RCOI

Riverstone Credit Opportunities Income Plc

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2020

WE LEND TO COMPANIES WORKING TO DRIVE CHANGE AND DELIVER SOLUTIONS ACROSS THE ENERGY SECTOR, SPANNING RENEWABLE AS WELL AS CONVENTIONAL SOURCES, WITH A PRIMARY FOCUS ON INFRASTRUCTURE ASSETS.

Our aim is to build a portfolio that generates an attractive and consistent risk adjusted return for our investors.

2020

RIVERSTONE CREDIT OPPORTUNITIES INCOME PLC

Riverstone Credit Opportunities Income Plc is an externally managed closed-ended investment company trading on the Main Market of the London Stock Exchange.

The Company's Ordinary Shares were admitted to the Specialist Fund Segment of the London Stock Exchange plc's Main Market and incorporated and registered on 11 March 2019 in England and Wales with an unlimited life.

The Company's Investment Manager is Riverstone Investment Group LLC, which is controlled by affiliates of Riverstone.

Riverstone is an energy and power-focused private investment firm founded in 2000 by David M. Leuschen and Pierre F. Lapeyre with approximately $40 billion of capital raised. Riverstone conducts buyout, growth and credit investments in the E&P, midstream, energy services, power and coal sectors of the global energy industry. With offices in New York, London, Houston, Mexico City and Amsterdam, the firm has committed approximately $41 billion to 195 investments in North America, South America, Europe, Africa, Asia and Australia.

The registered office of the Company is 27-28 Eastcastle Street, London, W1W 8DH.

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All capitalised terms are defined in the list of defined terms on pages 82 to 83 unless separately defined.

KEY FINANCIALS

NAV
as at 31 December 2020
$95.53m
(as at 31 December 2019: $101.35m)

MARKET CAPITALISATION
as at 31 December 2020
$62.5m
(as at 31 December 2019: $95.5m)

TOTAL COMPREHENSIVE INCOME
for year ended 31 December 2020
$7.43m
(for period ended 31 December 2019: $3.35m)

NAV PER SHARE
as at 31 December 2020
$1.04
(as at 31 December 2019: $1.01)

SHARE PRICE
at 31 December 2020
$0.683
(at 31 December 2019: $0.955)

EPS
for the year ended 31 December 2020
7.59 cents
(for the period ended 31 December 2019: 3.35 cents)

DIVIDEND PER SHARE
7.0 cents
with respect to the year ended 31 December 2020

(2.57 cents with respect to the period ended 31 December 2019)

HIGHLIGHTS

- The NAV at 31 December 2020 was **$1.04 per share**.
- Dividend of **7.0 cents per share** approved with respect to the year ended 31 December 2020.
- **8,454,617** Ordinary Shares repurchased during the year, as part of the Company's share buy-back programme.
- 6 investments and 4 full realisations executed in the year ended 31 December 2020.

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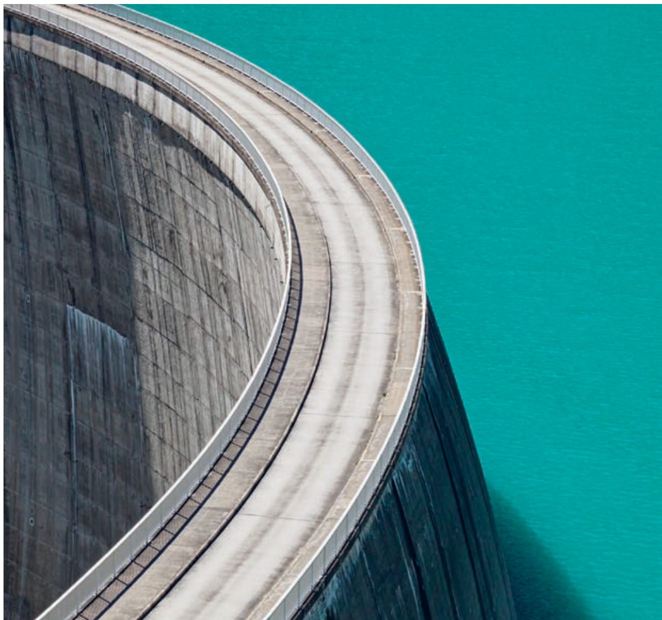

CHAIRMAN'S STATEMENT

Differentiated investment strategy supports portfolio resilience through market turmoil, while positioning for a post-COVID investment landscape

On behalf of the Board, I would like to first thank our shareholders for their support during a year that has been tremendously difficult from both a public health and economic perspective. In its first 20 months of operation, Riverstone Credit Opportunities Income plc has navigated through a period of significant turbulence created by a combination of geopolitical uncertainty and the COVID-19 pandemic.

The energy industry has faced many challenges over the past six years, and the events of 2020 added additional market volatility, driven by supply shocks resulting from the March OPEC+ meeting and the subsequent demand contraction due to COVID-19. As a result, downward pressure on commodity prices drove oil futures into negative territory for the first time in history. While the broader financial markets began to recover on the back of extensive government stimulus efforts, public energy companies continued to trade well below pre-pandemic levels. During the second half of the year, oil prices and energy equity markets improved but still underperformed the broader equity market which saw a 16 per cent. year-over-year gain in the broader S&P 500 Index. Comparatively, WTI prices and the S&P Energy Index ended the year down 21 per cent. and 36 per cent versus the end of 2019, while the LCD Leveraged Loans Index, which was down 20 per cent in March, recovered to close the year up 3 per cent.

In spite of these dynamics, RCOI's portfolio has been resilient, continuing to create value for its shareholders through a combination of current income and capital appreciation generated by making senior secured loans to small and middle-market energy companies, which span conventional energy as well as low carbon and renewable sources. RCOI's differentiated investment strategy focused on short duration investments protected by structural protective provisions combined with diversification across basins, commodities and end-markets, was proved to be robust in the face of strong market headwinds. This is evidenced by a year-over-year improvement in the Company's current NAV per share of $1.04.

RCOI was able to declare dividends of 7.0 cents per share with respect to 2020[1]. This is in addition to the dividend of 2.57 cents per share paid in March 2020 in relation to the period ended 31 December 2019.

The Board, with consultation of the Investment Manager, regularly monitors the Company's trading discount percentage and, when possible, executes on the share buyback programme that was announced on 30 April 2020. With the impact of the COVID-19 pandemic on public markets and RCOI's share price during late 2Q, the Company executed share buybacks, purchasing an aggregate 8.5 million shares in the year, allowing RCOI to return some of its uncommitted capital to shareholders and reduce the share price's discount to NAV.

Despite the relentless impact of 2020 on the energy markets, RCOI's discipline in structuring its loans with senior security and protective provisions has proven to be beneficial, evidenced by a year-over-year improvement in the Company's current NAV. As COVID-19 vaccine administration accelerates, RCOI expects its portfolio to benefit from higher demand for energy once economic activity and travel can resume more broadly.

[1] Note that 7 cents per Ordinary Share reflects the summation of each of the quarterly dividends per share in 2020. It does not reflect the total dividends in 2020 over the number of shares outstanding, as this number has changed throughout 2020.

The investment landscape for energy lending continues to provide a robust pipeline of attractive opportunities across the energy value chain. RCOI is also actively adapting to a post-COVID world, with the continued need for capital for energy infrastructure and a focus on energy transition being particularly relevant trends. In late 2020, RCOI committed to Aspen Power Partners ("Aspen"), a first lien delayed-draw term loan to a community solar development company, representing its first energy transition investment. Going forward, the Company expects to primarily focus on infrastructure / infrastructure services businesses, as well as those with decarbonisation strategies similar to Aspen.

Finally, the Company began enhancing its website in November 2020, providing detailed market commentary, an overview on each investment, key market performance indicators and a link to our ESG policy. The Company will continue to update the commentary on a recurring basis and provide further enhancements in the near future. In addition, the Investment Manager continues to enhance its ESG programme across the entire lifecycle of its investments, which are described in more detail further in this report.

PERFORMANCE

The Company reported a profit of $7.4 million for the year ending 31 December 2020 as a result of income received from the investment portfolio and changes in the portfolio's valuations. The Net Asset Value ("NAV") of the Company ended the period at $1.04 per share, representing an increase of 3.0 per cent from the ending NAV on 31 December 2019 of $1.01 per share.

The current unrealised portfolio remains profitable and is marked at a 1.15x Gross MOIC. Characteristics of RCOI's conservative investment strategy, particularly the focus on conservative LTV, a diversified sector and end-user base, as well as structured incentives for early repayment, have assisted the portfolio in its ability to limit the impact of broad market fluctuations on performance.

RCOI has executed twelve direct investments since inception and ended the year with nine direct investments, after its 4Q 2020 commitment of $6.9 million to Aspen, of which $3.4 million is currently invested. 4Q 2020 also saw the full realisations of two market-based deals that were opportunistically executed in the dislocated public energy credit markets of 3Q 2020.

As of 31 December 2020, RCOI had committed over 78 per cent of the fund to investments and had $69.3 million net invested, equating to 74 per cent of net capital available, and a cash balance of $19.2 million. Capital that has been committed but not yet invested continues to generate income through undrawn fees.

While 2020 was a challenging year, I appreciate the support of our shareholders during this period and look forward to a more favourable market environment in 2021. As always, the Board and RCOI remain vigilantly focussed on managing the portfolio through this historic period of uncertainty to ensure long-term value creation for our shareholders.

REUBEN JEFFERY, III
Chairman
17 February 2021

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STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 December 2020. Details of the Directors who held office during the year and as at the date of this report are given on pages 28 to 29

INVESTMENT OBJECTIVE

The Company seeks to generate consistent shareholder returns predominantly in the form of income distributions, principally by making senior secured loans to energy-related companies.

INVESTMENT POLICY

The Company seeks to achieve its investment objective through investing in a diversified portfolio of direct and indirect investments in loans, notes, bonds and other debt instruments, including convertible debt, issued by Borrowers operating in the energy sector. The Company may also invest in warrants or other equity interests or instruments received in connection with, or as a consequence of, an investment in the loans.

GROSS COMMITTED CAPITAL
31 December 2020

78%

(31 December 2019: 82%)

NAV PER SHARE
as at 31 December 2020

$1.04

(as at 31 December 2019: $1.01)

DIVIDEND PER SHARE

7.0 cents

with respect to the year ended 31 December 2020

(2.57 cents with respect to the period ended 31 December 2019)

INVESTMENT STRATEGY

The Investment Manager seeks to leverage the wider Riverstone platform to enhance its investment strategy through the synergies gained from being part of one of the largest dedicated energy focused private equity firms.

The key elements of the Investment Manager's investment strategy in relation to the Company and its SPVs are summarised below.

CORE STRATEGY

DIRECT LENDING

The Investment Manager will be primarily focused on originating opportunities from small to middle-sized energy-related companies in what the Riverstone team call the "Wedge"; companies too small for the capital markets and without the conforming credit metrics that allow access to the commercial bank market.

All investments directly originated by the Company's SPVs are expected to involve providing primary capital to the Borrower, after having completed a thorough and comprehensive due diligence process. In each case the Riverstone team will be able to influence terms and conditions. In many cases, direct investments are expected to be held solely by the Company's SPVs, in some cases alongside Other Riverstone Funds. In others, the Company's SPVs (and Other Riverstone Funds) may be a member of a syndicate arranged by a third party.

The Investment Manager expects that lending investments made directly by the Company's SPVs will have a contractual duration of three to five years from inception and an expected duration of one to two years. The maximum term of any investment made by the Investment Manager will be 7 years.

COMPLIMENTARY STRATEGIES

CAPITAL RELIEF AND MARKET-BASED OPPORTUNITIES

The Investment Manager may be presented with opportunities to acquire from banks' so-called "non-conforming" loans which can no longer be held on bank balance sheets. The Investment Manager expects that such "capital relief" transactions will be secondary in nature, will typically be based on public due diligence information and will typically not allow the Company to influence the underlying terms of the relevant investment. The Investment Manager expects that, in capital relief transactions, the Company may participate as part of a broader syndicate of third-party lenders. The Investment Manager expects capital relief transactions made by the Company's SPVs to have a duration of one to three years from inception and an expected duration of less than 12 months.

Riverstone believes that the same trends which make it difficult for smaller Borrowers to access capital markets may create attractive opportunities for investors such as the Company to acquire syndicated loans and bonds in the open market at risk-adjusted returns that match or exceed the returns available from direct lending opportunities. In such circumstances, the Company's SPVs may make selected investments in the secondary market for syndicated loans and bonds where the Investment Manager believes that such instruments offer suitable risk adjusted returns.

The Investment Manager expects market-based opportunities generally to be secondary in nature, typically to be based on public due diligence information and may, typically, not allow the Company any influence on the underlying terms of the investment. The Investment Manager expects market-based opportunities will typically involve the Company's SPVs being part of a broader syndicate of lenders.

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STRATEGIC REPORT *continued*

INVESTMENT RESTRICTIONS

The Company observes the following investment restrictions:

- no more than 15 percent of the Company's gross assets will be exposed to any single Borrower, its parents, subsidiaries and/or sister subsidiary entities;
- at least 85 percent of the Company's gross assets will be invested directly or indirectly in aggregate, in cash and loans which are secured as to repayment of principal and payment of interest by a first or second priority charge over some or all of such entity's assets and cash;
- the Company will only invest in an underlying Borrower group, when that Borrower group has a total indebtedness (including the Company's investment) of less than 60 percent of the Borrower group's asset base;
- the Company will not invest in any undertaking in which Riverstone Holdings LLC (or any of its subsidiary undertakings) has an equity interest, other than an undertaking in which the Company and one or more Other Riverstone Funds hold, or will as a result of the relevant investment hold, related equity interests acquired at substantially the same time as part of the same transaction or a series of linked transactions; and
- the maximum term of any investment made by the Company will be 7 years.

Each of these investment restrictions will be calculated and applied as at the time of investment.

DIVIDEND POLICY

Subject to market conditions, applicable law and the Company's performance, financial position and financial outlook, it is the Directors' intention to declare dividends to Shareholders on a quarterly basis following publication of the NAV per Ordinary Share calculated as of the final day of the relevant quarter.

The Company intends to declare dividends with respect to 100 percent of its net income (as calculated for UK tax purposes. However, in any calendar year the Company may retain an amount equal to up to 15 percent of its net income (as calculated for UK tax purposes). if the Board determines that it would be in the longer-term interests of the Company to do so (for instance, in the event of any permanent loss of capital by the Company).

The declaration of any dividend will be subject to payment of the Company's expenses and any legal or regulatory restrictions at the relevant time. The Company may elect to designate as an "interest distribution" all or part of any amount it distributes to Shareholders as dividends.

As disclosed in note 14 to the financial statements, on 17 February 2021 the Board approved a dividend of 2.0 cents per share with respect to the quarter ended 31 December 2020, bringing the total dividend declared with respect to the year to 31 December 2020 to 7.0 cents per share. The record date for the dividend is 26 February 2021 and the payment date is 26 March 2021.

STRUCTURE

The Company makes its investments through its SPVs. Riverstone International Credit Corp. is a corporation established in the State of Delaware and is a wholly-owned subsidiary of the Company ("USCo"). USCo, in turn, invests through Riverstone International Credit – Direct L.P., a limited partnership established in the State of Delaware in which USCo is the sole limited partner. Investments may also be made through Riverstone International Credit L.P., a limited partnership established in the State of Delaware in which the Company is the sole limited partner. The general partner of each of the limited partnerships is a member of Riverstone's group.

The Company has contributed or lent substantially all of its Net Issue Proceeds (net of short-term working capital requirements) to its SPVs which, in turn, make investments in accordance with the Company's investment policy. The Investment Manager draws on the resources and expertise of the wider Riverstone group.

DISCOUNT CONTROL

It is the intention of the Board for the Company to buy back its own shares if the share price is trading at a material discount to NAV, providing that it is in the interests of Shareholders to do so. Shares which are bought back may be cancelled or held in treasury.

During the year and in light of unique prevailing market conditions, the Company repurchased and cancelled 8,454,617 of its own shares as part of the discount management measures outlined above. Further details of these repurchases are given on page 4.

REVIEW OF BUSINESS AND FUTURE OUTLOOK

Details of the underlying portfolio and a review of the business in the year, together with future outlook are covered in the Investment Manager's Report on pages 22 to 27.

The Board does not expect any material change to the Company's business as a result of the UK exiting the European Union as the Company's investments are all based in the United States.

KEY PERFORMANCE INDICATORS

The Board believes that the key metrics detailed on page 2, will provide Shareholders with sufficient information to assess how effectively the Company is meeting its objectives.

ONGOING CHARGES

Ongoing charges are an alternative performance measure and the ongoing charges ratio of the Company is 1.88 percent, calculated as total expenses divided by the weighted average NAV for the year to 31 December 2020. This is made up as follows and has been calculated using the AIC recommended methodology.

	31 DECEMBER 2020		31 DECEMBER 2019	
	$'000	**%**	$'000	%
Profit Share	**668**	**0.69**	67	0.07
Directors' fees	**152**	**0.16**	115	0.12
Ongoing expenses	**1,004**	**1.03**	828	0.82
Total	**1,824**	**1.88**	1,010	1.01

The Investment Manager is entitled to a Profit Share when it meets relevant performance targets as disclosed in note 12 to the financial statements.

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STRATEGIC REPORT *continued*

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CORPORATE AND SOCIAL RESPONSIBILITY

Environmental, social and governance report

The Company utilises the services of Riverstone as the Investment Manager to take appropriate Environmental, Social and Governance ("ESG") principles into account in its investment decisions and in the ongoing management of the portfolio. In order to ensure the robustness of these policies, the Board engages with the Investment Manager on ESG matters and monitors compliance of RCOI's portfolio companies with this policy. The Board takes its fiduciary responsibility to Shareholders seriously and engages with Riverstone on corporate governance matters.

Further details on Riverstone's ESG policies are set out in the sections below.

Statement from the Investment Manager

As we begin 2021, we hope that you and your families, friends and colleagues have been staying well throughout the COVID-19 pandemic. 2020 was certainly a difficult year in so many respects, with the devastating health and socio-economic impacts of the pandemic spanning the entire globe.

As we reflect on the past twelve months and consider the future, one thing has become very clear to us – the importance of stakeholder demands and corporate responsibility has never been greater. Encompassing a broad range of key topics such as climate change, health & safety, community engagement, ethics & compliance, and diversity & inclusion, ESG continues to be an area where Riverstone believes that implementing best practices will ensure we are a partner to all of our stakeholders as well as enhance both risk management and value creation opportunities.

2020 IN REVIEW

Despite the turmoil through 2020, Riverstone and its portfolio company operations remained highly resilient, working to manage both public health and economic risks that arose but also recognising racial and social unrest that was brought into sharper focus during 2020.

Riverstone has worked hard to further our ESG initiatives, building upon the program that we have put in place since our firm's inception over twenty years ago. The firm's approach to ESG in 2020 was multi-faceted, focusing on a few key areas which are highlighted in this report:

- Ensuring operations within the firm and at portfolio companies complied with COVID-19 safety guidelines
- Making climate change a core pillar to our investment thesis
- Broadening our platform within a growing number of renewable energy and decarbonisation investments
- Enhancing our portfolio monitoring by creating formalised ESG scorecards help us to measure performance and identify areas for improvement, as well as evaluating climate change risk and opportunities
- Internal firm initiatives ranging from measuring and identifying ways to reduce our internal carbon footprint to formalising our diversity & inclusion policy
- Continued implementation of a rigorous compliance program through ongoing training and monitoring

In addition, Riverstone became a signatory to the United Nations-backed Principles for Responsible Investment (PRI). As a signatory, we are committed to following the PRI's six core principles and blueprint which provide guidance for managing ESG throughout the entire investment lifecycle, reporting on ESG, and promoting the PRI within the investment industry.

FOCUS ON DECARBONISATION

As one of the most active energy transition investors, Riverstone expanded upon the firm's 15+ years of experience in this important sector and raised over $1.9 billion in commitments for our renewable energy and decarbonisation platform over the past twelve months. Going forward, we expect to continue to grow our investment platform in areas that support broader decarbonisation across the entire investment spectrum, from traditional power generation to technology-enabled solutions that reduce the impacts of climate change. As the world seeks to accelerate the low-carbon energy transition, we believe that the longstanding depth of our experience in renewable energy will be an important differentiator for Riverstone going forward.

LOOKING FORWARD

While we are pleased to have made significant progress in our ESG program in 2020, we recognise that there is always more that we can do. We will continue to prioritise our commitment to being socially responsible investors and look forward to providing further updates on our ESG activities in the year to come.

Riverstone published its annual ESG report in February 2021. The pages that follow summarise the key elements for investors in RCOI. More detail is included in the full report, which is available on Riverstone's website:
https://www.riverstonellc.com/en/about/responsible-investing/.

RIVERSTONE'S APPROACH TO ESG

As one of the most experienced private investment firms within the energy, power and infrastructure sectors, Riverstone recognises the ever-increasing importance of ESG and has made the proactive implementation of ESG initiatives one of its highest priorities. Riverstone takes its fiduciary responsibility to investors very seriously and believes that a strong commitment to addressing ESG factors is critical to the success of its funds, portfolio companies and firm. By devoting substantial internal and external resources towards ESG matters, Riverstone has developed clear processes that take account of leading industry standards. Riverstone believes this effort helps it to make sustainable, ethical and socially responsible decisions over the long run.

ESG RESOURCES AT RIVERSTONE

Riverstone has an ESG Committee comprised of a cross-functional set of leaders from across the firm as well as a partner from our external ESG advisor which sets the standard for ESG protocols and policies for its portfolio companies and firm. In addition, Riverstone's investment teams are responsible for applying an ESG lens to pre-investment decision making and post-investment monitoring.

