

Asian Energy Impact Trust



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Asian Energy Impact Trust plc (formerly ThomasLloyd Energy Impact Trust plc)

Annual Report and Accounts

For the year ended 31 December 2023

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About the Company

Asian Energy Impact Trust plc ("AEIT" or the "Company", formerly ThomasLloyd Energy Impact Trust plc) is a closed-ended investment company incorporated in England and Wales. The Company's ordinary shares were admitted to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market of the London Stock Exchange on 14 December 2021.

Having undertaken a comprehensive strategic review of the options for the Company's future and after consultation with its advisers and having taken into account feedback from investors representing a significant proportion of AEIT's issued share capital, the Board has concluded that it is in the best interests of shareholders as a whole to put forward a proposal for the orderly realisation of AEIT's assets. The proposal will seek to achieve a balance between maximising the value of AEIT's investments and progressively returning cash to shareholders in a timely manner. Details of this proposal, which is subject to shareholder approval at a general meeting of the Company expected to be held in Q2 2024, will be set out in a separate circular to shareholders and will be made available on the Company's website in due course.

This Annual Report and the Company's website may contain certain 'forward-looking statements' with respect to the Company's financial condition, results of its operations and business, and certain plans, strategies, objectives, goals and expectations with respect to these items and the markets in which the Company invests. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'aims', 'anticipates', 'believes', 'estimates', 'expects', 'intends', 'targets', 'objective', 'could', 'may', 'should', 'will' or 'would' or, in each case, their negative or other variations or comparable terminology. Forward-looking statements are not guarantees of future performance. By their very nature forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Many of these assumptions, risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely. There are a number of such factors that could cause the Company's actual investment performance, results of operations, financial condition, liquidity, dividend policy and financing strategy to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to: changes in the economies and markets in which the Company operates; changes in the legal, regulatory and competition frameworks in which the Company operates; changes in the markets from which the Company raises finance; the impact of legal or other proceedings against or which affect the Company; changes in accounting practices and interpretation of accounting standards under IFRS; and changes in power prices and interest, exchange and discount rates. Any forward-looking statements made in this Annual Report or the Company's website, or made subsequently, which are attributable to the Company, or persons acting on its behalf (including the Investment Manager), are expressly qualified in their entirety by the factors referred to above. Each forward-looking statement speaks only as of the date it is made. Except as required by its legal or statutory obligations, the Company does not intend to update any forward-looking statements. Nothing in this Annual Report or the Company's website should be construed as a profit forecast or an invitation to deal in the securities of the Company.

2023 Performance Metrics

As at 31 December 2023

Financial

Capital raised to date US\$180.9m (December 2022: US\$180.9m)	Net asset value ("NAV") US\$81.5m (December 2022: US\$86.6m)	Gross asset value ("GAV")^{1,2} US\$83.3m (December 2022: US\$127.3m)
NAV per share^{2,3} 46.4 cents (December 2022: 49.3 cents)	Dividend per share⁴ 1.32 cents (December 2022: 2.5 cents)	Fair value of investment portfolio US\$42.1m (December 2022: US\$11.5m)
NAV total return per share in the year² (3.6)% (December 2022: (49.2)%)	NAV total return per share since IPO² (51.5)% (December 2022: (49.2)%)	Adjusted gross asset value ("Adjusted GAV")^{2,5} US\$193.1m (December 2022: US\$173.3m)
Market capitalisation² Shares suspended⁷ (December 2022: US\$207.3m)	Cash held at AEIT US\$41.2m (December 2022: US\$115.8m)	Gearing ratio^{2,6} 57% (December 2022: 27%)

Impact⁸

Total installed capacity 271 MW (December 2022: 132 MW)	Renewable energy generated in the year 391,683 MWh (December 2022: 85,199 MWh)	Estimated tonnes of carbon avoided from generated electricity 311,752 tCO₂e (December 2022: 62,770 tCO ₂ e)
GHG intensity of investee companies tCO₂e/USDm⁹ 82.6 (December 2022: 35.9)	Jobs supported (full time equivalents) 197 (December 2022: 148)	Investments qualifying as sustainable (EU Taxonomy) 100% (December 2022: 100%)

¹ GAV is the value of all assets of the Company, being the sum of all investments held in the investment portfolio at the balance sheet date together with any cash and cash equivalents.

² An alternative performance measure ("APM"). Definitions of APMs together with how these measures have been calculated can be found on pages 109 to 111.

³ Calculated on the basis of 175,684,705 ordinary shares in issue.

⁴ Total dividends declared in relation to the year ended 31 December 2023.

⁵ Adjusted GAV is GAV plus proportionate share of asset level debt.

⁶ Group debt and non-Group investment debt (calculated on a proportionate basis) as a % of Adjusted GAV.

⁷ As at 31 December 2023, the Company's shares were temporarily suspended. The suspension was lifted on 6 March 2024 and at close on that day the market capitalisation was US\$52.7 million.

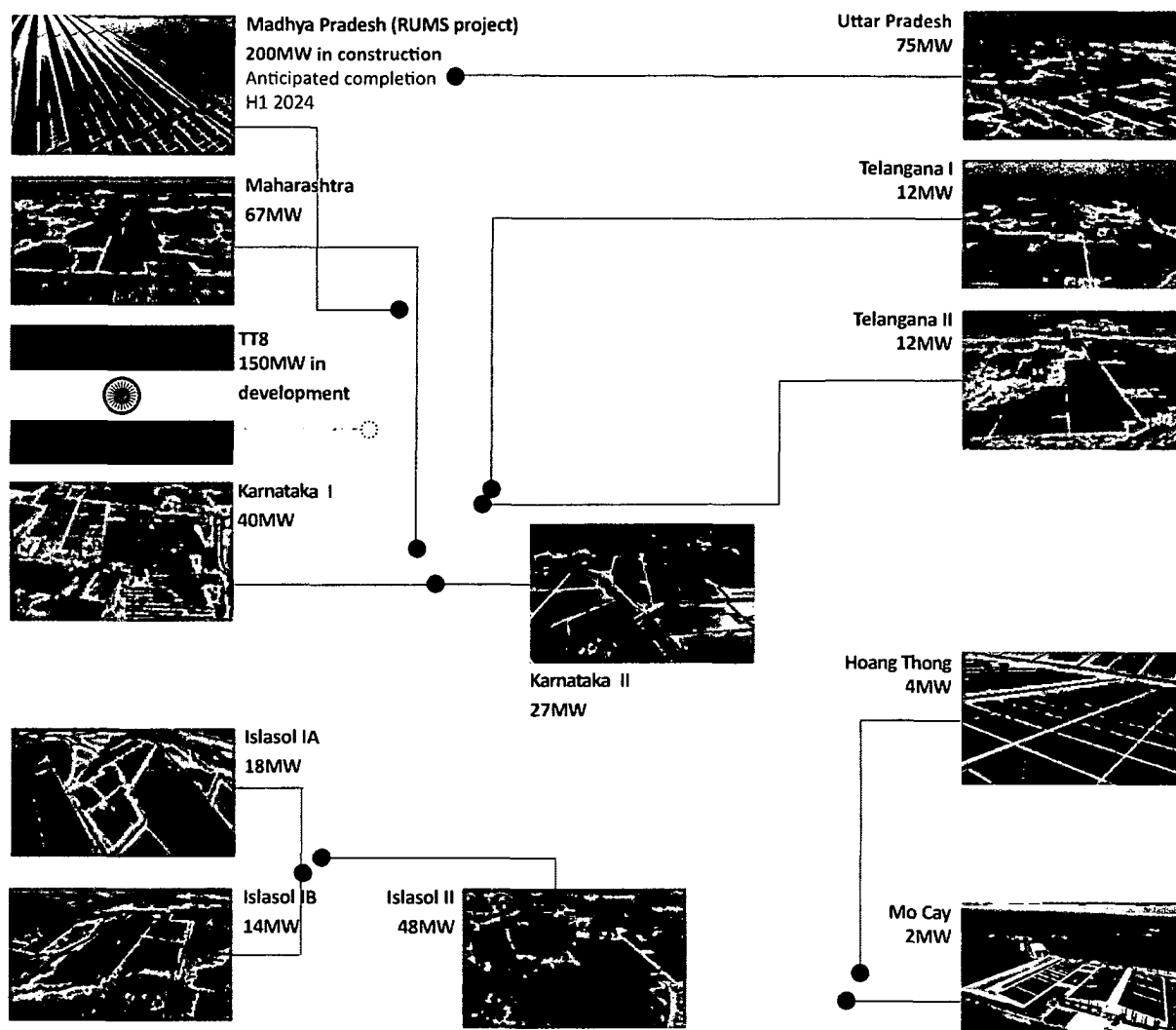
⁸ These metrics have been proportioned to account for AEIT's share of its investment portfolio during the reporting period.

⁹ In 2023, the GHG intensity of AEIT's investee companies has been calculated using Scope 1 and market-based Scope 2 emissions. In 2022, this KPI was calculated using Scope 1 and location-based Scope 2 emissions. Using a location-based method, the GHG intensity of AEIT's investee companies in 2023 was 42.76 tCO₂e/\$m revenue.

Investment Portfolio at a Glance

As at 31 December 2023

The Company has investments in three countries across 11 solar operating assets, one construction asset and one development project.



Strategy	Technology	Country	Sites	Revenue type	Capacity	Average remaining asset life ²	Economic ownership
NISPI	Solar	Philippines	3 operational	Wholesale electricity market	80MW	19 years	40%
SolarArise	Solar	India	6 operational 1 construction 1 development	25-year fixed-price PPA	233MW 200MW 150MW	21 years	100%
VSS	Solar	Vietnam	2 operational	20-year PPA	6MW	17 years	99.8%

Chair's Statement

I am pleased to present the Annual Report for Asian Energy Impact Trust plc for the year ended 31 December 2023. The difficulties of the past year, notably navigating the complexities of the RUMS project (a 200 MW construction-ready asset in our SolarArise investment in India), valuation uncertainties, the breakdown in the relationship with the Former Investment Manager, resulting general meetings and wind-up resolution, have been significant. However, they have been instrumental in establishing a firmer foundation from which we can assess this year's performance. The resolution of these issues, particularly the resolution regarding the RUMS project and the transition to a new Investment Manager, marked a crucial step in realigning our operational focus and governance. As outlined below, the suspension of listing of the Company's shares was lifted on 6 March 2024. Due to a small number of outstanding points in respect of the Company's Annual Report and audit for the year ended 31 December 2023 we were not able to publish the Annual Report by the required regulatory deadline of 30 April 2024, resulting in the suspension of the listing of and trading in the Company's shares since 7.30 a.m. on 1 May 2024. Now that the Annual Report has been published in accordance with the Company's obligations, we will move expeditiously to apply to the FCA for a restoration of the Company's listing.

