estimates and underlying assumptions are reviewed regularly on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected. The significant estimates, judgement or assumptions for the period are set out on page 111.

There are no comparatives as this is the Company's first accounting period.

Basis of Consolidation

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

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

Characteristics of an investment entity

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

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

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

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

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

Going concern

The Directors have adopted the going concern basis in preparing the Annual Report. The following is a summary of the Director's assessment of going concern status of the Company. In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its cash position, income and expense flows. As at 31 December 2021, the Company had net assets of £141.8 million including cash balances of £11 million which are sufficient to meet current obligations as they fall due. Since the period end £39.9 million has been spent on new acquisitions. The Group, through one of its unconsolidated subsidiaries, utilised EUR 27.4 million of its facility with SEB to help fund the additional hydropower acquisitions. Through its main subsidiary, DORE Hold Co Limited, the Company has access to an undrawn RCF of £25 million which is available for either, new investments or investment in existing projects and working capital. The RCF is currently undrawn.

In the period since incorporation, COVID-19 has continued to have a negative impact on the global economy. As the United Kingdom and the developed world continue to roll out their vaccination programmes, the outlook for both the UK and global economy is beginning to look more positive, although it should be noted, with the potential for additional variants of the virus to become more prevalent, COVID-19 continues to raise potential uncertainties and additional risks for the Company.

The Directors and the Investment Manager continue to actively monitor this and its potential effect on the Company and its investments.

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

- Unavailability of key personnel at the Investment Manager or Administrator; and
- Increased volatility in the fair value of investments.

In considering the above key potential impacts of COVID-19 on the Company's operations, the Directors have assessed these with reference to the mitigation measures in place. The key personnel at the Investment Manager had successfully implemented business continuity plans prior to incorporation to ensure business disruption was minimised, including remote working, and all staff are continuing to assume their day-to-day responsibilities.

SPV revenues are derived from the sale of electricity, although approximately 89 per cent of the portfolio's revenue in 2022 is not exposed to floating power prices. Revenue is received through power purchase agreements in place with large and reputable providers of electricity to the market and also through government subsidies. In the period since acquisition and up to the date of this report, there has been no significant impact on revenue and cash flows of the SPVs. The SPVs have contractual operating and maintenance agreements in place with large and reputable providers. Therefore, the Directors and the Investment Manager do not anticipate a threat to the Group's revenue.

Based on the assessment outlined above, including the various risk mitigation measures in place, the Directors do not consider that the effects of COVID-19 have created a material uncertainty over the assessment of the Company as a going concern.

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

Segmental reporting

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

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

Critical accounting judgements, estimates and assumptions

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Estimates, by their nature, are based on judgement and available information, hence actual results may differ from these judgements, estimates and assumptions.

The key assumptions that have a significant impact on the carrying value of investments that are valued by reference to the discounted value of future cashflows are the useful life of the assets, the discount rates, the rate of inflation, the price at which the power and associated benefits can be sold and the amount of electricity the assets are expected to produce. The sensitivity analysis of these key assumptions is outlined in note 9 to the financial statements, on page 120.

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

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

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

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

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

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

New, revised and amended standards applicable to future reporting periods

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

New and revised standards not applied

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

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

Effective for accounting periods beginning on after 1 January 2023:

- Narrow-scope amendments to IAS 1 "Presentation of Financial Statements", Practice statement 2 and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".
- Amendments to IAS 12, "Income Taxes" – deferred tax related to assets and liabilities arising from a single transaction.
- Amendments to IFRS 17, "Insurance contracts" – this standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts.

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

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

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

3. Significant Accounting Policies

Financial Instruments

Financial assets and financial liabilities are recognised on the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are to be de-recognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred, and the transfer qualifies for de-recognition in accordance with IFRS 9 Financial Instruments and IFRS 13 Fair Value Measurement.

Financial assets

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

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

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

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

Financial assets are recognised/ derecognised at the date of the purchase/ disposal. Investments are initially recognised at cost, being the fair value of consideration given. Transaction costs are recognised in the Statement of Comprehensive Income as incurred. Fair value is defined as the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is calculated on an unlevered, discounted cashflow basis in accordance with IFRS 13 and IFRS 9.

Financial assets at amortised cost

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

Impairment

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

Financial liabilities

Financial liabilities are classified as other financial liabilities, comprising:

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

Financial liabilities and equity

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

Equity instruments

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

Taxation

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

Under the current system of taxation in the UK, the Company is liable to taxation on its operations in the UK. Current tax is the expected tax payable on the taxable income for the period, using tax rates that have been enacted or substantively enacted at the date of the Statement of Financial Position.