Riverstone's ESG Committee meets on a quarterly basis to drive Riverstone's ESG strategy forward and provide leadership with respect to a range of matters.

To support execution of our ESG strategy internally, Riverstone has also established an internal working group of individuals from each of our offices that are responsible for advancing firmwide ESG initiatives and practices.

STRATEGIC REPORT *continued*

ENVIRONMENTAL, SOCIAL AND GOVERNANCE *continued*

OUR ESG POLICY

Riverstone has an ESG policy that sets out its approach to handling key ESG factors, such as natural resource management, health and safety, community and stakeholder impact, climate change, greenhouse gas emissions, governance, among many others. This policy helps inform the ESG considerations that are relevant to the management of our portfolio companies from initial due diligence all the way through to an exit, and the operation of Riverstone's own business. Since inception, Riverstone has continuously evolved its ESG policy in conjunction with third party ESG experts to strive towards best practices across the board. A copy of Riverstone's ESG policy is available online:
https://www.riverstonellc.com/media/1189/Riverstone_ESG_Policy_Statement.pdf

POLICY IMPLEMENTATION

To implement its ESG Policy, Riverstone has established institutional processes that support the high standards that it has set for itself. These procedures were developed to achieve several key objectives related to ESG, including:

1) Providing Riverstone personnel and its portfolio companies with training and the resources to ensure that those portfolio companies can provide the necessary ESG support appropriately
2) Identifying potential risks and mitigants before an investment is made
3) Immediate assistance with the identification of any issues that may arise and track ongoing performance through portfolio monitoring
4) Evaluating and tracking portfolio companies' execution of opportunities to improve current practices at our portfolio companies and firm

CLIMATE CHANGE

The energy industry is currently at an inflection point, and the need to address climate change risks and facilitate a transition towards lower carbon forms of energy continues to accelerate. The reshaping of the regulatory environment driven by international treaties such as the Paris Agreement, changing patterns of energy demand and the emergence of new technologies have all disrupted the existing energy landscape, while creating new opportunities in the market. In 2020, the COVID-19 pandemic and its impact on energy demand added further to the drivers for long-term change. Climate change, and our response to it, therefore remains at the heart of our business.

At Riverstone, we recognise the importance of the recommendations published by the Task Force for Climate-related Financial Disclosures (TCFD) in helping companies improve transparency on climate-related risks and opportunities, as well as developing robust climate resilience.

The actions we took in 2020 to address climate change included:

Governance

Riverstone has tasked senior personnel with oversight and management of emerging risks and opportunities to support formalised governance of climate change issues. Climate issues are now central to the acquisition, ownership and divestment of our companies.

Strategy

We have developed our climate strategy, which builds on insight into market trends informed by our understanding of emerging climate policy, and our view of structural shifts in commodity supply and demand as experienced investors in the energy and infrastructure sectors.

Riverstone is working with our portfolio companies where climate change presents material risks or opportunities. We have increased our level of engagement with these portfolio companies, both at board level and through our ESG deal leads, to help them understand climate-related risk, and to build strategies to mitigate these risks (such as increased exposure to carbon pricing) and capture opportunity (for example pivoting operations of certain companies towards renewable energy). Climate change is now central to our investment thesis, and enhanced engagement with portfolio companies ensures we continue to protect and enhance value for our investors.

Risk Management

Riverstone has worked with external subject matter experts to conduct enhanced climate risk and opportunity screening on a number of our portfolio companies across the energy sectors and geographies in which we operate. The assessment covers the risks arising from changes to the climate itself, as well as the risks and opportunities associated with the move to a low carbon economy, under both "business-as-usual" and "low carbon" scenarios.

Using the findings of our screening, we have developed guidance to support our investment teams throughout the investment cycle to:

- Ensure timely and appropriate mitigation and management of climate-related risk are implemented in our investments, and
- Capture climate-related opportunity as it arises.

This guidance is available for each of our target sectors and comprises a high-level briefing on how climate risk and opportunity manifests in each and a checklist of questions related to key climate-related financial risks and opportunities to be used to evaluate our companies.

STRATEGIC REPORT *continued*

ENVIRONMENTAL, SOCIAL AND GOVERNANCE *continued*

Metrics and Targets

In addition to calculating a carbon footprint of our own operations, one of the ESG Minimum Expectations (ESG-MEs) is that our portfolio companies calculate a greenhouse gas (GHG) baseline, and annually report and monitor GHG emissions. From this established baseline, portfolio companies will be able to measure GHG emission reductions over time, to help ensure the climate impacts of our businesses are minimised over time. Riverstone recognises there is a significant amount of work to be done with its portfolio companies on this front and will make it a priority for 2021.

ESG: 2020 in Review

In its 2019 ESG report, Riverstone set out of a number of overarching ESG objectives. Its achievements through 2020 against these objectives, and other ESG issues addressed during the year, are summarised below.

DUE DILIGENCE AND INITIAL INVESTMENT

- Developed a toolkit to complement our existing process for the evaluation of ESG risks and opportunities in due diligence and during our Investment Committee process
- Established ESG Minimum Expectations (or "ESG-MEs") as a set of key performance indicators against which both potential new investments and existing portfolio companies can assess their performance

PORTFOLIO MONITORING

- Introduced procedures to increase direct engagement with our portfolio companies on ESG risks and opportunities and achieve greater depth and consistency of responses to ESG portfolio questionnaires
- Measured all Riverstone portfolio companies against its established ESG-MEs
- ESG due diligence scorecards discussed during our Investment Committee process are now carried into formalised ESG monitoring scorecards
- ESG management incorporated as a criteria in performance reviews of responsible Riverstone professionals

CLIMATE CHANGE

- Developed a strategy informed by the recommendations of the Taskforce for Climate related Financial Disclosures (TCFD) to evaluate potential risks that climate change may pose to our current portfolio, assessed how our portfolio companies can seek to reduce their impact on climate change and identified opportunities for Riverstone to capitalise on the energy transition to generate strong financial returns for investors
- Assessed how Riverstone portfolio companies can seek to reduce their impact on climate change
- Identified opportunities for Riverstone to capitalise on the energy transition to generate strong financial returns for investors

EXTERNAL REPORTING

- Riverstone became a signatory to the UN PRI in June 2020 and committed to the PRI's six core principles

ESG AT RIVERSTONE

- Created an internal working group that meets on a quarterly basis to identify and drive internal ESG initiatives within our firm including on greenhouse gas emissions and diversity & inclusion
- Published a commitment to diversity and inclusion (D&I) and created a roadmap for executing other important D&I initiatives
- Completed an evaluation of our firm's greenhouse gas emissions from our own operations and developed an offset strategy

COVID-19 RESPONSE

- Prioritised safety and welfare of its employees and the employees and contractors of its portfolio companies, as well as the wider communities in which they operate
- Implemented remote working and safety measures in line with government and public health guidelines within the firm and across its portfolio companies

ESG in Practice

The careful evaluation of ESG issues is a mandatory component for the underwriting of all RCOI investments. Furthermore, Riverstone investment professionals conduct a comprehensive evaluation of ESG considerations throughout the lifecycle of an investment. These steps are summarised below:

RISK IDENTIFICATION

- Use Riverstone's deep industry expertise and materiality assessments (which provide standard risk criteria tailored to each investment sector) to identify relevant ESG risks and mitigating factors for each new potential investment

DUE DILIGENCE

- Early engagement with the management team and advisors to understand the "ESG landscape" for a potential investment
- Engage third party experts to evaluate specific risks and areas of concern
- Thorough evaluation of key ESG risks for each potential investment and determination of whether appropriate mitigants can be implemented

INVESTMENT COMMITTEE

- Complete ESG risk assessment as part of the Investment Committee memo for potential investments, within the context of the investment's broader risk analysis
- Review third party ESG assessments and reference checks
- Determine whether a potential investment has any ESG risks that are "dealbreakers"
- Robust discussion at Investment Committee of the ESG risk evaluation scorecard
- Go/no go investment decision

ONGOING MONITORING AND PORTFOLIO MANAGEMENT

- Health, safety, environmental (HSE) and other material ESG issues as part of Riverstone's participation on the board of portfolio companies
- Annual portfolio review through ESG questionnaires with portfolio company follow-up based on responses received
- All portfolio companies are subject to periodic assessment of foreign bribery risks and regular reporting and training required for those portfolio companies identified as facing higher levels of risk
- Portfolio companies ensure regular training and compliance reviews are undertaken including, where necessary, by third party legal teams

STRATEGIC REPORT *continued*

ENVIRONMENTAL, SOCIAL AND GOVERNANCE *continued*

EXIT

- Where appropriate, make relevant ESG disclosures and evaluate whether potential buyers' ESG standards comply with all applicable laws with regard to, for example, employees and decommissioning of assets and infrastructure

DIVERSITY AND INCLUSION

Riverstone is committed to fostering a culture of inclusion by encouraging diversity and inclusivity (D&I) among our workforce.

It is Riverstone's goal to create an environment within the firm and to encourage the creation of an environment at its portfolio companies in which diverse backgrounds, perspectives, and personnel are represented throughout its business.

Riverstone has implemented or is in the process of implementing a number of important D&I initiatives at the firm, including:

- Establishing a D&I committee, which will hold regular meetings to review and improve D&I at Riverstone and throughout its portfolio
- Partnering with an historically black college or university to bring interns to Riverstone's US offices for training and an introduction to the private equity industry
- Making D&I part of its diligence process when we first evaluate a company and, following the initial investment, monitoring the company to assess performance against Riverstone's D&I expectations
- Working with its recruiting firms to ensure that we see diverse candidates pools
- Working towards aligning its practices with the Institutional Limited Partners Association's D&I roadmap and their Diversity in Action initiative
- Ongoing evaluation of its training to ensure it focuses on unconscious bias and provides concrete tools to mitigate the negative effects of bias
- Establishing a set of minimum expectations for its service providers and requiring each of them to meet such requirements

A copy of Riverstone's Diversity and Inclusion Policy is available online:
https://www.riverstonellc.com/media/1252/commitment-to-diversity-inclusion-090720.pdf

ESG in Practice within RCOI's Portfolio: Aspen Power Partners

Each of the ESG activities described within this report have been undertaken for each of RCOI's portfolio companies. We have set out below an example of how this has been applied in practise with one of our more recent investments, Aspen. Aspen was incubated in 2020 by solar and storage industry veterans serving as operating partners of Energy Impact Partners ("EIP") to co-develop, acquire, construct and manage distributed energy portfolios in attractive markets across the United States. In December 2020, Riverstone Credit Partners ("RCP") provided a $20 million first lien delayed draw Term Loan to Aspen, to scale growth and secure Tier 1 solar panels and receive the 26% federal solar Investment Tax Credit ("ITC") by year-end.

RCP's first lien term loan includes strong lender and structural protections. Proceeds from the initial draw were used primarily to purchase Tier 1 bifacial solar panels for a 57MW portfolio in Maine. Future draws will be subject to lender consent and used to fund refundable interconnect deposits to the utility companies.

Community solar refers to local solar facilities shared by multiple subscribers that receive credit on their electricity bills for their share of power produced. Rooftop solar panels are still out of reach for many people due to rental availability, zoning, space constraints, roof structures, and costs. Today, just 34% of US homes are eligible for rooftop solar panels. Community solar opens solar power up to anyone who pays a power bill and typically provides subscribers with cost savings of 10-15% off of their annual electricity costs[1].

The community solar model continues to grow with strong regulatory support. In the next five years, the United States is set to add as much as 3.4 GW of community solar capacity. That is expected to create enough energy to power 650,000 homes.[1] Based on the average electricity usage for an American household, the solar energy generated for one community solar subscription has the environmental equivalent of:

- 208 trees planted[2]
- 9,766 fewer pounds of coal burned[2]
- 19,638 fewer miles driven[2]

Aspen has a strong commitment to sustainability and we look forward to continuing our partnership on their growing community solar portfolio.

[1] https://www.arcadia.com/article/what-is-community-solar

[2] https://cleanchoiceenergy.com/news/what-is-community-solar

Board Diversity

The Board strongly believes that having diversity in skills, experience and gender has significant benefits. The Board currently comprises three Independent Directors based on merit-based qualifications, while also having gender balance (2 male and 1 female Board members).

The Company's policy on diversity is further detailed in the Corporate Governance Report on page 39.

Employees and Officers of the Company

The Company does not have any employees and therefore employee policies are not required. The Directors of the Company are detailed on pages 28 to 29.

PRINCIPAL RISKS AND UNCERTAINTIES

Under the FCA's Disclosure and Transparency Rules, the Directors are required to identify those material risks to which the Company is exposed and take appropriate steps to mitigate those risks. Risks relating to the Company are disclosed in the Company's prospectus which is available on the Company's website www.riverstonecoi.com.

The Company's assets consist of investments, through SPVs, within the global energy industry, with a particular focus on opportunities in the global E&P and midstream energy sub-sectors. Its principal risks are therefore related to market conditions in the energy sector in general, but also the particular circumstances of the businesses in which it is invested. The Investment Manager seeks to mitigate these risks through active asset management initiatives and by carrying out due diligence work on potential targets before entering into any investments.

The Board thoroughly considers the process for identifying, evaluating and managing any significant risks faced by the Company on an ongoing basis and these risks are reported and discussed at Board meetings. The Board ensures that effective controls are in place to mitigate these risks and that a satisfactory compliance regime exists to ensure all applicable local and international laws and regulations are upheld.

For each material risk, the likelihood and consequences are identified, management controls and frequency of monitoring are confirmed and results reported and discussed at the quarterly Board meetings.

STRATEGIC REPORT *continued*

The key areas of risk faced by the Company and mitigating factors are summarised below:

1. The ability of the Company to meet the target dividend will depend on the Investment Manager's ability to identify and manage suitable investments in accordance with the Investment Policy. The Investment Manager's primary focus is direct lending to top class middle-market energy-related companies, a growing investment universe with limited competition capable of generating attractive risk-adjusted returns.
2. The Company will only lend to Borrowers in the global energy sector, and such single industry concentration could affect the Company's ability to generate returns, and adverse market conditions in that sector may delay or prevent the Company from making appropriate investments that generate attractive returns. The Company will invest broadly across energy subsectors globally, with a primary focus on infrastructure businesses and going forward those with decarbonisation strategies in North America. The Company will make investments that are compliant with the Investment Manager's ESG policy.
3. The absence of a substantial secondary market and liquidity for the Company's investments means that the Company may be unable to realise value from its investments and investors could lose all or part of their investment. The Investment Manager executes proper due diligence on each potential investment before recommending the commitment of funds.
4. The Ordinary Shares may trade at a discount to NAV per Share for reasons including but not limited to market conditions, liquidity concerns and actual or expected Company performance. As such, there can be no guarantee that attempts to mitigate such discount will be successful or that the use of discount control mechanisms will be possible, advisable or adopted by the Company. It is the intention of the Board for the Company to buy back its own shares if the share price is trading at a material discount to NAV, providing that it is in the interests of Shareholders to do so.
5. The ongoing COVID-19 pandemic has led to a decline in global commerce and travel, thereby causing reductions in near-term demand for energy, especially within oil and gas. This may negatively affect the Company's Borrowers and the long-term impacts remain unknown. The Investment Manager has contacted all Borrowers to make sure that they have the appropriate plans and resources in place to prioritise the health and safety of their employees, as well as to assess supply chain disruptions and ensure the normal operations of their business.
6. The Investment Manager will be subject to investment advisory regulatory oversight in the United States. Failure of the Investment Manager or other Riverstone entities to comply with US regulatory requirements could prevent the Investment Manager from providing services to the Company under the Investment Management Agreement to the detriment of investors in the Company. The Investment Manager closely monitors and reacts to any developments in regulatory requirements, under consultation with appropriate parties.
7. Any change in the tax status of the Company, its SPVs, or the tax status of Borrowers, or in taxation legislation or practice generally (whether in the UK, US or elsewhere) could affect the value of the investments held by the Company, alter the post-tax returns to Shareholders, or affect the tax treatment for Shareholders of their investments in the Company and returns therefrom. The Investment Manager closely monitors and reacts to any developments in taxation legislation, under consultation with appropriate parties.
8. There is a risk of non-compliance with laws and regulations. The Company has established policies and procedures designed to assist personnel, entities and businesses in which it invests with complying with applicable laws and regulations.
9. The Investment Manager is dependent upon the expertise of key personnel in providing investment management services to the Company. The Investment Manager is well resourced and has access to the wider skills and expertise at Riverstone.
10. The Company has appointed third party service providers and failure by any service provider to carry out its obligations could have a materially detrimental impact on the operation of the Company. Service providers have been selected and engaged based on due diligence and references including consideration of their internal controls and expertise. The Company has established a Management Engagement Committee to review the performance of the service providers on an ongoing basis.
11. Any loss of data or security breach of the Company's IT systems could have adverse impacts on the operations and reputation of the Company. The Investment Manager has risk management strategies, systems, policies and procedures to seek to prevent cyber incidents, as well as established business continuity plans.

GOING CONCERN

The Company's cash balance at 31 December 2020 was $5.4 million, which is sufficient to cover its existing liabilities of $0.9 million, dividend of $1.8 million with respect to the quarter ended 31 December 2020 and any foreseeable expenses in the 16 months to 30 June 2022, being the period of assessment covered by the Directors.

The outbreak of COVID-19 has had a negative impact on the global economy. As this situation is both unprecedented and continues to evolve, it raises some uncertainties and additional risks for the Company.

The Directors and Investment Manager are actively monitoring this and its potential effect on the Company and its underlying investments. In particular, they have considered the following specific key potential impacts:

- unavailability of key personnel at the Investment Manager or Administrator;
- increased volatility in the fair value of investments;
- disruptions to business activities of the underlying investments; and
- recoverability of income and principal and allowance for expected credit losses.

In considering the above key potential impacts of COVID-19 on the Company and its underlying investments, the Investment Manager has assessed these with reference to the mitigation measures in place. At the Company level, the key personnel at the Investment Manager and Administrator have successfully implemented business continuity plans to ensure business disruption is minimised, including remote working, and all staff are continuing to assume their day-to-day responsibilities. At the underlying investment level, there are various risk mitigation plans in place, including the use of social distancing and personal protective equipment, to ensure business activities are maintained as far as possible.

As further detailed in note 4 to the financial statements, the Investment Manager uses a third party valuation provider to perform a full independent valuation of the underlying investments. The Investment Manager has also assessed the recoverability of income due from the underlying investee companies and has no material concerns. Additionally, the Investment Manager and Directors have considered the cash flow forecast and a reverse stress test to determine the term over which the Company can remain viable given its current resources.

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

On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 16 months to 30 June 2022, being the period of assessment covered by the Directors. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

LONGER TERM VIABILITY

As required by the AIC Code, the Directors have assessed the prospects of the Company over a longer period than required by the going concern provision. The Company's investments have a maximum term of 7 years and are expected to have a contractual duration of 3 to 5 years from inception, therefore the Board chose to conduct a review for a period of three years to 31 December 2023. On a rolling basis, the Directors will evaluate the outcome of the investments and the Company's financial position as a whole. While an unprecedented and long-term decline in the global energy sector could threaten the Company's performance, it would not necessarily threaten its viability.

In support of this statement, the Directors have taken into account all of the principal risks and their mitigation as identified in the Principal Risk and Uncertainties section above, the nature of the Company's business; including the cash reserves and money market deposits at the SPVs, the potential of its portfolio of investments to generate future income and capital proceeds, and the ability of the Directors to minimise the level of cash outflows, if necessary.

STRATEGIC REPORT *continued*

The most relevant potential impacts of the identified Principal Risks and Uncertainties on viability were determined to be:

- The ability of the Company to meet the target dividend will depend on the Investment Manager's ability to identify and manage suitable investments in accordance with the Investment Policy.
- The Company will only lend to Borrowers in the global energy sector, and such single industry concentration could affect the Company's ability to generate returns, and adverse market conditions in that sector may delay or prevent the Company from making appropriate investments that generate attractive returns.
- The absence of a substantial secondary market and liquidity for the Company's investments means that the Company may be unable to realise value from its investments and investors could lose all or part of their investment.

Each quarter, the Board reviews threats to the Company's viability utilising the risk matrix and updates as required due to recent developments and/or changes in the global market. The Board relies on periodic reports provided by the Investment Manager and Administrator regarding risks faced by the Company. When required, experts are utilised to gather relevant and necessary information, regarding tax, legal, and other factors.

The Investment Manager considers the future cash requirements of the Company before funding portfolio companies. Furthermore, the Board receives regular updates from the Investment Manager on the Company's cash position, which allows the Board to maintain its fiduciary responsibility to the Shareholders and, if required, limit funding for existing commitments.

The Board considered the Company's viability over the three year period, based on a working capital model prepared by the Investment Manager. The working capital model forecasts key cash flow drivers such as capital deployment rate, investment returns, and operating expenses. In connection with the preparation of the working capital model, capital raises, realisations, and, dividend payments and/or share repurchases were assumed to not occur during the three year period, unless already predetermined. In addition, the Board reviews credit market availability, but no such financing has been assumed.

Despite the prolonged downturn in the price of oil and gas and the poor performance of the trading price of the Ordinary Shares, the Investment Manager believes that the investment outlook for the Company remains attractive, in particular in light of its increased focus on renewable energy and decarbonisation investments, in each case with strong ESG processes in place.

Based on the aforementioned procedures and the existing internal controls of the Company and Investment Manager, the Board has concluded there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period of the assessment.

