



# Downing Renewables & Infrastructure Trust PLC

(Incorporated in England and Wales with registered number 12938740 and registered as an investment company under section 833 of the Companies Act)

**Placing, Offer for Subscription and Intermediaries Offer for up to 200 million Ordinary Shares at 100 pence per Ordinary Share**

**Admission to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market**

Investment Manager  
**DOWNING LLP**

Sponsor and Financial Adviser  
**NPLUS1 SINGER ADVISORY LLP**

Intermediaries Offer Adviser  
**SOLID SOLUTIONS ASSOCIATES  
(UK) LIMITED**

Sole Bookrunner  
**NPLUS1 SINGER CAPITAL MARKETS  
LIMITED**

**THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.**

This document, which comprises a prospectus relating to Downing Renewables & Infrastructure Trust plc (the “**Company**”) has been approved by the Financial Conduct Authority (the “**FCA**”), as competent authority under the Prospectus Regulation and has been delivered to the FCA in accordance with Rule 3.2 of the Prospectus Regulation Rules. This Prospectus has been made available to the public as required by the Prospectus Regulation Rules.

This Prospectus has been approved by the FCA of 12 Endeavour Square, London E20 1JN, as competent authority under the Prospectus Regulation. Contact information relating to the FCA can be found at <http://www.fca.org.uk/contact>.

The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer that is, or the quality of the securities that are, the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The Company and each of the Directors, whose names appear on page 43 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

**Prospective investors should read the entire document and, in particular, the section headed “Risk Factors” on pages 13 to 33 of this Prospectus when considering an investment in the Company.**

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## **DOWNING RENEWABLES & INFRASTRUCTURE TRUST PLC**

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**SOLID SOLUTIONS ASSOCIATES (UK) LIMITED**

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Nplus1 Singer Advisory LLP (“**N+1 Singer Advisory**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as sponsor and financial adviser for the Company and for no one else in relation to Admission of any Ordinary Shares, the Issue and the other arrangements referred to in this Prospectus. Nplus1 Singer Advisory LLP will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to Admission of any Ordinary Shares, the Issue and the other arrangements referred to in this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to Admission of any Ordinary Shares, the Issue, the contents of this Prospectus or any transaction or arrangement referred to in this Prospectus.

Nplus1 Singer Capital Markets Limited (“**N+1 Singer Capital Markets**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as sole

bookrunner for the Company and for no one else in relation to Admission of any Ordinary Shares, the Issue and the other arrangements referred to in this Prospectus. Nplus1 Singer Capital Markets Limited will not regard any other person (whether or not a recipient of this Prospectus) as its client in relation to Admission of any Ordinary Shares, the Issue and the other arrangements referred to in this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to Admission of any Ordinary Shares, the Issue, the contents of this Prospectus or any transaction or arrangement referred to in this Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Nplus1 Singer Advisory LLP or Nplus1 Singer Capital Markets Limited (together ("**N+1 Singer**") by FSMA or the regulatory regime established thereunder, N+1 Singer does not make any representation, express or implied, in relation to, nor accepts any responsibility whatsoever for, the contents of this Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, Admission of any Ordinary Shares or the Issue. N+1 Singer (and its affiliates) accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for statutory liability), whether arising in tort, contract or otherwise which it might otherwise have in respect of the contents of this Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, Admission of any Ordinary Shares or the Issue.

Applications will be made to the Financial Conduct Authority and the London Stock Exchange for all of the Ordinary Shares (issued and to be issued) in connection with the Issue to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. It is expected that Admission of the Ordinary Shares will become effective and that unconditional dealings will commence in the Ordinary Shares at 8.00 a.m. on 10 December 2020. No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or trading on any other stock exchange.

The Offer for Subscription will remain open until 11.00 a.m. on Thursday 3 December 2020, the Intermediaries Offer will remain open until 2.00 p.m. on Thursday 3 December 2020 and the Placing will remain open until 4.30 p.m. on Thursday 3 December 2020. Persons wishing to participate in the Offer for Subscription should complete the Application Form set out in Appendix 1 to this Prospectus and the Tax Residency Self-Certification Form set out in Appendix 2 to this Prospectus, unless you are paying for your subscription through CREST on a Delivery versus Payment ("**DvP**") basis, as no Tax Residency Self-Certification Form will be required for DvP CREST investors to accompany the duly completed Application Form. To be valid, Application Forms and Tax Residency Self-Certification Forms (except for DvP CREST investors) must be completed and returned with the appropriate remittance by post to the Receiving Agent so as to be received no later than 11.00 a.m. on Thursday 3 December 2020.

Investors should rely only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations in relation to the Company other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been so authorised by the Company, the AIFM, the Investment Manager or N+1 Singer. Without prejudice to the Company's obligations under the Prospectus Regulation Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation and MAR, neither the delivery of this Prospectus nor any subscription for or purchase of Ordinary Shares pursuant to the Issue, under any circumstances, creates any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

N+1 Singer and its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company, the AIFM and/or the Investment Manager for which they would have received customary fees. N+1 Singer and its affiliates may provide such services to the Company, the AIFM and/or the Investment Manager and any of their respective affiliates in the future.

In connection with the Issue, N+1 Singer and any of its affiliates, acting as investors for its or their own accounts, may subscribe for or purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in the Ordinary Shares and other securities of the Company or related investments in connection with the Issue or

otherwise. Accordingly, references in this Prospectus to Ordinary Shares being issued, offered, acquired, subscribed or otherwise dealt with, should be read as including any issue or offer to, acquisition of, or subscription or dealing by N+1 Singer and any of its affiliates acting as an investor for its or their own account(s).

Neither N+1 Singer nor any of its affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, N+1 Singer may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements in connection with which N+1 Singer may from time to time acquire, hold or dispose of shareholdings in the Company.

The contents of this Prospectus are not to be construed as legal, financial, business, investment or tax advice. Investors should consult their own legal adviser, financial adviser or tax adviser for legal, financial, business, investment or tax advice. Investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of, or subscription for Ordinary Shares. Investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, financial, business, investment, tax, or any other related matters concerning the Company and an investment therein. None of the Company, the AIFM, the Investment Manager or N+1 Singer nor any of their respective representatives is making any representation to any offeree or purchaser of Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

#### **Notice to U.S. and other overseas investors**

This Prospectus may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or N+1 Singer or to any person to whom it is unlawful to make such offer or solicitation. The offer and sale of Ordinary Shares has not been and will not be registered under the applicable securities laws of Canada, Australia, the Republic of South Africa or Japan. Subject to certain exemptions, the Ordinary Shares may not be offered to or sold within Canada, Australia, the Republic of South Africa or Japan or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan.

The Ordinary Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States and the Ordinary Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Ordinary Shares in the United States. The Ordinary Shares are being offered or sold outside the United States to non-U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the “**U.S. Investment Company Act**”) and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Ordinary Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Ordinary Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Ordinary Shares in the United States or to U.S. Persons may constitute a violation of U.S. law or regulation. Any person in the United States who obtains a copy of this Prospectus is requested to disregard it.

In relation to the United Kingdom and each member state in the EEA, no Ordinary Shares have been or will be directly or indirectly offered to or placed with investors in the United Kingdom or that member state at the initiative of or on behalf of the Company, the AIFM or the Investment Manager other than in accordance with methods permitted in the United Kingdom or that member state.

Copies of this Prospectus will be available on the Company's website ([www.doretrust.com](http://www.doretrust.com)) and the National Storage Mechanism of the FCA at <https://data.fca.org.uk/a/nsm/nationalstoragemechanism>.

**Without limitation, neither the contents of the Company's, the AIFM's or the Investment Manager's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's, the AIFM's or the Investment Manager's website (or any other website) is incorporated into, or forms part of this Prospectus, or has been approved by the FCA. Investors should base their decision whether or not to invest in the Ordinary Shares on the contents of this Prospectus alone.**

Dated: 12 November 2020

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# SUMMARY

## 1. INTRODUCTION, CONTAINING WARNINGS

This summary should be read as an introduction to this Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the securities.

The securities which Downing Renewables & Infrastructure Trust plc (the “Company”) intends to issue are Ordinary Shares of the Company of £0.01 each, whose ISIN is GB00BLF7PP25. The SEDOL is BLF7PP2.

The Company can be contacted by writing to its registered office, Beaufort House, 51 New North Road, Exeter EX4 4EP or by calling, within business hours, +44 (0) 1392 477 500. The Company can also be contacted through its Company Secretary, Link Company Matters Limited, by writing to Beaufort House, 51 New North Road, Exeter EX4 4EP, calling, within business hours, 01392 477 500 or emailing dorecosec@linkgroup.co.uk. The Company’s LEI number is 2138004JHBJ7RHDYDR62.

This Prospectus was approved on 12 November 2020 by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN. Contact information relating to the FCA can be found at <https://www.fca.org.uk/contact>.

## 2. KEY INFORMATION ON THE ISSUER

### 2.1 Who is the issuer of the securities?

The Company is a public company limited by shares incorporated in England and Wales with an unlimited life under the Companies Act and is domiciled in the United Kingdom. The Company is an investment company under section 833 of the Companies Act. The Company’s LEI number is 2138004JHBJ7RHDYDR62.

The Articles do not provide for any objects of the Company and accordingly the Company’s objects are unrestricted. The Company’s principal activity is to invest in a diversified portfolio of renewable energy and infrastructure assets in the UK, Ireland and Northern Europe.

As at the date of this Prospectus, insofar as known to the Company, there are no parties known to have a notifiable interest under English law in the Company’s capital or voting rights.

Pending allotment of the Ordinary Shares pursuant to the Issue, the Company is controlled by Downing Investment LLP (a wholly owned subsidiary of Downing LLP), the Company’s investment manager. Save as described above, the Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

The Company has secured up to £30 million of cornerstone investment in respect of the Issue, with Downing Managed Funds (which are managed by the Downing Group on a discretionary basis) committing to invest up to £20 million and existing Downing clients committing to invest a further £10 million. Accordingly, upon Admission, assuming the gross proceeds of the Issue are £200 million, the Downing Group and Downing Managed Funds are expected to hold 10% of the voting share capital of the Company.

The Board members are:

- Hugh W M Little (Non-Executive Chair);
- Joanna de Montgros (Non-Executive Director); and
- Ashley Paxton (Non-Executive Director).

The Company has appointed Gallium Fund Solutions Limited as the AIFM of the Company, pursuant to the AIFM Agreement. The AIFM will act as the Company’s alternative investment fund manager for the purposes of the AIFM Rules. The AIFM has delegated the provision of portfolio management services to Downing LLP.

The Company’s Auditor is BDO LLP.

The Company’s investment objective and investment policy are set out below.

#### *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.

### *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, hydro-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 change 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.

### **2.2 What is the key financial information regarding the issuer?**

No key financial information is included in this Prospectus as the Company is yet to commence operations.

### **2.3 What are the key risks that are specific to the issuer?**

The attention of investors is drawn to the risks associated with an investment in the Company which, in particular, include the following:

- the Company has no operating results and will not commence operations until it has obtained funding through the Issue. As the Company lacks an operating history, investors have no basis on which to evaluate the Company's ability to achieve its investment objective and provide a satisfactory investment return;
- the Company may not meet its investment objective and there is no guarantee that the Company's target dividend and other distributions and/or target returns, as may be adopted from time to time, will be met. The Company's returns will depend on many factors, including the performance of its investments, the availability

and liquidity of investment opportunities within the scope of the Company's investment objective and policy, conditions in the global and relevant local financial markets and global and relevant local economies and the Company's ability to successfully operate its business and successfully pursue its investment policy. There can be no assurance that the Company's investment policy will be successful;

- the Company's targeted returns are targets only and are based on estimates and assumptions about a variety of factors including, without limitation, value, yield and performance of the Company's portfolio of Assets, which are inherently subject to significant business, economic, currency and market uncertainties and contingencies, all of which are beyond the Company's control and which may adversely affect the Company's ability to achieve its targeted returns. The Company may not be able to implement its investment objective and investment policy in a manner that generates returns in line with the targets;
- the Company will make 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, as well as fluctuations in the market prices of commodities and foreign exchange. Whilst some of the Company's portfolio of Assets may benefit from fixed price arrangements for a period of time, others may have revenues which are based on prevailing wholesale electricity prices;
- the Company and SPVs may use borrowings for multiple purposes, including for investment purposes. While the use of borrowings should enhance the total return on the Ordinary Shares, where the return on the Company's portfolio of Assets exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's portfolio of Assets is lower than the cost of borrowing. The use of borrowings by the Company and/or the SPVs may increase the volatility of the Company's revenues and the Net Asset Value per Ordinary Share;
- the success of the Company will depend on the availability of suitable investments and the Investment Manager's ability to identify, acquire, manage and realise investments in accordance with the Company's investment objective. Identification and exploitation of the investment strategies to be pursued by the Company involves a high degree of uncertainty. There can be no assurance that the Investment Manager will be able to do so or that it will enable the Company to invest on attractive terms or generate any investment returns for Shareholders or avoid investment losses;
- due diligence on Assets may not uncover all of the material risks or defects affecting the Asset, and/or such risks or defects may not be adequately protected against in the acquisition or investment documentation or adequately insured against. The Company may acquire Assets with unknown liabilities and without any recourse, or with limited recourse, with respect to unknown liabilities;
- the Company may invest in Assets which are in construction or construction-ready or otherwise require significant future capital expenditure. Assets which have significant capital expenditure requirements may be exposed to certain risks, such as cost overruns, construction delay, failure to meet technical requirements or construction defects which may be outside the Company's control;
- any change in law and regulation (including any change in the tax status or in taxation legislation or practice in the UK or any other tax jurisdiction) affecting the Company, the SPVs or the Assets could adversely affect the Company's profits and portfolio value and/or returns to Shareholders. The laws and regulations affecting the Company, the AIFM and the Investment Manager may change and any changes in such laws and regulations may have a material adverse effect on the ability of the Company, the AIFM and the Investment Manager to carry on their respective businesses. Any such changes could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares;
- many of the Company's Assets will be subject to substantial regulation by governmental agencies. Their operations may rely on governmental licenses, concessions, leases or contracts that are generally very complex and may result in disputes over interpretation or enforceability or the lease or concession may also contain clauses more favourable to the government counterparty than a typical commercial contract and/or restrictions on the ability to operate the Asset. If the Company or the SPVs fail to comply with these regulations or contractual obligations, they could be subject to monetary penalties or they may lose their rights to operate the underlying Assets, or both. Governments have considerable discretion in implementing regulations and policies that could impact the Assets and may be influenced by political considerations and make decisions that adversely affect Assets and their operations. Activities not currently regulated may in future be regulated; and
- the Company will invest at least 40% and no more than 60% of its Gross Asset Value (measured at the time of investment) in countries whose local currency is not Sterling and/or receive payments denominated in currencies other than Sterling, with exposure to foreign exchange risk caused by fluctuations in the value of foreign currencies when the net income and valuations of those operations are translated into Sterling for financial reporting. While the Company and SPVs may enter into derivative transactions to hedge such currency exposures, there can be no guarantee that the Company and/or SPVs will be able to, or will elect to, hedge such exposures in a timely manner or on terms acceptable to them, or that any such hedging arrangements, where entered into, will be successful.

### 3. KEY INFORMATION ON THE SECURITIES

#### 3.1 What are the main features of the securities?

##### 3.1.1 Ordinary Shares

The securities which the Company intends to issue are Ordinary Shares of the Company of £0.01 each, whose ISIN is GB00BLF7PP25. The SEDOL is BLF7PP2. Immediately following Admission, the Company will have one class of share in issue.

The Ordinary Shares are denominated in Sterling. The Ordinary Shares are being offered under the Issue at the Issue Price of 100 pence per Ordinary Share.

Set out below is the issued share capital of the Company as at the date of this Prospectus:

	<u>Aggregate nominal value</u>	<u>Number</u>
Management Shares of £1.00 each	£50,000	50,000
Ordinary Share of £0.01	£0.01	1

The Ordinary Share in issue is fully paid up. To enable the Company to obtain a certificate of entitlement to conduct business and to borrow under section 761 of the Companies Act, on 26 October 2020, 50,000 Management Shares were allotted to Downing Investment LLP. The Management Shares are paid up as to one quarter of their nominal value and will be redeemed immediately following Admission out of the proceeds of the Issue.

##### 3.1.2 Rights attaching to the Ordinary Shares

The Ordinary Shares have the following rights:

*Dividend:* The holders of the Ordinary Shares shall be entitled to receive, and to participate in, any dividends declared in relation to the Ordinary Shares that they hold.

*Rights in respect to capital:* On a winding-up, provided the Company has satisfied all its liabilities and subject to the rights conferred on any other class of shares in issue at that time to participate in the winding-up, the holders of Ordinary Shares shall be entitled to all the surplus assets of the Company.

*Voting:* The Ordinary Shares shall carry the right to receive notice of, attend and vote at general meetings of the Company and on a poll, to one vote for each Ordinary Share held.

##### 3.1.3 Restrictions on the free transferability of Ordinary Shares

There are no restrictions on the free transferability of the Ordinary Shares, subject to compliance with applicable securities laws.

##### 3.1.4 Dividend policy and target returns

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 and paid in June, September, December and March respectively. The first interim dividend is expected to be declared in respect of the period from Admission to 30 June 2021 and paid in September 2021.

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. Prospective investors should note that the UK tax treatment of the Company’s distributions may vary for a shareholder in the Company depending on the classification of such distributions. **Prospective investors who are unsure about the tax treatment which will apply to them in respect of any distributions made by the Company should consult their own tax advisers.**

The Company will target 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. Thereafter, the Company intends to adopt a progressive dividend policy.

The Company is targeting a NAV total return of 6.5% to 7.5% per annum over the medium to long-term.

**The dividend and return 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 Company’s**

actual returns will depend upon a number of factors, including but not limited to the size of the Issue, currency exchange rates, the Company's net income and level of ongoing charges. Accordingly, potential investors should not place any reliance on these targets in deciding whether or not to invest in the Company and should decide for themselves whether or not the target dividend and target NAV total return are reasonable or achievable.

Investors should note that references in this paragraph 3.1.4 to "dividends" and "distributions" are intended to cover both dividend income and income which is designated as an interest distribution for UK tax purposes and therefore subject to the interest streaming regime applicable to investment trusts.

In accordance with regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011, the Company will not (except to the extent permitted by those regulations) retain more than 15% of its income (as calculated for UK tax purposes) in respect of an accounting period.

In order to increase the distributable reserves available to facilitate the payment of future dividends, the Company has resolved that, conditional upon Admission and the approval of the Court, the amount standing to the credit of the share premium account of the Company immediately following completion of the Issue be cancelled and transferred to a special distributable reserve. The Company may, at the discretion of the Board, pay all or part of any future dividends out of this special distributable reserve, taking into account the Company's investment objective.

### **3.1.5 Where will the securities be traded?**

Applications will be made to the Financial Conduct Authority and the London Stock Exchange for all of the Ordinary Shares (issued and to be issued) in connection with the Issue to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or trading on any other stock exchange.

## **3.2 What are the key risks specific to the securities?**

The attention of investors is drawn to the risks associated with an investment in the Ordinary Shares which, in particular, include the following:

- the value of an investment in the Company, and the returns derived from it, if any, may go down as well as up and an investor may not get back the amount invested. The market price of the Ordinary Shares may fluctuate independently of the underlying net asset value and may trade at a discount or premium to Net Asset Value at different times; and
- it may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Ordinary Shares and the Directors are under no obligation to effect repurchases of Ordinary Shares. Shareholders wishing to realise their investment in the Company will therefore be required, in the ordinary course, to dispose of their Ordinary Shares in the market.

## **4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET**

### **4.1 Under which conditions and timetable can I invest in this security?**

The Company is targeting an issue of up to 200 million Ordinary Shares pursuant to the Issue comprising the Placing, Offer for Subscription and Intermediaries Offer. Ordinary Shares will be issued pursuant to the Issue at an Issue Price of 100 pence per Ordinary Share.

The Offer for Subscription will remain open until 11.00 a.m. on Thursday 3 December 2020, the Intermediaries Offer will remain open until 2.00 p.m. on Thursday 3 December 2020 and the Placing will remain open until 4.30 p.m. on Thursday 3 December 2020. If the Issue is extended, the revised timetable will be notified via a Regulatory Information Service announcement.

The Intermediaries authorised as at the date of this Prospectus to use this Prospectus are:

AJ Bell Securities Limited  
Equiniti Financial Services Limited  
Hargreaves Lansdown Nominees Limited  
iDealing.com Limited  
Interactive Investor Services Limited  
Jarvis Investment Management Limited  
Redmayne-Bentley LLP

The Issue is conditional, *inter alia*, on: (i) Admission having become effective on or before 8.00 a.m. on 10 December 2020 or such later time and/or date as the Company and N+1 Singer may agree (being not later than 8.00 a.m. on 31 December 2020); and (ii) the Placing Agreement becoming wholly unconditional in respect of the

Issue (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission; and (iii) the Minimum Gross Proceeds (or such lesser amount as the Company and N+1 Singer may agree) being raised.

Applications will be made for the Ordinary Shares to be admitted to listing on the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence at 8.00 a.m. on 10 December 2020.

The costs and expenses of, and incidental to, the formation of the Company and the Issue are expected to be 2% of the Gross Proceeds, equivalent to £4 million, assuming Gross Proceeds of £200 million. The costs will be deducted from the Gross Proceeds and it is expected that the starting Net Asset Value per Ordinary Share will be 98 pence, assuming Gross Proceeds of £200 million. The Company has agreed with the Investment Manager that the Investment Manager will contribute to the costs of the Issue such that the Net Asset Value per Ordinary Share at Admission will not be less than 98 pence.

The Company will not charge investors any separate costs or expenses in connection with the Issue.

All expenses incurred by any Intermediary pursuant to the Intermediaries Offer are for its own account. Investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application made through that Intermediary pursuant to the Intermediaries Offer.

## **4.2 Why is this Prospectus being produced?**

### **4.2.1 Reasons for the Issue**

The Issue is intended to raise money for investment in accordance with the Company's investment objective and investment policy.

The Directors intend to use the Net Proceeds, after providing for the Company's operational expenses, to purchase investments in line with the Company's investment objective and investment policy.

The Investment Manager and the Board believe that, with the Investment Manager's experience and the preparatory work undertaken by it to date, suitable Assets will be identified, assessed and acquired such that the Net Proceeds will be substantially invested or committed within 12 months of Admission.

It is expected that any operational Assets acquired by the Company will be revenue generating on acquisition. The Investment Manager believes that most in-construction and construction-ready Assets will be found in the solar and wind sectors. Such assets are expected to be completed and operational within 6-12 months and 9-24 months of their acquisition respectively, depending on the stage of construction of the relevant Asset on acquisition.

The Issue has not been underwritten.

### **4.2.2 Estimated Net Proceeds**

The Company is targeting an issue of up to 200 million Ordinary Shares pursuant to the Issue. The net proceeds of the Issue are dependent on the level of subscriptions received. Assuming the gross proceeds of the Issue are £200 million, it is expected that the net proceeds of the Issue will be £196 million.

### **4.2.3 Material Conflicts of Interest pertaining to the Issue**

The Company has secured up to £30 million of cornerstone investment in respect of the Issue, with Downing Managed Funds (which are managed by the Downing Group on a discretionary basis) committing to invest up to £20 million and existing Downing clients committing to invest a further £10 million. Accordingly, upon Admission, assuming the gross proceeds of the Issue are £200 million, the Downing Group and Downing Managed Funds are expected to hold 10% of the voting share capital of the Company.

Save as identified above, there are no interests that are material to the Issue and no conflicting interests.

## RISK FACTORS

Any investment in the Company should not be regarded as short-term in nature and involves a degree of risk, including, but not limited to, the risks in relation to the Company and the Ordinary Shares referred to below. If any of the risks referred to in this Prospectus were to occur this could have a material adverse effect on the Company's business, financial position, results of operations, business prospects and returns to Shareholders. If that were to occur, the trading price of the Ordinary Shares and/or the Net Asset Value and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly and investors could lose all or part of their investment.

The risks referred to below are the risks which are considered to be material but are not the only risks relating to the Company and the Ordinary Shares. There may be additional material risks that the Company and the Board do not currently consider to be material or of which the Company and the Board are not currently aware.

### 1 RISKS RELATING TO THE COMPANY

#### ***The Company is a newly formed company with no separate operating history***

The Company was incorporated on 8 October 2020, has no operating results and will not commence operations until it has obtained funding through the Issue. As the Company lacks an operating history, investors have no basis on which to evaluate the Company's ability to achieve its investment objective and provide a satisfactory investment return.

The Company's returns will depend on many factors, including the performance of its investments, the availability and liquidity of investment opportunities within the scope of the Company's investment objective and policy, conditions in the global and relevant local financial markets and global and relevant local economies and the Company's ability to successfully operate its business and successfully pursue its investment policy. There can be no assurance that the Company's investment policy will be successful.

#### ***The Company has no employees and is reliant on the performance of third-party service providers***

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company will be reliant upon the performance of third-party service providers for its executive functions. In particular, the AIFM, the Investment Manager, the Depositary and the Registrar will be performing services which are integral to the operation of the Company.

In accordance with the AIC Code, the Company has established a Management Engagement Committee whose duties will be to (i) consider the terms of appointment of the AIFM, the Investment Manager and other service providers; (ii) annually review those appointments and the terms of engagement; and (iii) monitor, evaluate and hold to account the performance of the AIFM, the Investment Manager, the other service providers and their key personnel. However, failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company or administration of its investments. The termination of the Company's relationship with any third-party service provider or any delay in appointing a replacement for such service provider could disrupt the business of the Company materially and could have a material adverse effect on the performance of the Company, the Net Asset Value, the Company's earnings and returns to Shareholders.

#### ***Past performance cannot be relied upon as an indicator of the future performance of the Company***

The past performance of other investments managed or advised by the Investment Manager or any of the Investment Manager's investment professionals cannot be relied upon as an indicator of the future performance of the Company. Investor returns will be dependent upon the Company successfully pursuing its investment policy.

***The Seed Portfolio is subject to an option agreement only and the Pipeline Assets are not subject to binding contractual obligations***

The Company has been granted an option to acquire the Seed Assets under the Option Agreement but there are no contractually binding obligations for the sale and purchase of the Seed Assets. No investment opportunities from the Pipeline Assets have been contracted to be acquired by the Company and there are no contractually binding obligations for the sale and purchase of any of the Pipeline Assets. The Investment Manager is not under an obligation to make the investment opportunities from the Pipeline Assets available to the Company, and the Investment Manager will apply its Allocation Policy in respect of the allocation of investment opportunities amongst Downing Managed Funds. Therefore, there can be no assurance that the Company will acquire the Seed Assets or that any of the Pipeline Assets will remain available for purchase after Admission or, if available, at what price (if a price can be agreed at all) the investments comprising the Pipeline Assets can be acquired by the Company. Investments not comprised in the Seed Portfolio or the Pipeline Assets may also become available. The individual holdings within the Company's portfolio may therefore be substantially different to the opportunities identified in the Seed Portfolio and Pipeline Assets.

## **2 RISKS RELATING TO THE COMPANY'S INVESTMENT POLICY**

***The Company may not meet its investment objective and there is no guarantee that the Company's target dividend and other distributions and/or target returns, as may be adopted from time to time, will be met***

The Company may not achieve its investment objective. Meeting the investment objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.

The Company's investment objective is to provide its shareholders 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 payment of future dividends and other distributions and the level of any future dividends or distributions paid by the Company is subject to the discretion of the Directors and will depend upon, amongst other things, the Company successfully pursuing its investment policy and the Company's earnings, financial position, cash requirements, level and rate of borrowings and availability of profit, as well as the provisions of relevant laws or generally accepted accounting principles from time to time. There can be no assurance that any dividends or distributions will be paid in respect of any financial year or period and no guarantee as to the level of any future dividends or distributions to be paid by the Company. There is no guarantee that the Company will achieve the stated target NAV total return referred to in this Prospectus and therefore achieve its return objective.

***The Company's targeted returns are based on estimates and assumptions that are inherently subject to significant uncertainties and contingencies, and the actual rate of return and/or yield may be materially lower than those targeted***

The Company's targeted returns set out in this Prospectus are targets only and are based on estimates and assumptions about a variety of factors including, without limitation, value, yield and performance of the Company's portfolio of Assets, which are inherently subject to significant business, economic, currency and market uncertainties and contingencies, all of which are beyond the Company's control and which may adversely affect the Company's ability to achieve its targeted returns. The Company may not be able to implement its investment objective and investment policy in a manner that generates returns in line with the targets.

Asset acquisitions rely on detailed financial models to support valuations. There is a risk that inaccurate assumptions or methodologies may be used in a financial model. In such circumstances the returns generated by any Asset acquired by the Company may be different to those expected.

In addition, the Company cannot guarantee the accuracy of generation, usage or demand forecasting or the reliability of the forecasting models, nor can it guarantee that historic data collected will be indicative of future conditions. Forecasting can be inaccurate due to meteorological measurement errors, or errors in the assumptions applied to the forecasting model. In particular, forecasters look at long-term data and there can be short-term fluctuations.

The prices at which the Company acquires Assets will be determined by the Investment Manager's and third party advisers' assumptions and economic expectations of such Assets on the basis that the returns available to the Company are acceptable. The operation and economics of Assets may fall short of the Investment Manager's expectations, and/or an Asset may fail to generate its projected returns.

Furthermore, the targeted returns are based on the market conditions and the economic environment at the time of assessing the targeted returns, and are therefore subject to change. In particular, the targeted returns assume no material changes occur in applicable regulations or other policies, or in law and taxation, and that the Company and its portfolio of Assets are not affected by natural disasters, terrorism, social unrest or civil disturbances or the occurrence of risks described elsewhere in this Prospectus.

There is no guarantee that returns can be achieved at or near the levels set out in this Prospectus or at all. Accordingly, the actual rate of return achieved may be materially lower than the targeted returns, or may result in a partial or total loss, which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

### ***Reliance on projections***

Investment decisions and ongoing valuations will be based on financial projections for the Company's relevant Assets. Projections will primarily be based on the Investment Manager's assessment and are only estimates of future results based on assumptions made at the time of the projection. These projections may not be realised and are subject to change as relevant inputs to the projections change.

The Company's quarterly announcements of Net Asset Value will be based on estimates provided by the Investment Manager and will not be audited. The financial information relating to the Company's portfolio of Assets on which the quarterly valuations will be based, will be based on management information provided by the Investment Manager. In accordance with wider market practice, assumptions as to future electricity prices will be sourced by the Investment Manager from one or more commercial vendors of such information. There is a limited number of such vendors and their forecasts differ, sometimes materially. If one or more commercial vendors were to cease operations or change their assumptions or methodologies the valuation and realisable value of Assets may change materially. If assumptions as to electricity prices fall, the valuation of the Assets will decline. Actual results may vary significantly from the projections, which may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

### ***Use of borrowings***

The Company and SPVs may use borrowings for multiple purposes, including for investment purposes. While the use of borrowings should enhance the total return on the Ordinary Shares, where the return on the Company's portfolio of Assets exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's portfolio of Assets is lower than the cost of borrowing. The use of borrowings by the Company and/or the SPVs may increase the volatility of the Company's revenues and the Net Asset Value per Ordinary Share.

The use of leverage in relation to an Asset will increase risk; leverage increases the exposure of an investment to changes in valuation, shortfalls in revenue and operating performance, increased costs and adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of an Asset.

The use of leverage may also impair an Asset's ability to finance future operations and capital needs and result in restrictive financial and operating covenants, including those that may prevent distributions to the Company. These restrictive financial covenants may limit an Asset's flexibility to respond to changing business and economic conditions.

Any amounts that are secured under a bank facility or other lending will rank ahead of Shareholders' entitlements and on foreclosure, Shareholders may not recover all or any of their initial investment.

To the extent that a fall in the value of the Company's portfolio of Assets causes gearing to rise to a level that is not consistent with the Company's borrowing and gearing policy, borrowing limits or loan covenants, the Company may have to sell investments in order to reduce borrowings. Such



investments may be difficult to realise and therefore the market price which is achievable may give rise to a significant loss of value compared to the book value of the Assets, as well as a reduction in income from the Company's portfolio of Assets.

Macroeconomic events may have a significant impact on the credit markets, the availability of debt and/or the terms upon which that debt is available. The Company and SPVs may find it difficult, costly or not possible to refinance future indebtedness as it matures or the terms become more expensive (for example, as the case may be, where the terms of construction finance change following completion of the construction of an asset). Further, if interest rates are higher when any relevant indebtedness is refinanced, the Company's and SPV's finance costs could increase. Any of the foregoing events may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and may lead to Shareholder dilution as a result of further equity capital raisings by the Company or the forced sales of assets.

The Company and SPVs may incur debt with a floating rate of interest and be exposed to interest rate risk due to fluctuations in prevailing market rates. Changes in interest rates may also affect the valuation of the investment portfolio by impacting the valuation discount rate. An increase in interest rates will increase the floating rate interest cost borne by the Company or SPV and reduce the valuation of the relevant Asset. The Company and SPVs may hedge or partially hedge interest rate exposure on borrowings. However, such measures may not be sufficient to protect the Company and SPVs from adverse movements in prevailing interest rates to the extent exposures are unhedged or hedges are inadequate to offer full protection. If exposures are hedged, interest rate movements may lead to mark-to-market movements which may be positive or negative and upon breaking of such hedges may cause crystallisation of gains or losses. In addition, hedging arrangements expose the Company and SPVs to credit risk in respect of the hedging counterparty. Increased exposure to interest movements may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

***Availability of and competition for appropriate investments that accord with the investment policy***

The success of the Company's investment activities depends on the Investment Manager's ability to identify Assets and the availability of such investments. Identification and exploitation of the investment strategies to be pursued by the Company involves a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to secure suitable investment opportunities. Changes in the broader renewable energy and infrastructure market in which the Company seeks to invest, as well as other market factors, may reduce the scope for the Company's investment strategies. Additionally, the Investment Manager will compete on behalf of the Company and other Downing Managed Funds with other parties for Assets. Therefore, even when a suitable investment opportunity is identified, there can be no assurance that such opportunity will be available at all or at a price or upon terms and conditions (including financing) that the Investment Manager considers satisfactory or that it will be allocated to the Company under the Investment Manager's Allocation Policy.

Any delay in the initial deployment of the Net Proceeds will reduce the Company's earnings which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

***Investor returns will be dependent upon the performance of the Company's portfolio of Assets and the Company may experience fluctuations in its operating results***

Returns achieved are reliant primarily upon the performance and valuation of the Company's portfolio of Assets. The Group may experience fluctuations in its operating results due to a number of factors, including changes in the values of investments in the Company's portfolio of Assets from time to time, changes in revenues, operating expenses, defaults by counterparties, fluctuations in foreign exchange and interest rates, availability and liquidity of investments, the degree to which it encounters competition and general economic and market conditions. Since investments in infrastructure, like many other types of long-term investments, have historically experienced significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of an Asset. Such variability may be reflected in dividends, may have a material adverse effect of the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and may cause the Company's results for a particular period not to be indicative of its performance in a future period.

Furthermore, the utilities sector is experiencing increasing competitive pressures, as a result of consumer demands, technological advances, privatisations and other factors. To the extent competitive pressures increase and the pricing and sale of their products assume more characteristics of a competitive or otherwise fully unregulated business, the economics of projects or companies in which the Company may invest may come under increasing pressure which in turn may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

***Concentration risk in relation to exposure to individual Assets, geography and Technology***

It is intended that from the date of Admission, the Investment Manager will seek to invest and manage the Company's assets in a way which is consistent with the Company's objective of spreading investment risk.

The following restrictions will apply when making investments: (i) a limit of up to 60% of Gross Asset Value being invested in Assets located in the UK; (ii) a limit of up to 60% of Gross Asset Value being invested in Assets located in Ireland and Northern Europe (combined). In addition, the Company will also 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: (i) a limit on the restriction to exposure to a single Asset of up to 30% of Gross Asset Value and of up to 25% of Gross Asset Value in respect of all other Assets; and (ii) a limit of up to 50% of Gross Asset Value being invested in any single Technology. 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. Despite these restrictions, several investments may be in one sector. Should this be the case, the investments of the Company could become concentrated, and poor performance of a sector where the Company has multiple investments could have a material adverse effect on the Company's profitability, Gross Asset Value and the price of the Ordinary Shares.

In the event that the investments acquired by the Company give rise to concentration risk by reference to individual Assets, geography and/or Technology, the Company's targeted returns may be materially affected where those Assets, geographies and/or Technologies, do not deliver the returns anticipated by the Investment Manager. In such circumstances, where any of the risks and uncertainties identified elsewhere in these risk factors come to fruition, this may have a more significant impact and may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

***The Company is exposed to transactional effects of foreign exchange rate fluctuations and risks of currency and interest rate hedging***

The Company will report its results in Sterling. The Company will invest at least 40% and no more than 60% of Gross Asset Value (measured at the time of investment) in countries whose local currency is not Sterling and the Company and SPVs may make and/or receive payments that are denominated in currencies other than Sterling. To the extent the Company invests in such 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. The Company and SPVs may also hedge the interest rate exposure in relation to any loan granted to them. While the Company and SPVs may enter into derivative transactions to hedge such currency and interest rate exposures, there can be no guarantee that the Company and/or SPVs will be able to, or will elect to, hedge such exposures in a timely manner or on terms acceptable to them, or that any such hedging arrangements, where entered into, will be successful. The Company and/or SPVs may be required to satisfy margin calls (posting cash or other collateral) 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 that might, if held longer, have yielded a smaller loss or a gain. To the extent that the Company and/or SPVs do rely on derivative instruments to hedge exposure to exchange rate and interest rate fluctuations, they will be subject to counterparty risk. Any failure by a hedging counterparty of the Company or an SPV to discharge its obligations could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

### ***UK exit from the European Union***

A referendum was held on 23 June 2016 to decide whether the UK should remain in the EU. A vote was given in favour of the UK leaving the EU (“**Brexit**”) and Article 50 of the Treaty on the European Union was triggered on 29 March 2017. Whilst the UK left the EU pursuant to a withdrawal agreement the “**Withdrawal Agreement**”) on 31 January 2020, the terms of the UK’s future relationship with the EU remain uncertain. In particular, there is no certainty that the UK government will be able to negotiate and agree a trade deal with the EU before the expiry of the transition period provided for under the Withdrawal Agreement, or at all, or what the terms of any such trade deal would be. The extent of the impact on the Company will depend in part on the nature of the arrangements that are put in place between the UK and the EU and the extent to which the UK continues to apply laws that are based on EU legislation.

The Company may be subject to a significant period of uncertainty in the period following Brexit, including, *inter alia*, uncertainty in relation to any potential regulatory or tax change. In addition, the macroeconomic effect of Brexit and/or the terms of any future trade deal between the UK and the EU on the value of Assets in the Company’s portfolio is unknown. The UK’s exit from the EU and/or the terms of any future trade deal between the UK and the EU could also create significant UK (and potentially global) stock market and foreign exchange market uncertainty and/or a slowdown in UK economic activity, which may have a material adverse effect on the price of electricity in the UK, the demand for UK renewable assets, the Company’s profitability, the Net Asset Value and the price of the Ordinary Shares. It could also potentially make it more difficult for the Company to raise capital in the EU and/or increase the regulatory compliance burden on the Company. This could restrict the Company’s future activities and thereby negatively affect returns.

### ***Inflation***

Inflation may be higher or lower than expected. The revenue and expenditure of Assets are frequently partially index-linked and therefore any discrepancy with the Company’s inflation expectations could impact positively or negatively on the Company’s cashflows.

From a financial modelling perspective, an assumption is usually made that inflation will exist at a long-term rate (which may vary depending on country and prevailing inflation projections). The effect on revenue and price projections and more generally on investment returns if inflation overshoots or undershoots the original projections for this long-term rate is dependent on the nature of the underlying project earnings and any indexation provisions agreed with the relevant counterparty on any project. The consequences of higher or lower levels of inflation than those assumed by the Company will not be uniform across the portfolio and actual outturn inflation can impact revenues and costs differently. An investment in the Company cannot be expected to provide protection from the effects of inflation or deflation. In the event that actual inflation differs from forecasts or projected levels, this could have a material adverse effect on the Company’s profitability, the Net Asset Value and the price of the Ordinary Shares.

### ***The Company may not retain 100% control of its Assets***

Under certain investment structures, the Company may retain less than a 100% interest in a particular Asset or SPV and the remaining ownership interest will be held by one or more third parties, which could include other Downing Managed Funds. In such instances, the Company may acquire a controlling or non-controlling interest.

These investment arrangements may expose the Company to the risk that:

- co-owners become insolvent or bankrupt, or fail to fund their share of any capital contribution which might be required, which may result in the Company having to pay the co-owner’s share or risk losing the investment;
- co-owners have economic or other interests that are inconsistent with the Company’s interests and are in a position to take or influence actions contrary to the Company’s interests and plans, which may create impasses on decisions and affect the Company’s ability to implement its strategies and/or dispose of the asset or entity;
- disputes develop between the Company and co-owners, with any litigation or arbitration resulting from any such disputes increasing expenses and distracting the Board and the Investment Manager from their other managerial tasks;

- co-owners do not have enough liquid assets to make cash advances that may be required in order to fund operations, maintenance and other expenses related to the relevant Asset which could result in the loss of income and may otherwise adversely affect the operation and maintenance of the Asset;
- a co-owner breaches agreements related to the Asset, which may cause a default under such agreements and result in liability for the Company and/or an SPV;
- the Company and/or an SPV may, in certain circumstances, be liable for the actions of co-owners; and
- a default by a co-owner constitutes a default under financing documents relating to the investment, which could result in a foreclosure and the loss of all or a substantial portion of the investment made by the Company.

Any of the foregoing may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

In addition, in circumstances where the Company does not hold a controlling interest in the relevant investment it may (i) have limited influence or (ii) not be able to block certain decisions made collectively by the majority equity holders or senior lenders. This may result in decisions being made about the relevant investment that are not in the interests of the Company. In such circumstances, 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. However, this lack of control may have a significant impact and may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

#### ***Control position risk***

The Investment Manager will generally seek investment opportunities that allow the Company to acquire control or exercise influence over management and the strategic direction of the relevant Asset.

The exercise of control over a company which owns such an Asset imposes additional risks of liability for environmental damage and other types of liability (for instance in relation to Other Infrastructure this could also include a failure to supervise management and product defects) in which the limited liability characteristic of business operations generally may be ignored.

The exercise of control could also expose the Company to claims by the security holders, employees and creditors of the business. Whilst the Investment Manager intends to manage the Company in a way that will minimise exposure to these risks, the possibility of successful claims cannot be precluded.

Such liabilities and claims may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

#### ***Board participation risk***

The Company may be represented on the boards of Assets or SPVs which own Assets or may have its representatives serve as observers to such boards of directors. Although such positions in certain circumstances may be important to the Company's investment strategy and may enhance the Investment Manager's ability to manage such investments, they may also have the effect of impairing the Company's ability to sell the related securities when, and upon the terms, it may otherwise desire, and may subject the Company to claims they would not otherwise be subject to as an investor, including claims of breach of duty, securities claims and other director-related claims.

#### ***Conflicts of interest in relation to Assets***

Officers and employees of the Investment Manager may serve as directors of certain Assets or SPVs which own Assets and, in that capacity, will be required to make decisions that consider the best interests of the relevant Asset or SPV and its shareholders and/or creditors. In certain circumstances, for example in situations involving bankruptcy or near insolvency of an Asset or SPV, actions that may be in the best interest of the relevant Asset or SPV and/or creditors may not be in the best interests of the Company, and vice versa. Accordingly, in these situations, there will be

conflicts of interests between such individual's duties as an officer or employee of the Investment Manager and such individual's duties as a director of the Asset SPV which owns the Asset.

### ***Risks associated with the Eurozone***

It is likely that certain of the Company's portfolio of Assets will be located in jurisdictions within both the EU and the Eurozone. Concerns about credit risk of certain member states of the Eurozone have intensified in recent years. The default, or a significant decline in the credit rating, of one or more member states of the Eurozone could cause severe stress in the Eurozone financial system and could, in the worst case scenario, lead to the reintroduction of national currencies in one or more member states of the Eurozone and the abandonment of the Euro as a currency. An escalation of the Eurozone crisis could adversely affect the economic condition of the Company's and SPVs' counterparties or creditors directly or indirectly located in the Eurozone. If any of these risks materialise, this could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

### ***Unsuccessful transaction costs***

The Company may incur substantial legal, technical, financial and other advisory expenses arising from unsuccessful transactions, including expenses incurred in connection with transaction documentation and due diligence.

### ***Unforeseen events risk***

The use of the Assets may be interrupted or otherwise affected by a variety of events outside the Company's or the Investment Manager's control, including serious traffic accidents, pandemics, natural disasters (such as fire, floods, earthquakes and typhoons), man-made disasters (including terrorism), defective design and construction, fuel and energy prices, environmental legislation or regulation, general economic conditions, labour disputes and other unforeseen circumstances and incidents.

Such events (known as force majeure events) may adversely affect a party's ability to perform its obligations until it is able to remedy the force majeure event. In some cases, agreements can be terminated if the force majeure event is so catastrophic that it cannot be remedied within a reasonable time period and this may affect the value of Assets, which in turn may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

Terrorist attacks of unprecedented scope in recent years have caused episodes of instability in the world financial markets and may generate global economic instability. The continued threat of terrorism and the impact of military or other action have led to and may lead to further increased volatility in prices for electricity and energy and could affect the Company's financial results. Further, governments have issued public warnings indicating that energy assets might be a specific target of terrorist organisations. Assets may involve significant strategic assets that have a national or regional profile and may have monopolistic characteristics. The nature of these assets could expose them to a greater risk of being the subject of a terrorist attack than other assets or businesses. Risks linked to terrorism may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

## **3 RISKS RELATING TO MAKING INVESTMENTS IN RENEWABLE ENERGY AND INFRASTRUCTURE ASSETS**

### ***Due diligence risks***

Prior to the acquisition of an Asset, the Investment Manager will undertake commercial, accounting, tax, technical, insurance, environmental and legal due diligence on the relevant Asset, as appropriate. Notwithstanding that such due diligence is undertaken, it may not uncover all of the material risks or defects affecting the Asset, and/or such risks or defects may not be adequately protected against in the acquisition or investment documentation or adequately insured against. The Company may acquire Assets with unknown liabilities and without any recourse, or with limited recourse, with respect to unknown liabilities. If an unknown liability was later asserted in respect of the relevant Asset, the Company or relevant SPV might be required to pay substantial sums to settle it or enter into litigation proceedings, which could adversely affect cash flow and the result of its operations.

Where material risks are not uncovered and/or such risks are not adequately protected against, this may have a material adverse effect on the Asset and on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

The Company will have reliance on due diligence reports prepared by professionals appointed by the Company in relation to an Asset. Notwithstanding this reliance relationship, a professional adviser may limit its liability or be otherwise able to avoid liability to the Company. Should that be the case, the Company may be unable to recover losses suffered as a result of its reliance on such professional adviser.

### ***Construction risks***

The Company may invest in Assets which are in construction or construction-ready or otherwise require significant future capital expenditure. Assets which have significant capital expenditure requirements may be exposed to risks, such as cost overruns, construction delay, failure to meet technical requirements or construction defects which may be outside the Company's control. Whilst this risk may in some instances be transferred to construction contractors, it will not be possible to transfer all such risks and even where these risks are transferred, contractual provisions aimed at transferring these risks may have financial limits for compensation and may not be enforceable.

If a third party is liable to repair or remedy any construction defect, that third party may not carry out such repair or remedy by the agreed deadline or at all and/or the relevant defects may not be adequately covered by warranty. Even if such defects are covered by warranty, they may only occur after the warranty period expires, or the relevant damages may exceed the scope of the warranty and therefore not be capable of full recovery.

As a result, it may not be possible to recoup all damages/losses incurred as a result of construction related risks coming to fruition. 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 Net Asset Value and the price of the Ordinary Shares.

### ***The Company's investments in Assets will be illiquid and may be difficult to realise at a particular time and/or at the prevailing valuation***

The Company will invest in unlisted assets with the aim of owning these investments for the long-term. Such investments are illiquid; they may be difficult for the Company to sell and the price achieved on any realisation may be at a discount to the prevailing valuation of the relevant Asset. The Assets are also subject to downturns in demand and market disruption and in such circumstances the lack of available capital for potential purchasers may also make the Assets difficult and time-consuming to liquidate. This may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

### ***Acquisition risk***

A seller will typically provide various warranties for the benefit of the buyer and its funders in relation to the acquisition of an Asset. Such warranties will be limited in extent and subject to disclosure, time limitations, materiality thresholds and liability caps and to the extent that any loss suffered by the acquirer arises outside the warranties or such limitations or caps are exceeded, it will be borne by the acquirer, which may adversely affect the income received by the Asset which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

### ***The Company will invest in Assets through one or more SPVs***

The Company will invest in Assets indirectly through intermediate holding companies and SPVs. While such investments will provide the Company diversification on a look-through basis, the Company will be exposed to certain risks associated with the vehicles as a whole which may affect its return profile. For example:

- any change in the laws and regulations including any tax laws and regulations applicable to the SPV or to the Company in relation to the receipts from any such SPV may adversely affect the Company's ability to realise all or any part of its interest in Assets held through such structures; or

- any failure of the SPV or its management to meet their respective obligations may have a material adverse effect on the Assets held through such structures (for example, triggering breach of contractual obligations) and the Company's exposure to the investments held through such structures and/or the returns generated from such Assets for the Company. This could, in turn, have a material adverse effect on the performance of the Company and affect its ability to achieve its investment objective; or
- when making an investment into an Asset through an SPV, there may be contractual rights (such as pre-emption rights) accruing to third parties, not necessarily fully identified through due diligence, that may be subject to subsequent challenge impacting the Company's rights.

***The Company may be subject to liability following the disposal of investments***

The Company may be exposed to future liabilities and/or obligations with respect to Assets that it sells. The Company may be required or may consider it prudent to set aside provisions for warranty claims or contingent liabilities in respect of the disposal of Assets. The Company may be required to pay damages to a purchaser to the extent that any warranties given to a purchaser prove to be inaccurate or to the extent that the Company breaches any of its covenants or obligations contained in the disposal documentation. In certain circumstances, warranties incorrectly given could give rise to a right by the purchaser to unwind the contract in addition to the payment of damages.

The Company may become involved in disputes or litigation in connection with investments it has sold. Certain obligations and liabilities associated with the ownership of investments can also continue to exist notwithstanding any sale, such as certain environmental liabilities.

Any claims, litigation or continuing obligations in connection with the sale of any Assets may subject the Company to unanticipated costs and may require the AIFM and the Investment Manager to devote considerable time to dealing with them. As a result, any such claims, litigation or obligations may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

***Risk of equity and debt financing***

The claims of equity holders are subordinated to any creditors and are only entitled to receive dividends and other distributions if there are distributable reserves. Therefore, the success of an equity participation depends on the performance and income of the Asset.

Issuers of debt instruments may be unable to make timely payments or at all due to financial difficulties or insolvency. In such circumstances, additional costs may be incurred, for example as a result of initiating litigation, seizure or foreclosure or other actions to recover the outstanding amounts. Should these risks materialise, this could have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

**4 RISKS RELATING TO RENEWABLE ENERGY AND INFRASTRUCTURE ASSETS**

***Exposure to wholesale electricity prices and risk to hedging power prices***

The Company will make 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. Whilst some of the Company's portfolio of Assets may benefit from fixed price arrangements for a period of time, others may have revenues which are based on prevailing wholesale electricity prices.

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 Net Asset Value and the price of the Ordinary Shares.

Furthermore, to the extent that the Company or an SPV enters into contracts to fix the price that it receives on the electricity generated or enters into derivatives with a view to hedging against fluctuations in power prices (such as contracts for difference ("CFDs")), the Company or SPV, as the case may be, will 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. In circumstances where the market price is higher than the fixed or hedged price this could have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

To the extent that the Company or an SPV relies on derivative instruments (such as corporate CFDs) to hedge its exposure to fluctuations in power prices, it will be subject to counterparty risk. A failure by a hedging counterparty to discharge its obligations could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

### ***Dependency on meteorology***

Revenue from the Company's portfolio of Assets will consist predominantly of payment for the supply of electricity generated. For renewable energy projects, this depends largely on actual weather conditions affecting each site such as usable wind intensity, solar irradiation or rainfall. Weather conditions may fluctuate and differ from forecast, with a corresponding effect on the amount of electricity generated. Weather cycles may also be deficient in the type of weather conditions required to produce energy at the relevant site.

In addition, unfavourable weather conditions in different geographies may occur due to local and global climate change. Increased extreme weather conditions could also negatively affect output of an Asset. Renewable energy resources may also be affected by man-made or natural obstructions in the vicinity of an Asset, including other wind farms, forestry, dams or nearby buildings.

If such risks materialise, the performance of an Asset owned by the Company may be adversely affected and as a result this may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

### ***Meteorological forecasts***

Energy yield forecasts are to a large extent based on historical climate data and certain IT based simulations/calculations. There is a risk that such forecasts prove inaccurate due to meteorological measurement errors, the reliability of the forecasting model or errors in the assumptions applied to the forecasting model. In particular, extreme weather conditions may lead to greater fluctuation from historically recorded data. For example, climate changes may result in less or limited sunshine and/or reduced wind and/or less precipitation, which may serve to reduce power generated and revenues earned over the entire forecasting period and which in turn may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

### ***Risks relating to maintaining the connections of Assets to the electricity transmission and distribution network***

In order to export electricity, Assets must be, and remain, connected to the electricity network. This may involve a connection to the transmission and distribution networks or either of them, depending on the circumstances of a particular Asset and any other specific requirements relevant to the countries in which the Company invests. An Asset must have in place the necessary connection agreements and comply with their terms in order to avoid potential disconnection or de-energisation of the relevant connection point. In the event that the relevant connection point is disconnected or de-energised, the Asset in question will not be able to export (or import) electricity to the grid. Additionally, non-compliance with, or disconnection or de-energisation under the relevant connection agreements in some instances can also lead to a breach of any PPA that relates to that Asset, giving the PPA Offtaker the right to terminate. This may also result in a breach of the terms of another revenue agreement such as any agreement to provide ancillary services, capacity services or balancing services.

SPVs may incur increased costs or losses as a result of changes in laws or regulations including changes in grid (distribution or transmission) codes or rules. Such costs or losses could adversely affect the financial performance and prospects of the Company and in particular new laws or regulations may require new equipment to be purchased at the relevant Asset or result in changes to or a cessation of the operations of the Asset.

The Company's portfolio of Assets will also be subject to the risk that, due to interruption in the grid connection or irregularities in the overall power supply, power may not be generated or supplied. In



such cases, affected Assets may not receive any compensation or only limited compensation in accordance with the relevant contractual or statutory provisions.

Should these risks in relation to grid connection materialise, this could have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

#### ***Risk relating to grid congestion***

Increased investment in renewable energy projects has led to higher demand for grid capacity. This has led to "grid congestion", where offers of capacity carry significant cost and delay associated with major grid reinforcement. A lack of access to the grid or increased connection charges as a result of the high demand for access could have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

#### ***Risks relating to grid outage and constraints on the capacity of an Asset***

Constraints or conditions may be imposed on an Asset's connection to the grid and its export of electricity at certain times. A risk inherent to the connection to any electricity network is the limited recourse a generator has to the network operator if the Asset is constrained or disconnected due to a system event on the local distribution or wider transmission system. In certain circumstances, the system operator can require generators and operators (or the electricity suppliers registered as being responsible for their metering systems), or distribution system operators to curtail their output or de-energise altogether. Issues like curtailment and local constraints, which currently exist in the UK, Ireland and Northern Europe or which may arise in the future, are outside the control of the Company and the affected SPVs and restrictions on an Asset's ability to export electricity could have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

#### ***Risks relating to the durability and technical design of power plants***

Renewable energy power generation and transmission plants and facilities are technically highly complex and sensitive and the relevant technologies are relatively new. There is limited long-term experience with respect to durability of these types of power plants. In some cases, there are few comparable systems worldwide that can be used to forecast the durability of the plants. Therefore, there is a risk that the power plants cannot be used over the entire forecast period for their intended use and/or fail to achieve or maintain the predicted efficiency. Additional costs may be incurred for maintenance, renewal or replacement of the power plants or their system components. In particular, there is a risk of damage or even destruction of the plants due to extreme weather conditions such as storms, hail, snow/ice, earthquakes and other geological risks, which are likely to occur increasingly in the future and may also occur in areas or regions that seem to have been unproblematic so far.

Furthermore, depending on the geographical location of the sites of the plants, there may be increased corrosion or wear on system components which may result in additional maintenance costs or expenses. Such circumstances may adversely affect the performance of an Asset which may in turn have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

#### ***Insurance risk and risk of uninsured loss or damage***

The Company intends to obtain insurance policies covering a variety of potential losses in relation to its investments. These policies will have exclusions and limits and are typically renewed annually. On renewal, the desired type or level of cover may be either uninsurable or insurable at such high rates that to maintain such coverage would cause a material adverse impact on the related Assets. For example, losses related to terrorism are becoming harder and more expensive to insure against. Many insurers are excluding terrorism coverage from their all-risk policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a property. As a result, not all Assets may be insured against terrorism.

The Company is also subject to the risk that these insurances may not be sufficient to cover all the losses and damages. In particular, geological conditions (such as floods) may cause damage to power facilities or even total loss of power plants.

If a major uninsured loss occurs, the Company could lose both invested capital in and anticipated profits from the affected Assets, which in turn may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

***Reduction in efficiency/degradation***

A deterioration of power plant efficiency may lead to lower electricity output. This factor plays a significant role in energy generation forecasting. There is a risk that the actual efficiency may deviate from the forecast efficiency (due to, for example, pollution, vegetation, snow or wear) thereby impairing the production output. If this risk materialises, the performance of the relevant Asset may be affected which in turn may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

***Exposure to commodity prices***

Certain of the Company's portfolio of Assets will be subject to commodity price risk, including without limitation, the price of electricity and the price of fuel. The operation and cash flows of certain investments will depend, in substantial part, upon prevailing market prices for electricity and fuel. Market prices may fluctuate naturally depending upon a wide variety of factors, including, without limitation, weather conditions, foreign and domestic market supply and demand, force majeure events, changes in law or regulatory regimes, price and availability of alternative fuels and energy sources, international political conditions including those in the Middle East, trade wars and actions of the Organisation of Petroleum Exporting Countries (and other oil and natural gas producing nations) and overall economic conditions.