Against the backdrop of the issues referred to above, the Board undertook a comprehensive strategic review of the options for the Company's future. The Board announced that, after consultation with its advisers and having taken into account feedback from investors representing a significant proportion of AEIT's issued share capital, the Board had concluded that it is in the best interests of shareholders as a whole to put forward a proposal for the orderly realisation of AEIT's assets. The proposal will seek to achieve a balance between maximising the value of AEIT's investments and progressively returning cash to shareholders in a timely manner. This proposal is subject to shareholder approval at a general meeting of the Company expected to be held in Q2 2024.

What follows below is a review of the year ended 31 December 2023 and the outlook for the Company in light of the outcome of the strategic review.

Impact

Despite the challenges there are some positives to reflect upon. The Company was launched in response to investor interest in an impact-led investment trust focused solely on fast-growing and emerging economies in Asia where greenhouse gas emissions ('GHG') continue to grow rapidly. At IPO, the Company was the first, and it continues to be the only, London-listed investment company focused on Asia, being the region with the most urgent need for investment in sustainable energy infrastructure and where capital invested can have the greatest impact.

A significant highlight is our investment in NISPI. This project is enabling real social impact through its many projects that include gardening and livelihood programmes, health and wellness and educational outreach to name but a few. These projects are enabling us to extend our United Nations Sustainable Development Goals ("UN SDGs") impact to contribute to nine goals in total. In aggregate, the Company's investments generated clean energy that avoided 311,752 tCO₂e of greenhouse gas emissions and supported 197 full time equivalent jobs. Once the RUMS project becomes operational, the avoided greenhouse gas emissions are expected to increase to 564,624 tCO₂e.

Investment activity

The Company completed two transactions during the year. The first involved increasing our stake in SolarArise India Projects Private Limited

("SolarArise"), an Indian solar energy platform with a total capacity of 433 MW, including six operating plants totalling 233 MW, one construction-ready 200 MW project and one 150 MW development project. We acquired an initial 43% interest in August 2022 for US\$32.9 million, followed by the acquisition of the remaining 57% for US\$38.5 million on 13 January 2023, having committed to acquire this stake in June 2022. As at 31 December 2022, the Company had identified an onerous contract in respect of the committed 57% acquisition since the fair value of that interest was lower than the US\$38.5 million consideration to be paid to acquire it, primarily due to potential abandonment liabilities relating to the RUMS project. This provision was utilised following acquisition during 2023. The Company is now the sole owner of SolarArise.

On 1 November 2022, we committed to acquiring Viet Solar System Company Limited ('VSS'), which owns 6.12 MW of rooftop solar assets, for US\$3.1 million. This acquisition, finalised on 31 May 2023, resulted in a 99.8% ownership interest in VSS, marking our entry into the Vietnamese solar market.

Following the suspension of trading in the Company's shares in April 2023, the Board suspended all new investment activity. The suspension of new investment activity will become permanent if shareholders approve the Board's recommended orderly realisation proposal. Further investment or capital expenditure into existing assets will be permitted in order to meet existing commitments, preserve or enhance the value of such investments or to facilitate an orderly disposal.

In terms of pre-operational investments, on 11 October 2023, the Board decided to proceed with the construction of the RUMS project, considering it the most viable option to minimise value erosion for our shareholders. We committed up to US\$20 million in funding for this project through an INR-denominated external commercial borrowings loan from AEIT to SolarArise, with US\$19.8 million disbursed on 18 October 2023. In March 2024, the Board approved additional funding of up to US\$4.5 million to fund RUMS project delays and additional costs. In addition, on 1 August 2023, our only development project (the "TT8 project"), a 150 MW DC solar PV project held by a SPV of SolarArise, signed a 25-year power purchase agreement with Maharashtra State Electricity Distribution Company Limited, having successfully participated in the relevant auction in November 2022.

Portfolio performance

The electricity generation across our portfolio totalled 391,683 MWh, falling short of our budgeted projections, which included haircuts to original forecasted generation. SolarArise and NISPI experienced generation decreases more significant than anticipated, notably due to lower than forecast irradiance and site-specific issues, whereas VSS outperformed expectations. The financial outcomes were also less favourable, with turnover and EBITDA being below budgets primarily due to government rebates forecasted in the SolarArise operational SPVs which were not realised, as well as additional unbudgeted costs incurred by the SolarArise holding company.

Construction of the RUMS project commenced in November 2023. The solar modules have arrived on site, alongside most of the other equipment needed to build the solar farm. Installation of the module mounting structure for the panels is in progress. After initial construction progress, post the year end, issues between the landowner of the Rewa Ultra Mega Solar Park and the surrounding farmers, which were outside of the control of the Company, in January and February 2024 delayed construction work. While these delays pose potential cost implications, our Transitional

Chair's Statement Continued

Investment Manager, technical adviser and local asset manager are working tirelessly with the contractors to mitigate risks to project delivery. It is expected that commissioning will now occur in June 2024.

Results

The NAV of the Company at 31 December 2023 was US\$81.5 million, a reduction of US\$5.1 million in the year. Information on the portfolio valuation movement can be found on pages 19 to 22 and the NAV movement on pages 23 and 24. The unaudited NAV as at 31 December 2023, which was announced on 13 March 2024, assumed commissioning of the RUMS project would occur in March 2024 based on the information known regarding the project as at 31 December 2023. In the announcement on 13 March 2024, it was noted that commissioning was now expected to happen in May 2024 and that there would be a further reduction in NAV of up to US\$2.1 million in the event that commissioning did not occur until June 2024. The audited NAV at 31 December 2023 reflects a downward movement of US\$3.5 million from the unaudited NAV as a result of an increased contingency, principally due to the delays in construction in January and February 2024, which were not within the control of SolarArise. The increased contingency is based on commissioning now occurring in June 2024 and does not impact the additional funding of up to US\$4.5 million for the RUMS project referred to above.

The Company had a cash balance of US\$41.2 million at the year end. The Company had no gearing and gearing on a 'look-through' basis to its underlying investments was 57% of Adjusted GAV at 31 December 2023.

The annualised ongoing charges ratio was 3.6% at the year end. In view of the Company's substantially reduced size, we are endeavouring to reduce costs wherever possible. Of course, the ongoing charges ratio does not include the substantial additional professional costs that the Company has incurred over the last 12 months as a result of the challenges it faced. The Board is currently investigating the Company's right to seek compensation for these additional professional costs, as well as material asset value loss that it has suffered, whilst reserving all of the Company's other rights.

The Company's revenue for the year was US\$5.7 million, giving rise to a loss for the period of US\$0.6 million. This was mainly driven by a positive valuation movement on investments during the year, details of which can be found in the 'Portfolio Valuation' section of the Strategic Report on pages 19 to 22, which were offset by total costs of US\$7.3 million of which US\$4.2 million were exceptional costs incurred following the temporary share suspension.

Dividends totalling 1.32 cents per share have been paid in respect of the period 1 January 2023 to 30 September 2023. All dividends were paid out of the Company's distributable capital reserves. Upstreaming cash back to the UK from some of the underlying assets is either subject to restrictions, currently not legally possible or subject to significant tax leakage under the current structures. A core priority for 2024 will be to undertake capital restructurings to mitigate the current issues. EBITDA from the Company's operational assets over the year, including costs within the SolarArise holding company, was US\$18.0 million¹⁰ compared to the aggregate cost of dividends paid to shareholders in respect of the year of US\$2.3 million. A quarterly dividend has not been paid or proposed in respect of the quarter ended 31 December 2023.

Temporary share suspensions

Following the publication on 22 January 2024 of both the annual report and accounts for the period ended 31 December 2022 and the interim report for the period ended 30 June 2023, as well as the publication of the Company's updated key information document on 5 March 2024, the suspension of the listing of the Company's shares was lifted and trading restored with effect from 6 March 2024.

Disappointingly, due to a small number of outstanding points in respect of the Company's Annual Report and audit for the year ended 31 December 2023 we were not able to publish the Annual Report by the required regulatory deadline of 30 April 2024, resulting in the suspension of the listing of and trading in the Company's shares since 7.30 a.m. on 1 May 2024. Now that the Annual Report has been published in accordance with the Company's obligations, we will move expeditiously to apply to the FCA for a restoration of the Company's listing.

Status of strategic review

As stated above, following a comprehensive strategic review, we have concluded that an orderly realisation of AEIT's assets to be effected in a manner that seeks to achieve a balance between maximising the value of its investments and progressively returning cash to shareholders in a timely manner, is in the best interests of shareholders as a whole.

It is intended that, subject to shareholders approving the orderly realisation proposal, the Transitional Investment Manager, will be appointed to continue to manage AEIT's investments and their orderly realisation.

If the orderly realisation proposal is approved by shareholders, it is currently expected that surplus cash will be returned to shareholders from time to time in the form of capital rather than dividends and that dividends, if any, will be paid on an ad hoc basis.

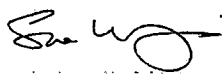
Details of the orderly realisation proposal, which is subject to shareholder approval at a general meeting of the Company expected to be held in Q2 2024, will be set out in a separate circular to shareholders and will be made available on the Company's website in due course.

Outlook

Subject to shareholders approving the proposal for the realisation of AEIT's assets, the Company's focus will be to conduct an orderly realisation of the Company's assets in a manner that seeks to achieve a balance between maximising the value of its investments and progressively returning cash to shareholders in a timely manner. In the meantime, our Transitional Investment Manager will continue to provide the active management needed, including pursuing portfolio optimisation opportunities.

In addition, the Company will continue to investigate its right to seek compensation for the material asset value loss that it has suffered and the additional professional fees that it has incurred over the last 12 months whilst reserving all the Company's other rights.

On behalf of the Board, I thank shareholders for their continued support of the Board throughout the numerous general meetings held in 2023 and also for their levels of engagement with the Board during the last 12 months.



Sue Inglis
Chair

13 May 2024

¹⁰ EBITDA generated from 1 January 2023 for NISPI and SolarArise and date of ownership (31 May 2023) for VSS, pro rated for economic ownership.

Our Operating Model

AEIT was incorporated as a public company limited by shares and carries on business as an investment trust within the meaning of section 1158 of the Corporation Tax Act 2010. The Company's shares were admitted to trading on the premium segment of the main market of the London Stock Exchange on 14 December 2021.

The Company invests in sustainable energy infrastructure assets, with a geographic focus on fast-growing and emerging economies in Asia. Assets within the investment portfolio are held through locally incorporated holding companies or special purpose vehicles ("SPVs"). Following the suspension of trading in the Company's shares in April 2023, the Board suspended all new investment activity. The suspension of new investment activity will become permanent if shareholders approve the Board's recommended orderly realisation proposal.