In support of this statement, the Directors have taken into account all of the principal risks and their mitigations as identified in the Principal Risk and Uncertainties section above, the nature of the Company's business; including the cash reserves and money market deposits of the Company and its SPVs, the potential of its portfolio of investments to generate future income and capital proceeds, and the ability of the Directors to minimise the level of cash outflows, if necessary.

DIRECTORS' RESPONSIBILITIES PURSUANT TO SECTION 172 OF THE COMPANIES ACT 2006

The Directors are responsible for acting in a way that they consider, in good faith, is the most likely to promote the success of the Company for the benefit of its members. In doing so, they should have regard for the needs of stakeholders and the wider society. Key decisions are those that are either material to the Company or are significant to any of the Company's key stakeholders, as described on pages 44 to 45. The below key decisions were made or approved by the Directors during the year, with the overall aim of promoting the success of the Company while considering the impact on its members, stakeholders and the wider society as outlined in the ESG section on pages 10 to 17.

Investment policy

The Company invests in a diversified portfolio of direct and indirect investments in loans, notes, bonds and other debt instruments. The Investment Manager adopts a responsible investing approach which takes into account the Company's ESG principles and strategy, as outlined in detail in the ESG sections within the Strategic Report and Investment Manager's Report.

The Board has reviewed and approved the investment policy. The Board and the Investment Manager monitor the concentration of the investment in the SPVs on a quarterly basis to ensure compliance with the investment policy. The Company completed 6 investments (2019: 8) and 4 realisations (2019: 1) during the year.

Dividends

The Board has reviewed and approved dividends of 7.0 cents per share with respect to the year (2019: 2.57 cents per share with respect to the period) and will target dividends equal to a yield of between 8 percent and 10 percent per annum on the issue price at IPO.

Repurchase of own shares

On 30 April 2020 the Board announced that a share buy-back programme be initiated. The repurchase of shares has allowed the Company to return some of its uncommitted capital to shareholders and reduce the discount to NAV. During the year, the Company repurchased 8,454,617 Ordinary Shares as part of this buy-back programme.

Board Committees

The Board's Audit and Risk Committee, Nomination Committee and Management Engagement Committee continue to ensure a good corporate governance framework for the Company. The Chairman of each committee will attend the AGM to answer any questions on their committee's activities.

Engagement with Shareholders

As further disclosed in the Corporate Governance Report on page 44 to 45, the Company reports to Shareholders in a number of formal ways, including its Annual Report, Interim Report and regulatory news releases, all of which are approved by the Board. In addition, the Company's website was updated during the year and contains comprehensive information for Shareholders and the Company's AGM provides a forum for Shareholders to meet and discuss issues with the Directors.

ANNUAL GENERAL MEETING

The AGM of the Company will be held at 14.00 BST on 19 May 2021 at the offices of Hogan Lovells International LLP, Atlantic House, Holborn Viaduct, London EC1A 2FG. Details of the resolutions to be proposed at the AGM, together with explanations, will appear in the notices of meetings to be distributed to Shareholders in April 2021. As a matter of good practice, all resolutions will be conducted on a poll and the results will be announced to the market as soon as possible after the AGM.

Subject to COVID-19 guidance and restrictions at the time of the AGM, it is expected that members of the Board will be in attendance and will be available to answer Shareholder questions.

On behalf of the Board

REUBEN JEFFERY, III
Chairman
17 February 2021

All capitalised terms are defined in the list of defined terms on pages 82 to 83 unless separately defined.

INVESTMENT MANAGER'S REPORT

Focused on capitalising on the growing investment universe in the middle-market for energy lending with a primary focus on infrastructure businesses and going forward those with decarbonisation strategies in North America

ABOUT THE INVESTMENT MANAGER

Appointed in May 2019, the Investment Manager, an affiliate of Riverstone, will seek to generate consistent shareholder returns predominantly in the form of income distributions, principally by making senior secured loans to energy-related businesses. The Company will seek to achieve its investment objective predominantly through investing in a diversified portfolio of direct and indirect investments in loans, notes, bonds and other debt instruments, including convertible debt, issued by borrowers operating in the energy sector. Riverstone's investment professionals have a combination of industry knowledge, financial expertise and operating capabilities. The Company will also benefit from the guidance and input provided by non-Riverstone Credit Team members of Riverstone's credit investment committee who will be involved in the Company's investment process. The Company believes that Riverstone's global network of deep relationships with management teams, investment banks and other intermediaries in the energy sector will lead to enhanced sourcing and deal origination opportunities for the Company.

INVESTMENT PORTFOLIO SUMMARY

The Investment Manager has reviewed numerous opportunities within the Investment Guidelines since RCOI's admission. As of 31 December 2020, the Company holds nine direct investments; four for midstream companies, two for exploration and production companies, two for infrastructure services companies and one for an energy transition company, as further discussed below. Two direct realisations occurred during the year ended 31 December 2020; one exploration and production company and one infrastructure services company. Additionally, RCOI opportunistically purchased two loans in the secondary market during Q3 2020, most of which settled in Q4 2020. The secondary loans were for a midstream and downstream company and fully realised in Q4 2020. The Investment Manager continues to maintain a strong pipeline of investment opportunities and expects to make a number of further commitments. RCOI, when making a new investment, will receive an allocation of the investment in accordance with the limitations illustrated in the Company's Investment Restrictions. The determination of what percentage they will receive will be pro rata to the available capital for all of the RCP funds that are eligible to participate in the investment.

In the descriptions that follow, yield to maturity is inclusive of all upfront fees, original issue discounts, drawn spreads and prepayment penalties through the stated maturity of the loan. Most loans have incentives to be called early. A portion of the loans have a "payment-in-kind" feature for drawn coupons for a limited time period. Similarly, some of the loans have a "delayed-draw" feature that allows the borrower to call capital over time, but always with a hard deadline. Loans that are committed are loans with signed definitive documentation where a structuring fee and/or original issue discount have been earned and the Company earns an undrawn spread. Loans that are invested are loans with signed definitive documentation where a structuring fee and/or original issue discount have been earned, the Company has funded the loan to the borrower and the Company is earning a drawn coupon.

- **Project Yellowstone** – RCOI participated in a $25.0 million upsize of RCP's commitment to a $105.0 million first lien term loan for a privately-owned, midstream company that provides fluids management, primarily produced water hauling, flow-back management, and salt-water disposal infrastructure in the SCOOP, STACK, and MERGE plays in Central Oklahoma. RCP closed the initial $105.0 million financing in November 2018. The term loan upsize closed in May 2019.

  At closing, $5.8 million was committed by RCOI and is fully invested. The first lien term loan has a maturity of November 2021 and an all-in expected yield to maturity of 13.6% on a fully drawn basis.

  Use of proceeds was to fund an acquisition.

  As of 31 December 2020, the full commitment has been invested.

- **Ascent Energy** – RCOI participated in a $55.0 million first lien delayed-draw term loan to a sponsor-backed exploration & production company with operations focused in the Northern Delaware Basin of New Mexico. The term loan closed in June 2019.

  At closing, $13.3 million was committed by RCOI. The first lien term loan has a maturity of June 2020 and an all-in expected yield to maturity of 13.7% on a fully drawn basis. On 23 December 2020, RCP sold $20mm of the first lien term loan to an affiliate of the borrower at a price of 100.5. This sale settled in early January 2021, and RCOI's remaining commitment is $8.2 million.

  Use of proceeds from the credit facility is to fund capital expenditures in Lea County, NM subject to compliance with an Approved Plan of Development and to pay fees, costs and expenses related to the term loan.

  As of 31 December 2020, the full $8.2 million commitment has been invested.

All capitalised terms are defined in the list of defined terms on pages 82 to 83 unless separately defined.

INVESTMENT MANAGER'S REPORT *continued*

- **Project Mariners** – RCOI participated in a $140.0 million first lien delayed-draw term loan for a privately-owned company that provides vessel and logistic services including tugboat, ship assist, and escort services, and cargo handling and towing predominantly focused on the energy sector.

  The Company is headquartered in Houston, TX with navigation centres in Ingleside, TX, Brownsville, TX, Pascagoula, MS, and Jacksonville, FL as well as a shipyard and repair facility in Pascagoula, MS. The term loan closed in July 2019.

  At closing, $14.9 million was committed by RCOI which was reduced to $12.2 million via a secondary sale. The first lien term loan has a maturity of July 2022 and an all-in expected yield to maturity of 12.6% on a fully drawn basis. In April 2020, RCP provided a new $7.0 million pari passu revolver and the term loan was upsized by $3.0 million to $143.0 million. RCOI committed an additional $1.0 million to the Revolver and a third party provided the entire term loan upsize.

  As part of a $22.5 million sale leaseback that closed in January 2021, RCOI's revised invested capital is $9.3 million.

  Use of proceeds was to fund the recapitalisation of the Company to settle all indebtedness, fund the refurbishment of two motor vessels, and to pay fees, costs and expenses related to the term loan.

  As of 31 December 2020, the full commitment has been invested.

- **Pursuit Oil & Gas** – RCOI participated in a $50.0 million first lien delayed-draw term loan to a sponsor-backed exploration & production company with operations focused in the dry gas window of the Eagle Ford Basin. The term loan closed in July 2019.

  At closing, $12.3 million was committed by RCOI. The first lien term loan has a maturity of July 2021 and an all-in expected yield to maturity of 13.3% on a fully drawn basis.

  Use of proceeds from the credit facility is to fund capital expenditures in Webb and La Salle Counties, other capital expenditures relating to existing and future upstream assets, and operating expenses.

  As of 31 December 2020, the full commitment has been invested.

- **Caliber Midstream** – RCOI participated in a $10.0 million upsize of RCP's commitment to a $65.0 million first lien Holdco term loan for a sponsor-backed Bakken focused midstream company that provides crude oil and natural gas gathering and processing, produced water transportation and disposal, and freshwater sourcing and transportation. RCP closed the initial $65.0 million financing in June 2018. The term loan upsize closed in August 2019.

  At closing, $3.4 million was committed by RCOI. The first lien HoldCo term loan has a maturity of June 2022 and an all-in expected yield to maturity of 11.8% on a fully drawn basis.

  Use of proceeds, combined with an Opco revolving credit facility draw, was to fund an acquisition.

  As of 31 December 2020, the full commitment has been invested.

- **EPIC Propane** – RCOI participated in a $75.0 million first lien delayed-draw term loan to a sponsor-backed midstream company that will provide propane purity offtake transportation to the Houston, TX export market. The term loan closed in December 2019.

  At closing, $14.8 million was committed by RCOI. The first lien term loan has a maturity of December 2022 and an all-in expected yield to maturity of 11.6% on a fully drawn basis.

  Use of proceeds from the credit facility is for the construction of a new propane pipeline from Robstown and Corpus Christi, TX to Sweeney, TX.

  As of 31 December 2020, the full commitment has been invested.

- **Salt Creek Midstream** – RCOI originally participated in a $75 million first lien delayed-draw term loan for a sponsor-backed midstream company that provides crude gathering, storage and blending services to a diversified footprint of producers in the core of the Delaware Basin. The term loan closed in March 2020.

  At closing, $13.7 million was committed by RCOI. The first lien term loan originally had a maturity of March 2023 and an all-in expected yield to maturity of 11.7% on a fully drawn basis. As part of a fulsome amendment and in exchange for covenant relief, the borrower paid down $40 million of principal as well as interest and fees on 28 December 2020. The remaining $35 million remains in a first lien senior-secured position, of which RCOI's commitment is $6.4 million. As part of the paydown, the maturity date was amended to March 2024.

  Use of proceeds from the credit facility is to fund construction, operation, and maintenance costs of the crude system.

  As of 31 December 2020, the full $6.4 million commitment has been invested.

- **Project Boulder II** – RCOI originally participated in a recapitalisation of a sponsor-backed company that is the leading specialty rental provider of containers and mobile asset management solutions across the energy, industrial, refining, and petrochemical industries. The term loan closed October 2020.

  At closing, $7.4 million was committed by RCOI. The first lien term loan has a maturity of October 2024 and an all-in expected yield to maturity of 10.4% on a fully drawn basis. Following the sale of the Company's offshore business, $3.2 million of RCOI's outstanding principal was repaid on 3 December 2020, with the residual $4.2 million investment remaining in a first lien senior-secured position with sub 3x leverage.

  As of 31 December 2020, the full $4.2 million commitment has been invested.

- **Aspen Power Partners** – RCOI participated in a $20.0 million first lien delayed-draw term loan to a community solar development company. Led by operating partners of a private equity sponsor, the company acquires, constructs, and manages community solar portfolios across attractive markets in the United States. The term loan closed in December 2020.

  At closing, $6.9 million was committed by RCOI. The first lien term loan has a maturity of December 2021 and an expected all-in yield to maturity of 13.3% for RCOI on a fully drawn basis.

  Use of proceeds from the credit facility is for the purchase of Safe Harbor solar panels and refundable interconnection payments for a community solar portfolio in Maine.

  As of 31 December 2020, $3.4 million has been invested.

INVESTMENT MANAGER'S REPORT *continued*

- **Secondary Market Trades** – RCOI opportunistically purchased two loans in the secondary market during Q3 2020, most of which settled in Q4 2020. As new private investment opportunities arose, such as Project Boulder II and Aspen Power Partners, RCOI fully exited these loans during Q4 2020. In total, RCOI invested $13.4 million and realised $13.6 million, which represented a 10.5% IRR and 1.01x MOIC.

  Two direct investments were **realised** during 2020. **CIG Logistics**, a $8.7 million first lien commitment made in January 2020 with a September 2020 maturity, was repaid early by a new source of financing. RCOI received $8.9 million on the $8.7 million invested which represents a 64.0% IRR and a 1.02x Multiple on Invested Capital. **Mallard Exploration**, a $13.8 million first lien commitment made in November 2019 with a November 2022 maturity, was repaid early by the sponsor-backed operator. RCOI received $7.7 million on the $6.8 million invested which represents a 35.9% IRR and a 1.13x Multiple on Invested Capital.

  The Investment Manager continues to believe that this is a market where patience and a disciplined approach to investing are likely to be well rewarded.

SUBSEQUENT EVENTS AND OUTLOOK

RCOI's portfolio continues to generate value for shareholders through a combination of current income and capital gains, despite a prolonged period of economic and commodity price headwinds. The Investment Manager remains focused on adapting to broader macro conditions and underwriting transactions that have advantageous attributes to protect against the downside.

Commodity prices improved materially during the fourth quarter as coronavirus vaccine administration began. However, longer term global supply and demand dynamics continue to remain uncertain as vaccination pace continues to face challenges and travel remains relatively restricted. These dynamics create a robust transaction pipeline, and the Investment Manager will continue to focus on investments with the ability to generate attractive risk-adjusted returns. In addition, the Investment Manager will also seek to identify opportunities that can capitalise on secular trends around energy transition longer-term.

Since the end of the fourth quarter 2020, RCOI has participated in the investment below.

U.S. Shipping Corporation – RCOI participated in a $165.0 million first lien term loan to a private midstream company that is a leading provider of long haul marine transportation services for chemical, petroleum, and clean petroleum product cargoes in the U.S. Jones Act trade operating along the U.S. Gulf, East and West Coasts. At closing 10 February 2021, $6.5 million was committed by RCOI. The first lien term loan has a maturity of February 2024 and an expected all-in yield to maturity of 11.6% for RCOI on a fully-drawn basis.

As of 31 December 2020, RCOI is 78% committed and 74% invested. After Q1 2021 activity mentioned above, RCOI is currently 83% committed and 79% invested. The Company currently has $15.8 million of capital available for investments. Since inception, the Company has also repurchased approximately 8.5 million of its own ordinary shares. The investment pipeline remains strong such that we expect the remaining balance of RCOI to be committed in Q1 2021. In each deal, RCOI will invest pro rata to other RCP managed vehicles based on their available capital.

INVESTMENT (INITIAL INVESTMENT DATE)	GROSS COMMITTED CAPITAL ($'000)	INVESTED CAPITAL ($'000)	GROSS REALISED CAPITAL ($'000)	GROSS UNREALISED VALUE ($'000)	GROSS REALISED CAPITAL & UNREALISED VALUE ($'000)	MOIC
Project Yellowstone 13 Jun 2019	5,820	5,820	925	6,378	7,302	1.25x
Ascent Energy 18 Jun 2019	13,298	13,298	7,064	8,438	15,502	1.17x
Project Mariners 11 Jul 2019	13,233	13,233	3,950	11,515	15,465	1.17x
Pursuit Oil & Gas 23 Jul 2019	12,313	12,313	1,800	12,462	14,262	1.16x
Caliber Midstream 01 Aug 2019	3,375	3,375	361	3,612	3,973	1.18x
EPIC Propane Pipeline 19 Dec 2019	14,813	14,813	1,223	15,243	16,466	1.11x
SCM Intermediate Crude 06 Mar 2020	13,720	13,720	9,014	6,455	15,469	1.13x
Project Boulder II 01 Oct 2020	7,350	7,350	3,350	4,356	7,706	1.05x
Aspen Power Partners 28 Dec 2020	6,895	3,367	106	3,370	3,476	1.03x
Total Current Portfolio	**90,817**	**87,289**	**27,793**	**71,829**	**99,621**	**1.15x**

All capitalised terms are defined in the list of defined terms on pages 82 to 83 unless separately defined.

BOARD OF DIRECTORS

REUBEN JEFFERY, III
CHAIRMAN

EMMA DAVIES
DIRECTOR, CHAIR OF AUDIT AND RISK COMMITTEE

EDWARD CUMMING-BRUCE
DIRECTOR, CHAIR OF NOMINATION COMMITTEE

REUBEN JEFFERY, III
CHAIRMAN

Mr. Jeffery has a broad range of financial services experience and in addition brings extensive insight into the US political and regulatory environment. He is chairman of Sumitomo Mitsui Banking Corporation Americas Holdings, Inc. and is a former non-execute director of Barclays PLC. He was previously the President and CEO of Rockefeller Financial Services, Inc. Mr. Jeffery has served in the US government as Under Secretary of State for Economic, Energy and Agricultural Affairs, as Chairman of the Commodity Futures Trading Commission, and as a special assistant to the President on the staff of the National Security Council.

Before his government service, Mr. Jeffery spent 18 years at Goldman Sachs & Co where he was Managing Partner of Goldman Sachs in Paris and led the firm's European Financial Institutions Group in London. Prior to joining Goldman Sachs, Mr. Jeffery was a corporate attorney with Davis Polk & Wardwell.

Mr. Jeffery is a graduate of Yale University and holds an M.B.A. and J.D. from Stanford University.

EMMA DAVIES
DIRECTOR, CHAIR OF AUDIT AND RISK COMMITTEE

Ms. Davies is co-Head of Octopus Ventures.

Ms. Davies has over 20 years experience as an investor and portfolio manager. Her most recent role was Head of Direct Investments at Marylebone Partners; before this she was the Head of Property and Infrastructure at The Welcome Trust, where she also helped to manage their public markets portfolio. She was formerly CIO of Big Society Capital and ran the European investments team for Perry Capital.

Ms. Davies is a non-executive director of Baillie Gifford European Growth Trust. Ms. Davies is a graduate of Oxford University and holds an MSc from the London School of Economics.

EDWARD CUMMING-BRUCE
DIRECTOR, CHAIR OF NOMINATION COMMITTEE

Mr. Cumming-Bruce is the Vice Chairman of Gleacher Shacklock LLP, which he joined in August 2003. Prior to this, he worked for 12 years at Dresdner Kleinwort Wasserstein where he held a number of senior positions including a Co-Head of Global Telecoms Investment Banking, Co-Head of UK Investment Banking and Global Head of Equity Capital Markets.

Mr. Cumming-Bruce has extensive experience advising a range of major European companies on capital markets and restructuring transactions as well as mergers and acquisitions. Prior to Dresdner Kleinwort Wasserstein, he worked at Schroders.

Mr. Cumming-Bruce is a graduate of Oxford University.

REPORT OF THE DIRECTORS

The Directors present their Annual Report and audited financial statements for the Company for the year ended 31 December 2020. The Corporate Governance Report on pages 38 to 45 forms part of this report.

Details of the Directors who held office during the year and as at the date of this report are given on pages 28 to 29.

CAPITAL STRUCTURE

To enable the Company to obtain a certificate to commence business and to exercise its borrowing powers under section 761 CA 2006, on 11 March 2019, 1 E Share of £1 and 50,000 shares of £1 each were allotted to Riverstone Investment Group LLC and paid up in full, as Management Shares. The E Share and Management Shares grant the registered holders the right to receive notice of and to attend but, except where there are no other shares of the Company in issue, not to speak or vote at any general meeting of the Company. The Management Shares were redeemed in full on 28 May 2019. The E Shares are not redeemable.

As at 31 December 2020, the Company's issued share capital comprised 91,545,383 Ordinary Shares (2019: 100,000,000) and 1 E Share (2019: 1). Ordinary Shareholders are entitled to all dividends paid by the Company and, on a winding up, provided the Company has satisfied all of its liabilities, the Shareholders are entitled to all of the surplus assets of the Company.

Ordinary Shareholders are entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each Ordinary Share held.

AUTHORITY TO PURCHASE OWN SHARES

The current authority of the Company to make market purchases of up to 14.99 percent of its issued share capital expires at the conclusion of the Company's AGM on 19 May 2021. A special resolution will be proposed at the forthcoming AGM seeking renewal of such authority until the next AGM (or 19 August 2022, whichever is earlier). The price paid for the shares will not be less than the nominal value or more than the maximum amount permitted to be paid in accordance with the rules of the UK Listing Authority in force at the date of purchase. This power will be exercised only if, in the opinion of the Directors, a repurchase would be in the best interests of Shareholders as a whole. Any shares repurchased under this authority will either be cancelled or held in treasury at the discretion of the Board for future resale in appropriate market conditions.