Dividends

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

Income

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

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

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

Expenses

Expenses are accounted for on an accruals basis. Share issue expenses directly attributable to the listing of shares are charged through profit and loss with incremental costs associated with raising capital charged through the Special Distributable Reserve or Share Premium Account. The Company's investment management fee, administration fees and all other expenses are charged through the Statement of Comprehensive Income. In respect of the analysis between revenue and capital these items are presented and charged 100% as revenue items.

Cash and cash equivalents

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

Deposits to be held with original maturities of greater than three months are included in other financial assets.

There are no expected credit losses as the bank institutions will have high credit ratings assigned by international credit rating agencies.

Seasonal and cyclical variations

The Company's results do not vary significantly during reporting periods.

4. Investment management fees

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

The Company paid £353,135 of management fees during the period, investment management fees of £933,414 were accrued at the period end.

No performance fee is payable to the Investment Manager under the Investment Management Agreement and there are no provisions that would entitle the Investment Manager to a performance fee in respect of future periods.

5. Return on investment

	31 December 2021 £'000s
Unrealised movement in fair value of investments (Note 9)	7,327
Interest due on loans to investment (Note 9)	4,978
	12,305

6. Other expenses

	31 December 2021 £'000s
Alternative investment fund manager fee	110
Fees payable to the Company's auditor for the audit of the Company's annual accounts	96
Fees payable to the Company's auditor for other services	89
Company secretarial fee	62
Legal fees	87
Depositary fee	48
Hedging advisory	39
Marketing fee	53
Broker fee	53
Retainer fee	34
Other fees	74
	745

Total fees payable to BDO for non-audit services during the year were £88,500 for the audit of the Company's initial accounts and interim review. These services were pre-approved by the Audit and Risk Committee and are not subject to the fee cap.

During the Company's IPO professional fees paid to BDO relating to reporting accountant services and tax structuring advice of £101,000 were charged. Professional fees of £27,000 were also charged for the review of the Company's financial model. These IPO costs were allocated against the Company's capital reserves.

7. Taxation

Taxable income during the period was offset by expenses and the tax charge for the period ended 31 December 2021 is £Nil.

As described above, the Company is recognised as an ITC for accounting periods and is taxed at the current main rate of 19%. To the extent that there is insufficient group tax relief available to eliminate taxable profits, the Company may make interest distributions to reduce taxable profits to nil.

(a) Analysis of charge in the period

	Revenue	***Capital***	***Total***
	£'000	**£'000**	**£'000**
Analysis of tax charge / (credit) in the period:			
Current tax			
UK corporation tax on profits of the period	–	–	–
Adjustments in respect of previous periods	–	–	–
Deferred tax:			
Origination & reversal of timing differences	–	–	–
Adjustments in respect of previous periods	–	–	–
Tax charge / (credit) on profit on ordinary activities	–	–	–

(b) Factors affecting total tax charge for the period

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

	Revenue	*Capital*	*Total*
	£'000	**£'000**	**£'000**
Profit / (Loss) on ordinary activities before tax	2,803	7,327	10,130
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	533	1,392	1,925
Effect of:			
Capital profits not taxable	–	(1,392)	(1,392)
Non-taxable income	–	–	–
Expenses non deductible	10	–	10
Interest distributions	(543)	–	(543)
Timing differences	–	–	–
Group relief	–	–	–
Excess management expenses	–	–	–
Total charge / (credit) for the period	–	–	–

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

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

There is no unrecognised deferred tax asset or liability at 31 December 2021.

8. Earnings per share

	Revenue	*Capital*	*Total*
	£'000s	**£'000s**	**£'000s**
Revenue and capital profit attributable to equity holders of the Company	2,803	7,327	10,130
Weighted average number of ordinary shares in issue	107,864	107,864	107,864
Basic and diluted earnings per share (pence)	**2.6**	**6.8**	**9.4**

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

9. Investments at fair value through profit and loss

	Total
	£'000s
Fair value at start of the period	**–**
Loan advanced to DORE Hold Co Limited	113,749
Shareholding in DORE Hold Co limited	8,000
Unrealised gain on investments at FVTPL	7,327
Loan Interest	2,432
Fair value at end of the period	**131,508**

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

The company received interest payments of £2,546,000 during the period. Included in the fair value are cash balances at DORE Hold Co of £21.8 million.