***Counterparties could default on their contractual obligations or suffer an insolvency event***

The Company and SPVs may enter into agreements with counterparties for specific project-related activities including but not limited to EPC, EPCM and O&M services, asset management, and interconnections between the Assets and transmission or distribution networks. There can be no assurance that a counterparty will honour its obligations under the relevant contract. In order to mitigate this, the Company and SPVs will seek extensive warranties and other protections from counterparties, where such warranties and/or protections are available. Warranties and other protections may, however, be insufficient in covering risks in relation to the operation of the Assets, and the potential default of a counterparty, despite the best efforts of the Company or relevant SPV. For example, such warranties and/or other protections are typically subject to limitations in relation to the matters, amount and the time periods covered, such that there is no guarantee that such warranties and/or other protections will provide complete cover in all scenarios. If a counterparty fails to perform its obligations under an agreement, the Company or relevant SPV may be required to seek remedy from the relevant counterparty. There is a risk that the relevant contract may not provide sufficient remedy, or any remedy at all. Remedies may be limited by time or amount, such as by a contractual limit on the amount that may be claimed by way of liquidated damages, which may impact the value of the Company's portfolio of Assets and may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

Additionally, a contract may be terminated prior to the expiration of the relevant term due to an event of insolvency of the relevant counterparty. The Company and the Investment Manager will seek to mitigate the Company's exposure to such risk through carrying out qualitative and quantitative due diligence on the creditworthiness of counterparties. Despite the steps taken by the Company and the Investment Manager, there is no assurance that any counterparty will make contractual payments or that the counterparty will not suffer an insolvency event during the term of the relevant agreement. The failure by a counterparty to pay the contractual payments or perform other contractual obligations or the early termination of the relevant contract due to the insolvency of a counterparty may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

***The Company and SPVs, where relevant, may not be able to enter into or renew PPAs containing favourable terms with new or existing Offtakers***

The Investment Manager may, where relevant, be unable to negotiate or renegotiate favourable terms for the Company or an SPV while entering into a new PPA with a new Offtaker or upon renegotiating any renewal of the terms of an expired PPA or soon to expire with an existing

Offtaker. It may be the case that the Company or an SPV is unable to enter into a PPA at all in relation to its Asset.

Offtakers may be able to negotiate a lower price for the electricity under a new or extended PPA which would reduce the cash flow of the Company or SPV and consequently the returns of the Company. The term of a new or extended PPA may be significantly shorter than an existing PPA which may reduce the long-term profitability of an Asset. This may be caused by numerous factors, including: lower wholesale electricity prices; lack of depth in the market of Offtakers at a given time; increased competition within the energy industry; and the development of more efficient energy technologies.

Risks associated with the execution of future PPAs can also have an impact on the future debt structure of an SPV. If the Company or an SPV agrees to enter into PPAs with Offtakers on less favourable terms than is originally intended, this may have a material adverse effect on the Company's profitability, the Net Asset Value, the price of the Ordinary Shares.

***Payment obligations or early termination of PPAs by Offtakers may not adequately compensate the Company and SPVs***

Some PPAs may contain limited rights of termination, exercisable by the Offtaker, prior to the expiration of their term. Such terminations generally result in the obligation of the Offtaker to pay termination fees. Whilst the Company and the Investment Manager intend to include contractual rights that adequately compensate the Company and SPVs in the event of early termination of a PPA by an Offtaker, it is possible that a replacement PPA can only be sourced at a lower price, reducing the Company's revenues. If no replacement PPA can be sourced, the Asset may need to explore other routes to market or may cease to be economically viable and the Company may elect or be required to decommission the Asset. Such decommissioning cost may (taking into account decommissioning obligations entered into with landlords and/or planning authorities) exceed salvage value. The early termination of a PPA by an Offtaker may therefore have a material adverse effect on the Company's profitability, the Net Asset Value, the price of the Ordinary Share.

***Environmental risks***

Environmental laws and regulations in the jurisdiction in which an Asset is located may have an impact on an Asset's activities.

A current or previous owner or operator of real property may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of hazardous materials. The presence of these hazardous materials on a property could also result in personal injury, property damage or similar claims by private parties.

It is also not possible to predict accurately the effects of future changes in such laws or regulations on an Asset's performance. 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.

To the extent that environmental liabilities arise in relation to any sites owned or used by the Company or SPVs the Company or relevant SPV may be required to contribute financially towards any such liabilities, and the level of such contribution may not be restricted by the value of the Asset. If any such financial contributions are required these may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

***Technology advancement risks***

A change could occur in the way a service or product is delivered making the existing technology of an Asset obsolete. The significant fixed costs involved in constructing assets in the renewable energy sector means that any technology change that occurs over the medium term could threaten the profitability of an Asset, in particular due to the financing projections that are dependent on an extended project life. If such a change were to occur, the relevant Assets would likely have very few alternative uses should they become obsolete and their values may be materially impaired or written off.

### ***Risks relating to the price of equipment***

The price of equipment in relation to an Asset is variable. Unexpected increases in the cost of equipment, particularly in projects with significant capital expenditure requirements, could have a material adverse effect on the Company's ability to source projects that meet its investment criteria and on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

### ***Decommissioning risks***

After completion of the operational phase, an Asset may be dismantled and the land restored to its original condition. There is limited information and experience with respect to the decommissioning and dismantling of power plants, facilities and/or infrastructures, especially for renewable energy. In addition, such dismantling, disposal and restoration may result in additional unforeseen costs to be borne by the Asset. In particular, delays in decommissioning the equipment, or damage caused to a third party's premises during such decommissioning may cause the Company or relevant SPV to incur liabilities that it may not be able to fully recover under the terms of any contract with the subcontractor that the Company or relevant SPV has appointed to decommission such equipment.

Any of the above risks may adversely impact the performance of the relevant Asset which in turn may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

### ***Risks relating to health and safety***

The physical location, construction, maintenance and operation of an Asset pose health and safety risks to those involved or in the vicinity of the Asset. Construction and maintenance of an Asset may result in bodily injury, industrial accidents, and even death. If an accident were to occur in relation to one or more of the Company's portfolio of Assets, the relevant SPV could be liable for damages or compensation to the extent such loss is not covered under existing insurance policies. Health and safety concerns and/or accidents could result in the suspension (either temporary or long-term) of operations of an Asset which will reduce the revenue of the Company from that Asset. Liability for damages or compensation in relation to accidents and/or suspension of operations could have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

### ***Interest groups***

Assets and businesses can involve a significant impact on local communities and the surrounding environment. It is not uncommon for Assets to be exposed to a variety of legal risks including, but not limited to, legal action (with associated legal costs) from special interest groups. For example, interest groups may use legal processes to seek to impede particular projects to which they are opposed. Action taken by interest groups can impact the business activities, revenues and costs of an Asset which in turn may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

### ***Cyber risk***

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. While the Company thinks it unlikely that the Company or one of its Assets would be the deliberate target of a cyber-attack, there is a possibility that one or other could be targeted as part of a random or general act. 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 or Assets and consequently on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

## **5 RISKS RELATING TO THE AIFM AND THE INVESTMENT MANAGER**

### ***Reliance on the AIFM and the Investment Manager***

Investor returns will be dependent upon the Company successfully pursuing its investment policy. The success of the Company will depend on the Investment Manager's ability to identify, acquire, manage and realise investments in accordance with the Company's investment objective. This, in

turn, will depend on the ability of the Investment Manager to apply its investment and asset management processes in a way which is capable of identifying suitable investments and asset management opportunities for the Company. There can be no assurance that the Investment Manager will be able to do so or that it will enable the Company to invest on attractive terms or generate any investment returns for Shareholders or avoid investment losses.

The performance of the Company depends on the ability of the AIFM and the Investment Manager to provide competent, attentive and efficient services to the Company. There can be no assurance that, over time, the AIFM and the Investment Manager will be able to provide such services or that the Company will be able to make investments on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

The Company depends on the diligence, skill, judgement and business contacts of the Investment Manager's investment professionals and the information and deal flow they generate and communicate to the Company during the normal course of their activities. There can be no assurance as to the continued service of key investment professionals at the Investment Manager, and the departure of any of these from the Investment Manager without adequate replacement may have a material adverse effect on the Company's profitability, the Net Asset Value and price of the Ordinary Shares. Accordingly, the ability of the Company to achieve its investment objective depends heavily on the experience of the Investment Managers' teams. As such, the Company may not achieve its investment objective.

The AIFM has delegated the performance of discretionary portfolio management services to the Investment Manager. If the Investment Manager ceases to provide portfolio management services to the Company, there can be no assurance that the Directors and the AIFM would be able to find suitable replacement portfolio manager to manage the Company's portfolio and there can be no assurance that such replacement(s) with the necessary skills and experience could be appointed on terms acceptable to the Company and the AIFM. In that event, the Directors would have to formulate and put forward to Shareholders proposals for the future of the Company, which may include a merger with another investment company, reconstruction or winding up.

***The resources of the Investment Manager are not solely dedicated to activities in which the Company is engaged and the Investment Manager will allocate resources to activities in which the Company is not engaged, which might have a negative impact on the Company's ability to achieve its investment objective***

The Investment Manager is not required to commit all of its resources (or ensure continuity of any of its resources or that any of its resources are solely dedicated) to the Company's affairs and allocates its resources to other business activities. Insofar as the Investment Manager devotes resources to its responsibilities in relation to other business interests, its ability to devote resources and attention to the Company's affairs will be limited. This could adversely affect the Company's ability to achieve its investment objective, which could have a material adverse effect on the Group's profitability, the Net Asset Value and the price of the Ordinary Shares.

***The Investment Manager may provide services to other clients which could compete directly or indirectly with the activities of the Company and may be subject to conflicts of interest in respect of their activities on behalf of the Company***

The Investment Manager may manage from time to time other Downing Managed Funds pursuing similar investment strategies to that of the Company and which may be in competition with the Company. It is expected that the Company will enter into transactions with other Downing Managed Funds as a counterparty when acquiring, co-investing, or, if the opportunity arises, disposing of certain Assets. The Investment Manager may have rendered certain services such as origination, management or other services for the benefit of previous and/or existing Downing Managed Funds which held or hold an interest in an asset targeted by the Company and in return the Investment Manager may have received fees for such services. As a result, the Investment Manager might be subject to a conflict of interest resulting from their previous involvement in relation to such asset.

Other Downing Managed Funds will invest in assets which may be in competition with those invested in by the Company for customers, power capacity or financing opportunities. Any one of these factors may on occasion give rise to conflicts of interest which the Investment Manager will manage in accordance with their policies and procedures relating 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 Investment Manager will follow the Allocation Policy to seek to ensure appropriate allocations between the Company and other Downing Managed Funds. Notwithstanding such policies, it cannot be assured that such conflict of interests will always be resolved in a manner that Shareholders perceive to be in their best interest, particularly where the Investment Manager needs to balance divergent interests of the Company, other Downing Managed Funds and of the Downing Group generally. In seeking to manage such conflicts and adhering to the Allocation Policy, the Investment Manager will not offer the Company the opportunity to invest in all Assets that fall within the Company's investment policy, which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

## **6 RISKS RELATING TO THE ORDINARY SHARES**

### ***General risks affecting the Ordinary Shares***

The value of an investment in the Company, and the returns derived from it, if any, may go down as well as up and an investor may not get back the amount invested. The market price of the Ordinary Shares, like shares in all investment companies, may fluctuate independently of the underlying net asset value and may trade at a discount or premium to net asset value at different times, depending on factors such as supply and demand for the Ordinary Shares, market conditions and general investor sentiment. There can be no guarantee that any discount control policy will be successful or capable of being implemented. The market value of an Ordinary Share may vary considerably from its Net Asset Value.

### ***It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Ordinary Shares***

The price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its investments and some which may affect companies generally. Admission of the Ordinary Shares to trading on the premium segment of the London Stock Exchange's main market should not be taken as implying that there will be a liquid market for the Ordinary Shares. Consequently, the share price may be subject to greater fluctuation on small volumes of trading of Ordinary Shares and the Ordinary Shares may be difficult to sell at a particular price. The market price of the Ordinary Shares may not reflect their underlying Net Asset Value.

While the Directors retain the right to effect repurchases of Ordinary Shares, they are under no obligation to use such powers or to do so at any time and Shareholders should not place any reliance on the willingness of the Directors so to act. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Ordinary Shares in the market. There can be no guarantee that a liquid market in the Ordinary Shares will develop or that the Ordinary Shares will trade at prices close to their underlying Net Asset Value. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value or at all.

The number of Ordinary Shares to be issued pursuant to the Issue is not yet known, and there may be a limited number of holders of Ordinary Shares. Limited numbers of holders of Ordinary Shares may mean that there is limited liquidity in the Ordinary Shares which may affect: (i) an investor's ability to realise some or all of his investment; and/or (ii) the price at which such investor can effect such realisation; and/or (iii) the price at which such Ordinary Shares trade in the secondary market.

### ***The Company may issue additional Ordinary Shares that dilute existing Shareholders***

Following the Issue, the Company is likely to seek to issue new equity in the future. While the Companies Act contains statutory pre-emption rights for Shareholders in relation to issues of shares in consideration for cash, the Company currently has authority to issue up to 20% of the entire issued share capital of the Company on a non-pre-emptive basis following Admission. Where statutory pre-emption rights are disapplied, any additional equity financing will be dilutive in terms of voting rights to those Shareholders who cannot, or choose not to, participate in such financing.

### ***Future sales of Ordinary Shares could cause the market price of the Ordinary Shares to fall***

Sales of Ordinary Shares or interests in the Ordinary Shares by significant investors could depress the market price of the Ordinary Shares. A substantial number of Ordinary Shares being sold, or

the perception that sales of this type could occur, could also depress the market price of the Ordinary Shares. Both scenarios, occurring either individually or collectively, may make it more difficult for Shareholders to sell the Ordinary Shares at a time and price that they deem appropriate.

***The Ordinary Shares will be subject to significant transfer restrictions for investors in certain jurisdictions as well as forced transfer provisions***

The Ordinary Shares have not been registered and will not be registered in the United States under the U.S. Securities Act or under any other applicable securities laws. Moreover, the Ordinary Shares are only being offered and sold outside the United States to non-U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.

If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as “plan assets” of any benefit plan investor under section 3(42) of ERISA or the U.S. Tax Code; or (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to register or qualify under the U.S. Investment Company Act, and/or U.S. Investment Advisers Act of 1940 and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934, as amended and/or any laws of any state of the U.S. or other jurisdiction that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a “Foreign Private Issuer” under the U.S. Securities Exchange Act 1934, as amended; or (iv) may cause the Company to be a “controlled foreign corporation” for the purpose of the U.S. Tax Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act 1956, as amended or regulations or interpretations thereunder, or (vi) would cause the Company adverse consequences under the foreign account tax compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010, including the Company becoming subject to any withholding tax or reporting obligation (including by reason of the failure of the Shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligations), the Directors may require the holder of such shares to dispose of such shares and, if the Shareholder does not sell such shares, may dispose of such shares on their behalf. These restrictions may make it more difficult for a U.S. Person to hold and Shareholders generally to sell the Ordinary Shares and may have an adverse effect on the market value of the Ordinary Shares.

## **7 RISKS RELATING TO REGULATION, TAXATION AND THE COMPANY’S OPERATING ENVIRONMENT**

***Changes in laws or regulations governing the Company, the AIFM or the Investment Manager and their respective businesses may adversely affect the business and performance of the Company***

The Company, the AIFM and the Investment Manager are subject to laws and regulations enacted by national and local governments.

The Company will be required to comply with certain legal and regulatory requirements that are applicable to UK investment trusts and investment companies whose shares are admitted to trading on the premium segment of the London Stock Exchange’s Main Market. The AIFM and the Investment Manager are subject to, and will be required to comply with, certain regulatory requirements set out in UK domestic legislation, rules and regulation, many of which could directly or indirectly affect the management of the Company.

The laws and regulations affecting the Company, the AIFM and the Investment Manager may change and any changes in such laws and regulations may have a material adverse effect on the ability of the Company, the AIFM and the Investment Manager to carry on their respective businesses. Any such changes could have a material adverse effect on the Company’s profitability, the Net Asset Value and the price of the Ordinary Shares.

***Regulatory risk and the risk of contracting with government authorities***

Many of the Company’s Assets will be in entities that are subject to substantial regulation by governmental agencies. In addition, their operations may often rely on governmental licenses,

concessions, leases or contracts that are generally very complex and may result in disputes over interpretation or enforceability. If the Company or the SPVs fail to comply with these regulations or contractual obligations, they could be subject to monetary penalties or they may lose their rights to operate the underlying assets, or both.

Where their ability to operate an Asset is subject to a concession or lease from the government, the concession or lease may restrict their ability to operate the Asset in a way that maximises cashflows and profitability. The lease or concession may also contain clauses more favourable to the government counterparty than a typical commercial contract. For instance, the lease or concession may enable the government to terminate the lease or concession in certain circumstances (such as default by the Company or an SPV) without requiring the government counterparty to pay adequate compensation.

In addition, government counterparties may have the discretion to change or increase regulation of the operations of the Assets or to implement laws, regulations or policies affecting their operations, separate from any contractual rights that the government counterparties may have. Governments have considerable discretion in implementing regulations and policies that could impact the Assets and may be influenced by political considerations and make decisions that adversely affect Assets and their operations. Activities not currently regulated may in future be regulated.

The relevant governmental agencies or joint venture partners may also impose conditions of ongoing ownership or equivalent restrictions on the Company in respect of the underlying Assets. This may include a requirement that such Assets remain under ownership of the Company or managed by the Investment Manager (and/or its Associates). Accordingly, removal of the Investment Manager may have material adverse consequences on the continuing ownership and operation of such assets by the Company.

There is a risk that if regulations are amended or imposed, and/or contracts or other arrangements with governmental authorities are amended, legally deficient or unenforceable, the returns of the Assets may be affected. As a result, this may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.

### ***Regulation of renewable energy***

The renewable energy sector is the subject of intense and sometimes rapidly changing regulation in many jurisdictions. Therefore, the Company is exposed to the risk that the competent authorities may pass legislation that might hinder or invalidate rights under existing contracts as well as hinder or impair the obtaining of the necessary permits or licenses necessary for Assets in the construction phase. Furthermore, the relevant licenses and permits may be adversely altered, revoked, or in the case of their expirations not be extended by the relevant authorities. These actions and any litigation undertaken by the Company in response, could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares.

### ***Risk of reliance on government subsidies and incentives***

Part of the Company's portfolio of Assets from time to time is likely to be subject to government subsidies and incentives as is the case for the Seed Assets. Many countries have provided incentives in the form of feed-in tariffs and other incentives to power plant owners, distributors and system integrators in order to promote the use of renewable energy. Many of these government incentives expire, phase out over time, terminate upon the exhaustion of the allocated funding to new pre-construction projects, require renewal by the applicable authority or could be amended by governments due to changing market circumstances (such as market price fluctuations or oversupply of produced electricity) or changes to national, state or local energy policy.

It is likely that Assets in which the Company invests will operate in countries where no such incentives are available. In such case, the economic success of an Asset depends largely on market conditions and offtake arrangements and is subject to risks which may result in decreased revenue thereby adversely affecting the performance of the relevant Asset which may in turn have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares.



***A change in the tax status or in taxation legislation affecting the Company, the SPVs or the Assets could adversely affect the Company's profits and portfolio value and/or returns to Shareholders***

Acquiring Assets in overseas jurisdictions means the Company's business will be subject to risks typical of an international business including tax structures different to that in the UK. Any change in the tax status or in taxation legislation or practice in the UK or any other tax jurisdiction, including in particular the jurisdictions in or through which the Company's investments are made, and any applicable tax treaties could affect the value of the investments held and post-tax returns received by the Company (or otherwise affect the financial prospects of the Company), affect the Company's ability to achieve its investment objective, alter the post-tax returns for Shareholders and affect the tax treatment for Shareholders of their investments in the Company (including rates of tax and availability of reliefs). In the event that the Company and/or SPVs becomes liable to withholding taxes, the effect will generally be to reduce post-tax returns for Shareholders (except where full credit for the tax withheld is obtained).

Statements in this Prospectus concerning taxation of the Company or prospective investors are based upon current law and practice, each of which is, in principle, subject to change. The tax reliefs referred to in this Prospectus are those currently available and their value depends on the individual circumstances of investors. If you are in any doubt as to your tax position or the tax effects of an investment in the Company, you should consult your own professional adviser without delay.

***The Group may be subject to certain epidemic-related risks, such as the coronavirus (COVID-19)***

The operation, maintenance and performance of Assets in which the Company may invest, or acquire in the future, may be affected by the impact on the global economy and businesses that COVID-19 (or another pandemic or epidemic) is currently having or may have in the future. It is possible, for example, that the production and supply of equipment necessary in the construction or maintenance of renewable energy and infrastructure assets could be delayed or could only be available at an increased cost, as competition and lack of availability drives prices up. In addition, EPC, EPCM and O&M contractors or any other contractor, developer or service provider used by the Company or an SPV in connection with the operation and maintenance of an Asset could be materially adversely affected as a result of a prolonged and significant continued outbreak of COVID-19, such as through restrictions on availability of the workforce of that entity or any subcontractor employed by that entity. Furthermore, the business of counterparties (on whom the Company and SPVs relies to make payments in a timely manner) could suffer a downturn throughout a prolonged and significant outbreak of COVID-19, which may result in the counterparty being unable to satisfy its payment obligations in a timely manner or at all, or affect the Company's ability to secure new contractors for Assets undergoing expansion. The slowdown in economic activity caused by lockdowns to mitigate the spread of COVID-19 resulted in reduced electricity prices in the UK and such episodes could recur. Global capital markets are seeing significant downturns and extreme volatility as COVID-19 continues to have sustained impact on business across the world. Such volatility and downturn could have an impact on the liquidity of the Ordinary Shares. Risks relating to COVID-19 and future pandemics may become more expensive or impossible to insure against. Investors should be aware that if any of the global impacts of COVID-19 continue for a sustained period of time, and should any of the risks identified above materialise, it could have a material adverse effect on the performance of the Company's profitability, Net Asset Value and price of the Ordinary Shares.

***Investment trust status***

It is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions under sections 1158 to 1159 of the CTA 2010 and ongoing requirements under the Investment Trust (Approved Company) (Tax) Regulations 2011 for it to be approved by HMRC as an investment trust. In respect of each period for which the Company is an approved investment trust, the Company will be exempt from UK corporation tax on its chargeable gains and capital profits on loan relationships. The Company will also have access to the optional interest "streaming" regime which enables it to deduct from its taxable interest income the amount of dividend distributions to Shareholders that have been notionally designated as interest distributions. There is a risk that the Company, having received approval of its investment trust status from HMRC, fails to maintain its status as an investment trust. 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, and on interest income 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. In addition, it is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain investment trust status, as the Ordinary Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for maintaining investment trust status, will, as soon as reasonably practicable, notify Shareholders of this fact.

***The Company has not been and will not be registered as an investment company under the U.S. Investment Company Act***

The Company is not, and does not intend to become, registered as an investment company under the U.S. Investment Company Act and related rules and regulations. The U.S. Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered and does not plan to register, none of these protections or restrictions is or will be applicable to the Company. In addition, to avoid being required to register as an investment company under the U.S. Investment Company Act, the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of Ordinary Shares held by a person to whom the sale or transfer of Ordinary Shares may cause the Company to be classified as an investment company under the U.S. Investment Company Act.

***The assets of the Company could be deemed to be "plan assets" that are subject to the requirements of ERISA or section 4975 of the U.S. Tax Code, which could restrain the Company from making certain investments, and result in excise taxes and liabilities***

Under the current United States Plan Asset Regulations, if interests held by Benefit Plan Investors are deemed to be "significant" within the meaning of the Plan Asset Regulations (broadly, if Benefit Plan Investors hold 25% or greater of any class of equity interest in the Company) then the assets of the Company may be deemed to be "plan assets" within the meaning of the Plan Asset Regulations. After the Issue, the Company may be unable to monitor whether Benefit Plan Investors or any other investors acquire Ordinary Shares and therefore, there can be no assurance that Benefit Plan Investors will never acquire Ordinary Shares or that, if they do, the ownership of all Benefit Plan Investors will be below the 25% threshold discussed above or that the Company's assets will not otherwise constitute "plan assets" under the Plan Asset Regulations. If the Company's assets were deemed to constitute "plan assets" within the meaning of the Plan Asset Regulations, certain transactions that the Company might enter into in the ordinary course of business and operation might constitute non-exempt prohibited transactions under the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") or the U.S. Tax Code, resulting in excise taxes or other liabilities under ERISA or the U.S. Tax Code. In addition, any fiduciary of a Benefit Plan Investor or an employee benefit plan subject to Similar Law that is responsible for the benefit plan's investment in the Ordinary Shares could be liable for any ERISA violations or violations of such Similar Law relating to the Company.

## **IMPORTANT INFORMATION**

### **GENERAL**

No person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Ordinary Shares other than those contained in this Prospectus and any supplementary prospectus published by the Company prior to Admission and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company, the AIFM, the Investment Manager or N+1 Singer. Without prejudice to the Company's obligations under the Prospectus Regulation Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation and MAR, neither the delivery of this Prospectus nor any subscription for or purchase of Ordinary Shares pursuant to the Issue, under any circumstances, creates any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of, or subscription for Ordinary Shares. Prospective investors must rely upon their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Company and an investment in the Ordinary Shares.

This Prospectus should be read in its entirety before making any application for Ordinary Shares. All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction: (i) in which such offer or solicitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offering of Ordinary Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus is received are required to inform themselves about and to observe such restrictions.

### **FOR THE ATTENTION OF UNITED STATES RESIDENTS**

The Ordinary Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Ordinary Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. There will be no public offer of the Ordinary Shares in the United States. The Ordinary Shares are being offered or sold outside the United States to non-U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Ordinary Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Ordinary Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Ordinary Shares in the United States or to U.S. Persons may constitute a violation of U.S. law or

regulation. Any person in the United States who obtains a copy of this Prospectus is requested to disregard it.

#### **FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN CANADA, JAPAN, AUSTRALIA OR THE REPUBLIC OF SOUTH AFRICA**

The offer and sale of Ordinary Shares has not been and will not be registered under the applicable securities laws of Canada, Japan, Australia or the Republic of South Africa. Subject to certain exemptions, the Ordinary Shares may not be offered to or sold within Canada, Japan, Australia or the Republic of South Africa or to any national, resident or citizen of such territories.

#### **FOR THE ATTENTION OF PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA AND THE UNITED KINGDOM**

In relation to each member state of the European Economic Area and the United Kingdom (each a “**Relevant State**”), no Ordinary Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Relevant State, or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of Ordinary Shares to the public may be made at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a “qualified investor” as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) in such Relevant State; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication of a document pursuant to Article 3 of the Prospectus Regulation and each person who initially acquires any Ordinary Shares or to whom any offer is made under the Placing will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(e) of the Prospectus Regulation.

The expression an “offer to the public” in relation to any offer of Ordinary Shares in any Relevant State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

The Ordinary Shares will also only be offered to the extent that the Ordinary Shares: (i) are permitted to be marketed in the UK and/or into the relevant EEA jurisdiction pursuant to the AIFM Directive; or (ii) can otherwise be lawfully offered or sold (including on the basis of an unsolicited request from a professional investor). In addition to the UK, the AIFM has applied to the FCA for a marketing passport in respect of Ireland and Sweden. No action has been taken in the EEA outside of these jurisdictions.

#### **NOTICE TO PROSPECTIVE INVESTORS IN GUERNSEY**

The offer referred to in this Prospectus is available, and is and may be made, and is being provided in or from within the Bailiwick of Guernsey only:

- by persons licensed to do so (or permitted by way of exemption granted) by the Guernsey Financial Services Commission (the “**Commission**”) under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the “**POI Law**”) where the promoter has entered into a service contract with such person outside of the Bailiwick of Guernsey; or
- by non-Guernsey bodies who meet the criteria specified in section 29(1)(c) of the POI Law and provided that the promoting party: (i) carries on the promotion in or from within the Bailiwick of Guernsey in a manner in which they are permitted to carry it on in or from within, and under the law of a country or territory designated by the Commission, such as the UK; (ii) has its main place of business in that country or territory and does not carry on any restricted activity from a permanent place of business in the Bailiwick; (iii) is recognised as a

national of that country or territory by its law; and (iv) has given written notice to the Commission pursuant to a prescribed form of the date from which he intends to carry on that activity in or from within the Bailiwick of Guernsey and complied with the requirements applicable under section 3(1) of the POI Law to an applicant for a licence; or

- to persons licensed under the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000, provided that the promotion is carried out in accordance with the laws of the UK and a prescribed form of written notice has been provided to the Commission; or
- as otherwise permitted by the Commission.

The Commission takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

The offer referred to in this Prospectus and this Prospectus are not available in or from within the Bailiwick of Guernsey other than in accordance with the above paragraphs and must not be relied upon by any person unless made or received in accordance with such paragraphs.

### **NOTICE TO PROSPECTIVE INVESTORS IN JERSEY**

The offer that is the subject of this Prospectus may only be made in Jersey where the offer is valid in the United Kingdom or Guernsey and is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom or Guernsey as the case may be. Consent under the Control of Borrowing (Jersey) Order 1958 has not been obtained for the circulation of this offer and it must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company. By accepting this offer each prospective investor in Jersey represents and warrants that he or she is in possession of sufficient information to be able to make a reasonable evaluation of the offer. Subject to certain exemptions (if applicable), offers for securities in the Company may only be distributed and promoted in or from within Jersey by persons with appropriate registration under the Financial Services (Jersey) Law 1998, as amended. Neither the Company nor the activities of any functionary with regard to the Company are subject to all the provisions of the Financial Services (Jersey) Law 1998.

### **NOTICE TO PROSPECTIVE INVESTORS IN THE ISLE OF MAN**

The offer that is the subject of this Prospectus is available, and is and may be made, in or from within the Isle of Man and this Prospectus is being provided in or from within the Isle of Man only:

- by persons licensed to do so under the Isle of Man Financial Services Act 2008; or
- in accordance with any relevant exclusion contained within the Regulated Activities Order 2011 (as amended) or exemption contained in the Financial Services (Exemptions) Regulations 2011 (as amended).

The offer that is the subject of this Prospectus and this Prospectus are not available in or from within the Isle of Man other than in accordance with the above paragraphs and must not be relied upon by any person unless made or received in accordance with such paragraphs.

### **NOTICE TO PROSPECTIVE INVESTORS IN OTHER JURISDICTIONS**

The distribution of this Prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions.

### **INTERMEDIARIES**

Under the Intermediaries Offer, the Ordinary Shares are being offered to Intermediaries who will facilitate the participation of their retail investor clients (and any member of the public who wishes to become a client of that Intermediary) located in the United Kingdom, the Channel Islands and the Isle of Man. The Company consents to the use of this Prospectus in connection with any

subsequent resale or final placement of securities by the Intermediaries in the United Kingdom, the Channel Islands and the Isle of Man on the following terms: (i) in respect of the Intermediaries who have been appointed prior to the date of this Prospectus, as listed in paragraph 13 of Part 8 of this Prospectus; and (ii) in respect of the Intermediaries who are appointed after the date of this Prospectus, a list of which appears on the Company's website, from the date on which they are appointed to participate in connection with any subsequent resale or final placement of securities and, in each case, until the closing of the period for the subsequent resale or final placement of securities by the Intermediaries at 2.00 p.m. on Thursday 3 December 2020, unless closed prior to that date.

The offer period within which any subsequent resale or final placement of securities by the Intermediaries can be made and for which consent to use this Prospectus is given commences on 12 November 2020 and closes at 2.00 p.m. on Thursday 3 December 2020, unless closed prior to that date (any such prior closure to be announced via a Regulatory Information Service).

**Any Intermediary that uses this Prospectus must state on its website that it uses this Prospectus in accordance with the Company's consent and the conditions attached thereto.** Intermediaries are required to provide the terms and conditions of the Intermediaries Offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such Intermediary. **Information on the terms and conditions of any subsequent resale or final placement of securities by any financial intermediary is to be provided at the time of the offer by the financial intermediary.**

The Company consents to the use of this Prospectus and accepts responsibility for the information contained in this Prospectus with respect to subsequent resale or final placement of securities by any financial intermediary given consent to use this Prospectus.

Any new information with respect to Intermediaries unknown at the time of approval of this Prospectus will be available on the Company's website at [www.doretrust.com](http://www.doretrust.com).

Further details of the Intermediaries Offer are set out on page 109 of this Prospectus and a list of the Intermediaries authorised as at the date of this Prospectus to use this Prospectus are set out at paragraph 13 of Part 8 of this Prospectus.

## **ELIGIBILITY FOR INVESTMENT BY UCITS OR NURS**

The Company has been advised that the Ordinary Shares should be "transferable securities" and, therefore, should be eligible for investment by UCITS or NURS on the basis that: (i) the Company is a closed-ended investment company incorporated in England and Wales as a public limited company; (ii) the Ordinary Shares are to be admitted to trading on the main market of the London Stock Exchange; and (iii) the AIFM and the Investment Manager are authorised and regulated by the FCA and, as such, each is subject to the rules of the FCA in the conduct of its investment business. The manager of a UCITS or NURS should, however, satisfy itself that the Ordinary Shares are eligible for investment by that fund, including a consideration of the factors relating to that UCITS or NURS itself, specified in the rules of the FCA.

## **INFORMATION TO DISTRIBUTORS**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**Directive 2014/65/EU**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing Directive 2014/65/EU; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in Directive 2014/65/EU; and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital

protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, N+1 Singer Capital Markets will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Directive 2014/65/EU; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

## **PRIIPS REGULATION**

In accordance with the PRIIPs Regulation, the Investment Manager has prepared a key information document in respect of the Ordinary Shares (the “**KID**”). The PRIIPs Regulation requires the Investment Manager to ensure that the KID is made available to “retail investors” prior to them making an investment decision in respect of the Ordinary Shares at ([www.doretrust.com](http://www.doretrust.com)). Accordingly, if you are distributing Ordinary Shares, it is your responsibility to ensure the relevant KID is provided to any relevant clients.

The Investment Manager is the only manufacturer of the Ordinary Shares for the purposes of the PRIIPs Regulation and none of the Company, the AIFM nor N+1 Singer is a manufacturer for these purposes. None of the Company, the AIFM nor N+1 Singer makes any representation, express or implied, or accepts any responsibility whatsoever for the contents of the KID prepared by the Investment Manager nor accepts any responsibility to update the contents of the KID in accordance with the PRIIPs Regulation, to undertake any review processes in relation thereto or to provide such KID to future distributors of Ordinary Shares. Each of the Company, the AIFM, N+1 Singer and their respective affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might have in respect of the KID or any other key information documents prepared by the Investment Manager from time to time. Prospective investors should note that the procedure for calculating the risks, costs and potential returns in the KID are prescribed by laws. The figures in the KID may not reflect actual returns for the Ordinary Shares and anticipated performance returns cannot be guaranteed.

## **DATA PROTECTION**

The information that a prospective investor in the Company provides in documents in relation to a subscription for Ordinary Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual (“**personal data**”) will be held and processed by the Company (and any third party in the United Kingdom to whom it may delegate certain administrative functions in relation to the Company) in compliance with: (a) the relevant data protection legislation and regulatory requirements of the United Kingdom (the “**Data Protection Legislation**”); and (b) the Company’s privacy notice, a copy of which is available for consultation on the Company’s website at <https://www.doretrust.com/privacy-and-cookie-policy> (“**Privacy Notice**”) (and if applicable any other third party delegate’s privacy notice).

Without limitation to the foregoing, each prospective investor acknowledges that it has been informed that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) in accordance with and for the purposes set out in the Company’s Privacy Notice which include:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Company and the administering of interests in the Company; and

- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere or any third party functionary or agent appointed by the Company.

Where necessary to fulfil the purposes set out above and in the Company's Privacy Notice, the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) will:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to operate and administer the Company; and
- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors provided that suitable safeguards are in place for the protection of such personal data, details of which shall be set out in the Privacy Notice or otherwise notified from time to time.

The foregoing processing of personal data is required in order to perform the contract with the prospective investor, to comply with the legal and regulatory obligations of the Company or otherwise is necessary for the legitimate interests of the Company.

If the Company (or any third party, functionary or agent appointed by the Company, which may include, without limitation, the Registrar) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will ensure that adequate safeguards are in place for the protection of such personal data, details of which shall be set out in the Privacy Notice or otherwise notified from time to time.

Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions. Individuals have certain rights in relation to their personal data; such rights and the manner in which they can be exercised are set out in the Company's Privacy Notice.

## **PRESENTATION OF FINANCIAL INFORMATION**

The Company is newly formed and as at the date of this Prospectus has not commenced operations and has no assets or liabilities which will be material in the context of the Issue and, therefore, no financial statements have been prepared as at the date of this Prospectus. All future financial information for the Company will be prepared under IFRS.

Certain financial and statistical information contained in this Prospectus has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Prospectus reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

## **PRESENTATION OF MARKET AND OTHER DATA**

Market and economic data used throughout this Prospectus is sourced from various independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## **CURRENCY PRESENTATION**

Unless otherwise indicated, all references in this Prospectus to "£", "pence" or "GBP" are to the lawful currency of the UK and all references in this Prospectus to "Euro" or "€" are to the lawful currency of the member states of the EU which have adopted the Euro as their lawful currency.

## **REFERENCE TO CREDIT RATINGS (REGULATION (EC) NO 1060/2008)**

The credit rating agencies providing ratings to securities referred to in this Prospectus (if any) are each established in the EU and registered under Regulation (EC) No. 1060/2008 (as amended). As



such, each such credit rating agency is included in the list of credit rating agencies published by the ESMA on its website in accordance with the CRA Regulations.

## **DEFINITIONS**

Capitalised terms contained in this Prospectus shall have the meanings ascribed to them in Part 9 (Glossary of Terms) and Part 10 (Definitions) of this Prospectus, save where the context indicates otherwise.

## **EUROPEAN UNION LEGISLATION**

In this Prospectus there are references to various pieces of European Union legislation, for instance the AIFM Directive. The UK left the European Union on 31 January 2020 and is currently subject to a transitional and implementation period (“TIP”). During the TIP, EU law continues to apply to the UK as if it were still a member of the EU and references to EU legislation should be construed as references to that legislation as enacted by the EU.

If and when a European Union instrument is incorporated into the law of the United Kingdom, a reference to that European Union instrument in this Prospectus shall, except where the context requires otherwise, mean the European Union instrument as so incorporated and any enactment, statutory provision or subordinate legislation that from time to time (with or without modifications) re-enacts, replaces or consolidates it for the purposes of the law of the United Kingdom.

## **WEBSITES**

Without limitation, neither the contents of the Company’s, the AIFM’s or the Investment Manager’s website (or any other website) nor the content of any website accessible from hyperlinks on the Company’s, the AIFM’s or the Investment Manager’s website (or any other website) is incorporated into, or forms part of this Prospectus, or has been approved by the FCA. Investors should base their decision whether or not to invest in the Ordinary Shares on the contents of this Prospectus alone.

## **GOVERNING LAW**

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales.

## **FORWARD LOOKING STATEMENTS**

This Prospectus contains forward looking statements, including, without limitation, statements containing the words “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “might”, “will” or “should” or, in each case, their negative or other variations or similar expressions. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of this Prospectus. Subject to its legal and regulatory obligations (including under the Prospectus Regulation Rules), the Company expressly disclaims 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 such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation and MAR.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 8 of Part 8 of this Prospectus.

## EXPECTED TIMETABLE

Publication of this Prospectus and Placing, Offer for Subscription and Intermediaries Offer open	12 November 2020
Latest time and date for applications under the Offer for Subscription	11.00 a.m. on Thursday 3 December 2020
Latest time and date for applications from the Intermediaries in respect of the Intermediaries Offer	2.00 p.m. on Thursday 3 December 2020
Latest time and date for receipt of commitments under the Placing	4.30 p.m. on Thursday 3 December 2020
Announcement of the results of the Issue	8.00 a.m. on 4 December 2020
Admission and dealings in the Ordinary Shares commence	8.00 a.m. on 10 December 2020
Crediting of CREST stock accounts in respect of the Ordinary Shares issued pursuant to the Issue	as soon as reasonably practicable after 8.00 a.m. on 10 December 2020
Where applicable, definitive share certificates despatched in respect of the Ordinary Shares*	within 10 Business Days of Admission

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\* *Underlying applicants who apply to Intermediaries for Ordinary Shares under the Intermediaries Offer will not receive share certificates.*

*The dates and times specified are subject to change subject to agreement between the Company and N+1 Singer. All references to times in this Prospectus are to London time unless otherwise stated. Any changes to the expected timetable will be notified by the Company via a Regulatory Information Service.*

## ISSUE STATISTICS

Issue Price	100 pence per Ordinary Share
Target number of Ordinary Shares at Admission	200 million
Target Gross Proceeds*	£200 million
Net Asset Value per Ordinary Share at Admission*	98 pence

\* Assuming Gross Proceeds of £200 million which would result in estimated Net Proceeds of £196 million. The Company is targeting Gross Proceeds of up to £200 million. The Minimum Gross Proceeds are £100 million. The number of Ordinary Shares to be issued pursuant to the Issue, and therefore the Gross Proceeds and the Net Proceeds, are not known as at the date of this Prospectus but will be notified by the Company via a Regulatory Information Service prior to Admission. If the Issue does not proceed (because the Minimum Gross Proceeds (or such lesser amount as the Company and N+1 Singer agree) are not raised or otherwise), subscription monies received will be returned without interest at the risk of the applicant to the applicant from whom the money was received, within 14 calendar days. The Company has agreed with the Investment Manager that the Investment Manager will contribute to the costs of the Issue such that the Net Asset Value per Ordinary Share at Admission will be not less than 98 pence.

## DEALING CODES AND LEI

The dealing codes for the Ordinary Shares will be as follows:

ISIN	GB00BLF7PP25
SEDOL	BLF7PP2
Ticker	DORE
LEI	2138004JHBJ7RHDYDR62

## DIRECTORS, MANAGEMENT AND ADVISERS

<b>Directors (all non-executive)</b>	Hugh W M Little ( <i>Chair</i> ) Joanna de Montgros Ashley Paxton  all of the registered office below:
<b>Registered Office</b>	Beaufort House 51 New North Road Exeter EX4 4EP
<b>AIFM and Administrator</b>	Gallium Fund Solutions Limited Gallium House Unit 2 Station Court Borough Green Sevenoaks Kent TN15 8AD
<b>Investment Manager</b>	Downing LLP 6 <sup>th</sup> Floor St Magnus House 3 Lower Thames Street London EC3R 6HD
<b>Sponsor and Financial Adviser</b>	Nplus1 Singer Advisory LLP One Bartholomew Lane London EC2N 2AX
<b>Sole Bookrunner</b>	Nplus1 Singer Capital Markets Limited One Bartholomew Lane London EC2N 2AX
<b>Intermediaries Offer Adviser</b>	Solid Solutions Associates (UK) Limited 1 Forest Lane Hightown Hill Ringwood BH2 3HF
<b>Company Secretary</b>	Link Company Matters Limited Beaufort House 51 New North Road Exeter EX4 4EP
<b>Solicitors to the Company</b>	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU

**Solicitors to the Sponsor,  
Financial Adviser and Sole  
Bookrunner**

Norton Rose Fulbright LLP  
3 More London Riverside  
London  
SE1 2AQ

**Registrar**

Link Group  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

**Receiving Agent**

Link Group  
Corporate Actions  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

**Depository**

Gallium P E Depository Limited  
Gallium House  
Unit 2  
Station Court  
Borough Green  
Sevenoaks  
Kent  
TN15 8AD

**Reporting Accountants**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

**Auditor**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

# PART 1

## INFORMATION ON THE COMPANY

### 1. INTRODUCTION

Downing Renewables & Infrastructure Trust plc 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 CTA 2010.

The Company is targeting an issue of up to 200 million Ordinary Shares pursuant to the Issue comprising the Placing, the Offer for Subscription and the Intermediaries Offer to invest in accordance with the Company's investment objective and policy.

The Company has an independent board of non-executive directors and has engaged Gallium Fund Solutions Limited as the Company's alternative investment fund manager to provide portfolio and risk management services to the Company. The AIFM has delegated the provision of portfolio management services to Downing LLP.

The Company has secured up to £30 million of cornerstone investment in respect of the Issue, with Downing Managed Funds (which are managed by the Downing Group on a discretionary basis) committing to invest up to £20 million and existing Downing clients committing to invest a further £10 million.

Applications will be made to the FCA and to the London Stock Exchange for all of the Ordinary Shares (issued and to be issued pursuant to the Issue) to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. It is expected that Admission will become effective, and that dealings in the Ordinary Shares will commence, at 8.00 a.m. on 10 December 2020.

### 2. 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.

### 3. 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, hydro-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 change 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.

## **4. INVESTMENT OPPORTUNITY**

The Directors believe that an investment in the Company offers the following characteristics:

### ***Demonstrable Track Record of the Investment Manager***

- the Investment Manager has managed 116 investments into solar parks, wind farms and hydroelectric plants since 2010 and these investments have delivered an unlevered weighted average gross IRR of 9.0% as at 30 June 2020;
- of the 116 investments referred to above, 55 have been realised at an unlevered weighted average gross exit IRR of 9.2%; and
- of the 55 exits referred to above, 48 were projects that were funded at or before the construction phase.

Further detail and information in relation to the track record of the Investment Manager is set out in paragraph 3 of Part 5 of this Prospectus.



### ***Strength of the Investment Manager's Team***

- the Investment Manager was founded in 1986, and, as at 30 June 2020, had approximately £1.1 billion of funds under management;
- the Investment Manager has around 160 staff and partners. The team of 27 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's in-house asset management team consists of data analysis, technical, commercial, energy markets and finance and accounting specialists. As at the date of this Prospectus, they provide services to 66 investments in the renewable energy and infrastructure sector, comprising more than 7,000 individual installations across five different technologies;
- the Company will utilise the expertise and scale of the Investment Manager to originate transactions and actively manage Assets to reduce risks and improve returns; and
- the Investment Manager recognises that environmental, social and governance ("**ESG**") issues represent risks and opportunities that are becoming an increasingly material factor when making investment decisions. By taking a long-term, sustainable approach in analysis, decision-making and active asset management, the Investment Manager strives to take such issues into account when mitigating risks and maximising opportunities, whilst endeavouring to facilitate wider societal and environmental benefits. As a signatory to the Principles for Responsible Investment ("**PRI**"), the Investment Manager incorporates ESG principles throughout its investment process, from pre-deal screening through to active asset management. For further details see paragraph 3 of Part 5 of this Prospectus.

### ***Differentiated strategy***

The Company will target an attractive and sustainable level of income returns, with an element of capital growth, from a portfolio of investments diversified by Technology, geography, Project Stage and revenue type:

- the Investment Manager believes that diversification by Technology reduces dependency on a given renewable energy resource and reduces seasonal variability of revenues;
- the Investment Manager believes that diversification by geography further increases consistency and stability of revenues because:
  - different renewable energy resources and thus Technologies, are more readily accessible in different geographies;
  - the nature and intensity of the same renewable energy resources can differ between geographies; and
  - differing geographies can diversify regulatory and policy risk;
- diversification by Project Stage allows the Company to target higher NAV growth by investing in higher returning assets that are in construction or are construction-ready; and
- the Investment Manager believes that, by pursuing the above strategy, the Company will be able to target a diversified set of revenue streams across its portfolio of Assets. In particular, the Investment Manager believes that investment into Other Infrastructure Assets will reduce the Company's exposure to merchant power prices.

### ***Seed Assets***

The Company benefits from an option to acquire a portfolio of c.96 MWp of operational solar PV projects located in the UK for £41.4 million ("**Seed Assets**"). The Seed Assets have an average operating track record of around six years and have generated revenue of £12.5 million and EBITDA of £9.9 million in the year to 31 March 2020. They comprise:

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

Further detail and information in relation to the Seed Assets is set out in Part 3 of this Prospectus.

### ***Pipeline***

The Company's investment strategy is designed to maximise its access to investment opportunities and so the scale of the deployment opportunity is significant. The Investment Manager has identified a significant pipeline of Assets with a value in excess of £1.5 billion, of which assets with a total equity value of approximately £70 million are under exclusivity to the Investment Manager. Subject to the successful launch of the Company, the Investment Manager intends to allocate the Pipeline Assets numbered 2 and 3 in the table set out in Figure 26 of Part 4 of this Prospectus to the Company. The other Pipeline Assets showing in Figure 26 will be allocated in accordance with the Allocation Policy.

Further details and information in relation to the pipeline are set out in paragraph 1 of Part 4 of this Prospectus.

### ***Green Economy Mark***

The Company is expected to qualify for the London Stock Exchange's Green Economy Mark at Admission, which recognises companies that derive 50% or more of their total annual revenues from products and services that contribute to the global green economy. The underlying methodology incorporates the Green Revenues data model developed by FTSE Russell, which helps investors understand the global industrial transition to a green and low carbon economy with consistent, transparent data and indexes.

## **5. DIVIDEND POLICY AND TARGET RETURNS**

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 and paid in June, September, December and March respectively. The first interim dividend is expected to be declared in respect of the period from Admission to 30 June 2021 and paid in September 2021.

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. Prospective investors should note that the UK tax treatment of the Company's distributions may vary for a shareholder in the Company depending on the classification of such distributions. **Prospective investors who are unsure about the tax treatment which will apply to them in respect of any distributions made by the Company should consult their own tax advisers.**

The Company will target 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. Thereafter, the Company intends to adopt a progressive dividend policy.

The Company is targeting a NAV total return of 6.5% to 7.5% per annum over the medium to long-term.

**The dividend and return 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 Company's actual returns will depend upon a number of factors, including but not limited to the size of the Issue, currency exchange rates, the Company's net income and level of ongoing charges. Accordingly, potential investors should not place any reliance on these targets in deciding whether or not to invest in the Company and should decide for themselves whether or not the target dividend and target NAV total return are reasonable or achievable.**

**Investors should note that references in this paragraph 5 to "dividends" and "distributions" are intended to cover both dividend income and income which is designated as an interest distribution for UK tax purposes and therefore subject to the interest streaming regime applicable to investment trusts.**

In accordance with regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011, the Company will not (except to the extent permitted by those regulations) retain more than 15% of its income (as calculated for UK tax purposes) in respect of an accounting period.

In order to increase the distributable reserves available to facilitate the payment of future dividends, the Company has resolved that, conditional upon Admission and the approval of the Court, the amount standing to the credit of the share premium account of the Company immediately following completion of the Issue be cancelled and transferred to a special distributable reserve. The Company may, at the discretion of the Board, pay all or part of any future dividends out of this special distributable reserve, taking into account the Company's investment objective.

## **6. TREASURY POLICY**

The Company is permitted to invest cash held for working capital purposes and awaiting investment in accordance with the following provisions.

The Investment Manager is responsible for managing cash not yet invested by the Company or otherwise applied in respect of the Company's operating expenses, with the aim of preserving the capital value. Subject to the Company providing the AIFM and the Investment Manager reasonable notice when it requires the liquidation and/or transfer of a part of the entrusted assets in order to pursue the Company's investment policy, the Company has given the Investment Manager full discretionary authority to invest in various types of financial instruments including cash deposits, term deposits, depositary bonds, fixed rate depositary bonds, treasuries and government securities as well as money market collective investment schemes and other money market instruments.

The safekeeping of the Company's assets will be carried out by the Depositary.

The Company may enter into hedging transactions for the purposes of efficient portfolio management. In particular, the Company may enter into currency, inflation, interest rates, electricity price and commodity price hedging transactions or otherwise seek to mitigate the risk of currency movements, fluctuations in inflation, interest rate increases and electricity and commodity price fluctuations through the use of forward contracts, options, swaps or other forms of derivative instruments.

It is intended that all hedging policies of the Company be reviewed by the Board and the AIFM on a regular basis to ensure that the risks associated with the Company's investments are being appropriately managed. Any transactions carried out will only be undertaken for the purpose of efficient portfolio management and will not be carried out for speculative reasons.

## **7. NET ASSET VALUE**

The Company's Net Asset Value is the value of all assets of the Company less its liabilities (including provisions for such liabilities) calculated in accordance with the Company's valuation methodology. The Net Asset Value per Ordinary Share is the Net Asset Value divided by the number of Ordinary Shares in issue at the relevant time (excluding any Ordinary Shares held in treasury).

An unaudited Net Asset Value and Net Asset Value per Ordinary Share will be calculated in Sterling on a quarterly basis as at 31 December, 31 March, 30 June and 30 September each year, pursuant to the valuation methodology described below, by the AIFM based on information provided by the Investment Manager in respect of Asset valuations.

The Net Asset Value and the Net Asset Value per Ordinary Share will be provided to Shareholders through a Regulatory Information Service and will also be published on the Company's website as soon as practicable thereafter. The first valuation will be conducted as at 31 March 2021.

### ***Valuation Methodology***

The AIFM will undertake valuations of the Assets acquired by the Company as at the end of each calendar quarter. The Board may also ask for additional external valuations to be carried out from time to time at its discretion.

The AIFM will calculate the Net Asset Value and the Net Asset Value per Ordinary Share based on information provided by the Investment Manager as at the end of each quarter and submit the same to the Board for its approval.

All calculations will be at fair value. The valuation principles used to calculate the fair value of Assets will follow International Private Equity and Venture Capital Valuation Guidelines (last edition December 2018). Fair value for operational Assets will typically be derived from a discounted cash

flow (“DCF”) methodology and the results will be benchmarked against appropriate multiples and key performance indicators, where available for the relevant sector/industry. For Assets that are not yet operational at the time of valuation, the price of recent investment may be used as an appropriate estimate of fair value initially, but it is likely that a DCF will provide a better estimate of fair value as the asset moves closer to operation.

In a DCF analysis, the fair market value of the Asset will represent the present value of the Asset’s expected future cash flows, based on appropriate assumptions for revenues and costs and suitable cost of capital assumptions. The Investment Manager will use its judgement in arriving at appropriate discount rates. This will be based on the market knowledge of the Investment Manager, taking into account market intelligence gained from bidding activities, discussions with financial advisers, consultants, accountants and lawyers and publicly available information.

A range of sources will be reviewed in determining the underlying assumptions used in calculating the fair market valuation of each Asset, including but not limited to:

- macroeconomic projections adopted by the market as disclosed in publicly available resources;
- macroeconomic forecasts provided by expert third party economic advisers;
- discount rates publicly disclosed by the Company’s peers;
- discount rates applicable to comparable infrastructure asset classes, which may be procured from public sources or independent third party expert advisers;
- discount rates publicly disclosed for comparable market transactions of similar assets; and
- capital asset pricing model outputs and implied risk premia over relevant risk free rates.

Where available, assumptions will be based on observable market and technical data. For other assumptions, the AIFM and the Investment Manager may engage independent technical experts such as electricity price consultants to provide long-term forecasts for use in its valuations.

The Board will review the operating and financial assumptions, including the discount rates, used in the valuation of the Company’s underlying portfolio and approve them taking into account the recommendations of the Investment Manager.

Any value expressed otherwise than in Sterling (the functional reporting currency of the Company) (whether of an investment or cash) will be converted into Sterling at the rate (whether official or otherwise) which the Directors deem appropriate in the circumstances.

### ***Suspension of the calculation of the Net Asset Value***

The calculation of the Net Asset Value (and Net Asset Value per Ordinary Share) will only be suspended in circumstances where the underlying data necessary to value the investments of the Group cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a systems failure of the AIFM) which prevents the AIFM from making such calculations. Details of any suspension in making such calculations will be announced through an RIS as soon as practicable after any such suspension occurs.

## **8. ANNUAL AND INTERIM REPORTS AND SHAREHOLDER MEETINGS**

The audited financial statements of the Company will be prepared in Sterling under IFRS. The Company’s annual report and financial statements will be prepared up to 31 December each year, with the first accounting period of the Company ending on 31 December 2021. It is expected that copies of the annual report and financial statements will be published by the end of April each year and copies sent to Shareholders. The Company will also publish an unaudited interim report covering the six months to 30 June each year, which is expected to be published within the following three months. The first financial report and accounts that the Company will publish will be the interim report for the period ending on 30 June 2021 (covering the period from incorporation of the Company).

The annual report and financial statements and unaudited interim report once published will be available on the Company’s website ([www.doretrust.com](http://www.doretrust.com)), on or around the date that hard copies are despatched to Shareholder and publication of such documents will be notified to Shareholders by means of an announcement on a Regulatory Information Service.

The Company will hold its first annual general meeting by 7 April 2022 and will hold an annual general meeting each year thereafter. Other general meetings may be convened from time to time by the Directors by sending notices to Shareholders.

## **9. SHARE CAPITAL MANAGEMENT**

The Board intends to seek to limit, as far as practicable, the extent to which the market price of the Ordinary Shares diverges from the Net Asset Value per Ordinary Share.

### ***Premium management***

The Directors have authority to issue such number of Ordinary Shares and/or C Shares in aggregate as is equal to 20% of the number of Ordinary Shares in issue immediately following Admission, in the period from Admission until the first annual general meeting of the Company. Shareholders' pre-emption rights over this unissued share capital have been disapplied so that the Directors will not be obliged to offer any new Ordinary Shares or C Shares to Shareholders on a *pro rata* basis. This ensures that the Company retains full flexibility, following Admission, to issue new Ordinary Shares and/or C Shares to investors. No Ordinary Shares will be issued at a price less than the Net Asset Value per Ordinary Share at the time of their issue. C Shares (if any) issued pursuant to this authority will be issued at 100 pence per C Share.

Investors should note that the issuance of new Ordinary Shares and/or C Shares is entirely at the discretion of the Board, and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of new Ordinary Shares and/or C Shares that may be issued.

### ***Discount Management***

#### ***Repurchase of Ordinary Shares***

The Directors will consider repurchasing Ordinary Shares in the market if they believe it to be in Shareholders' interests and as a means of correcting any imbalance between the supply of and demand for the Ordinary Shares.

A special resolution has been passed granting the Directors authority to repurchase up to 14.99% of the Company's issued Ordinary Share capital immediately following Admission during the period expiring on the conclusion of the earlier of the Company's first annual general meeting and 25 April 2022. Renewal of this buy-back authority will be sought at each annual general meeting of the Company or more frequently if required. Ordinary Shares purchased by the Company may be held in treasury or cancelled.

