



Downing Renewables & Infrastructure Trust (DORE)

Seeking stable returns through diversification

Interim Report to June 2022

September 2022



Speakers



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Important Notes

Please refer to these referenced important notes in the respective slides.

1. **Target returns and dividends:** The dividend targets and NAV total return targets stated herein 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 Company's actual returns will depend upon a number of factors including but not limited to, the Company's net income and level of ongoing charges.
2. **Diversification by project stage:** Typical returns/de-risking uplift based on Downing's experience and are not forecasts or assurances. There can be no assurance that actual returns will be consistent with these estimates and targets and they should not be taken as an indication of the Company's future results. Accordingly, potential investors should not place any reliance on these estimates and targets in deciding whether or not to invest in the Company and should decide for themselves whether or not the target returns are reasonable or achievable.
3. **Pipeline:** No contractually binding obligations for the sale and purchase of the pipeline assets have been entered into by the Company or Downing. Downing is under no obligation to make any of the pipeline assets available to the Company and will apply its allocation policy in respect of the allocation of such assets among funds managed by Downing. There can be no assurance that any of the pipeline assets will be acquired by the Company or at what price.
4. **Track record:** Past performance should not be considered a reliable indicator of future results.
5. **Forecast Revenue splits:** The nominal forecast revenues stated in the graph are for illustrative purposes only and are not profit forecasts and should not be taken as an indication of the Company's expected future results. The Company's actual revenues will depend upon a number of factors, including but not limited to, the Company's net income and the valuation of the assets. Accordingly, potential investors should not place any reliance on this chart, which is being used for illustrative purposes only, in deciding whether or not to invest in the Company. The calculations have been made using a number of assumptions and inputs including with regard to the future generation of each asset in the Company's current portfolio. The information shown assumes no changes to the make-up of the Company's portfolio of assets and no changes to or additional contracts for the sale of electricity, environmental certificates or other attributes. There can be no assurance that the potential revenues, including the split thereof, will be achieved.
6. **Forecast Power Prices:** The forecasts are provided by independent market consultants and the baseload curves shown are the average of two consultants' forecasts. The prices are shown in real 2021 numbers and where pricing has been provided in currencies other than GBP they have been converted into GBP using DORE's prevailing forward FX curves.
7. **Sensitivity analysis:** (1) Discount rate sensitivity assumes a revision in discount rates as at 30 June 2022; (2) The FX (EUR:GBP) sensitivity is on equity distributions where the distributions are in EUR; (3) Inflation sensitivity is on operating revenues and costs; (4) Power price sensitivity is on merchant, uncontracted and unregulated power prices only; and (5) Information correct as at 30 June 2022.

Investment Highlights

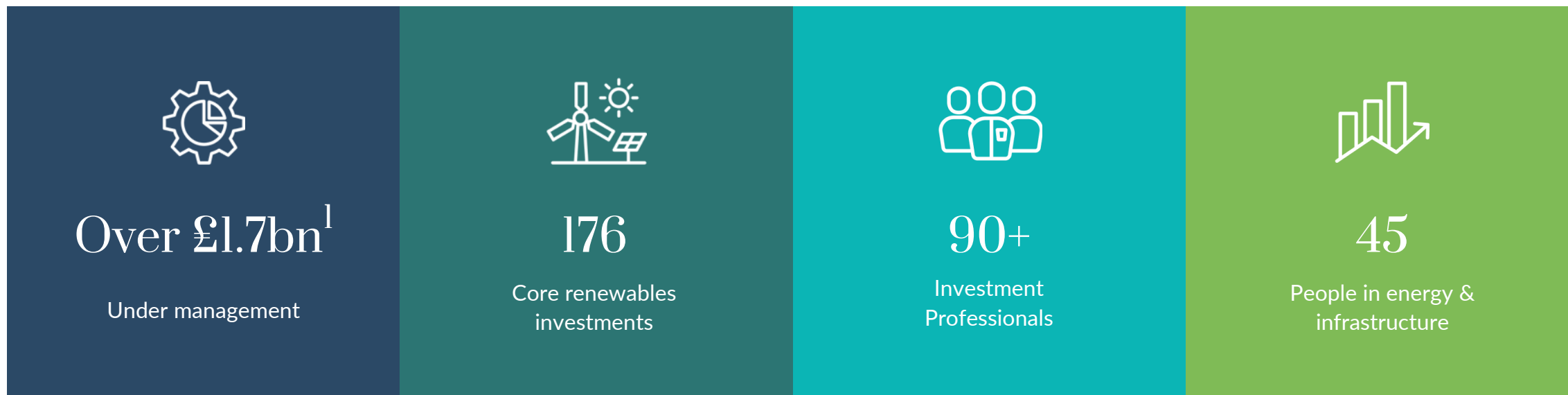
Downing Renewables & Infrastructure Trust

Manager	Downing LLP	Structure	Investment Trust	
Strategy	Diversified portfolio of core renewables and other infrastructure assets in UK, Ireland and Northern Europe; operational and construction-ready.	SFDR classification	Article 9 Fund	
Target NAV total return*	6.5% - 7.5% p.a. (medium to long term)	Listing	London Stock Exchange; UK Official List	
Target annualised dividend*	5p per share for the calendar year 2022 (paid quarterly). Progressive policy thereafter	Investment restrictions - as % of GAV**	By Technology: <ul style="list-style-type: none"> • Wind: <60% • Solar: <60% • Hydro: <60% • Geothermal: <60% • Other Infrastructure: <25% 	By Geography: <ul style="list-style-type: none"> • UK: <75% • Ireland and Northern Europe (combined): <75%
Fees – as % of NAV	Investment management fee: <ul style="list-style-type: none"> • 0.95% p.a. up to £500m • 0.85% p.a. above No performance fees	Currency	GBP; hedging of foreign exchange ("FX") risks in relation to dividend distributions. Partial hedging of FX risks in relation to NAV.	
Gearing	<ul style="list-style-type: none"> • Project-level debt: long-term target of up to 50% of GAV • RCF: ability to borrow short-term to fund acquisitions (up to 10% of GAV at time of drawdown) 	Discount control	14.99% share buyback authority; continuation votes in December 2025, at the 2031 AGM and every 5 years thereafter	

*See Important Note 1. **Please note these restrictions reduce to 50% for technology and 60% for geography when the NAV reaches £300m or more.

Downing LLP

Sustainability-focused investment manager founded in 1986, combining scale and experience with a boutique approach to client service



Source: Downing LLP; ¹ Data as of 31 March 2022; Note: Green Economy Mark & Renewables Fund of the Year awarded to DORE.