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

Fair value measurements

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

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

The fair value hierarchy consists of the following three levels:

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

The following table analyses the Company's assets at 31 December 2021:

	Level 1	Level 2	Level 3	Total
	£'000s	£'000s	£'000s	£'000s
Investment portfolio summary				
Unlisted investments at fair value through profit and loss	–	–	131,508	131,508
Total	**–**	**–**	**131,508**	**131,508**

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

The only financial instruments held at fair value are the instruments held by the Group in the SPVs, which are fair valued at each reporting date. The investments have been classified within level 3 as the investments are not traded and contain unobservable inputs. The Company's investments are all considered to be level 3 assets.

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

There have been no transfers between levels during the period.

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

i. due diligence findings where relevant;

ii. the terms of any material contracts including PPAs;

iii. asset performance;

iv. power price forecasts from leading market consultants; and

v. the economic, taxation or regulatory environment.

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

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

Sensitivity

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

Information on climate related sensitivities can be found on pages 23 and 24.

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

Discount rate

The weighted average valuation discount rate applied to calculate the portfolio valuation is 7.3%.

An increase or decrease in this rate by 0.5% points has the following effect on valuation.

Discount rate	**NAV per share impact**	**-0.5% change £'000s**	**Total portfolio Value £'000s**	**+0.5% change £'000s**	**NAV per share impact**
Directors' valuation – Dec 2021	4.05	5,547	131,508	(5,072)	(3.70)

Energy yield

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

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

Energy Yield	NAV per share impact	-5% change £'000s	Total portfolio Value £'000s	+5% change £'000s	NAV per share impact
Directors' valuation – Dec 2021	(6.36)	(8,718)	131,508	8,750	6.39

Power prices

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

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

Power Prices	NAV per share impact	-10% change £'000s	Total portfolio Value £'000s	+10% change £'000s	NAV per share impact
Directors' valuation – Dec 2021	(5.89)	(8,070)	131,508	8,079	5.90

Inflation

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

The sensitivity illustrates the effect of a 0.5% decrease and a 0.5% increase from the assumed annual inflation rates in the financial model for each year throughout the operating life of the portfolio.

Inflation	NAV per share impact	-0.5% change £'000s	Total portfolio Value £'000s	+0.5% change £'000s	NAV per share impact
Directors' valuation – Dec 2021	(2.12)	(2,899)	131,508	3,108	2.27

Foreign exchange

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

Foreign Exchange	NAV per share impact	-10% change £'000s	Total portfolio Value £'000s	+10% change £'000s	NAV per share impact
Directors' valuation – Dec 2021	(1.55)	(2,130)	131,508	1,728	1.26

10. Trade and other receivables

	31 December 2021
	£'000s
Prepayments	14
VAT	266
	280

11. Trade and other Payables

	31 December 2021
	£'000s
Accounts Payable	51
Accruals	1,150
	1,201

Included in the accruals amount at the period end, £933,042 relates to the management fee charged by Downing LLP during the period.

12. Called up share capital

Allotted, issued and fully paid:	Number of Shares
Opening Balance at 8 October 2020	–
Allotted upon Incorporation	
Ordinary Shares of 1p each	1.00
Management Shares	50,000
Allotted/redeemed following admission to LSE	
Ordinary Shares issued – IPO	122,499,999
Management Shares redeemed	(50,000)
Ordinary Shares issued – 19 October 2021	14,508,487
Closing Balance of Ordinary Shares at 31 December 2021	**137,008,487**

The initial placing of 122,500,000 ordinary shares took place on 10 December 2020, raising gross proceeds of £122,500,000. Each ordinary share has equal rights to dividends and has equal rights to participate in a distribution arising from a winding up of the Company.

Following the Court approval on 20 April 2021, the share premium cancellation was effective. Bonus shares with a consideration of £52,123 were issued and allocated to the Share Premium account.

The share premium account of £121,223,000 at 20 April 2021 was transferred to a special distributable reserve account. The issue costs of £2,450,000 relating to the initial listings were offset against the special distributable reserve account.

The Company issued 14,508,487 additional ordinary shares on 19 October 2021 raising gross proceeds of £14,871,199.

At 31 December 2021 the special distributable reserve account was £118,435,271.

13. Special distributable reserve

As indicated in the Company's Prospectus dated 12 November 2020, following admission of the Company's Ordinary Shares to trading on the London Stock Exchange, the Directors applied to the Court and obtained a judgement on 20 April 2021 to cancel the amount standing to the credit of the share premium account of the Company.