At 31 December 2023, the Company owned, in India, six solar assets with 233 MW is the total of all assets, but this is specifically for India 233 MW of operational capacity, one 200 MW construction-ready asset (the "RUMS project") and one 150 MW development project (the "TT8 project") (held across nine SPVs) and, in the Philippines, a 40% interest in three operational solar assets (held within one SPV) with 80 MW of operational capacity. In addition, the Company owned indirectly through its UK intermediate holding company, AEIT Holdings Limited (AEIT Holdings"), a 99.8% interest in two Vietnamese solar assets with 6 MW of operational capacity (held across five SPVs).

External debt financing is only at locally incorporated holding company or SPV levels. At 31 December 2023, this comprised outstanding principal amounts of US\$109.8 million in the Indian and Vietnamese solar portfolios, representing a gearing ratio of 57%¹¹.

The Company has a 31 December financial year end. The Company initially paid dividends quarterly, targeting payments in March, June, September and December each year. A dividend has not been paid or proposed in respect of the quarter ended 31 December 2023 and, subject to shareholders approving the orderly realisation proposal at a general meeting of the Company expected to be held in Q2 2024, the Company's priority will be to achieve a balance between maximising the value of its investments and progressively returning cash to shareholders in a timely manner. It is currently expected that surplus cash will be returned from time to time in the form of capital rather than dividends and that any dividends will be paid on an ad hoc basis.

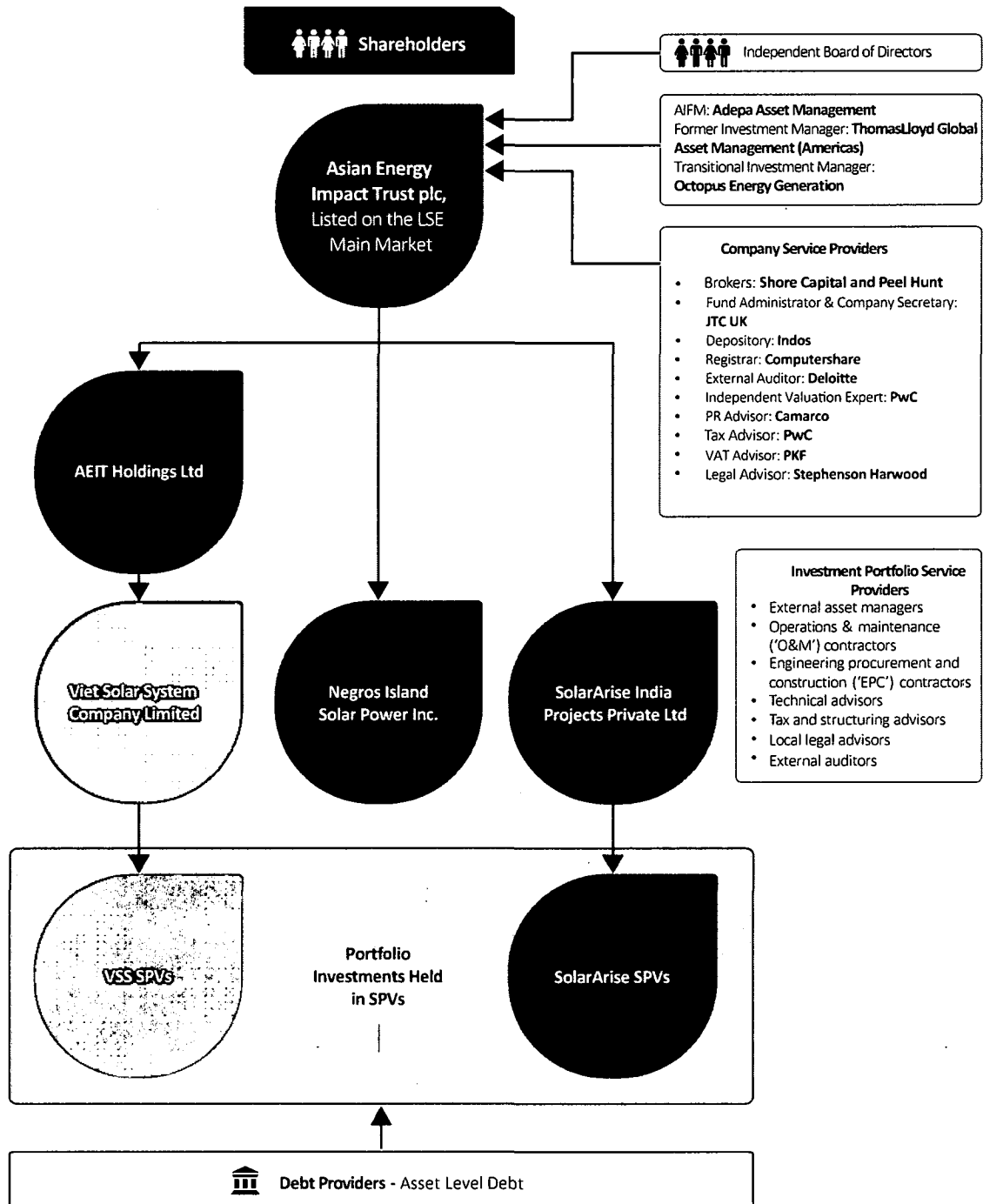
The Company has an independent board of non-executive directors and has appointed Adepa Asset Management S.A as its Alternative Investment Fund Manager (the "AIFM") to provide portfolio and risk management services to the Company. The AIFM has delegated the provision of portfolio management services to the Investment Manager. For the period from IPO to 31 October 2023, the Investment Manager was ThomasLloyd Global Asset Management (Americas) LLC (the "Former Investment Manager"). From 1 November 2023, Octopus Renewables Limited, trading as Octopus Energy Generation ("OEGEN" or "Octopus Energy Generation"), was appointed as a transitional Investment Manager (the "Transitional Investment Manager") for the Company and assumed all day-to-day portfolio management responsibilities for the Company from this date. OEGEN has been appointed for an initial six-month term until 30 April 2024. Following the end of the initial term, OEGEN's appointment will be extended to the date of the general meeting of the Company at which shareholders will be asked to vote on the orderly realisation proposal, which is expected to be held in Q2 2024. It is intended that, subject to shareholders approving the orderly realisation proposal, the Transitional Investment Manager, will be appointed to continue to manage AEIT's investments and their orderly realisation.

As an investment trust, the Company does not have any employees and is reliant on third-party service providers for its operational requirements. With the exception of NISPI, the SPVs do not have any direct employees and services are provided through third-party service providers. The AEIT Management Engagement Committee (the "MEC") reviews the service levels and performance of the Company's key service providers at least annually, as described in the Management Engagement Committee Report on page 70. In the previous period, the MEC identified the top priorities for improving the performance of the Former Investment Manager during 2023, including improving the robustness of the Former Investment Manager's internal processes, significantly enhancing the quality, transparency and timeliness of management and other information and continuing to add strength in depth to the teams responsible for the Company. During the year, a decision was taken to terminate the appointment of the Former Investment Manager and Octopus Energy Generation was appointed as the Transitional Investment Manager from 1 November 2023. Following the end of the initial term, OEGEN's appointment will be extended to the date of the general meeting of the Company at which shareholders will be asked to vote on the orderly realisation proposal, which is expected to be held in Q2 2024.

¹¹ See APM calculation on page 109.

Our Operating Model
Continued

AEIT operating model and group structure



Objectives and KPIs

During the year under review (and until the proposed realisation strategy has been approved by shareholders), the Company had a triple return investment objective which consists of: (i) financial return; (ii) environmental return; and (iii) social return.

Objective	KPI	Performance commentary
Financial return¹²		
- Target annual dividend yield (based on the IPO price) of 2-3% for 2022, 5-6% for 2023 and at least 7% for 2024, with the aim of progressively increasing the nominal target thereafter - Target 10-12% NAV return per annum (based on the IPO price) once the investment portfolio is fully operational on a fully invested and geared basis - Over the medium term (from IPO), target annual dividends fully covered by EBITDA from the operational assets that results from the MWh of clean energy generated; in the short term, the Directors may determine to pay all or part of any dividend from capital reserves	1.32 cents per share dividend paid in respect of the year ended 31 December 2023, equivalent to a yield of 1.3% based on the IPO price	The Company generated loss of US\$0.6 million in the year, driven largely by an increase in the fair value of investments since 31 December 2022, offset by exceptional costs of US\$4.2 million incurred as a result of the temporary share suspension.
	NAV per share of 46.4 cents at 31 December 2023, a -3.6% return in the year and a -51.5% return based on the IPO price	The NAV total return since IPO is extremely disappointing and reflects the material decline in the Company's investment portfolio valuation since IPO (for details, see pages 19 to 24).
	EBITDA from the Company's investment portfolio over the year was US\$18.0 million ¹³ compared to the aggregate cost of dividends paid to shareholders in respect of the period of US\$2.3 million	The Transitional Investment Manager is exploring ways to optimise value throughout the investment portfolio and the Board is seeking to reduce costs at the Company level.
	391,683 MWh clean energy generated	A dividend has not been paid or proposed in respect of the quarter ended 31 December 2023 and, subject to shareholders approving the orderly realisation proposal at a general meeting of the Company expected to be held in Q2 2024, the Company's priority will be to achieve a balance between maximising the value of its investments and progressively returning cash to shareholders in a timely manner. It is currently expected that surplus cash will be returned from time to time in the form of capital rather than dividends and that any dividends will be paid on an ad hoc basis.
Environmental return		
Protecting natural resources and the environment with significant greenhouse gas avoidance	271 MW installed operational capacity (AEIT's share)	The 271 MW of installed capacity avoids GHG emissions through the generation of clean energy.
	311,752 tCO ₂ e ¹⁴	The 311,752 tonnes of GHG emissions avoided is equivalent to avoiding the amount of emissions associated with 158,265 cars on the road in the UK ¹⁵ .
	100% EU Taxonomy alignment	100% of investments substantially contribute to climate change mitigation in line with the EU Taxonomy criteria.
Social return		
Delivering economic and social progress, helping build resilient communities and supporting purposeful activity – aligned with the UN Sustainable Development Goals	197 FTEs (employment directly supported full time equivalent jobs ¹⁶)	The portfolio provided social returns through the creation and support of quality jobs. As at 31 December 2023 the portfolio directly supported 197 full time equivalent jobs, helping to ensure the Just Transition.
	Alignment with 9 SDGs	Investments made purposeful contributions to SDGs 7 (affordable and clean energy), 8 (decent work and economic growth), 13 (climate action) and 15 (life on land). Impact initiatives contributed to SDGs 2 (zero hunger), 3 (good health and well-being), 11 (sustainable cities and communities), 12 (responsible consumption and production) and 17 (partnerships for the goals).