The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of (i) 5% above the average of the mid-market quotations for the five Business Days before the purchase is made, and (ii) the higher of (a) the price of the last independent trade and (b) the highest current independent bid for Ordinary Shares on the London Stock Exchange at the time the purchase is carried out. In addition, the Company will only make such repurchases through the market at prices (after allowing for costs) below the relevant prevailing published Net Asset Value per Ordinary Share under the guidelines established from time to time by the Board.

Shareholders should note that the purchase of Ordinary Shares by the Company is at the absolute discretion of the Directors, will only be made in accordance with the Articles and is subject to the working capital requirements of the Company and the amount of cash available to the Company to fund such purchases. Accordingly, no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

#### ***Treasury Shares***

The Companies Act allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. These shares may be subsequently cancelled or (subject to there being in force a resolution to disapply the rights of pre-emption that would otherwise apply) sold for cash. This would give the Company the ability to reissue Ordinary Shares quickly and cost effectively, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base.

No Ordinary Shares will be sold from treasury at a price less than the Net Asset Value per Ordinary Share at the time of sale unless they are first offered *pro rata* to existing Shareholders.

## ***Life of the Company***

In accordance with the Articles, the Directors are required to propose an ordinary resolution at a general meeting to be held in December 2025 that the Company continues its business as presently constituted (the “**Initial Continuation Resolution**”). In addition, the Articles provide that the Directors propose an ordinary resolution that the Company continue its business as presently constituted at the annual general meeting to be held in 2031 and at each fifth annual general meeting thereafter (a “**Continuation Resolution**”).

If the Initial Continuation Resolution or any Continuation Resolution is not passed, the Directors will put forward proposals for the reconstruction or reorganisation of the Company to Shareholders for their approval as soon as reasonably practicable following the date on which the Initial Continuation Resolution or any Continuation Resolution (as the case may be) is not passed. These proposals may or may not involve winding up the Company and, accordingly, failure to pass the Initial Continuation Resolution or any Continuation Resolution will not necessarily result in the winding up of the Company.

## **10. THE TAKEOVER CODE**

The Takeover Code applies to the Company.

Given the existence of the proposed buyback powers described in the paragraphs above, there are certain considerations that Shareholders should be aware of with regard to the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires shares which, taken together with shares already held by him or shares held or acquired by persons acting in concert with him, carry 30% or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, when any person or persons acting in concert already hold more than 30% but not more than 50% of the voting rights of such company, a general offer will normally be required if any further shares increasing that person's percentage of voting rights are acquired.

Under Rule 37 of the Takeover Code when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code. A shareholder who is neither a director nor acting in concert with a director will not normally incur an obligation to make an offer under Rule 9 of the Takeover Code in these circumstances.

However, under note 2 to Rule 37 of the Takeover Code, where a shareholder has acquired shares at a time when he had reason to believe that a purchase by the company of its own voting shares would take place, then an obligation to make a mandatory bid under Rule 9 of the Takeover Code may arise.

The proposed buyback powers could have implications under Rule 9 of the Takeover Code for Shareholders with significant shareholdings. Prior to the Board implementing any share buyback the Board will seek to identify any Shareholders who they are aware may be deemed to be acting in concert under note 1 of Rule 37 of the Takeover Code and will seek an appropriate waiver in accordance with note 2 of Rule 37. However, neither the Company, nor any of the Directors, nor the Investment Manager will incur any liability to any Shareholder(s) if they fail to identify the possibility of a mandatory offer arising or, if having identified such a possibility, they fail to notify the relevant Shareholder(s) or if the relevant Shareholder(s) fail(s) to take appropriate action.

## **11. THE ISSUE**

The target size of the Issue is up to £200 million (before expenses).

The total number of Ordinary Shares to be issued pursuant to the Issue, and therefore the Gross Proceeds, are not known as at the date of this Prospectus but will be notified by the Company via a Regulatory Information Service announcement prior to Admission.

N+1 Singer Capital Markets has agreed to use its reasonable endeavours to procure subscribers pursuant to the Placing and the Investment Manager has agreed to use its reasonable endeavours to market the Placing and introduce potential investors in respect of the Placing, each on the terms and subject to the conditions set out in the Placing Agreement and this Prospectus.

The Company has agreed to make an offer of Ordinary Shares pursuant to the Offer for Subscription at the Issue Price, subject to the terms and conditions of the Offer for Subscription set out in this Prospectus. These terms and conditions should be read carefully before an application is made. Investors should consult their independent financial adviser if they are in any doubt about the contents of this Prospectus or the acquisition of Ordinary Shares.

Investors may also subscribe for Ordinary Shares pursuant to the Intermediaries Offer, as described in paragraph 2 of Part 6 of this Prospectus.

Further details about the Issue are set out in Part 6 of this Prospectus.

## **12. C SHARES**

If there is sufficient demand at any time in the future, the Company may seek to raise further funds through the issue of C Shares. The rights conferred on the holders of C Shares or other classes of shares issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of the issue of the relevant shares) be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

The Articles contain the C Share rights, full details of which are set out in paragraph 4 of Part 8 of this Prospectus.

C Shares will be available for issue by the Company (subject to Admission) if the Directors consider it appropriate to avoid the dilutive effect that the proceeds of an issue might otherwise have on the existing assets of the Company.

## **13. TAXATION**

Potential investors are referred to Part 7 of this Prospectus for details of the taxation of the Company and Shareholders in the UK. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own professional advisers immediately.

## **14. DISCLOSURE OBLIGATIONS**

The provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules (as amended from time to time) (“DTR 5”) of the Financial Conduct Authority Handbook apply to the Company on the basis that the Company is a “UK issuer”, as such term is defined in DTR 5.

As such, a person is required to notify the Company of the percentage of voting rights it holds as a holder of Ordinary Shares or holds or is deemed to hold through the direct or indirect holding of financial instruments falling within DTR 5 if, as a result of an acquisition or disposal of Ordinary Shares (or financial instruments), the percentage of voting rights reaches, exceeds or falls below the relevant percentage thresholds being, in the case of a UK issuer, 3% and each 1% threshold thereafter up to 100%.

## **15. RISK FACTORS**

The Company’s performance is dependent on many factors and potential investors should read the whole of this Prospectus and in particular the section entitled “Risk Factors” on pages 13 to 33 of this Prospectus.

## **16. DISTRIBUTION TO RETAIL INVESTORS AND MiFID II**

The Company intends to conduct its affairs so that its Ordinary Shares can be recommended by financial advisers to retail investors in accordance with the FCA’s rules in relation to non-mainstream pooled investment products. The Company’s Ordinary Shares are expected to be excluded from the FCA’s restrictions which apply to non-mainstream pooled investment products because they are shares in an investment trust.

The Company intends to conduct its affairs so that its Ordinary Shares can be recommended by financial advisers to retail investors in accordance with the rules on the distribution of financial instruments under The Markets in Financial Instruments Directive II (“MiFID II”). The Directors consider that the requirements of Article 57 of the MiFID II delegated regulation of 25 April 2016

will be met in relation to the Company's Ordinary Shares and that, accordingly, the Ordinary Shares should be considered "non-complex" for the purposes of MiFID II.



## PART 2

### MARKET BACKGROUND

#### 1. MARKET BACKGROUND

##### *Overview of the opportunity*

The International Energy Agency (“IEA”) forecasts that, despite the global pandemic affecting deployment of new renewable electricity supply across the world in 2020, new capacity in 2021 will rebound and match 2019’s record, including an additional 31.9GW expected to be installed in Europe<sup>1</sup>.

Prior to the COVID-19 pandemic, the IEA’s 2019 forecast anticipated a 50% increase in global renewable electricity supply in the five years to 2024, predominantly led by solar PV (60% of overall growth), followed by onshore wind and hydropower.

Despite near-term uncertainty, the fundamental drivers behind such growth remain:

- broad political support for renewable energy deployment, with increasing awareness of the need to transition to ‘net zero’ emission economies as quickly as possible;
- the electrification (in particular of heat and transport networks) as key to achieving such net zero targets. The International Renewable Energy Agency’s (“IRENA”) Roadmap to 2050<sup>2</sup> sees electrification of energy use reaching 50% by 2050 (from 20% in 2019); and
- significant growth in renewable energy and its associated infrastructure is therefore critical to meeting the required emission reductions across an expanding electricity generation sector.

In 2020, the UN Environment Programme<sup>3</sup> issued a report which analyses all current public and private sector commitments through to 2030 which total around \$1 trillion to deliver 826 GW of new renewable energy capacity (excluding hydropower). It noted that this is significantly below the level needed to meet global emissions targets under the 2016 Paris Agreement’s 2°C scenario, and is also considerably less than the prior decade’s achievement of 1,200GW of new capacity for \$2.7 trillion. Bloomberg New Energy Finance forecasts a requirement of 12TW of new capacity at an investment size of \$13.3 trillion through to 2050, three quarters of which is in renewables.

##### ***Common revenue streams for renewable energy generators***

A number of sources of revenues are available to renewable energy generators depending on various factors, including the type of technology used, the project location, and its commissioning date. The composition of these revenue streams is shown for the illustrative portfolio in paragraph 2 of Part 4 of this Prospectus.

Power Purchase Agreements (“PPAs”) are contracts between an electricity generator and a buyer to sell electricity produced by the generator for a given period of time. Pricing can be variable, typically determined by reference to an index, or can be fixed for a given period, or a combination of the two. They often incorporate the sale of green certificates (see below).

The following revenue sources are of most significance in appraising renewable energy generators:

##### *Wholesale electricity*

Electricity cannot (currently) be easily stored at scale, therefore demand must be quickly balanced against supply through the wholesale markets, which enable trade of electricity between suppliers, generators, traders and customers. A generator selling power on a wholesale market receives the available market price at the time, which will fluctuate. Wholesale electricity revenues are therefore not guaranteed until the point of trade, unless a generator enters into a forward-looking fixed price arrangement.

##### *Fixed price arrangements*

There are a variety of different fixed price arrangements. A PPA could be for a fixed price for its entire term, with such price either remaining constant or increasing with inflation over the relevant

<sup>1</sup> IEA (2020), Renewable energy market update, IEA, Paris

<sup>2</sup> IRENA (2019), Global energy transformation: A roadmap to 2050 (2019 edition), International Renewable Energy Agency, Abu Dhabi

<sup>3</sup> UNEP (2020), Global Trends in Renewable Energy Investment 2020, Frankfurt/Nairobi

period. Certain PPAs have the ability to progressively fix pricing for a defined number of periods ahead. It is possible to enter into longer fixed price arrangements on a bilateral basis with commercial counterparties, which can extend to 10 years or longer.

#### *Floor price arrangements*

PPA providers may offer a floor price arrangement, which sets a minimum price for wholesale electricity below which the generator will receive the floor price rather than the lower wholesale electricity price. Floor prices can thus provide a level of certainty over the minimum price achieved per unit of electricity sold into the wholesale market.

#### *Onsite consumption*

Renewable energy projects are often installed at or near the location of their final electricity consumption, thereby avoiding the transmission system and distribution network. This is common in the rooftop solar sector where panels are typically installed on the roof of a building and some or all of the energy is consumed by the occupier.

#### *Subsidy-backed*

There are various subsidy support schemes used by governments to encourage the deployment of renewable energy generation. The principal mechanisms are described below along with several specific country examples:

##### *Green/renewable electricity certificates*

Some countries require electricity retailers (utilities) to source a certain quantity from eligible renewable energy generators. Retailers must evidence this by presenting certificates to regulators (often called renewable energy or green certificates), which show how much renewable energy was produced/consumed. The sale of these certificates can be an important revenue stream for renewable energy generators, as they are bought and traded by retailers to meet their quota.

In the UK, a PPA often incorporates the sale of Renewables Obligation Certificates (“**ROCs**”), which verify that suppliers have fulfilled their Renewables Obligation (“**RO**”). ROCs are issued to renewable generating stations based on generated renewable electricity and can be traded; if a supplier cannot meet its annual RO, it must otherwise pay a fixed penalty into the “buy-out fund”. After administration costs, the surplus in the buy-out fund goes back to suppliers that met their RO according to their ROCs submitted.

The Northern Ireland Renewables Obligation (“**NIRO**”) follows the same RO system as Great Britain, offering up to four Northern Ireland ROCs (“**NIROCS**”) per MWh for small-scale onshore wind (less than or equal to 250kWp). Both the RO and the NIRO schemes closed to new generators in March 2017.

Since 2012, Norway and Sweden have supported the buildout of renewables by participating in their own electricity certificate scheme (“**Elcerts**” or “**Elcertificates**”) which provide generators with a revenue stream of up to 15 years from commissioning of the relevant asset to supplement their income from electricity generation. The Elcerts market is supported by obligatory purchasing by utilities to meet their clean energy supply quota to customers. Whilst similar to ROCs, the price of Elcerts fluctuates as it does not have a ‘headroom’ mechanism to ensure demand exceeds supply, nor a fixed penalty to set prices. In 2016 Norway announced its exit from the Elcerts framework for projects commissioned after 2020, whilst Sweden has proposed a 2021 end date with qualifying projects receiving Elcerts up until 2035.

##### *Auction schemes and contracts for difference (“**CFD**”)*

In the UK, government-backed CFDs incentivise investment in renewable energy by providing electricity generators, who have high upfront costs and long asset lifetimes, with direct protection from downward wholesale price movements.

Typically, eligible electricity generators enter a public auction to bid a ‘strike price’ for CFD contracts, which are then awarded to the lowest strike prices. In contrast to a PPA which sells physical power from the electricity generator, a CFD is a financial instrument. Successful CFD bidders (electricity generators) are paid the difference between the strike price and a ‘reference price’ (a measure of the average market price for electricity in the given market) for the electricity they produce over a fixed term, for example 15 years in the case of the UK CFD regime.

If the reference price is below the strike price, the generator receives a top-up payment. Conversely, if the reference price is above the strike price, the generator pays the difference. The net result is that the generator receives a fixed price over the term of the CFD.

A corporate-backed CFD is similar to a government-backed CFD, except the contract counterparty is a (typically creditworthy) corporate entity.

#### *Feed-in tariffs or premiums*

Feed-in Tariffs (“**FiTs**”) are government subsidies paid to renewable generators for the amount of renewable electricity generated, regardless of the wholesale price, whilst Feed-in Premiums (“**FiPs**”) make a top-up payment over and above the wholesale price. Originally set up to promote renewable energy installation, FIT / FiP rates have gradually regressed or the schemes closed entirely across many countries, as technology costs have continued to fall.

#### *Embedded benefits*

‘Embedded benefits’ is a broad term that categorises various revenue streams available to embedded generators for the reduction or avoidance of certain supply costs, due to such generators being located on the distribution network, rather than the national transmission system. Such distribution connection saves suppliers certain costs, which can be shared with the generators. In the UK, additional value can be obtained from, for example, Generation Distribution Use of System (“**GDUoS**”) credits, whereby generators negate the need for certain distribution network upgrades.

In the UK the combination of benefits available to embedded generators has provided an increasingly significant revenue stream, through a combination of rising distribution network upgrade costs being spread across a reducing demand base to which they can be charged back, as overall energy consumption has fallen. As such, the regulator has sought to align such benefits with their real financial value to the network and balancing arrangements.

For example, Ofgem’s Targeted Charging Review in the UK impacts those embedded benefits, primarily ‘triad’ payments for generating at points of peak annual demand. This has resulted in a significant revenue reduction depending on the generator’s location (in some locations having reduced to £nil) under the new ‘Embedded Export Tariffs’.

In the Nordic region and continental Europe there is generally no specific concept of embedded benefits, i.e. no charges or benefits for being a distribution-connected generator.

#### *Regulated revenue*

Other Infrastructure could include privatised utilities which are regulated to ensure owners do not achieve “super normal” profits from their natural monopoly position as, for example, the local electricity supply company. The regulatory asset base model (“**RAB**”) is used in many countries. This provides a cap on the price that customers can be charged, ensuring sufficient profits to cover operations and maintenance of the assets, and a reasonable return on capital. Contractual efficiency incentives are typically included to encourage gains in production and operations.

The nature of such regulated revenues means that, subject to reasonable performance of the owner, there is a predictable level of return, which reduces the risk on investment for capital intensive projects.

#### ***Potential impact of Covid-19 on renewable electricity generator revenues***

In 2020 the global coronavirus pandemic has significantly reduced global economic activity, causing very significant reductions in near-term demand for electricity. For acquisitions of projects going forward a “best estimate” of the effect of the pandemic has been factored into power price forecasts produced by market consultants that the Company uses. However, it remains unclear what the effect will be on wholesale electricity prices and therefore how accurate these forecasts are, given the various possible national trajectories out of the pandemic and any possible resurgence of the virus in the future.

Electricity demand in Europe has shown some recovery, from 10% below 2019 levels at June 2020 to 5% lower by July 2020 across all EU countries except Italy. Due to its low marginal operating cost and priority grid access, demand for renewable electricity actually increased during the same period.

## Technology

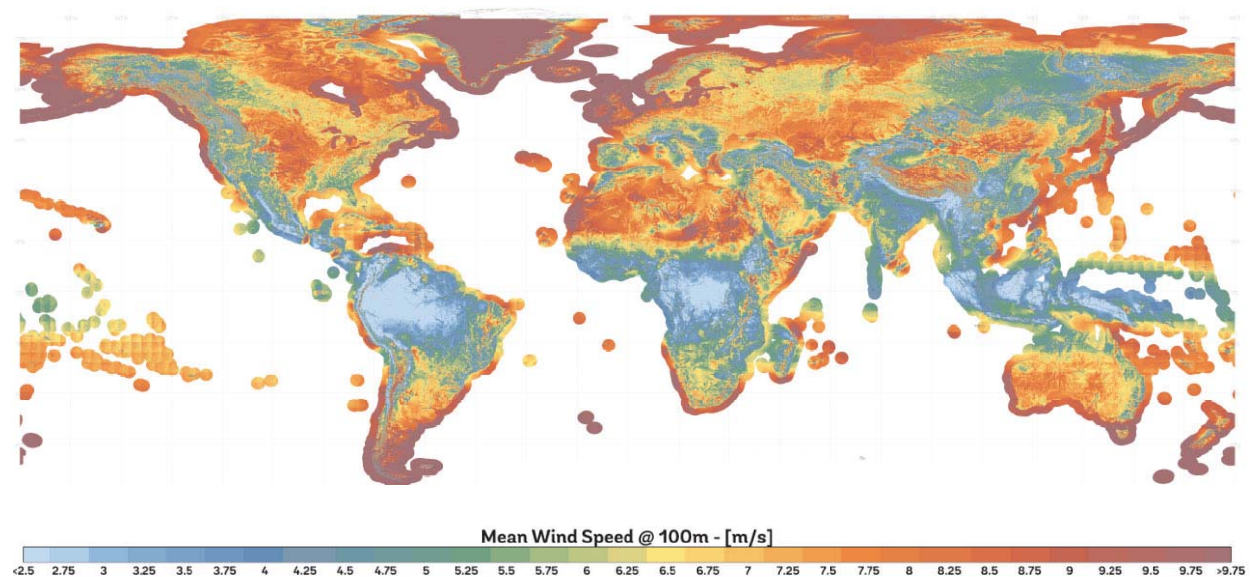
### Wind

Windfarms generate electricity by using the kinetic energy of the wind. Moving air over the surface of a wind turbine's blades creates aerodynamic lift, spinning the blades. Typically, a generator within the nacelle of the turbine converts this rotational energy into electrical energy.

Wind energy generation is by its nature intermittent and variable, both from month-to-month and on an annual basis. Wind turbine performance is influenced by several factors, the three main ones affecting output being wind speed, air density and blade radius, with the amount of energy captured being a function of the area swept by the blades and the capacity of the generator.

The figure below shows the global distribution of mean wind speed; higher speeds are generally concentrated at greater degrees of latitude (with some exceptions).

Figure 1: Global mean wind speed, based on data sampled from the period 1998 – 2017



Source: map obtained from the Global Wind Atlas 3.0, a free, web-based application developed, owned and operated by the Technical University of Denmark (DTU). The Global Wind Atlas 3.0 is released in partnership with the World Bank Group, utilizing data provided by Vortex, using funding provided by the Energy Sector Management Assistance Program (ESMAP). For additional information: <https://globalwindatlas.info>

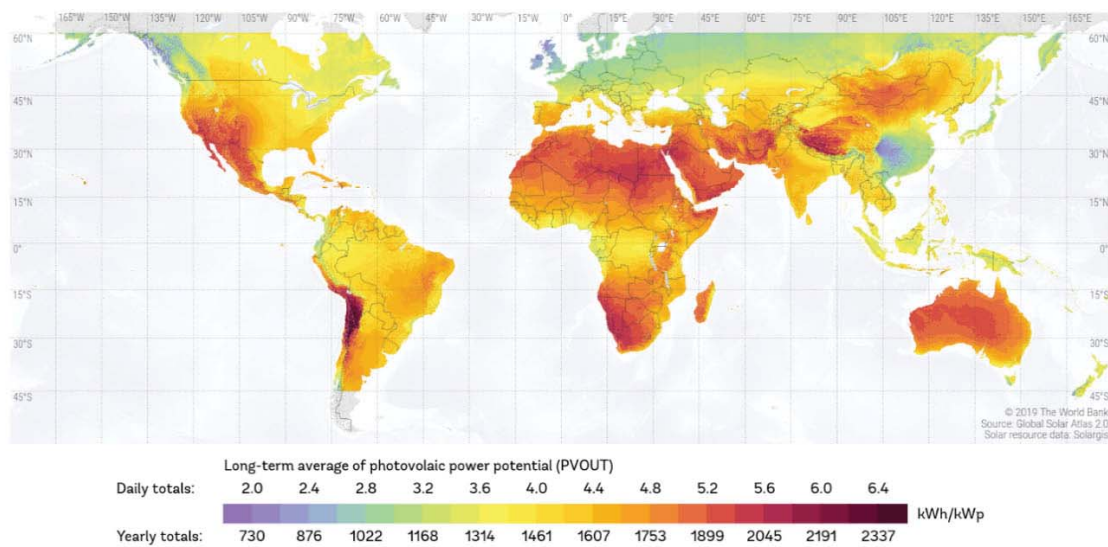
### Solar

Solar power harnesses energy from the sun in the form of light and heat. The two main forms of solar technology are:

- Solar photovoltaics (“**PV**”) is the dominant form of solar electricity generation which uses an electronic process occurring in semiconductor materials to convert energy from sunlight (irradiation) into electricity. Typical solar PV panels are a collection of cells, with a solar farm being the aggregated set of solar panels (a “**solar farm**”); or
- Concentrated Solar Power (“**CSP**”); in certain countries where there is sufficiently high solar radiation, CSP plants use mirrors to focus energy from the sun either directly onto solar PV cells, or into a central tower where steam is heated to drive turbines and create electricity.

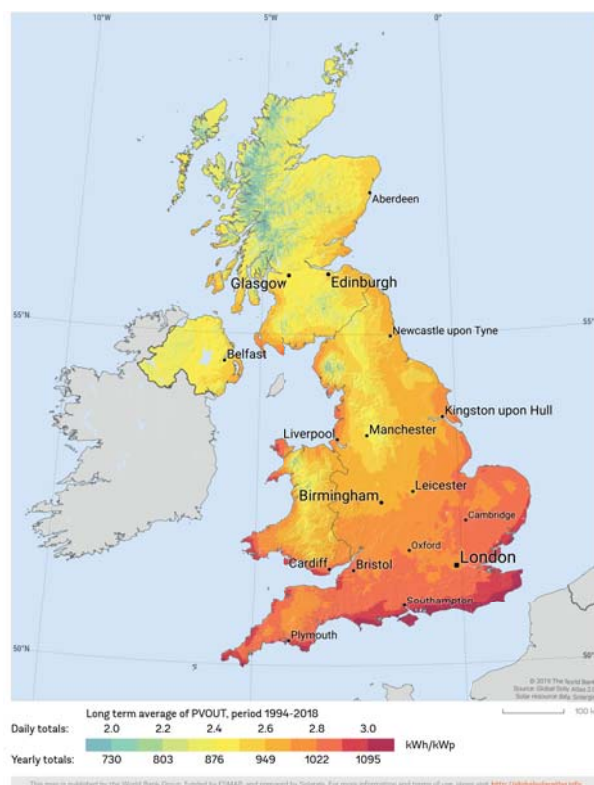
Global solar PV power output potential is shown in Figure 2 below. This generally correlates with global horizontal irradiation, although it should be noted that within countries such PV potential can also vary relatively significantly by latitude, as illustrated in the map of UK solar PV power potential in Figure 3 below.

Figure 2: Global solar PV power potential, based on long-term average data (PVOUT), period 1994/1999/2007 (depending on geographical region) to 2018



Source: map obtained from the "Global Solar Atlas 2.0", a free, web-based application is developed and operated by the company Solargis s.r.o. on behalf of the World Bank Group, utilizing Solargis data, with funding provided by the Energy Sector Management Assistance Program (ESMAP). For additional information: <https://globalsolaratlas.info>

Figure 3: UK solar PV power potential, based on long-term average data (PVOUT), period 1994 – 2018



Source: map obtained from the "Global Solar Atlas 2.0", a free, web-based application is developed and operated by the company Solargis s.r.o. on behalf of the World Bank Group, utilizing Solargis data, with funding provided by the Energy Sector Management Assistance Program (ESMAP). For additional information: <https://globalsolaratlas.info>

Ground-mounted solar PV installations can range from small-scale through to systems of several hundreds of megawatts in capacity, depending on available land and grid connection. Solar PV can also be mounted on a residential or commercial structure's rooftop, providing the household or commercial unit with direct access to the electricity generated, often with the ability to export any excess generation into the local grid network.

Solar PV output is predictable in terms of its alignment with sunrise and sunset. Even on cloudy days, panels will generate electricity, albeit at a lower output than during clearer weather. Technology costs of manufacturing PV panels have reduced significantly since first use during the 1980s, such that they now compete with more traditional methods of electricity generation in many countries.

Solar farms generate revenue through the sale of electricity, exported through a grid connection to the local network (as a registered electricity generator), or via a private connection direct to the end-consumer ('on-site' or 'behind-the-meter' generation) who pays the solar farm for the electricity generated or consumed whilst potentially saving on network charges and levies, which can be shared with the generator.

#### *Hydropower*

Hydropower is typically a key energy source where there is a significant supply of moving freshwater, such as in the Nordics. In Sweden for example, hydroelectric power plants have been generating for over a century. Water passes directly through the turbines creating electricity. Run-of-river hydroelectricity plants are subject to seasonal flows, and therefore operate intermittently, with modern plants operating automatically to maximise resource.

Other types of hydropower plants use reservoirs and dams to control the supply of water, enabling generation to be balanced across a grid network, whilst factoring in weather fluctuations and rainfall. Hydropower can deliver up to 24/7 electricity output when installed in rivers or waterways. Regulating electricity production in this way to meet demand levels can be done more easily than with other technologies, such as nuclear power which has a long lead time to change output.

#### *Geothermal*

Geothermal provides a renewable, continuous and sustainable energy source. Sub-surface heat within rocks and fluids in the earth's crust is accessed via deep wells, dug into underground reservoirs, to access steam and hot water, which is used to drive turbines connected to electricity generators. The use of this steam to directly drive a turbine is known as 'dry steam', whereas flash geothermal plants turn high-pressure hot water into low-pressure water. 'Binary' plants pass the hot water through a secondary liquid with a lower boiling point to create vapour to drive a turbine.

The technology is used in over 20 countries with its application being limited to those where tectonic plates in the earth's crust meet: in Iceland for example it comprises c.25% of total energy generation.

#### *Other Infrastructure*

Examples of Other Infrastructure Assets that the Company may target include:

##### *Local/regional utilities*

Utilities may be local to a municipality or region of a country and hold concessions to operate in certain local areas or regions. Examples include companies that transport or distribute electricity, water, gas or data. Often these companies are reimbursed through regulated charges that cover their running costs and can provide attractive returns on operational capital.

##### *District heating*

District heating, otherwise known as a heat network, uses insulated pipes to move heat from a central source to domestic or other buildings. The source may be dedicated to the particular heat network such as: a combined heat and power plant or a geothermal facility; it may use recovered heat from industry or urban infrastructure; or energy from waste power plants. As such, it is generally viewed as a key focus for countries seeking to reduce carbon emissions, as well as lower heating costs for domestic and commercial consumers, being more cost-effective due to their overall energy efficiency.

##### *Repowering/life extension of electricity generating Assets*

As older electricity generating Assets reach the end of their useful lives and are decommissioned, some or all of the existing equipment can often be replaced by newer equipment which is more efficient ("repowering"). Alternatively, where the restriction to the life of an electricity generating Asset is due to planning permissions and/or land leases, it may make commercial sense to extend

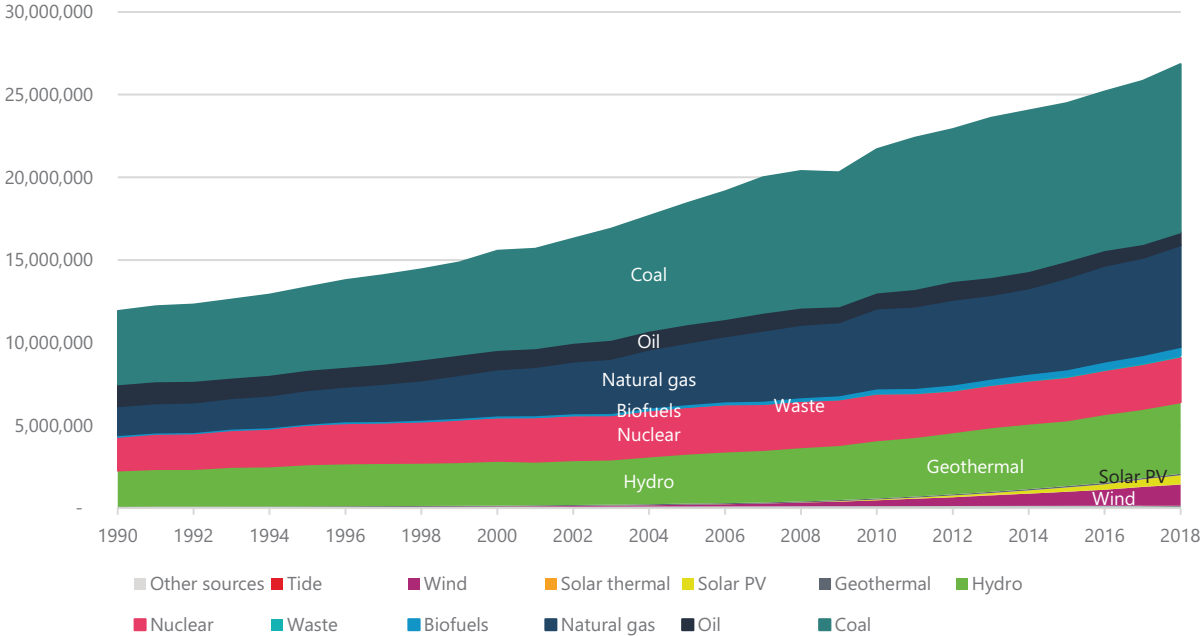
these and continue to use the existing equipment for the remainder of its useful life (“**life extension**”).

Repowering/life extensions can often enhance overall returns, and repowering may increase profitability due to increased efficiency. They can both require upfront costs for technical feasibility studies and due diligence, as well as any capital expenditure, for example, to upgrade or maintain turbines for an extended period.

**Geography**

*Global energy market – overview*

Figure 4: Electricity generation by source (GWh), World 1990-2018



Source: IEA Data and statistics, Electricity Information 2020, [https://www.iea.org/data-and-statistics?country=WORLD&fuel=Energy supply&indicator=ElecGenByFuel](https://www.iea.org/data-and-statistics?country=WORLD&fuel=Energy%20supply&indicator=ElecGenByFuel). All rights reserved. The following note applies to figures 4 to 15: Other sources includes generation from chemical heat and other sources. Hydro includes generation from pumped-hydro power stations. Coal also includes peat and oil shale where relevant.

Historic reliance on fossil fuels shows that the energy sector requires deep decarbonisation to meet the targets of the 2016 Paris Agreement, which seeks to keep global temperature rise above pre-industrial levels to “well below” 2°C by the end of the 21<sup>st</sup> century, and “pursue efforts” to limit the increase to 1.5°C.

To meet the 1.5°C target, the Intergovernmental Panel on Climate Change identified the need to reach ‘net zero’ carbon emissions globally around 2050. This requires, amongst other measures, decarbonisation of electricity generation using renewable energy and other low carbon sources (such as nuclear power) and the electrification of energy end-uses, for example for heating and transportation.

Governments and corporations have to date committed around \$1 trillion to deliver 826 GW of new renewable energy (excluding hydropower) by 2030. The UN Environment Programme notes such commitments are insufficient to meet even the 2°C limit, with renewables needing to supply at least 65% of primary global energy by 2050, from around 15% in 2017. The IRENA’s Roadmap to 2050 sees electrification of energy use reaching 50% by 2050 (from 20% in 2019).

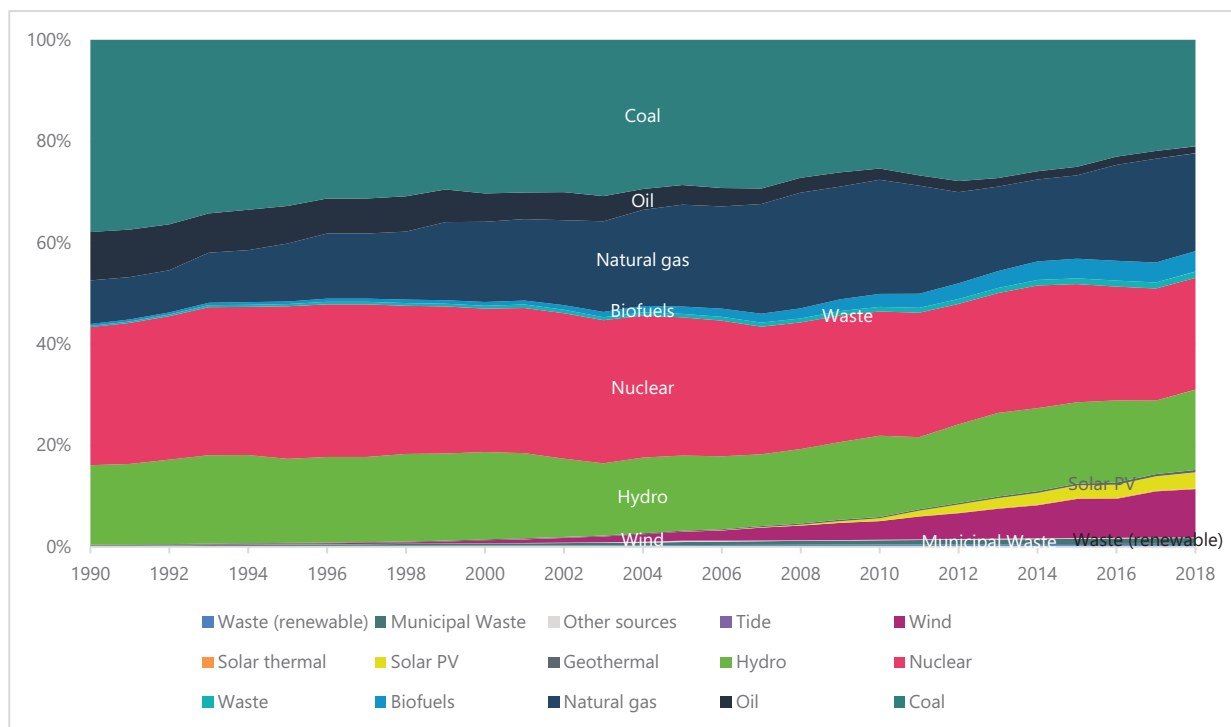
To meet the 2°C scenario, Bloomberg New Energy Finance forecasts a requirement of 12TW of new generation capacity at a cost of around \$13.3 trillion through to 2050, 77% of which needs to be allocated to renewable energy.

At the corporate level, over 260 leading companies around the world have made a commitment to go ‘100% renewable’ as part of the ‘RE100’ initiative.

### European energy market – overview

Similar to the global economy, European total electricity supply is heavily reliant on fossil fuels, but as a consequence of reliance on a higher proportion of nuclear power, less coal power is used for baseload generation (see Figure 5 below).

Figure 5: Electricity generation by source, Europe 1990-2018 (% of total)



Source: IEA Data and statistics, Electricity Information 2020, <https://www.iea.org/data-and-statistics?country=WEOEUR&fuel=Energy supply&indicator=ElecGenByFuel>. All rights reserved.

To decarbonise, the 2019 European Green Deal sets out a package of measures including the 2050 target for Europe to become the first climate-neutral continent. To meet this transition, the European Commission’s (“EC”) 2009 Renewable Energy Directive requires each member state to set national targets consistent with the EU’s overall target, which for 2020 was 20% of gross final energy consumption to derive from renewable sources for all energy uses (including electricity, heat and transport).

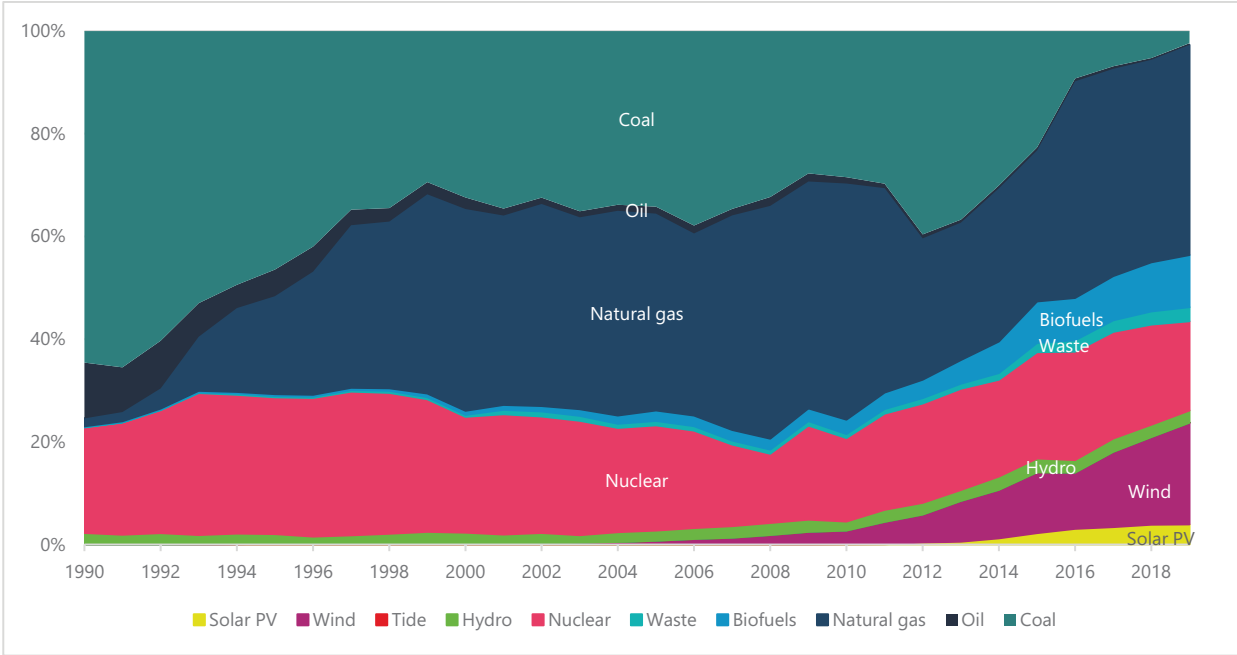
In 2018 the directive extended this target to at least 32% of energy from renewables by 2030, which has since been significantly increased to 55%. Each member state has produced 10-year draft National Energy & Climate Plans, and in some cases set national renewable energy capacity targets. The EC is reviewing these plans, with a view to new ambitions and policies to be proposed in 2021; each member state can adopt these as they see fit to meet the EU target.

### UK – country overview

The UK government has announced its intention to bring forward the full phase-out of coal power to 2024; historical reliance has been gradually replaced by natural gas over the past few decades, alongside a significant expansion in wind, solar, biofuels and energy from waste since 2008. Today, approximately 60% of generation is low-carbon, comprising around 40% renewables and 20% nuclear:



Figure 6: Electricity generation by source, United Kingdom 1990-2019 (% of total)



Source: IEA Data and statistics, Electricity Information 2020, <https://www.iea.org/data-and-statistics?country=UK&fuel=Energy supply&indicator=ElecGenByFuel>. All rights reserved.

In 2019 the government amended the 2008 Climate Change Act to set a legally binding target to bring 100% of greenhouse gas emissions to net-zero by 2050. Its independent Committee on Climate Change (“CCC”) emphasised the significant changes required to the economy and major infrastructure to meet this target, including extensive electrification of heat and transport and increased use of clean energy.

The CCC has also noted that the UK is currently not on track to meet its previous target of an 80% emissions reduction by 2050 and that acceleration is needed.

Recent announcements supporting renewable energy deployment include the planned reintroduction of ‘Pot 1’ technologies including onshore wind and solar PV as eligible to enter the 2021 CFD auctions, which have previously been reserved for “less established” ‘Pot 2’ technologies, e.g. offshore wind and tidal stream. As a result, the UK has advanced to sixth in EY’s recent Renewable Energy Country Attractiveness Index<sup>4</sup>.

Despite reductions in electricity demand since 2005 due to energy efficiency and declining industrial output, the EY publication (referred to above) stated that overall demand will grow by up to 70% over the next 30 years with the electrification of transport (electric vehicle uptake) and decarbonisation of residential heating, requiring almost a doubling in generation capacity over the same period.

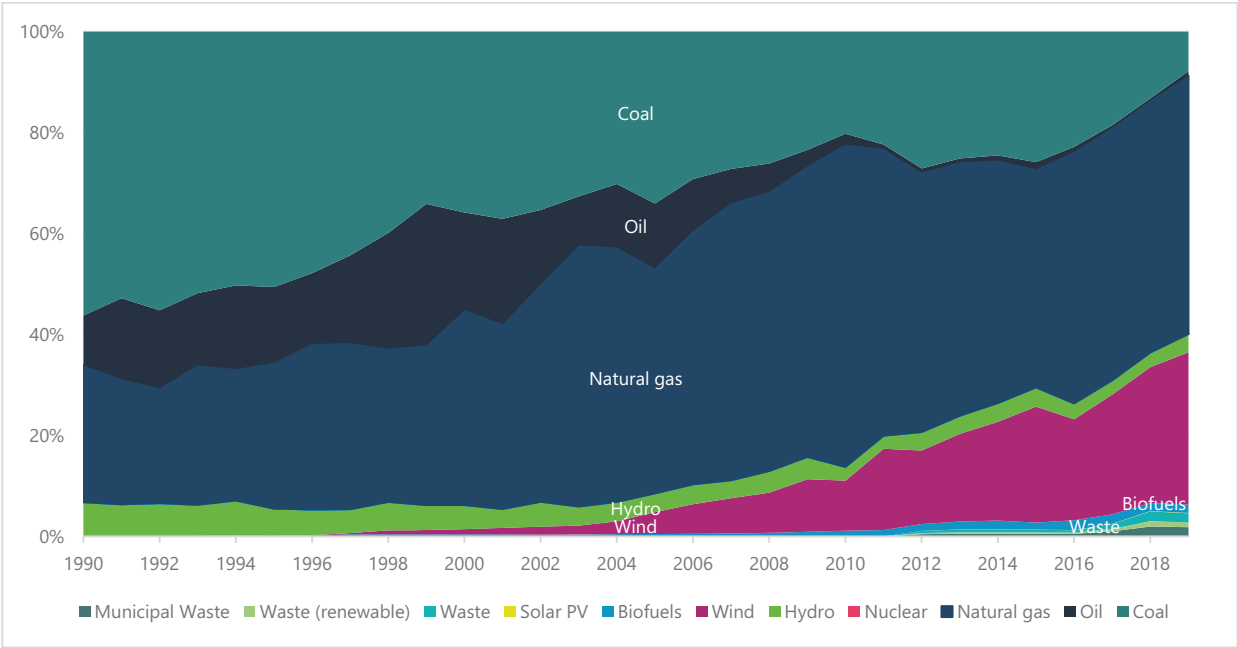
In September 2020 the developers of two planned nuclear power plants at Wylfa Newydd in South Wales and Oldbury in South Gloucestershire, announced their withdrawal, citing months of suspension in government discussions and the impact of COVID-19. It is currently unclear what impact this could have on the UK’s “net-zero” 2050 target, as such projects would have provided significant zero carbon generation capacity. Additional renewable energy capacity could assist with the shortfall.

*Ireland – country overview*

In Ireland the majority of electricity production is from natural gas, followed by wind and a diminishing proportion of coal-fired generation (see Figure 7 below).

<sup>4</sup> EY (2020), May 2020, 55<sup>th</sup> edition Renewable Energy Country Attractiveness Index, UK. Available at: [https://assets.ey.com/content/dam/ey-sites/ey-com/en\\_gl/topics/power-and-utilities/power-and-utilities-pdf/ey-renewable-energy-country-attractiveness-index-v1.pdf](https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/power-and-utilities/power-and-utilities-pdf/ey-renewable-energy-country-attractiveness-index-v1.pdf)

Figure 7: Electricity generation by source, Ireland 1990-2019 (% of total)



Source: IEA Data and statistics, Electricity Information 2020, <https://www.iea.org/data-and-statistics?country=IRELAND&fuel=Energy supply&indicator=ElecGenByFuel>. All rights reserved.

In contributing to the EU’s 2030 target, Ireland submitted an updated 2019 National Energy and Climate Plan which commits to reducing greenhouse gas emissions from 2021 to 2030 by a 7% annual average. Ireland has one of the highest concentrations of wind power globally, with 31% of electricity demand in 2019 met through wind power, exceeded only by Denmark (at 47%). Historically Ireland has supported deployment through its Renewable Energy Feed in Tariff, which guaranteed the export price for 15 years from project commissioning (subject to it not extending beyond 2027). The Irish government has replaced this with its Renewable Energy Support Scheme which allows for competitive auctions to procure renewable energy capacity; provisional results from the first auction published in August 2020 awarded nearly 1.3GW across the eligible technologies onshore wind and solar.

*Nordic region – overview*

The Nordic countries Norway, Sweden, Finland and Denmark have integrated electricity grids, with balancing conducted collectively by the respective transmission system operators (“TSOs”). Between the four nations there is a common market for wholesale power, with Iceland operating a separate retail market.

The Nordic TSOs and Litgrid (Lithuanian TSO) jointly retain 34% ownership of Nord Pool, which provides trading services for both day ahead and intraday markets across nine European countries, including the Nordics (although excluding Iceland).

Across the Nordics there is a higher penetration of existing renewable energy and other low carbon generation than the rest of the EU, with over half of electricity production from hydropower and the other main sources being nuclear and wind. Electricity consumption and share of total energy use is also higher than the rest of the EU due to a high concentration of energy-intensive industries and significant reliance on residential heating in the Nordic climate.

*Support for renewables and forecast growth*

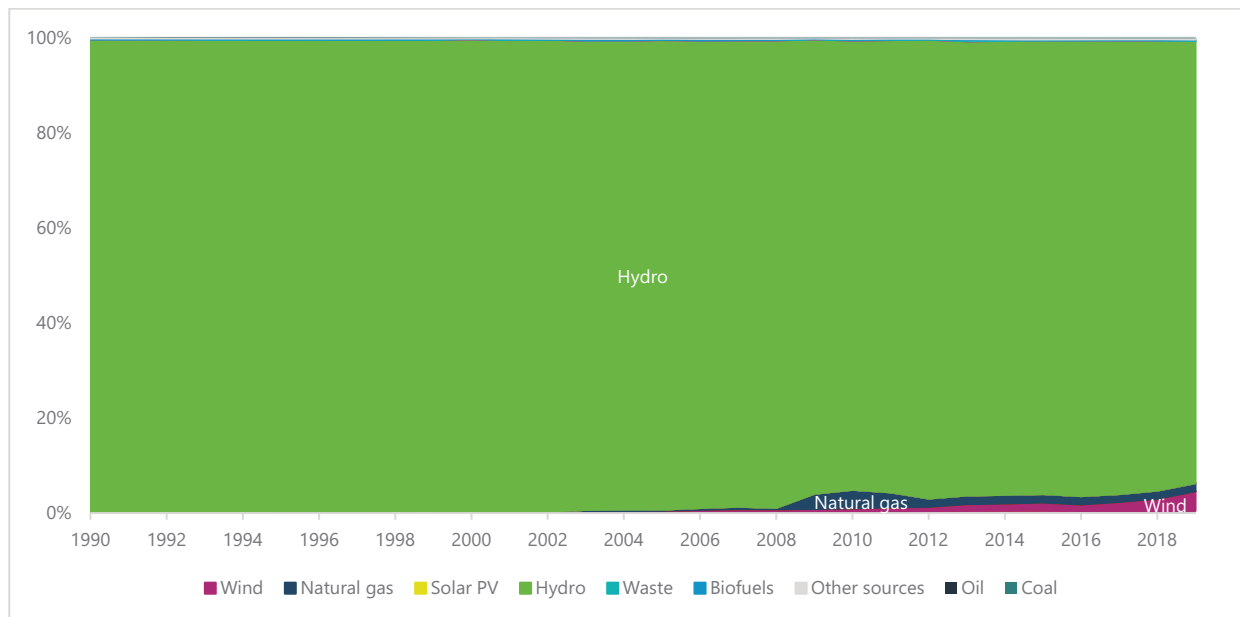
Wind and biomass technologies have recently displaced coal and gas, resulting in CO<sub>2</sub> emissions from energy generation reducing by a third over the past decade. Significant further decarbonisation is required however to meet the 2050 carbon-neutrality target for the Nordic energy system, in particular in relation to emissions from industry, transport and buildings, requiring the electrification of transport and heat, amongst other energy system improvements and efficiencies. The Nordic Energy Research platform forecasts a five-fold increase in wind generation required by 2050 if the region is to meet its target of a near carbon neutral energy system by that date.

### Norway – country overview

The majority of Norway's electricity supply is sourced from hydropower, at around 96% of total generation capacity. In 2016, Norway's inland waters contributed 144TWh of clean energy, powering 31GW of hydropower plants. Then, the average age of Norway's hydropower and dam infrastructure was around 46 years, meaning significant upgrade works and refurbishments will be required over the coming years. With 430 licenses potentially up for revision by 2022 environmental standards may tighten, further supporting the investment case for upgrade and extension projects.

Norway is currently a net electricity exporter, however this is highly dependent on water inflow and wind resource; integration with other Nordic markets helps ensure security of supply and mitigates against these environmental factors.

Figure 8: Electricity generation by source, Norway 1990-2019 (% of total)



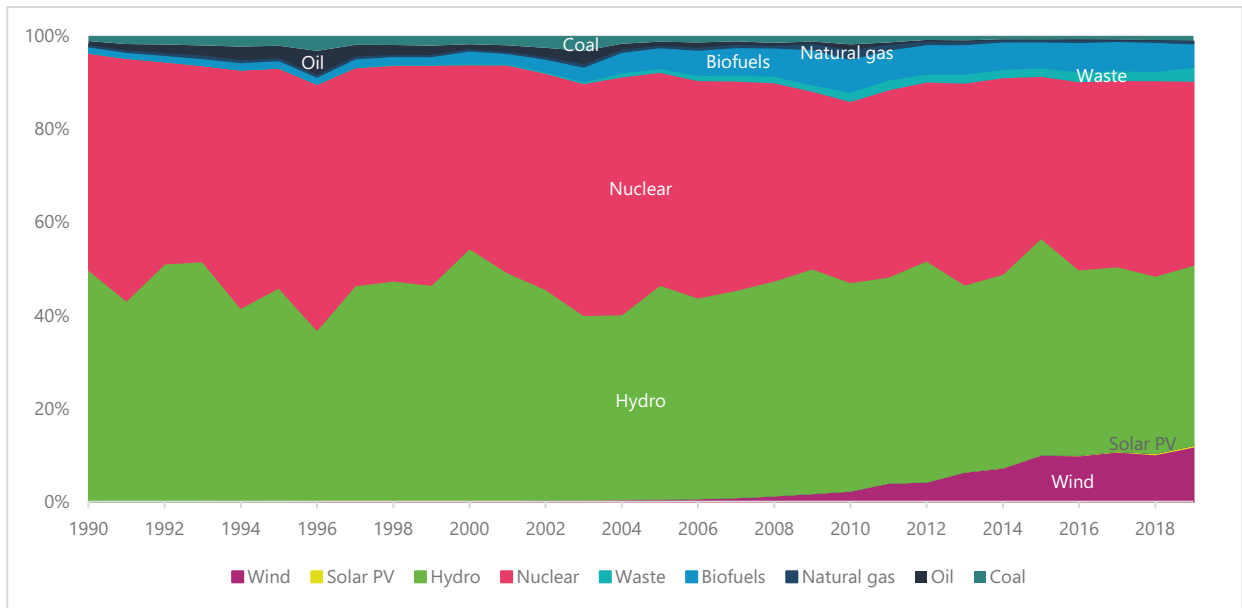
Source: IEA Data and statistics, Electricity Information 2020, <https://www.iea.org/data-and-statistics?country=NORWAY&fuel=Energy supply&indicator=ElecGenByFuel>. All rights reserved.

Norway is seeking to become carbon-neutral by 2050, or 2030 if other countries make emission cuts. Given its natural dominance, hydropower is expected to continue to be the majority source of power for electricity and heating. Meeting the national target now requires a focus on other areas, such as low-carbon transport. Around 7GW of onshore wind is currently under development, with another 4.5GW of offshore wind planned.

### Sweden – country overview

Sweden sources a significant proportion of electricity from nuclear and hydropower, with wind, biofuels and thermal making up the balance. The country is a net electricity exporter as local generation exceeds demand, with most exported electricity flowing to Finland.

Figure 9: Electricity generation by source, Sweden 1990-2019 (% of total)



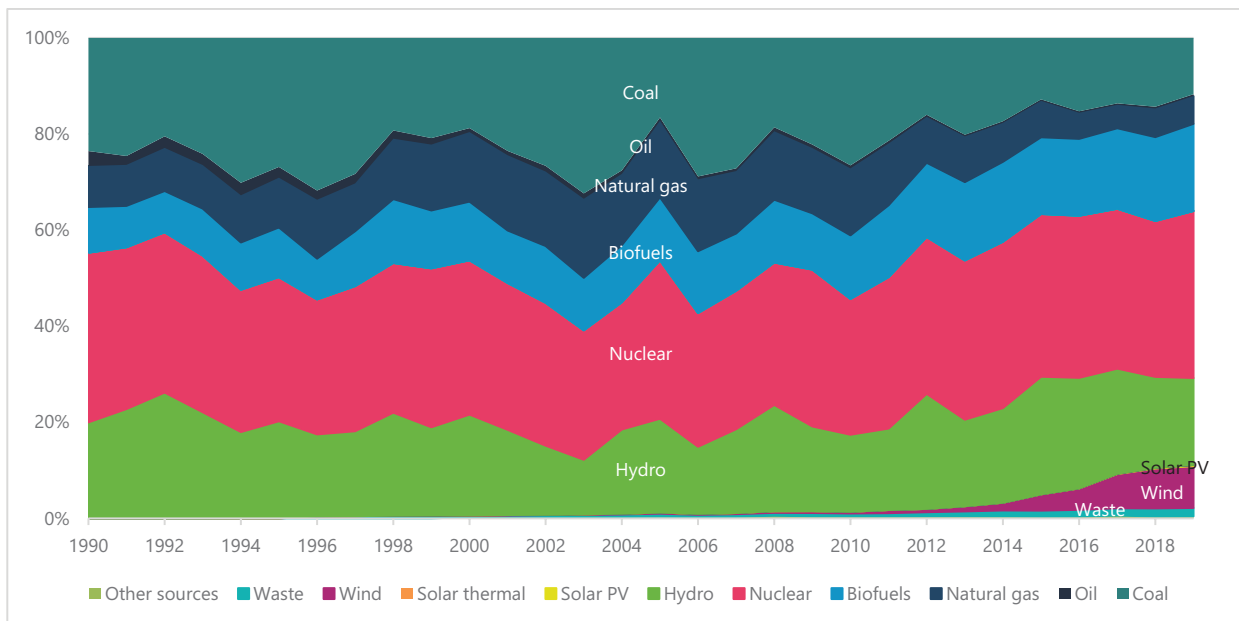
Source: IEA Data and statistics, Electricity Information 2020, <https://www.iea.org/data-and-statistics?country=SWEDEN&fuel=Energy supply&indicator=ElecGenByFuel>. All rights reserved.

Approximately 58% of electricity production in Sweden is renewable, primarily due to biomass CHP and hydropower production; including nuclear power, 96% of production is low carbon. Sweden is targeting 100% of electricity from renewable sources by 2040. To help meet this national target onshore wind generation is forecast to increase threefold whilst nuclear capacity will decrease in the short term with the decommissioning of two nuclear reactors in southern Sweden.

#### Finland – country overview

Finland's electricity production comprises primarily nuclear, hydropower, biofuels and thermal (coal and natural gas). Due to a higher proportion of thermal generation relative to its neighbours, Finland has historically imported cheaper power from Sweden, as well as Estonia, Russia and Norway.

Figure 10: Electricity generation by source, Finland 1990-2019 (% of total)



Source: IEA Data and statistics, Electricity Information 2020, <https://www.iea.org/data-and-statistics?country=FINLAND&fuel=Energy supply&indicator=ElecGenByFuel>. All rights reserved.

With a reasonable abundance of available hydro and forestry resources, Finland has achieved 30% of renewables in its electricity supply to date. The government of Finland also submitted a bill in 2018 to ban the use of coal, with a draft deadline of 2029 that may be brought forward. Two new nuclear reactors will replace at least a part of the outgoing coal capacity, although the first is now unlikely to commission in 2020, as previously anticipated.