As stated by the Institute of Chartered Accountants in England and Wales ("ICAEW") and the Institute of Chartered Accountants in Scotland ("ICAS") in the technical release TECH 02/17BL, The Companies (Reduction of Share Capital) Order 2008 SI 2008/1915 ("the Order") specifies the cases in which a reserve arising from a reduction in a company's capital (i.e., share capital, share premium account, capital redemption reserve or redenomination reserve) is to be treated as a realised profit as a matter of law.

The Order also disapplies the general prohibition in section 654 on the distribution of a reserve arising from a reduction of capital. The Order provides that if a limited company having a share capital reduces its capital and the reduction is confirmed by order of court, the reserve arising from the reduction is treated as a realised profit unless the court orders otherwise.

The amount of the share premium account cancelled and credited to the Company's special reserve is £121.2 million which can be utilised to fund distributions by way of dividends to the Company's shareholders.

The share premium created on the issue of additional ordinary shares on 19 October 2021 has yet to be cancelled. At the reporting date, the amount standing to the credit of the share premium account was £14,506,291.

At 31 December 2021 the special distributable reserve account was £118,435,271.

14. Net asset value per ordinary share

The basic total net assets per ordinary share is based on the net assets attributable to equity shareholders as at 31 December 2021 of £141,841,774 and ordinary shares of 137,008,487 in issue at 31 December 2021.

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

15. Cash and Cash equivalents

At the period end, the Company had cash of £11.3 million. This balance was held by the Royal Bank of Scotland.

16. Financial Risk Management

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

Each risk and its management are summarised below.

Foreign exchange risk

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

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company is exposed to interest rate risk on its cash balances held with counterparties, bank deposits, advances to counterparties through loans to its subsidiaries. The Company may be exposed to changes in variable market rates of interest as this could impact the discount rate and therefore the valuation of the projects as well as the fair value of the loan receivables. The Company is not considered to be materially exposed to interest rate risk.

The Company's interest and non-interest bearing assets and liabilities as at 31 December 2021 are summarised below:

Assets	Interest Bearing £'000s	Non-Interest bearing £'000s	Total £'000s
Cash and cash equivalents	–	11,254	11,254
Trade and other receivables	–	280	280
Investments at fair value through profit and loss	113,749	17,759	131,508
Total assets	**113,749**	**29,293**	**143,042**
Liabilities			
Accrued expenses	–	(1,201)	(1,201)
Total liabilities	**–**	**(1,201)**	**(1,201)**

Liquidity risk

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

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

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

	Less than 1 year £'000	1-5 years £'000	More than 5 years £'000	Total £'000
Assets				
Investments at fair value through profit and loss (note 9)	–	–	131,508	131,508
Trade and other receivables	280	–	–	280
Cash and cash equivalents	11,254	–	–	11,254
Liabilities				
Trade and other payables	(1,201)	–	–	(1,201)
	10,333	–	131,508	141,841

Credit risk

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

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

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

The Company's credit risk exposure as at 31 December 2021 is summarised below:

	As at 31 December 2021 £'000s
Loan Investment	113,749
Cash and cash equivalents	11,254
Total	**125,003**

Price risk

Price risk is defined as the risk that the fair value of a financial instrument held by the Company will fluctuate. Investments are measured at FVTPL. As at 31 December 2021, the Company held two investments through its intermediate holding company. The value of the underlying renewable energy investments held by Hold Co will vary according to a number of factors including: discount rate used, asset performance and forecast power prices.