¹² Having undertaken a strategic review of the options for the Company's future, the Board is recommending a proposal for the orderly realisation of assets and liquidation of the Company. Details of this proposal, which is subject to shareholder approval at a general meeting of the Company expected to be held in Q2 2024, will be set out in a circular to shareholders and will be made available on the Company's website in due course.

¹³ EBITDA generated from 1 January 2023 for NISPI and SolarArise and 31 May 2023 for VSS, pro-rated for economic ownership where applicable.

¹⁴ Carbon avoided calculated using the International Financial Institution's approach for harmonised GHG accounting.

¹⁵ Equivalent cars calculated using a factor for displaced cars derived from the UK government GHG Conversion Factors for Company Reporting.

¹⁶ Total FTE jobs supported as at 31 December 2023 through AEIT's proportional share of the NISPI, SolarArise and VSS portfolios.

Investment Strategy and Policy¹⁷

The Company seeks to achieve its investment objective by investing directly, predominantly via equity and equity-like instruments, in a diversified portfolio of unlisted sustainable energy infrastructure assets in the areas of renewable energy power generation, transmission infrastructure, energy storage and sustainable fuel production ("Sustainable Energy Infrastructure Assets"), with a geographic focus on fast-growing and emerging economies in Asia.

The Company aims to adopt a socially and environmentally responsible investment approach that is geared towards sustainable business values and which reduces investment risk through diversification across countries, sectors and technologies.

Investment restrictions

The Investment Manager will ensure that the Company's portfolio is diversified, so as to ensure a sufficient diversification of investment risk, while also taking into account ESG criteria in making its investment decisions.

The following specific investment restrictions apply to the Company:

- the Company will only invest in sustainable energy infrastructure assets situated in fast-growing and emerging countries in Asia;
- in relation to: (i) the Company's investments in sustainable energy infrastructure assets situated in any single country; (ii) the Company's investment in any single sustainable energy infrastructure asset; and (iii) the Company's investments in sustainable energy infrastructure assets under contract with any single governmental or quasi-governmental offtaker, the relevant investment restriction will vary depending on the Company's NAV, as follows:
- the Company's investments in sustainable energy infrastructure assets under contract with any single private offtaker will not exceed 20% of GAV for investment grade offtakers and 10% of GAV for non-investment grade offtakers;
- the Company will only invest in countries which the Investment Manager considers as having a stable political system and a transparent and enforceable legal system and which recognise the rights of foreign investors;
- the Company will only invest in operational assets, or in construction phase assets where: (i) an offtake agreement has been entered into; (ii) the land on which the sustainable energy infrastructure asset is situated is identified or contractually secured where appropriate; and (iii) all relevant permits have been granted;
- the Company will only invest in technologies, such as solar panels, wind turbines, boilers and steam turbine generators, the commercial use of which has already been proven;
- the Company will only hold investments that are denominated in currencies which are freely transferable;
- the Company will not invest in other externally managed investment companies or collective investment schemes; and
- the Company will not typically provide funding for development or pre-construction projects and any such funding will, in any event, not exceed 5% of GAV in aggregate and 2.5% of GAV per development or pre-construction project and would only be undertaken when supported by customary security.

Company's NAV	% of Company's GAV		
	Exposure to single country	Exposure to single sustainable energy infrastructure asset	Exposure to single governmental or quasi-governmental offtaker
Up to and including US\$1 billion	50%	25%	25%
Above US\$1 billion and up to and including US\$3 billion	40%	20%	20%
Above US\$3 billion	30%	15%	15%

- due to the exceptional circumstances of avoiding the greater value destruction associated with abandoning the RUMS project rather than proceeding with construction, assessment of the single country limit will exclude any funds invested in the RUMS project up to completion of commissioning. The Company's assessment of the single country limit as set out in the table above will otherwise apply and, from the point of making the decision to commit to construct the RUMS project, no further sustainable energy infrastructure assets shall be acquired, or projects committed to, with exposure to India until the Company is in compliance with that limit;

The investment restrictions and limits set out above will be measured at the time of the relevant investment. These investment restrictions and limits apply to the Group (comprising the Company and its proportionate interest in investments, intermediate holding companies and project SPVs) as a whole on a 'look-through' basis. Where the Company holds its interest in sustainable energy infrastructure assets through a project SPV, the investment restrictions and limits will apply directly to the underlying sustainable energy infrastructure asset as if it was held directly by the Company, save where the relevant project SPV is part of a co-obligor group with other project SPVs in which case any co-obligor group will be assessed on an aggregated basis as set out below under 'Gearing'.

The Company will not be required to dispose of any investment or to rebalance the investment portfolio as a result of a change in the respective valuations of its assets. However, in such circumstances, the Investment Manager will take such steps as it considers appropriate to enable the Company to comply with its investment restrictions, unless the Investment Manager reasonably believes that doing so would be prejudicial to the interests of the Company and its shareholders as a whole.

¹⁷ Having undertaken a strategic review of the options for the Company's future, the Board is recommending a proposal for the orderly realisation of assets and liquidation of the Company. Details of this proposal, which is subject to shareholder approval at a general meeting of the Company expected to be held in Q2 2024, will be set out in a circular to shareholders and will be made available on the Company's website in due course.

Gearing

Subject to the limits set out below, the Company will maintain gearing at a level which the Directors and the Investment Manager consider to be appropriate in order to enhance returns and to provide flexibility to make investments and for cash management purposes.

Gearing will not be employed at the level of the Company and will generally be employed at the level of the relevant project SPV or intermediate holding company. The level of long-term gearing to be employed in relation to any project SPV or intermediate holding company will be assessed so that it is commensurate with the terms of the offtake agreement for the underlying sustainable energy infrastructure asset. Gearing, save for construction projects where the guarantee of the intermediate holding company is required, will generally be structured as non-recourse finance, typically at the level of the relevant project SPV or intermediate holding company, including but not limited to bank borrowings, public bond issuance or private placement borrowings, provided that aggregate borrowings across all project SPVs and intermediate holding companies will not exceed 65% of the sum of: (i) the Company's GAV; (ii) the aggregate borrowings of the Company's intermediate holding companies; and (iii) the Company's proportionate share of borrowings at the level of its sustainable energy infrastructure assets (the "Adjusted GAV"), with the Company targeting below 50% in the medium term. This limit will be measured based on the Adjusted GAV at the time any project SPV or intermediate holding company enters into the relevant facility.

Although co-obligor guarantee arrangements between multiple SPVs will normally be avoided, any such arrangements will be considered as bringing the SPVs concerned into a single asset and, therefore, subject to the single sustainable energy infrastructure asset restriction referred to in the table above at the time that such arrangement is entered into.

No financing arrangements on a cross border basis between the Company's subsidiaries will be entered into, so keeping the Company's various pools of assets and liabilities insulated within their own geographies.

The Company expects all borrowings to be denominated in the currency of the relevant sustainable energy infrastructure asset or US Dollars to help offset any foreign currency exposure. In addition, borrowings will typically be amortising over the term of the associated offtake agreement.

For the avoidance of doubt, any investments by the Company in project SPVs or intermediate holding companies which are structured as debt will not be considered gearing for these purposes and, therefore, will not be subject to the restrictions set out above.

Cash management policy

Whilst it is the intention of the Company to be fully or near fully invested or contractually committed in normal market conditions, the Company may in its absolute discretion decide to hold cash on deposit or invest in cash equivalent investments, which may include short-term investments in money market funds and tradeable debt securities ("Cash and Cash Equivalents"). There is no restriction on the amount of Cash and Cash Equivalents that the Company may hold and there may be times when it is appropriate for the Company to have significant holdings of Cash and Cash Equivalents instead of being fully or near fully invested or contractually committed. No financial transactions are permitted with counterparties with a credit rating of less than BBB- from Standard & Poor's or Baa3 from Moody's.

Changes to investment policy

No material change will be made to the Company's investment policy without the prior approval of shareholders by ordinary resolution and the prior approval of the FCA. Any changes to the Company's investment policy are also required to be notified to HMRC in advance of the filing date for the accounting period in which the investment policy is amended (together with details of why the change does not impact the Company's status as an investment trust).

Timeline of Key Events in the Year

Date	Event
13 January 2023	Completion of the acquisition of the remaining 57% economic interest in SolarArise.
25 April 2023	Temporary share suspension at the Company's request due to a material uncertainty regarding the fair value of its assets and liabilities, in particular with regard to the RUMS project.
31 May 2023	Decision not to proceed with construction of the RUMS project, predominantly due to high solar panel prices. Completion of the acquisition of the 99.8% economic interest in VSS and its two solar power projects.
30 June 2023	Annual General Meeting held. Alongside the standard annual resolutions to re-elect the Board, which were passed, in accordance with the commitment in the Company's IPO prospectus, a Continuation Resolution was due to be proposed as 75% of the net IPO proceeds had not been deployed within 12 months of admission to trading. The AGM was adjourned prior to the Continuation Resolution being proposed.
12 July 2023	Company announced that the final portfolio valuation as at 31 December 2022 could reflect a material downward movement that would be in addition to the costs written off and potential abandonment liabilities associated with not proceeding with the RUMS project.
1 August 2023	AEIT's only development project (the "TT8 project"), a 150 MW DC solar PV project held by an SPV of SolarArise, signed a power purchase agreement with Maharashtra State Electricity Distribution Company Limited.
15 August 2023	Company announced receipt of new information under protections of its whistleblowing policy revealing that the Former Investment Manager was aware of material information relating to the RUMS project by August 2022 and, therefore, it appeared that key information had been withheld from the Board, and misleading information given to it, over a protracted period of time.
24 August 2023	Shareholders representing 58% of the votes cast (and a majority of the issued share capital) voted against the Continuation Resolution, in line with the Board's recommendation. As a result, the Board was required to bring forward proposals for the reconstruction, reorganisation or winding-up of the Company for shareholder approval within four months. Strategic review of options for the Company's future commenced.
15 September 2023	Company served notice terminating ThomasLloyd Global Asset Management (Americas) LLC's appointment as Investment Manager with effect from 31 October 2023.
25 September 2023	Shareholders representing approximately 54% of the Company's total issued share capital supported the current Board and the resolutions to replace the current Board were not passed.
11 October 2023	Decision to proceed with the RUMS project due to it now being the least value destructive option for shareholders, predominantly due to a material fall in solar panel prices.
27 October 2023	Company changed its name to Asian Energy Impact Trust plc.
31 October 2023	Shareholders representing 91% of the issued share capital voted in favour of changes to the Company's investment policy (to avoid any potential breach of the single country limit as a consequence of proceeding with the RUMS project and make clarificatory changes to the gearing policy), in line with the Board's recommendation. Termination of the Former Investment Manager's appointment effective.
1 November 2023	Octopus Energy Generation appointed as Transitional Investment Manager. AEIT launched a new corporate website.
13 December 2023	Unaudited NAV as at 30 September 2023 announced of US\$88.5 million (50.4 cents per share). Company announced that moving forward with the development of the TT8 project whilst the strategic review was underway may not be the best option for the Company.
19 December 2023	Shareholders representing 83% of the votes cast (and 69% of the issued share capital) voted against a resolution to wind up the Company, in line with the Board's recommendation.
Material events post year end	
22 January 2024	Company published its 2022 Annual Report and its unaudited 2023 Interim Report.
27 February 2024	Accounts General Meeting held.
6 March 2024	Share suspension lifted and trading in shares recommenced.
13 March 2024	Unaudited NAV of US\$85.0 million (48.4 cents per share) as at 31 December 2023 announced.
11 April 2024	Result of the strategic review announced. Following consultation with advisers, and having taken into account feedback from investors representing a significant proportion of AEIT's issued share capital, the Board concluded that it is in the best interests of shareholders as a whole to put forward a proposal for the orderly realisation of AEIT's assets and progressive return of surplus cash to shareholders in a timely manner.
22 April 2024	It was announced that Kirstine Damkjaer will resign from her directorship with effect from 30 April 2024. Following her appointment to a full-time position, she intends to step down from all her non-executive positions as soon as practicable.
30 April 2024	Kirstine Damkjaer resigned as a director of the Company, in line with the announcement on 22 April 2024.
1 May 2024	Temporary suspension of the Company's shares due to the Company being unable to publish its annual report and accounts for the year ended 31 December 2023 by the required regulatory deadline of 30 April 2024.