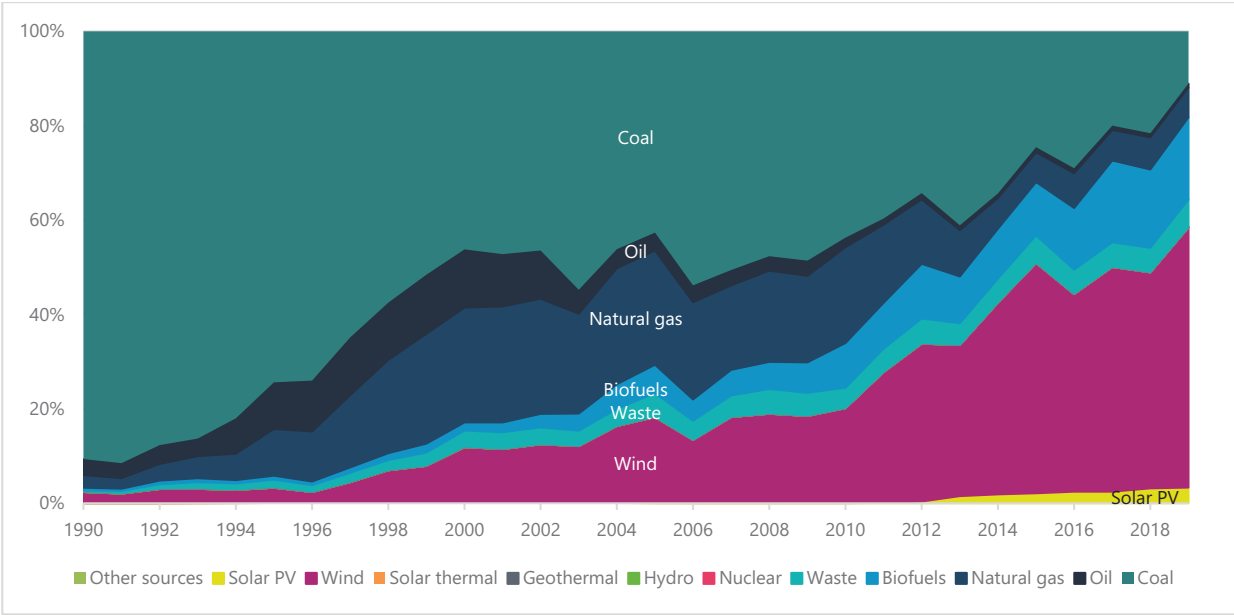
In 2018 Finland’s Energy Authority announced tenders for new renewables capacity through pay-as-bid, technology-neutral auctions, with generators awarded up to 12-year support contracts. Its first auction results in 2019 secured 1.4TWh of additional capacity, with all bids being for onshore wind projects despite being open to most technologies including solar, biomass, biogas and tidal.

Finland’s 2030 target is 51% of final energy consumption from renewables, supporting the EU’s 32% overall target. To meet this, alongside a small increase in its already significant bioenergy production, Finland’s *Integrated Energy and Climate Plan* aims to more than double wind power consumption from 8 to 18 TWh, along with a five-fold increase in solar PV. Hydropower is expected to remain broadly consistent with today, whilst nuclear is also expected to continue to play a key role.

**Denmark – country overview**

Denmark’s energy supply comprises mainly fossil fuels, however its electricity generation mix is predominantly wind with the highest proportionate share in the world. Ørsted, the largest Danish independent power producer, plans to phase out coal across its generation by 2023, to be replaced with sustainable biomass.

Figure 11: Electricity generation by source, Denmark 1990-2019 (% of total)



Source: IEA Data and statistics, Electricity Information 2020, <https://www.iea.org/data-and-statistics?country=DENMARK&fuel=Energy supply&indicator=ElecGenByFuel>. All rights reserved.

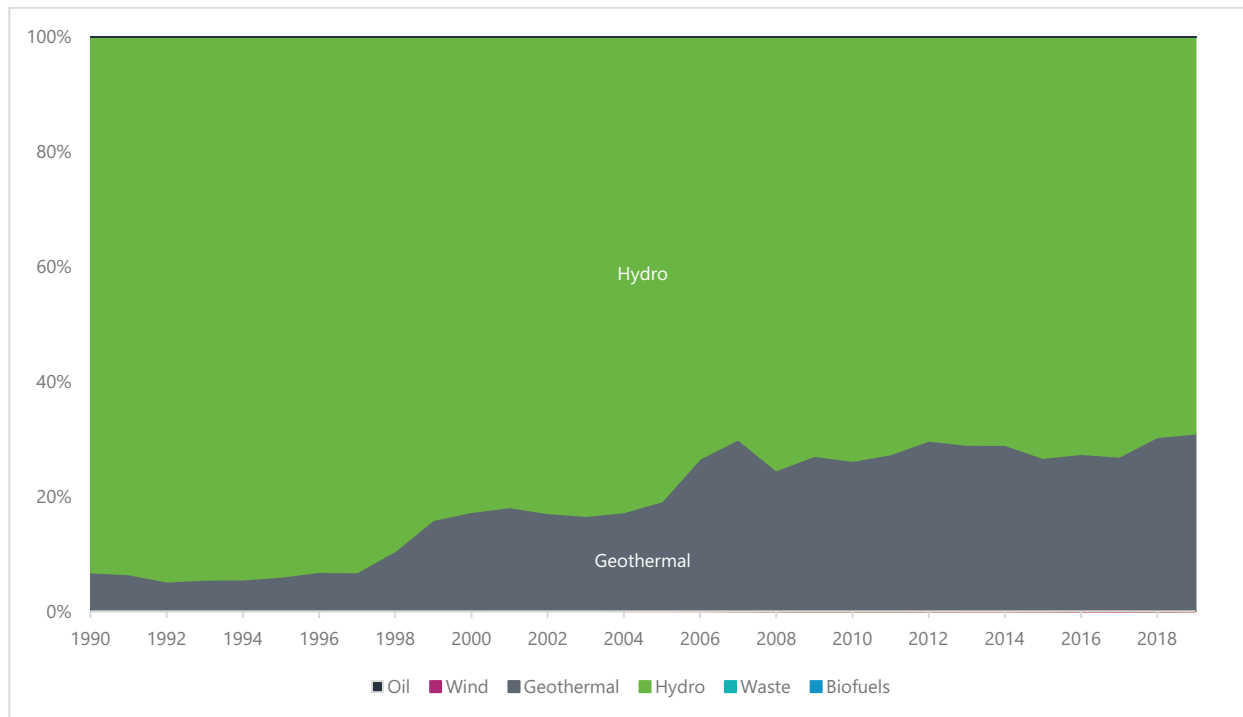
By 2030, Denmark is targeting a 55% share of renewable energy in gross final consumption and has passed laws to become carbon-neutral by 2050. Since 2016, Denmark has supported development of core renewables via multi-technology auctions. These currently pay a fixed-price supplement to the wholesale market price but moved to the CFD mechanism from 2020. Denmark has put a focus on the development of offshore wind farms, committing to develop 5GW by 2030.

In 2020, the Danish Energy Agency also introduced several schemes under the Renewable Energy Act to encourage expansion of onshore wind and solar, including a ‘put option’ to provide local residents with the option to sell their property and a ‘bonus scheme’ that pays to the community based on plant output.

### Iceland – country overview

In Iceland, almost all heat and electricity is generated by renewable energy, as hydropower generates the majority of all electricity, with geothermal providing the balance plus around two thirds of primary energy use in 2014. Geothermal energy is used not only to generate 25% of total electricity production, but also to directly heat greenhouses, fish farms, and 9 out of 10 households.

Figure 12: Electricity generation by source, Iceland 1990-2019 (% of total)



Source: IEA Data and statistics, Electricity Information 2020, <https://www.iea.org/data-and-statistics?country=ICELAND&fuel=Energy supply&indicator=ElecGenByFuel>. All rights reserved.

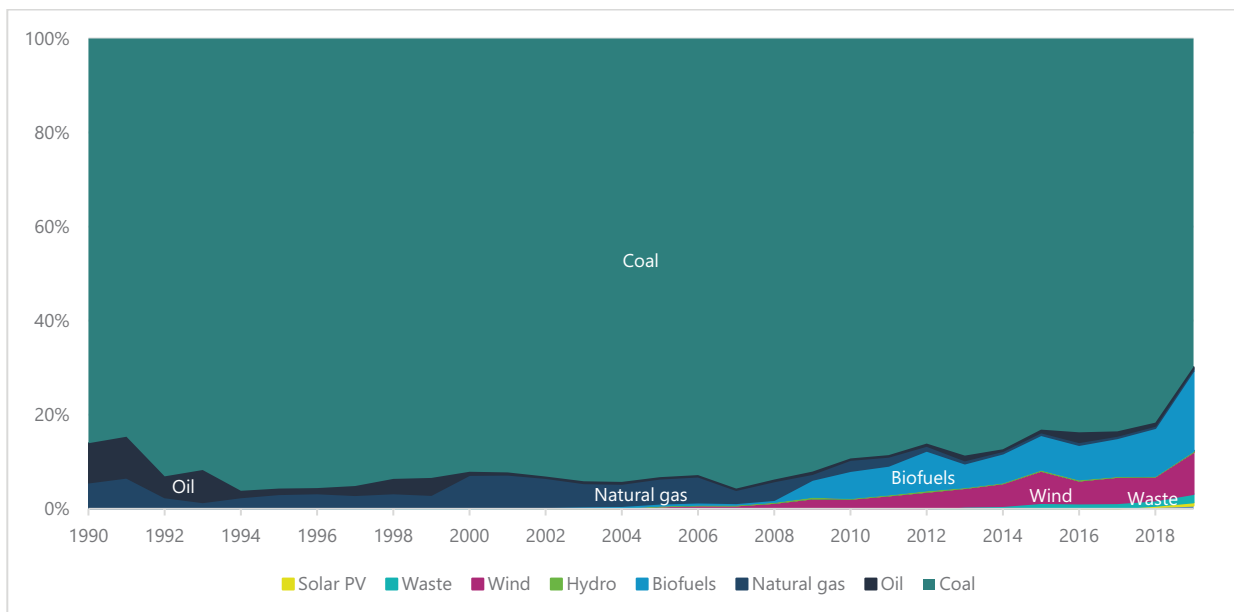
In June 2020 the government updated its *Climate Action Plan*, intended to boost efforts in cutting net emissions and reach its 2040 climate-neutral target. The plan consists of 48 measures focusing on green transport amongst other measures such as cutting emissions from industrial processes.

A proposed 'IceLink' interconnector to the UK gained traction in 2015 when the two nations established a task force but the project remains in the feasibility stage. If built, the interconnector could transfer an abundance of Icelandic wind and geothermal energy to provide flexibility to the Great Britain grid system.

### Baltic region – overview

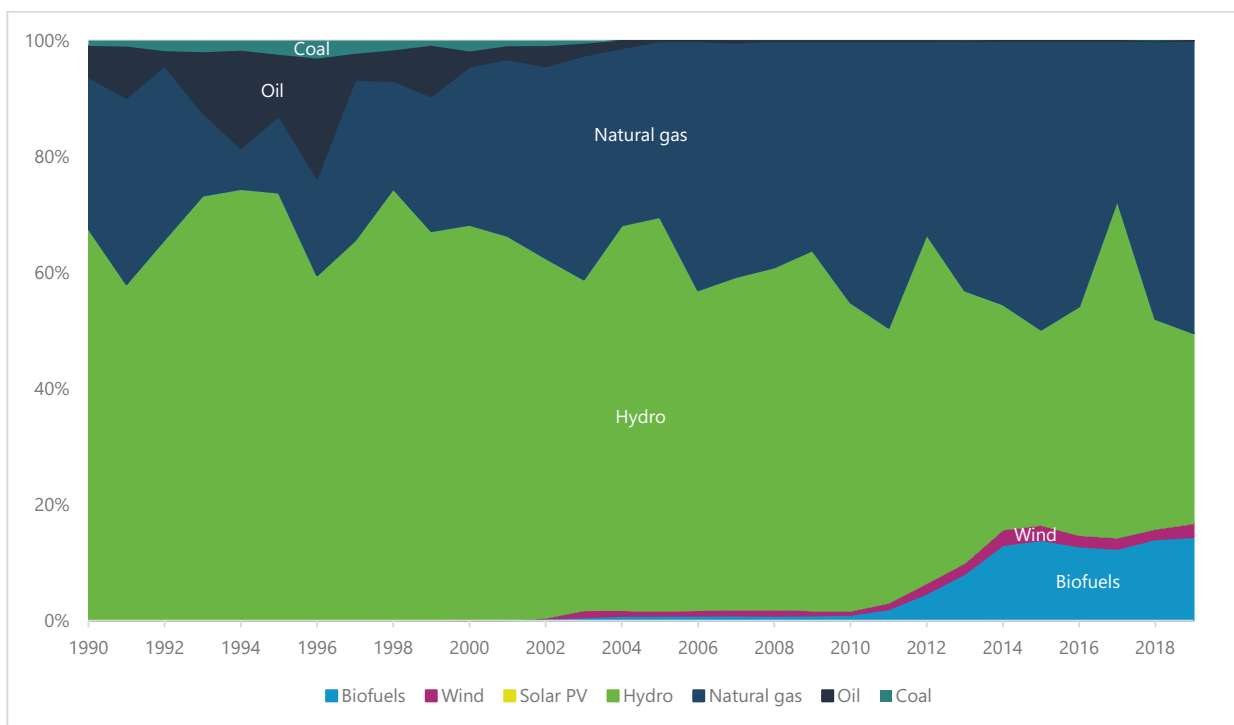
The electricity production for Baltic states Latvia and Lithuania is dominated by hydropower and wind, alongside natural gas and biofuels, as shown below. Estonia's electricity mix is heavily-reliant on coal, with a small but increasing proportion of wind and biofuels, however its final energy consumption is 30% from renewable sources, well above its 2020 target. Latvia and Lithuania have also met their 2020 target early.

Figure 13: Electricity generation by source, Estonia 1990-2019 (% of total)



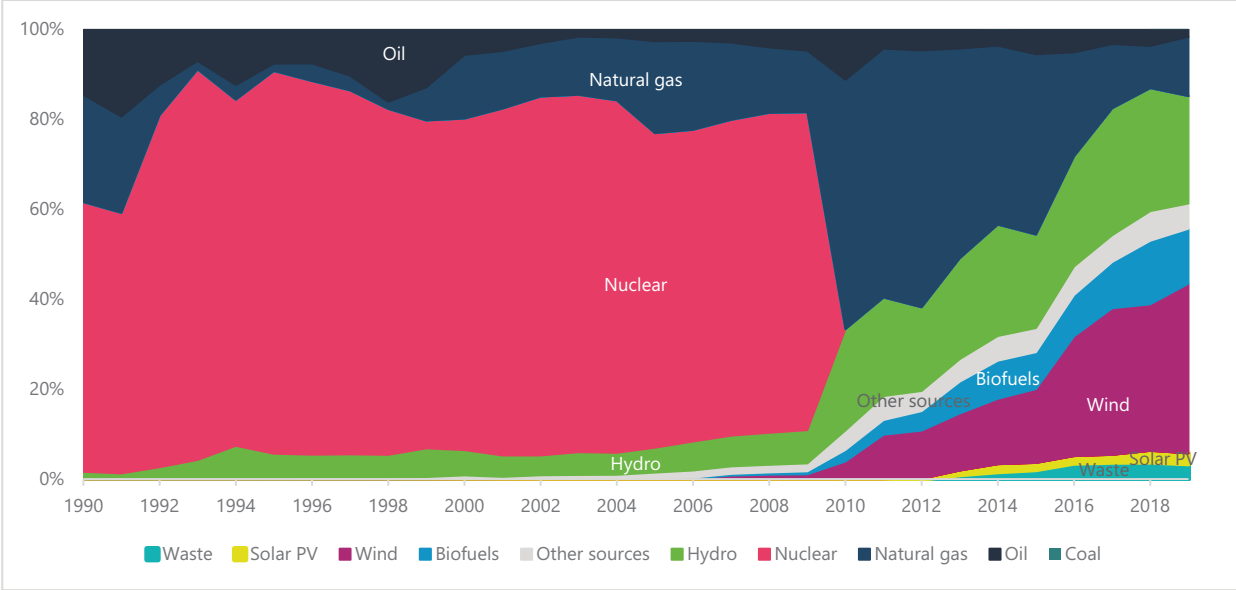
Source: IEA Data and statistics, Electricity Information 2020, <https://www.iea.org/data-and-statistics?country=ESTONIA&fuel=Energy supply&indicator=ElecGenByFuel>. All rights reserved.

Figure 14: Electricity generation by source, Latvia 1990-2019 (% of total)



Source: IEA Data and statistics, Electricity Information 2020, <https://www.iea.org/data-and-statistics?country=LATVIA&fuel=Energy supply&indicator=ElecGenByFuel>. All rights reserved.

Figure 15: Electricity generation by source, Lithuania 1990-2019 (% of total)



Source: IEA Data and statistics, Electricity Information 2020, <https://www.iea.org/data-and-statistics?country=LITHUANIA&fuel=Energy supply&indicator=ElecGenByFuel>. All rights reserved.

Overall, the Baltic EU member states are on course to meet their 2030 renewable energy targets predominantly through investment in a mixture of wind and solar:

- Estonia has significant wind potential which can support it meeting 50% of domestic electricity consumption from renewables by 2030.
- Latvia is targeting 45% from renewable energy sources by 2030, to largely be met through largescale wind parks developed in the Zemgale region in the south of the country.
- Lithuania is also targeting 45% of all energy from renewables by 2030, through a focus on onshore wind and solar, expected to account for 53% and 22% of total energy sources respectively.

**Regulatory environment for renewable energy generators**

The renewable energy sector is subject to a wide range of laws and regulation, which vary between each jurisdiction, and can change quickly. The Company and its Assets must comply with all applicable laws, regulations, and regulatory standards which, amongst others, require them to obtain and/or maintain certain authorisations, licenses and approvals required for the construction and operation of the Asset.

Set out below is a non-exhaustive list of some of the ways in which the regulatory environment may impact an Asset’s ability to generate revenues from its activities:

*Revenue, government subsidies and incentives*

Many of the countries falling within the Company’s geographical focus have provided revenue incentives to encourage the development and deployment of renewable electricity generation, (for example FiTs which guarantee a fixed price for each unit of electricity generated). Many projects are now no longer eligible for incentives and all incentives expire or phase out after a certain date. In some cases (for example CFDs) a certain amount of capital is made available for support and ceases to be available upon exhaustion of the allocated funding to new projects. They can also be subject to amendment in case of changes in market circumstances (such as market price volatility or oversupply of electricity) or changes in national, state or local energy policy.

In some countries, incentives are no longer available to renewable electricity generators and, in such cases, their economic success depends largely on prevailing market conditions at the time and the ability to negotiate an arrangement with a suitable Offtaker.



### *Grid access*

Renewable energy assets require a grid connection to the relevant transmission or distribution network to export their generation. Usually, the generator does not own or have control over such networks and must therefore secure the necessary grid connection agreements, which require them to comply with current and future regulations in order to avoid potential disconnection or de-energisation. Regulatory changes can affect the way generators access and use grid networks.

The EU mandates a system for accessing the grid whereby the system operator must issue a grid connection agreement upon request, as long as there is sufficient capacity. Article 16(2)(b) of the EU's Renewable Energy Directive provides for priority or guaranteed access to the grid for renewable electricity. This is implemented in EU member states through different and varied laws, regulations and grid codes. There is no guarantee that this will continue following the UK's exit from the EU and the expiry of the transitional and implementation period on 31 December 2020.

### *Health and safety*

Renewable electricity generation projects have various potential risks to health and safety, depending on the technology, site layout, geographic location, construction, maintenance and operational regime. Project construction and maintenance could result in injury or industrial accidents, such as the risk of electrocution, falling from a height, or accidents caused by extreme weather. As a result, there are many laws and regulations concerning health and safety to which the Company and the Assets are and/or will be subject. These laws and regulations evolve and are frequently amended.

If an accident were to occur, the Asset owning SPV (and its directors) could be liable for damages and/or compensation to the extent such loss is not covered under existing insurance policies, or suffer revenue loss should a project be forced to suspend or even terminate operations by a public enforcement agency.

### *Planning, permitting, licensing and environmental laws and regulations*

Many of Assets will be in countries that are subject to substantial ongoing regulation by governmental agencies. Their operations may rely on various licenses, concessions, leases and/or public contracts that can be subject to disputes over their interpretation or enforceability. Failing to comply with such regulations or contractual obligations could result in penalties and/or the loss of the ability to operate. These regulations are frequently amended.

Authorities can also pass legislation that could hinder or invalidate rights under existing contracts or impair the obtaining of the necessary permits or licenses necessary for Assets in the construction phase. Furthermore, relevant licenses and permits could be adversely altered, revoked, or not extended by the relevant authorities.

Most countries require construction projects to conduct an environmental impact assessment ("**EIA**") as part of planning approval procedures, covering the project site and, depending on jurisdiction, the grid connection and transport access routes. In the UK, the EIA is covered under the Town and Country Planning (Environmental Impact Assessment) Regulations 2017 and seeks to determine the environmental impacts of a proposed project as part of the planning system. Its purpose is to identify and assess the significant effects (if any) of the project on the environment, as well as giving the public early and effective opportunities to participate in the decision-making process.

An EIA can impose ongoing obligations covering many environmental aspects ranging from the project's impact on biodiversity and wildlife habitats, riverflow (such as with a hydropower project that uses dams and reservoirs), visual impact on the landscape, and noise pollution.

## PART 3

### INFORMATION ON THE SEED ASSETS

#### SECTION A – BACKGROUND INFORMATION

##### 1. SEED ASSETS

The Company has entered into the Option Agreement, pursuant to the terms of which it has the option to acquire the Seed Assets through the acquisition of the shares in Chalkhill Life Holdings Limited, the holding company of a group of SPVs which own the Seed Assets ("**Seed Asset HoldCo**"). Seed Asset HoldCo is currently owned by Bagnall Energy Limited, a Downing Managed Fund, managed by the Investment Manager on a discretionary basis.

The Seed Assets are a portfolio of c.96 MWp of operational solar PV projects located in the UK. They have an operating track record of around 6 years and comprise:

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

*Figure 16: map showing geographical distribution of the Seed Assets*



*Source: Investment Manager*

*Ground-mounted sites*

The 13 sites totalling c.73MWp of ground-mounted solar PV assets are all distributed across southern England and Wales. Historically the ground mounted sites have accounted for approximately 80% of annual generation across the Seed Assets and around 70% of total revenues.

*Figure 17: Seed Assets: Ground-mounted sites*

Site	Country	County	MWp	Support scheme	Commissioned	Approx. life remaining (years)
Site 1	England	Somerset	6.66	ROC	10-Feb-15	14.4
Site 2	England	Hampshire	4.31	ROC	29-Mar-13	17.2
Site 3	England	Devon	6.03	ROC	22-Feb-14	18.7
Site 4	England	Dorset	6.00	ROC	19-Mar-15	18.5
Site 5	England	East Sussex	8.32	ROC	26-Mar-15	23.0
Site 6	Wales	Flintshire	3.86	FiT	29-Jul-11	15.8
Site 7	England	Dorset	4.33	ROC	21-Mar-14	17.7
Site 8	England	Somerset	9.58	ROC	19-Dec-14	20.7
Site 9	England	Somerset	4.78	ROC	30-Jan-14	17.8
Site 10	Wales	Carmarthenshire	3.21	ROC	20-Oct-15	19.3
Site 11	England	Hampshire	5.00	ROC	29-Dec-15	18.5
Site 12	England	Cornwall	10.03	ROC	18-Sep-14	18.5
Site 13	Wales	Swansea	0.90	ROC	30-Sep-15	24.0

*Figure 18: Recent aerial photograph of one of the Seed Assets*



Source: Investment Manager

### **Commercial rooftop sites**

The 28 commercial rooftop sites are held across 4 portfolios and total 9.8MWp. The sites are located across England, Wales and Northern Ireland. The portfolios include a 3.6MWp installation at a large commercial facility in Belfast. Historically, the commercial sites have accounted for approximately 8% of annual generation across the Seed Assets and around 10% of total revenues.

Figure 19: Seed Assets: Commercial rooftop sites

Portfolio	Country	MWp	Support scheme	Commissioned	Approx. life remaining (years)
Portfolio 1	England	0.28	FiT	2015	15-19
Portfolio 2	England	3.02	ROC	2014	13-20
Portfolio 3	N. Ireland	5.58	NIROC	2014-2016	15-20
Portfolio 4	Wales	0.88	FiT and ROC	2014	19

### **Residential rooftop portfolios**

The seven residential rooftop portfolios, totalling c.13MWp, are geographically spread across Northern Ireland. Around 3,200 systems are included within the seven portfolios: historically they have contributed the balance of approximately 12% of annual generation across the Seed Assets and around 20% of total revenues.

The Seed Assets benefit from NIROCs that represent approximately 90% of the residential rooftop portfolios' income with the weighted average accreditation of 3.7 NIROCs. Please see paragraph 1 of Part 2 (page 57) of this Prospectus for an explanation of NIROCs.

The residential rooftop portfolios generally provide free electricity to the homeowner and therefore do not have significant credit risk to the consumer.

Figure 20: Seed Assets: Residential rooftop portfolios

Portfolio	Country	County	MWp	Support scheme	Commissioned	Approx. life remaining (years)
Portfolio 1	N. Ireland	Various	2.74	NIROC	2013-2015	16.0
Portfolio 2	N. Ireland	Various	0.68	NIROC	2015-2016	16.0
Portfolio 3	N. Ireland	Various	0.20	NIROC	2014-2016	14.3
Portfolio 4	N. Ireland	Various	3.64	NIROC	2012-2015	15.5
Portfolio 5	N. Ireland	Various	0.88	NIROC	2013-2016	16.5
Portfolio 6	N. Ireland	Various	1.14	NIROC	2013-2016	15.8
Portfolio 7	N. Ireland	Various	3.76	NIROC	2015-2016	15.5

### **Financial Performance of the Seed Assets**

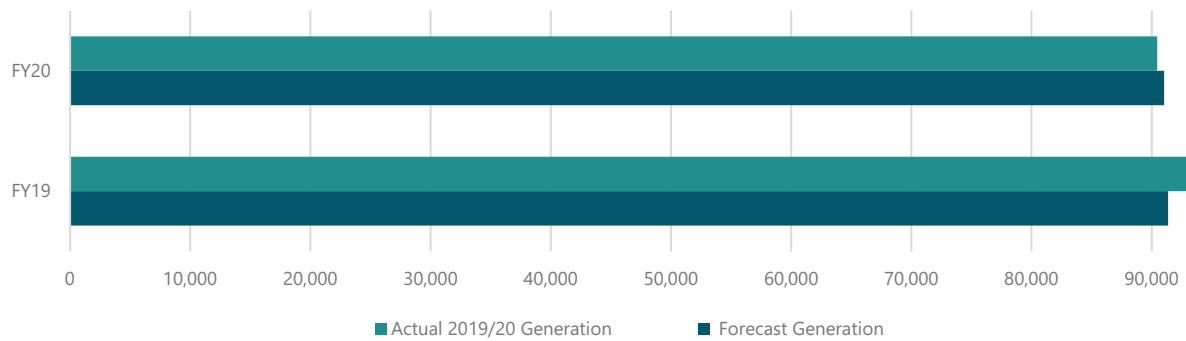
The Seed Assets achieved:

- revenue of £11.8 million and EBITDA of £9.7 million in the year ended 31 March 2019, and
- revenue of £12.5 million and EBITDA of £9.9 million in the year ended 31 March 2020.

### **Operational Performance of the Seed Assets**

The long-term forecast for expected energy generation of these assets is based on an energy yield assessment prepared by a market-leading engineering consultancy. The graph below shows actual generation in the last two years (year-end to March 2019 and March 2020) compared to forecast P50 data for the remaining life of the Seed Assets.

Figure 21 – Seed Assets actual generation (FY19/20) versus P50 generation forecast (MWh)<sup>5</sup>



Source: Investment Manager

The Seed Assets are currently managed by Downing’s asset management team. The recent technical performance of the assets has been strong and the asset management team continues to actively optimise the portfolio to ensure high levels of performance are maintained in the long-term.

**Revenue composition and mitigation of wholesale power price risk in Seed Assets**

All of the solar PV projects that form the Seed Assets benefit from government subsidies, with all but one benefitting from the ROC scheme and the remaining asset benefitting from the FiT subsidy scheme. Please see paragraph 1 of Part 2 of this Prospectus (pages 57 and 58) for an explanation of ROCs and FiTs.

The average annual ROC and FiT revenues represent close to 65% of total annual revenue projected for the next 10 years. This reduces to around 55% of total revenue across the entire remaining project life.

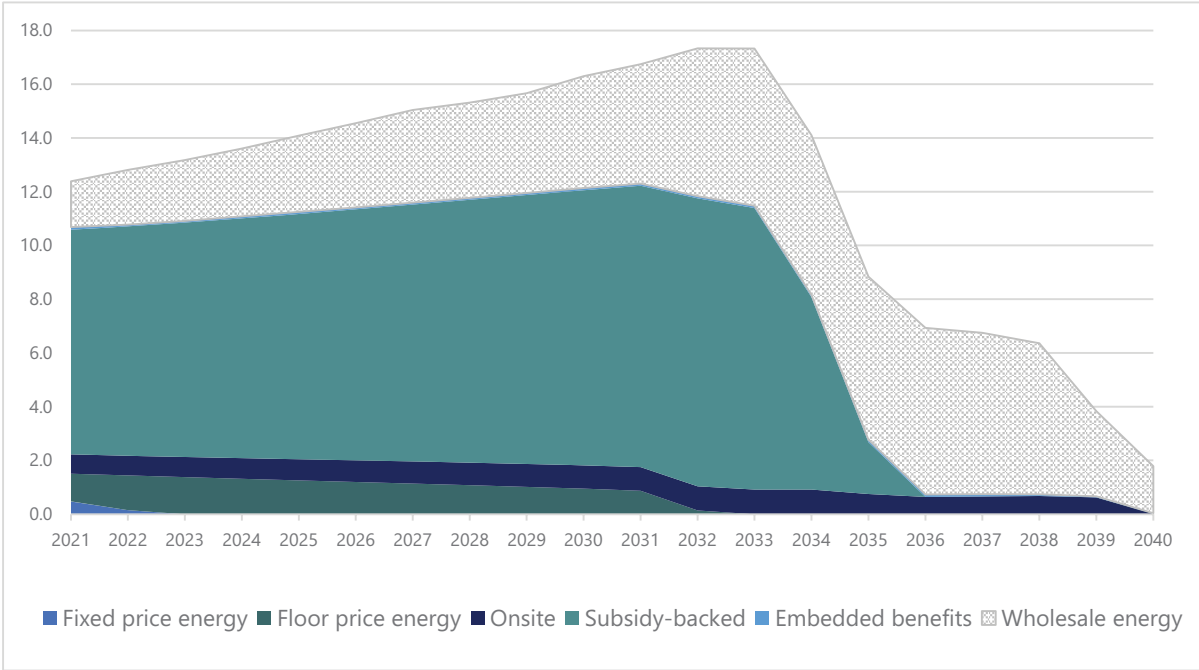
Downing LLP has put in place a series of measures for the Seed Assets to mitigate their exposure to wholesale power price risk. These include private wire sales, fixed price PPAs and PPA floor prices. Fixed price arrangements can be entered into with the PPA provider on a rolling basis, typically up to four seasons ahead. In relation to all 73MWp of ground-mounted sites, a long-term PPA was entered into with Statkraft Markets GmbH in March 2017 which runs until March 2032, with such sites on a fixed wholesale power price arrangement for winter 2020/21.

The forecast revenue split of the Seed Assets, which forms the basis of the fair value of the Seed Assets and is derived from audited financial model cashflows, is shown in Figure 22 below. The revenue forecast is based on various assumptions, including:

- long-term forecast for expected energy generation based on an energy yield assessment prepared by a market-leading engineering consultancy;
- PPA terms (including floor price and short-term fixed price arrangements entered into);
- contracted onsite revenues; and
- wholesale electricity price forecasts from two market-leading consultancies.

<sup>5</sup> Financial years (FY) are to 31 March 2019/20

Figure 22: Forecast split of revenues (£million) by contract type in respect of the Seed Assets



Source: Investment Manager<sup>6</sup>.

**Financing of the Seed Assets**

The Seed Assets are owned by a group of SPVs with a single holding company which is the borrower under a loan agreement with a senior debt lender. The key terms of the senior debt are as follows:

- debt outstanding (as of 31 March 2020):
  - c.£58.9 million, RPI-linked facility (including c.£3.6 million inflation accreted principal);
  - c.£10.4 million fixed rate facility;
- interest rate:
  - RPI-linked facility: 0.5% real denominated all-in rate, with nominal debt service calculated on an inflation-adjusted basis;
  - fixed rate facility: 3.37% all-in (1.17% fixed rate plus 2.2% margin);
- remaining term: c.14.5 years (final repayment September 2034); and
- repayments: fully amortising with semi-annual payments.

In addition, there is a short-term fixed rate 5.60% debt facility with £10.9 million outstanding (as of 31 July 2020) which can be repaid without penalty from September 2022.

The terms of the Option Agreement provide that, subject to the option being exercised and the sale and purchase of the Seed Assets proceeding to completion, the Seed Assets will be acquired subject to the current financing arrangements.

**Valuation of the Seed Assets**

The Board, as advised by the Investment Manager acting in accordance with its policy on conflicts of interest, has approved the fair value of the Seed Assets of £41.4 million (the “valuation”). The valuation is based on a discounted cash flow approach for each of the Seed Assets. A range of

<sup>6</sup> The Seed Assets will be transferred subject to customary due diligence. The forecast revenue set out in the chart has been calculated on the basis of various assumptions (including those referred to under the heading “Revenue composition and mitigation of wholesale power price risk in Seed Assets above). There can be no assurance that the Company will ultimately acquire the Seed Assets or that the potential revenues, including the split thereof, associated with the Seed Assets will be achieved. The Seed Assets consist of 48 projects with an average project enterprise value of £2.5 million and an average installed capacity of 2MWp.

discount rates have been applied to each Asset based on the risk profile associated with the projected cash flows for each Asset, and maintenance and management costs, as well as assumptions around certain variables such as the prices of electricity, gas and the costs of other overheads and consumables.

Grant Thornton UK LLP, as the Company's independent valuer, has confirmed that, in its opinion, based on market conditions as at 30 September 2020 and certain assumptions as set out in the Valuation Opinion, the value of the Seed Assets falls within a range which it considers fair and reasonable. The Valuation Opinion is reproduced in section B of this Part 3.

#### ***Acquisition process for the Seed Assets***

The Company has entered into the Option Agreement, pursuant to the terms of which it has the option to acquire the Seed Assets through the acquisition of the shares in Seed Asset HoldCo, the holding company of a group of SPVs which own the Seed Assets. Seed Asset HoldCo is currently owned by Bagnall Energy Limited, a Downing Managed Fund, managed by the Investment Manager on a discretionary basis. As noted above, an independent assessment of the Valuation of the Seed Assets has been undertaken.

The Investment Manager anticipates closing the transaction to acquire the Seed Assets within two months from Admission. Due diligence preparatory work, including agreement of terms with advisers, has commenced. All due diligence is expected to be confirmatory in nature, given the Investment Manager's knowledge and experience of the Seed Assets. The following actions will be conducted to reach closing of the acquisition:

- completion of a tax and accounting review;
- completion of legal advisory work, including property due diligence and agreeing a suitable sale and purchase agreement and ancillary documents; and
- completion of technical due diligence by the Company's technical adviser.

Measures taken to manage conflicts of interest in connection with the option to acquire the Seed Assets are described under the heading "*Acquisition of the Seed Assets and other transactions between Downing Managed Funds*" in Part 4 of this Prospectus including, once the legal documentation and confirmatory due diligence is completed, the acquisition of the Seed Portfolio by the Company being subject to Board approval.

## SECTION B – VALUATION OPINION LETTER



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12 November 2020

Dear Sirs and Madams

### **Downing Renewables & Infrastructure Trust plc (the “Company”) – Valuation opinion letter**

We are writing to provide to the Company our opinion as to the fair market value (a “**Valuation**”) of a portfolio of assets (the “**Seed Assets**”) (the “**Opinion Letter**”). The details of the Seed Assets are described on pages 73-78 of the prospectus issued by the Company dated 12 November 2020 (the “**Prospectus**”).

### **Purpose**

The Valuation has been provided to the Company in connection with the proposed acquisition of the Seed Assets by the Company via the acquisition of Chalkhill Life Holdings Limited, a private company limited by shares incorporated in England and Wales and is a holding company of a group of special purpose vehicles which own the Seed Assets (the “**Proposed Acquisition**”), and the admission of the Company’s ordinary shares to trading on the premium segment of the main market of London Stock Exchange plc and listing on the Official List maintained by the Financial Conduct Authority.

In providing a Valuation, we are not making any recommendations to any person regarding the Prospectus in whole or in part and are not expressing an opinion on the fairness of the terms of the Proposed Acquisition or the terms of any investment in the Company.

### **Responsibility**

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this Opinion Letter, required by and given solely for the purposes of complying with, item 1.3 of Annex 1 of Commission Delegated Regulation (EU) 2019/980 (the “**PR Regulation**”), consenting to its inclusion in the Prospectus.

### **Valuation basis and valuation assumptions**

This Opinion Letter sets out our opinion on a fair market value basis for the Seed Assets in connection with the Proposed Acquisition, assuming a willing buyer and seller, dealing at arm’s length and with equal knowledge regarding the facts and circumstances.

The Valuation is necessarily based on economic, market and other conditions as in effect on, and the tax and accounting and other information available to us as of, 30 September 2020. It should be understood that subsequent developments may affect our views and that we do not have any



obligation to update, revise or reaffirm the views expressed in this Opinion Letter. Specifically, it is understood that the Valuation may change as a consequence of changes to market conditions, interest rates, exchange rates, or the prospects of the sector in general or the Seed Assets in particular.

In providing this Opinion Letter, we have relied upon the commercial assessment of the investment manager of the Company, Downing LLP ("**Management**"), on a number of issues, including, the markets in which the Seed Assets operate and the assumptions underlying the projected financial information which were provided by and for which Management are wholly responsible. We have also placed reliance on the historical and forecast information for the Seed Assets provided to us by Management and for which Management are solely responsible.

The Valuation has been determined using discounted cash flow methodology, whereby the estimated future equity cash flows accruing to each Seed Asset and attributable to the Seed Assets have been discounted to 30 September 2020, using discount rates reflecting the risks associated with each Seed Asset and the time value of money. The Valuation is based on the estimated future cash flows projected to be received, or paid, on or after 30 September 2020. In determining the discount rate applicable to each Seed Asset, we took into account various factors, including, but not limited to geography, technology type, capacity and capital structure.

We have made the following key assumptions in determining the Valuation:

- the cash flow projections for each Seed Asset's financial model (the "**Model**") provided by Management for the purpose of our services accurately reflect the terms of all agreements relating to the respective Seed Asset;
- the accounting policies applied in the Model for each Seed Asset are in accordance with the Company's accounting policies;
- the tax treatment applied in the Model for each Seed Asset is in accordance with the applicable tax legislation and does not materially understate the future liability of taxes owed by the Company or any member of its Group in connection with the ownership of the Seed Assets; and
- there are no material disputes with parties contracting directly or indirectly with each Seed Asset nor any going concern issues, nor performance issues with regard to the contracting parties, nor any other contingent liabilities, which as at the date of the delivery of this Opinion Letter are expected to give rise to a material adverse effect on the future cash flows of the relevant Seed Asset as set out in the Model provided to us, other than those disclosed to us by Management or that are publicly disclosed.

We have received written representations from Management, confirming the validity of the above assumptions.

The Valuation is provided solely on the Seed Assets in aggregate and whilst we have considered discount rates applicable to each Seed Asset, we are not providing an opinion on individual values.

### **Valuation opinion**

While there is clearly a range of possible values for the Seed Assets and no single figure can be described as a "correct" Valuation for such underlying assets, Grant Thornton UK LLP advises the Company that, based on market conditions on 30 September 2020, and on the basis and assumptions stated above, in our opinion the proposed purchase price of the Seed Assets of £41.4 million falls within a range which we consider to be fair and reasonable on a fair market value basis.

**Declaration**

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this Opinion Letter as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this Opinion Letter is in accordance with the facts and this Opinion Letter contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 of PR Regulation.

Yours faithfully

For Grant Thornton UK LLP

## PART 4

### PIPELINE AND INVESTMENT APPROACH

#### 1. PIPELINE AND ASSETS

The Investment Manager has identified a number of Assets in addition to the Seed Portfolio with an aggregate equity value of over £1.5 billion which the Investment Manager considers would meet the Company's investment policy and therefore would potentially be suitable for acquisition by the Company ("Pipeline Assets"). Pipeline Assets with a total equity value of approximately £70 million are under exclusivity to the Investment Manager.

The Investment Manager has undertaken preliminary due diligence in relation to the Pipeline Assets that are under exclusivity and certain of the other Pipeline Assets, however, investors should note (i) offers (binding or non-binding) have not necessarily been made in relation to such potential investments; (ii) no contractually binding obligations for the sale and purchase of any of the Pipeline Assets have been entered into by the Investment Manager or the Company; and (iii) the Investment Manager 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 amongst Downing Managed Funds. Further details in relation to the Investment Manager's Allocation Policy are set out in paragraph 6 of this Part 4. Subject to the successful launch of the Company, the Investment Manager intends to allocate the Pipeline Assets numbered 2 and 3 in the table set out in Figure 26 of this Part 4 of this Prospectus to the Company. The other Pipeline Assets showing in Figure 26 will be allocated in accordance with the Allocation Policy.

There can therefore be no assurance that any of the Pipeline Assets will remain available for purchase after Admission or, if available, at what price (if a price can be agreed at all) the investments can be acquired by the Company. Following Admission, the Investment Manager may or may not pursue any Pipeline Assets.

Investments not comprised in the Pipeline Assets may also become available. The individual holdings within the Company's portfolio may therefore be substantially different to the Pipeline Assets.

#### Characteristics

The Pipeline Assets are diversified by Technology, geography and Project Stage.

Figure 23: Pipeline Assets by geography  
(Equity value, £ millions)

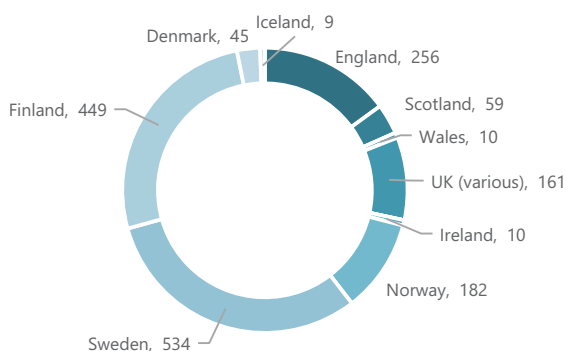
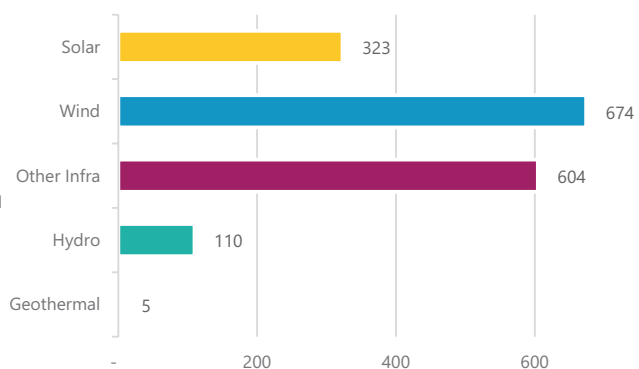


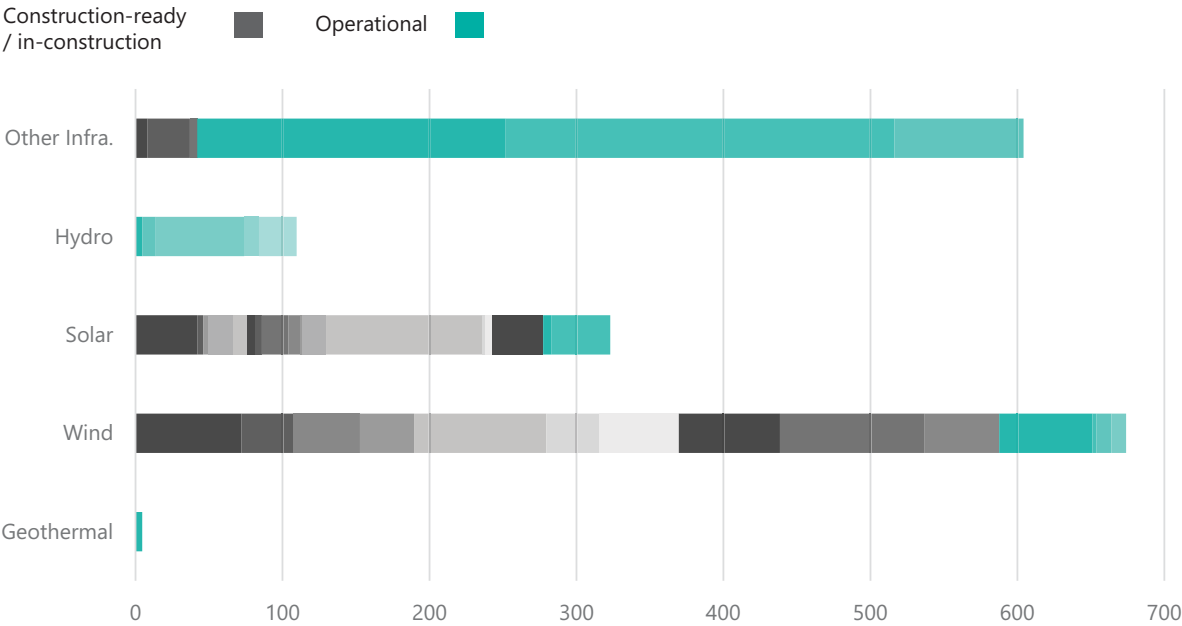
Figure 24: Pipeline Assets by Technology  
(Equity value, £ millions)



Source: Investment Manager

The chart below shows the Pipeline Assets broken down by Technology, with each block of colour representing a different Asset, and the colour scheme showing whether it is operational, or in construction/construction-ready.

Figure 25: Pipeline Assets by Technology/Project Stage (Equity value shown for each project by different colour shading, £ millions)



Source: Investment Manager

As shown above, the Pipeline Assets break down into:

- Wind: ten construction and four operational projects of c.£60 million and c.£20 million anticipated average equity investment respectively;
- Solar: fifteen construction and two operational projects of c.£20 million anticipated average equity investment respectively;
- Hydro: five operational projects of c.£20 million anticipated average equity investment respectively;
- Geothermal: one operational project of c.£5 million anticipated equity investment; and
- Other Infrastructure: three construction and three operational projects of c.£15 million and c.£180 million anticipated average equity investment respectively.

The following table provides an overview only of certain characteristics of a selection of the Pipeline Assets over which the Investment Manager has either been granted exclusivity or the Investment Manager has conducted preliminary due diligence. Subject to the successful launch of the Company, the Investment Manager intends to allocate the Pipeline Assets numbered 2 and 3 in the table set out in Figure 26 below to the Company. The other Pipeline Assets showing in Figure 26 will be allocated in accordance with the Allocation Policy.

Figure 26: Selection of Pipeline Assets

Note	Geography	Technology	Project Stage	Capacity (MW)	Number of assets	Support scheme / PPA arrangement	Under exclusivity
1	UK	Solar	Construction-ready	8 (+35)	6 (+10 in wider pipeline)	100% take-or-pay PPA	No
2	Sweden	Wind	Construction-ready	100	1	10-year fixed PPA	Yes
3	Norway	Hydro	Operational & in-construction	9	5	7-10-year fixed PPA	Yes
4	Finland	Wind	Operational	19	1	12-year auction support	No
5	Sweden	Hydro	Operational	26	8	7-10-year fixed PPA	No
6	Sweden	Wind	Construction-ready	67	1	10-year fixed PPA	No
7	Denmark	Utility	Operational	n/a	1	n/a	No
8	UK	Wind	Operational	12.5	110	Various PPAs supported by FITs and NIROCs	No

Notes to Figure 26 above:

1. This is a series of 6 new-build solar projects in the UK totalling c.8MWp, each with an anticipated 100% take or pay arrangement for 30 years with a UK regulated utility. Construction of these assets is expected to commence in the first half of 2021. In addition to these initial 6 projects, the developer has a wider pipeline including 10 projects totalling 35MWp.
2. Exclusive to the Investment Manager, this is an opportunity to acquire an 80% shareholding in a c.100MW construction-ready wind farm in southern Sweden and to fund the construction of the project. The project has been developed by a Scandinavian company which will remain as a 20% co-shareholder. The project has no land lease resulting in a perpetual arrangement, providing the possibility of future long-term repowering opportunities. The anticipated strategy in relation to this opportunity is to secure a 10-year fixed PPA.
3. Exclusive to the Investment Manager, this is a portfolio of 5 run-of-river hydropower facilities in Norway (4 operational and 1 in-construction), the oldest of which has been operating for 10 years. The facilities have the capacity to produce 22.5GWh of electricity per annum. The developer has a further pipeline of opportunities and is seeking to enter into an agreement with the acquirer of the portfolio to acquire those projects once constructed. The anticipated strategy in relation to this opportunity is to secure a 7-10 year fixed PPA.
4. An operational 19MW wind farm in Finland with the potential to expand the project by up to 50%. The project was awarded a 12-year subsidy through the national auction system run by the Finnish Energy Authority.
5. A diversified portfolio of operational small-scale hydropower plants located in central and southern Sweden with the capacity to produce c.108GWh of electricity per annum. The portfolio has been operating for over 50 years and is located across three rivers. Several power plants benefit from upstream dams, allowing for both short-term and seasonal production optimisation. The anticipated strategy in relation to this opportunity is to secure a 7-10-year fixed PPA.
6. A construction-ready, 67MW onshore wind farm in Sweden which has been developed by a large state-owned energy company with over 3GW of wind projects in operation and 1GW of onshore wind projects under construction. The anticipated strategy in relation to this opportunity is to secure a 10-year fixed PPA.
7. A regulated heat supply business in Denmark. The company is targeting converting its current heat customers from fossil fuels to renewable energy heat solutions. The company also invests in renewable energy generation and in 2019 entered into an agreement with the local government to fund the construction of a c.20MW wind farm.
8. An operational portfolio of more than 100 discrete wind turbines totalling 12.5MW across Great Britain and Northern Ireland. The projects qualify for either FITs or NIROCs under various PPAs, and utilise a range of different turbine models and manufacturers.

Source: Investment Manager

In the near-term, the Investment Manager believes that there is a robust flow of transaction opportunities available across the UK, Ireland and the rest of Northern Europe. While the Investment Manager believes that the most attractive opportunities are currently to be found in the UK, Ireland and the Nordic regions, over time it believes that the Baltic region may provide a source of attractive investment opportunities for the Company.

The Investment Manager believes that the benefits of investing in the Nordic regions in addition to the UK and Ireland include:

- a less crowded investor space;
- a wider pipeline of investment opportunities;
- access to certain Technologies such as hydro and geothermal projects that are not readily available in the UK and Ireland; and
- access to a developed corporate PPA market for long-term arrangements with credit-worthy Offtakers (corporate PPAs being with corporate end-users of electricity rather than with electricity utilities).

As set out above, the present focus is on opportunities in the UK, Ireland and Nordic regions. Such near-term transaction opportunities within the Pipeline Assets cover the breadth of potential technologies, including:

- Core renewables:
  - **Hydro:** There are portfolios of operational hydroelectric plants currently available in Sweden, Norway and Iceland. There are limited construction opportunities in this space but the Pipeline Assets include an operational opportunity, which the Investment Manager has sourced through its network of contacts.
  - **Wind:** Potential opportunities in the wind sector are present across each of Finland, Sweden, Norway the UK and Ireland. Nordic opportunities tend towards construction-ready projects where the more advanced corporate PPA market is supplanting subsidies. Operational projects are also evident in both the UK and the Nordic regions.
  - **Solar:** Solar opportunities are mainly available in the UK and Ireland. Unsubsidised in-construction and construction-ready opportunities dominate, with a series of corporate PPA tenders forming a large part of the market opportunity. There is more limited secondary market activity in operational solar Assets benefitting from long-dated subsidies. The Seed Assets include c.96MWp of operational UK solar (acquisition price £41.4m which represents c.21% of the target gross maximum raise of £200m) but given current market conditions, other than the Seed Assets, the Investment Manager expects it will initially focus on in-construction and construction-ready Assets in this sector.
  - **Geothermal:** The Investment Manager expects to be able to invest in operational geothermal businesses in Iceland.
- Other Infrastructure:
  - **Utilities:** Select opportunities are present in the Nordic regions to invest in integrated utilities and multi-utilities that operate across electricity, district heating and fibre businesses. In particular, the Investment Manager has identified opportunities in Norway and Sweden that could provide attractive diversification into this sector within Other Infrastructure.
  - **District heating:** The Investment Manager has identified opportunities across the Nordics to invest in local and regional heat networks, through direct investment in utilities (per above), or their standalone district heating businesses. Alongside the heat network itself such businesses may own combined heat and power plants providing heat generation.

### ***Timeframe for commitments and cash flows***

The Investment Manager and the Board believe that, with the Investment Manager's experience and the preparatory work undertaken by it to date, suitable Assets will be identified, assessed and acquired such that the Net Proceeds will be substantially invested or committed within 12 months of Admission.

It is expected that any operational Assets acquired by the Company will be revenue generating on acquisition. The Investment Manager believes that most in-construction and construction-ready Assets will be found in the solar and wind sectors. Such assets are expected to be completed and operational within 6-12 months and 9-24 months of their acquisition respectively, depending on the stage of construction of the relevant Asset on acquisition.

## **2. ILLUSTRATIVE PORTFOLIO**

Data relating to an illustrative portfolio of Assets is shown below by revenue type, Technology, geography, and Project Stage. The indicative information in the charts at Figures 27, 28, 29, 30, 31 and 32 has been provided by the Investment Manager and shows the illustrative portfolio calculated on the basis of various assumptions and inputs, and comprises the Seed Assets and certain other Pipeline Assets which feature in Figure 26: Selection of Pipeline Assets.

There can be no assurance that the Company will ultimately invest in this illustrative portfolio of Assets or that the potential revenues associated with these Assets, including the split thereof, will be achieved. The information assumes Net Proceeds of £196 million, gearing of approximately 50% of Gross Asset Value, full investment across 10 Assets, with an average Asset enterprise value of

£39 million, and no changes are made to the portfolio. The information provided should not be seen as an indication of the Company’s expected or actual portfolio composition, revenue diversification or hedging strategies, results or returns. Accordingly, investors should not place any reliance on this information when deciding whether to invest in Ordinary Shares. In the scenario where the Company acquires the illustrative portfolio of Assets it is not expected that the Company will acquire the right to revenues for the full calendar year 2021 for all the Assets acquired and the actual composition of revenues in 2021 would therefore be expected to differ from these illustrations.

Figure 27: indicative split of equity value by Geography

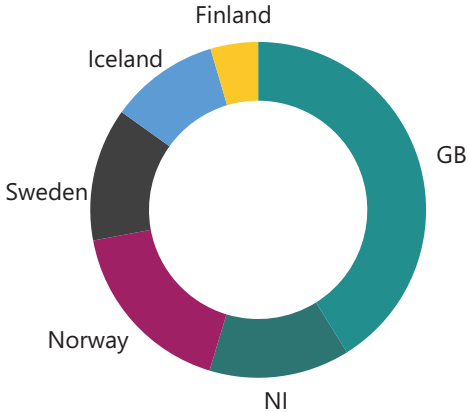


Figure 28: indicative split of equity value by Technology

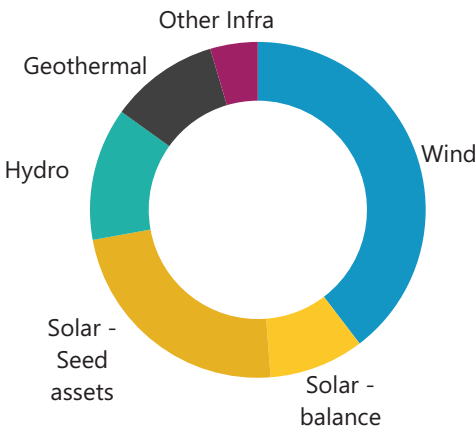
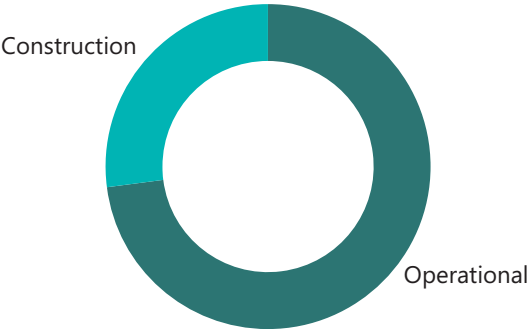


Figure 29: indicative split of equity value by Project Stage



Source: Investment Manager

**Exposure to wholesale power markets**

Part of the Company’s investment approach is to attempt to mitigate the impact of movements in wholesale power prices on the Company’s returns and NAV. The Investment Manager will look to reduce exposure to wholesale power prices over the short and long-term where this can be done on appropriate terms.

The diagrams of the illustrative portfolio at Figures 30 and 31 below show that short term exposure to wholesale power markets is lower than that over the long-term. This is because the near-term arrangements which mitigate this exposure expire progressively over time. The Investment Manager will assess the wholesale power market risk on a regular basis and consider a range of possible arrangements that could be implemented to mitigate the risk as the then current arrangements expire.