Capital risk management

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

Market risk

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

17. Unconsolidated subsidiaries, associates and joint ventures

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

Investment	Place of Business	Ownership Interest as at 31 December 2021
DORE Hold Co Limited[16]	England[17]	100%
DORE Sweden Hold Co Limited[18]	England[17]	100%
Downing Hydro AB[18]	Sweden[12]	100%
Abercomyn Solar Ltd[21]	England[17]	100%
Andover Airfield Solar Developments Ltd[20]	England[17]	100%
Appleton Renewable Energy[20]	England[17]	100%
Appleton Renewables[21]	England[17]	100%
Beeston Solar Energy Ltd[21]	England[17]	100%
Beeston Solar Ltd[21]	England[17]	100%
Bourne Park Solar Ltd[22]	England[17]	100%
Brookside Solar Ltd[21]	England[17]	100%
Brown Argus Trading Ltd[23]	England[17]	100%
Chalkhill Commercial PV Ltd[23]	England[17]	100%
Chalkhill Life Holdings Ltd[18]	England[17]	100%
Deeside Solar Farm Ltd[23]	England[17]	100%
Emerald Isle Solar Energy Ltd[24]	Northern Ireland[17]	100%
Emerald Isle Solar Ltd[21]	Northern Ireland[17]	100%
Greenacre Redbridge Ltd[25]	England[17]	100%
Greenacre Solar Energy Ltd[25]	England[17]	100%
Greenacre Solar Ltd[21]	England[17]	100%
Heulwen Solar Ltd[21]	England[17]	100%
Hulse Energy Ltd[21]	Northern Ireland[17]	100%
Hulse Renewable Energy Ltd[26]	Northern Ireland[17]	100%
KPP132 Ltd[27]	England[17]	100%
KPP141 Ltd[33]	Northern Ireland[17]	100%
Moray Energy Ltd[27]	Northern Ireland[17]	100%
Moray Power (UK) Ltd[27]	Northern Ireland[17]	100%
Moray Power Ltd[21]	Northern Ireland[17]	100%
Newton Solar Energy Ltd[21]	England[17]	100%
Newton Solar ltd[21]	England[17]	100%
Penarth Energy Ltd[21]	England[17]	100%
Ridgeway Solar Energy Ltd[29]	England[17]	100%
Ridgeway Solar ltd[21]	England[17]	100%
Ringlet Trading Ltd[23]	England[17]	100%
ROC Solar (UK) Ltd[30]	Northern Ireland[17]	100%
ROC Solar ltd[21]	Northern Ireland[17]	100%
Solar Finco 1 Limited[31]	England[17]	100%
Solar Finco 2 Limited[32]	England[17]	100%
Solar Finco 3 Limited[23]	England[17]	100%

Investment	Place of Business	Ownership Interest as at 31 December 2021
TGC Solar Oakfield Ltd[29]	England[17]	100%
Triumph Renewable Energy Ltd[33]	Northern Ireland[17]	100%
Triumph Solar Energy ltd[33]	Northern Ireland[17]	100%
Triumph Solar ltd[21]	Northern Ireland[17]	100%
Voltaise (UK) Ltd[34]	England[17]	100%
Voltaise ltd[21]	England[17]	100%
Wakehurst Renewable Energy Ltd[35]	Northern Ireland[17]	100%
Wakehurst Renewables Ltd[21]	Northern Ireland[17]	100%
York NIHE Ltd[36]	Northern Ireland[17]	100%
York Renewable Energy Ltd[36]	England[17]	100%
York Renewables Ltd[21]	Northern Ireland[17]	100%

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

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

18 These Companies are 100% owned by DORE Hold Co Limited

19 The registered office is c/o Cirio Advokatbyra Box 3294, 103 65 Stockholm

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

21 These companies are 100% owned by Solar Finco 1 Ltd

22 Bourne Park Solar is 100% owned by Penarth Energy Ltd

23 These companies are 100% owned by Chalkhill Life Holdings Ltd

24 Emerald Isle Solar Energy Limited is 100% owned by Emerald Isle Solar Ltd

25 Both companies are 100% owned by Greenacre Solar Ltd

26 Hulse Renewable Energy Ltd is 100% owned by Hulse Energy Ltd

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

28 Newton Solar Energy is 100% owned by Newton Solar Ltd

29 Both companies are 100% owned by Ridgeway Solar Ltd

30 ROC Solar (UK) Ltd is 100% owned by ROC Solar Ltd

31 Solar Finco 1 Ltd is 100% owned by Solar Finco 2 Ltd

32 Solar Finco 2 Ltd is 100% owed by Solar Finco 3 Ltd

33 Triumph Solar Energy is 100% owned by Triumph Solar Ltd, Triumph Solar Energy Ltd in turn owns 100% of Triumph Renewable Energy Ltd and KPP 141 Ltd

34 Voltaise (UK) Limited is 100% owned by Voltaise Ltd

35 Wakehurst Renewable Energy Ltd is 100% owned by Wakehurst Renewables Ltd

36 These Companies are 100% owned by York Renewables Ltd

18. Employees and Directors

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

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

19. Contingencies and commitments

The Company has no commitments or contingencies.