Fund Highlights



Highlights

A renewable energy and infrastructure fund designed to deliver stable returns through diversification



Deployment & Pipeline

Deployed more than £160m since IPO

Significant pipeline in excess of £4bn in hydropower, solar, wind, batteries and utilities in Sweden, Poland, Finland, Iceland, Norway, Denmark and the UK*

Four accretive acquisitions in 2022



Financials & Operations

In the 6-month period to 30 June 2022:

Successfully raised gross proceeds of £52.9m in June

Profit of £23.8m, resulting in earnings per ordinary share of 17.1p



Total Return

Total shareholder return of 23.2% since inception**

12.4p per share NAV increase & dividends of 2.5p per share **

Dividend target of 5p in respect of the 12-month period to 31 December 2022. Progressive policy thereafter***



Pricing Tailwinds

Significant portion of forecast revenues directly linked to inflation

Power prices continue to increase in UK and Europe

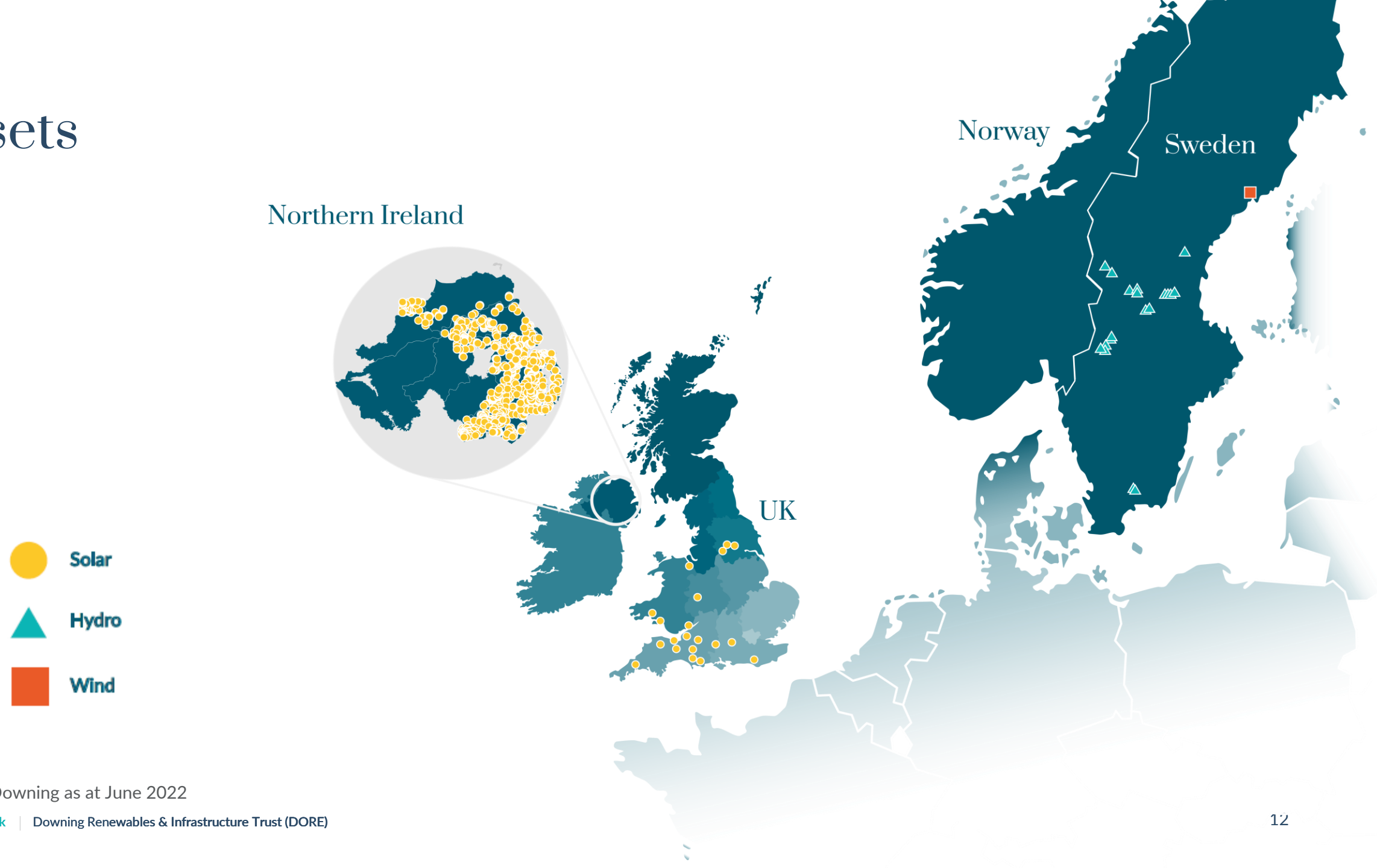
No interest rate exposure in respect of long-term borrowing until 2034

*See Important Note 3, **Total return calculated on the 98p per share net proceeds of the IPO, the NAV as at 30 June 2022 and dividends paid to 30 June 2022 & See Important Note 4, ***See Important Note 1

Portfolio



Assets



Source: Downing as at June 2022

Acquisitions in the period

Further diversification of DORE's portfolio

Hydro: Now a portfolio of 19 hydropower plants

- Q1 2022: Acquisition of two portfolios containing nine hydropower plants
 - Largely financed through drawdown of asset level debt facility
 - Located on different rivers in SE2 and SE3 price zones from existing portfolio
 - Additional storage capacity
- Q2 2022: Acquisition of two hydropower plants
 - Located in Sweden's SE4 price region, which has higher average wholesale energy prices than other Swedish price zones
 - Together with Q1 2022 acquisitions result in a c.60% increase in forecast annual average energy production since 31 Dec 2021

Wind: New technology to further diversify the portfolio

- First wind acquisition completed in February 2022 for c. £19.8m
- Operational 46MW onshore wind project located in north-east Sweden
- Operational for c. 10 years with consistently high levels of historic availability
- 20 Enercon E82 2.3MW turbines with a forecast annual production of 108 GWh



Portfolio breakdown

Generation by Technology



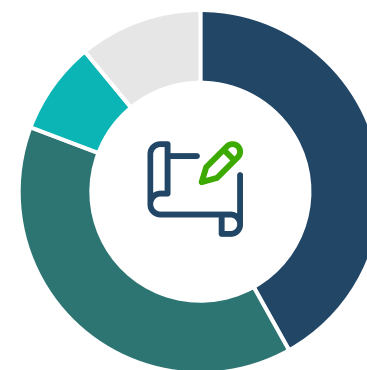
- 47% Hydro
- 24% Solar
- 29% Wind

Generation by Power Market



- 32% Great Britain
- 25% Sweden - SE3
- 15% Sweden - SE2
- 7% Sweden - SE4
- 10% N. Ireland
- 11% Cash