Figure 30: indicative revenue split in first year (2021)

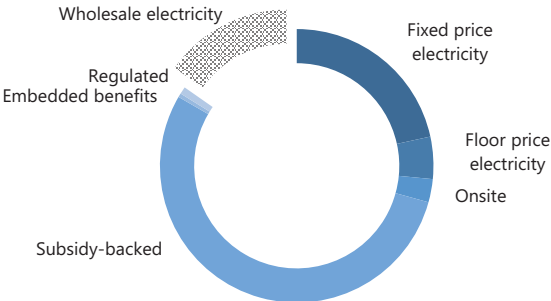
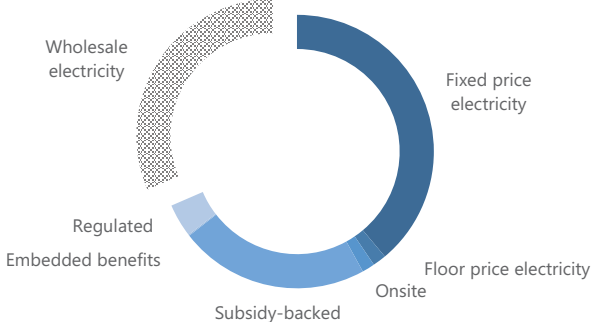


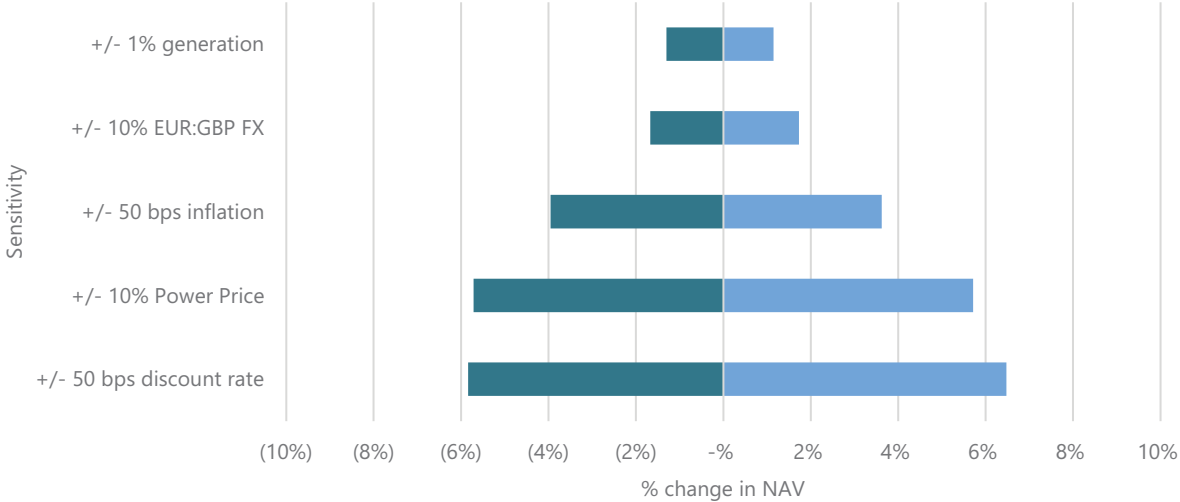
Figure 31: indicative revenue split in tenth year (2030)



**NAV sensitivity analysis**

The chart below illustrates the sensitivity of the Net Asset Value of the Company to certain key factors. The analysis is based on a number of assumptions as set out in footnote 7 and should not therefore be taken as a forecast, guarantee or indication of the Company’s future returns. Investors should not place any reliance on the data in deciding whether to invest in Ordinary Shares.

Figure 32: Illustrative NAV sensitivities<sup>7</sup>



Source: Investment Manager

**Seasonality of revenues**

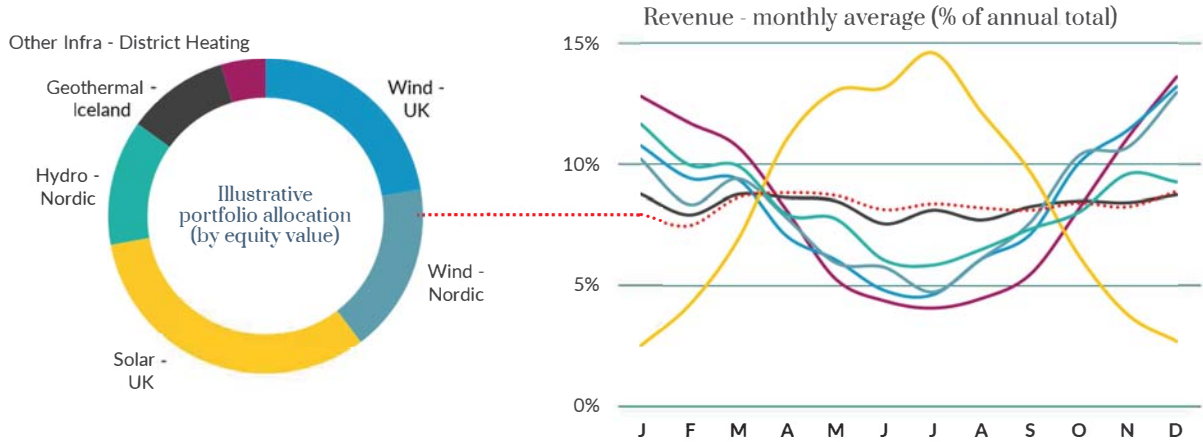
The composition of the illustrative portfolio has been selected in order to demonstrate how it is possible to reduce seasonality of revenues both within the year and between years. For example, the wind assets will tend to produce a greater proportion of their revenues in the first and fourth calendar quarters (autumn/winter seasons in the northern hemisphere) whereas the solar assets will tend to produce a greater proportion of their revenues in the second and third quarters (spring/summer seasons).

<sup>7</sup> 1. Discount rate sensitivity assumes a revision in discount rates immediately after the acquisition of an Asset. 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. 5. The illustration of the sensitivities of the NAV of the Company is based on the illustrative portfolio referred to above.



The red-dashed line in the chart below<sup>10</sup> demonstrates this concept, showing a more consistent monthly revenue than could otherwise be achieved by any of its constituent components.

Figure 33: Illustrative portfolio allocation (by equity value) and monthly average revenue showing seasonality by technology (colour as per chart on left)



### 3. INVESTMENT PROCESS

The Investment Manager will source investment opportunities from its established global network in the renewable energy market. In addition, the Investment Manager may also source prospective investments from other Downing Managed Funds.

The Company will predominantly make its investments via a series of wholly owned SPVs which will individually own the Assets within the Company’s portfolio. The jurisdictions in which the SPVs will be incorporated will be determined with reference to the location of the Assets. In addition, the SPVs will enter into asset management agreements with a wholly owned subsidiary of the Investment Manager (the “**Asset Manager**”), pursuant to which the Asset Manager will provide the SPVs with asset management services in respect of the relevant Asset that would otherwise be outsourced in return for a fee. Further details are given in paragraph 6.5 in Part 8 of this Prospectus.

The investment process will in general proceed in the stages described below. The Investment Manager’s reporting and decision-making process will be conducted whether the potential transaction is an investment, a disposal or a refinancing of an existing Asset.

#### Deal Screening

Each prospective investment will first be assessed against the Company’s investment objectives and policy. Full consideration will also be given to the Company’s ESG policy so as to ensure consideration is given to the wider stakeholder impacts and risks inherent in the Company’s investments and decision making. If a prospective investment is considered potentially suitable and in line with the ESG policy, a high level financial and economic analysis and review of the investment will be undertaken by the Investment Manager.

#### Sighting Paper

The Energy and Infrastructure (“**E&I**”) investment team will perform an initial review of an investment opportunity and prepare a short summary (“**Sighting Paper**”) which is shared with the senior management of the Investment Manager and members of the Investment Manager’s investment committee (“**IC**”).

The Sighting Paper will include an overview of the opportunity, key characteristics, investment rationale, summary returns, key risks and next steps. Consideration will be given to matters such as suitability (from a portfolio, investment objectives and ESG perspective), high level returns, capital

<sup>10</sup> Monthly average revenue based on 2013-2019 power prices from Nordpool (Elsport and N2EX) and average installed number of megawatts by technology. Monthly geothermal revenue profile is assumed to match generation (based on 2012-2014 Eurostat data). Icelandic power prices are set by state-owned utility Landsvirkjun therefore limited monthly seasonality is assumed.

structure, likely transaction structure and process. Other matters highlighted at this stage will include key risks and items to focus on in due diligence.

Following discussion and approval of the Sighting Paper, the investment team will proceed to submit a non-binding offer in relation to the opportunity. A *de minimis* initial budget for due diligence may also be approved at this stage.

### ***First Stage Investment Committee Approval***

Should a transaction proceed to a stage where significant third-party due diligence costs are required to be incurred, the investment team will prepare a memorandum with the aim of obtaining first stage IC approval (“**Deal Memorandum**”).

The Deal Memorandum will include a detailed review of the opportunity. The Deal Memorandum sets out the investment technology and stage of development, suitability, key risks, returns, jurisdiction and the regulatory and policy background. Detail is also included on the transaction process and timetable and approval is sought for a due diligence budget.

The Deal Memorandum then continues to outline the key value drivers underpinning the projected returns, principal contractual arrangements, counterparties and stakeholders (including their experience and track record in the sector), an overview of prior performance (where the Asset is operational), initial identified risks and proposed due diligence process, advisors and their proposed scopes of work. Any debt or hedging requirements will also be considered at this stage.

The impact on the Company’s portfolio of a proposed investment in any Asset is also outlined. Portfolio composition, concentration, revenue mix and wholesale electricity price exposure are each highlighted before and after inclusion of the proposed investment in an Asset.

Following first stage IC approval, the investment team will be authorised to carry out detailed due diligence within the approved budget and negotiate commercial terms and transaction documentation. This approval will be reported to the Board by the Investment Manager.

Where any potential transactions involve unusual tax implications, low tax jurisdictions, unusual structuring or have significant complexity, potential financial exposure or risk, new technologies or geographical jurisdictions or deviation from approved policies, the investment team will consult the Board before the Investment Manager starts detailed due diligence and negotiation of the commercial terms of the proposed investment.

External advisers in relation to a proposed investment will be appointed through the Investment Manager’s adviser appointment process. Generally, the approach to adviser selection will be to undertake a tender process amongst the panel of preferred advisers for which the Investment Manager has secured preferential rates, to ensure the Company can get the best price and quality for the work required.

### ***Transaction Execution***

Following first stage IC approval, the investment team and technical, commercial and energy market specialists from the Investment Manager’s E&I asset management team will work together to conduct detailed due diligence, utilising external professional advisers (including technical, legal, insurance, financial and tax advisers) where needed.

Technical due diligence will typically include a physical site visit and a review of the designs, the construction and maintenance contracts, the planning permissions, accreditations, the grid connection agreements, health and safety assessments and energy yield assessments. In addition to this, where an Asset is operational, an analysis of prior performance data and operations and maintenance reports will be undertaken.

Legal due diligence will typically involve external legal advisers reviewing and advising on the contractual structure, the property documents (such as leases, easements, wayleaves and origins of title to land), the planning permissions, the grid connection agreements, construction and maintenance contracts and offtake arrangements.

Financial and tax due diligence will typically include a review of the project budgets, the project financial models, historical financial statements and tax returns. Where a site is operational, the energy yield assessment will take into account prior operational performance and the financial and tax due diligence will include a review of prior financial performance.

The Company will typically invest in Assets held through corporate structures where the Investment Manager will also conduct appropriate due diligence on the corporate entities and counterparties to ensure that they are competent, stable and appropriate. In addition to this, where the Company makes investments in Assets held in shared ownership or co-investment arrangements, the Investment Manager will negotiate shareholder arrangements and constitutional documents to ensure the interests of the Company are appropriately protected.

The investment and asset management teams will direct, review and assess the due diligence findings in order to arrive at an informed view on the risks involved and possible mitigants. The external professional advisers will also work with the Investment Manager's teams to establish the optimum financial and tax structures for the prospective investment.

At the same time as carrying out due diligence, the investment team will enter into negotiations for the commercial terms with the vendor crystallising whether the deal represents an investable proposition. The team will also engage with ESG related risks and opportunities via additional due diligence as needed and via engagement with the seller and related counterparties.

If key aspects of the prospective deal change during this stage, such as key changes in returns, or material risks are encountered during due diligence, then the investment team may revert back to the IC to ensure that the IC is satisfied that the transaction parameters remain with the existing approvals.

### ***Final Investment Committee Approval***

Once due diligence and negotiations have substantially completed, a comprehensive investment paper (in the same format as the Deal Memorandum for first stage IC approval) will be prepared for the IC and, if approved, shared with the Board and the AIFM ("**Final Deal Memorandum**").

This Final Deal Memorandum will include a summary of the due diligence findings, detailed forecasts of operational and financial performance, returns and sensitivity analysis and a comparison of the transaction against prior transactions by the Company and comparable transactions in the wider market.

The Final Deal Memorandum will also include details of the ESG evaluation, measures to ensure effective stewardship of these principles on an ongoing basis, reporting protocols and how periodic reviews will be conducted.

The Board will have the opportunity to make such observations and comments as it thinks fit on the Final Deal Memorandum, communicating such observations and comments to the IC. The IC will consider and take account of the observations and comments received from the Board and, if necessary, re-evaluate the proposal to ensure that it is in line with the Company's investment objectives and policy which may result in additional due diligence and analysis requests. Save as set out below, any decision to proceed with a transaction shall be the sole responsibility of the Investment Manager. The acquisition of Assets by the Company from, disposal of Assets by the Company to, or co-investment by the Company with other Downing Managed Funds will be subject to approval from the Board (all of whom are independent of the Investment Manager) prior to the acquisition, disposal or co-investment proceeding.

### ***Pre-Completion***

The investment team will facilitate completion of the transaction through provision of the following services:

- negotiating the final forms of all transaction documents;
- ensuring appropriate insurance is put in place; and
- establishing the relevant company structure and necessary bank accounts.

Prior to completion, a note will be issued by the investment team to the IC outlining any material changes since the IC's final approval of the transaction on the basis of the Final Deal Memorandum and seeking their approval to complete the transaction on that basis. Following approval by the IC of the pre-completion note, the investment team will inform the Board in relation to any such changes and the Board will again be given the opportunity to make such observations and comments as it thinks fit.

**Post Completion**

During the transaction process the asset management team will start on-boarding the Asset to its systems. After the completion and execution of the transaction, the investment team will finalise handover by completing a checklist documenting matters, including:

- registration of documentation with the relevant authorities and filing of company secretarial documents;
- filing of insurance policies, legal bible, completion statements, loan notes, share certificates etc.;
- clearance of any conditions subsequent;
- confirmation of cash receipts/payments by solicitors;
- balance sheet opening position;
- scheduling of SPV board meetings, accounting timelines etc.;
- scheduling of debt service payments and reporting requirements;
- setup and reporting on KPIs:
  - operational;
  - financial;
  - commercial; and
  - ESG.

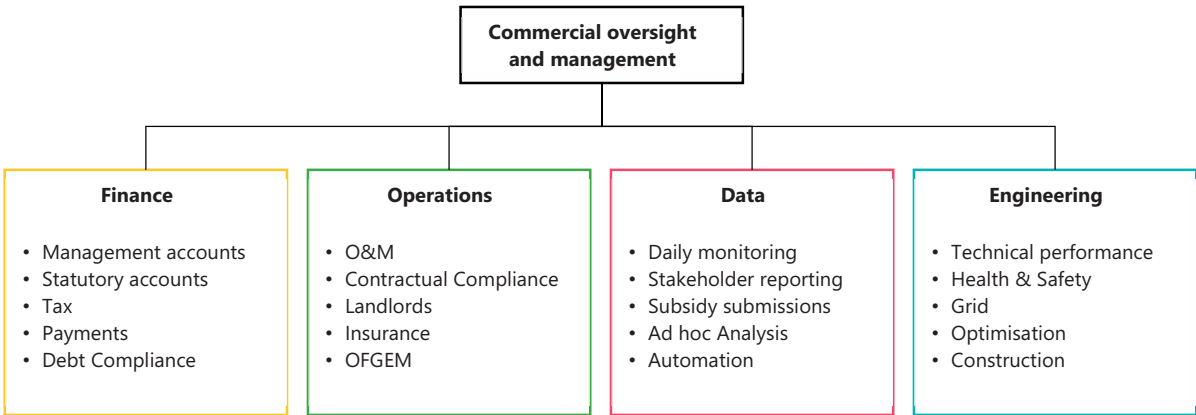
**4. ASSET MANAGEMENT**

The Investment Manager’s proactive approach to asset management allows direct control of key decision making, risk management and performance optimisation. The Investment Manager considers asset management as a fundamental pillar to ensuring proper performance and governance and thereby protecting, and creating, value for the Company.

The E&I asset management team has dedicated engineering, commercial, data, financial and operations functions with each function being responsible for providing the relevant scope of services to the Assets. The management team sit above the specialist functions and provides oversight as to Asset and service performance, as shown in the structure diagram in Figure 34 below.

The functions work across a standardised data model, ensuring communication is efficient and that the team is always working with the latest and most accurate information.

Figure 34: E&I asset management team structure



Source: Investment Manager

All employees dedicated to asset management spend time working with the investment team to ensure management strategies are consistently applied and practical in the context of asset specific requirements. A key area of support is that provided within the investment process. The engineering

function will review technical specifications and contracts early on in an investment appraisal and contribute directly to the investment process. This enables the on-boarding and gathering of knowledge around new Assets to start as early as possible and ensures Asset specific risks are properly addressed during the investment process.

Where Assets are funded through construction, the engineering function will lead the technical delivery of those projects and ensure construction risk is managed appropriately.

The Investment Manager believes class-leading asset management is most effectively achieved by performing all ancillary and administrative functions within the same team. These functions include, but are not limited to, data gathering and analysis, bookkeeping, corporate administration and treasury functions. Day to day site-based activities are contracted to specialist operators. Consequently, the asset management team is responsible for directing the activity of the third-party contractors, managing key commercial contracts (construction, maintenance and leases), bookkeeping and accounting, portfolio performance and reporting thereon to the Board. In doing so, the key areas of focus are:

- portfolio performance against key metrics;
- asset level performance including operational and financial performance;
- contractor performance including compliance with contractual obligations and identifying opportunities for optimisation;
- supporting the Investment Manager in the valuation process;
- ESG compliance, governance, health, safety and environmental and regulatory compliance; and
- stakeholder and counterparty management, including Offtakers, communities, finance providers and investment partners.

The asset management team has significant experience of energy and carbon markets and will oversee the sale of the power generated by the Company's portfolio of Assets, implementing route-to-market strategies based on underlying investment needs. By utilising the scale of electricity generating assets under management, the team will seek to achieve attractive risk adjusted pricing for the electricity generated by the Assets. During this contracting process, the team will seek to structure deals that drive competitive tension whilst allowing flexibility to facilitate further price hedging during the contract term.

A wholly owned subsidiary of the Investment Manager acting as the Asset Manager will charge fees for the performance of the asset management services that would otherwise be outsourced. The provision and costs of these services will be governed by the Asset Management Agreement which will serve as a framework agreement under which each SPV once Assets have been acquired and the exact scope of the asset monitoring activities can be finalised will enter into its individual asset management agreement. The scope of services and charging schedules for each Asset will be negotiated on an arm's length basis and subject to final approval from the Board.

## **5. REPORTING**

The Investment Manager will provide updates to the Board and the AIFM on the status, performance and progress of the Company's portfolio of Assets on a quarterly basis with additional updates being made where significant events have occurred which may impact the Company's income, expenditure or NAV.

The AIFM will undertake valuations of the Assets acquired by the Company as at the end of each calendar quarter based on information provided by the Investment Manager. The Board will review the operating and financial assumptions, including the discount rates, used in the valuation of the Company's underlying portfolio and approve them taking into account the recommendations of the Investment Manager.

The Board may also ask for additional external valuations to be carried out from time to time at its discretion. The AIFM will calculate the Net Asset Value and the Net Asset Value per Ordinary Share based on information provided by the Investment Manager as at the end of each quarter and submit the same to the Board for its approval.

## 6. ALLOCATION POLICY

Subject always to the terms of the Company's investment policy, as amended from time to time, allocations of investments among the Company and other Downing Managed Funds will be made in accordance with the Investment Manager's Allocation Policy.

### ***Role of Conflicts Committee***

The Investment Manager's conflicts committee (the "**Conflicts Committee**") is responsible for ensuring that the Investment Manager allocates the opportunities amongst Downing Managed Funds on a fair and equitable basis over time in line with the Investment Manager's Allocation Policy, ensuring that decisions are made in the best interests of the relevant Downing Managed Funds, acting within the investment policy of those funds and that allocations comply with all statutory, regulatory, fiduciary and contractual obligations.

As at the date of this Prospectus the Conflicts Committee has an independent chair and its other members include Danielle Jones, Head of Compliance, Downing LLP and James Weaver, COO, Downing LLP.

The Investment Manager will give no preferential treatment to any single Downing Managed Fund such that all Downing Managed Funds with a substantially similar investment strategy should receive equivalent treatment.

Where an investment opportunity falls within the investment parameters of two or more Downing Managed Funds, the Investment Manager will allocate that opportunity amongst the Downing Managed Funds on a fair and equitable basis over time, taking into account such considerations as it deems appropriate, which include, but are not limited, to the considerations set out below:

- returns and risk profile;
- investment quantum and availability of capital (current obligations, portfolio liquidity and future contingent liabilities);
- investment policy and restrictions;
- use of leverage and any restrictions on leverage;
- portfolio composition;
  - where follow on opportunities exist, whether the relevant Downing Managed Fund has the ability to accommodate a connected or follow-on investment;
  - whether it is in the best interests of two or more Downing Managed Funds to co-invest in an investment opportunity; and
  - legal, tax and regulatory considerations.

The Investment Manager maintains a record of all determinations made with respect to allocations under its Allocation Policy and, subject to any confidentiality obligations, will provide details of decisions by the Conflicts Committee relating to the Company to the Board.

## 7. CONFLICTS OF INTEREST

### ***Conflicts generally***

The AIFM and the Investment Manager maintain and operate effective organisational and administrative arrangements to ensure that all appropriate steps are taken to identify, disclose, prevent and manage conflicts of interest.

Each of the AIFM and the Investment Manager have in place a conflicts committee to consider proposals or situations which could generate conflicts of interest. Each conflicts committee assesses the potential day to day conflicts which may arise and determines whether the conflict is being or will be appropriately managed and, if not, what action is required. Each conflicts committee may also periodically monitor conflicts it has previously reviewed to determine if controls are still adequate.

All relevant identified conflicts of interest of the AIFM or the Investment Manager will be disclosed to the Board and the Directors will be responsible for establishing and regularly reviewing

procedures to identify, manage, monitor and disclose conflicts of interests relating to the activities of the Company.

General arrangements put in place to identify, disclose, prevent and manage conflicts of interest include:

- maintenance of insider lists and a register of outside business interests and personal account dealing rules;
- controls over the handling and flow of confidential and inside information;
- general disclosure of the possibility of material interests to clients at an early stage of the relationship; and
- where appropriate and proportionate, organisationally and hierarchically keeping certain functions, such as compliance, separate from client facing teams.

The AIFM and the Investment Manager address specific actual or potential conflicts through one or more of the following options:

- application of the above-mentioned measures and precautions;
- declining to act;
- all decisions as to the appropriate management of any conflict of interest are based on the overriding principal that the parties must act in the interests of, and to ensure fair treatment of, the client(s);
- disclosing the conflict or material interests to the client(s) or other affected parties at the beginning of the relationship and obtaining its/their consent to the AIFM and/or Investment Manager, as appropriate acting for it/them;
- where appropriate, independent scrutiny of the proposed course of action.

#### ***Allocation of investments***

The Investment Manager may manage from time to time other Downing Managed Funds pursuing similar investment strategies to that of the Company and which may be in competition with the Company. The appointment of the Investment Manager by the Company and the AIFM is on the basis that the Investment Manager may manage and advise other investment vehicles. It is expected that the Company will enter into transactions with other Downing Managed Funds as a counterparty when acquiring, co-investing, or, if the opportunity arises, disposing of certain Assets. The procedures designed to deal with any potential conflicts of interest at the level of investment decision making are set out under the heading "Allocation Policy" in this Part 4 of this Prospectus. Further, where the Company enters into any transaction with other Downing Managed Funds as a counterparty such transaction will be subject to approval by the Board.

#### ***Acquisition of Seed Assets and other transactions between Downing Managed Funds***

The Company has entered into an option with another Downing Managed Fund to acquire the Seed Assets. This acquisition of the Seed Assets represents a conflict of interest as the Investment Manager provides investment management services to both the Company and the counterparty to the Option Agreement.

The Investment Manager has established procedures in place to ensure that the interests of clients are protected to the maximum extent reasonably possible in these circumstances. They include (but are not limited to):

- submission by the E&I investment team of a memorandum identifying the relevant conflicts and the steps taken to prevent and/or manage them to the Conflicts Committee;
- disclosure of the relevant conflicts to the independent boards of both the Company and the relevant Downing Managed Fund;
- separate buy and sell side external legal advisers;
- separate buy and sell side transaction teams at the level of the Investment Manager, with both physical separation and the implementation of information barriers;

- a fairness opinion on the value of the Asset to be acquired from an independent expert; and
- approval of the proposed transaction by the independent boards of both the Company and the relevant Downing Managed Fund.

More generally, the Investment Manager may have rendered certain services such as origination, management or other services for the benefit of previous and/or existing Downing Managed Funds which held or hold an interest in an asset targeted by the Company and in return the Investment Manager may have received fees for such services. As a result, the Investment Manager might be subject to a conflict of interest resulting from their previous involvement in relation to such asset. This may on occasion give rise to conflicts of interest which the Investment Manager will manage in accordance with its policies and procedures relating to conflicts of interest above.

***Conflicts relating to the Investment Manager's role as asset manager***

The Investment Manager's asset management team may provide management and administrative services to the SPVs, which typically do not have their own employees. This creates a conflict of interest with the Investment Manager who monitors the performance of the provider of these services. The provision and costs of these services will be governed by the Asset Management Agreement which will serve as a framework agreement for each SPV once Assets have been acquired and the exact scope of the asset monitoring activities can be finalised. The scope of services and charging schedules for each Asset will be negotiated on an arm's length basis and subject to final approval from the Board.

***Conflicts relating to the AIFM and others***

It is expected that the AIFM, the Investment Manager, N+1 Singer, the Registrar, the Receiving Agent, any of their respective directors, officers, employees, service providers, agents and connected persons and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an "**Interested Party**") may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company and their investments in Assets. Interested Parties may provide services similar to those provided to the Company and its portfolio of Assets to other entities and will not be liable to account to the Company for any profit earned from any such services. Interested Parties may also receive and retain fees for providing management (such as legal or accounting) services to any Assets and will not be liable to account to the Company for any profit earned from any such services.

Save as set above, as at the date of this Prospectus, there are: (i) no actual or potential conflicts of interest between any duties owed to the Company, the Directors, the AIFM or the Investment Manager or any of the Directors and their private interest or duties; and (ii) no material potential conflicts of interest which any of the services providers to the Company may have as between their duty to the Company and duties owed by them to third parties and their other interests.



## PART 5

### DIRECTORS, MANAGEMENT AND ADMINISTRATION

#### 1. DIRECTORS

The Board is responsible for the determination of the Company's investment policy and strategy and has overall responsibility for the Company's activities including the review of investment activity and performance and the oversight and supervision of the AIFM and the Investment Manager. The Board comprises three directors all of whom are non-executive and are independent of the AIFM, the Investment Manager and the other service providers.

The Board will meet at least four times a year, *inter alia*, to review and assess the Company's investment policy and strategy, the risk profile of the Company, the Company's investment performance, the performance of the Company's service providers, including the AIFM and the Investment Manager, and generally to supervise the conduct of its affairs, with additional meetings arranged as necessary.

The Directors are as follows:

#### ***Hugh W M Little (aged 63) (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 in to 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 Robert Gordon's College. Hugh won the 'Non-Executive Director of the Year' award at the Institute of Directors, Scotland awards ceremony held in May 2019.

#### ***Joanna de Montgros (aged 43) (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 development of other start-ups in this space. Prior to co-founding Everoze, Joanna led the global Project Engineering group within DNV GL Renewables and was a member of the DNV GL Renewable Advisory Board. Jo's early career included management consultancy (PWC) and project finance (Fortis Bank).

#### ***Ashley Paxton (aged 52) (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 & other capital market transactions, audit and other corporate governance matters. Ashley has been a partner with KPMG in the Channel Islands since 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 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.

#### 2. AIFM

The Company has appointed Gallium Fund Solutions Limited as the AIFM of the Company, pursuant to the AIFM Agreement. The AIFM will act as the Company's alternative investment fund manager for the purposes of the AIFM Rules.

The AIFM will be responsible for the portfolio and risk management functions of the Company. The AIFM will work closely with the Investment Manager in implementing appropriate risk measurement and management standards and procedures. The AIFM will carry out the on-going oversight

functions and supervision and ensure compliance with the applicable requirements of the AIFM Regulations. The AIFM is legally and operationally independent of the Company and the Investment Manager. The AIFM will also be responsible for providing administrative services to the Company. These will include general fund administration services (including calculation of the NAV based on the data provided by the Investment Manager), bookkeeping, and accounts preparation.

The AIFM is authorised and regulated in the UK by the FCA.

Under the AIFM Agreement, the AIFM receives from the Company a fee of: (i) 0.075% of Net Asset Value, subject to a minimum fee of £50,000 (exclusive of VAT) per annum payable quarterly in advance; and (ii) an amount equivalent to 0.01% per annum of Net Asset Value, paid on a quarterly basis for the term of the agreement.

### **3. THE INVESTMENT MANAGER**

#### ***Introduction***

The Company and the AIFM have appointed the Investment Manager pursuant to the Investment Management Agreement, a summary of which is set out at paragraph 6.3 of Part 8 of this Prospectus, under which the Investment Manager has been given responsibility for the discretionary management of the Company's assets (including uninvested cash) in accordance with the Company's investment policy, subject to the overall oversight and supervision of the AIFM.

Details of the Investment Manager, its track record and investment management team proposed to manage the portfolio of the Company are set out below. The Investment Manager is authorised and regulated by the FCA in the conduct of its investment business.

#### ***Downing LLP***

Downing LLP was founded in 1986 and is led by Tony McGing (Chief Executive Officer) and Nick Lewis (Chairman). As at 30 June 2020, the Investment Manager had approximately 160 employees in the UK located across two main offices in London and Cardiff and approximately £1.1 billion of assets under management.

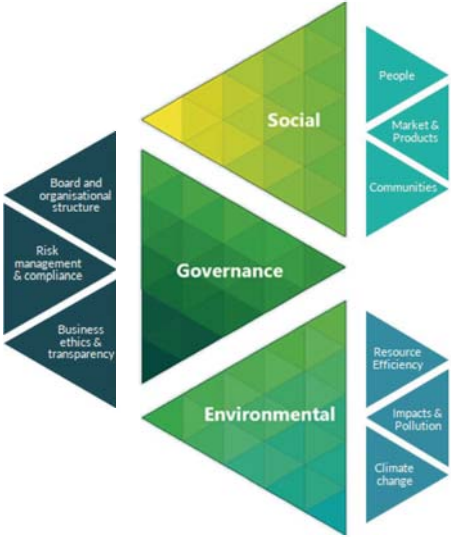
The Investment Manager has managed investments across various sectors in the UK and internationally and identified the E&I sector as a core area of focus from as early as 2010. Since then it has made 116 investments in renewable energy infrastructure projects and currently oversees 418MWp of electricity generating capacity, covering five technologies across c.7,300 installations.

*Environmental, Social and Governance*

Central to the Investment Manager’s ethos is a commitment to be a “Responsible Investor”. The Investment Manager aims to protect and enhance returns for its investors and/or clients by placing ESG criteria at the heart of its business and investment activities.

The Investment Manager understands that ESG issues represent risks and opportunities; and that these issues are becoming an increasingly material factor when making investments. By taking a long-term, sustainable approach with its analysis, decision-making and active asset management, the Investment Manager strives to take such ESG issues into account, mitigate risks and maximise opportunities, while endeavouring to facilitate wider societal and environmental benefits, wherever possible.

In this context, the Investment Manager will further aim to support and actively seek out investments that promote the principles of ESG and create long-term, sustainable value and positive impact on society and the economy.



As a signatory to the PRI, the Investment Manager operates a responsible investment system (the “**Responsible Investment System**”) which: (i) incorporates ESG issues into its investment analysis and decision-making processes; (ii) partakes in ‘active’ ownership policies and practices; (iii) seeks appropriate disclosures on ESG issues; (iv) works to promote the principles and enhance their implementation; and (v) reports on such activities and progress.

The Investment Manager’s Responsible Investment System has been established and operated with due consideration of (amongst others) the PRI’s six principles, the BVCA’s Responsible Investment Framework, the Investment Association Guidelines on Responsible Investment Disclosure, GRESB criteria and the NPC’s Impact Risk Classification. Through over a decade of experience investing in renewable energy and supporting technologies and its adherence to the PRI, the Investment Manager seeks to support the UN’s Sustainable Development Goals (“**UN SDGs**”), in particular:

- Goal 7: Affordable and Clean Energy;
- Goal 9: Industry, Innovation and Infrastructure;
- Goal 11: Sustainable Cities and Communities; and
- Goal 17: Partnerships for the Goals.

As an example of the Investment Manager’s commitment to the UN SDGs, the Investment Manager has developed a carbon lifecycle assessment methodology to provide a detailed understanding of the CO2eq emissions of different types of investments. By performing carbon lifecycle assessments, the Investment Manager intends to use this information to inform its decision making on its choice of suppliers for goods and services relating to its portfolio of investments.

As a signatory to HM Treasury’s Investing in Women Code, the Investment Manager is also committed to improving female entrepreneurs’ access to tools, resources and finance.

*Energy and Infrastructure*

The Investment Manager has a dedicated E&I team split across two sub-teams: investment and asset management, and is supported by a wider business operations team. The E&I team has over a decade of experience in the E&I sector and has managed investments across a wide range of energy and infrastructure sectors, including 116 transactions in the core renewables space alone. Areas of activity include:

- core renewables such as wind, solar photovoltaic and hydro-electric projects;
- biomass and anaerobic digestion projects;
- flexible energy generation;
- energy storage; and

- electric vehicle infrastructure.

The E&I team has extensive experience in managing complex contractual, technical and legal issues and has supported projects at all stages of development, from pipelines of shovel-ready projects through to mature operational assets.

#### *Investment team*

The investment team is responsible for originating, negotiating and executing renewable energy and infrastructure investments. It is responsible for all aspects of the capital and acquisition structure, including raising debt finance.

The 12-strong investment team has an average experience of more than 12 years of working in the sector.

#### *Asset management team*

The 15-strong team is dedicated to effective asset management, being responsible for the operational and financial performance of the renewable and energy infrastructure assets. The team focusses on performance management and asset optimisation to protect and enhance returns to investors. This includes managing outsourced services from third party providers who provide services to the renewable and energy infrastructure assets.

ESG monitoring and reporting also sits within the asset management team.

#### *Business operations team*

The c.90-strong business operations team is responsible for controls, governance, processes, administrative support, systems and leading business improvement initiatives to set the Investment Manager's business up for scale.

The Investment Manager's business operations team provides comprehensive support for its day-to-day operations. This includes internal controls (governance, legal, compliance and risk), processes, administrative support and human resource functions, finance, accounting and IT systems and support.

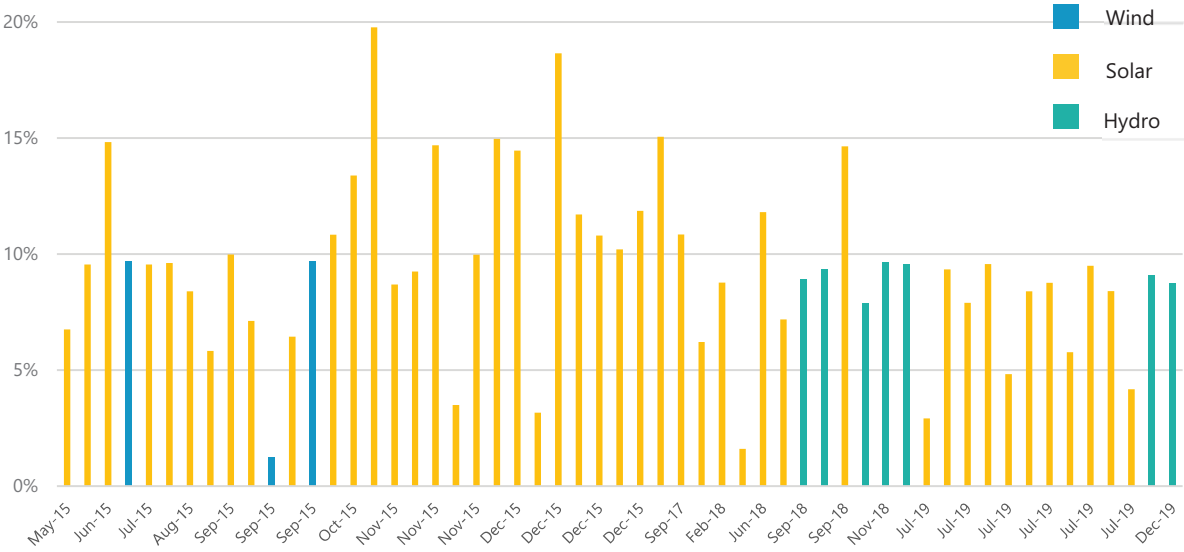
#### *Investment Manager Track Record*

The track record of the Investment Manager in relation to the investment, management, and sale of core renewable energy assets is set out below. The Investment Manager has arranged the acquisition of 116 renewable energy infrastructure investments since November 2010. These 116 investments have delivered an unlevered weighted average gross IRR of 9.0%<sup>8</sup> as at 30 June 2020. Of those 116 investments, 55 have been sold resulting in an unlevered weighted average gross IRR of 9.2% and 48 of these 55 exits were assets that were funded pre-construction by Downing Managed Funds.

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<sup>8</sup> Based on unlevered weighted-average gross IRR, calculated at asset level across all investments held for longer than 12 months. The returns reflect the initial and follow-on investments, equity distributions and interest paid on any internal debt element, and the value achieved on exits. Investment management and performance fees charged by the Investment Manager have been classified as equity distributions. This data refers to specific past performance and should not be considered a reliable indicator of future results.

Figure 35: Track record in respect of assets acquired and subsequently sold by discretionary clients of the Investment Manager<sup>9</sup>



Source: Investment Manager

The Investment Manager has invested in c.£187m (enterprise value) of assets in the past 12 months, comprising operational ground-mounted, residential and commercial rooftop solar PV assets located across Great Britain and Northern Ireland.

**The Energy & Infrastructure Team**

*Energy & Infrastructure Team*

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 E&I team in July 2018. Tom heads up the team and has 20 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 Dählstrom – 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”). When leaving 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 bachelor’s degree in Business and Finance from Bond University and a master’s degree in finance from the University of Gothenburg.

<sup>9</sup> Figure 35 shows unlevered weighted-average gross exit IRR returns, calculated at asset level. The returns reflect the initial and follow-on investments, equity distributions and interest paid on any internal debt element, and the value achieved on exits. Investment management and performance fees charged by the Investment Manager have been classified as equity distributions. This data refers to specific past performance and should not be considered a reliable indicator of future results.

#### *Sean Moore – Investment Director*

Sean joined the Investment Manager's E&I team in August 2017. Sean focusses on the origination and execution of investments in a wide range of energy and infrastructure sectors, noticeably in the core renewables, flexible generation and energy storage sectors.

Before joining the Investment Manager, Sean held the role of Vice President at the Green Investment Bank, where he worked on energy and infrastructure deals, including onshore renewable, energy efficiency and energy storage projects. Prior to this, Sean was an associate for the leverage finance team at ING Bank. Sean holds a BA in economics from the Cambridge University.

#### *Energy & Infrastructure – Asset Management Team*

The key individuals responsible for technical and commercial asset management of the Company's portfolio are:

#### *Tom Moore – Head of Asset Management*

Tom joined the Investment Manager as Head of Asset Management in May 2019 and heads 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 15 full time employees with expertise split across financial, technical and commercial sectors. The team manages over 400MWp of energy generating assets across five separate technologies.

Prior to joining the Investment Manager, Tom was Director at Foresight Group, where he had oversight of a significant portfolio of renewable energy investments. Whilst at Foresight, Tom was actively involved in the ongoing management of its first investment trust, overseeing administration, valuation and audit obligations as well as asset and portfolio performance. He has a wealth of experience in monitoring the type of target assets the Company will invest in as well as institutional-standard reporting.

#### *Danielle Strothers – Associate Director, Asset Management*

Danielle joined the Investment Manager in September 2019 as Associate Director. She is responsible for business operations and processes across the infrastructure asset management team, focussing on contractor performance, compliance and reporting. Prior to joining the Investment Manager, Danielle was a senior portfolio manager within the infrastructure team at Foresight Group. She is a chartered accountant and holds a BSc in Accounting & Finance from the University of Birmingham.

#### *Coos Battjes – Energy Market Specialist*

Coos joined the Investment Manager in November 2018 as a specialist energy market's adviser. Coos is responsible for structuring route-to-market contracts and enhancing the value of an energy and infrastructure's portfolio. Coos has an extensive record in the energy and carbon markets having worked for energy utilities, financial institutions, consultancy and research foundations over a career spanning 20 years. Coos holds a PhD in Math and Natural Science from the University of Groningen in the Netherlands.

#### *Pedro Perejon – Associate Director, Technical Lead*

Pedro joined the Investment Manager in October 2018 as technical asset manager. He provides oversight of the Investment Manager's infrastructure asset portfolio to protect and enhance returns for its investors. He currently manages a diverse portfolio including solar, storage, wind, bioenergy and reserve power assets. Pedro has over 10 years of experience in the renewable energy sector and has been involved in many projects from development to final exit across the EMEA (Europe, Middle East and Africa) region.

#### *Business Operations Team*

#### *James Weaver – Partner and Chief Operating Officer*

James joined the Investment Manager as a Partner and Chief Operating Officer in October 2018. Responsible for the organisational infrastructure of the Investment Manager, he was previously the General Counsel and Partner of a London based hedge fund and the Chief Operating Officer of a national specialist lender. James originally trained as a solicitor with Pinsent Masons LLP, practicing litigation in construction, engineering and energy disputes. James holds an LLB law degree and a master's degree in politics.

## *Legal*

### *Peter Naylor – Partner and Legal Counsel*

Peter is Partner and Legal Counsel at Downing. He joined the Investment Manager in 2014 and oversees the consistency and rigour of the Investment Manager's investment process. Peter has particular experience in equity investments across a range of sectors and supports the investment team in the structuring and execution of its investments.

## *Compliance*

### *Danielle Jones – Compliance Director*

Danielle is responsible for ensuring that the Investment Manager's compliance structures and processes are organised so that the Investment Manager's and its clients' objectives are achieved in a responsible, risk-aware and compliant manner. She has over 20 years of compliance experience, working most recently as Head of Management Services at Maitland Institutional Services Ltd having spent four years as Director in Legal, Risk and Compliance. Prior to this, Danielle has held compliance roles at Capita, Merrill Lynch and Aberdeen Asset Management.

## *Energy & Infrastructure – Investment Committee*

### *Chris Allner – Partner and Chairman of Investment Committee*

Chris is a partner of Downing LLP, having joined in March 2012, and chairs the investment committee. Chris has 35 years of venture capital and private equity experience, most recently as head of private equity at Octopus Investments. Prior to this, Chris was a director at Beringea and Bridgepoint with previous experience at 3i and Charterhouse. Chris has transacted over 50 investments and has sat on the board of directors of a number of unquoted and quoted portfolio companies across a variety of commercial sectors.

### *Nick Lewis – Founding Partner and Chairman*

Nick founded the Investment Manager in 1986. Prior to this, he was with NatWest Ventures Limited and Apax Partners and Co. Limited. Nick is a member of the Investment Manager's Investment Committees for both the private and public equity divisions, providing risk oversight for transactions. Nick attended Downing College at Cambridge, after which Downing LLP is named.

### *Tony McGing – Partner and Chief Executive Officer*

Tony joined the Investment Manager in 1992 and has driven the company's growth from approximately 10 staff members to over 150 staff members. Tony has carried out various roles throughout his time at the Investment Manager, with a particular focus on the development and marketing of new products, as well as sitting on the Investment Committee. He previously worked at Kingston Smith Chartered Accountants, joining in 1986 after graduating from Kings College London with a degree in maths and management. While at Kingston Smith Chartered Accountants he focussed on auditing small and medium sized businesses and qualified as a Chartered Accountant.

### *Kostas Manolis – Partner and Head of Unquoted Investments*

Kostas joined the Investment Manager as a Partner in 2015. He is a member of the Investment Manager's Executive Committee. Kostas has more than 15 years' private equity experience as an investor, board director, portfolio manager, adviser and business angel. Kostas worked as a corporate finance advisor at PricewaterhouseCoopers LLP, where he advised institutions and management teams on private equity deals and later joined the private equity team of Bank of Scotland in 2006. He was a member of the Caird Capital team that led a successful spin out of a £500 million private equity portfolio from Lloyds Banking Group in 2010. Kostas has worked with management teams through operational improvement, growth, turnaround and successful exits. Kostas holds a degree in Biochemistry and a PhD in Molecular Genetics and is a Chartered Accountant with ICAEW.

### *Colin Corbally – Partner, Head of Investment Strategy*

Colin is a Partner & Head of Investment Strategy at Downing LLP. He qualified as a solicitor with Linklaters in 1996 and spent six years as Senior Manager at 3i Group in corporate finance and venture capital. Colin then spent four years at The Royal Bank of Scotland where he was a Director, structuring debt and equity investments, before joining the Investment Manager in 2006.

Colin has led a wide range of infrastructure-related investments, with many relating to hotels and renewable energy.

*Jonathan Boss – Partner*

Jonathan has over 20 years' private equity experience and has led over 100 transactions. These transactions comprised growth investments, management buy-outs, acquisitions, company sales, re-financings and development finance. Both at 3i (1996-2007) and at the Investment Manager (2008 to date), Jonathan has focussed on small and medium enterprises, working alongside management teams with substantial equity stakes as they grow and evolve their businesses, and ultimately seek to realise their investments.

*Andrew Jameson – Non-Executive Chairman*

A former Olympic medallist in swimming and investment banker, Andrew Jameson joined the investment manager in December 2019 in an advisory role with an emphasis on governance and infrastructure investments. Andrew's previous positions include head of investment banking (EMEA) for Bank of Tokyo Mitsubishi, where he oversaw the renewable energy and infrastructure teams. Prior to this, he was head of the infrastructure team at the Royal Bank of Scotland International. Andrew is also a prominent swimming commentator for the BBC.

#### **4. THE INVESTMENT MANAGEMENT AGREEMENT**

The Company and the AIFM have appointed the Investment Manager pursuant to the Investment Management Agreement, a summary of which is set out at paragraph 6.3 of Part 8 of this Prospectus, under which the Investment Manager has been given responsibility for the discretionary management of the Company's Assets (including uninvested cash) in accordance with the Company's investment policy, subject to the overall oversight and supervision of the AIFM.

Under the Investment Management Agreement, the Investment Manager receives from the Company a management fee of 0.95% per annum of Net Asset Value up to £500 million and 0.85% per annum of Net Asset Value in excess of £500 million, payable quarterly in arrears. No performance fee is payable to the Investment Manager under the Investment Management Agreement.

The Asset Manager, a wholly owned subsidiary of the Investment Manager, will also charge separate asset level fees.

The Investment Management Agreement is for an initial term of 5 years from the date of Admission and thereafter subject to termination on not less than 12 months' written notice by any party. The Investment Management Agreement can be terminated at any time in the event of the insolvency of the Company, the AIFM or the Investment Manager, in the event that the Investment Manager ceases to be authorised and regulated by the FCA (if required to be so authorised and regulated to continue to carry out its duties under the Investment Management Agreement) or if certain key members of the Investment Manager's team cease to be involved in the provision of services to the Company and are not replaced by individuals satisfactory to the Company (acting reasonably).

Details of the Investment Management Agreement are set out in paragraph 6.3 of Part 8 of this Prospectus.

#### **5. OTHER ARRANGEMENTS**

***Depository***

The Depository provides the Company with depository services which include safekeeping of the assets of the Company, oversight (for example monitoring continuing compliance with the Company's investment policy and ensuring that the Company's cashflows are properly monitored, and that all payments made by or on behalf of investors upon the subscription for shares are received) and reporting any breaches, anomalies and discrepancies. The Depository is permitted to delegate (and authorise its delegates to sub-delegate) the safekeeping of the assets of the Company.

The Depository is entitled to an annual fee of £45,000 (exclusive of VAT) per annum.

Details of the Depository Agreement are set out in paragraph 6.6 of Part 8 of this Prospectus.



### ***Company Secretary***

The Company Secretary provides the company secretarial functions required by the Companies Act.

Under the terms of the Company Secretarial Services Agreement, the aggregate fees payable to Link Company Matters Limited are £59,100 per annum. In addition, a fee of £15,000 is payable to Link Company Matters Limited for services undertaken as part of the Admission process.

Details of the Company Secretarial Services Agreement are set out in paragraph 6.7 of Part 8 of this Prospectus.

### ***Registrar***

The Company will utilise the services of Link Market Services Limited as registrar to the transfer and settlement of Ordinary Shares from Admission. Under the terms of the Registrar Agreement, the Registrar is entitled to a fee calculated on the basis of the number of Shareholders, the number of transfers processed and any Common Reporting Standard on-boarding, filings or changes. The annual minimum fee is £2,500 (exclusive of VAT). In addition, the Registrar is entitled to certain other fees for ad hoc services rendered from time to time.

Details of the Registrar Agreement are set out in paragraph 6.8 of Part 8 of this Prospectus.

### ***Receiving Agent***

The Company has appointed Link Market Services Limited to act as the Company's receiving agent for the purposes of the Offer for Subscription and the Intermediaries Offer pursuant to the Receiving Agent Agreement. Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to a fee from the Company of £5,000 (exclusive of VAT) in connection with these services. The Receiving Agent will also be entitled to reimbursement of all out-of-pocket expenses reasonably incurred by it in connection with its duties.

Details of the Receiving Agent Agreement are set out in paragraph 6.9 of Part 8 of this Prospectus.

### ***Auditor***

BDO LLP provides audit services to the Company. The annual report and accounts will be prepared according to the accounting standards laid out under IFRS. The fees charged by the Auditor will depend on the services provided and on the time spent by the Auditor on the affairs of the Company.

## **6. FEES AND EXPENSES**

### ***Formation and initial expenses***

The formation and initial expenses of the Company are those that arise from, or are incidental to, the establishment of the Company, the Issue and Admission. These expenses include the fees and commissions payable under the Placing Agreement, Receiving Agent's fees, listing and admission fees, printing, legal and accounting fees and any other applicable expenses which will be met by the Company and paid on or around Admission out of the Gross Proceeds.

The costs and expenses of, and incidental to, the formation of the Company and the Issue are expected to be 2% of the Gross Proceeds, equivalent to £4 million assuming Gross Proceeds of £200 million. The costs will be deducted from the Gross Proceeds and it is expected that the starting Net Asset Value per Ordinary Share will be 98 pence, assuming Gross Proceeds of £200 million. The Company has agreed with the Investment Manager that the Investment Manager will contribute to the costs of the Issue such that the Net Asset Value per Ordinary Shares at Admission will not be less than 98 pence. The Company will not charge investors any separate costs or expenses in connection with the Issue.

### ***Ongoing annual expenses***

The Company will also incur ongoing annual expenses which will include fees paid to the Investment Manager and other service providers as described above in addition to other expenses which in total are currently expected to amount to around 1.40% of Net Asset Value per annum (excluding all costs associated with making and realising investments) assuming a Net Asset Value on Admission of £196 million.

Separately, the SPVs owning Assets will also bear project costs in connections with the Assets. These project costs cover the performance of the operating asset management and reporting activities that are essential to ensuring optimal performance of each Asset. These project costs include the arm's length fees and expenses of the wholly owned subsidiary of the Investment Manager acting as asset manager for performing for the Asset owning SPVs the operating asset monitoring and reporting activities typically required in respect of the Assets intended to be acquired by the Company.

## **7. CORPORATE GOVERNANCE**

The Disclosure Guidance and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements. The Board has considered the principles and provisions of the AIC Code. The AIC Code addresses the principles and provisions set out in the UK Corporate Governance Code, as well as setting out additional principles and provisions on issues that are of specific relevance to listed investment companies. The Board considers that reporting against the principles and recommendations of the AIC Code will provide better information to Shareholders. As a recently incorporated company, the Company does not yet comply with the UK Corporate Governance Code or the principles of good governance contained in the AIC Code. However, the Company intends to join the AIC as soon as practicable following Admission, and arrangements have been put in place so that, with effect from Admission, the Company will comply with the AIC Code (save as indicated below) which complements the UK Corporate Governance Code and provides a framework of best practice for listed investment companies.

The UK Corporate Governance Code includes provisions relating to:

- the appointment of a senior independent director;
- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

It is acknowledged in the UK Corporate Governance Code that some of its provisions may not be relevant to externally managed investment companies (such as the Company). The Board does not consider that the above provisions are relevant to the Company. The Company will therefore not comply with these provisions. The AIC Code also includes a provision relating to the appointment of a senior independent director. The Board considers that, due to the size of the Board, this provision is not appropriate to the position of the Company.

The Company's Audit and Risk Committee consists of all of the Directors and is chaired by Ashley Paxton. The Audit and Risk Committee will meet at least three times a year. The Board considers that the members of the Audit and Risk Committee have the requisite skills and experience to fulfil the responsibilities of the Audit and Risk Committee. The Audit and Risk Committee will examine the effectiveness of the Company's risk management and internal control systems. It will review the interim and annual reports and also receive information from the AIFM and the Investment Manager. It will also review the scope, results, cost effectiveness, independence and objectivity of the external auditor.

In accordance with the AIC Code, the Company has established a Management Engagement Committee which is chaired by Hugh W M Little and consists of all of the Directors. The Management Engagement Committee will meet at least once a year or more often if required. Its principal duties will be to (i) consider the terms of appointment of the AIFM, the Investment Manager and other service providers; (ii) annually review those appointments and the terms of engagement; and (iii) monitor, evaluate and hold to account the performance of the AIFM, the Investment Manager, the other service providers and their key personnel.

The Company's Remuneration Committee consists of all of the Directors and is chaired by Ashley Paxton. The Remuneration Committee will meet at least twice a year or more often if required. The Remuneration Committee's main functions include: (i) agreeing the policy for the remuneration of the Directors and reviewing any proposed changes to the policy; (ii) reviewing and considering ad hoc payment to the Directors in relation to duties undertaken over and above normal business; and (iii) appointing independent professional remuneration advice.

The Company's Nomination Committee consists of all of the Directors and is chaired by Joanna de Montgros. The Nomination Committee will meet at least once a year or more often if required. Its principal duties will be to advise the Board on succession planning bearing in mind the balance of skills, knowledge and experience existing on the Board and will make recommendations to the Board in this regard. The Nomination Committee advises the Board on its balance of relevant skills, experience, gender, race, age and length of service of the Directors serving on the Board. All appointments to the Board will be made in a formal and transparent matter.

#### **8. DIRECTORS' SHARE DEALINGS**

The Directors will comply with the share dealing code adopted by the Company in accordance with MAR in relation to their dealings in Ordinary Shares. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors.

## PART 6

### THE ISSUE

#### 1. INTRODUCTION

The Company is targeting an issue of up to 200 million Ordinary Shares pursuant to the Issue comprising the Placing, the Offer for Subscription and the Intermediaries Offer. The Issue has not been underwritten.

The total number of Ordinary Shares to be issued pursuant to the Issue, and therefore the Gross Proceeds, are not known as at the date of this Prospectus but will be notified by the Company via a Regulatory Information Service announcement and the Company's website prior to Admission.

The Net Proceeds, after deduction of expenses, are expected to be £196 million on the assumption that the Gross Proceeds are £200 million.

Applications will be made for the Ordinary Shares to be admitted to listing on the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence at 8.00 a.m. on 10 December 2020.

#### 2. THE ISSUE

##### **Overview**

Ordinary Shares will be issued pursuant to the Issue at an Issue Price of 100 pence per Ordinary Share.

The Issue is conditional, *inter alia*, on: (i) Admission having become effective on or before 8.00 a.m. on 10 December 2020 or such later time and/or date as the Company and N+1 Singer may agree (being not later than 8.00 a.m. on 31 December 2020); (ii) the Placing Agreement becoming wholly unconditional in respect of the Issue (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission; and (iii) the Minimum Gross Proceeds (or such lesser amount as the Company and N+1 Singer may agree) being raised.

The Company has secured up to £30 million of cornerstone investment in respect of the Issue, with Downing Managed Funds (which are managed by the Downing Group on a discretionary basis) committing to invest up to £20 million and existing Downing clients committing to invest a further £10 million.

If the Issue does not proceed (due to the Minimum Gross Proceeds (or such lesser amount as the Company and N+1 Singer may agree) not being raised or otherwise), any monies received under the Issue will be returned without interest at the risk of the applicant to the applicant from whom the money was received, within 14 calendar days.

If the Minimum Gross Proceeds are not raised, the Issue may only proceed where a supplementary prospectus (including a working capital statement based on a revised minimum net proceeds figure) has been prepared in relation to the Company, approved by the FCA and published.

##### **Placing**

N+1 Singer Capital Markets has agreed to use its reasonable endeavours to procure subscribers pursuant to the Placing and the Investment Manager has agreed to use its reasonable endeavours to market the Placing and introduce potential investors, each on the terms and subject to the conditions set out in the Placing Agreement.

The Ordinary Shares are being made available under the Placing at the Issue Price. The terms and conditions that shall apply to any subscription for Ordinary Shares under the Placing are set out in Part 11 of this Prospectus. The latest time and date for receipt of commitments under the Placing is 4.30 p.m. on Thursday 3 December 2020 (or such later date, not being later than 31 December 2020, as the Company and N+1 Singer may agree).

If the Placing is extended, the revised timetable will be notified via a Regulatory Information Service announcement.

Each Placee agrees to be bound by the Articles once the Ordinary Shares that the Placee has agreed to subscribe for pursuant to the Placing have been acquired by the Placee. The contract to

subscribe for the Ordinary Shares under the Placing and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales.

Commitments under the Placing, once made, may not be withdrawn without the consent of the Directors.

### ***Offer for Subscription***

The Company is making an offer of Ordinary Shares pursuant to the Offer for Subscription at the Issue Price, subject to the terms and conditions of the Offer for Subscription as set out in Part 12 of this Prospectus. These terms and conditions and the Application Form set out at Appendix 1 to this Prospectus should be read carefully before an application is made. Investors should consult their independent financial adviser if they are in any doubt about the contents of this Prospectus or the acquisition of Ordinary Shares.

The Offer for Subscription is being made in the UK, the Channel Islands and the Isle of Man only.

Applications under the Offer for Subscription must be for Ordinary Shares with a minimum subscription amount of £1,000 and thereafter in multiples of £100 or such lesser amount as the Company may determine (at its discretion). Multiple applications will not be accepted. Commitments under the Offer for Subscription once made, may not be withdrawn without the consent of the Directors.

Application Forms where payment is to be made by cheque, should be accompanied by a cheque or banker's draft in Sterling and must be made payable to "**Link Market Services Ltd RE: Downing Renewables & Infrastructure Trust plc – OFS CHQ A/C**" for the appropriate sum and should be returned to the Receiving Agent by no later than 11.00 a.m. on Thursday 3 December 2020.