20. Dividends declared

As outlined on page 8 of the Chairman's statement, in the IPO Prospectus on 12 November 2020, the Company was targeting an initial annualised dividend yield of 3% by reference to the IPO price of £1.00, in respect of the financial period from IPO on 10 December 2020 to 31 December 2021 (equating to 3.0 pence per share), rising to a target annualised dividend yield of 5% by reference to the IPO price in respect of the financial year to 31 December 2022.

Interim dividends paid during the period ended 31 December 2021	Dividend per share pence	Total dividend £'000s
With respect to the quarter ended 30 June 2021	1.00	1,225
With respect to the quarter ended 30 September 2021	1.25	1,713
	2.25	**2,938**

Interim dividends declared after 31 December 2021 and not accrued in the year	Dividend per share pence	Total dividend £'000s
With respect to the quarter ended 31 December 2021	1.25	1,713
	1.25	**1,713**

On 24 February 2022, The Board declared an interim dividend of 1.25 pence per share with respect to the period ended 31 December 2021.

The Dividend is expected to be paid on or around 31 March 2022 to shareholders on the register on 4 March 2022. The ex-dividend date is 3 March 2022.

As announced in September 21, following the rapid deployment equity issuance proceeds and the continued strong trading performance since the two portfolios were acquired, the Board announced it is increasing its dividend guidance. The Company intends to increase the dividend to 5 pence for the year to 30 June 2022 (representing a dividend per share of 1.25 pence for the quarter ending September 2021 and thereafter).

During the period, The Board declared two interim dividends of 1 pence per share on 1 September 2021 and 1.25 pence per share on 25 November 2021, with respect to the periods ending 30 June 2021 and 31 December 2021. As outlined in the Company's Prospectus, the Company has chosen to designate part of these interim dividends as an interest distribution.

The dividend for the period to 30 June 2021, was paid as 0.50 pence per share as an interest payment and 0.50 as an ordinary dividend. The dividend paid for the period to 31 December 2021 was paid as 0.8125 pence per share as an interest payment and 0.4375 as an ordinary dividend.

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

21. Events after the balance sheet date

Dividends

On 24 February 2022, The Board declared an interim dividend of 1.25 pence per share with respect to the period ended 31 December 2021.

The dividend is expected to be paid on or around 31 March 2022 to shareholders on the register on 4 March 2022. The ex-dividend date is 3 March 2022.

Acquisitions

The Company, through its main subsidiary acquired two operational portfolios of hydropower plants, located in central Sweden for £20.1 million and also completed the acquisition of an operational 46 MW onshore wind project located in north eastern Sweden for £19.8 million. EUR 27.4 million was drawn against the facility with SEB to help fund the hydropower acquisitions.

22. Related party transactions

The amounts incurred in respect of the Investment Management fees during the period to 31 December 2021 was £1,284,177. Of this amount, £933,042 were unpaid at 31 December 2021.

The placing agreement entered into on 12 November 2020 between the Company, the Directors, the AIFM, the Investment Manager, Singer Capital Markets Advisory LLP and Singer Capital Markets Securities Limited provided, amongst other things, that the Investment Manager (i) would contribute to the costs of the IPO such that the Net Asset Value per Ordinary Share at Admission would not be less than 98 pence and (ii) would be paid commission in respect of investors introduced by it to the IPO. The net effect of this receipt from, and payment to, the Investment Manager was a payment made by the Company of £648,290. These terms of the placing agreement were disclosed in the IPO Prospectus.

Each of the underling investments of the Group entered into an asset management agreement with the Asset Manager. The total value of recurring services Invoiced to the companies during the period was £370,635 with a further £222,801 accrued. The £222,801 which has been accrued remained unpaid at the period end.

The amounts incurred in respect of Directors fees during the period to 31 December 2021 was £145,833. These amounts had been fully paid at 31 December 2021. The amounts paid to individual directors during the period were as follows:

Hugh W M Little (Chair)	£58,333
Jo De Montgros	£40,833
Ashley Paxton	£46,667

Tony McGing and Tom Williams were Directors of the Company from 8 October 2020 to 28 October 2020, they received no remuneration during the period.

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

Transactions with a Shareholder – Acquisition of the Seed Assets

Bagnall Energy Limited is a shareholder in the Company. Its shareholding can be seen on page 71.

As identified in the Company's Prospectus dated 12 November 2020, the Company benefited from an option to acquire a portfolio of c.96 MWp of operational solar PV projects located in the UK. The Seed assets were previously owned by Bagnall Energy Limited, a Downing Managed Fund, managed by the Investment Manager on a discretionary basis. This acquisition of the Seed Assets represented a conflict of interest as the Investment Manager provided investment management services to both the Company and Bagnall Energy Limited.