GAV by Technology



- 42% Solar
- 39% Hydro
- 8% Wind
- 11% Cash

Geographic Exposure by GAV



- 47% Sweden
- 32% Great Britain
- 10% Northern Ireland
- 11% Cash

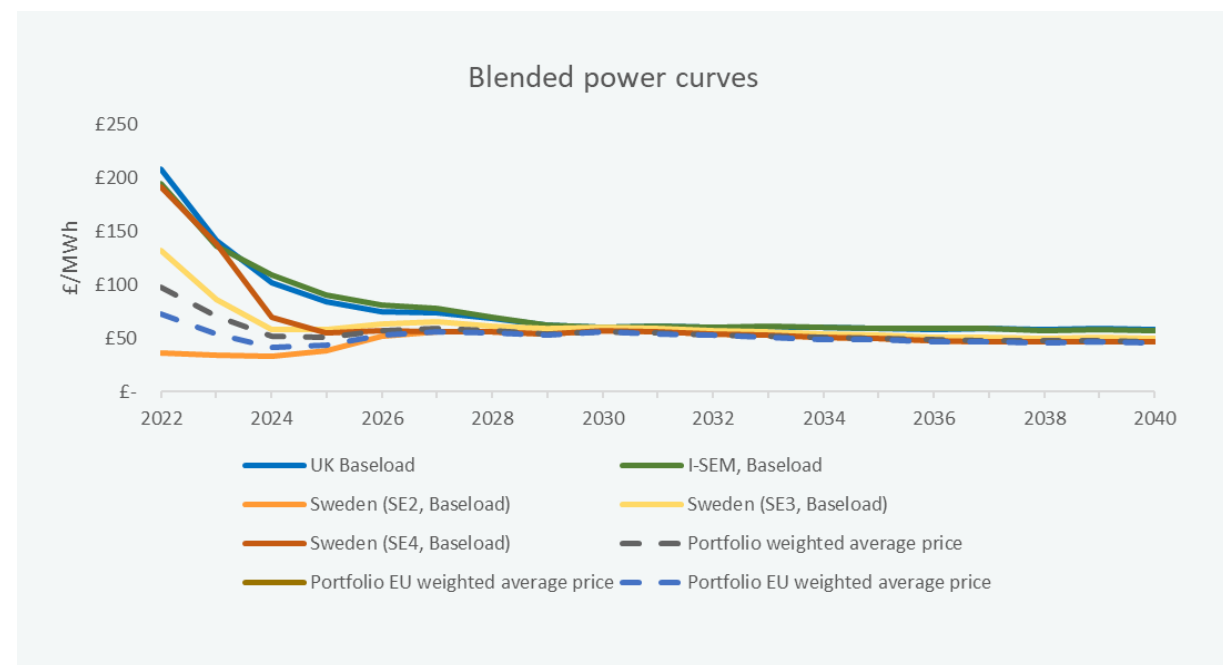
As at 30 June 2022. Generation by Technology and Generation by Power Market by reference to annual forecast generation. GAV by Technology by reference to gross asset value. Actual energy generated and the split shown may differ from that forecast.

*See Important Note 5.

Forecast power prices

DORE well placed in current European market intervention

- Fund European exposure heavily weighted to markets with little dependency on gas/fossil fuel fired generation
- Weighted average sales price in the EU (Nordics) for next 10 years in European markets is EUR 51.73 /MWh
- EU Commission announcement of EUR180/MWh cap in European Union has less than 0.01% impact on NAV if permanently in place
- Cap currently proposed to last until March 2023



See Important Note 6 in relation to this slide. Source: Investment Manager's valuation model. Unaudited. The UK curve is based on the average value of the curves from two independent market consultants. The curve for Northern Ireland (I-SEM) is based on the curve from one independent market consultant. The Nordic curves are based on the average values of the curves from two independent market consultants. These average prices are subsequently blended with forward prices in the market as published by Nasdaq. Taken from the Investment Manager's valuation model.

DORE: Making an impact

DORE won 'Renewables Fund of the Year' at Environmental Finance's Sustainable Investment Awards 2022

The Sustainable Investment Awards are global and seek to recognise asset managers, analysts and data providers incorporating ESG across all asset classes.

DORE is also an Article 9 Fund under European SFDR regulation. Article 9 means a 'fund that has sustainable investment as its objective or a reduction in carbon emissions as its objective'.



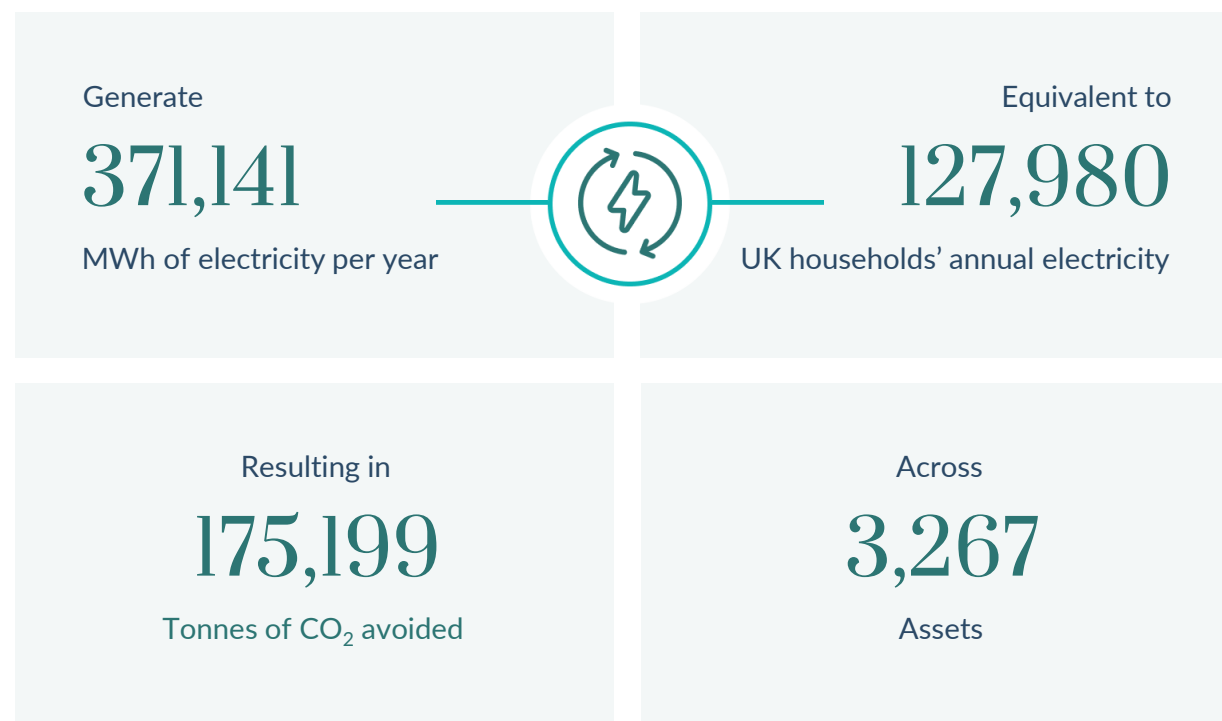
DORE's Core Sustainable Objective:

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.