Timeline of key events in the year

Continued

Further information on the most material events are outlined below.

Temporary share suspensions

On 25 April 2023 the Company announced a temporary suspension in the listing of, and trading in, the Company's shares (the "temporary share suspension"). The temporary share suspension was at the Company's request due to a material uncertainty regarding the fair value of its assets and liabilities, in particular with regard to the 200 MW construction-ready RUMS project, which was acquired as part of the SolarArise portfolio. Further work was required to assess the quantum of the liabilities and commercial viability of the project. Due to this, the Company was unable to finalise its 2022 Annual Report within four months after the accounting period end date, as required by the FCA's Disclosure Guidance and Transparency Rules. Following publication of the Company's 2022 Annual Report, unaudited 2023 Interim Report and updated key information document, the temporary share suspension was lifted, and trading in AEIT's shares recommenced, on 6 March 2024.

Due to a small number of outstanding points in respect of the Company's Annual Report and audit for the year ended 31 December 2023 the Company was not able to publish the Annual Report by the required regulatory deadline of 30 April 2024, resulting in the suspension of the listing of and trading in the Company's shares since 7.30 a.m. on 1 May 2024. Now that the Annual Report has been published in accordance with the Company's obligations, the Board will move expeditiously to apply to the FCA for a restoration of the Company's listing.

The RUMS project

Following the temporary share suspension, the Board appointed independent advisors to undertake detailed reviews of the liabilities associated with abandoning the RUMS project and the Company's options for the project (including proceeding with constructing it or abandoning it). In parallel, the Former Investment Manager re-evaluated the options for the RUMS project, including the funding requirement in the event of proceeding with construction. Based on the reviews undertaken at that time, and the information provided to the Board on 31 May 2023 by the Former Investment Manager, the Board concluded that it would not be in the interests of shareholders to proceed with the construction of the RUMS project. As well as being commercially unviable, predominantly due to the high solar panel prices at that time, proceeding would breach the Company's investment policy restrictions.

On 11 October 2023 the Board announced its decision to proceed with the RUMS project due to it having become the least value destructive option for shareholders. This was based on the advice received from the Former Investment Manager that:

- panel prices had fallen by 30% which meant that the negative NPV was significantly less than at 31 December 2022 and also at 31 May 2023 when the Board took the decision not to proceed with construction of the RUMS project;
- aborting the RUMS project would: (i) crystallise an immediate write off of US\$8.9 million of costs incurred in respect of the project as at 30 September 2023; (ii) result in the encashment of US\$1.2 million of performance bank guarantees; (iii) potentially indirectly expose SolarArise to abandonment liabilities (net of the performance bank guarantees) of up to US\$32.3 million and likely protracted associated litigation; and (iv) lead to reputational damage that could adversely impact the value of the SolarArise platform; and

- whilst the RUMS project was clearly not value accretive, proceeding to construct it would: (i) allow SolarArise to better manage its liabilities in respect of the RUMS project, providing greater certainty compared to a very uncertain process of aborting it, both in terms of the value of any potential abandonment liabilities and the expected timeline for settlement; and (ii) add a further 200 MW of capacity to the SolarArise platform and, once operational as part of a wider portfolio, may facilitate a more attractive exit of SolarArise in any future liquidity event.

To proceed with the RUMS project, the Board put forward a resolution to amend the single country limit in the Company's investment policy to avoid any potential breach of that limit as a consequence of proceeding with the RUMS project (and also to make clarificatory changes to the gearing policy), which was passed at a general meeting held on 31 October 2023.

Construction of the RUMS project is underway and an update on progress can be found on page 18.

General meetings

At the Annual General Meeting held on 30 June 2023, alongside the standard annual resolutions to re-elect the Board which were passed and in accordance with the commitment in the Company's IPO prospectus, a Continuation Resolution was due to be proposed as 75% of the net IPO proceeds had not been deployed within 12 months of admission to trading. If the Continuation Resolution did not pass, the Directors would be required by the Company's Articles of Association to put forward proposals for the reconstruction, reorganisation or winding up of the Company to shareholders for their approval within four months of the date of the meeting at which the Continuation Resolution was proposed. Given the uncertainty of the Company's financial situation, the Board recommended that shareholders abstain from voting on the Continuation Resolution and adjourned the AGM ahead of the shareholder vote on the Continuation Resolution.

On 11 July 2023, the Company received a notice from certain entities and funds affiliated with the Former Investment Manager (the "Requisitioners"), which held 14.8% of the Company's issued share capital, requisitioning a general meeting of the Company's shareholders to vote on, amongst other things, the Continuation Resolution.

On 31 July 2023 in the notices for the requisitioned general meeting and adjourned Annual General Meeting (the "August Meetings"), the Board recommended shareholders to vote against the Continuation Resolutions to be proposed at those meetings as shareholders would be unable to form a considered view of the Company as, at that time: (i) its valuation was uncertain; (ii) the RUMS project was believed to be commercially unviable and the non-completion liabilities were expected to be substantial; (iii) the audit of its financial statements for the period ended 31 December 2022 and associated annual report could not be completed; (iv) its shares were suspended from listing; and (v) there was no clear strategy for the future of the Company.

Prior to the August Meetings a second notice from the Requisitioners was received by the Company requisitioning a further general meeting to consider ordinary resolutions that the current Board be removed from office as directors of the Company and replaced with new directors nominated by the Requisitioners with immediate effect.

Ahead of the August Meetings that were held on 24 August 2023, the Board continued to provide updates to shareholders on material new information in support of its recommendation to vote against the Continuation

Timeline of key events in the year

Continued

Resolutions. At the August Meetings, shareholders representing 58% of the votes cast (and a majority of the issued share capital) voted against the Continuation Resolutions in line with the Board's recommendation. The Board immediately commenced an evaluation of the options for the Company's future in view of its obligation, under the Company's Articles of Association, to put proposals to shareholders for the reconstruction, reorganisation or winding-up of the Company by 24 December 2023. The second requisitioned general meeting was held on 25 September 2023. Shareholders representing approximately 54% of the Company's total issued share capital supported the current Board and the resolutions to replace the current Board were not passed.

In accordance with its obligation to put forward proposals for the reconstruction, reorganisation or winding-up of the Company to shareholders for their approval within four months of the Continuation Resolutions not having been passed, the Board convened a further general meeting on 19 December 2023 to consider a resolution to wind up the Company and appoint liquidators.

The Board had considered possible options for a reconstruction or reorganisation of the Company but, given, in particular, the concentrated and illiquid nature of the Company's portfolio and the current size of the Company, the Board concluded that a reorganisation or reconstruction was not viable or in the best interests of shareholders as a whole. Accordingly, in order to comply with its obligation under the Articles, the Board's only option was to put forward a winding up proposal, but recommend shareholders vote against the resolution principally for the following reasons: (i) if the resolution was passed, it was expected that the listing of the Company's shares would be permanently suspended; and (ii) if the resolution was not passed (in-line with the Board's voting recommendation), the Board would have the additional time needed to complete the strategic review of the options for the Company's future and shareholders would have the opportunity to vote on the outcome of the strategic review. Shareholders representing 83% of the votes cast (and 69% of the issued share capital) voted against the winding-up resolution, in line with the Board's recommendation.

Due to the delay in the completion and publication of the Company's 2022 Annual Report, certain matters of business usually dealt with at an annual general meeting could not be dealt with at the Company's 2023 Annual General Meeting or at the adjourned Annual General Meeting held on 24 August 2023. Following the publication of the Company's 2022 Annual Report on 22 January 2024 and as required by the Companies Act 2006, the Board convened a general meeting on 27 February 2024 to lay the 2022 Annual Report before the Company's shareholders and carry out certain other related business. All resolutions proposed at that general meeting were passed, although there was a significant minority vote (being just over 20%) against the resolutions to receive the 2022 Annual Report, approve the Directors' Remuneration Report and approve the Directors' remuneration policy. The Board has sought to engage with those shareholders who voted against those resolutions to discuss any views they may have and will take into account any feedback around their concerns.

Change of Investment Manager

As the Continuation Resolutions were not passed at the August Meetings, the Company was entitled to terminate its investment management agreement with the Former Investment Manager summarily at any time and without further payment in respect of the Former Investment Manager's initial five-year term of appointment. Due to, amongst other things, the

deteriorated relationship with the Former Investment Manager and concerns about performance, the Board determined it would be in the best interests of shareholders to terminate the Former Investment Manager's appointment as the Investment Manager. Following a competitive tender process, the Board announced on 28 September 2023 that it had agreed heads of terms to appoint Octopus Energy Generation as the Transitional Investment Manager for an initial term expiring on 30 April 2024. Following completion of the customary take-on and regulatory procedures, Octopus Energy Generation's appointment with immediate effect was subsequently confirmed on 1 November 2023. The Company's existing investment management arrangements, which are due to terminate on 30 April 2024, will roll over until the orderly realisation proposal is approved by shareholders.

The Board expects that, subject to shareholders approving the orderly realisation proposal, the Company's Transitional Investment Manager, will be appointed to continue to manage AEIT's investments and their orderly realisation.