To mitigate this conflict, the Investment Manager put in place several procedures, including disclosure of the relevant conflicts to the independent boards of both the Company and Bagnall Energy Limited, separate buy and sell side external legal advisers and a fairness opinion, addressed to the Company, on the value of the Asset to be acquired was sought from an independent expert.

Intercompany Loans

During the period interest totalling £4.98 million was charged on the Company's long-term interest-bearing loan between the Company and its subsidiary. At the period end, £2.4 million remained unpaid.

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

Alternative Performance Measures

In reporting financial information, the Company presents alternative performance measures, ("APMs"), which are not defined or specified under the requirements of IFRS. The Company believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the Company. The APMs presented in this report are shown below:

Gross Asset Value or GAV

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

As at 31 December 2021		Page	£'000s
NAV	a	105	141,841
Debt held in unconsolidated subsidiaries	b	n/a	79,250
Gross Asset Value	**a + b**		**221,091**

NAV Total Return

A measure of NAV performance over the reporting period (including dividends paid). NAV total return is shown as a percentage change from the start of the period. It assumes that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend.

Period Ended 31 December 2021			Page	NAV
NAV at IPO	pence	a	n/a	98.00
NAV at 31 December 2021	pence	b	105	103.5
Reinvestment assumption	pence	c	n/a	0.02
Dividends paid	pence	d	8	2.25
Total NAV Return		**((b + c + d)/a) - 1**		**7.9%**

Total Shareholder Return

A measure of share price performance over the reporting period (including dividends reinvested). Share price total return is shown as a percentage change from the start of the period. It assumes that dividends paid to shareholders are reinvested in the shares at the time the shares are quoted ex- dividend.

Period Ended 31 December 2021			**Page**	**Share Price**
Issue price at IPO (10 December 2020)	pence	a	n/a	100.00
Closing price at 31 December 2021	pence	b	4	103.50
Benefits of reinvesting dividends	pence	c	n/a	0.03
Dividends paid	pence	d	8	2.25
Total Return		**((b + c + d)/a) - 1**		**5.8%**

Ongoing Charges

A measure, expressed as a percentage of average net assets, of the regular, recurring annual costs of running the Company per Ordinary Share. This has been calculated and disclosed in accordance with the AIC methodology.

Period Ended 31 December 2021		**Page**	**£'000s**
Average NAV	a	n/a	126,443
Annualised Expenses	b	n/a	2,056
Ongoing charges ratio	**b / a**		**1.6%**

Dividend yield

This is the annualised measure of the amount of cash dividends paid out to shareholders relative to the IPO price of £1.00 per share and the issue price.

Period Ended 31 December 2021			Page	£'000s
Dividend from IPO to 31 December 2021	pence	a	n/a	3.50
Ordinary Share price as at 31 December 2021	pence	b	4	103.50
Issue price at IPO	pence	c	n/a	100.00
Annualisation factor		d	n/a	0.95
Dividend yield by reference to share price		**(a/b * d)**		**3.20%**
Dividend yield by reference to Issue Price		**(a/c * d)**		**3.31%**

Dividend Cover

Dividend cover illustrates the number of times the Company's cash flow can cover it dividend payments to Shareholders.

Dividend Cover Period Ended 31 December 2021		Page	£'000
Cash flows (from portfolio companies)	a	n/a	4,678
Cash expenses (Company and Hold Co)	b	n/a	(1,339)
Dividends for FY 2021 (excluding new equity)	c	n/a	2,756
Dividends for FY 2021 (including new equity)	d	n/a	2,938
Dividend Cover excluding new equity	**(a + b) / c**		**1.21**
Dividend Cover including new issuance	**(a + b) / d**		**1.14**