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by no later than 11.00 a.m. on Thursday 3 December 2020. Applicants should send payment to the relevant bank account as detailed on the Application Form. Applicants must ensure that they remit sufficient funds to cover any charges incurred by their bank.

The payment instruction relating to the electronic transfer must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, for example: MJ Smith 01234 567890. The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference nor where a payment has been received but without an accompanying Application Form.

The account name for any electronic payment should be in the name that is given on your Application Form and payments must relate solely to your application. It is recommended that such transfers are actioned within 24 hours of posting your application and be received by no later than 11.00 a.m. on Thursday 3 December 2020.

In some cases, as determined by the amount of your investment, the Receiving Agent may need to ask you to submit additional documentation in order to verify your identity and/or the source of funds for the purpose of satisfying its anti-money laundering obligations. If additional document is required in relation to your application, the Receiving Agent will contact you to request the information needed. The Receiving Agent cannot rely on verification provided by any third party including financial intermediaries. Ordinary Shares cannot be allotted if the Receiving Agent has not received satisfactory evidence and/or the source of funds, and failure to provide such evidence may result in a delay in processing your application or your application being rejected.

Applicants choosing to settle via CREST, that is DVP, will need to input their instructions in favour of the Receiving Agent's Participant Account RA06 by no later than 11.00 a.m. on 7 December 2020 for the Receiving Agent to match in CREST, allowing for the delivery and acceptance of Ordinary Shares to be made against payment of the Issue Price per Ordinary Share in the relevant currency through the CREST system upon the relevant settlement date, following the CREST matching criteria set out in the Application Form.

In addition to completing and returning the Application Form to the Receiving Agent, applicants intending to hold Ordinary Shares in certificated form will also need to complete and return a Tax Residency Self Certification Form. The "Tax Residency Self-Certification Form (Individuals)" form can

be found at Appendix 2 of this Prospectus, further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Link Group on 0371 664 0321. 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. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot give any financial, legal or tax advice.

It is a condition of any application under the Offer for Subscription that a completed version of the relevant Tax Residency Self-Certification Form is provided with the Application Form before any application under the Offer for Subscription can be accepted, with the exception of any investors that are paying for their subscription through CREST on a DvP basis, as no Tax Residency Self-Certification Form will be required for DvP CREST investors to accompany the duly completed Application Form. Application Forms that are returned without the completed Tax Residency Self-Certification Forms (except for DvP CREST investors) will be referred to the Company after the Offer for Subscription closes at 11.00 a.m. on Thursday 3 December 2020. It will then be the Company's decision if these Application Forms can be accepted under the Offer for Subscription.

If the Offer for Subscription is extended, the revised timetable will be notified via a Regulatory Information Service announcement.

### ***Intermediaries Offer***

Investors may also subscribe for Ordinary Shares at the Issue Price pursuant to the Intermediaries Offer. Only the Intermediaries' retail investor clients in the United Kingdom, the Channel Islands and the Isle of Man are eligible to participate in the Intermediaries Offer. Investors may apply to any one of the Intermediaries to be accepted as their client.

All expenses incurred by any Intermediary are for its own account. Investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application made through that Intermediary pursuant to the Intermediaries Offer.

No Ordinary Shares allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside the United Kingdom, the Channel Islands or the Isle of Man. A minimum application of 1,000 Ordinary Shares per underlying applicant will apply. Allocations to Intermediaries will be determined the Company in its absolute discretion (following consultation with N+1 Singer Capital Markets and the Investment Manager).

An application for Ordinary Shares in the Intermediaries Offer means that the Underlying applicant agrees to acquire the Ordinary Shares applied for at the Issue Price. Each underlying applicant must comply with the appropriate money laundering checks required by the relevant Intermediary and all other laws and regulations applicable to their agreement to subscribe for Ordinary Shares. Where an application is not accepted or there are insufficient Ordinary Shares available to satisfy an application in full, the relevant Intermediary will be obliged to refund the underlying applicant as required and all such refunds shall be made without interest. The Company, the AIFM, the Investment Manager and N+1 Singer accept no responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Each Intermediary has agreed, or will on appointment agree, to the Intermediaries Terms and Conditions, which regulate, *inter alia*, the conduct of the Intermediaries Offer on market standard terms and provide for the payment of a commission and/or fee (to the extent permissible by the rules of the FCA) to Intermediaries from the Intermediaries Offer Adviser acting on behalf of the Company if such Intermediary elects to receive a commission and/or fee. Pursuant to the Intermediaries Terms and Conditions, in making an application, each Intermediary will also be required to represent and warrant that they are not located in the United States and are not acting on behalf of anyone located in the United States.

In addition, the Intermediaries may prepare certain materials for distribution or may otherwise provide information or advice to retail investors in the United Kingdom, subject to the Intermediaries Terms and Conditions. Any such materials, information or advice are solely the responsibility of the relevant Intermediary and will not be reviewed or approved by any of the Company, the AIFM, the

Investment Manager or the Intermediaries Offer Adviser. Any liability relating to such documents shall be for the relevant Intermediaries only.

The Intermediaries Terms and Conditions provide for the Intermediaries to have an option (where the payment of such commission and/or fee is not prohibited) to be paid a commission and/or fee by the Intermediaries Offer Adviser (acting on behalf of the Company) where it has elected to receive such commission and/or fee in respect of the Ordinary Shares allocated to and paid for by them pursuant to the Intermediaries Offer.

### **3. SCALING BACK AND ALLOCATION**

The results of the Issue will be announced by the Company via a Regulatory Information Service.

In the event that commitments under the Placing and valid applications under the Offer for Subscription and the Intermediaries Offer exceed the maximum number of Ordinary Shares available under the Issue (being 200 million Ordinary Shares), applications under the Placing, Offer for Subscription and Intermediaries Offer will be scaled back at the Company's discretion (in consultation with N+1 Singer Capital Markets and the Investment Manager).

The Company reserves the right to decline in whole or in part any application for Ordinary Shares pursuant to the Issue.

Monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant to the applicant from whom the money was received, within 14 calendar days following the close of the Issue.

### **4. REASONS FOR THE ISSUE AND USE OF PROCEEDS**

The Issue is intended to raise money for investment in accordance with the Company's investment objective and investment policy.

The Directors intend to use the Net Proceeds, after providing for the Company's operational expenses, to purchase investments in line with the Company's investment objective and investment policy.

The Investment Manager and the Board believe that, with the Investment Manager's experience and the preparatory work undertaken by it to date, suitable Assets will be identified, assessed and acquired such that the Net Proceeds will be substantially invested or committed within 12 months of Admission.

### **5. COSTS OF THE ISSUE**

The formation and initial expenses of the Company are those that arise from, or are incidental to, the establishment of the Company, the Issue and Admission.

The costs and expenses of, and incidental to, the formation of the Company and the Issue are expected to be 2% of the Gross Proceeds equivalent to approximately £4 million, assuming Gross Proceeds of £200 million. The costs will be deducted from the Gross Proceeds and it is expected that the starting Net Asset Value per Ordinary Share will be 98 pence, assuming Gross Proceeds of £200 million. The Company has agreed with the Investment Manager that the Investment Manager will contribute to the costs of the Issue such that the Net Asset Value per Ordinary Share at Admission will not be less than 98 pence. The Company will not charge investors any separate costs or expenses in connection with the Issue.

### **6. WITHDRAWAL**

In the event that the Company is required to publish a supplementary prospectus prior to Admission, applicants who have applied for Ordinary Shares under the Issue shall have at least two clear Business Days following the publication of the relevant supplementary prospectus within which to withdraw their offer to acquire Ordinary Shares in the Issue in its entirety. If the application is not withdrawn within the stipulated period, any offer to apply for Ordinary Shares in the Offer for Subscription or the Intermediaries Offer will remain valid and binding.

In the event of a supplementary prospectus being issued, full details on how an investor can withdraw an application for Ordinary Shares will be detailed within the supplementary prospectus.

Intermediaries wishing to exercise withdrawal rights on behalf of their underlying clients on behalf of whom they have submitted applications for Ordinary Shares, after the publication of a supplementary prospectus prior to the close of the Intermediaries Offer must do so in accordance with the Intermediaries Terms and Conditions so as to be received no later than four Business Days after the date on which the supplementary prospectus is published. If the applications for Ordinary Shares are not withdrawn by the Intermediaries during such time, the offer to apply for Ordinary Shares as set out in the application will remain valid and binding.

## **7. THE PLACING AGREEMENT**

Under the Placing Agreement, N+1 Singer Capital Markets has agreed to use its reasonable endeavours to procure subscribers pursuant to the Placing and the Investment Manager has agreed to use its reasonable endeavours to market the Placing and introduce potential investors in respect of the Placing, each on the terms and subject to the conditions set out in the Placing Agreement and this Prospectus.

The Placing Agreement contains provisions entitling N+1 Singer (acting by N+1 Singer Capital Markets or N+1 Singer Advisory) to terminate the Issue (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Issue and these arrangements will lapse and any monies received in respect of the Issue will be returned to each applicant without interest at the risk of the applicant to the applicant from whom the money was received. The Placing Agreement provides for N+1 Singer Advisory to act as the Company's sponsor and financial adviser.

The Placing Agreement provides for each of N+1 Singer and the Investment Manager to be paid commission by the Company in respect of the Ordinary Shares to be allotted pursuant to the Issue. Any Ordinary Shares subscribed for by N+1 Singer may be retained or dealt in by it for its own benefit.

Under the Placing Agreement, each of N+1 Singer Capital Markets and the Investment Manager is entitled at its discretion and out of its resources at any time to rebate to some or all investors, in the case of N+1 Singer Capital Markets only, Solid Solutions Associates (UK) Limited (as the Company's Intermediaries Offer Adviser) or to other parties, part or all of its fees relating to the Issue. N+1 Singer Capital Markets is also entitled under the Placing Agreement to retain agents and may pay commission in respect of the Issue to any or all of those agents out of its own resources.

Further details of the terms of the Placing Agreement are set out in paragraph 6.1 of Part 8 of this Prospectus.

## **8. GENERAL**

Pursuant to anti-money laundering laws and regulations with which the Company must comply, the Company (and its agents) may require evidence in connection with any application for Ordinary Shares, including further identification of the applicant(s), before any Ordinary Shares are issued pursuant to the Issue.

In the event that there are any material changes affecting any of the matters described in this Prospectus or where any significant new factors have arisen after the publication of this Prospectus, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the material change(s) or the significant new factor(s).

## **9. ADMISSION, CLEARING AND SETTLEMENT**

Applications will be made for the Ordinary Shares to be admitted to listing on the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market. It is expected that Admission will become effective, and that dealings in the Ordinary Shares will commence, at 8.00 a.m. on 10 December 2020.

An investor applying for Ordinary Shares in the Issue may receive Ordinary Shares in certificated or uncertificated form. The Ordinary Shares are in registered form. No temporary documents of title will be issued. Dealings in Ordinary Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned. It is expected that CREST accounts will be credited as soon as reasonably practicable after 8.00 a.m. on 10 December 2020 in respect of Ordinary Shares issued in uncertificated form and definitive share certificates in respect of Ordinary Shares held in



certificated form will be despatched by first class post to the Shareholder's registered address within 10 Business Days of Admission, at the Shareholder's own risk.

The ISIN of the Ordinary Shares is GB00BLF7PP25 and the SEDOL is BLF7PP2.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Ordinary Shares, nor does it guarantee the price at which a market will be made in the Ordinary Shares. Accordingly, the dealing price of the Ordinary Shares may not necessarily reflect changes in the Net Asset Value per Ordinary Share.

## **10. CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

## **11. ISA, SSAS AND SIPP**

The Ordinary Shares will, on Admission, be "qualifying investments" for the stocks and shares component of an ISA (subject to applicable subscription limits) provided that they have been acquired by purchase in the market (which, for these purposes, will include any Ordinary Shares acquired directly under the Offer for Subscription and the Intermediaries Offer but not any Ordinary Shares acquired directly under the Placing).

Save where Ordinary Shares are being acquired using available funds in an existing ISA, an investment in Ordinary Shares by means of an ISA is subject to the usual annual subscription limits applicable to new investments into an ISA. The Ordinary Shares will be permissible assets for SIPPs and SSAS.

The Board will use its reasonable endeavours to manage the affairs of the Company so as to enable this status to be maintained.

## **12. OVERSEAS PERSONS**

The attention of potential investors who are Overseas Persons is drawn to the paragraphs below.

The offer of Ordinary Shares under the Issue to Overseas Persons may be affected by the laws of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to obtain Ordinary Shares under the Issue. It is the responsibility of all Overseas Persons receiving this Prospectus and/or wishing to subscribe for Ordinary Shares under the Issue to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

No person receiving a copy of this Prospectus in any territory other than the UK may treat the same as constituting an offer or invitation to him/her, unless in the relevant territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements.

Persons (including, without limitation, nominees and trustees) receiving this Prospectus may not distribute or send it to any U.S. Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the U.S. Investment Company Act and the offer, issue and sale of the Ordinary Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Ordinary Shares are being offered and sold outside the United States to non-U.S. Persons in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. The Ordinary Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person, except

pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.

In addition, until 40 calendar days after the commencement of the Issue, an offer or sale of the Ordinary Shares within the United States by any dealer (whether or not participating in the Issue) may violate the registration requirements of the U.S. Securities Act.

The offer and sale of Ordinary Shares has not been and will not be registered under the applicable securities laws of Australia, Canada, the Republic of South Africa or Japan. Subject to certain exemptions, the Ordinary Shares may not be offered to or sold within Australia, Canada, the Republic of South Africa or Japan or to any national, resident or citizen of Australia, Canada, the Republic of South Africa or Japan.

Potential investors in any territory other than the United Kingdom should refer to the notices set out in the section entitled "Important Information" of this Prospectus.

The Company reserves the right to treat as invalid any agreement to subscribe for Ordinary Shares under the Issue if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

### **United States transfer restrictions**

Each of N+1 Singer Capital Markets, the Investment Manager, the AIFM and the Company has acknowledged and warranted in the Placing Agreement that it will not offer or sell or procure the offer or sale of the Ordinary Shares under the Issue except in compliance with Regulation S. The Ordinary Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, investors may not reoffer, resell, pledge or otherwise transfer or deliver, directly or indirectly, any Ordinary Shares within the United States, or to, or for the account or benefit of, any U.S. Person.

### **13. MATERIAL INTERESTS**

The Company has secured up to £30 million of cornerstone investment in respect of the Issue, with Downing Managed Funds (which are managed by the Downing Group on a discretionary basis) committing to invest up to £20 million and existing Downing clients committing to invest a further £10 million. Accordingly, upon Admission assuming the gross proceeds of the Issue are £200 million, the Downing Group and Downing Managed Funds are expected to hold 10% of the voting share capital of the Company.

Save as identified above, there are no interests that are material to the Issue and no conflicting interests.

### **14. PROFILE OF A TYPICAL INVESTOR**

The Ordinary Shares are designed to be suitable for institutional investors and professionally advised private investors. The Ordinary Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in the Ordinary Shares.

## PART 7

### TAXATION

**Prospective investors should consult their professional advisers concerning the possible tax consequences of their subscribing for, purchasing, holding or selling Ordinary Shares. The following summary of the principal United Kingdom tax consequences applicable to the Company and its Shareholders is based upon interpretations of existing laws in effect on the date of this Prospectus and no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with the interpretations or that changes in such laws will not occur. The tax and other matters described in this Prospectus are not intended as legal or tax advice. Each prospective investor must consult its own advisers with regard to the tax consequences of an investment in Ordinary Shares. None of the Company, the Directors, N+1 Singer, the AIFM, the Investment Manager or any of their respective affiliates or agents accept any responsibility for providing tax advice to any prospective investor.**

#### *Introduction*

The information below, which relates only to United Kingdom taxation, summarises the advice received by the Board in so far as applicable to the Company and to persons who are resident in the United Kingdom for taxation purposes and who hold Ordinary Shares as an investment. It is based on current United Kingdom tax law and published practice, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Ordinary Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Shareholder investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject.

There may be other tax consequences of an investment in the Company and all Shareholders or potential investors, in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult an appropriate professional adviser without delay. In particular, the tax legislation of the Shareholder's or potential investor's country of domicile or residence and of the Company's country of incorporation may have an impact on income received from the Ordinary Shares.

#### ***The Company***

It is the intention of the Directors to conduct the affairs of the Company so that it satisfies and continues to satisfy the conditions necessary for it to be approved by HMRC as an investment trust under sections 1158 to 1159 of the CTA 2010. However, none of the Directors, the AIFM or the Investment Manager can guarantee that this approval will be maintained. One of the conditions for a company to qualify as an investment trust is that it is not a close company. The Directors intend that the Company should not be a close company immediately following Admission. In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust the Company will be exempt from UK taxation on its capital gains. The Company will, however, (subject to what follows) be liable to UK corporation tax on its income in the normal way.

An investment trust approved under sections 1158 to 1159 of the CTA 2010, or one that intends to seek such approval, is able to elect to take advantage of modified UK tax treatment in respect of its "qualifying interest income" for an accounting period (referred to here as the "streaming" regime). Under regulations made pursuant to the Finance Act 2009, the Company may, if it so chooses, designate as an "interest distribution" all or part of the amount it distributes to Shareholders as dividends in respect of the accounting period, to the extent that it has "qualifying interest income" for the accounting period. Were the Company to designate any dividend it pays in this manner, it would be able to deduct such interest distributions from its taxable interest income in calculating its taxable profit for the relevant accounting period.

The Company should in practice be exempt from UK corporation tax on any dividend income received, provided that such dividends (whether from UK or non-UK companies) fall within one of the "exempt classes" in Part 9A of the CTA 2009.

## **Shareholders**

### *Taxation of capital gains*

Individual Shareholders who are resident in the UK for tax purposes will generally be subject to capital gains tax in respect of any gain arising on a disposal of their Ordinary Shares. Each such individual has an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £12,300 for the tax year 2020–2021. Capital gains tax chargeable will be at the current rate of 10% (for basic rate tax payers) and 20% (for higher and additional rate tax payers) for the tax year 2020–2021.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to corporation tax on chargeable gains arising on a disposal of their Ordinary Shares.

Capital losses realised on a disposal of Ordinary Shares must be set off as far as possible against chargeable gains for the same tax year (or accounting period in the case of a corporate Shareholder), even if this reduces an individual Shareholder's total gain below the annual exemption. Any balance of losses is carried forward without time limit and set off against net chargeable gains (that is, after deducting the annual exemption) in the earliest later tax year. Losses cannot generally be carried back, with the exception of losses accruing to an individual Shareholder in the year of his death.

### *Taxation of dividends*

Distributions made by the Company may either take the form of dividend income, or of "qualifying interest income" which may be designated as interest distributions for UK tax purposes. Prospective investors should note that the UK tax treatment of the Company's distributions may vary for a Shareholder depending upon the classification of such distributions. Prospective investors who are unsure about the tax treatment which will apply to them in respect of any distributions made by the Company should consult their own tax advisers.

### *Non-interest distributions*

If the Directors do not elect for the "streaming" regime to apply to any dividends paid by the Company, the following statements summarise the expected UK tax treatment for individual Shareholders who receive dividends from the Company. The following statements would also apply to any dividends not treated as "interest distributions" were the Directors to elect for the streaming regime to apply.

A £2,000 annual tax free dividend allowance is available to UK individuals for the tax year 2020-21. Dividends received in excess of this threshold will be taxed, for the tax year 2020/21 at 7.5% (basic rate taxpayers), 32.5% (higher rate taxpayers) and 38.1% (additional rate taxpayers).

The Company will not be required to withhold tax at source when paying a dividend.

### *Interest distributions*

Should the Directors elect to apply the "streaming" regime to any dividends paid by the Company, were the Company to designate any dividends paid as an "interest distribution", a UK resident Shareholder in receipt of such a dividend would be treated as though they had received a payment of interest. Such a Shareholder would be subject to UK income tax at the current rates of 20%, 40% or 45%, depending on the level of the Shareholder's income. No withholding tax will be applied to such distributions.

Each UK resident individual who is a basic rate taxpayer is entitled to a Personal Saving Allowance which exempts the first £1,000 of savings income (including distributions deemed as 'interest distributions' from an investment trust company). The exempt amount is reduced to £500 for higher rate taxpayers and additional rate taxpayers do not receive an allowance.

### *Corporate Shareholders*

UK resident corporate Shareholders may be subject to corporation tax on dividends paid by the Company unless they fall within one of the exempt classes in Part 9A of CTA 2009. If, however, the Directors did elect for the "streaming" rules to apply, and such corporate Shareholders were to

receive dividends designated by the Company as “interest distributions”, they would be subject to corporation tax in the same way as a creditor in a loan relationship.

**It is particularly important that prospective investors who are not resident in the UK for tax purposes obtain their own tax advice concerning tax liabilities on dividends received from the Company.**

### ***Stamp Duty and Stamp Duty Reserve Tax***

No UK stamp duty or stamp duty reserve tax (“SDRT”) will normally arise on the issue of Ordinary Shares by the Company.

Transfers on sale of Ordinary Shares will generally be subject to UK stamp duty at the rate of 0.5% of the consideration given for the transfer (rounded up to the nearest £5). The purchaser normally pays the stamp duty.

An agreement to transfer Ordinary Shares will normally give rise to a charge to SDRT at the rate of 0.5% of the amount or value of the consideration payable for the transfer. If a duly stamped transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

Paperless transfers of Ordinary Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5% of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of Ordinary Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration.

### ***ISA, SSAS and SIPP***

Ordinary Shares acquired by a UK resident individual Shareholder in the Offer for Subscription, the Intermediaries Offer, or on the secondary market (but not the Placing) should be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£20,000 in the tax year 2020-2021). Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Junior ISAs are available to children under the age of 18 who are resident in the UK subject to the annual allowance of £9,000 for the 2020-2021 tax year. Sums received by a Shareholder on a disposal of Ordinary Shares would not count towards the Shareholder’s annual limit; but a disposal of Ordinary Shares held in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year.

Individuals wishing to invest in Ordinary Shares through an ISA should contact their ISA managers to subscribe for or acquire Ordinary Shares through the Offer for Subscription, Intermediaries Offer or on the secondary market.

The Directors have been advised that the Ordinary Shares should be eligible for inclusion in a SIPP or a SSAS, subject to the discretion of the trustees of the SIPP or the SSAS, as the case may be.

### ***Information reporting***

The UK has entered into international agreements with a number of jurisdictions which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, an Inter-governmental Agreement with the U.S. in relation to FATCA and International Tax Compliance Agreements with Guernsey, Jersey, the Isle of Man and Gibraltar. The UK has also introduced legislation implementing other international exchange of information arrangements, including the Common Reporting Standard developed by the Organisation for Economic Co-operation and Development and the EU Directive on Administrative Cooperation in Tax Matters. In connection with such agreements and arrangements the Company may, among other things, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to the authorities in other jurisdictions.

### ***Prevention of Criminal Facilitation of Tax Evasion***

Two new United Kingdom corporate criminal offences for failure to prevent the facilitation of tax evasion ("**FTP offences**") have been created by the Criminal Finances Act 2017. The offences came into force on 30 September 2017. The FTP offences impose criminal liability on a company or a partnership (a "relevant body") if it fails to prevent the criminal facilitation of tax evasion by a "person associated" with the relevant body. There is a defence to the charge if the relevant body can show that it had in place "reasonable prevention procedures" at the time the facilitation took place. To comply with the Criminal Finances Act 2017, the Company, the AIFM and/or the Investment Manager may require additional information from Shareholders or prospective investors in the Company regarding their tax affairs.

## PART 8

### GENERAL INFORMATION

#### 1. THE COMPANY

- 1.1 The Company was incorporated with the name DR&I Trust plc in England and Wales on 8 October 2020 with registered number 12938740 as a public company limited by shares under the Companies Act. On 22 October 2020, the Company changed its name to Downing Renewables & Infrastructure Trust plc. The Company's legal entity identifier number is 2138004JHBJ7RHDYDR62.
- 1.2 The registered office and principal place of business of the Company is Beaufort House, 51 New North Road, Exeter EX4 4EP with telephone number +44 (0) 1392 477 500.
- 1.3 The principal legislation under which the Company operates is the Companies Act. As an investment trust, the Company will not be regulated as a collective investment scheme by the FCA. However, from Admission, the Company and the Shareholders will be subject to the Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation and MAR and the rules of the London Stock Exchange.
- 1.4 The principal activity of the Company is to invest in a diversified portfolio of renewable energy and infrastructure assets in the UK, Ireland and Northern Europe.
- 1.5 Save for entry into of the material contracts summarised in paragraph 6 of this Part 8, the Company has not commenced operations since incorporation and, as at the date of this Prospectus, no financial statements have been made up and no dividends have been declared by the Company.
- 1.6 The Company's accounting period will end on 31 December of each year. The first accounting period will end on 31 December 2021. The annual report and accounts will be prepared in Sterling according to accounting standards laid out under IFRS.
- 1.7 On 9 November 2020, the Company was granted a certificate under section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers.
- 1.8 The Company is domiciled in England and Wales, does not have any employees and does not own any premises and, as at the date of this Prospectus, has no subsidiaries.
- 1.9 The Company has given notice to the Registrar of Companies of its intention to carry on business as an investment company pursuant to section 833 of the Companies Act.
- 1.10 The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of sections 1158 and 1159 (and regulations made thereunder) of the CTA 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. In summary, the conditions and requirements that must be met for approval by HMRC as an investment trust, and which must continue to be met for each accounting period in respect of which the Company is approved as an investment trust, are that:
  - all, or substantially all, of the business of the Company is investing its funds in shares, land or other assets with the aim of spreading investment risk and giving members the benefit of the results of the management of its funds;
  - the Company is not a close company at any time during the accounting period;
  - the Company's ordinary share capital is admitted to trading on a regulated market throughout the accounting period;
  - the Company must not retain in respect of the accounting period an amount greater than the higher of: (a) 15% of its income for the period; and (b) the amount of any income which the Company is required to retain in respect of the period by virtue of a restriction imposed by law. However, where the Company has relevant accumulated losses brought forward from previous accounting periods of an amount equal to or greater than the higher of the amounts mentioned in (a) and (b) above, it may retain an amount equal to the amount of such losses; and
  - the Company notifies HMRC if it revises its published investment policy.

## 2. SHARE CAPITAL

- 2.1 On incorporation, the issued share capital of the Company was £0.01 represented by one Ordinary Share, which was subscribed for by Downing Investment LLP, a wholly owned subsidiary of Downing LLP.
- 2.2 Set out below is the issued share capital of the Company as at the date of this Prospectus:

	<b>Aggregate nominal value</b>	<b>Number</b>
Ordinary Share of £0.01	£0.01	1
Management Shares of £1.00 each	£50,000	50,000

The Ordinary Share in issue is fully paid up. To enable the Company to obtain a certificate of entitlement to conduct business and to borrow under section 761 of the Companies Act, on 26 October 2020, 50,000 Management Shares were allotted to Downing Investment LLP. The Management Shares are paid up as to one quarter of their nominal value and will be redeemed immediately following Admission out of the proceeds of the Issue.

- 2.3 Set out below is the issued share capital of the Company as it will be immediately following the Issue (assuming 200 million Ordinary Shares are allotted):

	<b>Aggregate Nominal value (£)</b>	<b>Number</b>
Ordinary Shares	2,000,000	200,000,000

All Ordinary Shares will be fully paid.

- 2.4 By ordinary and special resolutions passed on 26 October 2020:
- 2.4.1 the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot up to 200 million Ordinary Shares pursuant to the Issue, such authority to expire immediately following Admission, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted in pursuance of such an offer or agreement as if such authority had not expired;
- 2.4.2 the Directors were generally empowered (pursuant to section 570 of the Companies Act) to allot Ordinary Shares for cash pursuant to the authority referred to in paragraph 2.4.1 above as if section 561 of the Companies Act did not apply to any such allotment, such power to expire immediately following Admission, save that the Company may, at any time prior to the expiry of such power make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted after the expiry of such power, and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired;
- 2.4.3 to take effect immediately following the expiry of the authority provided by the resolutions referred to in paragraphs 2.4.1 and 2.4.2 above, the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot such number of Ordinary Shares and/or C Shares convertible into Ordinary Shares in aggregate as is equal to 20% of the number of Ordinary Shares in issue immediately following Admission, such authority to expire (unless previously revoked, varied or renewed) on the conclusion of the Company's first annual general meeting, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require Ordinary Shares and/or C Shares as the case may be to be allotted in pursuance of such an offer or agreement as if such authority had not expired;



- 2.4.4 to take effect immediately following the expiry of the authority provided by the resolutions referred to in paragraphs 2.4.1 and 2.4.2 above, the Directors were generally empowered (pursuant to sections 570 and 573 of the Companies Act) to allot Ordinary Shares and/or C Shares, and to sell Ordinary Shares and/or C Shares from treasury for cash pursuant to the authority referred to in paragraph 2.4.3 above as if section 561 of the Companies Act did not apply to any such allotment or sale, such power to expire (unless previously revoked, varied or renewed) on the conclusion of the Company's first annual general meeting, save that the Company may, at any time prior to the expiry of such power make an offer or enter into an agreement which would or might require Ordinary Shares and/or C Shares as the case may be to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or agreement as if such power had not expired;
- 2.4.5 the Company was authorised in accordance with section 701 of the Companies Act to make market purchases (within the meaning of section 693(4) of the Companies Act) of Ordinary Shares provided that the maximum number of Ordinary Shares authorised to be purchased is 14.99% of the Ordinary Shares in issue immediately following Admission. The minimum price which may be paid for an Ordinary Share is £0.01. The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of (i) 5% above the average of the mid-market quotations for the five Business Days before the purchase is made, and (ii) the higher of (a) the price of the last independent trade and (b) the highest current independent bid for Ordinary Shares on the London Stock Exchange at the time the purchase is carried out. Such authority will expire on the earlier of the conclusion of the first annual general meeting of the Company and 25 April 2022, save that the Company may contract to purchase Ordinary Shares under the authority thereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase Ordinary Shares in pursuance of such contract;
- 2.4.6 the Company resolved that, conditional upon Admission and subject to the confirmation and approval of the Court, the amount standing to the credit of the share premium account of the Company immediately following completion of the Issue be cancelled, and the amount of the share premium account so cancelled be credited to a reserve;
- 2.4.7 the Directors were authorised to declare and pay all dividends of the Company as interim dividends and for the last dividend referable to a financial year not to be categorised as a final dividend that is subject to shareholder approval; and
- 2.4.8 the Company was authorised to call a general meeting of the Company other than an annual general meeting on not less than 14 clear days' notice.
- 2.5 The provisions of section 561(1) of the Companies Act (which, to the extent not disapplied pursuant to sections 570 and 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to issues by the Company of equity securities save to the extent disapplied as mentioned in paragraphs 2.4.2 and 2.4.4 above.
- 2.6 In accordance with the authorities referred to in paragraphs 2.4.1 and 2.4.2 above, it is expected that the Ordinary Shares to be issued pursuant to the Issue will be allotted (conditionally upon Admission) pursuant to a resolution of the Board to be passed shortly before Admission in accordance with the Companies Act.
- 2.7 Save as disclosed in this paragraph 2, no share or loan capital of the Company has since the date of incorporation of the Company been issued or been agreed to be issued, fully or partly paid, either for cash or for a consideration other than cash, and, other than pursuant to the Issue, no such issue is now proposed.

- 2.8 As at the date of this Prospectus, the Company has not granted any options over its share or loan capital which remain outstanding and has not agreed, conditionally or unconditionally to grant any such options and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
- 2.9 All of the Ordinary Shares will be in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued.
- 2.10 There are no restrictions on the free transferability of the Ordinary Shares, subject to compliance with applicable securities law.
- 2.11 Applicants who have signed and returned Application Forms in respect of the Offer for Subscription may not withdraw their applications for Ordinary Shares subject to their statutory rights of withdrawal in the event of the publication of a supplementary prospectus.

### 3. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

- 3.1 The Directors intend to subscribe for Ordinary Shares pursuant to the Issue in the amounts set out below:

<b>Director</b>	<b>Number of Ordinary Shares</b>	<b>% of issued Ordinary Share capital*</b>
Hugh W M Little	50,000	0.025
Ashley Paxton	40,000	0.020

\* Assuming that the Issue is subscribed as to 200 million Ordinary Shares

Save as disclosed in this paragraph, immediately following Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

- 3.2 The Company has secured up to £30 million of cornerstone investment in respect of the Issue, with Downing Managed Funds (which are managed by the Downing Group on a discretionary basis) committing to invest up to £20 million and existing Downing clients committing to invest a further £10 million.
- 3.3 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. Each Director will retire from office at each annual general meeting except any Director appointed by the Board after the notice of that annual general meeting has been given and before that annual general meeting has been held. The Directors' appointments can be terminated by either party in accordance with the Articles and on three months' written notice, in both cases without compensation. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) written request of all of the other Directors.
- 3.4 Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Save for the Chair, the initial fees will be £35,000 for each Director per annum. The Chair's initial fee will be £50,000 per annum. The Chair of the Audit and Risk Committee will receive an additional £5,000 per annum. The Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties. Joanna de Montgros has agreed that any fees payable to her in respect of her first year of service shall, save where the Company and the Directors agree otherwise, be satisfied in Ordinary Shares transferred at market value, such Ordinary Shares to be acquired on behalf of Joanna de Montgros and for her account by the Company's broker.
- 3.5 No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits.

- 3.6 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or that has been effected by the Company since its incorporation.
- 3.7 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.
- 3.8 Over the five years preceding the date of this Prospectus, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of administrative, management or supervisory bodies and/or partnerships:

<b>Name</b>	<b>Current</b>	<b>Previous</b>
Hugh W M Little	Clan Cancer Support Clan Now Limited Dark Matter Distillers Limited Drum Income Plus REIT plc Drum Income Plus Limited Maven Capital (Llandudno) LLP Robert Gordon's College Sport Technology Services Limited	AMJPEF Founder Partner Limited Majenta Logistics Limited (members' voluntary liquidation – dissolved 10 March 2020) TCAM Asset Management Group Limited
Joanna de Montgros	Co-Pilot Wind Project Ltd Everoze Partners Limited	—
Ashley Paxton	JZ Capital Partners Limited Paxton Capital Limited Young People Guernsey LBG The Youth Commission for Guernsey & Alderney LBG	KPMG Channel Islands Limited KPMG Corporate Finance Limited (members' voluntary liquidation – dissolved 29 June 2017) KPMG LLP KPMG Properties Limited (members' voluntary liquidation – dissolved 29 June 2017)

- 3.9 The Directors in the five years before the date of this Prospectus:
- 3.9.1 do not have any convictions in relation to fraudulent offences;
- 3.9.2 save as disclosed in paragraph 3.8 of this Part 8, have not been associated with any bankruptcies, receiverships, liquidations or administration of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- 3.9.3 do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.
- 3.10 As at the date of this Prospectus insofar as known to the Company, there are no parties known to have a notifiable interest under English law in the Company's capital or voting rights.
- 3.11 All Shareholders have the same voting rights in respect of shares of the same class in the share capital of the Company.
- 3.12 Pending the allotment of Ordinary Shares pursuant to the Issue, the Company is controlled by Downing Investment LLP, as described in paragraph 2 of this Part 8. The Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 3.13 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

- 3.14 Save for the entry into of the Directors' appointment letters, the AIFM Agreement, the Investment Management Agreement, the Asset Management Agreement and the Option Agreement, the Company has not entered into any related party transaction at any time during the period from incorporation to 11 November 2020 (the latest practicable date prior to the publication of this Prospectus).
- 3.15 As at the date of this Prospectus, none of the Directors has any conflict of interest or potential conflict of interest between any duties to the Company and their private interests and/or other duties.
- 3.16 The Company intends to maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

#### **4. THE ARTICLES**

The Articles contain provisions, *inter alia*, to the following effect:

##### **4.1 Objects/Purposes**

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

##### **4.2 Voting rights**

- 4.2.1 Subject to the provisions of the Companies Act, to any special terms as to voting on which any shares may have been issued or may from time-to-time be held and any suspension or abrogation of voting rights pursuant to the Articles, at a general meeting of the Company every shareholder who is present in person shall, on a show of hands, have one vote, every proxy who has been appointed by a shareholder entitled to vote on the resolution shall, on a show of hands, have one vote and every shareholder present in person or by proxy shall, on a poll, have one vote for each share of which he is a holder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or vest all the votes he uses the same way. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- 4.2.2 Unless the Board otherwise determines, no shareholder is entitled to vote at a general meeting or at a separate meeting of shareholders of any class of shares, either in person or by proxy, or to exercise any other right or privilege as a shareholder in respect of any share held by him, unless all calls presently payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by such shareholder to the Company have been paid.
- 4.2.3 Notwithstanding any other provision of the Articles, where required by the Listing Rules, a vote must be decided by a resolution of the holders of the Company's shares that have been admitted to premium listing. In addition, where the Listing Rules require that a particular resolution must in addition be approved by the independent shareholders (as such term is defined in the Listing Rules), only independent shareholders who hold the Company's shares that have been admitted to premium listing can vote on such separate resolution.

##### **4.3 Dividends**

- 4.3.1 Subject to the provisions of the Companies Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to shareholders according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.
- 4.3.2 Subject to the provisions of the Companies Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring

preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.

- 4.3.3 All dividends, interest or other sums payable and unclaimed for a period of 12 months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.
- 4.3.4 The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.
- 4.3.5 The Board may also, with the prior authority of an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer to holders of shares the right to elect to receive shares, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.
- 4.3.6 Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld if such shares represent at least 0.25% in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares and has failed to supply the required information within 14 calendar days. Furthermore, such a holder shall not be entitled to elect to receive shares instead of a dividend.

#### **4.4 Distribution of assets on a winding-up**

If the Company is wound up, with the sanction of a special resolution and any other sanction required by law and subject to the Companies Act, the liquidator may divide among the Shareholders in specie the whole or any part of the assets of the Company and for that purpose may value any assets and determine how the division shall be carried out as between the Shareholders or different classes of Shareholders. With the like sanction, the liquidator may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Shareholders as he may with the like sanction determine, but no Shareholder shall be compelled to accept any shares or other securities upon which there is a liability.

#### **4.5 Transfer of shares**

- 4.5.1 Subject to any applicable restrictions in the Articles, each shareholder may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument must be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the transferee's name is entered in the register of shareholders.
- 4.5.2 The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:
  - 4.5.2.1 it is in respect of a share which is fully paid up;
  - 4.5.2.2 it is in respect of only one class of shares;
  - 4.5.2.3 it is in favour of a single transferee or not more than four joint transferees;
  - 4.5.2.4 it is duly stamped (if so required); and

4.5.2.5 it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time-to-time determine, accompanied (except in the case of (a) a transfer by a recognised person where a certificate has not been issued (b) a transfer of an uncertificated share or (c) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share in certificated form on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading.

The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the regulations and the relevant electronic system provided that such refusal does not prevent dealings in shares from taking place on an open and proper basis.

- 4.5.3 Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his interests in the Company's shares, has failed to supply the required information within the prescribed period from the service of the notice and the shares in respect of which such notice has been served represent at least 0.25% in nominal value of their class, unless the shareholder is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or is in consequence of a *bona fide* sale to an unconnected party.
- 4.5.4 If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company or, in the case of an uncertificated share, the date on which appropriate instructions was received by or on behalf of the Company in accordance with the regulations of the relevant electronic system.
- 4.5.5 No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.
- 4.5.6 If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under section 3(42) of ERISA or the U.S. Tax Code; or (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to register or qualify under the U.S. Investment Company Act, and/or U.S. Investment Advisers Act of 1940 and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934, as amended and/or any laws of any state of the U.S. or other jurisdiction that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Securities Exchange Act 1934, as amended; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Tax Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act 1956, as amended or regulations or interpretations thereunder, or (vi) would cause the

Company adverse consequences under the foreign account tax compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 or any similar legislation in any territory or jurisdiction (including the International Tax Compliance Regulation 2015), including the Company becoming subject to any withholding tax or reporting obligation or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the Shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligations) then any shares which the Directors decide are shares which are so held or beneficially owned ("**Prohibited Shares**") must be dealt with in accordance with paragraph 4.5.7 below. The Directors may at any time give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share.

- 4.5.7 The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 calendar days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of shareholder and those rights will vest in the Chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion. If the notice is not complied with within 21 calendar days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company's costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate (if applicable).
- 4.5.8 Upon transfer of a share the transferee of such share shall be deemed to have represented and warranted to the Company that such transferee is acquiring shares in an offshore transaction meeting the requirements of Regulation S and is not, nor is acting on behalf of: (i) a benefit plan investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as "plan assets" of any benefit plan investor under section 3(42) of ERISA; and/or (ii) a U.S. Person.

#### **4.6 Variation of rights**

- 4.6.1 Subject to the provisions of the Companies Act, if at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares (whether or not the Company may be or is about to be wound up) may from time-to-time be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the class.
- 4.6.2 The quorum at every such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his proxy.

#### **4.7 Alteration of share capital**

The Company may by ordinary resolution:

- 4.7.1 consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;
- 4.7.2 subject to the provisions of the Companies Act, sub-divide its shares, or any of them, into shares of smaller nominal value than its existing shares;
- 4.7.3 determine that, as between the shares resulting from such a sub-division, one or more shares may, as compared with the others, have any such preferred, deferred or other rights or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; and
- 4.7.4 redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

#### **4.8 General meetings**

- 4.8.1 The Board may convene a general meeting (which is not an annual general meeting) whenever and at such time and place, and/or on such electronic platform(s), as it thinks fit.
- 4.8.2 The Board shall determine whether a general meeting is to be held as a physical general meeting and/or an electronic general meeting.
- 4.8.3 The Board may enable persons entitled to attend a general meeting to do so by simultaneous attendance by electronic means. The right of a member to participate in the business of any electronic general meeting shall include the right to speak, vote on a poll, be represented by a proxy and have access (including by electronic means) to all documents which are to be made available. The members or proxies so present shall count in the quorum for the general meeting in question.
- 4.8.4 A general meeting shall be convened by such notice as may be required by law from time-to-time.
- 4.8.5 The notice of any general meeting shall include such statements as are required by the Companies Act and shall in any event specify:
  - 4.8.5.1 whether the meeting is convened as an annual general meeting or any other general meeting;
  - 4.8.5.2 whether the meeting will be physical and/or electronic;
  - 4.8.5.3 the place and/or electronic platform(s), the day, and the time of the meeting;
  - 4.8.5.4 the general nature of the business to be transacted at the meeting;
  - 4.8.5.5 if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such; and
  - 4.8.5.6 with reasonable prominence, that a shareholder entitled to attend and vote is entitled to appoint one or (provided each proxy is appointed to exercise the rights attached to a different share held by the shareholder) more proxies to attend and to speak and vote instead of the shareholder and that a proxy need not also be a shareholder.
- 4.8.6 The notice must be given to the shareholders (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the auditors and to any other person who may be entitled to receive it. The accidental omission to give or send notice of any general meeting, or, in cases where it is intended that it be given or sent out with the notice, any other document relating to the meeting including an appointment of proxy to, or the non-receipt of notice by, any person entitled to receive the same, shall not invalidate the proceedings at the meeting.



- 4.8.7 The right of a shareholder to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Companies Act or the Articles to be made available at the meeting.
- 4.8.8 A Director shall, notwithstanding that he is not a shareholder, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairman of any general meeting may also invite any person to attend and speak at that meeting if he considers that this will assist in the deliberations of the meeting.
- 4.8.9 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Subject to the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a shareholder so entitled or a proxy for a shareholder so entitled or a duly authorised representative of a corporation which is a shareholder so entitled, shall be a quorum. If, at any time, there is only one person entitled to attend and to vote on the business to be transacted, such person being the sole shareholder so entitled or a proxy for such sole shareholder so entitled or a duly authorised representative of a corporation which is such sole shareholder so entitled, shall be a quorum. The Chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time-to-time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 30 calendar days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.
- 4.8.10 A resolution put to a vote of the meeting shall be decided on a show of hands unless a poll is duly demanded. Subject to the provisions of the Companies Act, a poll may be demanded by:
- 4.8.10.1 the Chairman;
  - 4.8.10.2 at least five shareholders having the right to vote on the resolution;
  - 4.8.10.3 a shareholder or shareholders representing not less than 10% of the total voting rights of all the shareholders having the right to vote on the resolution (excluding any voting rights attached to shares held as treasury shares); or
  - 4.8.10.4 shareholder or shareholders holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the shares conferring that right (excluding any voting rights attached to shares in the Company conferring a right to vote on the resolution held as treasury shares).
- 4.8.11 Resolutions put to shareholders at electronic general meetings shall be voted on by a poll. Poll votes may be cast by electronic means as the Board deems appropriate.
- 4.8.12 Nothing in the Articles will prevent the Company from holding physical general meetings. The potential to hold a general meeting through wholly electronic means is intended as a solution to be adopted as a last resort to ensure the continued smooth operation of the Company in extreme operating circumstances where physical meetings are prohibited. The Company has no present intention of holding a wholly electronic general meeting, will endeavour to hold a physical general meeting wherever possible and will only utilise the ability to hold a wholly virtual general meeting in the circumstances referred to immediately above and in other similar circumstances, such as on the occurrence of the proliferation of disease, virus, infection or any other health related circumstance (such as, *inter alia*, an epidemic or pandemic) which leads to actual or anticipated changes in health related policy, guidance or legislation of the Government of England and Wales from time to time

which, in the reasonable opinion of the Directors, renders the holding of a physical general meeting not possible and/or undesirable in the interests of the health and safety of members attending such general meeting.

#### **4.9 Borrowing powers**

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and, subject to the provisions of the Companies Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

#### **4.10 Issue of shares**

Subject to the provisions of the Companies Act and to any rights for the time being attached to any shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time-to-time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine, and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Directors may determine.

#### **4.11 Powers of the Board**

The business of the Company shall be managed by the Directors who, subject to the provisions of the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company, whether relating to the management of the business or not. Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

#### **4.12 Directors' fees**

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time-to-time determine (not exceeding in aggregate £300,000 per annum or such other sum as the Company in general meeting shall from time-to-time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles or otherwise and shall accrue from day to day.

The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

#### **4.13 Directors' interests**

4.13.1 The Board may authorise any matter proposed to it in accordance with the Articles which would otherwise involve a breach by a Director of his duty to avoid conflicts of interest under the Companies Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interest of the Company or the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it (excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting at which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.

4.13.2 Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director and in

respect of which he has a duty of confidentiality to another person and will not be in breach of the general duties he owes to the Company under the Companies Act because he fails to disclose any such information to the Board or to use or apply any such information in performing his duties as a Director, or because he absents himself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict, of interest is discussed and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.

4.13.3 Provided that his interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Companies Act, a Director, notwithstanding his office:

4.13.3.1 may be a party to or otherwise be interested in any transaction arrangement or proposal with the Company or in which the Company is otherwise interested;

4.13.3.2 may hold any other office or place of profit at the Company (except that of auditor of the Company or any of its subsidiaries) and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange;

4.13.3.3 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has powers of appointment; and

4.13.3.4 shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction, arrangement or proposal or from any interest in any body corporate. No such transaction, arrangement or proposal shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty not to accept benefits from third parties.

4.13.4 A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his service contract that have been or are to be considered at a meeting of the Directors or if the interest consists of him being a director, officer or employee of a company in which the Company is interested.

4.13.5 The Board may cause the voting rights conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit and a Director may vote on and be counted in the quorum in relation to any of these matters.

#### **4.14 Restrictions on Directors voting**

4.14.1 A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any transaction or arrangement in which he has an interest which is to his knowledge a material interest and, if he purports to do so, his vote will not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:

4.14.1.1 any transaction or arrangement in which he is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;

4.14.1.2 the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;

- 4.14.1.3 the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - 4.14.1.4 the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;
  - 4.14.1.5 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
  - 4.14.1.6 any proposal concerning any other body corporate in which he does not to his knowledge have an interest (as the term is used in Part 22 of the Companies Act) in 1% or more of the issued equity share capital of any class of such body corporate nor to his knowledge holds 1% or more of the voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (within the meaning of the Disclosure Guidance and Transparency Rules) in such body corporate;
  - 4.14.1.7 any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
  - 4.14.1.8 any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;
  - 4.14.1.9 any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure; or any transaction or arrangement in respect of which his interest, or the interest of Directors generally has been authorised by ordinary resolution.
- 4.14.2 A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

#### **4.15 Number of Directors**

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors shall be not less than two and the number is not subject to a maximum.

#### **4.16 Directors' appointment and retirement**

- 4.16.1 Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director shall hold office only until the next annual general meeting.
- 4.16.2 At each annual general meeting all of the Directors will retire from office except any Director appointed by the Board after the notice of that annual general meeting has been given and before that annual general meeting has been held.

#### **4.17 Notice requiring disclosure of interest in shares**

- 4.17.1 The Company may, by notice in writing, require a person whom the Company knows to be, or has reasonable cause to believe is, interested in any shares or at any time during the three years immediately preceding the date on which the notice is issued to have been interested in any shares, to confirm that fact or (as the case may be) to indicate whether or not this is the case and to give such further information as may be required by the Directors. Such information may include, without limitation, particulars of the person's identity, particulars of the person's own past or present

interest in any shares and to disclose the identity of any other person who has a present interest in the shares held by him, where the interest is a present interest and any other interest, in any shares, which subsisted during that three year period at any time when his own interest subsisted to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required and where a person's interest is a past interest to give (so far as is within his knowledge) like particulars for the person who held that interest immediately upon his ceasing to hold it.

- 4.17.2 If any shareholder is in default in supplying to the Company the information required by the Company within the prescribed period (which is 14 calendar days after service of the notice), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the shareholder. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the “**default shares**”) the shareholder shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25% in nominal value of the class of shares concerned (excluding treasury shares), the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the default shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

#### **4.18 Untraced shareholders**

Subject to the Articles, the Company may sell any shares registered in the name of a shareholder remaining untraced for 12 years who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the shareholder, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

#### **4.19 Indemnity of officers**

Subject to the provisions of the Companies Act, but without prejudice to any indemnity to which he might otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the auditors or the auditors of an associated company) may at the discretion of the Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, or as a trustee of an occupational pension scheme (as defined in section 235(6) Companies Act). In addition, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company).

#### **4.20 Management Shares**

The Management Shares can be redeemed at any time (subject to the provisions of the Companies Act) by the Company and carry the right to receive a fixed annual dividend equal to 0.01% of the nominal amount of each of the Management Shares payable on demand. For so long as there are shares of any other class in issue, the holders of the Management Shares will not have any right to receive notice of or vote at any general meeting of the Company. If there are no shares of any other class in issue, the holders of the Management Shares will have the right to receive notice of, and to vote at, general meetings of the Company. In such circumstances, each holder of a Management Share who is present in person (or, being a corporation, by representative) or by proxy at a general meeting will have on a show of hands one vote and on a poll every such holder who is present in person (or being a corporation, by representative) or by proxy will have one vote in respect of each Management Share held by him.

#### **4.21 Continuation Vote**

An ordinary resolution for the continuation of the Company as a closed-ended investment company will be proposed at a general meeting of the Company to be held in December 2025. An ordinary

resolution for the continuation of the Company as a closed-ended investment company will then be proposed at a general meeting of the Company in 2031 and at each fifth annual general meeting of the Company thereafter. If the resolution is not passed, then the Directors shall put forward for the reconstruction or reorganisation of the Company to the members as soon as reasonably practicable following the date on which the resolution is not passed.

**4.22 C Shares and Deferred Shares**

4.22.1 The following definitions apply for the purposes of this paragraph 4.22 only:

“**Calculation Date**” means, in relation to any tranche of C Shares, the earliest of the:

- (i) the close of business on the date on which the Board becomes aware or is notified by the Investment Manager that at least 85% of the net issue proceeds attributable to that class of C Share (or such other percentage as the Directors and the Investment Manager shall agree) shall have been invested in accordance with the Company’s investment objective and policy;
- (ii) the close of business on the date falling twelve calendar months (or such other period as may be determined by the Board) after the allotment of that tranche of C Shares or is such date is not a Business Day, the next following Business Day; or
- (iii) the close of business on such date as the Directors may decide is necessary to enable the Company to comply with its obligations in respect of Conversion of that tranche of C Shares; or
- (iv) close of business on the day on which the Directors resolve that Force Majeure Circumstances have arisen or are in contemplation in relation to any tranche of C Shares;

“**Conversion**” means conversion of any tranche of C Shares into Ordinary Shares and Deferred Shares in accordance with paragraph 4.22.8 below;

“**Conversion Date**” means, in relation to any tranche of C Shares, the close of business on such Business Day as may be selected by the Directors falling not more than 40 Business Days after the Calculation Date of such tranche of C Shares;

“**Conversion Ratio**” is the ratio of the Net Asset Value per C Share of the relevant tranche to the Net Asset Value per Ordinary Share, which is calculated as:

$$\text{Conversion Ratio} = \frac{A}{B}$$

$$A = \frac{C - D}{E}$$

$$B = \frac{F - G}{H}$$

where:

“**C**” is the aggregate of:

- (i) the value of the investments of the Company attributable to the C Shares of the relevant tranche (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (ii) below) which are listed, quoted, dealt in or traded on a stock exchange calculated by reference to the bid-market quotations at close of business of, or, if appropriate, the daily average of the prices marked for, those investments on the relevant Calculation Date on the principal stock exchange or market where the relevant investment is listed, quoted, dealt in or traded, as derived from the relevant exchange’s or market’s recognised method of publication of prices for such investments where such published prices are available;

- (ii) the value of all other investments of the Company attributable to the C Shares of the relevant tranche (other than investments included in (i) above) calculated by reference to the Directors' belief as to an appropriate current value for those investments on the relevant Calculation Date calculated in accordance with the valuation policy adopted by the Company from time to time after taking into account any other price publication services reasonably available to the Directors; and
- (iii) the amount which, in the Directors' opinion, fairly reflects, on the relevant Calculation Date, the value of the current assets of the Company attributable to the C Shares of the relevant tranche (excluding the investments valued under (i) and (ii) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature calculated in accordance with the valuation policy adopted by the Company from time to time);
  - "D"** is the amount (to the extent not otherwise deducted from the assets attributable to the C Shares of the relevant tranche) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the C Shares of the relevant tranche on the relevant Calculation Date (including the amount of any declared but unpaid dividends in respect of such C Shares);
  - "E"** is the number of C Shares of the relevant tranche in issue on the relevant Calculation Date;
  - "F"** is the aggregate of:
    - (i) the value of all the investments of the Company attributable to the Ordinary Shares (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (ii) below) which are listed, quoted, dealt in or traded on a stock exchange calculated by reference to the bid price at close of business of, or, if appropriate, the daily average of the prices marked for, those investments on the relevant Calculation Date on the principal stock exchange or market where the relevant investment is listed, quoted, dealt in or traded as derived from the relevant exchange's or market's recognised method of publication of prices for such investments where such published prices are available; and
    - (ii) the value of all other investments of the Company attributable to the Ordinary Shares (other than investments included in (i) above) calculated by reference to the Directors' belief as to an appropriate current value for those investments on the relevant Calculation Date calculated in accordance with the valuation policy adopted by the Company from time to time after taking into account any other price publication services reasonably available to the Directors; and
    - (iii) the amount which, in the Directors' opinion, fairly reflects, on the relevant Calculation Date, the value of the current assets of the Company attributable to the Ordinary Shares (excluding the investments valued under (i) and (ii) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature calculated in accordance with the valuation policy adopted by the Company from time to time);
  - "G"** is the amount (to the extent not otherwise deducted in the calculation of F) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the Ordinary Shares on the relevant Calculation Date (including the amount of any declared but unpaid dividends in respect of such Ordinary Shares); and
  - "H"** is the number of Ordinary Shares in issue on the relevant Calculation Date (excluding any Ordinary Shares held in treasury),

provided that the Directors shall make such adjustments to the value or amount of A and B as the Directors believe to be appropriate having regard among other things, to the assets of the Company immediately prior to the date on which the Company first receives the net proceeds of an issue of C Shares of the relevant tranche and/or to the reasons for the issue of the C Shares of the relevant tranche and the Directors shall determine which investments or proportion thereof shall be attributable to a tranche of C Shares and the Ordinary Shares;

**“Deferred Shares”** means deferred shares of £0.01 each in the capital of the Company arising on Conversion;

**“Existing Shares”** means the Ordinary Shares in issue immediately prior to Conversion;

**“Force Majeure Circumstances”** means, in relation to any tranche of C Shares (i) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable; (ii) the issue of any proceedings challenging, or seeking to challenge, the power of the Company and/or its Directors to issue the C Shares of the relevant tranche with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are proposed to be issued; or (iii) the giving of notice of any general meeting of the Company at which a resolution is to be proposed to wind up the Company, whichever shall happen earliest; and

References to Shareholders, C shareholders and deferred shareholders should be construed as references to holders for the time being of Ordinary Shares, C Shares of the relevant tranche and Deferred Shares respectively.