A Focus on ESG

DORE is committed to a sustainable investment approach and a cleaner, greener future. The core sustainable investment objective is to accelerate the transition to net zero through our investments

DORE's portfolio is forecast to:



Environmental Management



383 acres of land managed



120m cubic meters of storage capacity

Social & Governance



£151,300 Community funding to date



14 Health & Safety audits in 2020/21

The above statistics are as at 30 June 2022. The numbers are forecasts only based on estimations and assumptions, and there is no guarantee that they will be achieved.

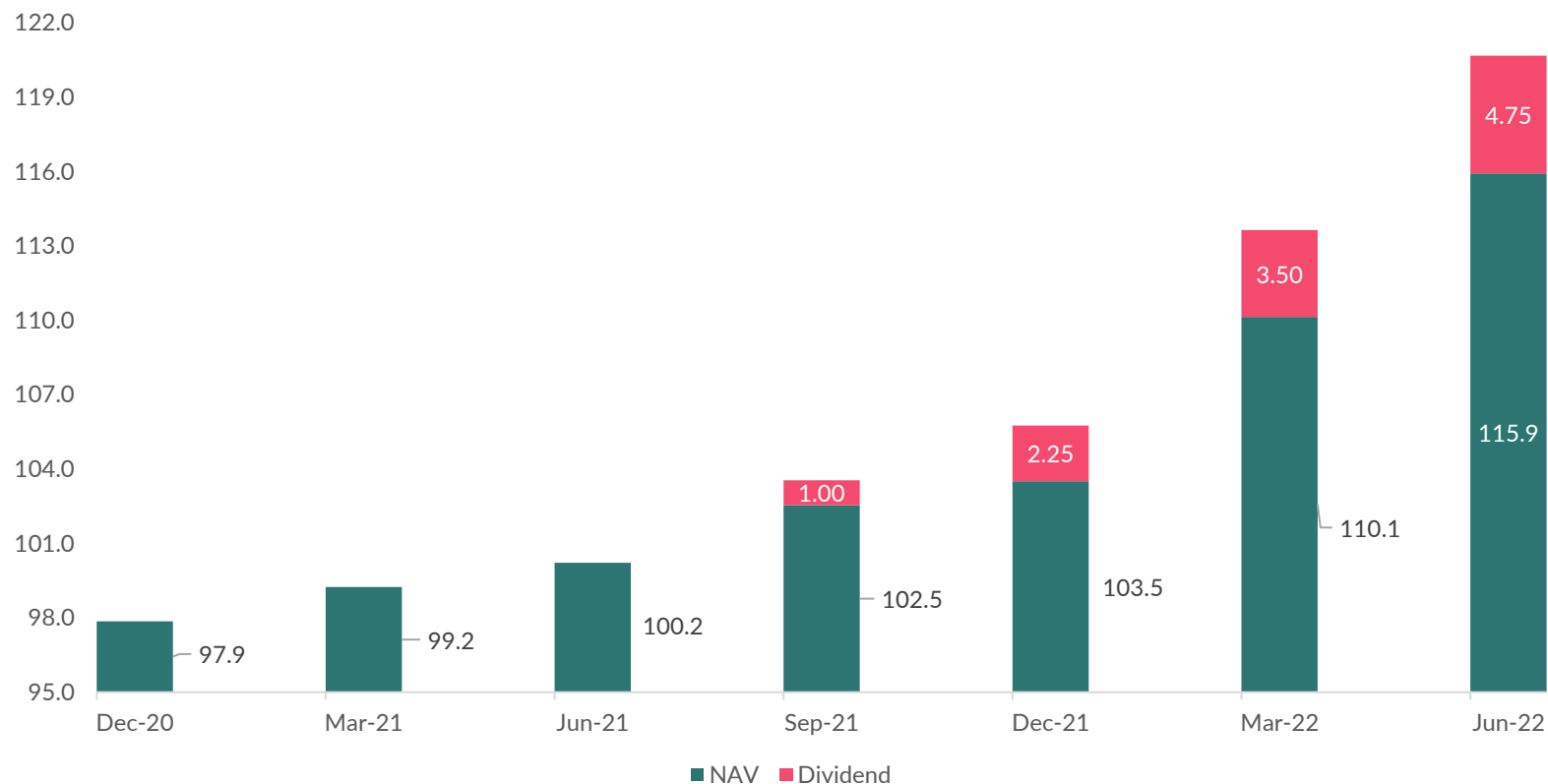
Performance



NAV since inception

DORE continues to enjoy significant NAV growth

- Since IPO there has been a NAV total return of 23.2%*
- 6.0p per share of dividends announced since inception