Glossary

2016 Paris Agreement	an agreement within the United Nations Framework Convention on Climate Change, dealing with greenhouse-gas-emissions mitigation, adaption, and finance, signed in 2016
AIC	Association of Investment Companies
Asset Manager	INFRAM LLP a company operated by Downing LLP. Downing LLP is the controlling member.
CCGT	Combined Cycle Gas Turbines
Corporate PPA	a PPA with a corporate end-user of electricity rather than with an electricity utility
CO2	Carbon dioxide
CO2e	Carbon dioxide equivalent
COP26	The 2021 United Nations Climate Change Conference
DHAB	Downing Hydro AB
distribution network	low voltage electricity network that carries electricity locally from the substation to the end-user
ESG	environmental, social and governance
FiT	feed-in tariff
GAV	Gross asset value – the aggregate value of the Group's underlying investments, cash and cash equivalents, and third-party borrowings.
GBP	Pounds Sterling
GHG	Greenhouse Gas
Group	the Company and its subsidiaries
GW	Gigawatt
GWh	Gigawatt hours
Investment Manager	Downing LLP (Company No: OC341575)
IPO	Initial Public Offering
KPI	key performance indicator
MW	Megawatt
MWh	Megawatt hour
MWp	Megawatt peak
NAV	Net asset value
NIROC/s	Northern Ireland ROC/s

O&M	operations and maintenance
Ofgem	the Office of Gas and Electricity Markets
Offtaker	a purchaser of electricity and/or ROCs under a PPA
PPA	a power purchase agreement
PPS	Pence per share
RCF	revolving credit facility
Renewable Energy Directive	EU Renewable Energy Directive (2009/28/EC)
RO	Renewables Obligation
ROC/s	renewables obligation certificate/s
SE2	South Sweden
SE3	North Sweden
SEB	Skandinaviska Enskilda Banken AB
SEK	Swedish Kroner
SEM	Single Electricity Market
SFDR	Sustainable Finance Disclosure Regulation
Solar PV	photovoltaic solar
SORP	Statement of recommended practise
SPV	Special purpose vehicle
Sustainable Development Goals	Set out in the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015
transmission network	high voltage power lines that transport electricity across large distances at volume, from large power stations to the substations upon which the distribution networks connect

Cautionary Statement

The Review Section of this report has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

The Review Section may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors and the Investment Manager concerning, amongst other things, the Investment Objectives and Investment Policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, and distribution policy of the Company and the markets in which it invests.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document.

Subject to their legal and regulatory obligations, the Directors and the Investment Manager expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based. In addition, the Review Section may include target figures for future financial periods. Any such figures are targets only and are not forecasts.

This Annual Report has been prepared for the Company as a whole and therefore gives greater emphasis to those matters which are significant in respect of Downing Renewables & Infrastructure Trust PLC and its subsidiary undertakings when viewed as a whole.

Company Information

Directors (all non-executive)	Hugh W M Little (Chair) Joanna de Montgros Ashley Paxton
Registered Office	Beaufort House 51 New North Road Exeter EX4 4EP
AIFM and Administrator	Gallium Fund Solutions Limited Gallium House Unit 2 Station Court Borough Green Sevenoaks Kent TN15 8AD
Investment Manager	Downing LLP 6th Floor St Magnus House 3 Lower Thames Street London EC3R 6HD
Sponsor and Financial Adviser	Singer Capital Markets LLP One Bartholomew Lane London EC2N 2AX
Company Secretary	Link Company Matters Limited Beaufort House 51 New North Road Exeter EX4 4EP
Solicitors to the Company	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Registrar	Link Group 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL email: enquiries@linkgroup.co.uk
Depositary	Gallium P E Depositary Limited Gallium House Unit 2 Station Court Borough Green Sevenoaks Kent TN15 8AD
Auditor	BDO LLP 55 Baker Street London W1U 7EU

Shareholder Information

Key Dates

March 2022	Annual results announced Payment of fourth interim dividend
April 2022	Annual General Meeting
June 2022	Company's half-year end Payment of first interim dividend
September 2022	Interim result announced Payment of second interim dividend
December 2022	Company's year end Payment of third interim dividend

* These dates are provisional and subject to change.

Frequency of NAV Publication

The Company's NAV is released to the London Stock Exchange on a quarterly basis and is published on the Company's website.

Share Register Enquiries

The register for the Company's shares is maintained by Link Group. If you have any queries in relation to your shareholding, please contact the Registrar on 0371 664 0300 or on +44 (0)371 664 0300, UK Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales. You can also contact the Registrar by email at enquiries@ linkgroup.co.uk or by sending a letter to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Sources of Further Information

Copies of the Company's Annual and Interim Reports, stock exchange announcements and further information on the Company can be obtained from the Company's website www.doretrust.com.

Contacting the Company

Shareholder queries are welcomed by the Company. While any queries regarding your shareholding should be raised with the Registrar, shareholders who wish to raise any other matters with the Company may do so by emailing the Company Secretary at dorecosec@linkgroup.co.uk.

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