The Directors believe that the renewal of the Company's authority to purchase shares, as detailed above, is in the best interests of Shareholders as a whole and therefore recommend Shareholders to vote in favour of this special resolution.

MAJOR INTERESTS IN SHARES

Significant shareholdings as at 31 December 2020 are detailed below.

	ORDINARY SHARES HELD % 31 DECEMBER 2020
Riverstone Credit Opportunities Income Coinvestment LP	18.47
ND Capital Investments	10.68
Newton Investment Management	10.68
Brooks Macdonald Asset Management	8.54
Alder Investment Management	8.01
AXA Investment Managers	7.47
Weiss Asset Management	6.91
Polar Capital	4.80
Jupiter Asset Management	4.27
JPMorgan Securities	3.90
Ironsides Partners	3.26

In addition, the Company also provides the same information as at 29 January 2021, being the most current information available.

	ORDINARY SHARES HELD % 29 JANUARY 2021
Riverstone Credit Opportunities Income Coinvestment LP	18.47
ND Capital Investments	10.68
Newton Investment Management	10.68
Alder Investment Management	8.01
Brooks Macdonald Asset Management	8.01
AXA Investment Management	7.47
Weiss Asset Management	6.91
Polar Capital	4.80
Jupiter Asset Management	4.27
JPMorgan Securities	3.90
Metage Capital Management	3.69

REPORT OF THE DIRECTORS *continued*

COMPANIES ACT 2016 DISCLOSURES

In accordance with Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008, the Directors disclose the following information:

- the Company's capital structure is detailed in note 8 to the financial statements and all Shareholders have the same voting rights in respect of the share capital of the Company, except that the holders of E Shares have no right to speak or vote at any general meeting of the Company, unless there are no other shares of the Company in issue. There are no restrictions on voting rights that the Company is aware of, nor any agreement between holders of securities that result in restrictions on the transfer of securities or on voting rights;
- there exist no securities carrying special rights with regard to the control of the Company;
- the Company does not have an employees' share scheme;
- the rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and the Companies Act 2006;
- there exist no agreements to which the Company is party that may affect its control following a takeover bid; and
- there exist no agreements between the Company and its Directors providing for compensation for loss of office that may occur because of a takeover bid.

INVESTMENT TRUST STATUS

The Directors intend at all times to conduct the affairs of the Company so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010, as amended and the Investment Trust (Approved Company) (Tax) Regulations 2011. In particular, the Company must not retain in respect of any accounting year or period an amount which is greater than 15 percent of its eligible investment income.

DIVERSITY AND BUSINESS REVIEW

A business review is detailed in the Investment Manager's Report on pages 22 to 27 and the Company's policy on diversity is detailed in the Corporate Governance Report on page 39.

DIRECTORS' INDEMNITY

Directors' and Officers' liability insurance cover is in place in respect of the Directors. The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors, in which they are acquitted or judgement is given in their favour by the Court.

Except for such indemnity provisions in the Company's Articles of Association and in the Directors' letters of appointment, there are no qualifying third party indemnity provisions in force.

GLOBAL GREENHOUSE GAS EMISSIONS

As an investment trust, the Company's own direct environmental impact is minimal. The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

RISKS AND RISK MANAGEMENT

The Company is exposed to financial risks such as price risk, interest rate risk, credit risk and liquidity risk and the management and monitoring of these risks are detailed in note 15 to the financial statements.

INDEPENDENT AUDITOR

The Directors will propose the reappointment of Ernst & Young LLP as the Company's Auditor and resolutions concerning this and the remuneration of the Company's Auditor will be proposed at the AGM.

At the time that this report was approved, so far as each of the Directors are aware:

- there is no relevant audit information of which the Auditor is unaware; and
- they have taken all the steps they ought to have taken to make themselves aware of any audit information and to establish that the Auditor is aware of that information.

ANNUAL REPORT

As disclosed in the Audit and Risk Committee Report on pages 46 to 49, the Audit and Risk Committee have given due consideration that the Annual Report, taken as a whole, is fair, balanced and understandable. Therefore the Board is of the opinion that the Annual Report provides the information necessary for Shareholders to assess the performance, strategy and business model of the Company.

The Board recommends that the Annual Report, the Report of the Directors and the Independent Auditor's Report for the year ended 31 December 2020 are received and adopted by the Shareholders and a resolution concerning this will be proposed at the AGM.

DIVIDEND

For the quarter ending 31 December 2020 the Board has recommended a dividend of $1.8 million, equivalent to 2.0 cents per share with respect to the quarter ended 31 December 2020, as disclosed in note 14 to the financial statements. This brings the total dividend declared with respect to the year to 31 December 2020 to 7.0 cents per share.

SUBSEQUENT EVENTS

There have been no significant subsequent events, as disclosed in note 18 to the financial statements.

STRATEGIC REPORT

A review of the business and future outlook, going concern statement and the principal risks and uncertainties of the Company have not been included in this report as they are disclosed in the Strategic Report on pages 6 to 21.

On behalf of the Board

REUBEN JEFFERY, III
Chairman
17 February 2021

All capitalised terms are defined in the list of defined terms on pages 82 to 83 unless separately defined.

DIRECTORS' REMUNERATION REPORT

This report has been prepared by the Directors in accordance with the requirements of the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. A resolution to approve the Directors' Remuneration Report will be proposed at the Company's AGM on 19 May 2021. At the AGM on 21 May 2020, shareholders voted 100.0 percent in favour to approve the Directors' Remuneration Report for the period ended 31 December 2019.

The Company's Auditor is required to give their opinion on the information provided on Directors' remuneration on page 35 of this report and this is explained further in its report to Shareholders on pages 50 to 57. The remainder of this report is outside the scope of the external audit.

ANNUAL STATEMENT FROM THE CHAIRMAN OF THE BOARD

The Board, which is profiled on pages 28 to 29, consists solely of non-executive Directors and is considered to be entirely independent. The Board considers at least annually the level of the Board's fees, in accordance with the AIC Code.

REMUNERATION POLICY

As at the date of this report, the Board comprised 3 Directors, all of whom are non-executive. Due to the size of the Company and the Board, there is not a separate Remuneration Committee. Being wholly comprised of non-executive Directors, the whole Board considers these matters.

Each Director receives a fixed fee per annum based on their roles and responsibility within the Company and the time commitment required. It is not considered appropriate that Directors' remuneration should be performance related and none of the Directors are eligible for pension benefits, share options, long term incentive schemes or other benefits in respect of their services as non-executive Directors of the Company.

The maximum annual limit of aggregate fees payable to the Directors was set at the time of its incorporation on 11 March 2019 at £500,000 per annum. The Chairman will be entitled to an additional fee of £10,000 per annum and the Audit and Risk Committee Chair will be entitled to an additional fee of £5,000 per annum. The Board may grant special remuneration to any Director who performs any special or extra services to or at the request of the Company.

The Articles of Association provide that all of the Directors who are Directors at the date of the notice covering each AGM shall retire from office and each Director may offer themselves for re-election, in accordance with corporate governance best practice.

All of the Directors have been provided with letters of appointment, subject to re-election by Shareholders.

A Director's appointment may at any time be terminated by and at the discretion of either party upon written notice. A Director's appointment will automatically end without any right to compensation whatsoever if they are not re-elected by the Shareholders. A Director's appointment may also be terminated with immediate effect and without compensation in certain other circumstances. Being non-executive Directors, none of the Directors have a service contract with the Company.

The Company's Remuneration Policy was approved at its first AGM on 21 May 2020, with shareholders voting 93.4 percent in favour and 6.6 percent of votes against. The terms and conditions of appointment of non-executive Directors are available for inspection from the Company's registered office.

ANNUAL REPORT ON REMUNERATION (AUDITED INFORMATION)

The table below shows all remuneration earned by each individual Director during the year/period:

	PAID IN THE YEAR TO 31 DECEMBER 2020 $	PAID IN THE PERIOD TO 31 DECEMBER 2019 $
Reuben Jeffery, III (Chairman) – £45k p.a.	56,821	43,160
Emma Davies (Audit & Risk Committee Chair) – £40k p.a.	50,507	38,364
Edward Cumming-Bruce (Nomination Committee Chair) – £35k p.a.	44,194	33,569
Total	151,522	115,093

Amounts paid to Directors as reimbursement of travel and other incidental expenses during the year/period were:

	PAID IN THE YEAR TO 31 DECEMBER 2020 $	PAID IN THE PERIOD TO 31 DECEMBER 2019 $
Reuben Jeffery, III	12,204	50,000
Edward Cumming-Bruce	–	245
Total	12,204	50,245

None of the Directors received any other remuneration or additional discretionary payments during the year from the Company (2019: $Nil).

DIRECTORS' INTERESTS (AUDITED INFORMATION)

Directors who held office during the year and had interests in the Ordinary Shares of the Company as at 31 December 2020 are given in the table below. There were no changes to the interests of each Director as at the date of this report.

	ORDINARY SHARES OF $0.01 EACH HELD AT 31 DECEMBER 2020	ORDINARY SHARES OF $0.01 EACH HELD AT 31 DECEMBER 2019
Reuben Jeffery, III	50,000	25,000
Emma Davies	45,000	25,000
Edward Cumming-Bruce	50,000	25,000

RELATIVE IMPORTANCE OF SPEND ON PAY

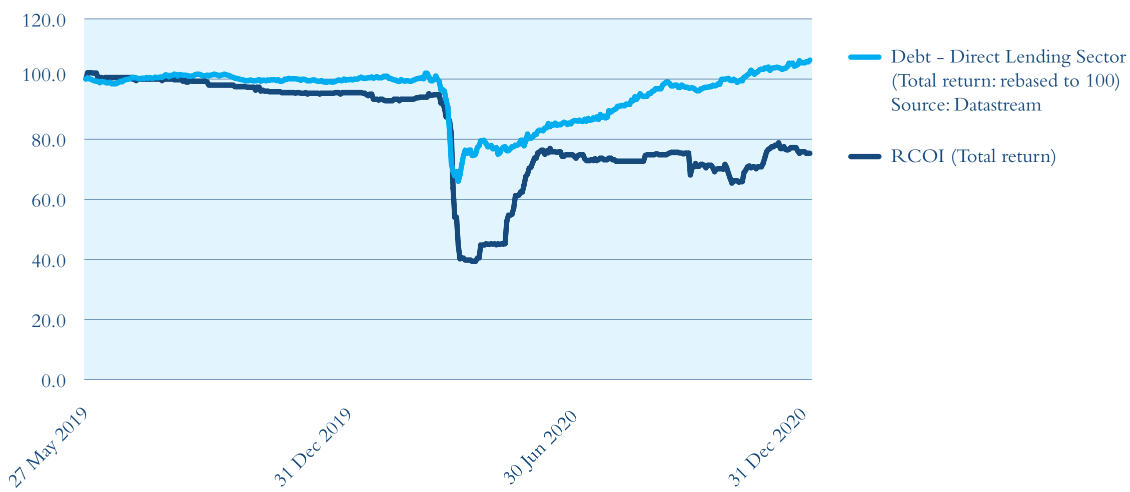
The remuneration of the Directors with respect to the year totalled $151,522 (2019: $115,093) in comparison to dividends paid or declared to Shareholders with respect to the year of $6.7 million (2019: $2.6 million).

DIRECTORS' REMUNERATION REPORT *continued*

COMPANY PERFORMANCE

The graph below compares the total return to Shareholders compared to the AIC Investment Trust Direct Lending sector index, which is not sector specific to energy. The performance of the AIC Investment Trust Direct Lending sector index is shown as a market reference for investors.

Total Shareholder Return vs AIC Investment Trust: Debt – Direct Lending Sector (Not Sector Specific to Energy)



On behalf of the Board

REUBEN JEFFERY, III
Chairman
17 February 2021

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Company financial statements in accordance with IFRS, in conformity with the Companies Act. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS in conformity with the Companies Act, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Report of the Directors, a Strategic Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.

WEBSITE PUBLICATION

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

DIRECTORS' RESPONSIBILITIES PURSUANT TO DTR4

The Directors confirm that to the best of their knowledge:

- the Company's financial statements have been prepared in accordance with IFRS in conformity with the Companies Act and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

REUBEN JEFFERY, III
Chairman
17 February 2021

All capitalised terms are defined in the list of defined terms on pages 82 to 83 unless separately defined.

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report forms part of the Report of the Directors as further disclosed on pages 30 to 33. The Board operates under a framework for corporate governance which is appropriate for an investment company. The Company is not required to comply with the UK Listing Rules, however as a matter of good corporate governance, the Company voluntarily complies with the provisions of the Listing Rules applicable to closed-ended investment companies.

The Company became a member of the AIC with effect from 28 May 2019 and has therefore put in place arrangements to comply with the AIC Code and, in accordance with the AIC Code, complies with the UK Code. The AIC Code and the AIC Guide are available on the AIC's website, www.theaic.co.uk. The UK Code is available on the Financial Reporting Council's website, www.frc.org.uk.

The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies such as the Company. The Board considers that reporting against the principles and recommendations of the AIC Code, by reference to the AIC Guide, provides better information to Shareholders.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers that the above provisions are not currently relevant to the position of the Company, being an externally managed investment company, which delegates most day-to-day functions to third parties.

The Company does not have a chief executive or any executive directors. The Company has not established a separate remuneration committee as the Company has no executive officers, nor has it established a Senior Independent Director due to the size of the Board and the Company. The Board is satisfied that any relevant issues that arise can be properly considered by the Board.

The Company has no employees or internal operations and has therefore not reported further in respect of these provisions. The need for an internal audit function is discussed in the Audit and Risk Committee Report.

THE BOARD

The Company is led and controlled by a Board of Directors, which is collectively responsible for the long-term success of the Company. It does so by creating and preserving value, and has as its foremost principle acting in the interests of Shareholders.

The Company believes that the composition of the Board is a fundamental driver of its success, as the Board must provide strong and effective leadership of the Company. The current Board was selected, as their biographies illustrate, to bring a breadth of knowledge, skills and business experience to the Company. The non-executive Directors provide independent challenge and review, bringing wide experience, specific expertise and a fresh objective perspective.

As at the date of this report, the Board consists of three non-executive Directors, all of whom are independent of the Company's Investment Manager. All Directors were appointed on 2 April 2019 and served throughout the year. The AIC Code requires that Directors be subject to an annual election by shareholders, and the Directors comply with this requirement. All of the Directors shall offer themselves for re-election at the forthcoming AGM. Having considered their effectiveness, demonstration of commitment to the role, length of service, attendance at meetings and contribution to the Board's deliberations, the Board approves the nomination for re-election of all of the Directors.

At each subsequent AGM of the Company, each of the Directors at the date of the notice convening the AGM shall retire from office and may offer themselves for election or re-election by the Shareholders, in accordance with corporate governance best practice.

The Chairman of the Board is independent and is appointed in accordance with the Company's Articles of Incorporation. Mr. Jeffery is considered to be independent because he:

- has no current or historical employment with the Investment Manager;
- has no current directorships or partnerships in any other investment funds managed by the Investment Manager; and
- is not an executive of a self-managed company or an ex-employee who has left the executive team of a self-managed company within the last five years.

The Board meets at least four times a year for regular, scheduled meetings and should the nature of the activity of the Company require it, additional meetings may be held, some at short notice. At each meeting, the Board follows a formal agenda that covers the business to be discussed. The primary focus at Board meetings is a review of investment performance and associated matters such as asset allocation, share price discount/premium management, investor relations, peer group information, gearing, industry issues and principal risks and uncertainties in particular those identified in the Strategic Report on pages 6 to 21.

The Board may request to be supplied in a timely manner with information by the Investment Manager, Administrator, Company Secretary and other advisers in a form and of a quality to enable it to discharge its duties.

The Company has adopted a share dealing code for the Board and will seek to ensure compliance by the Board and relevant personnel of the Investment Manager and other third party service providers with the terms of the share dealing code.

OUR CULTURE

The Board discussed the Company's culture over the course of the year. It was agreed that the Company's culture is built around that of the Investment Manager, with a focus on long lasting relationships with a diverse investor base; sustainable investment excellence; and a world class team demonstrating extensive industry knowledge. The Board will continue to monitor the Company's culture on an annual basis through continued engagement with shareholders and management.

DIVERSITY POLICY

The Board monitors developments in corporate governance to ensure the Board remains aligned with best practice especially with respect to the increased focus on diversity. The Board acknowledges the importance of diversity, including gender, for the effective functioning of the Board and commits to supporting diversity in the boardroom. It is the Board's ongoing aspiration to have a well diversified representation. The Board also values diversity of business skills and experience because Directors with diverse skills sets, capabilities and experience gained from different geographical backgrounds enhance the Board by bringing a wide range of perspectives to the Company.

As at the date of this report, the Board comprised 2 men and 1 woman, all non-executive Directors who are considered to be independent of the Investment Manager and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

The Investment Manager has a diverse employee base and continues to dedicate recruiting resources to increasing diversity across all positions and levels.

CORPORATE GOVERNANCE REPORT *continued*

BOARD TENURE AND RE-ELECTION

As the Company was incorporated on 11 March 2019, no issues have arisen to be considered by the Board with respect to long tenure. In accordance with the AIC Code, in the event that any Director, including the Chairman, shall have been in office (or on re-election would at the end of that term of office) for more than nine years the Company will consider further whether there is a risk that such a Director might reasonably be deemed to have lost independence through such long service. The Board will consider its composition and succession planning on an ongoing basis. All Directors will stand for annual re-election at each AGM. In accordance with the AIC Code, the Board recognises that Directors serving nine years or more may appear to have their independence impaired. However, the Board may nonetheless consider Directors to remain independent and will provide a clear explanation within future Annual Report and Financial Statements as to its reasoning.

A Director who retires at an AGM may, if willing to continue to act, be elected or re-elected at that meeting. If, at a general meeting at which a Director retires, the Company neither re-elects that Director nor appoints another person to the Board in the place of that Director, the retiring Director shall, if willing to act, be deemed to have been re-elected unless at the general meeting it is resolved not to fill the vacancy or unless a resolution for the re-election of the Director is put to the meeting and not passed. Directors are appointed under letters of appointment.

DUTIES AND RESPONSIBILITIES

The Board has overall responsibility for the Company's activities, including reviewing its investment activity, performance, business conduct and policy. The Directors also review and supervise the Company's delegates and service providers, including the Investment Manager.

The Directors may delegate certain functions to other parties. In particular, the Directors have delegated responsibility for management of the Company's portfolio of investments to the Investment Manager.

The Board retains direct responsibility for certain matters, including (but not limited to):

- approving the Company's long term objective and any decisions of a strategic nature including any change in investment objective, policy and restrictions, including those which may need to be submitted to Shareholders for approval;
- reviewing the performance of the Company in light of the Company's strategy objectives and budgets ensuring that any necessary corrective action is taken;
- the appointment, overall supervision and removal of key service providers and any material amendments to the agreements or contractual arrangements with any key delegates or service providers;
- approving quarterly dividends and the Company's dividend policy;
- approving any transactions with "related parties" for the purposes of the Company's voluntary compliance with the applicable sections of the UK Listing Rules;
- the review of the Company's valuation policy;
- the review of the Company's corporate governance arrangements; and
- approving any actual or potential conflicts of interest.

The Directors have access to the advice and services of the Administrator, who is responsible to the Board for ensuring that Board procedures are followed and that it complies with applicable law and regulations of the LSE. Where necessary, in carrying out their duties, the Directors may seek independent professional advice and services at the expense of the Company. The Company maintains Directors' and officers' liability insurance in respect of legal action against its Directors on an ongoing basis.

The Board's responsibilities for the Annual Report are set out in the Directors' Responsibility Statement. The Board has responsibility for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable it to ensure that the financial statements comply with applicable regulation. It is the Board's responsibility to present a fair, balanced and understandable Annual Report, which provides the information necessary for Shareholders to assess the performance, strategy and business model of the Company. This responsibility extends to the half-yearly financial reports, quarterly portfolio valuations and other price-sensitive public reports.

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

One of the key criteria the Company uses when selecting non-executive Directors is their confirmation prior to their appointment that they will be able to allocate sufficient time to the Company to discharge their responsibilities in a timely and effective manner.

The Board formally met 10 times during the year.

Directors are encouraged when they are unable to attend a meeting to give the Chairman their views and comments on matters to be discussed, in advance. In addition to their meeting commitments, the non-executive Directors also liaise with the Investment Manager whenever required and there is regular contact outside the Board meeting schedule.

Attendance is further set out below:

	BOARD MEETINGS (MAX 10)		AUDIT AND RISK COMMITTEE MEETINGS (MAX 4)		NOMINATION COMMITTEE MEETINGS (MAX 1)		MANAGEMENT ENGAGEMENT COMMITTEE MEETINGS (MAX 1)		TENURE AS AT 31 DECEMBER 2020
DIRECTOR	A	B	A	B	A	B	A	B	
Reuben Jeffery, III	10	10	4	4	1	1	1	1	1 year 9 months
Emma Davies	10	10	4	4	1	1	1	1	1 year 9 months
Edward Cumming-Bruce	10	10	4	4	1	1	1	1	1 year 9 months

Column A: indicated the number of meetings held during the year.
Column B: indicates the number of meetings attended by the Director during the year.

A quorum is comprised of any two or more members of the Board from time to time, to perform administrative and other routine functions on behalf of the Board, subject to such limitations as the Board may expressly impose on this committee from time to time.