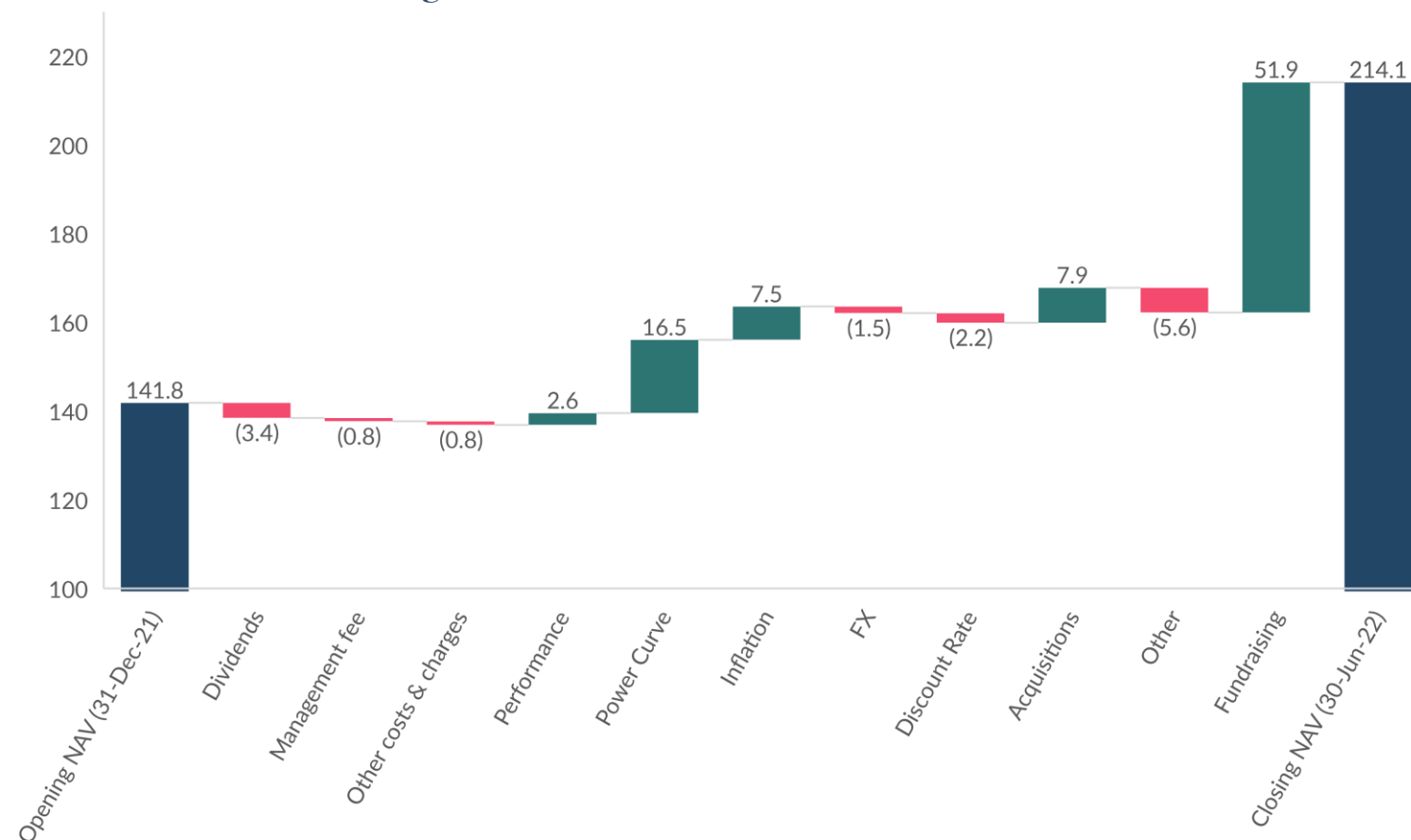
Please note that past performance is not an indicator of future performance.

*Total return calculated on the 98p per share net proceeds of the IPO, the NAV as at 30 June 2022 and dividends paid to 30 June 2022.

Portfolio NAV Development

- NAV per share increased by 12% to 115.9p in the period (total return of 14.1% including dividends paid)*
- Four principal drivers:
 - Successful fundraise
 - Accretive acquisitions
 - Power curves
 - Inflation
- The fundraise in June resulted in gross proceeds of c.£52.9m

NAV Movement Bridge



* See Important Note 4

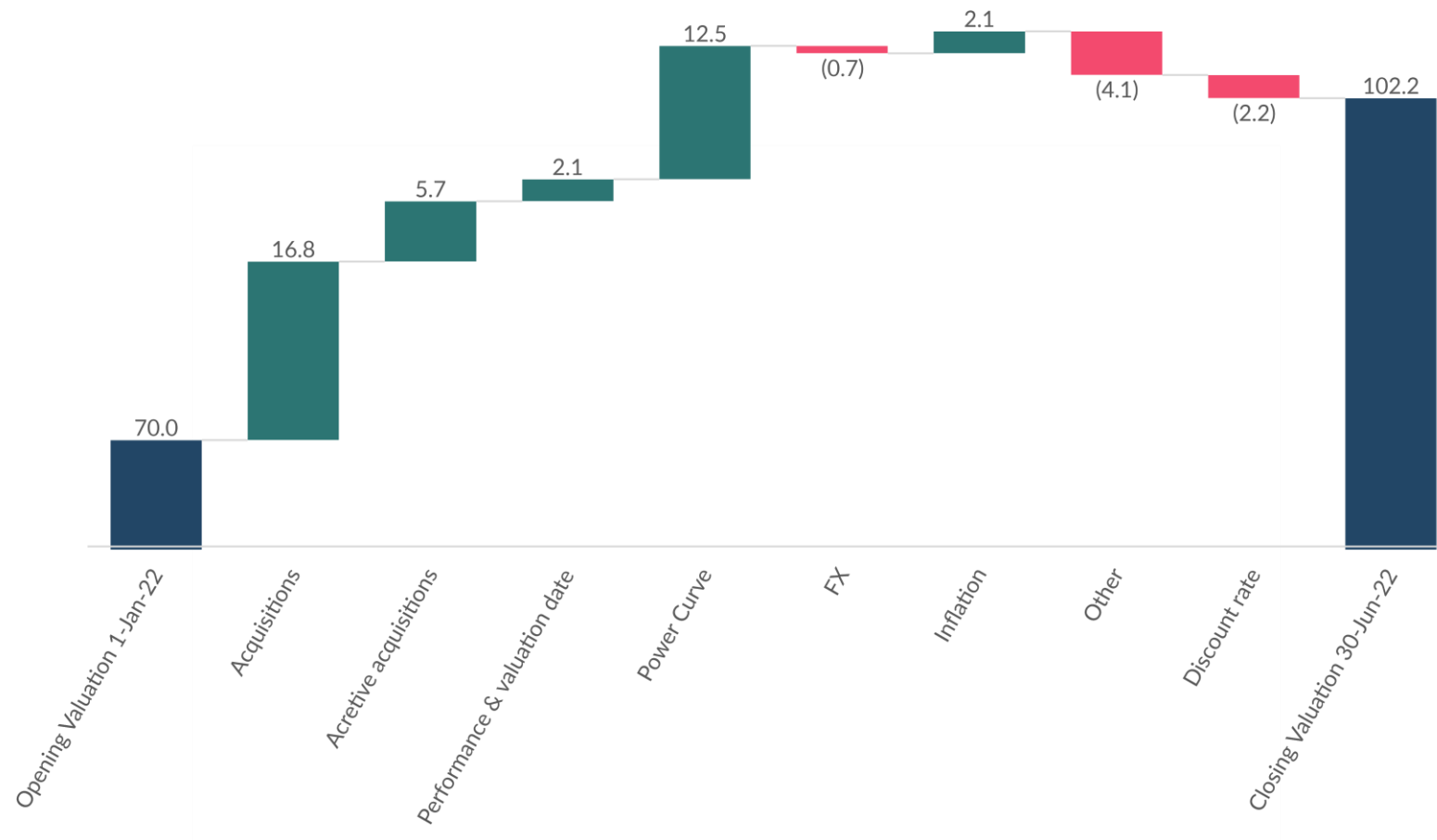
Source: Downing, data as of 30 June 2022. Note: Past performance is not indicative of future results.