Re-evaluation of the portfolio valuations

Due to the ongoing material uncertainties regarding the Company's financial position and in support of progressing the audit and associated annual report and financial statements for the period ended 31 December 2022, the Board appointed, in May 2023, PricewaterhouseCoopers LLP ("PwC") to undertake a detailed review of the key assumptions included in the financial models and the valuation methodology of the operational assets within the portfolio, namely the SolarArise and NISPI assets, as at 31 December 2022 proposed by the Former Investment Manager. On 12 July 2023, the Board announced it had received a draft report from PwC and that the Board anticipated the final portfolio valuation as at 31 December 2022 could reflect a material downward movement that would be in addition to the costs written off and potential abandonment liabilities associated with not proceeding with the RUMS project.

One of the key priorities of the Transitional Investment Manager was to re-evaluate the portfolio valuations as at each valuation date. The valuations for 31 December 2022 and 30 June 2023 were an integral part of the respective Annual and Interim Reports that were published on 22 January 2024. However, ahead of that date, on 13 December 2023, the Board announced the unaudited NAV as at 30 September 2023 in order to provide investors with the most recent financial information at the earliest possible time. Unaudited net assets at 30 September 2023 were US\$88.5 million (NAV of 50.4 cents per share), a marginal increase on the net assets (and NAV per share) as at 31 December 2022.

Result of the strategic review

Having undertaken a comprehensive strategic review of the options for the Company's future and after consultation with its advisers and having taken into account feedback from investors representing a significant proportion of AEIT's issued share capital, the Board has concluded that it is in the best interests of shareholders as a whole to put forward a proposal for the orderly realisation of AEIT's assets.

The proposal will seek to achieve a balance between maximising the value of AEIT's investments and progressively returning cash to shareholders in a timely manner. Details of this proposal, which is subject to shareholder approval at a general meeting of the Company expected to be held in Q2 2024, will be set out in a separate circular to shareholders and will be made available on the Company's website in due course.

Investments

No. of individual assets held 13	Total investment portfolio value¹⁸ US\$42.1m	Adjusted GAV US\$193.1m
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On 13 January 2023 the Company completed its acquisition of the remaining 57% economic interest in SolarArise, owning 100% of SolarArise from this date. The acquisition was made for a cash consideration of US\$38.5 million. As at 31 December 2022, the Company had recognised an onerous contract provision in respect of this commitment as the fair value of the investment was deemed to be lower than the consideration paid to acquire the investment, primarily due to potential liabilities relating to aborting the 200 MW construction-ready RUMS project.

On 31 May 2023 the Company, through its subsidiary AEIT Holdings, completed the acquisition of 99.8% of VSS, a privately-owned company which holds 6.12 MW of rooftop solar assets for US\$3.1 million. The gross value of the assets was US\$4.6 million including external debt.

Summary of deployment

Investment	Date of investment	Proportion acquired/ project funded	Amounts paid (US\$m)	Total operational capacity	AEIT proportion of operational capacity	AEIT proportion of ready to build capacity
SolarArise	August 22	43.0%	32.9	233 MW	100 MW	86 MW
	January 23	57.0%	38.5		133 MW	114 MW
	October 23	RUMS project	19.8			
NISPI	December 21	40.0%	25.4	80 MW	32 MW	n/a
VSS	May 23	99.8%	3.1	6 MW	6 MW	n/a
Total			119.7	319 MW	271 MW	200 MW

On 1 August 2023, the Company's only development project (the "TT8 project"), a 150 MW solar PV project, held by a special purpose vehicle of SolarArise, signed a power purchase agreement with Maharashtra State Electricity Distribution Company Limited. This required the Company to put in place a performance bank guarantee for US\$1.7 million in line with the terms of the PPA funded from existing cash reserves within SolarArise.

On 11 October 2023, the Board announced its decision to proceed with the RUMS project due to it having become the least value destructive option for shareholders and agreed to provide funding of up to US\$20 million by way of an INR denominated external commercial borrowings loan from the Company to SolarArise. Accordingly, a loan of US\$19.8 million was provided on 18 October 2023. The RUMS project's budget did not initially include provisions for the installation of dynamic reactive power equipment. The responsibility for this additional infrastructure, as mandated by Central Electricity Authority regulations, was unclear. In January 2024, in a meeting with the owner of the Rewa Ultra Mega Solar Park ("RUMSL"), SolarArise and other significant developers were informed that the dynamic reactive power equipment would need to be self-funded by those constructing them. RUMSL is also now behind schedule in constructing the transmission line and other infrastructure required for commissioning the RUMS project. It is expected that commissioning the RUMS project will not occur until June 2024.

For the purpose of the unaudited NAV as at 31 December 2023, announced on 13 March 2024, a US\$2.8 million contingency was included in the modelled RUMS project costs. Delays to the commissioning date beyond 31 March 2024 impacts the RUMS project costs. Every month of delay beyond 31 March 2024 will have a negative impact of US\$0.5 million- US\$0.7 million on NAV. The unaudited NAV assumed commissioning of the RUMS project would occur in March 2024, based on the information held as at 31 December 2023. It was noted in the announcement of the unaudited NAV that commissioning was now expected to happen in May 2024 and that there would be a further reduction in NAV of up to US\$2.1 million in the event that commissioning did not occur until June 2024. An increased contingency of US\$6.3 million has been included in the audited NAV, resulting in a downward movement of US\$3.5 million from the unaudited NAV. The increased contingency is principally due the delays in construction in January and February 2024, which were not within the control of SolarArise, and is based on commissioning now occurring in June 2024. The contractual avenues to recoup additional costs will be explored.

The Board has approved additional cash funding of up to US\$4.5 million to fund the RUMS project delays and additional costs. The NAV impacts presented above assume this cash injection has taken place.

As at 31 December 2023, the Company had invested US\$119.7 million, 66% of total capital raised. Following the temporary share suspension, the Board suspended acquisitions of, or commitments to, new investments without consultation with the Board. Subject to shareholders approving the proposal for the orderly realisation proposal at a general meeting of the Company expected to be held in Q2 2024, the Company will not make any further acquisitions or commitments to new investments.

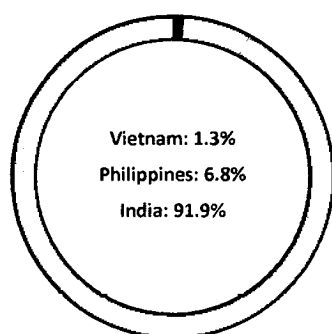
¹⁸ The value of the Company's operational investment portfolio.

Portfolio Breakdown

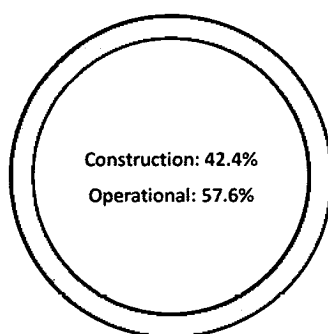
Plant or site	Technology	Country	Revenue type	Total renewable energy generating capacity on a 100% basis (MWp)	Total renewable energy generating capacity based on economic share (MWp)	Average remaining life of asset modelled (years)	Economic ownership
NISPI				80	32		
Isasol IA	Solar	Philippines	Wholesale electricity market	18	7	17.0	40%
Isasol IB	Solar	Philippines	Wholesale electricity market	14	6	17.0	40%
Isasol II	Solar	Philippines	Wholesale electricity market	48	19	17.0	40%
SolarArise				433	433		
Telangana I ("TT")	Solar	India	25 year fixed price PPA	12	12	17.5	100%
Telangana II ("TT6")	Solar	India	25 year fixed price PPA	12	12	17.5	100%
Karnataka I ("TT1")	Solar	India	25 year fixed price PPA	40	40	19.0	100%
Karnataka II ("TT2")	Solar	India	25 year fixed price PPA	27	27	21.0	100%
Maharashtra ("TT4")	Solar	India	25 year fixed price PPA	67	67	19.0	100%
Uttar Pradesh ("TT5")	Solar	India	25 year fixed price PPA	75	75	22.5	100%
Total operating generating capacity				233	233		
Madhya Pradesh In construction ("RUMS project")	Solar	India	25 year fixed price PPA	200	200	n/a	100%
Maharashtra In development ("TT8 project")	Solar	India	25 year fixed price PPA	150	150	n/a	100%
Total 'in construction' or 'in development' generating capacity				350	350		
VSS				6	6		
Mo Cay	Solar	Vietnam	20 year PPA	2	2	17.0	99.8%
Hoang Thong	Solar	Vietnam	20 year PPA	4	4	17.0	99.8%
Total generating capacity				319	271		
Total 'in construction' generating capacity				200	200		
Total 'in development' generating capacity				150	150		

The following charts are representative of the pro-rata share of the assets owned at 31 December 2023¹⁹.

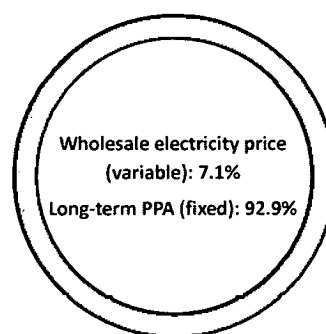
Geographical diversification -
as a % of generating capacity (MWp)



Asset phase -
as a % of generating capacity (MWp)



Revenue structure -
as a % of generating capacity (MWp)



¹⁹ All charts exclude development projects.

Portfolio Performance

Portfolio performance for NISPI and SolarArise has been compared to the budgeted performance expected in the year as per the 31 December 2022 valuation models. The assumptions that drove the cashflows of those models are detailed in the 2022 Annual Report available on the Company's website and included 'haircuts' to the expected generation from the P50 generation profiles.

A P50 generation profile for solar assets is a statistical measure used to estimate the expected energy production of a solar power project. The term 'P50' refers to the median probability scenario for the energy output of a solar asset. It means that there is a 50% chance that the actual energy production will exceed the P50 estimate and a 50% chance that it will fall below. This is considered a 'best estimate' scenario, balancing optimism and conservatism.

A technical advisor was appointed in September 2023 to provide updated P50 yield assessments. Reports for SolarArise were received in January 2024, with the results being incorporated into the valuation of the assets at 31 December 2023. Reports for the Philippine and Vietnamese assets were received in March 2024 and will be incorporated into the 31 March 2024 valuations. Material deviations from generation assumptions already modelled in the 31 December 2023 valuations are not anticipated.

**Output generated by
underlying operating assets²⁰**

391,683 MWh

**Revenue generated by
underlying operating assets²⁰**

US\$24.1m

**EBITDA generated by
underlying operating assets²⁰**

US\$18.0m

During the year ended 31 December 2023, the investment portfolio's electricity generation was 391,683 MWh, 6% below the original P50 generation profile, and 3% below the anticipated generation following the 'haircuts' to the P50 generation estimates. The reported figures reflect the proportionate share of the electricity generated by investments from the date of acquisition and therefore consider 100% of SolarArise from 13 January 2023, the date on which AEIT purchased the remaining 57% stake, and 99.8% of VSS from 31 May 2023.