COMMITTEES OF THE BOARD

The Board believes that it and its committees have an appropriate composition and blend of skills, experience, independence and diversity of backgrounds to discharge their duties and responsibilities effectively. The Board is of the view that no one individual or small group dominates decision-making. The Board keeps its membership, and that of its committees, under review to ensure that an acceptable balance is maintained, and that the collective skills and experience of its members continue to be refreshed. It is satisfied that all Directors have sufficient time to devote to their roles and that undue reliance is not placed on any individual.

Each committee of the Board has written terms of reference, approved by the Board, summarising its objectives, remit and powers, which are available on the Company's website and reviewed on an annual basis. All committee members are provided with appropriate induction on joining their respective committees, as well as on-going access to training. Minutes of all meetings of the committees are made available to all Directors and feedback from each of the committees is provided to the Board by the respective committee Chairmen at the next Board meeting. The Chairman of each committee attends the AGM to answer any questions on their committee's activities.

The Board and its committees are supplied with regular, comprehensive and timely information in a form and of a quality that enables them to discharge their duties effectively. All Directors are able to make further enquiries of management whenever necessary, and have access to the services of the Company Secretary.

CORPORATE GOVERNANCE REPORT *continued*

Audit and Risk Committee

The Audit and Risk Committee is chaired by Ms. Davies and comprises all of the non-executive Directors. The Audit and Risk Committee, the Investment Manager, the Administrator and the external auditor, Ernst & Young LLP, have held discussions regarding the audit approach and identified risks. The external auditor attends Audit and Risk Committee meetings and a separate private meeting is held routinely with the external auditor to afford them the opportunity of discussions without the presence of management. The Audit and Risk Committee activities are contained in the Report of the Audit and Risk Committee on pages 46 to 49.

Nomination Committee

The Nomination Committee meets at least once a year pursuant to its terms of reference. The Nomination Committee is chaired by Mr. Cumming-Bruce and comprises all of the non-executive Directors.

The Nomination Committee is convened for the purpose of considering the appointment of additional Directors as and when considered appropriate. The Nomination Committee recognises the continuing importance of planning for the future and ensuring that succession plans are in place. In considering appointments to the Board, the Nomination Committee will take into account the ongoing requirements of the Company and evaluate the balance of skills, experience, independence, and knowledge of each candidate. Therefore, appointments will be made on personal merit and against objective criteria with the aim of bringing new skills and different perspectives to the Board whilst taking into account the existing balance of knowledge, experience and diversity.

In the case of candidates for non-executive directorships, care will be taken to ascertain that they have sufficient time to fulfil their Board and, where relevant, committee responsibilities. The Board believes that the terms of reference of the Nomination Committee ensure that it operates in a rigorous and transparent manner. The Board believes that, as a whole, it comprises an appropriate balance of skills, experience and knowledge. The Board also believes that diversity of experience and approach, including gender diversity, amongst Board members is of great importance and it is the Company's policy to give careful consideration to issues of Board balance and diversity when making new appointments.

The Nomination Committee has reviewed the composition, structure and diversity of the Board, succession planning, the independence of the Directors and whether each of the Directors has sufficient time available to discharge their duties effectively. The Committee and the Board confirm that they believe that the Board has an appropriate mix of skills and backgrounds and was selected with that in mind, that a majority of Directors should be considered as independent in accordance with the provisions of the AIC Code and that all Directors have the time available to discharge their duties effectively.

Accordingly, the Board recommends that Shareholders vote in favour of the election of all Directors at the upcoming AGM of the Company.

Management Engagement Committee

The Management Engagement Committee is chaired by Mr. Jeffery and comprises all of the non-executive Directors. The Management Engagement Committee meets at least once a year pursuant to its terms of reference.

The Management Engagement Committee provides a formal mechanism for the review of the performance of the Investment Manager and the Company's other advisors and service providers. It carries out this review through consideration of a number of objective and subjective criteria and through a review of the terms and conditions of the advisors' appointments with the aim of evaluating performance, identifying any weaknesses and ensuring value for money for the Shareholders. On 18 November 2020, the Management Engagement Committee formally reviewed the performance of the Investment Manager and other service providers and confirmed that performance had been satisfactory to date.

The AIC Code recommends that companies appoint a Remuneration Committee, however the Board has not deemed this necessary, as being wholly comprised of non-executive Directors, the whole Board considers these matters.

BOARD PERFORMANCE AND EVALUATION

In accordance with Provision 26 of the AIC Code, the Board is required to undertake a formal and rigorous evaluation of its performance on an annual basis. Such an evaluation of the performance of the Board as whole, the Audit and Risk Committee, the Nomination Committee, the Management Engagement Committee, individual Directors and the Chairman will be carried out under the mandate of the Nomination Committee. The Board believes that the current mix of skills, experience, knowledge and age of the Directors is appropriate to the requirements of the Company.

On 18 November 2020, the Management Engagement Committee conducted an internal evaluation of the Board, the Audit and Risk Committee and individual Directors. This was in the form of performance appraisal, questionnaires and discussion to determine effectiveness and performance in various areas, as well as the Directors' continued independence and tenure. This process was facilitated by the Company Secretary. The review concluded that the overall performance of the Board and Audit and Risk Committee was satisfactory and the Board was confident in its ability to continue to govern the Company effectively.

New Directors receive an induction on joining the Board and regularly meet with the senior management employed by the Investment Manager both formally and informally to ensure that the Board remains regularly updated on all issues. All members of the Board are members of professional bodies and serve on other Boards, which ensures they are kept abreast of the latest technical developments in their areas of expertise.

The Board arranges for presentations from the Investment Manager, the Company's brokers and other advisors on matters relevant to the Company's business. The Board will assess the training needs of Directors on an annual basis.

INTERNAL CONTROL AND FINANCIAL REPORTING

The Directors acknowledge that they are responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness. Internal control systems are designed to manage rather than eliminate the failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatements or loss. However, the Board's objective is to ensure that the Company has appropriate systems in place for the identification and management of risks. The Directors carry out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. As further explained in the Audit and Risk Committee Report, the risks of the Company are outlined in a risk matrix which was reviewed and updated during the year. The Board continually reviews its policy setting and updates the risk matrix at least quarterly to ensure that procedures are in place with the intention of identifying, mitigating and minimising the impact of risks should they crystallise.

The key procedures which have been established to provide internal control are that:

- the Board has delegated the day-to-day operations of the Company to the Administrator and Investment Manager; however, it retains accountability for all functions it delegates;
- the Board clearly defines the duties and responsibilities of the Company's agents and advisors and appointments are made by the Board after due and careful consideration. The Board monitors the ongoing performance of such agents and advisors and will continue to do so through the Management Engagement Committee;
- the Board monitors the actions of the Investment Manager at regular Board meetings and is given frequent updates on developments arising from the operations and strategic direction of the underlying investee companies;
- the Administrator provides administration and company secretarial services to the Company. The Administrator maintains a system of internal control on which they report to the Board; and
- the Board has reviewed the need for an internal audit function and has decided that the systems and procedures employed by the Administrator and Investment Manager, including their own internal controls and procedures, provide sufficient assurance that an appropriate level of risk management and internal control, which safeguards Shareholders' investments and the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

CORPORATE GOVERNANCE REPORT *continued*

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes. The Administrator and Investment Manager both operate risk controlled frameworks on a continual ongoing basis within a regulated environment. The Administrator formally reports to the Board quarterly through a compliance report and holds the International Standard on Assurance Engagements (ISAE) 3402 Type 2 certification. This entails an independent rigorous examination and testing of their controls and processes. The Investment Manager formally reports to the Board quarterly including updates within Riverstone and also engages with the Board on an ad-hoc basis as required. No weaknesses or failings within the Administrator or Investment Manager have been identified.

The systems of control referred to above are designed to ensure effectiveness and efficient operation, internal control and compliance with laws and regulations. In establishing the systems of internal control, regard is paid to the materiality of relevant risks, the likelihood of costs being incurred and costs of control. It follows therefore that the systems of internal control can only provide reasonable but not absolute assurance against the risk of material misstatement or loss. This process has been in place for the year under review and up to the date of approval of this Annual Report and financial statements. It is reviewed by the Board and is in accordance with the FRC's internal control publication: Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

INVESTMENT MANAGEMENT AGREEMENT

The Investment Manager has been appointed as the sole investment manager of the Company and the SPVs. Pursuant to the Investment Management Agreement, the Investment Manager has responsibility for and discretion over investing and managing the Company's and the SPVs' direct and indirect assets, subject to and in accordance with the Company's investment policy. The Investment Manager is entitled to delegate all or part of its functions under the Investment Management Agreement to one or more of its affiliates. A summary of the fees paid to the Investment Manager are given in note 12 to the financial statements.

The Investment Manager's appointment is terminable by the Investment Manager or the Company on not less than 12 months' notice, such notice not to expire prior to the third anniversary of Admission. The Investment Management Agreement may be terminated with immediate effect and without compensation, by either the Investment Manager or the Company if the other party has gone into liquidation, administration or receivership or has committed a material breach of the Investment Management Agreement.

The Company has delegated the provision of all services to external service providers whose work is overseen by the Management Engagement Committee at its regular scheduled meetings. Each year, a detailed review of performance pursuant to their terms of engagement is undertaken by the Management Engagement Committee.

The Board as a whole reviewed the Company's compliance with the UK Code, the Listing Rules, the Disclosure Guidance and Transparency Rules and the AIC Code. In accordance with Listing Rule 15.6.2(2)R and having formally appraised the performance and resources of the Investment Manager, in the opinion of the Directors the continuing appointment of the Investment Manager on the terms agreed is in the interests of the Shareholders as a whole. The Board is pleased with the performance of the investment manager, based on the selection of high quality E&P and midstream investments.

RELATIONS WITH SHAREHOLDERS

The Board welcomes Shareholders' views and places great importance on communication with its Shareholders. The Company's AGM provides a forum for Shareholders to meet and discuss issues with the Directors of the Company. The Chairman and other Directors are also available to meet with Shareholders at the AGM to hear their views and discuss any issues or concerns, including in relation to Board composition, governance and strategy, or at other times, if required.

The Company reports formally to Shareholders in a number of ways; regulatory news releases through the London Stock Exchange's Regulatory News Service, announcements are issued in response to events or routine reporting obligations. Also, an Interim Report will be published each year outlining performance to 30 June and the Annual Report will be published each year for the year ended 31 December, both of which will be made available on the Company's website. In addition, the Company's website contains comprehensive information, including company notifications, share information, financial reports, investment objectives and policy, investor contacts and information on the Board and corporate governance. Shareholders and other interested parties can subscribe to email news updates by registering online on the website.

The Directors and Investment Manager receive informal feedback from analysts and investors, which is presented to the Board by the Company's Broker. The Company Secretary also receives informal feedback via queries submitted through the Company's website and these are addressed by the Board, the Investment Manager or the Company Secretary, where applicable.

OTHER STAKEHOLDERS

The wider stakeholders of the Company comprise its service providers, investee companies and suppliers and the Board recognises and values these stakeholders.

As an investment trust with no employees the Company's relationship with its service providers, including the Investment Manager, is of particular importance. Service providers have been selected and engaged based on due diligence and references including consideration of their internal controls and expertise. The Company has established a Management Engagement Committee, who will review the performance of each service provider annually and provide feedback as appropriate, to maintain good working relationships.

The Company's investment helps to ensure that the investee companies have the resources to perform well, which helps to drive the local economies in which these companies are located. Responsible investing principles have been applied to each of the investments made, which ensures that appropriate due diligence has been conducted and that the terms of the investments are clearly set out and agreed with investee companies in advance. During the year, the Investment Manager contacted all Borrowers to make sure that they have the appropriate plans and resources in place to prioritise the health and safety of their employees in light of the COVID-19 pandemic, as well as to assess supply chain disruptions and ensure the normal operations of their business.

The Board recognises that relationships with suppliers are enhanced by prompt payment and the Company's Administrator, in conjunction with the Investment Manager, ensures all payments are processed within the contractual terms agreed with the individual suppliers.

WHISTLEBLOWING

The Board has considered arrangements by which staff of the Investment Manager or Administrator may, in confidence, raise concerns within their respective organisations about possible improprieties in matters of financial reporting or other matters. It has concluded that adequate arrangements are in place for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow-up action to be taken within their organisation.

By order of the Board

REUBEN JEFFERY, III
Chairman
17 February 2021

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee, chaired by Ms. Emma Davies, operates within clearly defined terms of reference, which are available from the Company's website, and include all matters indicated by Disclosure Guidance and Transparency Rule 7.1, the AIC Code and the UK Code. Its other members are Mr. Reuben Jeffery, III and Mr. Edward Cumming-Bruce. Members of the Audit and Risk Committee must be independent of the Company's external auditor and Investment Manager. Although Mr. Reuben Jeffery, III is Chairman of the Company, the Board believes that it is appropriate for him to be a member of the Audit and Risk Committee, given the size of the Company's Board. The Audit and Risk Committee will meet no less than three times in a year, and at such other times as the Audit and Risk Committee Chair shall require, and will meet the external auditor at least once a year.

The Committee members have considerable financial and business experience and the Board has determined that the membership as a whole has sufficient recent and relevant sector and financial experience to discharge its responsibilities and that at least one member has competence in accounting or auditing.

RESPONSIBILITIES

The main duties of the Audit and Risk Committee are:

- to monitor the integrity of the Company's financial statements and regulatory announcements relating to its financial performance and review significant financial reporting judgements;
- to report to the Board on the appropriateness of the Company's accounting policies and practices;
- to consider the ongoing assessment of the Company as a going concern and assessment of longer term viability;
- to review the valuations of the Company's investments prepared by the Investment Manager, and provide a recommendation to the Board on the valuation of the Company's investments;
- to oversee the relationship with the external auditor, including agreeing their remuneration and terms of engagement, review their reporting, monitoring their independence, objectivity and effectiveness, ensuring that any non-audit services are appropriately considered, and making recommendations to the Board on their appointment, reappointment or removal, for it to put to the Shareholders in general meeting;
- to monitor and consider annually whether there is a need for the Company to have its own internal audit function;
- to keep under review the effectiveness of the Company's internal controls, including financial controls and risk management systems;
- to review and consider the UK Code, the AIC Code, and the AIC Guidance on Audit Committees; and
- to report to the Board on how it has discharged its responsibilities.

The Audit and Risk Committee is aware that certain sections of the Annual Report are not subject to formal statutory audit, including the Chairman's Statement, the Investment Manager's Report and certain sections of the Directors' Remuneration Report. Financial information in these sections is reviewed by the Audit and Risk Committee.

The Audit and Risk Committee is required to report its findings to the Board, identifying any matters on which it considers that action or improvement is needed, and make recommendations on the steps to be taken.

The external auditor was invited to attend the Audit and Risk Committee meetings at which the Annual Report and Interim Financial Report were considered. They have the opportunity to meet with the Committee without representatives of the Investment Manager or Administrator being present at least once per year.

FINANCIAL REPORTING

The primary role of the Audit and Risk Committee in relation to financial reporting is to review with the Administrator, the Investment Manager and the external auditor and report to the Board on the appropriateness of the Annual Report and financial statements and Interim Financial Report, concentrating on, amongst other matters:

- the quality and acceptability of accounting policies and practices;
- the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;

- material areas in which significant judgements have been applied or where there has been discussion with the external auditor including going concern and viability statement;
- whether the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy; and
- any correspondence from regulators in relation to financial reporting.

To aid its review, the Audit and Risk Committee considers reports from the Administrator and the Investment Manager and also reports from the external auditor on the outcomes of their half-year review and annual audit.

MEETINGS

During the year ended 31 December 2020, the Audit and Risk Committee met four times formally and there was ongoing liaison and discussion between the external auditor and the Audit and Risk Committee Chair with regards to the audit approach and the identified risks.

The matters discussed at those meetings include:

- review of the terms of reference of the Audit and Risk Committee for approval by the Board;
- review of the accounting policies and format of the financial statements;
- review and approval of the audit plan of the external auditor;
- discussion and approval of the fee for the external audit;
- detailed review of the valuations of the Company's investment portfolio and recommendation for approval by the Board;
- detailed review of the Interim Report and quarterly portfolio valuations, and recommendation for approval by the Board;
- assessment of the independence of the external auditor;
- assessment of the effectiveness of the external audit process as described below; and
- review of the Company's key risks and internal controls.

After the year ended 31 December 2020, the Audit and Risk Committee met on 17 February 2021 to review the results of the audit and to consider and approve the Annual Report.

SIGNIFICANT AREAS OF JUDGEMENT CONSIDERED BY THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee has determined that a key risk of misstatement of the Company's financial statements relates to the valuation of its investments at fair value through profit or loss, in the context of the judgements necessary to evaluate market values of the underlying investments. There is also an inherent risk of management override as the Investment Manager's Profit Share is calculated based on revenue recognition and the NAV, as disclosed in note 12 to the financial statements. The Investment Manager is responsible for calculating the NAV with the assistance of the Administrator, prior to approval by the Board.

In view of the Company's investments and the nature of the assets, no adjustment to the NAV of the investments has been made, as this is deemed equivalent to fair value.

The Audit and Risk Committee reviews, considers and, if thought appropriate, recommends for the purposes of the Company's financial statements, valuations prepared by the Investment Manager in respect of the investments.

As outlined in note 4 to the financial statements, the total carrying value of the investments at fair value through profit or loss at 31 December 2020 was $88.5 million (2019: $91.5 million).

On a quarterly basis, the Investment Manager provides a detailed analysis of the NAV. This analysis is considered and challenged by the Audit and Risk Committee and subsequently approved by the Board. The Audit and Risk Committee has satisfied itself that the key estimates and assumptions used in the valuation model are appropriate and that the investments have been fairly valued.

All capitalised terms are defined in the list of defined terms on pages 82 to 83 unless separately defined.

AUDIT AND RISK COMMITTEE REPORT *continued*

The valuation for each individual investment held by the SPVs is determined by reference to common industry valuation techniques, including comparable public market valuation, comparable merger and acquisition transaction valuation, and discounted cash flow valuation, as detailed in notes 2 and 4 to the financial statements.

The valuation process and methodology was discussed with the Investment Manager and with the external auditor at the Audit and Risk Committee meetings held on 19 February 2020 and 17 February 2021. Due to the illiquid and subjective nature of the Company's investments, the Investment Manager uses an independent third party valuation provider to prepare quarterly valuations and has provided a detailed valuation report to the Company at each quarter.

Profit Share payable to the Investment Manager is based in part on NAV and calculated in accordance with the Investment Management Agreement, as summarised in note 12 to the financial statements. The Investment Manager sets out a schedule of revenue and capital profits on a quarterly and year-to-date basis, from which the Profit Share payable by the Company may be derived. This schedule is reviewed by the Administrator quarterly and by the Auditor semi-annually. As the Audit and Risk Committee comprises all Board members, the allocation of revenue profits between potential dividend payments to Shareholders and Profit Share payable to the Investment Manager may be considered by the full Board at regular Board meetings.

The external auditor has explained the results of their audit work on valuations in the Independent Auditor's Report on pages 50 to 57. There were no adjustments proposed that were material in the context of the Annual Report and financial statements as a whole.

RISK MANAGEMENT

The Board is accountable for carrying out a robust assessment of the principal risks facing the Company, including those threatening its business model, future performance, solvency and liquidity. On behalf of the Board, the Audit and Risk Committee reviews the effectiveness of the Company's risk management processes. The Company's risk assessment process and the way in which significant business risks are managed is a key area of focus for the Audit and Risk Committee. The work of the Audit and Risk Committee was driven primarily by the Company's assessment of its principal risks and uncertainties as set out in the Strategic Report. The Audit and Risk Committee receives reports from the Investment Manager and Administrator on the Company's risk evaluation process and reviews changes to significant risks identified.

INTERNAL AUDIT

The Audit and Risk Committee considers at least once a year whether or not there is a need for an internal audit function. Currently, the Audit and Risk Committee does not consider there to be a need for an internal audit function, given that there are no employees in the Company and all outsourced functions are with parties who have their own internal controls and procedures.

EXTERNAL AUDIT

Ernst & Young LLP has been the Company's external auditor since the Company's incorporation. This is the second year of audit.

The external auditor is required to rotate the audit partner every five years. There are no contractual obligations restricting the choice of external auditor and the Company will put the audit services contract out to tender at least every ten years. Under Companies Law, the reappointment of the external auditor is subject to Shareholder approval at the AGM. The Audit and Risk Committee will continue to monitor the performance of the external auditor on an annual basis and will consider their independence and objectivity, taking account of appropriate guidelines. In addition, the Committee Chair will continue to maintain regular contact with the lead audit partner outside the formal Committee meeting schedule, not only to discuss formal agenda items for upcoming meetings, but also to review any other significant matters.

The Audit and Risk Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the external auditor, with particular regard to the level of any non-audit fees. Notwithstanding such services, the Audit and Risk Committee considers Ernst & Young LLP to be independent of the Company and that the provision of such non-audit services is not a threat to the objectivity and independence of the conduct of the audit.

To further safeguard the objectivity and independence of the external auditor from becoming compromised, the Audit and Risk Committee are aware of the EU Directive that imposes a cap on fees to be charged by a company's external auditor for non-audit services at 70 percent of the average statutory audit fees for the previous 3 years. This precludes Ernst & Young LLP from providing certain services such as valuation work or the provision of accounting services and also sets a presumption that Ernst & Young LLP should only be engaged for non-audit services where they are best placed to provide those services, for example the interim review and reporting accountant services. Note 10 details services provided by Ernst & Young LLP during the year.