Hydropower Portfolio

Platform has grown by 46% in the period

Performance in the period

- Key value drivers: Accretive acquisitions and increases in inflation and forecast power prices
- Inflation expectations for 2022 were increased to 4% at the start of the period. Actual inflation run rate higher than this.
- Generation was below forecast; this was mainly due to unusually dry conditions in Sweden compared to the long-term average
- Dry weather has now abated in Sweden - waterflows and reservoir levels have returned to normal



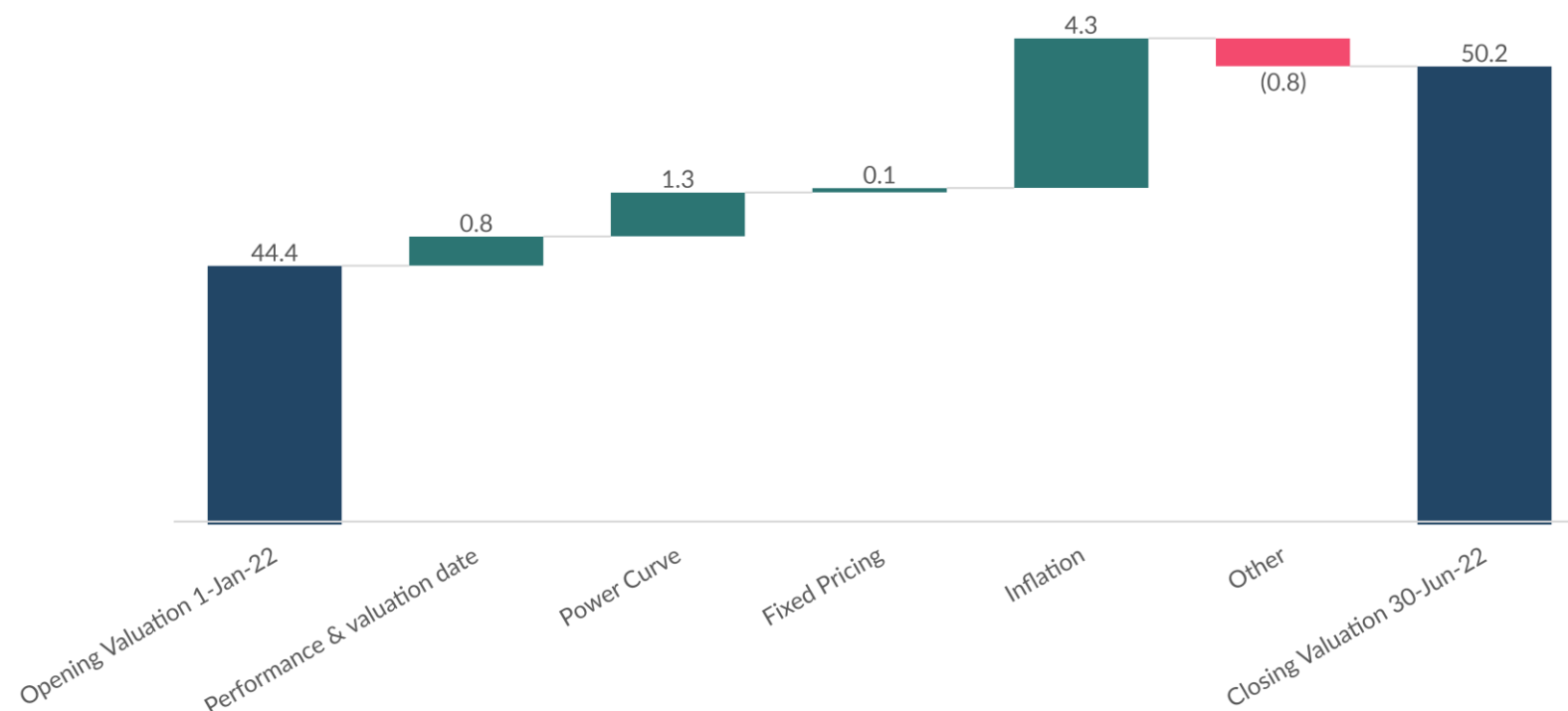
Please note that past performance is not an indicator of future performance.

Solar Portfolio

A valuation increase of 13.1% in the period

Performance in the period

- Generation and operating profit in line with budget
- Increases in forecast power prices added a further £1.3m
- Inflation expectations for 2022 were increased to 7.8% at the start of the period. Actual inflation run rate higher than this.