Philippines

The Philippine portfolio comprises NISPI, an investee company with three operating solar plants with a total capacity of 80 MW situated on the island of Negros, Philippines. All three solar plants export electricity to the grid at the wholesale electricity spot market ("WESM") price.

The 2023 budgets for ISLASOL II and ISLASOL III anticipated decreases in energy generation of 3.4% and 3.7%, respectively, aligning with past deviations from the established P50 generation forecasts. This year's actual performance was 1% below the adjusted P50, with ISLASOL II and ISLASOL III underperforming by 3% and 0.1% below the amended P50. A portion of this discrepancy, amounting to 1%, was attributed to lower solar irradiation levels. The remainder of the underperformance was linked to site-specific challenges, which had been factored into our budget forecasts. In addition, ISLASOL II faced a series of technical difficulties which were not anticipated and have since been resolved.

Over the 12 months ended 31 December 2023 NISPI generated revenues of PHP 731.2 million (US\$13.2 million), a 2.5% decrease to budgeted revenues of PHP 749.7 million (US\$13.5 million). This was primarily due to the lower generation explained above and slightly lower than expected WESM prices being achieved of 6.6PHP/kWh compared to a budgeted price of 6.7PHP/kWh. EBITDA for the year was PHP 572.0 million (US\$10.3 million), 1.2% above budget, boosted by the sale of unbudgeted carbon credits.

As at 31 December 2023, on a 100% basis, NISPI held PHP 1,078 million of cash reserves, equivalent to US\$19.5 million. NISPI has no debt.

India

The 2023 budgets accounted for a 5% reduction in generation based on historical observed underperformance from the existing P50 generation expectations. After accounting for weather effects, the overall performance matched our expectations. However, as we predicted, some specific sites did not perform as well as anticipated in our budgets. Two of the sites had specific issues that impacted generation; TT2 experienced issues with pollution in the area and TT6 experienced issues with flooding and the control system. The Transitional Investment Manager is continuing to work with the technical advisor and the SolarArise asset manager to further understand the root causes of the underperformance of the SolarArise assets and evaluate possible optimisation options.

Over the year the operational portfolio of SolarArise generated a turnover of INR 1,534 million (US\$18.4 million), an underperformance compared to the budgeted figure of INR 1,649 million (US\$19.8 million) by 7.0%. This underperformance is driven by government rebates budgeted but not received of INR 149 million (US\$1.8 million), offset in part by the receipt of carbon credit income, amounting to INR 51 million (US\$0.6 million). As a result, EBITDA for the year was INR 1,131 million (US\$13.6 million), below the budgeted INR 1,380 million (US\$16.6 million) by INR 249 million (US\$3.0 million). Throughout the year, operational SPVs paid management fees totalling INR 61 million (US\$0.7 million) to the SolarArise holding company.

In the year, the SolarArise holding company incurred expenses of INR 169 million (US\$2.0 million), compared to expected expenditure per the December 2022 valuation model (which assumed normalised costs for this structure) of INR 58 million. The actual expenditure for the year included asset management fees (INR 99.5 million) and other operating costs (INR 69.8 million) and were covered by management fees, interest income and loan repayments from the operational SPVs. The Transitional Investment Manager is working with the SolarArise asset management team to agree new budgets for the year ending 31 March 2025 (SolarArise's year end) and reduce holding company costs as much as possible.

²⁰ Pro-rated for economic ownership from the date of acquisition if after 1 January 2023. These are not IFRS measures and are KPIs used to monitor the performance of the underlying assets.

Portfolio Performance

Continued

As at 31 December 2023, SolarArise's cash reserves, including the underlying SPVs, were INR 964 million (US\$11.6 million). Of this balance, US\$8.1 million was held to fund the ongoing construction of the RUMS project. SolarArise had approximately US\$108.6 million of borrowings at 31 December 2023.

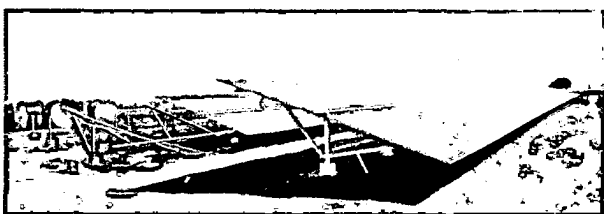
Construction progress of the 200 MW RUMS project

The RUMS project is held by a wholly owned special purpose subsidiary, Talettutayi Solar Projects Nine Private Limited ("TT9"), of SolarArise.

Construction of the RUMS project commenced in November 2023. The solar modules have arrived on site, alongside most of the other equipment needed to build the solar farm. Installation of the module mounting structure for the panels is in progress.



Post the year end, despite initial progress, construction faced delays due to farmers from the surrounding land temporarily restricting access to the construction site in early to mid-January, and limiting on-site activities from mid-January 2024 to mid-February. This stemmed from land-related issues between the owner of the land, RUMSL²¹, and the neighbouring farmers. Resolution between these two parties was outside of the Company's control. The local asset manager of SolarArise escalated the issue within the relevant Indian government departments and local authorities. Following resolution, construction recommenced in the third week of February.



Additionally, the project's budget did not initially include provisions for the installation of dynamic reactive power equipment. The responsibility for this additional infrastructure, as mandated by Central Electricity Authority (CEA) regulations, was unclear. In a January 2024 in a meeting with RUMSL, SolarArise and other significant developers were informed that the cost would need to be self-funded. RUMSL is also now behind schedule in constructing the transmission line and other infrastructure required for commissioning. It is expected that this will not be delivered until June 2024.

The audited NAV as at 31 December 2023 includes a contingency of US\$6.3 million principally due the delays in construction in January and February 2024. The contingency is based on commissioning now occurring in June 2024. All contractual avenues to recoup costs will be explored.

The Board has approved additional cash funding of up to US\$4.5m to fund the project delays and addition costs. The NAV impacts referred to above assume this cash injection has taken place.

Vietnam

On 31 May 2023, AEIT completed the acquisition of a 99.8% stake in VSS and its four subsidiaries, incorporating 6.12 MW of rooftop solar assets, for a total of US\$3.1 million.

Following the acquisition, the portfolio's performance was 12% lower than the initial investment projections, primarily due to the Hoang Thong system's output, which fell 27% short of expectations. This shortfall was largely attributed to sawdust from the adjacent facility, which compromised the solar panels' efficiency by accumulating on their surfaces. As a result, the 2023 budgets were updated as part of the valuation update conducted in September 2023. The budgets accounted for a reduction in generation based on a PVsyst report completed in June 2023 which encompasses issues identified on the sites.

In relation to the updated budget, the portfolio has outperformed the generation expectations by 5%. This uplift in performance is attributed to the cleaning regime adopted on the solar panels and inverters in addition to rectification of some sections of the DC cables touching the roof in the Hoang Thong project. The asset manager, Solar Electric Vietnam, has provided a proposal of further rectification works to resolve the identified issues. The improvement in performance observed is a good indication of some upside expected to be recovered following the completion of the rectification works.

During the period since acquisition, VSS has generated revenue of VND 8.2 billion (US\$0.33 million), and generated EBITDA of VND 6.8 billion (US\$0.27 million).

At 31 December 2023, VSS had VND 6.8 billion (US\$0.3 million) of cash reserves and approximately US\$1.2 million of borrowings.

²¹ RUMSL is a joint venture between Madhya Pradesh UrjaVikas Nigam Limited and Solar Energy Corporation of India. Solar Energy Corporation of India Ltd is a company of the Ministry of New and Renewable Energy, Government of India.

Portfolio Valuation

Valuation process

Regular valuations are undertaken for the Company's portfolio of assets. The process follows International Private Equity Valuation (IPEV) Guidelines, typically using a discounted cashflow ("DCF") methodology. The DCF methodology is deemed the most appropriate valuation basis where a detailed projection of likely future cash flows is possible. Due to the asset class, availability of market data and the ability to project the asset's performance over the forecast horizon, a DCF valuation is typically the basis upon which renewable assets are traded in the market. In a DCF analysis, the fair value of the investee companies is the present value of the expected future cash flows, based on a range of operating assumptions for revenues, costs, leverage and any distributions, before applying an appropriate discount rate. Key macroeconomic and fiscal

assumptions for the portfolio valuation are set out in note 9 to the Financial Statements. The assets held in the Company's UK subsidiary, AEIT Holdings, substantially comprise working capital balances and therefore the Directors consider the fair value of AEIT Holdings to be equal to its book value.

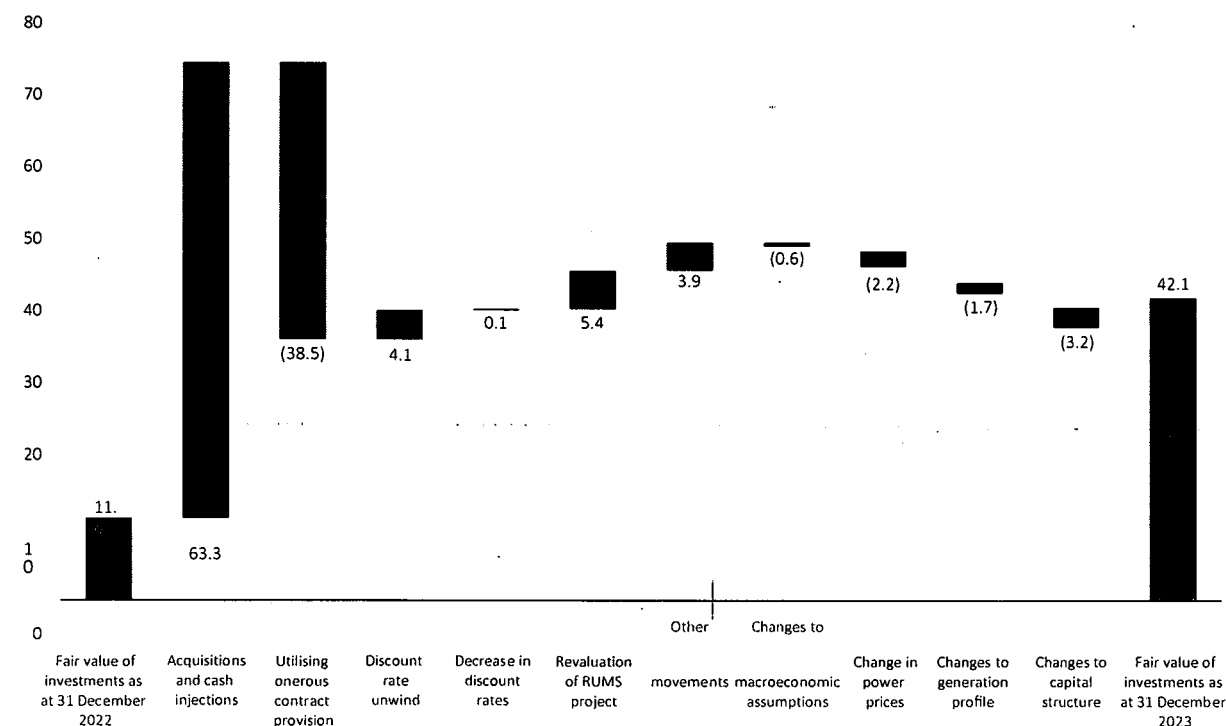
In accordance with the Company's valuation policy, the investment portfolio at 31 December 2023 has been valued by the Transitional Investment Manager. PwC was engaged as an independent valuation expert to provide a private independent opinion on the reasonableness of the valuations which were prepared by the Transitional Investment Manager, and adopted by the Board and AIFM when they approved the 31 December 2023 valuations.