To fulfil its responsibility regarding the independence of the external auditor, the Audit and Risk Committee considers:

- discussions with or reports from the external auditor describing its arrangements to identify, report and manage any conflicts of interest; and
- the extent of non-audit services provided by the external auditor.

To assess the effectiveness of the external auditor, the committee reviews:

- the external auditor's fulfilment of the agreed audit plan and variations from it;
- discussions or reports highlighting the major issues that arose during the course of the audit; and
- feedback from other service providers evaluating the performance of the audit team.

During 2021, Ernst & Young LLP reported a breach of the rules of the FRC Ethical Standards to the Audit and Risk Committee. The breach occurred as a result of the provision of prohibited non-audit services by Ernst & Young LLP in relation to the review of the Company's Key Investor Information Document, which is required to be produced by the Investment Manager under the Alternative Investment Fund Managers Directive ('AIFMD'), where the Company is viewed to have benefited from those services. In considering this matter, the Audit Committee concluded that the independence of Ernst & Young LLP was not impaired, reflecting that there is no impact of the services on the Company's financial statements, the fact that the work was undertaken by personnel who were wholly separate to the audit team, and that no reliance was placed by the audit team on the output of the services.

In light of the above, the Audit and Risk Committee is satisfied that the non-audit services performed during 2021 have not impaired the independence of Ernst & Young LLP in its role as external auditor. Further information on non-audit fees is provided in note 10 to the Financial Statements on page 73.

The Audit and Risk Committee is satisfied with Ernst & Young LLP's effectiveness and independence as external auditor having considered the degree of diligence and professional scepticism demonstrated by them. Having carried out the review described above, and having satisfied itself that the external auditor remains independent and effective, the Audit and Risk Committee has recommended to the Board that Ernst & Young LLP be reappointed as external auditor for the year ending 31 December 2021.

The Audit and Risk Committee has provided the Board with its recommendation to the Shareholders on the re-appointment of Ernst & Young LLP as external auditor for the year ending 31 December 2021. Accordingly, a resolution proposing the reappointment of Ernst & Young LLP as our external auditor will be put to Shareholders at the AGM.

On behalf of the Audit and Risk Committee

EMMA DAVIES
Audit and Risk Committee Chair
17 February 2021

All capitalised terms are defined in the list of defined terms on pages 82 to 83 unless separately defined.

INDEPENDENT AUDITOR'S REPORT

to the Members of Riverstone Credit Opportunities Income Plc

OPINION

We have audited the financial statements of Riverstone Credit Opportunities Income Plc (the "Company") for the year ended 31 December 2020 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, Statement of Cash Flows and the related notes 1 to 18, including a summary of significant accounting policies. The financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. Taking into consideration the breach of FRC's Revised Ethical Standard 2019 Section 5.40 as explained in the 'Other matters we are required to address' section below, we are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

- Confirming our understanding of the Directors' going concern assessment process and also engaging with the Investment Manager early to ensure all key factors were considered in their assessment;
- Discussing with the Investment Manager and the Directors whether events or conditions exist that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern.
- Obtaining the Directors' going concern assessment and ascertaining that this covers a period of at least twelve months from the date of approval of the financial statements.
- Reviewing the assumptions used in the cash-flow, stress and reverse stress tests prepared by the Investment Manager and Directors, including in response to the COVID-19 pandemic, and challenged the assumptions made by them in the preparation of these tests. We also considered the likelihood of the occurrence of the reverse test scenario.
- Reviewing the Directors' assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity and comparing them to our understanding of the Company's risks.
- Challenging whether the Directors' statements in relation to going concern required under the Listing Rules of the UK Listing Authority are consistent with our own knowledge and understanding of the business.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period assessed by the Directors, being the period to 30 June 2022, more than 12 months from the date the financial statements were authorised for issue.

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

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

OVERVIEW OF OUR AUDIT APPROACH

Key audit matters	• Risk of incorrect calculation and allocation of the profit share payable to the Investment Manager • Risk of incorrect valuation of investments and resulting impact on the income statement • Risk of incomplete or inaccurate revenue recognition with respect to payment in kind ('PIK') interest
Materiality	• Overall materiality of $955k which represents 1% of net assets.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account: size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

As a result of COVID-19, we were unable to meet physically with the Investment Manager and management's valuation specialists in person during the course of our audit. These meetings were conducted virtually and all audit queries were discussed over video conferencing. The audit team encountered no difficulties in connecting virtually with the Investment Manager, Administrator or the Directors and were able to execute the audit fieldwork effectively.

INDEPENDENT AUDITOR'S REPORT *continued*

KEY AUDIT MATTERS

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

RISK	OUR RESPONSE TO THE RISK	KEY OBSERVATIONS COMMUNICATED TO THE AUDIT COMMITTEE
Risk of incorrect calculation and allocation of the profit share payable to the Investment Manager ($668k, 2019: $67k) *Refer to the Audit and Risk Committee Report (pages 46 to 49); Accounting policies (pages 62 to 66); and Note 12 of the Financial Statements (page 75).* Per the terms of the Investment Management Agreement ('IMA') and the prospectus ('the agreements'), a profit share is payable to the Investment Manager at a rate of 20% where the Company's distributable income exceeds an amount equal to 4% of the Company's capital. An additional profit share of 10% is payable where the Company's distributable income exceeds an amount equal to 8% of the Company's capital. Certain aspects of the terms within the agreements, are subject to interpretation in their application. As the agreements are open to interpretation, there is a risk that the model used to calculate the profit share payable does not accurately reflect the terms of the agreement. There is also incentive for the Investment Manager to manipulate the model to increase the profit share payable to them. The Investment Manager does not receive any remuneration other than the profit share.	We obtained an understanding of the Investment Manager and Administrator's processes and controls surrounding the profit share calculation, by performing a walkthrough in which we evaluated the design and implementation of controls. We examined the profit share model for consistency with respect to the terms outlined in the agreements, with the assistance of EY modelling specialists. We recalculated the profit share payable to the Investment Manager for the year and agreed the rates used within the calculation to the agreements. We agreed key inputs of the model to supporting evidence, considering additional audit procedures required to be performed over these inputs, where relevant. We verified that each of the performance conditions laid out in the agreements have been met, by comparing the Company's distributable income to the Company's capital. We verified that the capital loss adjustment has been correctly calculated in line with the terms of the agreements. We confirmed that the profit share had been appropriately allocated to the revenue column of the Statement of Comprehensive Income with respect to the nature of the Company's income receipts to date and the basis of calculation for the profit share.	Our audit procedures did not identify any material errors or omissions regarding the calculation and allocation of the profit share payable to the Investment Manager.
Risk of incorrect valuation of investments and resulting impact on the income statement ($88,548k, 2019: $91,541k) *Refer to the Audit and Risk Committee Report (pages 46 to 49); Accounting policies (pages 62 to 66); and Note 4 of the Financial Statements (pages 68 to 71).* The Company invests, via other wholly owned entities, in senior secured loans and other unlisted securities issued by borrowers operating in the energy sector. Third party valuation specialists prepare valuations in accordance with International Financial Reporting Standard 13 ('IFRS 13') Fair Value Measurement and International Private Equity and Venture Capital Valuation ('IPEV) guidelines with certain inputs determined by the Investment Manager, and are reported to the Board quarterly. The valuation of the investments is material, complex and include judgments and significant estimates. There is therefore a risk that the valuation of investments is materially misstated. Unrealised gains or losses are calculated as the difference between the fair value of the investment and the book cost and contribute to a significant portion of the capital returns in the Statement of Comprehensive Income.	We obtained an understanding of the Investment Manager's processes and controls surrounding the trade processing and valuation of investments by performing a walkthrough in which we evaluated the design and implementation of controls. We obtained the valuation models for the related assets to assess whether the valuation methodology adopted is consistent with the requirements of IFRS 13 and IPEV guidelines. We performed the following procedures for each of the underlying assets, using the assistance of EY valuation specialists for a sample of these assets: • We challenged the appropriateness of assumptions used in the application of the valuation models including the discount rate used in the yield analysis performed by management's specialist. • We performed corroborative calculations and compared our results to those determined by management's specialist. We verified key inputs used within the valuation models to supporting documentation. We have considered the impact of COVID-19 throughout the procedures performed on the valuation of investments, by challenging whether the valuation methodologies and assumptions used remained appropriate. We recalculated the unrealised gains/(losses) for the period, considering our procedures performed over the valuation of investments.	Our audit procedures did not identify any material errors or omissions regarding the valuation of investments.

RISK	OUR RESPONSE TO THE RISK	KEY OBSERVATIONS COMMUNICATED TO THE AUDIT COMMITTEE
Risk of incomplete or inaccurate revenue recognition with respect to PIK interest (nil, 2019: $764k) *Refer to the Accounting policies (pages 62 to 66); and Note 4 of the Financial Statements (pages 68 to 71).* An intercompany loan has been made to Riverstone International Credit Corporation ('RICC') which accrues interest at a rate of 9.27% per annum. Interest is also receivable from the loans made, via the SPVs, to investee companies. There is the possibility for interest to be paid in the form of a payment-in-kind ('PIK') at both an intercompany and investee company level. Due to the nature of the underlying investee companies, there is a degree of estimation required to assess the likelihood that any PIK interest accrued, will be recoverable with repayment of the principal loan. There is therefore a risk that any PIK interest accrued may not be fully realisable. The Company's investment objective is to generate consistent shareholder returns, and it is therefore important that revenue is accurately recognised in order for investors to assess whether the Company is meeting this objective.	We obtained an understanding of the Investment Manager and Administrator's processes and controls surrounding the calculation and recognition of PIK interest by performing a walkthrough in which we evaluated the design and implementation of controls. We confirmed that no PIK interest had been recorded at the intercompany level by performing the following procedures: • reviewed the intercompany loan schedule and verified that there were no outstanding PIK balances due at the year end. • recalculated the interest income, vouching key inputs to supporting documentation, and compared this to the amount recorded per the financial statements. • vouched a sample of cash interest repayments in the year to bank statements. For the PIK interest accrued at an investee company level, we: • Obtained the administrator's calculations of PIK interest; • Agreed key inputs to underlying supporting documentation; and • Recalculated the expected PIK interest and compared this to the amount recorded by the Administrator. In order to assess reasonableness and recoverability of the accrued PIK interest, we assessed the performance of the underlying investee companies, with reference to our procedures performed over the valuation of investments.	Our audit procedures did not identify any material errors or omissions regarding the recognition of PIK interest.

Our key audit matters are consistent with those reported in our 2019 Auditor's Report.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

MATERIALITY

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be $955k, which is 1% of net assets. We have derived our materiality calculation based on net assets as we consider it is the most relevant measure to the stakeholders of the Company.

PERFORMANCE MATERIALITY

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgment was that performance materiality was 75% of our planning materiality, namely $716k. We have set performance materiality at this increased percentage based on the fact that there were no material prior year misstatements. We have also confirmed that the internal control environment is consistent with the prior year and there have been no significant changes in circumstances.

INDEPENDENT AUDITOR'S REPORT *continued*

REPORTING THRESHOLD

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $48k, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

OTHER INFORMATION

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

As the Company is listed on the Specialist Fund Segment of the London Stock Exchange, the Directors have voluntarily complied with the UK Corporate Governance Code (the "Code") and have prepared a Corporate Governance Statement in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority ("FCA").

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

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

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 19;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 19 and 20;
- Directors' statement on fair, balanced and understandable set out on page 33;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 17 to 18;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 43 to 44; and
- The section describing the work of the Audit and Risk Committee set out on pages 46 to 49.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 37, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

INDEPENDENT AUDITOR'S REPORT *continued*

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined below, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are International Accounting Standards, the Companies Act 2006 and UK Corporate Governance Code and relevant tax compliance regulation, Section 1158 of the Corporation Tax Act 2010.
- We understood how the Company is complying with those frameworks by making enquiries of the Investment Manager, Company Secretary, and also the Directors including the Chair of the Audit and Risk Committee. We corroborated our understanding through our review of board minutes, papers provided to the Audit and Risk Committee and correspondence received from regulatory bodies.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud and management override risk in relation to the incorrect calculation and allocation of the profit share payable to the Investment Manager and in relation to the incorrect valuation of unquoted investments. Our audit procedures stated above in the 'Key audit matters section' of this Auditor's report were performed to address these identified fraud risks.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business and focused testing, as referred to in the key audit matters section above.

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

OTHER MATTERS WE ARE REQUIRED TO ADDRESS

- Following the recommendation from the Audit and Risk Committee, we were appointed by the Board on 2 April 2019 to audit the financial statements for the period ending 31 December 2019 and subsequent financial periods. We signed an engagement letter on 24 October 2019.

  The period of total uninterrupted engagement including previous renewals and reappointments is two years, covering the period ending 31 December 2019 and year ending 31 December 2020.

- As part of our audit, we identified that certain non-audit services related to the year to 31 December 2020, and prohibited under the FRC Revised Ethical Standard Section 5.40, had been undertaken. This related to the provision of review services relating to the Company's Key Investor Information Document ('KIID'), required to be produced by the Investment Manager under the Alternative Investment Fund Managers Directive (AIFMD). We notified the Audit and Risk Committee of this breach in February 2021. The evaluation of whether our independence was impaired included consideration of the safeguards to independence in connection with the services and the nature of the services. The review service was undertaken by a separate team from the audit team and does not present a self-review threat as the subject matter reviewed as part of this service does not form part of the financial statements. In addition, the work had no element of an advocacy threat. We therefore consider this to be a minor breach of the FRC Revised Ethical Standard Section 5.40 and we do not consider our independence to be impaired. The Audit and Risk Committee agreed with our conclusion and their consideration of this breach is set out on page 49.
- The audit opinion is consistent with the additional report to the Audit and Risk Committee.

USE OF OUR REPORT

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

Ernst + Young LLP.

MIKE GAYLOR (SENIOR STATUTORY AUDITOR)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
17 February 2021

Notes:

1. The maintenance and integrity of the Riverstone Credit Opportunities Income Plc web site is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	31 DECEMBER 2020 $'000	31 DECEMBER 2019 $'000
Non-current assets			
Investments at fair value through profit or loss	4	**88,548**	91,541
		88,548	91,541
Current assets			
Loan interest receivable	4	**1,315**	1,485
Dividends receivable	4	**1,135**	–
Trade and other receivables	6	**84**	102
Cash and cash equivalents		**5,374**	8,549
		7,908	10,136
Current liabilities			
Trade and other payables	7	**(926)**	(326)
Net current assets		**6,982**	9,810
Net assets		**95,530**	101,351
Equity			
Share capital	8	**915**	1,000
Capital redemption reserve	8	**85**	–
Other distributable reserves	8	**91,179**	97,000
Retained earnings	9	**3,351**	3,351
Total Shareholders' funds		**95,530**	101,351
Number of Shares in issue at year/period end		**91,545,383**	100,000,000
Net assets per share (cents)	13	**104.35**	101.35

The financial statements of the Company were approved and authorised for issue by the Board of Directors on 17 February 2021 and signed on its behalf by:

REUBEN JEFFERY, III
Chairman

EMMA DAVIES
Director

The accompanying notes on pages 62 to 81 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

		FOR THE YEAR ENDED 31 DECEMBER 2020			FOR THE PERIOD FROM 11 MARCH 2019 TO 31 DECEMBER 2019		
	Note	**REVENUE $'000**	**CAPITAL $'000**	**TOTAL $'000**	REVENUE $'000	CAPITAL $'000	TOTAL $'000
Investment gain							
Change in fair value of investments at fair value through profit or loss	4	**–**	**742**	**742**	–	777	777
		–	**742**	**742**	–	777	777
Income							
Investment income	4	**8,460**	**–**	**8,460**	3,452	–	3,452
		8,460	**–**	**8,460**	3,452	–	3,452
Expenses							
Directors' fees and expenses	16	**(164)**	**–**	**(164)**	(165)	–	(165)
Other operating expenses		**(992)**	**–**	**(992)**	(778)	–	(778)
Profit share	12	**(668)**	**–**	**(668)**	(67)	–	(67)
Total expenses		**(1,824)**	**–**	**(1,824)**	(1,010)	–	(1,010)
Operating profit for the year/period		**6,636**	**742**	**7,378**	2,442	777	3,219
Finance income							
Interest income		**55**	**–**	**55**	132	–	132
Total finance income		**55**	**–**	**55**	132	–	132
Profit for the year/period before tax		**6,691**	**742**	**7,433**	2,574	777	3,351
Tax	11	**–**	**–**	**–**	–	–	–
Profit for the year/period after tax		**6,691**	**742**	**7,433**	2,574	777	3,351
Profit and total comprehensive income for the year/period		**6,691**	**742**	**7,433**	2,574	777	3,351
Profit and total comprehensive income attributable to:							
Equity holders of the Company		**6,691**	**742**	**7,433**	2,574	777	3,351
Earnings per share							
Basic and diluted earnings per Share (cents)	13	**6.83**	**0.76**	**7.59**	2.57	0.78	3.35

All 'Revenue' and 'Capital' items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies. Profit for the period after tax also represents Total Comprehensive Income.

The accompanying notes on pages 62 to 81 form an integral part of these financial statements.

All capitalised terms are defined in the list of defined terms on pages 82 to 83 unless separately defined.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

FOR THE YEAR ENDED 31 DECEMBER 2020	*Note*	SHARE CAPITAL $'000	SHARE PREMIUM $'000	CAPITAL REDEMPTION RESERVE $'000	OTHER DISTRIBUTABLE RESERVES $'000	RETAINED EARNINGS $'000	TOTAL $'000
Opening net assets attributable to Shareholders		**1,000**	**–**	**–**	**97,000**	**3,351**	**101,351**
Repurchase and cancellation of share capital	8	**(85)**	**–**	**85**	**(5,821)**	**–**	**(5,821)**
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**7,433**	**7,433**
Interim dividends paid in the year	14	**–**	**–**	**–**	**–**	**(7,433)**	**(7,433)**
Closing net assets attributable to Shareholders		**915**	**–**	**85**	**91,179**	**3,351**	**95,530**

After taking account of cumulative unrealised gains of $1,519k, other distributable reserves and distributions made, the total reserves distributable by way of a dividend as at 31 December 2020 were $93,011k.

FOR THE PERIOD FROM 11 MARCH 2019 TO 31 DECEMBER 2019	SHARE CAPITAL $'000	SHARE PREMIUM $'000	CAPITAL REDEMPTION RESERVE $'000	OTHER DISTRIBUTABLE RESERVES $'000	RETAINED EARNINGS $'000	TOTAL $'000
Opening net assets attributable to Shareholders	–	–	–	–	–	–
Issue of Management shares	65	–	–	–	–	65
Redemption of Management shares	(65)	–	–	–	–	(65)
Issue of share capital	1,000	99,000	–	–	–	100,000
Share issue costs	–	(2,000)	–	–	–	(2,000)
Cancellation of share premium account	–	(97,000)	–	97,000	–	–
Profit and total comprehensive income for the period	–	–	–	–	3,351	3,351
Closing net assets attributable to Shareholders	1,000	–	–	97,000	3,351	101,351

The share premium account was cancelled by a court order dated 16 July 2019. The amount standing to the credit of the share premium account of the Company, less any issue expenses set off against the share premium account, was cancelled and credited to distributable reserves. This amount shall be capable of being applied in any manner in which the Company's profits available for distribution, as determined in accordance with the Companies Act 2006, are able to be applied.

After taking account of cumulative unrealised gains of $777k and other distributable reserves, the total reserves distributable by way of a dividend as at 31 December 2019 were $99,574k.

The accompanying notes on pages 62 to 81 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Note	FOR THE YEAR ENDED 31 DECEMBER 2020 $'000	FOR THE PERIOD FROM 11 MARCH 2019 TO 31 DECEMBER 2019 $'000
Cash flows from operating activities			
Operating profit for the financial year/period		**7,378**	3,219
Adjustments for:			
Movement in fair value of investments	4	**(742)**	(777)
Investment income	4	**(8,460)**	(3,452)
Movement in payables		**600**	326
Movement in receivables		**(4)**	(80)
Loan interest received	4	**6,429**	1,203
Dividends received		**1,830**	–
Bank interest received		**77**	110
Net cash generated from operating activities		**7,108**	549
Cash flows from investing activities			
Investment additions	4	**–**	(90,000)
Investment proceeds	4	**2,971**	–
Net cash generated from/(used in) investing activities		**2,971**	(90,000)
Cash flows from financing activities			
Dividends paid	14	**(7,433)**	–
Repurchase and cancellation of share capital	8	**(5,821)**	–
Issue of share capital		**–**	100,000
Payment of issue costs		**–**	(2,000)
Net cash (used in)/generated from financing activities		**(13,254)**	98,000
Net movement in cash and cash equivalents during the year/period		**(3,175)**	8,549
Cash and cash equivalents at the beginning of the year/period		**8,549**	–
Cash and cash equivalents at the end of the year/period		**5,374**	8,549

The accompanying notes on pages 62 to 81 form an integral part of these financial statements.

All capitalised terms are defined in the list of defined terms on pages 82 to 83 unless separately defined.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. GENERAL INFORMATION

The Company was incorporated and registered in England and Wales on 11 March 2019 with registered number 11874946 as a public company limited by shares under the Companies Act 2006 (the "Act"). The principal legislation under which the Company operates is the Act. The Directors intend, at all times, to conduct the affairs of the Company so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010, as amended.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Where presentational guidance set out in the AIC SORP is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the AIC SORP. In particular, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the total Statement of Comprehensive Income.

The Company was formed on 11 March 2019, so comparative information in the financial statements covers the period from 11 March 2019 to 31 December 2019, but during that period the meaningful activities of the Company took place from the Company's listing on the London Stock Exchange on 28 May 2019 to 31 December 2019.