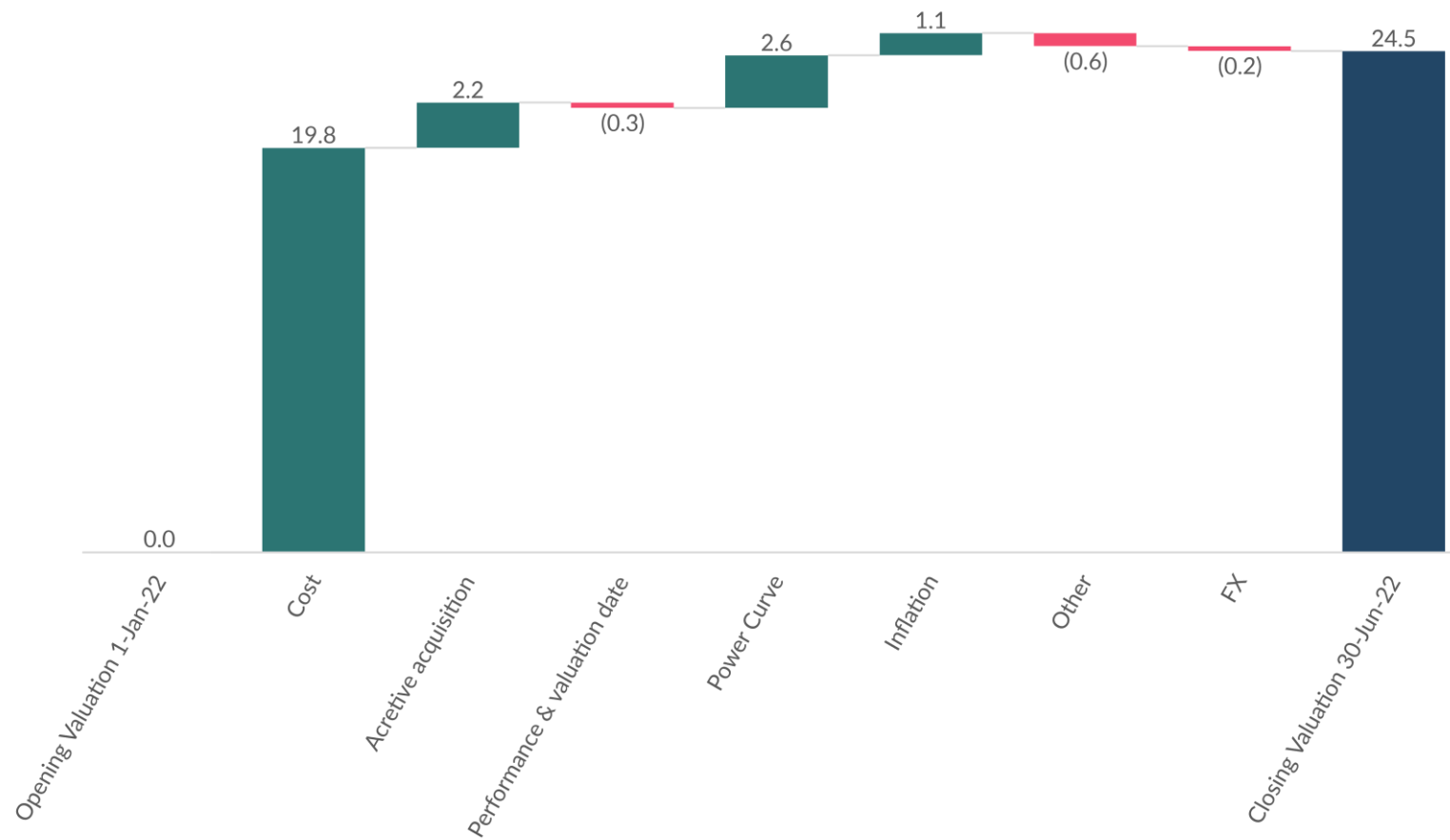
Please note that past performance is not an indicator of future performance.

Wind Portfolio

New technology added to the portfolio

Performance in the period

- First wind asset, acquired for £19.8m
- Accretive acquisition resulted in a NAV increase of £2.2m
- Energy generation 12% above budget
- Operating profit c.£110k below expectations due to lower than expected power prices in SE2

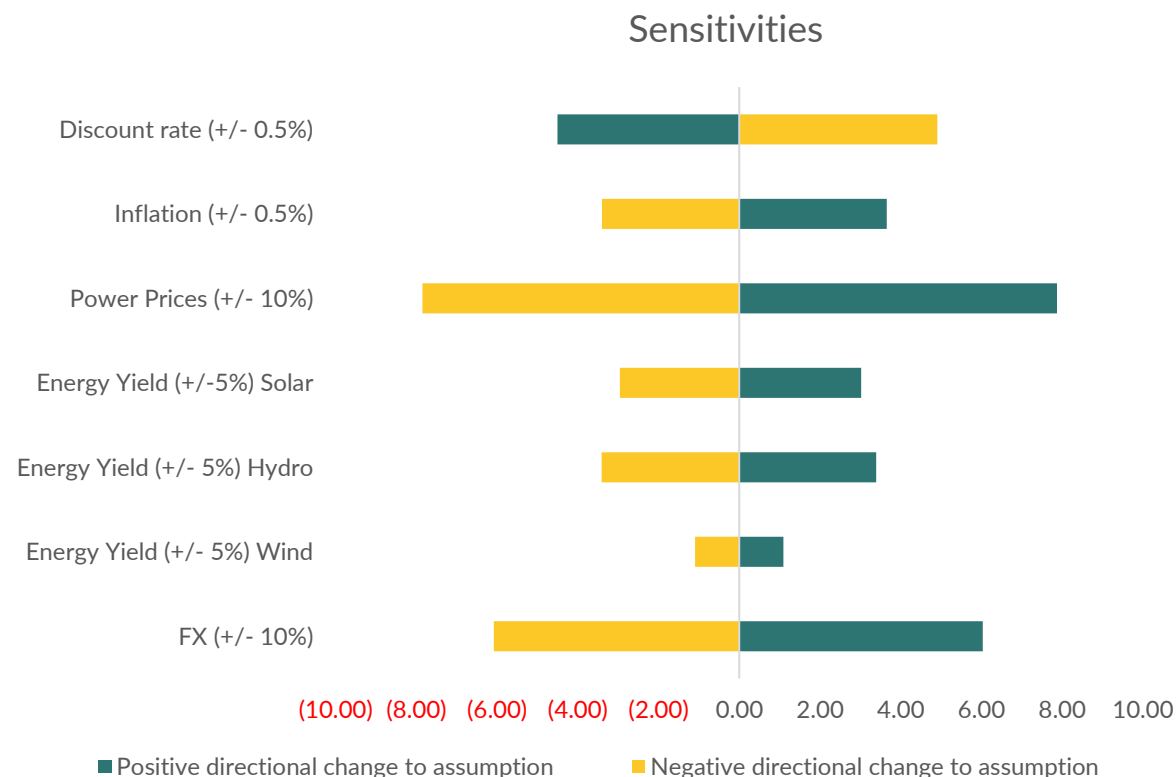


Please note that past performance is not an indicator of future performance.