4.22.2 The holders of the Ordinary Shares, the Management Shares, any tranche of C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights to be paid dividends:

4.22.2.1 the Deferred Shares (to the extent that any are in issue and extant) shall entitle the holders thereof to a cumulative annual dividend at a fixed rate of 1% of the nominal amount thereof, the first such dividend (adjusted *pro rata temporis*) (the **“Deferred Dividend”**) being payable on the date six months after the Conversion Date on which such Deferred Shares were created in accordance with paragraph 4.22.8 (the **“Relevant Conversion Date”**) and thereafter on each anniversary of such date payable to the holders thereof on the register of shareholders on that date as holders of Deferred Shares but shall confer no other right, save as provided herein, on the holders thereof to share in the profits of the Company. The Deferred Dividend shall not accrue or become payable in any way until the date six months after the Relevant Conversion Date and shall then only be payable to those holders of Deferred Shares registered in the register of shareholders of the Company as holders of Deferred Shares on that date. It should be noted that given the proposed redemption of the Deferred Shares as described below, it is not expected that any dividends will accrue or be paid on such shares;

4.22.2.2 the holders of any tranche of C Shares shall be entitled to receive in that capacity such dividends as the Directors may resolve to pay out of the assets attributable to the C Shares of that tranche and from profits available for distribution which is attributable to the C Shares of that tranche;

4.22.2.3 a holder of Management Shares shall be entitled (in priority to any payment of dividend on any other class of share) to a fixed cumulative preferential dividend 0.01% per annum on the nominal amount of the Management Shares held by him, such dividend to accrue annually and to be payable in respect of each accounting reference period of the Company within 21 calendar days of the end of such period;



- 4.22.2.4 the Existing Shares shall confer the right to dividends declared in accordance with the Articles; and
- 4.22.2.5 the Ordinary Shares into which any tranche of C Shares shall convert shall rank *pari passu* with the Existing Shares for dividends and other distributions made or declared by reference to a record date falling after the relevant Calculation Date.
- 4.22.3 The holders of the Ordinary Shares, the Management Shares any tranche of C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights as to capital:
- 4.22.3.1 the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase or redemption by the Company of any of its shares) at a time when no C Shares of any tranche are for the time being in issue be applied as follows:
- 4.22.3.1.1 first, if there are Deferred Shares in issue, in paying to the deferred shareholders one cent (£0.01) in aggregate in respect of every one million Deferred Shares (or part thereof) of which they are respectively the holders;
- 4.22.3.1.2 secondly, in paying to the holders of the Management Shares in respect of each such share the amount paid up or treated as paid up thereon; and
- 4.22.3.1.3 thirdly, the surplus shall be divided amongst the Shareholders *pro rata* according to the nominal capital paid up on their holdings of Ordinary Shares.
- 4.22.3.2 the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase or redemption by the Company of any of its shares) at a time when one or more tranches of C Shares are for the time being in issue and prior to the Conversion Date be applied amongst the holders of the Existing Shares *pro rata* according to the nominal capital paid up on their holdings of Existing Shares, after having deducted therefrom:
- 4.22.3.2.1 first, an amount equivalent to (C-D) for each tranche of C Shares in issue using the methods of calculation of C and D given in the definition of Conversion Ratio, which amount(s) shall be applied amongst the C shareholders of the relevant tranche(s) *pro rata* according to the nominal capital paid up on their holdings of C Shares of the relevant tranche;
- 4.22.3.2.2 secondly, if there are Deferred Shares in issue, in paying to the holders of Deferred Shares one cent (£0.01) in aggregate in respect of every one million Deferred Shares (or part thereof) of which they are respectively the holders; and
- 4.22.3.2.3 thirdly, in paying to the holders of the Management Shares in respect of each such share the amount paid up or treated as paid up thereon,
- for the purposes of this paragraph 4.22.3.1.1 the Calculation Date shall be such date as the liquidator may determine; and
- 4.22.4 As regards voting:
- 4.22.4.1 the C Shares shall carry the right to receive notice of and to attend and vote at any general meeting of the Company. The voting rights of holders of C Shares will be the same as that applying to holders of Existing Shares as set out in the Articles as if the C Shares and Existing Shares were a single class; and

- 4.22.4.2 the Deferred Shares and, save as provided in paragraph 4.20 of this Part 8, the Management Shares shall not carry any right to receive notice of nor to attend or vote at any general meeting of the Company.
- 4.22.5 The following shall apply to the Deferred Shares:
- 4.22.5.1 the C Shares shall be issued on such terms that the Deferred Shares arising upon Conversion (but not the Ordinary Shares arising on Conversion) may be redeemed by the Company in accordance with the terms set out herein;
- 4.22.5.2 immediately upon Conversion of any tranche of C Shares, the Company shall redeem all of the Deferred Shares which arise as a result of Conversion of that tranche for an aggregate consideration of one penny (£0.01) for all of the Deferred Shares so redeemed and the notice referred to in paragraph 4.22.8.2 below shall be deemed to constitute notice to each C shareholder of the relevant tranche (and any person or persons having rights to acquire or acquiring C Shares of the relevant tranche on or after the Calculation Date) that the Deferred Shares shall be so redeemed; and
- 4.22.5.3 the Company shall not be obliged to: (i) issue share certificates to the deferred shareholders in respect of the Deferred Shares; or (ii) account to any deferred shareholder for the redemption moneys in respect of such Deferred Shares.
- 4.22.6 Without prejudice to the generality of the Articles, for so long as any C Shares are for the time being in issue it shall be a special right attaching to the Existing Shares as a class and to the C Shares as a separate class that without the sanction or consent of such holders given in accordance with the Articles:
- 4.22.6.1 no alteration shall be made to the Articles;
- 4.22.6.2 no allotment or issue will be made of any security convertible into or carrying a right to subscribe for any share capital of the Company other than the allotment or issue of further C Shares; and
- 4.22.6.3 no resolution of the Company shall be passed to wind up the Company.
- For the avoidance of doubt, but subject to the rights or privileges attached to any other class of shares, the previous sanction of a special resolution of the holders of Existing Shares and C Shares, as described above, shall not be required in respect of:
- 4.22.6.4 the issue of further Ordinary Shares ranking *pari passu* in all respects with the Existing Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Existing Shares by the issue of such further Ordinary Shares); or
- 4.22.6.5 the sale of any shares held as treasury shares (as such term is defined in section 724 of the Companies Act) in accordance with sections 727 and 731 of the Companies Act or the purchase or redemption of any shares by the Company (whether or not such shares are to be held in treasury).
- 4.22.7 For so long as any tranche of C Shares are for the time being in issue, until Conversion of such tranche of C Shares and without prejudice to its obligations under applicable laws the Company shall:
- 4.22.7.1 procure that the Company's records, and bank and custody accounts shall be operated so that the assets attributable to the C Shares of that tranche can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall, without prejudice to any obligations pursuant to applicable laws, procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of that tranche;

- 4.22.7.2 allocate to the assets attributable to the C Shares of that tranche such proportion of the income, expenses and liabilities of the Company incurred or accrued between the date on which the Company first receives the net proceeds of an issue of C Shares and the Calculation Date relating to such tranche of C Shares (both dates inclusive) as the Directors fairly consider to be attributable to that tranche of C Shares; and
  - 4.22.7.3 give appropriate instructions to the Investment Manager to manage the Group's assets so that such undertakings can be complied with by the Company.
- 4.22.8 In relation to any tranche of C Shares, the C Shares for the time being in issue of that tranche shall be sub-divided and converted into Ordinary Shares and Deferred Shares on the relevant Conversion Date in accordance with the following provisions of this paragraph 4.22.8:
- 4.22.8.1 the Directors shall procure that within 20 Business Days of the relevant Calculation Date:
    - 4.22.8.1.1 the Conversion Ratio as at the relevant Calculation Date and the numbers of Ordinary Shares and Deferred Shares to which each C shareholder of that tranche shall be entitled on Conversion of that tranche shall be calculated; and
    - 4.22.8.1.2 the Auditors shall confirm that such calculations as have been made by the Company have, in their opinion, been performed in accordance with the Articles and are arithmetically accurate whereupon such calculations shall become final and binding on the Company and all holders of the Company's shares and any other securities issued by the Company which are convertible into the Company's shares, subject to the proviso immediately after the definition of H in paragraph 4.22.1 above.
  - 4.22.8.2 the Directors shall procure that, as soon as practicable following such confirmation and in any event within 30 Business Days of the relevant Calculation Date, a notice is sent to each C shareholder of the relevant tranche advising such shareholder of the Conversion Date, the Conversion Ratio and the numbers of Ordinary Shares and Deferred Shares to which such C shareholder of the relevant tranche will be entitled on Conversion.
  - 4.22.8.3 on conversion each C Share of the relevant tranche shall automatically subdivide into 10 conversion shares of £0.01 each and such conversion shares of £0.01 each shall automatically convert into such number of Ordinary Shares and Deferred Shares as shall be necessary to ensure that, upon such Conversion being completed:
    - 4.22.8.3.1 the aggregate number of Ordinary Shares into which the same number of conversion shares of one penny (£0.01) each are converted equals the number of C Shares of the relevant tranche in issue on the relevant Calculation Date multiplied by the relevant Conversion Ratio (rounded down to the nearest whole new Ordinary Share); and
    - 4.22.8.3.2 each conversion share of one cent (£0.01) which does not so convert into an Ordinary Share shall convert into one Deferred Share.
  - 4.22.8.4 the Ordinary Shares and Deferred Shares arising upon Conversion shall be divided amongst the former C shareholders of the relevant tranche *pro rata* according to their respective former holdings of C Shares of the relevant tranche (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to Ordinary Shares and Deferred

Shares arising upon Conversion including, without prejudice to the generality of the foregoing, selling any Ordinary Shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company).

4.22.8.5 forthwith upon Conversion, the share certificates relating to the C Shares of the relevant tranche shall be cancelled and the Company shall issue to each former C shareholder of the relevant tranche new certificates in respect of the Ordinary Shares which have arisen upon Conversion to which he or she is entitled. Share certificates in respect of the Deferred Shares will not be issued.

4.22.8.6 the Directors may make such adjustments to the terms and timing of Conversion as they in their discretion consider are fair and reasonable having regard to the interests of all Shareholders.

## **5. TAKEOVER CODE**

### **5.1 *Mandatory bid***

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

- a person acquires an interest in shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30% or more of the voting rights in the Company; or
- a person who, together with persons acting in concert with him, is interested in not less than 30% and not more than 50% of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

### **5.2 *Compulsory acquisition***

Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90% of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90% of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises its rights, the offeror is bound to acquire those shares on the terms of the takeover offer or on such other terms as may be agreed.

## **6. MATERIAL CONTRACTS OF THE COMPANY**

The following are all of the contracts, not being contracts entered into in the ordinary course of business that have been entered into by the Company since its incorporation and are, or may be, material or contain any provision under which the Company has any obligation or entitlement which is or may be material to it as at the date of this Prospectus:

## 6.1 Placing Agreement

The Placing Agreement dated 12 November 2020 between the Company, the Directors, the AIFM, the Investment Manager and N+1 Singer Advisory and N+1 Singer Capital Markets, pursuant to which, subject to certain conditions, N+1 Singer Capital Markets has agreed to use reasonable endeavours to procure subscribers for Ordinary Shares pursuant to the Placing at the Issue Price and the Investment Manager has agreed to use its reasonable endeavours to market the Placing and introduce potential investors for Ordinary Shares pursuant to the Placing at the Issue Price. The Company has appointed N+1 Singer Advisory as sponsor and financial adviser and N+1 Capital Markets as sole bookrunner to the Company in connection with the Issue.

The Placing Agreement provides for each of N+1 Singer and the Investment Manager to be paid commission by the Company in respect of the Ordinary Shares to be allotted pursuant to the Issue. Any Ordinary Shares subscribed for by N+1 Singer Capital Markets may be retained or dealt in by it for its own benefit.

Pursuant to the Placing Agreement, the Company will bear the formation and initial expenses of the Issue up to a sum equal to 2% of the Gross Proceeds including irrevocable VAT. In the event that such expenses exceed 2% of the Gross Proceeds, the Investment Manager will pay the excess. In the event that such expenses are less than 2% of Gross Proceeds, each of N+1 Singer and the Investment Manager shall, at its respective discretion, be entitled to be paid for its benefit a sum equal to 50% of the difference between 2% of the Gross Proceeds and actual expenses incurred.

Under the Placing Agreement, each of N+1 Singer Capital Markets and the Investment Manager is entitled at its discretion and out of its resources at any time to rebate to some or all investors, or to other parties, part or all of its fees relating to the Issue. N+1 Singer Capital Markets is also entitled under the Placing Agreement to retain agents and may pay commission in respect of the Issue to any or all of those agents out of its own resources. N+1 Singer Capital Markets will be responsible for the payment of fees due to Solid Solutions Associates (UK) Limited (as the Company's Intermediaries Offer Adviser).

The Placing Agreement may be terminated by N+1 Singer (acting by N+1 Singer Advisory or N+1 Singer Capital Markets) in certain customary circumstances.

The obligation of the Company to issue the Ordinary Shares and the obligations of each of N+1 Singer and the Investment Manager under the Placing Agreement are conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) Admission having become effective on or before 8.00 a.m. on 10 December 2020 (or such later time and/or date as the Company and N+1 Singer may agree (not being later than 8.00 a.m. on 31 December 2020)); (ii) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms at any time prior to Admission; and (iii) the Minimum Gross Proceeds being raised (or such lesser amount as the Company and N+1 Singer may agree).

The Company, the Directors, the AIFM and the Investment Manager have given warranties to N+1 Singer concerning, *inter alia*, the accuracy of the information contained in this Prospectus. The Company and the Investment Manager have also given indemnities to N+1 Singer. The warranties and indemnities are standard for an agreement of this nature.

The Placing Agreement is governed by the laws of England and Wales.

## 6.2 AIFM Agreement

The AIFM Agreement dated 12 November 2020 between the Company and the AIFM, pursuant to which the AIFM is appointed to act as the Company's alternative investment fund manager for the purposes of the AIFM Rules. The AIFM has delegated the provision of portfolio management services to Downing LLP pursuant to the Investment Management Agreement.

The AIFM will also be responsible for providing administrative, company secretarial and marketing services to the Company. These will include general fund administration services (including calculation of the NAV based on the data provided by the Investment Manager), bookkeeping, and accounts preparation.

Under the AIFM Agreement and with effect from Admission, the AIFM shall be entitled to receive from the Company a fee of: (i) 0.075% of Net Asset Value, subject to a minimum fee of £50,000

(exclusive of VAT) per annum payable quarterly in advance; and (ii) an amount equivalent to 0.01% per annum of Net Asset Value, paid on a quarterly basis for the term of the agreement. The AIFM is also entitled to reimbursement of reasonable expenses incurred by it in the performance of its duties.

The AIFM Agreement is terminable by either: (i) the Company giving the AIFM not less than 6 months' written notice not to expire prior to the end of the initial period, being the period of 12 months commencing on the date of Admission (the "**Initial Period**"); or (ii) the AIFM giving the Company not less than 6 months' written notice not to expire prior to the end of the Initial Period. The AIFM Agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency or in the event of a material breach which fails to be remedied within 10 Business Days of receipt of notice. The AIFM Agreement shall terminate immediately if the Investment Management Agreement is terminated for whatever reason.

The Company has agreed to indemnify the AIFM, its directors, officers or employees (the "**AIFM Indemnified Parties**") against any and all losses, liabilities, actions, proceedings, claims, costs, demands or expenses reasonably and properly incurred by it by reason of the AIFM carrying out any of its duties in accordance with the terms of the AIFM Agreement, provided however that the AIFM Indemnified Parties shall not be indemnified with respect to their own taxation or any matter resulting from any Indemnified Party's fraud, negligence, wilful misconduct, bad faith or disregard or breach of its obligations and duties in relation to the Company or from any breach of any duties and liabilities which any AIFM Indemnified Party may have under the AIFM Directive, the AIFM Regulations, the rules of the FCA or any liabilities which any AIFM Indemnified Party may have under FSMA.

The AIFM Agreement is governed by the laws of England and Wales.

### **6.3 Investment Management Agreement**

The Investment Management Agreement dated 12 November 2020 between the Company, the AIFM and the Investment Manager, pursuant to which under which the Investment Manager has been given responsibility for the discretionary management of the Company's assets (including uninvested cash) in accordance with the Company's investment policy, subject to the overall oversight and supervision of the AIFM.

Under the Investment Management Agreement, the Investment Manager receives from the Company a management fee of 0.95% per annum of Net Asset Value up to £500 million and 0.85% per annum of Net Asset Value in excess of £500 million, payable quarterly in arrears. No performance fee is payable to the Investment Manager under the Investment Management Agreement. A wholly owned subsidiary of the Investment Manager will also charge separate asset level fees under the Asset Management Agreement.

The Investment Management Agreement is for an initial term of 5 years from the date of Admission and thereafter subject to termination on not less than 12 months' written notice by any party. The Investment Management Agreement can be terminated at any time in the event of the insolvency of the Company, the AIFM or the Investment Manager, in the event that the Investment Manager ceases to be authorised and regulated by the FCA (if required to be so authorised and regulated to continue to carry out its duties under the Investment Management Agreement) or if certain key members of the Investment Manager's team cease to be involved in the provision of services to the Company and are not replaced by individuals satisfactory to the Company (acting reasonably).

The Company has given an indemnity in favour of the Investment Manager (subject to customary exceptions) in respect of the Investment Manager's potential losses in carrying on its responsibilities under the Investment Management Agreement.

The Investment Management Agreement is governed by the laws of England and Wales.

### **6.4 Option Agreement**

The Option Agreement dated 12 November 2020 between the Company and Bagnall Energy Limited, a Downing Managed Fund, managed by the Investment Manager on a discretionary basis, pursuant to the terms of which, Bagnall Energy Limited has granted the Company an option to acquire the shares in Seed Asset HoldCo, the holding company of a group of SPVs which own the Seed Assets.

The aggregate amount payable for the acquisition of the shares in Seed Asset HoldCo is £41.4 million (not taking into account working capital balances and cash held by the companies). Seed Asset HoldCo will be acquired subject to the current financing arrangements.

The option may be exercised at the discretion of the Company and is subject to completion of due diligence and the agreement of a satisfactory purchase agreement. If completion of the acquisition has not occurred by the later of 5 Business Days following the provision of completion accounts by Bagnall Energy Limited to the Company and 31 January 2021, the Option Agreement shall lapse and be of no further effect.

The Option Agreement is governed by the laws of England and Wales.

## **6.5 Asset Management Agreement**

Pursuant to the Asset Management Agreement dated 12 November 2020 between the Company and the Asset Manager, a wholly owned subsidiary of the Investment Manager, the Asset Manager has been engaged by the Company to provide asset management services (on, unless agreed otherwise, an exclusive basis in respect of the Company's portfolio of Assets) to the Company.

The Asset Management Agreement is a framework agreement whereby the Company will procure that each Asset owning SPV will enter into a specific asset management agreement with the Asset Manager substantially in the same form as provided in the schedule to the Asset Management Agreement. The Asset Manager agrees to enter into the specific asset management agreement on the acquisition of an Asset.

The project specific asset management agreement template as scheduled to the Asset Management Agreement provides that the Asset Manager is appointed by the relevant SPV to provide asset management services with a view to ensuring the provision of efficient and long-term management in respect of the relevant Asset. The Asset Manager is, unless agreed otherwise, to be appointed on an exclusive basis, and the services provided include periodic site visits and periodic site reports.

The Asset Management Agreement is governed by the laws of England and Wales.

## **6.6 Depositary Agreement**

The Depositary Agreement between the Company, the AIFM and the Depositary dated 12 November 2020, pursuant to which the Depositary has agreed to act as depositary to the Company

Under the terms of the Depositary Agreement, the Depositary provides the Company with depositary services which include safekeeping of the assets of the Company, oversight (for example monitoring continuing compliance with the Company's investment policy and ensuring that the Company's cashflows are properly monitored, and that all payments made by or on behalf of investors upon the subscription for shares are received) and reporting any breaches, anomalies and discrepancies. The Depositary is permitted to delegate (and authorise its delegates to sub-delegate) the safekeeping of the assets of the Company.

The Depositary Agreement is for an initial period of 12 months and thereafter the Company may terminate the Depositary Agreement on 6 months' prior written notice.

The Depositary is liable for the loss of the financial instruments held in custody. The Depositary is responsible for enquiring into the conduct of the AIFM. The Depositary Agreement provides for the Depositary to be indemnified by the Company from any and all losses, claims, demands, actions, proceedings, damages and other payments, reasonably incurred costs and expenses or other liabilities of any kind, including the costs and liabilities of any legal action or mediation or any threatened, anticipated or pending legal action or mediation, provided that all such losses arise out of or in connection with the Depositary's proper performance of its obligations under the Depositary Agreement and all such losses are not directly related to the loss of an asset or to the gross negligence, wilful default or fraud of the Depositary. The Depositary Agreement is terminable, *inter alia*, upon not less than 6 months' written notice. The Depositary Agreement is also terminable immediately upon the occurrence of certain standard events including the insolvency of the Company or the Depositary or a party committing a material breach of the Depositary Agreement (where such breach has not been remedied within 30 calendar days of written notice being given).

Details of the fees payable to the Depository are set out in paragraph 5 of Part 5 of this Prospectus.

The Depository Agreement is governed by the laws of England and Wales.

### **6.7 Company Secretarial Services Agreement**

The Company Secretarial Services Agreement dated 12 November 2020 between the Company and Link Company Matters Limited pursuant to which the Company Secretary has agreed to provide the company secretarial functions required by the Companies Act.

Under the terms of the Company Secretarial Services Agreement, the aggregate fees payable to Link Company Matters Limited are £59,100 plus VAT per annum. In addition a fee of £15,000 is payable to Link Company Matters Limited for services undertaken as part of the Admission process. Link Company Matters Limited will also be entitled to reimbursement of all reasonable out of pocket expenses incurred by it in connection with the agreement.

The Company Secretarial Services Agreement is for an initial period of 12 months and thereafter shall automatically renew for successive periods of 12 months unless or until terminated by either party (a) at the end of the initial period, provided written notice is given to the other party at least 6 months prior to the end of the initial period or (b) at the end of any successive 12 month period, provided written notice is given to the other party at least 6 months prior to the end of such successive 12 month period. In addition, either party may terminate the Company Secretarial Services Agreement:

- (a) by service of three months' written notice should the parties not reach an agreement regarding any increase of the fees payable under the Company Secretarial Services Agreement; or
- (b) upon service of written notice if the other party commits a material breach of its obligations under the Company Secretarial Services Agreement (including any payment default) which that party has failed to remedy within 45 calendar days of receipt of a written notice to do so from the first party; or
- (c) upon service of written notice if a resolution is passed or an order made for the winding-up, dissolution or administration of the other party, or if the other party is declared insolvent or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a substantial part of the other party or its assets or undertakings; or
- (d) upon service of written notice if a resolution is passed for the winding-up or dissolution of the Company on terms proposed by the Board to its Shareholders.

The Company has given certain market standard indemnities in favour of Link Company Matters Limited and its affiliates and their directors, officers, employees and agents in respect of its potential losses in carrying on its responsibilities under the Company Secretarial Services Agreement. Link Company Matters Limited's liabilities under the Company Secretarial Services Agreement are subject to a cap.

The Company Secretarial Services Agreement is governed by the laws of England and Wales.

### **6.8 Registrar Agreement**

The Registrar Agreement dated 12 November 2020 between the Company and the Registrar pursuant to which the Registrar has agreed to act as registrar to the Company.

Under the agreement, the Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed (exclusive of any VAT). In addition, the Registrar is entitled to certain other fees for ad hoc services rendered from time to time. The Registrar is also entitled to reimbursement of all out of pocket costs, expenses and charges properly incurred on behalf of the Company.

The Registrar Agreement is for an initial period of 24 months from the date of Admission and thereafter shall automatically renew for successive periods of 12 months unless or until terminated by either party (a) at the end of the initial period, provided written notice is given to the other party at least 3 months prior to the end of the initial period or (b) at the end of any successive 12 month



period, provided written notice is given to the other party at least 6 months prior to the end of such successive 12 month period. In addition, either party may terminate the Registrar Agreement:

- (a) by service of 3 months' written notice should the parties not reach an agreement regarding any increase of the fees payable under the Registrar Agreement; or
- (b) upon service of written notice if the other party commits a material breach of its obligations under the Registrar Agreement (including any payment default) which that party has failed to remedy within 45 calendar days of receipt of a written notice to do so from the first party; or
- (c) upon service of written notice if a resolution is passed or an order made for the winding-up, dissolution or administration of the other party, or if the other party is declared insolvent or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a substantial part of the other party or its assets or undertakings.

The Company has given certain market standard indemnities in favour of the Registrar and its affiliates and their directors, officers, employees and agents in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement. The Registrar's liabilities under the Registrar Agreement are subject to a cap.

The Registrar Agreement is governed by the laws of England and Wales.

### **6.9 Receiving Agent Agreement**

The Receiving Agent Agreement dated 12 November 2020 between the Company and the Receiving Agent pursuant to which the Receiving Agent has agreed to act as receiving agent in connection with the Issue. Under the terms of the agreement, the Receiving Agent is entitled to a fee from the Company of £5,000 (exclusive of VAT) in connection with these services. The Receiving Agent will also be entitled to reimbursement of all out-of-pocket expenses reasonably incurred by it in connection with its duties.

The Company has given certain market standard indemnities in favour of the Receiving Agent and its affiliates and their directors, officers, employees and agents in respect of the Receiving Agent's potential losses in carrying on its responsibilities under the Receiving Agent Agreement. The Receiving Agent's liabilities under the Receiving Agent are subject to a cap.

The Receiving Agent Agreement is governed by the laws of England and Wales.

## **7. LITIGATION**

There have been no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.

## **8. WORKING CAPITAL**

The Company is of the opinion that, on the basis the Minimum Net Proceeds are raised, the working capital available to the Company is sufficient for its present requirements that is for at least the next 12 months from the date of this Prospectus.

If the Minimum Net Proceeds are not raised, the Issue may only proceed where a supplementary prospectus (including a working capital statement based on a revised minimum net proceeds figure) has been prepared in relation to the Company and approved by the FCA. In the event that the Company does not wish to prepare and publish a supplementary prospectus incorporating a working capital statement based on a revised minimum net proceeds figure the Issue will not proceed, the arrangements in respect of the Issue will lapse and any monies received in respect of the Issue will be returned to applicants and Placees without interest at applicants'/investors' risk.

## **9. NO SIGNIFICANT CHANGE**

As at the date of this Prospectus, there has been no significant change in the financial position of the Company since the date of its incorporation.

## 10. CAPITALISATION AND INDEBTEDNESS

As at the date of this Prospectus (i) the capitalisation of the Company comprises £50,000.01 of share capital, as set out in paragraph 2.2 of this Part 8; and (ii) the Company has no guaranteed, secured, unguaranteed or unsecured debt.

The following table shows the Company's unaudited indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) and the Company's unaudited capitalisation as at the date of this Prospectus:

	<b>12 November 2020</b>
	<b>£</b>
	<hr/>
<i>Total current debt</i>	
Guaranteed	0
Secured	0
Unguaranteed/unsecured	0
	<hr/>
<b>Total current debt</b>	<b>0</b>
	<hr/>
<i>Non-current debt (excluding current portion of long-term debt)</i>	
Guaranteed	0
Secured	0
Unguaranteed/unsecured	0
	<hr/>
<b>Total non-current debt</b>	<b>0</b>
	<hr/> <hr/>
	<b>12 November</b>
	<b>2020</b>
	<b>£</b>
	<hr/>
<i>Shareholders' equity</i>	
Share capital	12,500
Legal reserve	0
Other reserves	0
	<hr/>
<b>Total Shareholders' equity</b>	<b>12,500</b>
	<hr/> <hr/>

As at this date of this Prospectus, there has been no material change in the unaudited capitalisation of the Company.

The following table shows the Company's unaudited net indebtedness as at the date of this Prospectus. There is no secured or guaranteed indebtedness.

	<b>12 November 2020</b>
	<b>£</b>
A Cash	1
B Cash equivalent	0
C Trading	0
<b>D Liquidity (A) + (B) + (C)</b>	<b>1</b>
<b>E Current financial receivables</b>	<b>0</b>
F Current bank debt	0
G Current position of non-current debt	0
H Other current financial debt	0
<b>I Current financial debt (F) + (G) + (H)</b>	<b>0</b>
<b>J Net current financial indebtedness (I) – (E) – (D)</b>	<b>1</b>
K Non-current bank loans	0
L Bonds issued	0
M Other non-current loans	0
<b>N Non-current loans (K) + (L) + (M)</b>	<b>0</b>
<b>O Net financial indebtedness (J) + (N)</b>	<b>1</b>

There are no indirect or contingent liabilities.

## 11. GENERAL

- 11.1 Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. All information in this Prospectus that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 11.2 No application is being made for the Ordinary Shares to be dealt with in or on any stock exchange or investment exchange other than to the London Stock Exchange's main market.
- 11.3 Each of N+1 Singer Advisory and N+1 Singer Capital Markets has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which it appears.
- 11.4 The AIFM was incorporated in England and Wales as a private limited company with unlimited life on 1 July 2008 under the Companies Act 2006 (registration number 06634506). The AIFM is authorised and regulated by the FCA (FCA registration number 487176). The registered office of the AIFM is Gallium House, Unit 2, Station Court, Borough Green, Sevenoaks, Kent TN15 8AD (tel. + 44 (0) 1732 882 642). The AIFM's LEI is 2138002DXY3NX5BTYC79. The AIFM is the Company's alternative investment fund manager for the purposes of the AIFM Directive. The AIFM has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which they appear.
- 11.5 The Investment Manager was incorporated in England and Wales as a limited liability partnership on 20 November 2008 under the Companies Act 2006 (registration number OC341575). The Investment Manager is authorised and regulated by the FCA (FCA registration number 545025). The registered office of the Investment Manager is St. Magnus House, 3 Lower Thames Street London EC3R 6HD (tel. +44 (0) 207 416 7780). The Investment Manager has given and not withdrawn its written consent to the inclusion in this

Prospectus of references to its name in the form and context in which they appear. The Investment Manager accepts responsibility for paragraph 4 of Part 1 (Investment Opportunity), Part 2 (Market Background), Section A of Part 3 (Information on the Seed Assets), Part 4 (Pipeline and Investment Approach), paragraph 3 of Part 5 (The Investment Manager) and paragraph 11.5 of this Part 8 (General Information) of this Prospectus (together the “**Investment Manager Sections**”) for the purposes of Prospectus Regulation Rule 5.3.2(2)(f). To the best of the knowledge of the Investment Manager, the Investment Manager Sections are in accordance with the facts and make no omission likely to affect its import.

- 11.6 Gallium P E Depositary Limited, whose registered office is located at Gallium House, Unit 2, Station Court, Borough Green, Sevenoaks, Kent TN15 8AD, acts as the Company’s depositary and has certain specific safekeeping, monitoring and oversight duties in respect of the assets of the Company. The Depositary is incorporated in England and Wales as a private company limited by shares with registered number 07599626. The Depositary’s telephone number is +44(0) 1732 882 642. The Depositary maintains its registered office and place of central administration in the United Kingdom. The Depositary is authorised and regulated by the Financial Conduct Authority (FCA registration number 612479). The principal business of the Depositary is the provision of custodial, banking and related financial services.
- 11.7 Grant Thornton UK LLP was incorporated in England and Wales as a limited liability partnership on 24 April 2004 under the Limited Liability Partnership Act 2000 (registration number OC307742). The registered office of Grant Thornton UK LLP is 30 Finsbury Square, London EC2A 1AG (tel. +44 (0) 20 7383 5100). Grant Thornton UK LLP has given and not withdrawn its written consent to the inclusion in this Prospectus of the Valuation Opinion and has authorised the contents of the Valuation Opinion. For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f), Grant Thornton UK LLP accepts responsibility for the Valuation Opinion. To the best of the knowledge of Grant Thornton UK LLP the Valuation Opinion is in accordance with the facts and makes no omission likely to affect its import. Grant Thornton UK LLP is a member of the Institute of Chartered Accountants in England and Wales.
- 11.8 The auditors of the Company are BDO LLP of 55 Baker Street, London W1U 7EU and have been the only auditors of the Company since its incorporation. BDO LLP is a member firm of the Institute of Chartered Accountants in England and Wales.
- 11.9 The effect of the Issue will be to increase the net assets of the Company. On the assumption that the Issue is subscribed as to 200 million Ordinary Shares, the fundraising is expected to increase the net assets of the Company by £196 million.

## **12. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available on the Company’s website ([www.doretrust.com](http://www.doretrust.com)) from the date of this Prospectus until 10 December 2020.

- the Memorandum and Articles of the Company;
- the Valuation Opinion; and
- this Prospectus.

## **13. INTERMEDIARIES**

The Intermediaries authorised as at the date of this Prospectus to use this Prospectus are:

AJ Bell Securities Limited  
Equiniti Financial Services Limited  
Hargreaves Lansdown Nominees Limited  
iDealing.com Limited  
Interactive Investor Services Limited  
Jarvis Investment Management Limited  
Redmayne-Bentley LLP

Any new information with respect to the Intermediaries which is unknown at the time of publication of this Prospectus including in respect of any Intermediary that is appointed by the Company in connection with the Intermediaries Offer after the date of this Prospectus following its agreement to

adhere to and be bound by the Intermediaries Terms and Conditions, and any Intermediary that ceases to participate in the Intermediaries Offer, will be made available (subject to certain restrictions) at the Company's website, [www.doretrust.com](http://www.doretrust.com).

Dated: 12 November 2020

## PART 9

### GLOSSARY OF TERMS

Set out below is an explanation of some of the industry-specific terms which are used in this Prospectus

<b>2016 Paris Agreement</b>	an agreement within the United Nations Framework Convention on Climate Change, dealing with greenhouse-gas-emissions mitigation, adaption, and finance, signed in 2016
<b>CCC</b>	the Committee on Climate Change
<b>CFD</b>	contract for difference
<b>CHP</b>	combined heat and power
<b>corporate PPA</b>	a PPA with a corporate end-user of electricity rather than with an electricity utility
<b>CSP</b>	concentrated solar power
<b>distribution network</b>	low voltage electricity network that carries electricity locally from the substation to the end-user
<b>E&amp;I</b>	energy and infrastructure
<b>Elcerts or Elcertificates</b>	an electronic certificate granted to producers of new renewable electricity for each MWh they produce (Norway and Sweden)
<b>EPC</b>	engineering, procurement and construction
<b>EPCM</b>	engineering, procurement and construction management
<b>ESG</b>	environmental, social and governance
<b>FiT</b>	feed-in tariff
<b>FiP</b>	feed-in premium
<b>GDUoS</b>	generation distribution use of system
<b>GW</b>	Gigawatt
<b>KPI</b>	key performance indicator
<b>MW</b>	Megawatt
<b>MWh</b>	Megawatt hour
<b>MWp</b>	Megawatt peak
<b>NIROC</b>	Northern Ireland ROCs
<b>O&amp;M</b>	operations and maintenance
<b>Ofgem</b>	the Office of Gas and Electricity Markets
<b>Offtaker</b>	a purchaser of electricity and/or ROCs under a PPA
<b>PPA</b>	a power purchase agreement
<b>RAB</b>	regulatory asset base model
<b>Renewable Energy Directive</b>	EU Renewable Energy Directive (2009/28/EC)
<b>RO</b>	renewable obligation
<b>ROC</b>	renewable obligation certificate
<b>solar PV</b>	photovoltaic solar
<b>transmission network</b>	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

<b>TSO</b>	transmission system operators
<b>TW</b>	Terawatt
<b>TWh</b>	Terawatt hour

## PART 10

### DEFINITIONS

The following definitions apply throughout this Prospectus unless the context requires otherwise:

<b>Admission</b>	admission of the Ordinary Shares (issued and to be issued) in connection with the Issue: (i) to the premium segment of the Official List; and (ii) to trading on the premium segment of the London Stock Exchange's main market, becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange
<b>Affiliate</b>	an affiliate of, or person affiliated with, a specified person, including a person that directly, or indirectly through one or more intermediate holding companies, controls or is controlled by, or is under common control with, the person specified
<b>AIC</b>	the Association of Investment Companies
<b>AIC Code</b>	the AIC Code of Corporate Governance published by the AIC from time to time
<b>AIF</b>	an alternative investment fund
<b>AIFM</b>	Gallium Fund Solutions Limited
<b>AIFM Agreement</b>	the alternative investment fund management agreement between the Company and the AIFM, a summary of which is set out in paragraph 6.2 of Part 8 of this Prospectus
<b>AIFM Directive</b>	Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers, as amended from time to time
<b>AIFM Regulations</b>	the Alternative Investment Fund Managers Regulations 2013 of the United Kingdom (SI 2013/1773), as amended from time to time
<b>AIFM Rules</b>	the AIFM Directive and all applicable rules and regulations implementing the AIFM Directive in the UK, including, without limitation, the AIFM Regulations and all relevant provisions of the FCA Handbook
<b>Allocation Policy</b>	the allocation policy of the Investment Manager as described in paragraph 6 of Part 4 of this Prospectus
<b>Application Form</b>	the application form attached to this Prospectus for use in connection with the Offer for Subscription
<b>Articles</b>	the articles of association of the Company
<b>Asset Management Agreement</b>	the asset management agreement between the Company and the Asset Manager, a summary of which is set out in paragraph 6.5 of Part 8 of this Prospectus
<b>Asset Manager</b>	a wholly owned subsidiary of the Investment Manager which provides asset management services (on, unless agreed otherwise, an exclusive basis) to the Company
<b>Assets</b>	renewable energy and infrastructure assets comprising (i) predominantly assets which generate electricity from renewable energy sources; and (ii) Other Infrastructure, together " <b>Assets</b> " and each project being an " <b>Asset</b> "
<b>Audit and Risk Committee</b>	the audit and risk committee of the Board
<b>Auditor</b>	BDO LLP



<b>Benefit Plan Investor</b>	(i) an employee benefit plan that is subject to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA (including, as applicable, assets of an insurance company general account) or a plan that is subject to the prohibited transaction provisions of section 4975 of the U.S. Tax Code (including an individual retirement account), (ii) an entity whose underlying assets include “plan assets” by reason of a Plan’s investment in the entity, or (iii) any “benefit plan investor” as otherwise defined in section 3(42) of ERISA or regulations promulgated by the U.S. Department of Labor
<b>Board</b>	the board of Directors of the Company or any duly constituted committee thereof
<b>Business Day</b>	any day which is not a Saturday or Sunday or a bank holiday in the City of London
<b>C Shares</b>	C shares of £0.10 each in the capital of the Company
<b>Calculation Date</b>	has the meaning given in paragraph 4.21.1 of Part 6 of this Prospectus
<b>Capital gains tax or CGT</b>	UK taxation of capital gains or corporation tax on chargeable gains, as the context may require
<b>certificated or in certificated form</b>	not in uncertificated form
<b>Companies Act</b>	the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force
<b>Company</b>	Downing Renewables & Infrastructure Trust plc
<b>Company Secretarial Services Agreement</b>	the company secretarial services agreement between the Company and the Company Secretary, a summary of which is set out in paragraph 6.7 of Part 8 of this Prospectus
<b>Company Secretary</b>	Link Company Matters Limited
<b>Conversion</b>	the conversion of C Shares into Ordinary Shares and Deferred Shares in accordance with the Articles and as described in paragraph 4.21.1 of Part 8 of this Prospectus
<b>Conversion Date</b>	has the meaning given in paragraph 4.21.1 of Part 8 of this Prospectus
<b>Conversion Ratio</b>	has the meaning given in paragraph 4.21.1 of Part 8 of this Prospectus
<b>CRA Regulations</b>	Regulations (EC) No. 1060/2008 on credit rating agencies, as amended from time to time
<b>CREST</b>	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
<b>CREST Regulation</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
<b>CTA 2009</b>	Corporation Tax Act 2009 and any statutory modification or re-enactment thereof for the time being in force
<b>CTA 2010</b>	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force
<b>Investment Management Agreement</b>	the investment management agreement between the Company, the AIFM and the Investment Manager, a summary of which is set out in paragraph 6.2 of Part 8 of this Prospectus
<b>Depository</b>	Gallium P E Depository Limited

<b>Depository Agreement</b>	the depository agreement between the Company and the Depository, a summary of which is set out in paragraph 6.6 of Part 8 of this Prospectus
<b>Directors</b>	the directors from time to time of the Company and “ <b>Director</b> ” is to be construed accordingly
<b>Disclosure Guidance and Transparency Rules</b>	the disclosure guidance published by the Financial Conduct Authority and the transparency rules made by the Financial Conduct Authority under section 73A of FSMA, as amended from time to time
<b>Downing or Downing Group</b>	the Investment Manager and the other companies in its group for the purposes of section 606 CTA 2010
<b>Downing LLP</b>	the Investment Manager
<b>Downing Managed Fund</b>	funds, finance vehicles or accounts managed or advised by a member or members of the Downing Group
<b>DVP</b>	delivery versus payment
<b>EBITDA</b>	earnings before interest, tax, depreciation and amortisation
<b>EEA</b>	European Economic Area
<b>EEA EFTA States</b>	comprising, Iceland, Liechtenstein and Norway
<b>ERISA</b>	U.S. Employee Retirement Income Security Act of 1974, as amended
<b>ESMA</b>	the European Securities and Markets Authority
<b>Euro or €</b>	the lawful currency of the EU
<b>Euroclear</b>	Euroclear UK & Ireland Limited, being the operator of CREST
<b>European Union or EU</b>	the European Union first established by the treaty made at Maastricht on 7 February 1992
<b>Eurozone</b>	the geographical and economic region that consists of all the EU member states that have fully incorporated the Euro as their national currency
<b>FATCA</b>	the U.S. Foreign Account Tax Compliance Act of 2010, as amended from time to time
<b>FCA</b>	the Financial Conduct Authority or any successor authority
<b>FCA Handbook</b>	the FCA handbook of rules and guidance as amended from time to time
<b>FSMA</b>	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
<b>Gross Asset Value or GAV</b>	the aggregate of: (i) the fair value of the Group’s underlying investments (whether or not subsidiaries), valued on, discounted cash flow basis as described in the International Private Equity and Venture Capital Valuation Guidelines (latest edition December 2018); (ii) the Group’s proportionate share of the cash balances and cash equivalents of Group companies and non-subsidiary companies in which the Group holds an interest; and (iii) the Group’s proportionate share of other relevant assets or liabilities of the Group valued at fair value (other than third party borrowings) to the extent not included in (i) or (ii) above
<b>Gross Proceeds</b>	the gross proceeds of the Issue
<b>Group</b>	the Company and the other companies in its group for the purposes of section 606 of CTA 2010

<b>HMRC</b>	Her Majesty's Revenue and Customs
<b>IFRS</b>	international financial reporting standards
<b>Intermediaries</b>	the entities listed in paragraph 13 of Part 8 of this Prospectus, together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of this Prospectus and " <b>Intermediary</b> " shall mean any one of them
<b>Intermediaries Booklet</b>	the booklet(s) entitled "Downing Renewables & Infrastructure Trust plc: Intermediaries Offer – Information for Intermediaries" and containing, among other things, the Intermediaries Terms and Conditions
<b>Intermediaries Offer</b>	the offer of Ordinary Shares by the Intermediaries to retail investors
<b>Intermediaries Offer Adviser</b>	Solid Solutions Associates (UK) Limited
<b>Intermediaries Terms and Conditions</b>	the terms and conditions agreed between the Intermediaries Offer Adviser, the Company and the Intermediaries in relation to the Intermediaries Offer and contained in the Intermediaries Booklet
<b>Investment Management Agreement</b>	the investment management agreement between the Company, the AIFM and the Investment Manager, a summary of which is set out in paragraph 6.2 of Part 8 of this Prospectus
<b>Investment Manager</b>	Downing LLP
<b>IRENA</b>	The International Renewable Energy Agency
<b>IRR</b>	internal rate of return
<b>ISA</b>	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998 (as amended from time to time)
<b>ISIN</b>	International Securities Identification Number
<b>Issue</b>	the issue of Ordinary Shares pursuant to the Placing, Offer for Subscription and Intermediaries Offer
<b>Issue Price</b>	100 pence per Ordinary Share
<b>Key Information Document</b>	the key information document relating to the Ordinary Shares produced pursuant to the PRIIPs Regulation, as amended and updated from time to time
<b>LEI</b>	Legal Entity Identifier
<b>Listing Rules</b>	the listing rules made by the FCA under section 73A of FSMA, as amended from time to time
<b>Management Engagement Committee</b>	the management engagement committee of the Board
<b>Management Shares</b>	redeemable shares of £1.00 each in the capital of the Company
<b>Market Abuse Regulation or MAR</b>	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended from time to time
<b>MiFID II</b>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (" <b>MiFID</b> ") and Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012

	(“ <b>MiFIR</b> ”, and together with MiFID, “ <b>MiFID II</b> ”), as amended from time to time
<b>Minimum Gross Proceeds</b>	the minimum gross proceeds of the Issue, being £100 million
<b>Minimum Net Proceeds</b>	the Minimum Gross Proceeds less the costs and expenses of the Issue
<b>Money Laundering Directive</b>	the Council Directive on prevention of the use of the financial system for the purposes of money laundering or terrorist financing (EU/2015/849) as amended by the Money Laundering Directive (EU) 2018/843 of the European Parliament and of the Council of the Europe Union of 9 July 2018 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing
<b>Money Laundering Regulations</b>	the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended from time to time
<b>N+1 Singer</b>	together N+1 Singer Advisory and N+1 Capital Markets, or either of them as the context requires
<b>N+1 Singer Advisory</b>	Nplus1 Singer Advisory LLP, the Company’s sponsor and financial adviser
<b>N+1 Singer Capital Markets</b>	Nplus1 Singer Capital Markets Limited, the Company’s sole bookrunner
<b>Net Asset Value</b>	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time-to-time
<b>Net Asset Value per C Share</b>	at any time the Net Asset Value attributable to any tranche of C Shares divided by the number of C Shares of the relevant tranche in issue (other than C Shares of the relevant tranche held in treasury) at the date of calculation
<b>Net Asset Value per Ordinary Share</b>	at any time the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury) at the date of calculation
<b>Net Proceeds</b>	the proceeds of the Issue, after deduction of costs and expenses
<b>Nomination Committee</b>	the nomination committee of the Board
<b>Northern Europe</b>	Denmark, Sweden, Norway, Finland, Iceland, the Baltic States, Germany and France
<b>NURS</b>	non-UCITS retail schemes
<b>Offer for Subscription</b>	the offer for subscription of Ordinary Shares at the Issue Price on the terms set out in this Prospectus
<b>Official List</b>	the official list maintained by the FCA pursuant to Part VI of FSMA
<b>Option Agreement</b>	the option agreement dated 12 November 2020 entered into between the Company and Bagnall Energy Limited, giving the Company the option to acquire Seed Asset HoldCo (the owner of the Seed Assets) following Admission
<b>Ordinary Shares</b>	ordinary shares of £0.01 each in the capital of the Company and “ <b>Ordinary Share</b> ” shall be construed accordingly
<b>Other Infrastructure</b>	means 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

<b>Overseas Persons</b>	a potential investor who is not resident in, or who is not a citizen of, the UK
<b>Pipeline Asset(s)</b>	the assets described in Part 4 of this Prospectus which have been identified by the Investment Manager as being in line with the Company's investment policy
<b>Placee</b>	any person who agrees to subscribe for Ordinary Shares pursuant to the Placing
<b>Placing</b>	the conditional placing of Ordinary Shares by N+1 Singer Capital Markets at the Issue Price as described in this Prospectus
<b>Placing Agreement</b>	the conditional placing agreement between the Company, the Directors, the AIFM, the Investment Manager, N+1 Singer Advisory and N+1 Singer Capital Markets, a summary of which is set out in paragraph 6.1 of Part 8 of this Prospectus
<b>Plan Asset Regulations</b>	the U.S. Department of Labor Regulations, 29 C.F.R. 2510.3-101, as and to the extent modified by section 3(42) of ERISA
<b>PRIPs Regulation</b>	Regulation EU No.1286/2014 on key information documents for packaged retail and insurance-based investment products, as amended from time to time
<b>Project Stage</b>	the stage of development of a project, being one of operational, construction-ready or in-construction
<b>Prospectus</b>	this document
<b>Prospectus Regulation</b>	Regulation (EU) No. 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
<b>Prospectus Regulation Rules</b>	the prospectus regulation rules made by the FCA under section 73A of FSMA, as amended from time to time
<b>Receiving Agent</b>	Link Market Services Limited trading as Link Group
<b>Receiving Agent Agreement</b>	the receiving agent agreement between the Company and the Receiving Agent, a summary of which is set out in paragraph 6.9 of Part 8 of this Prospectus
<b>Register</b>	the register of Shareholders of the Company
<b>Registrar</b>	Link Market Services Limited trading as Link Group
<b>Registrar Agreement</b>	the registrar agreement between the Company and the Registrar, a summary of which is set out in paragraph 6.8 of Part 8 of this Prospectus
<b>Regulation S</b>	Regulation S promulgated under the U.S. Securities Act, as amended from time to time
<b>Regulatory Information Service</b>	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
<b>Relevant State</b>	each member state of the EU, the EEA EFTA States and the United Kingdom
<b>SEDOL</b>	the Stock Exchange Daily Official List
<b>Seed Assets</b>	the assets held by a Downing Managed Fund as described in Section A of Part 3 of this Prospectus
<b>Seed Asset HoldCo</b>	the holding company of a group of SPVs which own the Seed Assets
<b>Shareholder</b>	a holder of Ordinary Shares

<b>Similar Law</b>	any U.S. federal, state, local or foreign law that is similar to section 406 of ERISA or section 4975 of the U.S. Tax Code
<b>SIPP</b>	a self-invested personal pension as defined in Regulation 3 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 of the UK
<b>SPV</b>	special purpose vehicle owned in whole or in part by the Company or one of its Affiliates which is used as the project company for the acquisition and/or holding of an Asset
<b>SSAS</b>	a small self-administered scheme as defined in Regulation 2 of the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991 of the UK
<b>Sterling or GBP or £ or pence</b>	the lawful currency of the United Kingdom
<b>Takeover Code</b>	the City Code on Takeovers and Mergers, as amended from time to time
<b>Target Market Assessment</b>	has the meaning defined on page 37 of this Prospectus
<b>Technology</b>	in relation to an Asset or portfolio of Assets, the principal technology utilised to generate energy from renewable sources, for example solar photovoltaic, wind, hydro-electric or geothermal
<b>Terms and Conditions of Application</b>	the terms and conditions to which subscriptions under the Offer for Subscription are subject as set out in Part 12 of this Prospectus
<b>U.S. Investment Company Act</b>	U.S. Investment Company Act of 1940, as amended from time to time
<b>U.S. Person</b>	any person who is a U.S. person within the meaning of Regulation S adopted under the U.S. Securities Act
<b>U.S. Securities Act</b>	U.S. Securities Act of 1933, as amended from time to time
<b>U.S. Tax Code</b>	the US Internal Revenue Code of 1986, as amended from time to time
<b>UCITS</b>	undertakings for collective investment in transferable securities, within the meaning of Directive 2009/65/EC of the European Parliament and Council of 13 July 2009
<b>UK Corporate Governance Code</b>	the UK Corporate Governance Code as published by the Financial Reporting Council from time-to-time
<b>uncertificated or in uncertificated form</b>	a share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States of America, United States or U.S.</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>Valuation Opinion</b>	the opinion provided by Grant Thornton UK LLP in relation to the valuation of the Seed Assets, as reproduced at Section B of Part 3 of this Prospectus
<b>VAT</b>	value added tax

## PART 11

### TERMS AND CONDITIONS OF THE PLACING

#### 1. INTRODUCTION

- 1.1 Each Placee which confirms its agreement (whether orally or in writing) to N+1 Singer Capital Markets to subscribe for Ordinary Shares under the Placing will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.2 N+1 Singer Capital Markets may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and may require any such Placee to execute a separate placing letter ("**Placing Letter**").

#### 2. AGREEMENT TO SUBSCRIBE FOR ORDINARY SHARES

- 2.1 Conditional on, amongst other things: (i) Admission occurring and becoming effective by 8.00 a.m. on or prior to 10 December 2020 (or such later time and/or date, not being later than 31 December 2020, as agreed by the Company and N+1 Singer); (ii) the Minimum Gross Proceeds (or such lesser amount as the Company and N+1 Singer may agree) being raised; (iii) the Placing Agreement becoming otherwise unconditional in all respects in respect of the Placing and, not having been terminated on or before the date of the Placing; and (iv) N+1 Singer Capital Markets confirming to the Placees their allocation of Ordinary Shares, a Placee agrees to become a Shareholder of the Company and agrees to subscribe for those Ordinary Shares allocated to it by N+1 Singer Capital Markets at the Issue Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.
- 2.2 Applications under the Placing must be for a minimum subscription amount of £1,000.
- 2.3 Any commitment to acquire Ordinary Shares under the Placing agreed orally with N+1 Singer Capital Markets, as agent for the Company, will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and N+1 Singer Capital Markets, to subscribe for the number of Ordinary Shares allocated to it on the terms and subject to the conditions set out in this Part 11 and the contract note or oral or email placing confirmation as applicable (for the purpose of the purpose of this Part 11, the "**Contract Note**" or the "**Placing Confirmation**") and in accordance with the Articles. Except with the consent of N+1 Singer Capital Markets, such oral commitment will not be capable of variation or revocation after the time at which it is made.
- 2.4 Each Placee's allocation of Ordinary Shares under the Placing will be evidenced by a Contract Note confirming: (i) the number of Ordinary Shares that such Placee has agreed to acquire; (ii) the aggregate amount that such Placee will be required to pay for such Ordinary Shares; and (iii) settlement instructions to pay N+1 Singer Capital Markets, as agent for the Company. The provisions as set out in this Part 11 will be deemed to be incorporated into that Contract Note.
- 2.5 If the Minimum Gross Proceeds (or such lesser amount as the Company and N+1 Singer may agree) are not raised, the Placing will lapse and all proceeds will be returned to Placees without interest and at the Placee's risk.

#### 3. PAYMENT FOR ORDINARY SHARES

- 3.1 Each Placee undertakes to pay the Issue Price for the Ordinary Shares issued to the Placee in the manner and by the time directed by N+1 Singer Capital Markets. In the event of any failure by any Placee to pay as so directed and/or by the time required by N+1 Singer Capital Markets, the relevant Placee's application for Ordinary Shares may, at the discretion of N+1 Singer Capital Markets, either be accepted or rejected and, in the former case, paragraph 3.2 below shall apply.