The annual financial statements have been prepared on the historical cost basis, as modified for the measurement of certain financial instruments at fair value through profit or loss. The principal accounting policies are set out below.

Foreign currencies

The functional currency of the Company is US Dollar reflecting the primary economic environment in which the Company operates, that being the E&P and midstream energy sectors, where most transactions are expected to take place in US Dollar. Additionally, the Ordinary Shares of the Company are listed in US Dollars.

The Company has chosen US Dollar as its presentation currency for financial reporting purposes.

Transactions during the year, including income and expenses, are translated into US Dollar at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in currencies other than US Dollar are retranslated at the functional currency rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a currency other than US Dollar are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items measured at fair value in a currency other than US Dollar are translated using the exchange rates at the date when the fair value was determined. Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in profit or loss in the Statement of Comprehensive Income as part of the "Change in fair value of investments at fair value through profit or loss". Exchange differences on other financial instruments were immaterial and have been included as other operating expenses in the Statement of Comprehensive Income.

Financial instruments

In accordance with IFRS 9, financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the Statement of Financial Position and Statement of Comprehensive Income when there is a currently enforceable legal right to offset the recognised amounts and the Company intends to settle on a net basis or realise the asset and liability simultaneously.

Financial assets

When financial assets are recognised initially, they are measured at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

a) Investments at fair value through profit or loss

i. Classification and measurement

The Company's investments are classified as held at fair value through profit or loss as they are managed in a portfolio of assets on a fair value basis. Financial assets held at fair value through profit or loss are initially recognised at fair value, which is taken to be their cost, and are subsequently valued at fair value.

ii. Fair value estimation

The SPVs hold and manage the Company's underlying investments, which are valued at fair value, based on IPEV Valuation Guidelines and on IFRS. The fair value of the SPVs is considered to be their net asset value incorporating a valuation of the underlying investments. The Directors believe that this is appropriate, as:

- the underlying investments within the SPVs are held on a fair value basis as described below and have taken into account risks to fair value, inclusive of liquidity discounts, through appropriate discount rates;
- the Company wholly owns the SPVs and thus is entitled to all of their economic rights; and
- the Directors take all these items into consideration and would make adjustments to net asset value, if deemed necessary.

Valuation process

The Investment Manager is responsible for proposing the valuation of the assets held by the Company through the SPVs and the Directors are responsible for reviewing the Company's valuation policy and approving the valuations.

Valuation adviser

Due to the illiquid and subjective nature of the Company's underlying investments, the Investment Manager uses a third party valuation provider to perform a full independent valuation of the underlying investments. This includes the third party valuation provider selecting the valuation methodology and/or comparable companies; identifying the cash flows and appropriate discount rate utilised in a yield analysis; and providing a final value range to the Investment Manager. The valuation adviser independently values the assets and provides analyses to support the methodology in addition to presenting calculations used to generate output.

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

c) Trade receivables

Trade receivables are classified as financial assets at amortised cost. They are measured at amortised cost less impairment assessed using the simplified approach of the expected credit loss model based on current circumstances and expectations of future losses.

A financial asset is derecognised (in whole or in part) either:

- when the Company has transferred substantially all the risks and rewards of ownership; or
- when it has neither transferred nor retained substantially all the risks and rewards and when it no longer has control over the assets or a portion of the asset; or
- when the contractual right to receive cash flow has expired.

Financial liabilities

d) Trade payables

Trade payables are classified as financial liabilities at amortised cost.

Equity

The Company's Ordinary Shares are classified as equity and upon issuance, the fair value of the consideration received is included in equity. Share issue costs were capped at 2 percent of the gross issue proceeds of the IPO and are shown in equity as a deduction from share premium. All other share issue costs of the Company, which were otherwise chargeable to equity, were borne by the Investment Manager.

Repurchase of Ordinary Shares for cancellation

The cost of repurchasing Ordinary Shares including the related stamp duty and transactions costs is charged to the 'Other distributable reserves' and dealt with in the Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. The nominal value of ordinary share capital repurchased and cancelled is transferred out of 'Share capital' and into the 'Capital redemption reserve'.

Dividends

Dividends payable are recognised as distributions in the financial statements when the Company's obligation to make payment has been established.

Income recognition

Dividend income is recognised when the Company's entitlement to receive payment is established. Interest income is recognised on an accruals basis. Interest income due, but not received, is capitalised with the principal amount of the loan and may subsequently be reclassed as loan interest receivable, when the distribution is imminent. Dividend and interest income is allocated to Revenue within the Statement of Comprehensive Income.

Expenses

Expenses include legal, accounting, auditing and other operating expenses. They are recognised on an accruals basis in the Statement of Comprehensive Income in the year/period in which they are incurred.

Expenses are charged through the Revenue account except those which are capital in nature, including those which are incidental to the acquisition, disposal or enhancement of an investment, which are accounted for through the Capital account.

Taxation

It is the intention of the Directors to conduct the affairs of the Company so that it satisfies the conditions in section 1158 Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 for it to be approved by HMRC as an investment trust.

In respect of each accounting period for which the Company is and continues to be approved by HMRC as an investment trust, the Company will be exempt from UK corporation tax on its chargeable gains and its capital profits from creditor loan relationships. The Company will, however, be subject to UK corporation tax on its income (currently at a rate of 19 percent).

In principle, the Company will be liable to UK corporation tax on its dividend income. However, there are broad-ranging exemptions from this charge which would be expected to be applicable in respect of most of the dividends the Company may receive.

A company that is an approved investment trust in respect of an accounting period is able to take advantage of modified UK tax treatment in respect of its "qualifying interest income" for an accounting period. It is expected that the Company will have material amounts of qualifying interest income and that it may, therefore, decide to designate some or all of the dividends paid in respect of a given accounting period as interest distributions.

To the extent that the Company receives income from, or realises amounts on the disposal of, investments in foreign countries it may be subject to foreign withholding or other taxation in those jurisdictions. To the extent it relates to income, this foreign tax may, to the extent not relievable under a double tax treaty, be able to be treated as an expense for UK corporation tax purposes, or it may be treated as a credit against UK corporation tax up to certain limits and subject to certain conditions.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments, except where the Company is able to control the timing of the reversal of the difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the Statement of Comprehensive Income except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Deferred tax assets and liabilities are not discounted.

New and amended standards and interpretations not applied

Accounting standards and interpretations have been published and will be mandatory for the Company's accounting periods beginning on or after 1 January 2021 or later periods. The impact of these standards is not expected to be material to the reported results and financial position of the Company.

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going Concern

The Company's cash balance at 31 December 2020 was $5.4 million, which is sufficient to cover its existing liabilities of $0.9 million, dividend of $1.8million with respect to the quarter ended 31 December 2020 and any foreseeable expenses in the 16 months to 30 June 2022, being the period of assessment covered by the Directors.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 16 months to 30 June 2022, being the period of assessment covered by the Directors. In making this assessment, they have considered the effects of COVID-19 as outlined in the Strategic Report on page 19, including the various risk mitigation measures in place and do not consider this to have a material impact on the assessment of the Company as a going concern. Accordingly, the Company continues to adopt the going concern basis of accounting in preparing the financial statements.

Segmental reporting

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, as a whole. The key measure of performance used by the Board to assess the Company's performance and to allocate resources is the Company's Net Asset Value, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the Annual Report.

For management purposes, the Company is organised into one main operating segment, which invests through its SPVs in a diversified portfolio of debt instruments, issued by Borrowers operating in the energy sector.

All of the Company's current income is derived from within the United States.

All of the Company's non-current assets are located in the United States.

Due to the Company's nature, it has no customers.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on management experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Assessment as an Investment Entity

IFRS 10 "Consolidated Financial Statements" sets out the following 3 essential criteria that must be met, if a company is to be considered as an Investment Entity:

1. it must obtain funds from multiple investors for the purpose of providing those investors with investment management services;
2. it must commit to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
3. it must measure and evaluate the performance of substantially all of its investments on a fair value basis.

In satisfying the second essential criteria, the notion of an investment time frame is critical and an Investment Entity should have an exit strategy for the realisation of its investments. Also as set out in IFRS 10, further consideration should be given to the typical characteristics of an Investment Entity, which are that:

- it should have more than one investment, to diversify the risk portfolio and maximise returns;
- it should have multiple investors, who pool their funds to maximise investment opportunities;
- it should have investors that are not related parties of the entity; and
- it should have ownership interests in the form of equity or similar interests.

The Directors are of the opinion that the Company meets the essential criteria and typical characteristics of an Investment Entity. Therefore the SPVs are measured at fair value through profit or loss, in accordance with IFRS 9 "Financial Instruments". Fair value is measured in accordance with IFRS 13 "Fair Value Measurement".

Assessment of the SPVs as structured entities

The Company considers the SPVs to be structured entities as defined by IFRS 12 "Disclosure of Interests in Other Entities". Transfer of funds by the SPVs to the Company is determined by the Investment Manager. The risks associated with the Company's investment in the SPVs are disclosed in note 15. The summarised financial information for the Company's investment in the SPVs is disclosed in note 4.

Estimates and assumptions

The area involving a high degree of judgement or complexity and where assumptions and estimates are significant to the financial statements has been identified as the risk of misstatement of the valuation of the investments (see note 4). Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected. The Board's determination of whether a discount or premium should be applied to the net asset value of the SPV involves a degree of judgement due to the nature of the underlying investments and other assets and liabilities and the valuation techniques and procedures adopted by the SPV.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the year ended 31 December 2020

4. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	FOR THE YEAR ENDED 31 DECEMBER 2020			FOR THE PERIOD FROM 11 MARCH 2019 TO 31 DECEMBER 2019		
	LOANS $'000	**EQUITY $'000**	**TOTAL $'000**	LOANS $'000	EQUITY $'000	TOTAL $'000
Opening balance	**62,864**	**28,677**	**91,541**	–	–	–
Additions	**–**	**–**	**–**	62,100	27,900	90,000
Capitalised interest	**–**	**–**	**–**	764	–	764
Repayment of capitalised interest	**(764)**	**–**	**(764)**	–	–	–
Investment proceeds	**(2,051)**	**(920)**	**(2,971)**	–	–	–
Unrealised movement in fair value of investments	**–**	**742**	**742**	–	777	777
	60,049	**28,499**	**88,548**	62,864	28,677	91,541

The Company's investment in its SPVs comprises a loan investment and an equity investment, as set out above. The SPVs invest in a diversified portfolio of direct and indirect investments in loans, notes, bonds and other debt instruments.

Interest receivable on the loan investment at 31 December 2020 was $1,315k (2019: $1,485k) and the dividend receivable on the equity investment at 31 December 2020 was $1,135k (31 December 2019: $nil). The total unfunded commitments of the Company as at 31 December 2020 is $4.2m (2019: $36.4m).

Reconciliation of investment income recognised in the year

	FOR THE YEAR ENDED 31 DECEMBER 2020 $'000	FOR THE PERIOD FROM 11 MARCH 2019 TO 31 DECEMBER 2019 $'000
Movement in loan interest receivable at year/period end	**(170)**	1,485
Loan interest received as cash	**5,665**	1,203
Capitalised loan interest	**–**	764
Total loan interest recognised in the year/period	**5,495**	3,452
Dividend income	**2,965**	–
Total investment income recognised in the year/period	**8,460**	3,452

Total cash received in relation to interest income in the year was $6,429k (2019: $1,203k). This comprises $5,665k (2019: $1,203k) of loan interest recognised in the year and $764k (2019: $nil) of amounts capitalised in the prior period.

Fair value measurements

IFRS 13 requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the following 3 levels:

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

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

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

Due to the nature of the investments, they are always expected to be classified as level 3. There have been no transfers between levels during the year (2019: none). Any transfers between the levels would be accounted for on the last day of each financial period.

Valuation methodology and process

The Directors base the fair value of investment in the SPVs on the fair value of their assets and liabilities, adjusted if necessary, to reflect liquidity, future commitments, and other specific factors of the SPVs and Investment Manager. This is based on the components within the SPVs, principally the value of the SPVs' investments, in addition to cash and short-term money market fixed deposits. Any fluctuation in the value of the SPVs' investments held will directly impact on the value of the Company's investment in the SPVs.

The SPVs' investments are valued using the techniques described in the Company's valuation policy, as outlined in note 2. The Investment Manager's assessment of fair value of investments held by the SPVs is determined in accordance with IPEV Valuation Guidelines. When valuing the SPVs' investments, the Investment Manager reviews information provided by the underlying investee companies and other business partners and applies IPEV methodologies, to estimate a fair value as at the date of the Statement of Financial Position.

Initially, acquisitions are valued at the price of recent investment. Subsequently, and as appropriate, the Investment Manager values the investments on a quarterly basis using common industry valuation techniques, including comparable public market valuation, comparable merger and acquisition transaction valuation and discounted cash flow valuation. The techniques used in determining the fair value of the Company's investments through its SPVs are selected on an investment by investment basis so as to maximise the use of market based observable inputs. As disclosed in note 2, due to the illiquid and subjective nature of the Company's underlying investments, the Investment Manager uses a third party valuation provider to perform a full independent valuation of the underlying investments.

Quantitative information of significant unobservable inputs – Level 3 – SPV

DESCRIPTION	31 DECEMBER 2020 (UNAUDITED) $'000	VALUATION TECHNIQUE	UNOBSERVABLE INPUT	RANGE / WEIGHTED AVERAGE
SPV	88,548	Adjusted net asset value	NAV	$88,548k
			Discount for lack of liquidity	0%

The Directors believe that it is appropriate to measure the SPVs at their net asset value, incorporating a valuation of the underlying investments which has taken into account risks to fair value, inclusive of liquidity discounts, through appropriate discount rates.

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the year ended 31 December 2020

4. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 December 2020 are as shown below:

DESCRIPTION	INPUT	SENSITIVITY USED	EFFECT ON FAIR VALUE $'000
SPV	Discount for lack of liquidity	+/- 3%	-/+ 2,656

The Company's valuation policy is compliant with both IFRS and IPEV Valuation Guidelines and is applied consistently. As the Company's investments are generally not publicly quoted, valuations require meaningful judgment to establish a range of values, and the ultimate value at which an investment is realised may differ from its most recent valuation and the difference may be significant.

For the year ended 31 December 2020, the valuations of the Company's investments, through its SPVs, are detailed in the Investment Manager's Report.

INDUSTRY	INVESTMENT TYPE	INVESTMENTS AT FAIR VALUE AS OF 31/12/2020 $'000	VALUATION TECHNIQUE(S)	UNOBSERVABLE INPUT(S)	RANGE LOW	RANGE HIGH	WEIGHTED AVERAGE [a]	FAIR VALUE SENSITIVITY TO A 100 BPS INCREASE IN THE DISCOUNT RATE $'000
Exploration & Production	Senior Secured Loans	20,757	Discounted cash flow	Discount rate	11%	15%	13%	(149)
Midstream	Senior Secured Loans	31,320	Discounted cash flow	Discount rate	9%	20%	13%	(369)
	Equity	33	Public comparables	EBITDA multiple	6.5x	8.0x	7.3x	
Infrastructure Services	Senior Secured Loans	15,366	Discounted cash flow	Discount rate	7%	19%	13%	(197)
	Equity Rights	268	Appraisal value	NA	NA	NA	NA	
Energy Transition	Senior Secured Loans	3,367	Latest round of financing	NA	NA	NA	NA	NA
		71,111[b]						**(715)**

[a] Calculated based on fair values. Weighted average is not applicable for industry categories with only one investment.

[b] The difference between the fair value of the SPVs of $88,548k and the fair value of the underlying investments at 31 December 2020 is due to cash balances of $19,228k and residual liabilities of $1,791k, held within the SPVs.

The below table shows fair value sensitivities to a 100 BPS increase in the discount rate used for each industry as at 31 December 2019.

INDUSTRY	INVESTMENTS AT FAIR VALUE AS OF 31 DECEMBER 2019 $'000	VALUATION TECHNIQUE(S)	UNOBSERVABLE INPUT(S)	WEIGHTED AVERAGE	FAIR VALUE SENSITIVITY TO A 100 BPS INCREASE IN THE DISCOUNT RATE $'000
Exploration & Production	14,383	Discounted cash flow	Discount rate	12%	(621)
Midstream	13,831	Discounted cash flow	Discount rate	10%	(402)
Services	12,294	Discounted cash flow	Discount rate	11%	(456)
	40,508				**(1,479)**

The difference between the fair value of the SPVs of $91,541k and the fair value of the underlying investments at 31 December 2019 is due to cash balances of $52,422k and residual liabilities of $1,389k, held within the SPVs.

5. UNCONSOLIDATED SUBSIDIARIES

The following table shows subsidiaries of the Company. As the Company is regarded as an Investment Entity as referred to in note 3, these subsidiaries have not been consolidated in the preparation of the financial statements:

INVESTMENT	PLACE OF BUSINESS	OWNERSHIP INTEREST AS AT 31 DECEMBER 2020	OWNERSHIP INTEREST AS AT 31 DECEMBER 2019
Held directly			
Riverstone International Credit Corp.	USA	100%	100%
Riverstone International Credit L.P.	USA	100%	100%
Held indirectly			
Riverstone International Credit – Direct L.P.	USA	100%	100%

The registered office of the above subsidiaries is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

The amounts invested in the Company's unconsolidated subsidiaries during the year and their carrying value at 31 December 2020 are as outlined in note 4. This comprised $88,548,000 invested in Riverstone International Credit Corp. at 31 December 2020 (2019: $90,000,000), which was subsequently transferred to Riverstone International Credit – Direct L.P. to fund underlying investments. During the year, $22,109,000 was invested in Riverstone International Credit L.P. to fund underlying investments, and $22,109,000 was returned to the Company following the realisation of its underlying investments. As at 31 December 2020, the amount invested in Riverstone International Credit L.P. was $nil (2019: $nil). The Company intends to fund further underlying investments through its unconsolidated subsidiaries.

There are no restrictions on the ability of the Company's unconsolidated subsidiaries to transfer funds in the form of cash dividends or repayment of loans.

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the year ended 31 December 2020

6. TRADE AND OTHER RECEIVABLES

	31 DECEMBER 2020 $'000	31 DECEMBER 2019 $'000
Prepayments	56	39
VAT receivable	26	41
Debtors	2	–
Bank interest receivable	–	22
	84	102

7. TRADE AND OTHER PAYABLES

	31 DECEMBER 2020 $'000	31 DECEMBER 2019 $'000
Profit share payable	668	67
Other payables	258	259
	926	326

8. SHARE CAPITAL

DATE	ISSUED AND FULLY PAID	NUMBER OF SHARES ISSUED	SHARE CAPITAL	CAPITAL REDEMPTION RESERVE	OTHER DISTRIBUTABLE RESERVES	TOTAL
GBP			£'000	£'000	£'000	£'000
1 January 2020		1	–	–	–	–
31 December 2020		1	–	–	–	–
USD			$'000	$'000	$'000	$'000
1 January 2020		100,000,000	1,000	–	97,000	98,000
Repurchase and cancellation of Ordinary Shares		(8,454,617)	(85)	85	(5,821)	(5,821)
31 December 2020		91,545,383	915	85	91,179	92,179

On 11 March 2019, 1 E Share of £1 was allotted to Riverstone Investment Group LLC and paid up in full to enable the Company to obtain a certificate to commence business and to exercise its borrowing powers under section 761 CA 2006. The E Share is not redeemable and grants the registered holder the right to receive notice of and to attend but, except where there are no other shares of the Company in issue, not to speak or vote at any general meeting of the Company.

As at 31 December 2020 the Company's issued share capital comprises 91,545,383 Ordinary Shares (2019: 100,000,000) and 1 E Share (2019: 1). Ordinary Shareholders are entitled to all dividends paid by the Company and, on a winding up, provided the Company has satisfied all of its liabilities, the Shareholders are entitled to all of the surplus assets of the Company.

During the year, the Company repurchased 8,454,617 Ordinary Shares as part of its buy-back programme. Further details regarding the Company's purchase of its own shares are in the Chairman's Statement on page 4.

9. RETAINED EARNINGS

	FOR THE YEAR ENDED 31 DECEMBER 2020			FOR THE PERIOD FROM 11 MARCH 2019 TO 31 DECEMBER 2019		
	REVENUE RESERVE $'000	CAPITAL RESERVE $'000	TOTAL $'000	REVENUE RESERVE $'000	CAPITAL RESERVE $'000	TOTAL $'000
Opening balance	**2,574**	**777**	**3,351**	–	–	–
Profit and total comprehensive income in the year/period	**6,691**	**742**	**7,433**	2,574	777	3,351
Interim dividends paid in the year	**(7,433)**	**–**	**(7,433)**			
Closing balance	**1,832**	**1,519**	**3,351**	2,574	777	3,351

10. AUDIT FEES

Other operating expenses include fees payable to the Company's Auditor, which can be analysed as follows:

	FOR THE YEAR ENDED 31 DECEMBER 2020 $'000	FOR THE PERIOD FROM 11 MARCH 2019 TO 31 DECEMBER 2019 $'000
Fees to the Company's Auditor		
for audit of the statutory financial statements	**216**	196
for other audit related services	**27**	26
for non-audit services	**16**	–
	259	222

In the prior period the Company's Auditor was paid $234k in relation to work on the listing of the Company which is included in share issue costs. During the year, the Auditor invoiced an amount of $12k in relation to VAT services also provided during the Company's listing in the prior period, which has been recognised as a non-audit service expense in the current year.