Sensitivities & Discount Rates

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

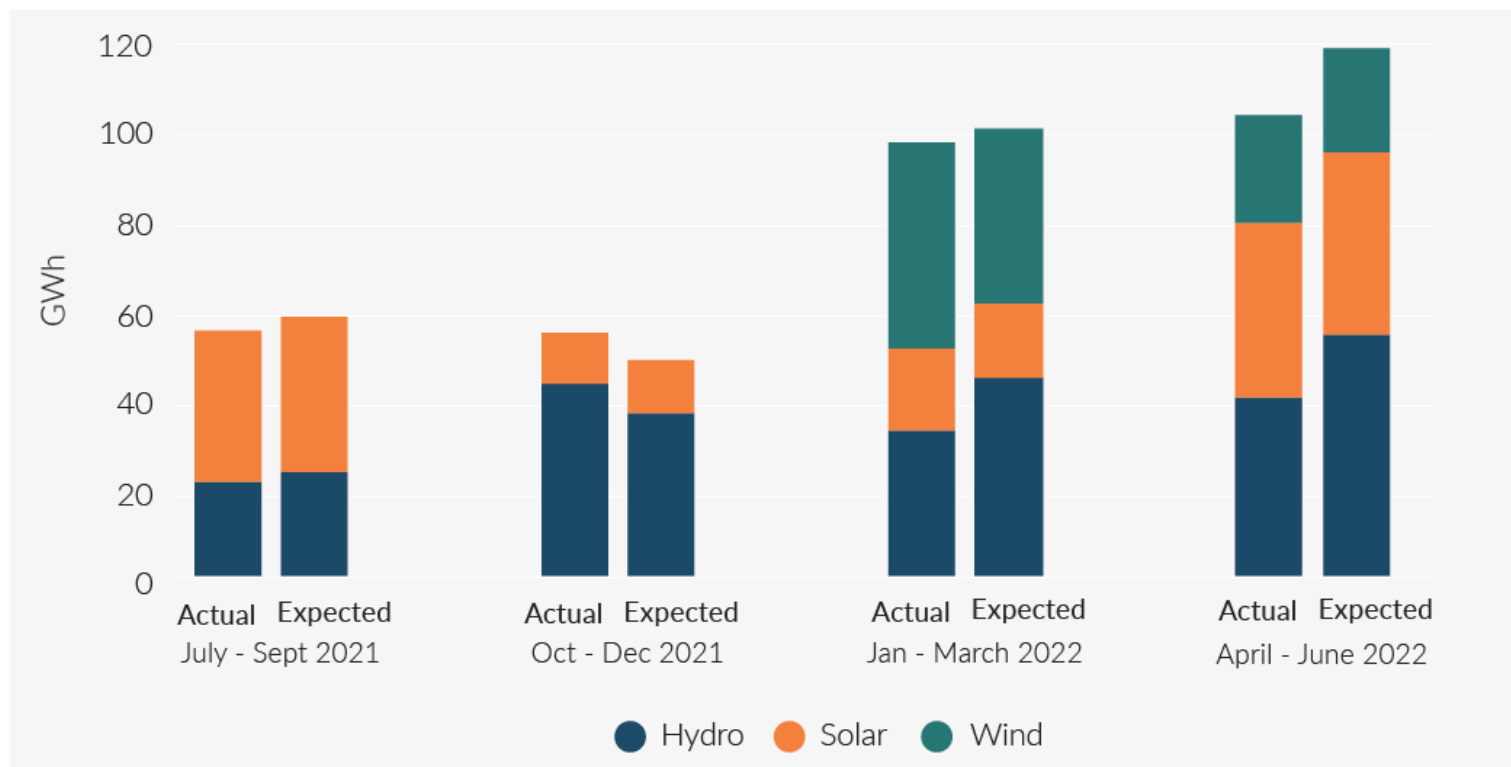
- Wind asset brought into the portfolio on a DCF basis, using a 6.0% unlevered discount rate.
- Due to continuing rises in inflation across Europe and UK, Q1 2022 valuation increased 2022 inflation forecasts to 7.8% in the UK (from 2.75%) and 4% in Sweden (from 1.8%). No change in Q2.
- Hydro discount rates increased by 0.2% to reflect the changing mix of revenues as power price increases have led to greater merchant revenues
- Discount rate range of 5.5% - 7.5%, weighted average discount rate is 7.2%



See Important Note 7 in relation to this slide.

Asset Generation vs Budget

12 months period to 30 June 2022



Please note that past performance is not an indicator of future performance.

Source: DORE portfolio as at 30 Jun 2022

Investment activity and pipeline



Credit Facilities & Debt

Overall borrowing at 33% of GAV

Chalkhill – UK Solar Portfolio

- Solar portfolio has £72.1m of long-term debt secured from Aviva and £11.4m from BlackRock
- All margins are fixed, so no interest rate exposure. Some index-linked borrowings in Aviva facility
- Company intends to repay Blackrock debt in full in October 2022, consistent with business plan and valuation.

Downing Hydro AB's debt facility

- In Q4 2021, DHAB executed a 7 year €43.5m debt facility with SEB, a leading corporate bank in the Nordics
- Return of proceeds for reinvestment and facilities to cover medium term capital expenditure requirements
- Total of €27.4 million of debt drawn with long-dated interest rate swaps until 2033

Revolving credit facility (RCF)

- RCF is sized at £25m (c.8% of GAV), agreed with Santander in Dec 2021
- Borrowings under the RCF are floating rate. 4-year term, with possibility to be extended (uncommitted accordion)
- Drawn in May 2022 to fund additional acquisition and repaid in June 2022

Please note that gearing/borrowing creates additional risk.

Significant pipeline opportunities

Near term opportunities in the pipeline would rapidly deploy available cash and RCF

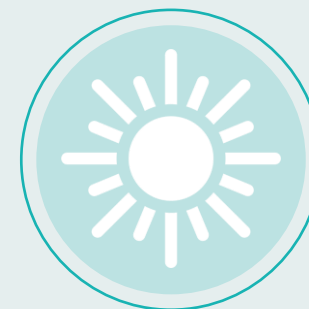


Operational hydro – Nordics

Separate bolt-on opportunities for DHAB being progressed

Several in bilateral or exclusive stages

Further geographic diversification; precipitation and price zones



Operational Solar - UK

First: Opportunity to acquire two operational ground mount and rooftop portfolios with high levels of fixed revenues.

Second: Repay costly mezzanine debt and increase exposure to existing operational UK solar portfolio which has performed above expectations since acquisition



Other infrastructure - Nordics

Bilateral discussion to acquire an electricity distribution network

Essential infrastructure with re-investment / growth opportunity

Revenues regulated based on RAB model



Operational Wind - Nordics

First: Opportunity to further expand the wind portfolio with the acquisition of a wind farm in SE1 (new price zone) with a long operating history

Second: Acquisition of two operational wind farms in SE2 and SE3.

See Important Note 3

Summary



Highlights

A renewable energy and infrastructure fund designed to deliver stable returns through diversification



Deployment & Pipeline

Deployed more than £160m since IPO

Significant pipeline in excess of £4bn in hydropower, solar, wind, batteries and utilities in Sweden, Poland, Finland, Iceland, Norway, Denmark and the UK*

Four accretive acquisitions in 2022



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Significant portion of forecast revenues directly linked to inflation

Power prices continue to increase in UK and Europe

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