- 3.2 Each Placee is deemed to agree that if it does not comply with its obligation to pay the Issue Price for the Ordinary Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and N+1 Singer Capital Markets elects to accept that Placee's application, N+1 Singer Capital Markets may sell all or any of the Ordinary Shares allocated to the Placee on such Placee's behalf and retain from the proceeds an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Ordinary Shares on such Placee's behalf.
- 3.3 Settlement of transactions in the Ordinary Shares following Admission will take place in CREST but N+1 Singer Capital Markets reserves the right in its absolute discretion to require settlement in certificated form if, in its opinion, delivery or settlement is not possible or practicable within the CREST system within the timescales previously notified to the Placee (whether orally, in the Contract Note or otherwise) or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

#### **4. REPRESENTATIONS AND WARRANTIES**

By agreeing to subscribe for Ordinary Shares under the Placing, each Placee which enters into a commitment to subscribe for Ordinary Shares will (for itself and for any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be deemed to undertake, represent and warrant to each of the Company, N+1 Singer, the Investment Manager, the AIFM and the Registrar that:

- 4.1 in agreeing to subscribe for Ordinary Shares under the Placing, it is relying solely on this Prospectus and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time by any person concerning the Company, the Ordinary Shares or the Placing, including without limitation, the Key Information Document. It agrees that none of the Company, N+1 Singer, the Investment Manager, the AIFM or the Registrar, nor any of their respective officers, agents, employees or affiliates, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- 4.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Ordinary Shares under the Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any such territory or jurisdiction and that it has not taken any action or omitted to take any action which will result in the Company, N+1 Singer, the Investment Manager, the AIFM or the Registrar or any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;
- 4.3 it has carefully read and understands this Prospectus in its entirety and acknowledges that it is acquiring Ordinary Shares on the terms and subject to the conditions set out in this Part 11 and, as applicable, in the Contract Note or Placing Confirmation and the Articles as in force at the date of Admission;
- 4.4 the price payable per Ordinary Share is payable to N+1 Singer Capital Markets on behalf of the Company in accordance with the terms of these terms and conditions and in the Contract Note or Placing Confirmation;
- 4.5 it has the funds available to pay for in full the Ordinary Shares for which it has agreed to subscribe and it will pay the total subscription amount in accordance with the terms set out in these terms and conditions and as set out in the Contract Note or Placing Confirmation on the due time and date;
- 4.6 it has not relied on N+1 Singer or any person affiliated with N+1 Singer in connection with any investigation of the accuracy of any information contained in this Prospectus;



- 4.7 it acknowledges that the content of this Prospectus and any supplementary prospectus issued by the Company prior to Admission is exclusively the responsibility of the Company, the Directors and the Investment Manager and neither N+1 Singer nor any person acting on its behalf nor any of its affiliates are responsible for or shall have any liability for any information, representation or statement contained in this Prospectus or such supplementary prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Placing based on any information, representation or statement contained in this Prospectus, such supplementary prospectus or otherwise;
- 4.8 it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by N+1 Singer, the Company, the Investment Manager or the AIFM;
- 4.9 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- 4.10 its commitment to acquire Ordinary Shares under the Placing will be agreed orally or in writing (which shall include by email) with N+1 Singer Capital Markets as agent for the Company and that a Contract Note or Placing Confirmation will be issued by N+1 Singer as soon as possible thereafter. That oral or written agreement will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and N+1 Singer Capital Markets to subscribe for the number of Ordinary Shares allocated to it and comprising its Placing Commitment at the Issue Price on the terms and conditions set out in this Part 11 and, as applicable, in the Contract Note or Placing Confirmation and the Placing Letter (if any) and in accordance with the Articles in force as at the date of Admission. Except with the consent of N+1 Singer Capital Markets such oral or written commitment will not be capable of variation or revocation after the time at which it is made;
- 4.11 its allocation of Ordinary Shares under the Placing will be evidenced by a Contract Note or Placing Confirmation, as applicable, confirming: (i) the number of Ordinary Shares that such Placee has agreed to acquire; (ii) the aggregate amount that such Placee will be required to pay for such Ordinary Shares; and (iii) settlement instructions to pay N+1 Singer Capital Markets as agent for the Company. The terms of this Part 11 will be deemed to be incorporated into that Contract Note or Placing Confirmation;
- 4.12 settlement of transactions in the Ordinary Shares following Admission will take place in CREST but N+1 Singer Capital Markets reserves the right in its absolute discretion to require settlement in certificated form if, in its opinion, delivery or settlement is not possible or practicable within the CREST system within the timescales previously notified to the Placee (whether orally, in the Contract Note or Placing Confirmation, in the Placing Letter (if any) or otherwise) or would not be consistent with the regulatory requirements in any Placee's jurisdiction;
- 4.13 it accepts that none of the Ordinary Shares have been or will be registered under the securities laws, or with any securities regulatory authority of, the United States, Australia, Canada, the Republic of South Africa or Japan (each a "**Restricted Jurisdiction**"). Accordingly, the Ordinary Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Restricted Jurisdiction unless an exemption from any registration requirement is available;
- 4.14 if it is within the United Kingdom, it is (a) a person who falls within (i) Articles 49(2)(A) to (D) or (ii) Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the "**Order**") or is a person to whom the Ordinary Shares may otherwise lawfully be offered under such Order, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Ordinary Shares may be lawfully offered under that other jurisdiction's laws and regulations and (b) a qualified investor (as such term is defined in Article 2(e) of the Prospectus Regulation);

- 4.15 if it is a resident in the United Kingdom or the EEA, it is (a) a qualified investor within the meaning of Article 2(e) of the Prospectus Regulation and (b) it is a person to whom the Ordinary Shares may lawfully be marketed to under the AIFM Directive or under the applicable implementing legislation (if any) of the United Kingdom or the relevant EEA member state;
- 4.16 if it is a professional investor (as such term is given meaning in the AIFM Directive) resident, domiciled in, or with a registered office in the EEA, it confirms that the Ordinary Shares have only been promoted, offered, placed or otherwise marketed to it, and the subscription will be made from, (a) a country outside the EEA; (b) a country in the EEA that has not transposed the AIFM Directive as at the date of the Placée's commitment to subscribe is made; or (c) Ireland or Sweden; or (d) a country in the EEA in respect of which the AIFM has confirmed that it has made the relevant notification to the FCA and is lawfully able to market Ordinary Shares into that EEA country;
- 4.17 in the case of any Ordinary Shares acquired by an investor as a financial intermediary as that term is used in Article 5(2) of the Prospectus Regulation, (i) the Ordinary Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant State other than qualified investors, as that term is defined in the Prospectus Regulation, or in circumstances in which the prior consent of N+1 Singer Capital Markets has been given to the offer or resale; or (ii) where Ordinary Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Ordinary Shares to it is not treated under the Prospectus Regulation as having been made to such persons;
- 4.18 it: (i) is entitled to subscribe for the Ordinary Shares under the laws of all relevant jurisdictions; (ii) has fully observed the laws of all relevant jurisdictions; (iii) has the requisite capacity and authority and is entitled to enter into and perform its obligations as a subscriber for Ordinary Shares and will honour such obligations; and (iv) has obtained all necessary consents and authorities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;
- 4.19 if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Placing (for the purposes of this Part 11, each a "**Placing Document**") constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Ordinary Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Ordinary Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 4.20 it does not have a registered address in, and is not a citizen, resident or national of a Restricted Jurisdiction or any jurisdiction in which it is unlawful to make or accept an offer of the Ordinary Shares and it is not acting on a non-discretionary basis for any such person;
- 4.21 if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for Ordinary Shares under the Placing;
- 4.22 it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Ordinary Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and acknowledges and agrees that no Placing Document is being issued by N+1 Singer in its capacity as an authorised person under section 21 of FSMA and such documents may not therefore be subject to the controls which would apply if they were made or approved as a financial promotion by an authorised person;
- 4.23 it is aware of and acknowledges that it is required to comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Ordinary Shares in, from or otherwise involving, the United Kingdom;

- 4.24 it is aware of the provisions of the Criminal Justice Act 1993 regarding insider dealing, the Market Abuse Regulation and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with any obligations imposed by such statutes;
- 4.25 unless it is otherwise expressly agreed with the Company and N+1 Singer, it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other Placing Document to any persons within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- 4.26 it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading "United States Purchase and Transfer Restrictions" in paragraph 5 below;
- 4.27 no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the Ordinary Shares or possession of this Prospectus (and any supplementary prospectus issued by the Company), in any country or jurisdiction where action for that purpose is required;
- 4.28 it acknowledges that neither N+1 Singer nor any of its respective affiliates nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and participation in the Placing is on the basis that it is not and will not be a client of N+1 Singer and that N+1 Singer does not have any duties or responsibilities to it for providing protection afforded to their respective clients or for providing advice in relation to the Placing;
- 4.29 save in the event of fraud on the part of N+1 Singer, none of N+1 Singer, its ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees, shall be responsible or liable to a Placee or any of its clients for any matter arising out of N+1 Singer Advisory's role as sponsor and financial adviser and N+1 Singer Capital Market's role as bookrunner or otherwise in connection with the Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;
- 4.30 it acknowledges that where it is subscribing for Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Ordinary Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this Prospectus; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or N+1 Singer Capital Markets. It agrees that the provision of this paragraph shall survive any resale of the Ordinary Shares by or on behalf of any such account;
- 4.31 it irrevocably appoints any Director and any director of N+1 Singer Capital Markets to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Ordinary Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;
- 4.32 it accepts that if the Placing does not proceed or the conditions to the Placing Agreement are not satisfied or the Ordinary Shares for which valid applications are received and accepted are not admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market for any reason whatsoever, then none of N+1 Singer or the Company, or the Investment Manager, or the AIFM, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- 4.33 in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and terrorist financing and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has

- applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations; or (ii) subject to the Money Laundering Directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- 4.34 it acknowledges that due to anti-money laundering requirements, N+1 Singer, the Investment Manager, the AIFM, the Registrar and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, N+1 Singer and the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify N+1 Singer and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been requested has not been provided by it in a timely manner;
- 4.35 that it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Proceeds of Crime Act 2002;
- 4.36 if it is acting as a “distributor” (for the purposes of MiFID II Product Governance Requirements):
- 4.36.1 it acknowledges that the Target Market Assessment undertaken by the Investment Manager and N+1 Singer Capital Markets does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares and each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels;
- 4.36.2 notwithstanding any Target Market Assessment undertaken by the Investment Manager and N+1 Singer Capital Markets, it confirms that, other than where it is providing an execution-only service to investors, it has satisfied itself as to the appropriate knowledge, experience, financial situation, risk tolerance and objectives and needs of the investors to whom it plans to distribute the Ordinary Shares and that it has considered the compatibility of the risk/reward profile of such Ordinary Shares with the end target market; and
- 4.36.3 it acknowledges that the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom;
- 4.37 N+1 Singer and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- 4.38 the representations, undertakings and warranties contained in this Prospectus are irrevocable. It acknowledges that N+1 Singer and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of Ordinary Shares are no longer accurate, it shall promptly notify N+1 Singer and the Company;
- 4.39 where it or any person acting on behalf of it is dealing with N+1 Singer, any money held in an account with N+1 Singer on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require N+1 Singer to segregate such money, as that money will be held by N+1 Singer under a banking relationship and not as trustee;

- 4.40 any of its clients, whether or not identified to N+1 Singer, will remain its sole responsibility and will not become clients of N+1 Singer for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 4.41 it accepts that the allocation of Ordinary Shares shall be determined by Company, in its absolute discretion (following consultation with N+1 Singer and the Investment Manager) and that it may scale down any Placing commitments for this purpose on such basis as it may determine;
- 4.42 time shall be of the essence as regards its obligations to settle payment for the Ordinary Shares and to comply with its other obligations under the Placing;
- 4.43 it authorises N+1 Singer to deduct from the total amount subscribed under the Placing the aggregate commission (if any) payable on the number of Ordinary Shares allocated under the Placing;
- 4.44 in the event that a supplementary prospectus is required to be produced pursuant to section 87G FSMA and Article 23 of the Prospectus Regulation, and in the event that it chooses to exercise any right of withdrawal pursuant to Article 23(2) of the Prospectus Regulation or otherwise, such Placee will immediately re-subscribe for the Ordinary Shares previously comprising its placing commitment;
- 4.45 the commitment to subscribe for Ordinary Shares on the terms set out in these terms and conditions will continue notwithstanding any amendment that may in the future be made to the terms of the Placing and that it will have no right to be consulted or require that its consent be obtained with respect to the Company's conduct of the Placing; and
- 4.46 it is capable of being categorised as a person who is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook.

## **5. UNITED STATES PURCHASE AND TRANSFER RESTRICTIONS**

Unless it is otherwise expressly agreed with the Company and N+1 Singer, by participating in the Placing, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, N+1 Singer, the Investment Manager, the AIFM and the Registrar that:

- 5.1 it is not a U.S. Person, is not located within the United States, is acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S and is not acquiring the Ordinary Shares for the account or benefit of a U.S. Person;
- 5.2 it acknowledges that the Ordinary Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or an exemption from registration under the U.S. Securities Act;
- 5.3 it acknowledges that the Company has not registered under the U.S. Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the U.S. Investment Company Act;
- 5.4 unless the Company expressly consents in writing otherwise, no portion of the assets used to purchase, and no portion of the assets used to hold, the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an "employee benefit plan" as defined in section 3(3) of ERISA that is subject to Part 4 of subtitle B of fiduciary responsibility or prohibited transaction Title I of ERISA; (ii) a "plan" as defined in section 4975 of the U.S. Tax Code, including an individual retirement account, that is subject to section 4975 of the U.S. Tax Code; or (iii) an entity whose underlying assets include the assets of any such "employee benefit plan" or "plans" by reason of ERISA or the U.S. Department of Labor Regulations, 29 C.F.R. 2510.3-101, as and to the extent modified by section 3(42) of ERISA (the "**Plan Assets Regulation**"), or otherwise (including certain insurance company general accounts) for the purposes of section 4.6 of ERISA or section 4975 of the U.S. Tax Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that

is subject to any federal, state, local or non-U.S. law that is substantially similar to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA or section 4975 of the U.S. Tax Code, its purchase, holding, and disposition of the Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;

- 5.5 that if any Ordinary Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

“DOWNING RENEWABLES & INFRASTRUCTURE TRUST PLC (THE “**COMPANY**”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**INVESTMENT COMPANY ACT**”). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS. FURTHER, NO PURCHASE, SALE OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE UNLESS SUCH PURCHASE, SALE OR TRANSFER WILL NOT RESULT IN THE ASSETS OF THE COMPANY CONSTITUTING “PLAN ASSETS” WITHIN THE MEANING OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“**ERISA**”) OR THE PLAN ASSETS REGULATION;”

- 5.6 if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the U.S. Securities Act and under circumstances which: (a) will not require the Company to register under the U.S. Investment Company Act; and (b) will not result in the assets of the Company constituting “plan assets” within the meaning of ERISA or the Plan Assets Regulation;
- 5.7 it is purchasing the Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Ordinary Shares in any manner that would violate the U.S. Securities Act, the U.S. Investment Company Act or any other applicable securities laws;
- 5.8 it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or interests therein at any time as to such person’s status under the U.S. federal securities laws and to require any such person that has not satisfied the Company that the holding of Ordinary Shares by such person will not violate or require registration under the U.S. securities laws to transfer such Ordinary Shares or interests in accordance with the Articles;
- 5.9 it is entitled to acquire the Ordinary Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, N+1 Singer, the Investment Manager, the AIFM or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with its acceptance of participation in the Placing;
- 5.10 it has received, carefully read and understands this Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offering materials concerning the Ordinary Shares to or within the United States or to any U.S. Persons, nor will it do any of the foregoing; and

- 5.11 if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- 5.12 The Company, N+1 Singer, the Investment Manager, the AIFM and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements. If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with, the investor must immediately notify the Company and N+1 Singer.

## 6. SUPPLY OF INFORMATION

If N+1 Singer, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for Ordinary Shares under the Placing, such Placee must promptly disclose it to them.

## 7. MONEY LAUNDERING

Each Placee acknowledges and agrees that:

- 7.1 in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and terrorist financing ("**Money Laundering Legislation**") and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations in force in the United Kingdom; or (ii) subject to the Money Laundering Directive; or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- 7.2 due to anti-money laundering requirements, N+1 Singer, the AIFM, the Investment Manager, the Registrar and the Company and/or their agents may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, N+1 Singer, the Company and/or their agents may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify N+1 Singer, the Company and/or their agents against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it or has not been provided on a timely basis.

## 8. DATA PROTECTION

- 8.1 Each Placee acknowledges that it has been informed that, pursuant to the General Data Protection Regulation 2016/679 (the "**DP Legislation**") the Company and/or the Registrar will following Admission, hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data will be retained on record for a period exceeding six years after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out in the Company's privacy notice (the "**Purposes**") which is available for consultation on the Company's website at <https://www.doretrust.com/privacy-and-cookie-policy> (the "**Privacy Notice**") which include to:
- 8.1.1 process its personal data to the extent and in such manner as is necessary for the performance of its obligations under its respective service contracts, including as required by or in connection with the Placee's holding of Ordinary Shares, including processing personal data in connection with credit and anti-money laundering checks on it;
- 8.1.2 communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;

- 8.1.3 comply with the legal and regulatory obligations of the Company and/or the Registrar;  
and
- 8.1.4 process its personal data for the Registrar's internal administration.
- 8.2 Where necessary to fulfil the Purposes, the Company will disclose personal data to:
- 8.2.1 third parties located either within, or outside of the United Kingdom or the EEA, if necessary for the Registrar to perform its functions, or when it is within its legitimate interests, and in particular in connection with the holding of Ordinary Shares; or
- 8.2.2 its affiliates, the Registrar, the Investment Manager or the AIFM and their respective associates, some of which may be located outside of the United Kingdom and the EEA.
- 8.3 Any sharing of personal data between parties will be carried out in compliance with the DP Legislation and as set out in the Company's Privacy Notice.
- 8.4 By becoming registered as a holder of Ordinary Shares a person becomes a data subject (as defined under DP Legislation). In providing the Registrar with information, the Placee hereby represents and warrants to the Company and the Registrar that: (i) it complies in all material aspects with its data controller obligations under DP Legislation, and in particular, it has notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company's Privacy Notice; and (ii) where consent is legally competent and/or required under DP Legislation the Placee has obtained the consent of any data subject to the Company and Registrar and their respective affiliates and group companies, holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes).
- 8.5 Each Placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Placee is a natural person he or she has read and understood the terms of the Company's Privacy Notice.
- 8.6 Each Placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Placee is not a natural person it represents and warrants that:
- 8.6.1 it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the Placee may act or whose personal data will be disclosed to the Company as a result of the Placee agreeing to subscribe for Ordinary Shares; and
- 8.6.2 the Placee has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company.
- 8.7 Where the Placee acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising in relation to the Placing:
- 8.7.1 comply with all applicable data protection legislation;
- 8.7.2 take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;
- 8.7.3 if required, agree with the Company and the Registrar, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
- 8.7.4 it shall immediately on demand, fully indemnify each of the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Registrar in connection with any failure by the Placee to comply with the provisions set out above.



## **9. MISCELLANEOUS**

- 9.1 The rights and remedies of the Company, N+1 Singer, the Investment Manager, the AIFM and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 9.2 On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally, his nationality. If a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.
- 9.3 Each Placee agrees to be bound by the Articles once the Ordinary Shares, which the Placee has agreed to subscribe for pursuant to the Placing, have been acquired by the Placee. The contract to subscribe for Ordinary Shares under the Placing and the appointments and authorities mentioned in this Prospectus and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of N+1 Singer, the Company and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.
- 9.4 In the case of a joint agreement to subscribe for Ordinary Shares under the Placing, references to a Placee in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 9.5 N+1 Singer and the Company expressly reserve the right to modify the Placing (including, without limitation, their timetable and settlement) at any time before allocations are determined. The Placing is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are contained in paragraph 6.1 of Part 8 of this Prospectus.

## PART 12

### TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION

#### 1. INTRODUCTION

- 1.1 Ordinary Shares are available under the Offer for Subscription at the Issue Price. The Ordinary Shares will, when issued and fully paid, include the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.
- 1.2 Applications to acquire Ordinary Shares must be made on the Application Form attached at the end of this Prospectus or otherwise published by the Company.
- 1.3 In addition to completing and returning the Application Form to the Receiving Agent, investors who intend to hold Ordinary Shares in certificated form will also need to complete and return a Tax Residency Self Certification Form. The "Tax Residency Self-Certification Form (Individuals)" form can be found at Appendix 2 of this Prospectus further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Link Group on 0371 664 0321 or can be downloaded from the Company's website ([www.doretrust.com](http://www.doretrust.com)). If you have any queries, please contact Link Group on 0371 664 0321. 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. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Issue nor give any financial, legal or tax advice.
- 1.4 **It is a condition of any Application under the Offer for Subscription that a completed version of the Tax Residency Self-Certification Form is provided with the Application Form before any application under the Offer for Subscription can be accepted, with the exception of any investors that are paying for their subscription through CREST on a DvP basis, as no Tax Residency Self-Certification Form will be required for DvP CREST investors to accompany the duly completed Application Form. Offer for Subscription Application Forms that are returned without the completed Tax Residency Self-Certification Form (except for DvP CREST investors) will be referred to the Company after the Offer for Subscription closes at 11.00 a.m. on Thursday 3 December 2020. It will then be the Company's decision if these Application Forms can be accepted under the Offer for Subscription.**

#### 2. EFFECT OF APPLICATION

Applications under the Offer for Subscription must be for Ordinary Shares with a minimum subscription amount of £1,000 and thereafter in multiples of £100 or such lesser amount as the Company may determine (at its discretion). Multiple applications will be accepted.

#### 3. OFFER TO ACQUIRE ORDINARY SHARES

By completing and delivering an Application Form to the Receiving Agent, Link Group, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:

- 3.1 offer to subscribe for such number of Ordinary Shares at 100 pence per Ordinary Share as may be purchased by the subscription amount specified in the box in section 1 on your Application Form (being a minimum of £1,000 and thereafter in multiples of £100; or such smaller number for which such application is accepted) on the terms, and subject to the conditions, set out in this Prospectus, including these Terms and Conditions of Application and the Articles;
- 3.2 agree that, in consideration for the Company agreeing that it will not, prior to the date of Admission, offer for subscription any Ordinary Shares to any person other than by means of the procedures referred to in this Prospectus, your application may not be revoked (subject to any legal right to withdraw your application which arises as a result of the publication of a

supplementary prospectus prior to Admission) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by, the Receiving Agent of your Application Form;

- 3.3 undertake to pay the subscription amount specified in the box in section 1 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Ordinary Shares applied for in certificated form or be entitled to commence dealing in Ordinary Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent, the Company and N+1 Singer against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Ordinary Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque drawn on a branch of a UK clearing bank to the bank account name from which they were first received at your risk or direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn, for an amount equal to the proceeds of the remittance which accompanied your Application Form, without interest);
- 3.4 agree, that where on your Application Form a request is made for Ordinary Shares to be deposited into a CREST account (a "**CREST Account**"), (i) the Receiving Agent may in its absolute discretion amend the Application Form so that such Ordinary Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds) and (ii) the Receiving Agent, the Company or N+1 Singer may authorise your financial adviser or whoever he or she may direct to send a document of title for, or credit your CREST Account in respect of, the number of Ordinary Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Application Form;
- 3.5 agree, in respect of applications for Ordinary Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 3.4 above to issue Ordinary Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph 3.4 above (and any monies returnable to you) may be retained by the Receiving Agent:
- pending clearance of your remittance;
  - pending investigation of any suspected breach of the warranties contained in paragraphs 7.2, 7.6, 7.13, 7.14 or 7.15 below or any other suspected breach of these Terms and Conditions of Application; or
  - pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of the Money Laundering Regulations and any other regulations applicable thereto;
- 3.6 agree, on the request of the Receiving Agent to disclose promptly in writing to it such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which it may consider appropriate;
- 3.7 agree that if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Company) following a request therefor, the Company may terminate the agreement with you to allot Ordinary Shares and, in such case, the Ordinary Shares which would otherwise have been allotted to you may be re-allotted or sold to some other party and the lesser of your application monies or such

proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a UK clearing bank to the bank account name from which they were first received, at your risk and without interest of any proceeds of the payment accompanying the application at your risk or direct to the bank account of the bank or building society on which the relevant cheque or banker's draft was drawn;

- 3.8 acknowledge that the Key Information Document relating to the Ordinary Shares prepared by the AIFM pursuant to the PRIIPs Regulation can be provided to you in paper or by means of a website, but that where you are applying under the Offer for Subscription directly and not through an adviser or other intermediary, unless requested in writing otherwise, the lodging of an Application Form represents your consent to being provided the Key Information Document via the Company's website ([www.doretrust.com](http://www.doretrust.com)) or such other website as has been notified to you. Where your application is made on an advised basis or through another intermediary, the terms of your engagement should address the means by which such Key Information Document will be provided to you;
- 3.9 agree that you are not applying on behalf of a person engaged in money laundering;
- 3.10 undertake to ensure that, in the case of an application signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- 3.11 undertake to pay interest at the rate described in paragraph 4 below if the remittance accompanying your Application Form is not honoured on first presentation;
- 3.12 authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Ordinary Shares for which your application is accepted or if you have completed the relevant payment method box in section 1 on your Application Form, but subject to paragraph 3.4 above, to deliver the number of Ordinary Shares for which your application is accepted into CREST, and/or to return any monies returnable without payment of interest (at the applicant's risk) either as a cheque by first class post to the address completed in section 2 on the Application Form or return funds direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn;
- 3.13 confirm that you have read and complied with paragraph 9 below;
- 3.14 agree that all subscription payments received by the Receiving Agent will be processed through the following two bank accounts:
  - 3.14.1 for cheque payments: **"Link Market Services Ltd RE: Downing Renewables & Infrastructure Trust plc – OFS CHQ A/C"**;
  - 3.14.2 for electronic CHAPS payments: **"Link Market Services Ltd RE: Downing Renewables & Infrastructure Trust plc – OFS CHAPS A/C"**;
- 3.15 agree that your Application Form is addressed to the Receiving Agent;
- 3.16 agree that your application must be for a whole number of Ordinary Shares and the number of Ordinary Shares issued to you will be rounded down to the nearest whole number;
- 3.17 acknowledge that the offer to the public of Ordinary Shares is being made only in the United Kingdom, Jersey, Guernsey and the Isle of Man and represent that you are a United Kingdom, Jersey, Guernsey or Isle of Man resident (unless you are able to provide such evidence as the Company may, in its absolute discretion, require that you are entitled to apply for Ordinary Shares); and
- 3.18 agree that any application may be rejected in whole or in part at the sole discretion of the Company.

#### **4. ACCEPTANCE OF YOUR OFFER**

The basis of allocation will be determined by the Company in consultation with N+1 Singer Capital Markets and the Investment Manager. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Application or

not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions of Application.

The Receiving Agent will present all cheques and banker's drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payments.

Payments must be in Sterling and paid by either cheque, bank transfer or DvP via CREST in accordance with this paragraph 4.

Fractions of Ordinary Shares will not be issued.

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by no later than 11:00 a.m. on 3 December 2020.

Should you wish to apply for Ordinary Shares in CREST by DvP, you will need to input your instructions in favour of the Receiving Agent's Participant Account, RA06 by no later than 11:00 a.m. on 7 December 2020, allowing for the delivery and acceptance of your Ordinary Shares to your CREST account against payment of the Issue Price in Sterling through the CREST system upon the relevant settlement date, following the CREST matching criteria set out in the Application Form.

Except as provided below, payments may be made by cheque or banker's draft drawn on an account where the applicant has sole or joint-title to the funds and on an account at a branch of a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or that has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of an individual applicant where they have sole or joint title to the funds, must be made payable to "**Link Market Services Ltd RE: Downing Renewables & Infrastructure Trust plc – OFS CHQ A/C**". Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping/endorsing the cheque or banker's draft to that effect or have provided a supporting letter confirming the source of funds. The account name should be the same as that shown on the Application Form.

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by no later than 11.00 a.m. on 3 December 2020. Applicants should send payment to the relevant bank account as detailed on the Application Form. Applicants must ensure that they remit sufficient funds to cover any charges incurred by their bank.

The payment instruction relating to the electronic transfer must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, for example: MJ Smith 01234 567890. The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference nor where a payment has been received but without an accompanying Application Form.

The account name for any electronic payment should be in the name that is given on your Application Form and payments must relate solely to your Application. It is recommended that such transfers are actioned within 24 hours of posting your application and be received by no later than 11.00 a.m. on 3 December 2020.

In some cases, as determined by the amount of your investment, the Receiving Agent may need to ask you to submit additional documentation in order to verify your identity and/or the source of funds for the purpose of satisfying its anti-money laundering obligations. If additional document is required in relation to your application, the Receiving Agent will contact you to request the information needed. The Receiving Agent cannot rely on verification provided by any third party including financial intermediaries. Ordinary Shares cannot be allotted if the Receiving Agent has not received satisfactory evidence and/or the source of funds, and failure to provide such evidence may result in a delay in processing your Application or your application being rejected.

Applicants choosing to settle via CREST, that is DVP, will need to input their instructions in favour of the Receiving Agent's Participant Account, RA06, by no later than 11.00 a.m. on 7 December 2020,

allowing for the delivery and acceptance of the Ordinary Shares to be made against payment of the Issue Price per Ordinary Share, following the CREST matching criteria set out in the Application Form.

## **5. CONDITIONS**

The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:

- Admission occurring by 8.00 a.m. (London time) on 10 December 2020 or such later time or date as the Company and N+1 Singer may agree (being not later than 8.00 a.m. on 31 December 2020);
- the Placing Agreement becoming otherwise unconditional (save as to Admission) and not being terminated in accordance with its terms at any time before Admission; and
- the Minimum Gross Proceeds (or such lesser amount as the Company, the Investment Manager and N+1 Singer may agree) being raised.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

## **6. RETURN OF APPLICATION MONIES**

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest (at the applicants' risk) either by first class post as a cheque to the address set out on the Application Form or returned direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

## **7. WARRANTIES**

By completing an Application Form, you:

- 7.1 undertake and warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- 7.2 warrant, if the laws of any territory or jurisdiction outside the UK, Jersey, Guernsey or Isle of Man are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company, the Investment Manager, N+1 Singer or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the UK in connection with the Offer for Subscription in respect of your application;
- 7.3 confirm that (save for advice received from your financial adviser (if any)) in making an application you are not relying on any information or representations in relation to the Company other than those contained in this Prospectus and any supplementary prospectus published prior to Admission (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for this Prospectus or such supplementary prospectus or any part thereof shall have any liability for any such other information or representation;

- 7.4 agree that, having had the opportunity to read this Prospectus and the Key Information Document relating to the Ordinary Shares each in its entirety, you shall be deemed to have had notice of all information and representations contained in this Prospectus and the Key Information Document relating to the Ordinary Shares;
- 7.5 acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in this Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Manager, N+1 Singer or the Receiving Agent;
- 7.6 warrant that you are not under the age of 18 on the date of your application;
- 7.7 agree that all documents and monies sent by post to, by, from or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first named holder) as set out in your Application Form;
- 7.8 confirm that you have reviewed the restrictions contained in paragraph 9 below and warrant that you (and any person on whose behalf you apply) comply with the provisions therein;
- 7.9 agree that, in respect of those Ordinary Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the Register;
- 7.10 agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company or the Receiving Agent to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- 7.11 irrevocably authorise the Company, N+1 Singer or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by or issued to you into your name and authorise any representatives of the Company and/or N+1 Singer and/or the Receiving Agent to execute any documents required therefor and to enter your name on the Register;
- 7.12 agree to provide the Company with any information which it, N+1 Singer or the Receiving Agent may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time-to-time) including, without limitation, satisfactory evidence of identity to ensure compliance with the Money Laundering Regulations;
- 7.13 warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, the Investment Manager, N+1 Singer or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your application;
- 7.14 represent and warrant to the Company that; (i) you are not a U.S. Person, are not located within the United States and are not acquiring the Ordinary Shares for the account or benefit of a U.S. Person; (ii) you are acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S; (iii) you understand and acknowledge that the Ordinary Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, into or within the United States or to, or for the account or benefit of, U.S. Persons; and (iv) you understand and acknowledge that the Company has not registered and will not register as an investment company under the U.S. Investment Company Act;

- 7.15 represent and warrant to the Company that if in the future you decide to offer, sell, transfer, assign or otherwise dispose of the Ordinary Shares, you will do so only (i) in an offshore transaction complying with the provisions of Regulation S under the U.S. Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person, by pre-arrangement or otherwise, or (ii) to the Company or a subsidiary thereof. You understand and acknowledge that any sale, transfer, assignment, pledge or other disposal made other than in compliance with the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- 7.16 agree that N+1 Singer and the Receiving Agent are acting for the Company in connection with the Offer for Subscription and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the Ordinary Shares or concerning the suitability of the Ordinary Shares for you or be responsible to you for the protections afforded to their customers;
- 7.17 warrant that you are not subscribing for the Ordinary Shares using a loan which would not have been given to you or any associate or not given to you on such favourable terms, if you had not been proposing to subscribe for the Ordinary Shares;
- 7.18 warrant that the information contained in the Application Form is true and accurate; and
- 7.19 agree that if you request that Ordinary Shares are issued to you on a date other than Admission and such Ordinary Shares are not issued on such date that the Company and its agents and Directors will have no liability to you arising from the issue of such Ordinary Shares on a different date.

## **8. MONEY LAUNDERING**

You agree that, in order to ensure compliance with the Money Laundering Regulations, the Proceeds of Crime Act 2002 and any other applicable regulations, the Receiving Agent may at its absolute discretion require verification of identity of you (the “**holder(s)**”) as the applicant lodging an Application Form and further may request from you and you will assist in providing identification of:

- the owner(s) and/or controller(s) (the “**payor**”) of any bank account not in the name of the holder(s) on which is drawn a payment by way of banker’s draft or cheque; or
- where it appears to the Receiving Agent that a holder or the payor is acting on behalf of some other person or persons.

Any delay or failure to provide the necessary evidence of identity may result in your application being rejected or delays in crediting CREST accounts or the despatch of documents.

Without prejudice to the generality of this paragraph 8, verification of the identity of holders and payors will be required if the value of the Ordinary Shares applied for, whether in one or more applications considered to be connected, exceeds €15,000 (or the Sterling equivalent). If you use a building society cheque or banker’s draft you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque or banker’s draft and adds its stamp.

Where an application (or total investment when making a series of applications) is more than €15,000 (or the Sterling equivalent), the Receiving Agent will carry out checks to verify an applicant’s identity, using the Experian Credit Reference system. The Experian checks have no impact on an applicant’s credit score or their ability to obtain credit and simply carry out a ‘soft search’ on the applicant’s credit report, which leaves only an ‘enquiry footprint’ in order that the applicant can see who has enquired (the enquiry simply shows that an identity check was carried out in respect of an investment, to comply with the Money Laundering Regulations).

This Experian Credit Reference check is sufficient to verify the identity of most applicants. In the few cases where that check isn’t able to verify the identity of an applicant, the Receiving Agent may need to contact the applicant to request documentary evidence of their identity (typically this will require an original or certified copy of a passport, driving licence and a recent bank statement).

## **9. NON-UNITED KINGDOM, CHANNEL ISLAND OR ISLE OF MAN INVESTORS**

The Offer for Subscription is only being made in the United Kingdom, Jersey, Guernsey and the Isle of Man. If you receive a copy of this Prospectus or an Application Form in any territory other than



the United Kingdom, Jersey, Guernsey or the Isle of Man you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the UK, Jersey, Guernsey or the Isle of Man and wish to make an application for Ordinary Shares under the Offer for Subscription, to satisfy yourself as to full observance of the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

None of the Ordinary Shares have been or will be registered under the laws of Canada, Japan, Australia, the Republic of South Africa or under the U.S. Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States, Canada, Japan, Australia or the Republic of South Africa. If you subscribe for Ordinary Shares you will, unless the Company and the Receiving Agent agree otherwise in writing, be deemed to represent and warrant to the Company that you are not a U.S. Person or a resident of Canada, Japan, Australia, the Republic of South Africa or a corporation, partnership or other entity organised under the laws of the U.S. or Canada (or any political subdivision of either) or Japan or Australia or the Republic of South Africa and that you are not subscribing for such Ordinary Shares for the account of any U.S. Person or resident of Canada, Japan, Australia or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Ordinary Shares in or into the United States, Canada, Japan, Australia or the Republic of South Africa or to any U.S. Person or person resident in Canada, Japan, Australia or the Republic of South Africa. No application will be accepted if it shows the applicant, payor or a holder having an address other than in the United Kingdom.

## 10. DATA PROTECTION

- 10.1 Each applicant acknowledges that it has been informed that, pursuant to the General Data Protection Regulation 2016/679 (the “**DP Legislation**”) the Company and/or the Registrar will following Admission, hold personal data (as defined in the DP Legislation) relating to past and present Shareholders. Personal data will be retained on record for a period exceeding six years after it is no longer used (subject to any limitations on retention periods set out in applicable law). The Registrar will process such personal data at all times in compliance with DP Legislation and shall only process for the purposes set out in the Company’s privacy notice (the “**Purposes**”) which is available for consultation on the Company’s website at <https://www.doretrust.com/privacy-and-cookie-policy> (the “**Privacy Notice**”) which include to:
- 10.2 Where necessary to fulfil the Purposes, the Company will disclose personal data to:
- 10.2.1 third parties located either within, or outside of the United Kingdom or the EEA, if necessary for the Registrar to perform its functions, or when it is within its legitimate interests, and in particular in connection with the holding of Ordinary Shares; or
  - 10.2.2 its affiliates, the Registrar or the Investment Manager and their respective associates, some of which may be located outside of the United Kingdom and the EEA.
- 10.3 Any sharing of personal data between parties will be carried out in compliance with the DP Legislation and as set out in the Company’s Privacy Notice.
- 10.4 By becoming registered as a holder of Ordinary Shares a person becomes a data subject (as defined under DP Legislation). In providing the Registrar with information, the applicant hereby represents and warrants to the Company and the Registrar that: (i) it complies in all material aspects with its data controller obligations under DP Legislation, and in particular, it has notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company’s Privacy Notice; and (ii) where consent is legally competent and/or required under DP Legislation the applicant has obtained the consent of any data subject to the Company and Registrar and their respective affiliates and group companies, holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes).

- 10.5 Each applicant acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the applicant is a natural person he or she has read and understood the terms of the Company's Privacy Notice.
- 10.6 Each applicant acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the applicant is not a natural person it represents and warrants that:
- 10.6.1 it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the applicant may act or whose personal data will be disclosed to the Company as a result of the applicant agreeing to subscribe for Ordinary Shares under the Offer for Subscription; and
  - 10.6.2 the applicant has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company.
- 10.7 Where the applicant acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising in relation to the Offer for Subscription:
- 10.7.1 comply with all applicable DP Legislation;
  - 10.7.2 take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;
  - 10.7.3 if required, agree with the Company and the Registrar, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
  - 10.7.4 it shall immediately on demand, fully indemnify each of the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Registrar in connection with any failure by the applicant to comply with the provisions set out above.

## **11. MISCELLANEOUS**

To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Ordinary Shares and the Offer for Subscription.

The rights and remedies of the Company, the Investment Manager, N+1 Singer and the Receiving Agent under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.

The Company reserves the right to extend the closing time and/or date of the Offer for Subscription from 11.00 a.m. on 3 December 2020. In that event, the new closing time and/or date will be notified to applicants via an RIS.

The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned as indicated without interest.

You agree that N+1 Singer and the Receiving Agent are acting for the Company in connection with the Issue and for no-one else, and that neither N+1 Singer nor the Receiving Agent will treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of the Ordinary Shares or concerning the suitability of the Ordinary Shares for you or otherwise in relation to the Issue or for providing the protections afforded to their customers.

Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as where used in the document.

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## APPENDIX 1 – APPLICATION FORM

For official use only

Application form for the Offer for Subscription

### **DOWNING RENEWABLES & INFRASTRUCTURE TRUST PLC**

**Important:** before completing this form, you should read the accompanying notes.

To: Link Group  
Corporate Actions  
The Registry, 34 Beckenham Road  
Beckenham, Kent BR3 4TU

#### **1 Application**

I/We the person(s) detailed in section 2 below offer to subscribe for the amount shown in the box in section 1 subject to the Terms and Conditions set out in Part 12 of the Prospectus dated 12 November 2020 and subject to the Articles of the Company.

In the box in this section 1 (write in figures, the aggregate value, at the Issue Price (being 100 pence per Ordinary Share), of the Ordinary Shares that you wish to apply for – a minimum of £1,000 and thereafter in multiples of £100).

#### **Payment Method** (Tick appropriate box)

Cheque / Banker's draft

Bank transfer

CREST Settlement (DvP)

#### **2 Details of Holder(s) in whose name(s) Ordinary Shares will be issued (BLOCK CAPITALS)**

First Named Holder:

Mr, Mrs, Miss or Title .....

Forenames (in full) .....

Surname/Company Name .....

Address (in full).....

.....

Designation (if any).....

Date of Birth.....

Second Joint Holder (if relevant):

Mr, Mrs, Miss or Title .....

Forenames (in full) .....

Surname.....

Date of Birth.....



Third Joint Holder (if relevant):

Mr, Mrs, Miss or Title .....

Forenames (in full) .....

Surname.....

Date of Birth.....

Fourth Joint Holder (if relevant):

Mr, Mrs, Miss or Title .....

Forenames (in full) .....

Surname.....

Date of Birth.....

**3 CREST details**

(Only complete this section if Ordinary Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in section 2).

CREST Participant ID

CREST Member Account ID

**4 Signature(s) all holders must sign**

Execution by individuals:

First Applicant Signature		Date	
Second Applicant Signature		Date	
Third Applicant Signature		Date	
Fourth Applicant Signature		Date	

Execution by a company:

Executed by (Name of Company):		Date	
Name of Director:		Signature:	Date
Name of Director/Secretary:		Signature:	Date
If you are affixing a company seal, please mark a cross here:	<input type="checkbox"/>	Affix company Seal here:	

## 5 Settlement details

### (a) Cheque/Banker's Draft

If you are subscribing for Ordinary Shares and paying by cheque or banker's draft, attach to this form your cheque or banker's draft for the exact amount shown in the box in section 1. Cheques or banker's drafts must be made payable to "**Link Market Services Ltd RE: Downing Renewables & Infrastructure Trust plc – OFS CHQ A/C**". Cheques and banker's drafts must be drawn on an account at a branch of a bank or building society in the United Kingdom and must bear the appropriate sort code in the top right hand corner. You should tick the relevant payment method box in section 1.

### (b) Bank transfer

For applicants sending subscription monies by electronic bank transfer (CHAPs), payment must be made in Sterling for value by 11.00 a.m. on 3 December 2020 directly into the bank account detailed below. The payment instruction must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, **for example**, MJ SMITH 01234 567 8910.

Bank: Lloyds Bank plc  
Sort Code: 30-80-12  
Account No: 20987860  
Account Name: **Link Market Services Ltd RE: Downing Renewables & Infrastructure Trust plc – OFS CHAPS A/C**  
IBAN: GB49LOYD30801220987860  
SWIFT: LOYDGB21F09

Electronic payments must come from a UK bank account and from a personal account in the name of the individual applicant where they have sole or joint title to the funds. The account name should be the same as that inserted in section 2 of the Application Form and payments must relate solely to your Application. You should tick the relevant payment method box in section 1. It is recommended that such transfers are actioned within 24 hours of posting your application.

Evidence of the source of funds may also be required. Typically, this will be a copy of the remitting bank account statement clearly identifying the applicant's name, the value of the debit (equal to the application value) and the crediting account details or application reference. If further documentation to confirm the source of funds is required, the Receiving Agent will request the information required.

Any delay in providing monies may affect acceptance of the application. If the Receiving Agent is unable to match your application with a bank payment, there is a risk that your application could be delayed or will not be treated as a valid application and may be rejected by the Company.

**Please Note** – you should check with your bank regarding any limits imposed on the level and timing of transfers allowed from your account (for example, some banks apply a maximum transaction or daily limit, and you may need to make the transfer as more than one payment).

The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference or where a payment has been received but without an accompanying application form.

### (c) CREST Settlement

If you so choose to settle your application within CREST, that is by DvP, you or your settlement agent/custodian's CREST account must submit an Application Form to the Receiving Agent by the closing deadline, reflecting full CREST name and address and be signed by the CREST account holder and allow for the delivery and acceptance of Ordinary Shares to be made against payment of the Issue Price per Ordinary Share using the CREST matching criteria set out below:

Trade date: 7 December 2020  
Settlement date: 10 December 2020  
Company: **DOWNING RENEWABLES & INFRASTRUCTURE TRUST PLC**  
Security description: Ordinary Shares of £0.01  
SEDOL: BLF7PP2  
ISIN: GB00BLF7PP25  
CREST message type: DEL



Should you wish to settle by DvP, you will need to input your CREST DEL instructions in favour of the Receiving Agent's Participant Account RA06 by no later than 11.00 a.m. on 7 December 2020.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

Applicants wishing to settle by DvP will still need to complete and submit a valid Application Form to the Receiving Agent by 11.00 a.m. on 3 December 2020. You should tick the relevant payment method box in section 1.

Note: Link Group will not take any action until a valid DEL message has been alleged to the Participant Account by the applicant. No acknowledgement of receipt or input will be provided.

In the event of late/non settlement the Company reserves the right to deliver Ordinary Shares outside of CREST in certificated form provided that payment has been made in terms satisfactory to the Company and all other conditions of the Offer for Subscription have been satisfied.

## **6 Anti-money Laundering**

Anti-money laundering checks are required by law to be performed on certain financial transactions. The checks are undertaken to make sure investors are genuinely who they say they are and that any application monies have not been acquired illegally or that Link Group itself is not being used as part of criminal activity, most commonly the placement, layering and integration of illegally obtained money.

Whilst Link Group may carry out checks on any application, they are usually only performed when dealing with application values above a certain threshold, commonly referred to as the anti-money laundering threshold which is €15,000 (or the Sterling equivalent).

Link Group will make enquiries to credit reference agencies to meet its anti-money laundering obligations and the applicant may be required to provide an original or certified copy of their passport, driving licence and recent bank statements to support such enquiries. Anti-money laundering checks do not mean the investor is suspected of anything illegal and there is nothing to worry about.

The checks made at credit reference agencies leave an 'enquiry footprint' – an indelible record so that the investor can see who has checked them out. The enquiry footprint does not have any impact on their credit score or on their ability to get credit. Anti-Money Laundering Checks appear as an enquiry/soft search on the applicant's credit report. The report may contain a note saying "Identity Check to comply with Anti Money Laundering Regulations".

Link Group reserves the right to request any further additional information it deems necessary to confirm the identity, address, source of funds and wealth of all parties, and further it reserves the right to decline an application for any individual or business where it considers that the information available is unsuitable or unreliable.

If at any time the Company has reasonable grounds for suspecting that the funds contributed to the Company may represent the proceeds of crime, it reserves the right to refuse to issue Ordinary Shares or pay income or dividends on Ordinary Shares to the applicant or investor until sufficient information has been supplied to satisfy the Receiving Agent's anti-money laundering requirements. To the extent that the applicant or, where relevant, the beneficial owner has been identified as a politically exposed person or an associate of a politically exposed person, the Receiving Agent may request additional information. These requirements apply both at the time of investment and on an ongoing basis.

## 7 Contact details

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Company (or any of its agents) may contact with all enquiries concerning this application. If no details are provided this may delay obtaining the additional information required and may result in your application being rejected or revoked.

E-mail address
Telephone No

## 8 Queries

If you have any queries on how to complete this form or if you wish to confirm your final allotment of shares, please call the Link Group help line on 0371 664 0321. 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. The helpline is open between 9.00 am – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide any financial, legal or tax advice.





## Notes on how to complete the Offer for Subscription Application Form

***Applications should be returned so as to be received by Link Group no later than 11.00 a.m. on 3 December 2020.***

In addition to completing and returning the Application Form to Link Group, if you intend to hold Ordinary Shares in certificated form you will also need to complete and return a Tax Residency Self Certification Form. The "Tax Residency Self-Certification Form (Individuals)" form can be found at the end of this Prospectus (Appendix 2). Further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Link Group by calling the Helpline number below.

***It is a condition of application that (where applicable) a completed version of the Tax Residency Self Certification Form is provided with the Application Form (except for DvP CREST investors) before any application can be accepted.***

**Helpline:** If you have a query concerning the completion of this Application Form, please telephone Link Group on 0371 664 0321. 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. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

### **1 Application**

Fill in (in figures) in the box in section 1 the aggregate value, at the Issue Price (being 100 pence per Ordinary Share), of the Ordinary Shares being subscribed for. The value must be a minimum of £1,000, and thereafter in multiples of £100.

Financial intermediaries who are investing on behalf of clients should make separate applications for each client.

### **2 Payment method**

Mark in the relevant box in section 1 to confirm your payment method, i.e. cheque/banker's draft, bank transfer or settlement via DvP in CREST.

### **3 Holder details**

Fill in (in block capitals) the full name(s) of each holder and the address of the first named holder. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Application Form in section 4.

### **4 CREST**

If you wish your Ordinary Shares to be deposited in a CREST account in the name of the holders given in section 2, enter in section 3 the details of that CREST account. Where it is requested that Ordinary Shares be deposited into a CREST account, please note that payment for such Ordinary Shares must be made prior to the day such Ordinary Shares might be allotted and issued, unless settling by DvP in CREST.

### **5 Signature**

All holders named in section 2 must sign section 4 and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

## 6 Settlement details

### (d) Cheque/Banker's draft

All payments by cheque or banker's draft must accompany your application and be for the exact amount inserted in the box in section 1 of the Application Form. Your cheque or banker's draft must be made payable to "**Link Market Services Ltd RE: Downing Renewables & Infrastructure Trust plc – OFS CHQ A/C**", in respect of an Application and crossed "**A/C Payee Only**". Applications accompanied by a post-dated cheque will not be accepted.

Cheques or banker's drafts must be drawn on an account where the applicant has sole or joint-title to the funds and on an account at a branch of a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner.

Third party cheques may not be accepted, with the exception of building society cheques or banker's drafts where the building society or bank has inserted on the back of the cheque the full name of the building society or bank account holder and have added the building society or bank branch stamp. The name of the building society or bank account holder must be the same as the name of the current shareholder or prospective investor. Please do not send cash. Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity.

### (e) Bank transfer

For applicants sending subscription monies by electronic bank transfer (CHAPs), payment must be made in Sterling for value by 11.00 a.m. on 3 December 2020 directly into the bank account detailed below. The payment instruction must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, **for example**, MJ SMITH 01234 567 8910.

Bank: Lloyds Bank plc  
Sort Code: 30-80-12  
Account No: 20987860  
Account Name: **Link Market Services Ltd RE: Downing Renewables & Infrastructure Trust plc – OFS CHAPS A/C**  
IBAN: GB49LOYD30801220987860  
SWIFT: LOYDGB21F09

Electronic payments must come from a UK bank account and from a personal account in the name of the individual applicant where they have sole or joint title to the funds. The account name should be the same as that inserted in section 2 of the Application Form and payments must relate solely to your Application. You should tick the relevant payment method box in section 1. It is recommended that such transfers are actioned within 24 hours of posting your application.

Evidence of the source of funds may also be required. Typically, this will be a copy of the remitting bank account statement clearly identifying the applicant's name, the value of the debit (equal to the application value) and the crediting account details or application reference. If further documentation to confirm the source of funds is required, the Receiving Agent will request the information required.

Any delay in providing monies may affect acceptance of the application. If the Receiving Agent is unable to match your application with a bank payment, there is a risk that your application could be delayed or will not be treated as a valid application and may be rejected by the Company and/or the Receiving Agent.

**Please Note** – you should check with your bank regarding any limits imposed on the level and timing of transfers allowed from your account (for example, some banks apply a maximum transaction or daily limit, and you may need to make the transfer as more than one payment).

The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference or where a payment has been received but without an accompanying application form.



(f) *CREST settlement*

The Company will apply for the Ordinary Shares issued pursuant to the Offer for Subscription in uncertificated form to be enabled for CREST transfer and settlement with effect from Admission (the “**Relevant Settlement Date**”). Accordingly, settlement of transactions in the Ordinary Shares will normally take place within the CREST system.

The Application Form contains details of the information which the Company’s Receiving Agent, Link Group, will require from you in order to settle your application within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for Link Group to match to your CREST account, Link Group will deliver your Ordinary Shares in certificated form provided payment has been made in terms satisfactory to the Company.

The right is reserved to issue your Ordinary Shares in certificated form should the Company, having consulted with Link Group, consider this to be necessary or desirable. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST or on the part of the facilities and/or system of Link Group in connection with CREST.

The person named for registration purposes in your Application Form must be: (a) the person procured by you to subscribe for or acquire the Ordinary Shares; or (b) yourself; or (c) a nominee of any such person or yourself, as the case may be, so that section 2 reflects your full CREST name and address and is signed in section 4 by the named CREST holder. Neither Link Group nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. You will need to input the delivery versus payment (“**DvP**”) instructions into the CREST system in accordance with your application. The input returned by Link Group of a matching or acceptance instruction to our CREST input will then allow the delivery of your Ordinary Shares to your CREST account against payment of the Issue Price through the CREST system upon the Relevant Settlement Date.

By returning your Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian’s CREST account allows for the delivery and acceptance of Ordinary Shares to be made prior to 11.00 a.m. on 7 December 2020 against payment of the Issue Price.

If you so choose to settle your application within CREST, that is by DvP, you or your settlement agent/custodian’s CREST account must allow for the delivery and acceptance of Ordinary Shares to be made against payment of the Issue Price per Ordinary Share using the following CREST matching criteria set out below:

Trade date:	7 December 2020
Settlement date:	10 December 2020
Company:	<b>DOWNING RENEWABLES &amp; INFRASTRUCTURE TRUST PLC</b>
Security description:	Ordinary Shares of £0.01
SEDOL:	BLF7PP2
ISIN:	GB00BLF7PP25
CREST message type:	DEL

Should you wish to settle by DvP, you will need to input your CREST DEL instructions in favour of the Receiving Agent’s Participant Account RA06 by no later than 11.00 a.m. on 7 December 2020.

You must also ensure that you or your settlement agent/custodian has a sufficient “debit cap” within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

Applicants wishing to settle by DvP will still need to complete and submit a valid Application Form to the Receiving Agent by 11.00 a.m. on 3 December 2020. You should tick the relevant payment method box in section 1.

Note: Link Group will not take any action until a valid DEL message has been alleged to the RA06 Participant Account by the applicant.

No acknowledgement of receipt or input will be provided.

In the event of late/non settlement the Company reserves the right to deliver Ordinary Shares outside of CREST in certificated form provided that payment has been made in terms satisfactory to the Company and all other conditions of the Offer for Subscription have been satisfied.

## APPENDIX 2 – TAX RESIDENCY SELF-CERTIFICATION FORM (INDIVIDUALS)



<b>Tax Residency Self-Certification Form (Individuals)</b> <i>A separate form is required for each holder</i>	
<b>Company that shares are held in: *</b>	<b>Downing Renewables &amp; Infrastructure Trust plc</b>
<b>Investor code:</b>	
<b>Name: *</b>	
<b>Registered Address: *</b> <i>If your address has changed, then you will need to notify us separately. See the questions and answers.</i>	
<b>Tax Residence Address</b> <i>Only if different to your registered address above.</i>	
<b>Date of Birth *</b> <i>(DD/MM/YYYY)</i>	
<b>Country/Countries of Residence for Tax Purposes</b>	
Country of residence for tax purposes	Tax Identification Number <i>In the UK this would be your NI number</i>
1 *	1 *
2	2
3	3
4	4
<b>US Citizen</b> Please mark the box ONLY if you are a US Citizen (see Definitions) <span style="float: right;"><input type="checkbox"/></span>	
<b>Declarations and Signature</b> I acknowledge that the information contained in this form and information regarding my shares may be reported to the local tax authority and exchanged with tax authorities of another country or countries in which I may be tax resident where those countries have entered into Agreements to exchange Financial Account information. I undertake to advise the Company within 30 days of any change in circumstances which causes the information contained herein to become incorrect and to provide the Company with a suitably updated Declaration within 30 days of such change in circumstances. I certify that I am the shareholder (or I am authorised to sign for the shareholder**). If this relates to a joint holding, I also acknowledge that as a joint holder I may be reported to the relevant tax authority if all the other holders do not provide a Tax Residency Self-Certification. I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.	
<b>Signature: *</b>	
<b>Print Name: *</b>	
<b>Date: *</b>	
<b>Daytime telephone number/email address***</b>	

\* Mandatory field

\*\* If signing under a power of attorney, please also attach a certified copy of the power of attorney.

\*\*\* We will only contact you if there is a question around the completion of the self-certification form.



## Introduction

The law requires that Financial Institutions collect, retain and report certain information about their account holders, including the account holders tax residency.

Please complete the form above and provide any additional information requested.

If your declared country/countries of residence for tax purposes is not the same as that of the Financial Institution and is either the US or is on the OECD list of countries which have agreed to exchange information (<http://www.oecd.org/tax/transparency/AEOI-commitments.pdf>), the Financial Institution will be obliged to share this information with its local tax authority who may then share it with other relevant local tax authorities.

Failure to validly complete and return this form will result in you being reported onwards to the relevant local tax authority. Additionally, if this form has been issued in conjunction with an application for a new holding, then your application may be adversely impacted.

Definitions of terms used in this form can be found below.

If your registered address (or name) has changed, then you must advise us separately. Any details you enter in the "Tax Residence Address" will be used for tax purposes only and will not be used to update your registered details.

If any of the information about your tax residency changes, you are required to provide the Company with a new, updated, self-certification form within 30 days of such change in circumstances.

## Joint Holders (if relevant)

All joint holders are treated as separate holders for these tax purposes and every joint holder is required to give an Individual Tax Residency Self-Certification. If any one or more is reportable, the value of the whole shareholding will be reported for all joint shareholder(s).

If we do not receive the self-certification from each joint shareholder, then the whole holding will be treated as undocumented and all holders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

**If you have any remaining questions about how to complete this form or about how to determine your tax residency status you should contact your tax adviser.**

## Definitions

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("The Common Reporting Standard") <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/> contains definitions for the terms used within it. However, the following definitions are for general guidance only to help you in completing this form.

### "Account Holder"

The Account Holder is either the person(s) whose name(s) appears on the share register of a Financial Institution. Or where Link Group holds the shares on your behalf, the person whose name appears on the register of entitlement that Link Group maintains.

### "Country/Countries of residence for tax purposes"

You are required to list the country or countries in which you are resident for tax purposes, together with the tax reference number which has been allocated to you, often referred to as a **tax identification number (TIN)**. Special circumstances (such as studying abroad, working overseas, or extended travel) may cause you to be resident elsewhere or resident in more than one country at the same time (dual residency). The country/countries in which you might be obliged to submit a tax return are likely to be your country/countries of tax residence. If you are a US citizen or hold a US passport or green card, you will also be considered tax resident in the US even if you live outside the US.

### "Tax Identification Number or TIN"

The number used to identify the shareholder in the country of residence for tax purposes.

Different countries (or jurisdictions) have different terminology for this and could include such as a National Insurance number, social security number or resident registration number. Some jurisdictions that do issue TINs have domestic law that does not require the collection of the TIN for domestic reporting purposes so that a TIN is not required to be completed by a shareholder resident in such jurisdictions. Some jurisdictions do not issue a TIN or do not issue a TIN to all residents.

**“US Citizen”**

- All US citizens. An individual is a citizen if that person was born in the United States or if the individual has been naturalized as a US citizen.
- You can also be a US citizen, even if born outside the United States if one or both of your parents are US citizens.

**If you have any questions about these definitions or require further details about how to complete this form then please contact your tax adviser.**



## **NOTHING IN THIS PROSPECTUS CAN BE CONSIDERED TO BE TAX ADVICE.**

### **Questions & Answers**

#### **Why are you writing to me and asking for a “Tax Residency Self Certification”?**

The governments of more than 90 countries around the world have agreed to exchange tax related information. These governments have passed similar sets of laws to enable the Automatic Exchange of Information (“AEOI”). The full list of countries involved can be seen at: [www.oecd.org/tax/transparency/AEOI-commitments.pdf](http://www.oecd.org/tax/transparency/AEOI-commitments.pdf)

Additionally, the United States has over 100 similar agreements with many countries referred to as the ‘Foreign Account Tax Compliance Act’.

The legislation can vary slightly from jurisdiction to jurisdiction, but at a high level, it requires Financial Institutions to:

- Identify existing Holders that may be resident (for tax purposes) in other participating jurisdictions. Then contact any such Holders and request that they complete a “Tax Residency Self Certification” form.
- Obtain a “Tax Residency Self Certification” form for all new Holders.
- Identify holders who move from one jurisdiction to another and request that they complete a “Tax Residency Self Certification” form.
- Identify Holders who have payments sent to a different jurisdiction.
- Submit a return to the Financial Institution’s “local” tax authority on an annual basis. As an example for a company incorporated in the UK, then the local tax authority would be HM Revenue & Customs (HMRC).
- Follow up on any non-responders at least annually for at least 3 years.

The “local” tax authority will pass information onto the tax authority in the relevant jurisdiction. As an example the tax authority in the US is the Inland Revenue Service (“IRS”), so HMRC will exchange information with IRS.

#### **Where can I find out more information about the legislation?**

The legislation is quite complex and you may wish to speak to your tax adviser.

The web site of your local tax authority will contain more information e.g. HMRC for the UK; the IRS for the US; Jersey Income Tax Department for Jersey, etc.

Additionally, the web site of The Organisation for Economic Co-operation and Development (OECD) gives further information.

#### **What happens if I do not complete the form?**

In the annual report that the Financial Institution sends to their local tax authority you will be shown as ‘Undocumented’.

The local tax authority will collate the responses from all of its financial institutions and pass that information onto the relevant local tax authority for the jurisdictions identified.

Link Group is not able to comment on what action the tax authority for the jurisdiction will take.

#### **What if I am a Tax Resident in 2 or more countries?**

The self-certification form allows for up to 4 tax residencies to be recorded.

#### **I do not pay tax or I do not know which country I am tax resident in**

Please refer to your local tax authority or tax adviser.

#### **I do not have a tax identification number**

Please refer to your local tax authority or tax adviser.

Note that different countries call their tax identification numbers using alternative terminology. As an example in the UK it would be a National Insurance number.

**I have already completed a W8 or W9 form. Do I still need to complete a “Tax Residency Self Certification”?**

Yes. The US legislation governing W8/W9 forms overlaps with US FATCA legislation.

**What is classed as my Tax Residence Address?**

Please refer to your local tax authority or tax adviser.

In addition, you may wish to consider: Where you are a citizen with a passport; Your residential home address in a country and unrestricted right of entry back into that country once you depart.

**Joint Holders**

When there are multiple holders on an account, then every joint holder must complete a Tax Residency Self Certification and every joint holder will receive a letter in their own right. The letter will be sent to the registered address recorded for the holding.

Joint holders are treated as separate holders for these tax purposes. If any one of the joint holders is reportable, the value of the whole shareholding will be reported for all of the joint shareholder(s).

If we do not receive a validly completed self-certification for each joint shareholder, the whole shareholding will be treated as “undocumented” and all shareholders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

**I have given a different address for tax purposes; will the registered address of my share holding be altered?**

No. The details on the Self Certification form are for tax purposes only. If you want to alter any of the registered details relating to your investment, then you need to call Link Group on 0371 664 0321; calls to the Helpline 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. The Helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales.









6 July 2020

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3 Lower Thames Street  
London EC3R 6HD

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customer@downing.co.uk  
www.downing.co.uk