Other fees paid to the Company's Auditor for other audit related services of $27k were in relation to a review of the Interim Report and fees paid for other non-audit services of $4k were in relation to regulatory advisory services. As further disclosed in the Audit and Risk Committee Report, Ernst & Young LLP reported an independence breach during the year, occurring as a result of the provision of prohibited non-audit services in relation to these regulatory advisory services. Other than as noted above, the services are non-recurring and permissible as non-audit services.

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the year ended 31 December 2020

11. TAX

As an investment trust, the Company is exempt from UK corporation tax on capital gains arising on the disposal of shares. Capital profits from its loan relationships are exempt from UK tax where the profits are accounted for through the Capital column of the Statement of Comprehensive Income, in accordance with the AIC SORP.

The Company has made a streaming election to HMRC in respect of distributions and is entitled to deduct interest distributions paid out of income profits arising from its loan relationships in computing its UK corporation tax liability. Therefore, no tax liability has been recognised in the financial statements.

	FOR THE YEAR ENDED 31 DECEMBER 2020			FOR THE PERIOD FROM 11 MARCH 2019 TO 31 DECEMBER 2019		
	REVENUE $'000	CAPITAL $'000	TOTAL $'000	REVENUE $'000	CAPITAL $'000	TOTAL $'000
UK Corporation tax charge on profits for the year / period at 19% (2019: 19%)	–	–	–	–	–	–

	FOR THE YEAR ENDED 31 DECEMBER 2020			FOR THE PERIOD FROM 11 MARCH 2019 TO 31 DECEMBER 2019		
	REVENUE $'000	CAPITAL $'000	TOTAL $'000	REVENUE $'000	CAPITAL $'000	TOTAL $'000
Return on ordinary activities before taxation	**6,691**	**742**	**7,433**	2,574	777	3,351
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	**1,271**	**141**	**1,412**	489	148	637
Effects of:						
Non-taxable investment gains on investments	**–**	**(141)**	**(141)**	–	(148)	(148)
Non-taxable dividend income	**(563)**	**–**	**(563)**	–	–	–
Tax deductible interest distributions	**(708)**	**–**	**(708)**	(489)	–	(489)
Total tax charge	**–**	**–**	**–**	–	–	–

As at 31 December 2020 the Company had no unprovided deferred tax assets or liabilities. At that date, based on current estimates and including the accumulation of net allowable losses, the Company had no unrelieved losses.

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Company meets (and intends to continue to meet for the foreseeable future) the conditions for approval as an Investment Trust company.

12. PROFIT SHARE

Under the Investment Management Agreement, the Investment Manager will not charge any base or other ongoing management fees, but will be entitled to reimbursement of reasonable expenses incurred by it in the performance of its duties. The Investment Manager will receive from the Company, a Profit Share based on the Company's income, as calculated for UK tax purposes and the Company's Capital Account. The Profit Share will be payable quarterly at the same time as the Company pays its dividends, subject to an annual reconciliation in the last quarter of each year.

The amount payable in respect of the annual Profit Share will be:

a) an amount equal to 20 percent of the amount by which the Distributable Income exceeds an amount equal to 4 percent of the Company's Capital Amount; plus

b) an additional amount equal to 10 percent of the amount by which the Distributable Income exceeds an amount equal to 8 percent of the Capital Amount.

The Capital Amount is equal to the gross proceeds of the issue of Ordinary Shares at IPO, plus the net proceeds of any future issues of Ordinary Shares, less any amounts expended by the Company on share repurchases and redemptions or, following the option to be given to Shareholders around the time of the Company's AGM in 2024 to elect to convert all or some of their shares into Realisation Shares.

Annual reconciliation and cap

At the end of the Company's first full financial year ending 31 December 2020, and at the end of each subsequent financial year, the Profit Share will undergo an annual reconciliation. In the event that the annual reconciliation results in a reduction of the aggregate Profit Share payable to the Investment Manager, the Profit Share payable in the fourth quarter will be reduced to no less than zero by the relevant amount, with any remaining reduction carried forward to Profit Shares otherwise payable in respect of future quarters. In addition, the amount payable to the Investment Manager as a Profit Share in any year will be limited to a maximum of 5 percent of the prevailing NAV.

Capital loss adjustment

If, in any financial year the Company suffers a capital loss which (disregarding the impact of any dividends paid or payable by the Company) causes the closing Net Asset Value per Ordinary Share for the year to fall below the lower of: (a) US$1.00; or (b) the closing Net Asset Value per Ordinary Share for the prior year, then the amount of the Distributable Income for the year equal to the amount by which the capital loss causes the Net Asset Value to fall below that threshold amount will be ignored for the purposes of calculating the Profit Share for that year. If the amount by which the capital loss causes the Net Asset Value to fall below the threshold amount is greater than the Distributable Income for the year, then the amount of any excess will be carried forward to following years until it is set off against Distributable Income in full. The capital loss test will be applied as a part of the annual reconciliation of the Profit Share.

Amounts paid or accrued as Profit Share during the year were $668k (2019: $67k).

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the year ended 31 December 2020

13. EARNINGS PER SHARE AND NET ASSETS PER SHARE

Earnings per share

	FOR THE YEAR ENDED 31 DECEMBER 2020			FOR THE PERIOD FROM 11 MARCH 2019 TO 31 DECEMBER 2019		
	REVENUE	CAPITAL	TOTAL	REVENUE	CAPITAL	TOTAL
Profit attributable to equity holders of the Company – $'000	**6,691**	**742**	**7,433**	2,574	777	3,351
Weighted average number of Ordinary Shares in issue			**97,980,360**			100,000,000
Basic and diluted earnings per Share from continuing operations in the year /period (cents)	**6.83**	**0.76**	**7.59**	2.57	0.78	3.35

There are no dilutive shares in issue.

There was no income earned on ordinary shares issued between 11 March 2019 and 28 May 2019, therefore this period has not been included for the purpose of calculating the weighted average number of shares above.

Net assets per share

	31 DECEMBER 2020	31 DECEMBER 2019
Net assets – $'000	**95,530**	101,351
Number of Ordinary Shares issued	**91,545,383**	100,000,000
Net assets per Share (cents)	**104.35**	101.35

14. DIVIDENDS DECLARED WITH RESPECT TO THE YEAR

INTERIM DIVIDENDS PAID DURING THE YEAR ENDED 31 DECEMBER 2020	DIVIDEND PER SHARE CENTS	TOTAL DIVIDEND $'000
With respect to the period ended 31 December 2019	2.57	2,570
With respect to the quarter ended 31 March 2020	1.80	1,751
With respect to the quarter ended 30 June 2020	1.80	1,751
With respect to the quarter ended 30 September 2020	1.40	1,361
	7.57	**7,433**

INTERIM DIVIDENDS DECLARED AFTER 31 DECEMBER 2020 AND NOT ACCRUED IN THE YEAR	DIVIDEND PER SHARE CENTS	TOTAL DIVIDEND $'000
With respect to the quarter ended 31 December 2020	**2.00**	**1,831**

On 17 February 2021, the Board approved a dividend of 2.0 cents per share with respect to the quarter ended 31 December 2020. The record date for the dividend is 26 February 2021 and the payment date is 26 March 2021.

On 27 March 2020, the Company paid its first dividend with respect to the period ended 31 December 2019. Therefore comparative information for this note is not relevant.

15. FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The Company's investing activities, through its investment in the SPVs, intentionally expose it to various types of risks that are associated with the underlying investee companies of the SPVs. The Company makes the investment in order to generate returns in accordance with its investment policy and objectives.

The most important types of financial risks to which the Company is exposed are market risk (including price, interest rate and foreign currency risk), liquidity risk and credit risk. The Board of Directors has overall responsibility for the determination of the Company's risk management and sets policy to manage that risk at an acceptable level to achieve those objectives. The policy and process for measuring and mitigating each of the main risks are described below.

The Investment Manager and the Administrator provide advice to the Company which allows it to monitor and manage financial risks relating to its operations through internal risk reports which analyse exposures by degree and magnitude of risks. The Investment Manager and the Administrator report to the Board on a quarterly basis.

Categories of financial instruments

	31 DECEMBER 2020 $'000	31 DECEMBER 2019 $'000
Financial assets		
Investment at fair value through profit or loss:		
Investment in the SPVs	**88,548**	91,541
Other financial assets:		
Cash and cash equivalents	**5,374**	8,549
Loan interest receivable	**1,315**	1,485
Dividends receivable	**1,135**	1,485
Trade and other receivables	**84**	102
Financial liabilities		
Financial liabilities:		
Trade and other payables	**(926)**	(326)

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the capital return to Shareholders. The capital structure of the Company consists of issued share capital, retained earnings and other distributable reserves, as stated in the Statement of Financial Position.

In order to maintain or adjust the capital structure, the Company may buy back shares or issue new shares. There are no external capital requirements imposed on the Company.

During the year ended 31 December 2020, the Company had no borrowings (2019: $nil).

The Company's investment policy is set out in the Strategic Report on page 6.

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the year ended 31 December 2020

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk

Market risk includes price risk, foreign currency risk and interest rate risk.

a) Price risk

The underlying investments held by the SPVs present a potential risk of loss of capital to the SPVs and hence to the Company. The Company invests through the SPVs and as outlined in note 4, investments in the SPVs are in the form of senior loans and equity with protective provisions in place. Price risk arises from uncertainty about future prices of underlying financial investments held by the SPVs. As at 31 December 2020, the fair value of investments was $88,548k (2019: $91,541k) and a 3 percent increase / (decrease) (2019: 3 percent) in the price of investments with all other variables held constant would result in a change to the fair value of investments of + / - $2,656 (2019: $2,746k). A change in interest rates could have an impact on the price risk associated with the underlying investee companies, which is factored into the fair value of investments. Please refer to note 4 for quantitative information about the fair value measurements of the Company's Level 3 investments.

The SPVs are exposed to a variety of risks which may have an impact on the carrying value of the Company's investments. The SPVs' risk factors are set out in (a)(i) to (a)(iii) below.

i. Not actively traded

The SPVs' investments are not generally traded in an active market but are indirectly exposed to market price risk arising from uncertainties about future values of the investments held. The underlying investments of the SPVs vary as to industry sub-sector, geographic distribution of operations and size, all of which may impact the susceptibility of their valuation to uncertainty.

ii. Concentration

The Company, through the SPVs, invests in the energy sector, with a particular focus on businesses that engage in oil and gas E&P and midstream investments in that sector. This means that the Company is exposed to the concentration risk of only making investments in the energy sector, which concentration risk may further relate to sub-sector, geography, and the relative size of an investment or other factors. Whilst the Company is subject to the investment and diversification restrictions in its investment policy, within those limits, material concentrations of investments may arise.

Although the investments are in the same industry, this risk is managed through careful selection of investments within the specified limits of the investment policy. The investments are monitored on a regular basis by the Investment Manager.

The Board and the Investment Manager monitor the concentration of the investment in the SPVs on a quarterly basis to ensure compliance with the investment policy.

iii. Liquidity

The Company's liquidity risk lies with its SPVs as the amount of cash invested through the SPVs in the underlying investments is dynamic in nature. The SPVs will maintain flexibility in funding by keeping sufficient liquidity in cash and cash equivalents, which may be invested on a temporary basis in line with the cash management policy as agreed by the Board from time to time.

As at 31 December 2020, $19.2 million or 16.4 percent (2019: $52.4 million or 57.4 percent) of the SPVs' financial assets, were money market fixed deposits and cash balances held on deposit with several A- or higher rated banks.

b) Foreign currency risk

The Company has exposure to foreign currency risk due to the payment of some expenses in Pounds Sterling. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than the US Dollar. Any exposure to foreign currency risk at the underlying investment level is captured within price risk.

The following table sets out, in US Dollars, the Company's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities:

AS AT 31 DECEMBER 2020	**$ $'000**	**£ $'000**	**TOTAL $'000**
Non-current assets			
Investments at fair value through profit or loss	88,548	–	88,548
Total-non current assets	**88,548**	**–**	**88,548**
Current assets			
Loan interest receivable	1,315	–	1,315
Dividends receivable	1,315	–	1,135
Trade and other receivables	58	26	84
Cash and cash equivalents	5,374	–	5,374
Total current assets	**7,882**	**26**	**7,908**
Current liabilities			
Trade and other payables	(921)	(5)	(926)
Total current liabilities	**(921)**	**(5)**	**(926)**
Total net assets	**95,509**	**21**	**95,530**

AS AT 31 DECEMBER 2019	$ $'000	£ $'000	TOTAL $'000
Non-current assets			
Investments at fair value through profit or loss	91,541	–	91,541
Total-non current assets	91,541	–	91,541
Current assets			
Loan interest receivable	1,485	–	1,485
Trade and other receivables	61	41	102
Cash and cash equivalents	8,549	–	8,549
Total current assets	10,095	41	10,136
Current liabilities			
Trade and other payables	(320)	(6)	(326)
Total current liabilities	(320)	(6)	(326)
Total net assets	101,316	35	101,351

The Directors do not consider that the foreign currency exchange risk at the balance sheet date is material and therefore sensitivity analysis for the foreign currency risk has not been provided.

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the year ended 31 December 2020

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Interest rate risk

The Company's exposure to interest rate risk relates to the Company's cash and cash equivalents held directly and through the Company's SPVs. The Company is subject to risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates. As at the date of the Statement of Financial Position, the majority of the Company's cash and cash equivalents were held on interest bearing fixed deposit accounts at the SPVs. Any exposure to interest rate risk at the underlying investment level is captured within price risk.

The Company has no other interest-bearing assets or liabilities as at the reporting date. As a consequence, the Company is only exposed to variable market interest rate risk. As at 31 December 2020, cash balance held by the Company (including cash held at the SPVs) was $24.6 million (2019: $61.0 million). A 0.5 percent (2019:0.5 percent) increase / (decrease) in interest rates with all other variables held constant would result in a change to interest received of + / - $123,011 (2019: $304,855) per annum.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors.

Liquidity risk is defined as the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price. The Company's liabilities are made up of estimated accruals and trade creditors which are due to be settled within 3 months of the year end.

The Company adopts a prudent approach to liquidity management and through the preparation of budgets and cash flow forecasts maintains sufficient cash reserves to meet its obligations.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Any exposure to credit risk at the underlying investment level is captured within price risk.

The carrying value of the investment in the SPVs as at 31 December 2020 was $88.5 million (2019: $91.5 million).

Financial assets mainly consist of cash and cash equivalents and investments at fair value through profit or loss. The Company's risk on liquid funds is reduced because it can only deposit monies with institutions with a minimum credit rating of "A-". The Company mitigates its credit risk exposure on its investments at fair value through profit or loss by the exercise of due diligence on the counterparties of the SPVs and the Investment Manager.

The table below shows the material cash balances and the credit rating for the counterparties used at the year/period end date:

	LOCATION	RATING	31 DECEMBER 2020 $'000	LOCATION	RATING	31 DECEMBER 2019 $'000
Counterparty						
JPMorgan Chase Bank	**USA**	**A-**	**5,374**	USA	A-	8,549

The Company's maximum exposure to loss of capital at the year/period end is shown below:

Carrying value and maximum exposure

	31 DECEMBER 2020 $'000	31 DECEMBER 2019 $'000
31 December 2020		
Investment at fair value through profit or loss		
Investments in the SPVs	**88,548**	91,541
Other financial assets (including cash and equivalents but excluding prepayments)	**7,852**	10,097

Gearing

As at the date of these financial statements the Company has no gearing (2019: none).

16. RELATED PARTY TRANSACTIONS

Directors

The Company has three non-executive Directors. Directors' fees for the year ended 31 December 2020 amounted to $152k (2019: $115k), of which $nil was outstanding at year end (2019: $nil). Amounts paid to Directors as reimbursement of travel and other incidental expenses during the year amounted to $12k (2019: $50k), of which $nil was outstanding at year end (2019: $nil).

SPVs

During the previous period, the Company provided a loan to the US Corp. of $62,100,000, which accrues interest at 9.27 percent. Any interest that is unable to be repaid at each quarter end is capitalised and added to the loan balance. Total interest in relation to the year was $5,495,248 (2019: $3,451,691) of which $5,664,890 was received in cash (2019: $1,202,785), $nil was capitalised (2019: $764,200) and $1,315,064 remained outstanding at 31 December 2020 and received on 19 January 2021 (31 December 2019: $1,485,000 outstanding, received on 10 January 2020). During the year, $764,200 (2019: $nil) of previously capitalised interest was repaid and the balance on the loan investment at 31 December 2020 was $60,049,295 (2019: $62,864,200).

The Company's other investments in its SPVs are made via equity shareholdings as disclosed in note 4.

Investment Manager

The Investment Manager is an affiliate of Riverstone and provides advice to the Company on the origination and completion of new investments, the management of the portfolio and on realisations, as well as on funding requirements, subject to Board approval. For the provision of services under the Investment Management Agreement, the Investment Manager earns a Profit Share, as detailed in note 12. The Investment Manager is entitled to reimbursement of any reasonable expenses incurred in relation to management of the Company and amounts reimbursed during the year were $115k (2019: $128k).

17. ULTIMATE CONTROLLING PARTY

In the opinion of the Board, on the basis of the shareholdings advised to them, the Company has no ultimate controlling party.

18. SUBSEQUENT EVENTS

There are no other significant subsequent events.

GLOSSARY OF CAPITALISED DEFINED TERMS

Administrator means Ocorian Administration UK Limited

Admission means admission of the Ordinary Shares on 28 May 2019, to the Official List and/or admission to trading on the Specialist Fund Segment of the London Stock Exchange, as the context may require

AGM means Annual General Meeting

AIC means the Association of Investment Companies

AIC Code means the AIC Code of Corporate Governance

AIC SORP means the Statement of Recommended Practice issued by the AIC in November 2014 and updated in January 2017 for the Financial Statements of Investment Trust Companies and Venture Capital Trusts

Annual Report means the Company's yearly report and financial statements for the year ending 31 December 2020

Auditor means Ernst & Young LLP or EY

Board means the Directors of the Company

Borrower means entities operating in the energy sector that issue loans, notes, bonds, and other debt instruments including convertible debt

CA means the Companies Act 2006 which forms the primary source of UK company law

Capital Amount means the amount of gross proceeds of the IPO, plus the net proceeds of any future issues of Ordinary Shares, less any amounts expended by the Company on share repurchases and redemptions or, following a Realisation Election, attributable to Realisation Shares

Company or **RCOI** means Riverstone Credit Opportunities Income Plc

D&C means drilling and completion

Directors means the Directors of the Company

Distributable Income means the Company's income, as calculated for UK tax purposes

DTR means the Disclosure Guidance and Transparency Rules sourcebook issued by the Financial Conduct Authority

E&P means exploration and production

FCA means the UK Financial Conduct Authority (or its successor bodies)

IFRS means the International Financial Reporting Standards, being the principles-based accounting standards, interpretations and the framework by that name issued by the International Accounting Standards Board, as adopted by the EU

Investment Management Agreement means the Investment Management Agreement entered into between the Investment Manager and the Company

Investment Manager means Riverstone Investment Group LLC

IPEV Valuation Guidelines means the International Private Equity and Venture Capital Valuation Guidelines

IPO means the initial public offering of shares by a private company to the public

Listing Rules means the listing rules made by the UK Listing Authority under Section 73A of the Financial Services and Markets Act 2000

London Stock Exchange or **LSE** means London Stock Exchange plc

Main Market means the main market of the London Stock Exchange

MOIC mean multiple on invested capital

NAV or **Net Asset Value** means the value of the assets of the Company less its liabilities as calculated in accordance with the Company's valuation policy and expressed in US dollars

Ordinary Shares means ordinary shares of $0.01 in the capital of the Company issued and designated as "Ordinary Shares" and having the rights, restrictions and entitlements set out in the Company's articles of incorporation

Other Riverstone Funds means other Riverstone-sponsored, controlled or managed entities, which are or may in the future be managed or advised by the Investment Manager or one or more of its affiliates, excluding the SPV

PIK means payment in kind

Profit Share means the payments to which the Investment Manager is entitled in the circumstances and as described in the notes to the financial statements

RBL means reserved base loan

RCP means Riverstone Credit Partners

Realisation Shares means realisation shares of US$0.01 in the capital of the Company, as defined in the prospectus

SPV means any intermediate holding or investing entities that the Company may establish from time to time for the purposes of efficient portfolio management and to assist with tax planning generally and any subsidiary undertaking of the Company from time to time

Specialist Fund Segment means the Specialist Fund Segment of the London Stock Exchange's Main Market

UK or **United Kingdom** means the United Kingdom of Great Britain and Northern Ireland

UK Code means the UK Corporate Governance Code issued by the FRC

US or **United States** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia

US Corp. means Riverstone International Credit Corp.

DIRECTORS AND GENERAL INFORMATION

DIRECTORS

Reuben Jeffery, III (Chairman) (appointed 2 April 2019)
Emma Davies (Audit and Risk Committee Chair) (appointed 2 April 2019)
Edward Cumming-Bruce (Nomination Committee Chair) (appointed 2 April 2019)

all independent and of the registered office below

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Delaware 19801

COMPANY SECRETARY AND ADMINISTRATOR

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W1W 8DH

INDEPENDENT AUDITOR

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LEGAL ADVISER TO THE COMPANY

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Registered Company Number 11874946

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CAUTIONARY STATEMENT

The Chairman's Statement and Investment Manager's Report have been prepared solely to provide additional information for Shareholders to assess the Company's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

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

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

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance.

The Company's actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document.

Subject to their legal and regulatory obligations, the Directors and the Investment Manager expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

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All capitalised terms are defined in the list of defined terms on pages 82 to 83 unless separately defined.

RCOI

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