Portfolio valuation as at 31 December 2023

The fair value of the Company's investment portfolio as at 31 December 2023 was US\$42.1 million. The movements over the year are detailed in the bridge below.

Whilst the Company holds its investments at fair value, the final value realised on disposal of each investment as the Company implements its orderly realisation strategy may be materially different to its fair value as at 31 December 2023.

Fair value of investments from 31 December 2022 to 31 December 2023 (US\$m)



Acquisitions and cash injections

During the year, AEIT announced the following investments:

- In January 2023, the Company completed its acquisition of the remaining 57% economic interest in SolarArise, bringing ownership to 100%. The acquisition was made for a cash consideration of US\$38.5 million.
- In May 2023, the Company, through its subsidiary AEIT Holdings, completed the acquisition of a 99.8% stake in VSS and its four subsidiaries, which hold 6.12 MW of rooftop solar assets. Total funding into AEIT Holdings was US\$5.0 million, of which US\$3.1 million was used to fund the acquisition of VSS. As at 31 December 2023, US\$1.8 million remains as cash sitting within AEIT Holdings and is included within the fair value of the investment portfolio.

Portfolio Valuation

Continued

- In October 2023, the Board approved the provision of funding up to US\$20 million through an INR-denominated external commercial borrowings ("ECB") loan from the Company to SolarArise to enable the construction activities for the RUMS project. Subsequently, a loan amounting to US\$19.8 million was disbursed to SolarArise on 18 October 2023.

Utilising onerous contract provision

At 31 December 2022, the Company recognised an onerous contract provision in respect of the commitment to acquire of the remaining 57% shareholding in SolarArise as the fair value of the investment was deemed to be lower than the consideration to be paid to acquire the investment, primarily due to potential liabilities relating to aborting the 200 MW construction-ready RUMS project. This provision of US\$38.5 million has been utilised during the year and offsets against the US\$38.5 million included as cash paid for the acquisition. As a result, the impact of the valuation at 31 December 2023 of this acquisition was neutral.

Discount rate unwind

This bridge step reflects the net present value of future cashflows being brought forward from 31 December 2022 to 31 December 2023, except for VSS which is from the date of acquisition to 31 December 2023.

Change in discount rates

A range of discount rates are applied in calculating the fair value of the investments, considering the location, technology and lifecycle of each asset as well as leverage and the split of fixed and variable revenues.

In determining the reasonableness of discount rates, these have been estimated by considering data points from transactional and other valuation benchmarks, disclosures in broker reports, other public disclosures and broader market experience of investors in the market. Discount rates are in the range 10-12.5% across the assets with the construction asset in India being top of the range and the Vietnamese assets at the bottom of the range. Changes to discount rates had minimal impact on valuations.

Revaluation of the RUMS project

Falling solar module prices during the year resulted in improving economics for the RUMS project. Updating the model with the declining panel prices and other assumption changes reduced the overall negative net present value ("NPV") and on 11 October 2023 the Board announced its decision to proceed with the RUMS project due to it having become the least value destructive option for shareholders. As at 31 December 2023, the fair value of the RUMS project included within the valuation of SolarArise was US\$0.7 million after the capital injection of US\$19.8 million provided by AEIT, additional capital injections made from excess cash within the SolarArise holding company of US\$3.3 million and including a contingency of US\$6.3 million. Actual changes in the underlying project economics from the abort case as at 31 December 2022, which was a negative NPV of US\$27.9 million, amounted to a US\$5.4 million uplift in value. This is largely as a result of improving economics for the project, including declining panel prices and updating for macro-assumptions and other model updates, which were offset slightly by an increase in interest rate on the signed facility agreements entered into in October 2023 and an updated budget with additional capex and contingency as commissioning is not expected to occur until at least June 2024, further detail for which is shown in the 'Investments' section.

Macroeconomic assumptions

The main economic assumptions used in the portfolio valuation at 31 December 2023 are inflation forecasts and foreign exchange rates. Updating for assumptions at 31 December 2023 had a small negative impact on the valuation.

- **Inflation forecasts:** Our approach is to blend two inflation forecasts from reputable third-party sources.
- **Interest rates:** Interest rate forecasts are only relevant for the Indian and Vietnamese portfolios of assets. As existing facility agreements are in place, we have assumed the current rates at 31 December 2023 as the fixed rates long term.
- **Foreign exchange rates:** Underlying valuations are calculated in local currency and converted back to USD at the spot rate at the relevant valuation date.

Power price forecasts

Unless fixed under PPAs (such as the Indian portfolio) or otherwise hedged, the power prices used in the valuations are based on an equal blend of two independent and widely used market consultants' technology-specific capture price forecasts for each asset.

Updating the valuations for the most recent power price forecasts available resulted in a decrease in the valuation over the period from 31 December 2022 to 31 December 2023. A significant fall was seen in the first half of the year with some recovery seen in the updated forecasts in the second half of 2023. This is primarily due to reduced market forecasts, particularly commodity prices in the near term (with delivered coal and liquified natural gas being two of these major commodities) being key drivers in the expected power prices in the Philippines.

In Vietnam, while both advisors raised the tariff forecast in the latest update, they also highlighted that it will mostly follow the trend of the gradual increase target set by the government rather than any fundamental factors.

Generation

Each asset's valuation assumes a P50 level of electricity output based on yield assessments prepared by technical advisors and is the market standard assumption to utilise in valuation models. At 31 December 2022, as there was an observed historical underperformance of the Company's operational assets when compared with the level of P50 generation assumed at the time of acquisition, an estimated reduction was applied so that the generation forecasts reflected actual performance.

A technical advisor was appointed to provide updated P50 yield assessments. These assessments were received in January 2023 for SolarArise. The technical advisor produced two separate reports for SolarArise; revision one (worst case) which included all potential losses (even those that arose from one-off events) and revision two ('best case') which assumed all losses assumed in revision one would be fully recoverable. The Transitional Investment Manager continues to work with the technical advisor to produce a realistic P50 yield assessment that is expected to fall roughly in the middle of the two reports received, on the basis that it is unlikely that all of the excluded losses in revision two would be recoverable. For the 31 December 2023 valuations, in the absence of a final report from the technical advisor, the midpoint of both reports has been taken to generate a P50 yield to be included in the valuation models for SolarArise. The impact on the valuation

Portfolio Valuation Continued

of this assumption was a reduction to investment value of US\$0.9m. The updated P50 yield assessments were received in March 2024 in respect of NISPI and VSS. These P50 yield assessments were not adopted in the 31 December 2023 valuations as actual performance is expected to be below these, and not material different to the existing assumptions.

Further, since its acquisition in May 2023, one of the assets within the Vietnamese portfolio, which is a rooftop solar project on a furniture factory, is significantly underperforming against expectations at the time of acquisition. This is a result of the sawdust from the facility below escaping and settling on the panels. Subsequently, the generation forecasts have been reduced to account for the underperformance, which is net of a slight improvement in performance expected to be achieved following completion of an asset rectification plan.

In line with December 2022, a 3.3%-3.7% 'haircut' to the original P50 yields based on the observed historical underperformance of NISPI has been taken in the absence of updated yields.

Updating the valuations for the updated yield assessments in SolarArise and VSS resulted in a negative impact on the valuations.

Changes to capital structure

As a result of the capital injection into the RUMS project, a reorganisation of intercompany debt was required within the SolarArise SPVs, resulting

in greater cash traps as distributions are delayed. This resulted in a negative US\$3.2 million impact on the valuation. A review is underway to consider options for optimising the SolarArise capital structure to mitigate further delays.

Other movements

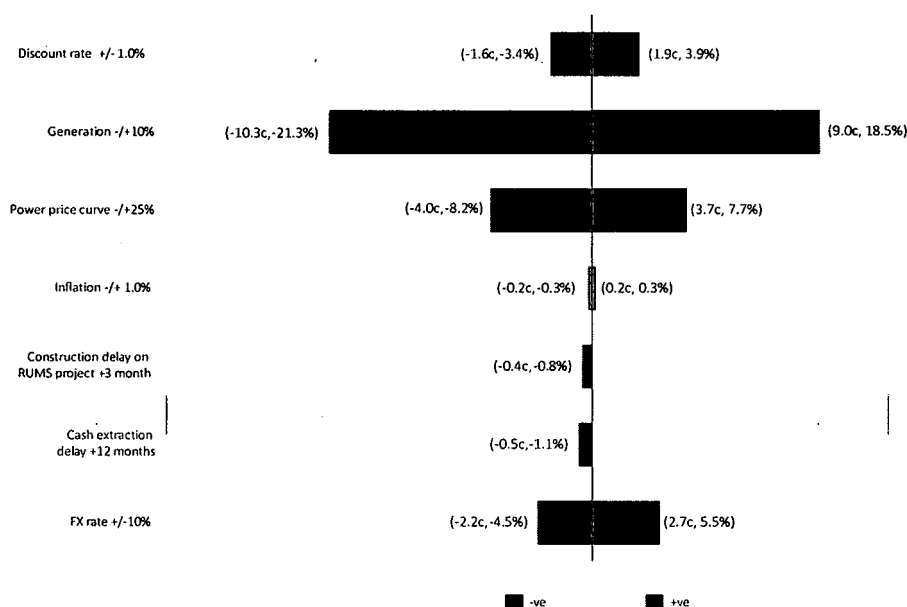
This refers to the balance of valuation movements in the period excluding the factors noted above. The positive value is largely driven by an uplift of US\$2.0 million relating to the inclusion of residual land value where land is owned within the SolarArise portfolio, US\$0.8 million relating to updates to operating expense assumptions within the SPVs and other updates to decommissioning and distribution assumptions.

Also within other movements, resulting in a neutral valuation impact, is the funding of the TT8 project development costs (US\$1.9 million) and the RUMS project construction costs (US\$3.3 million) out of excess cash within the SolarArise holding company.

As at 31 December 2023, total cash injected into the TT8 project was US\$1.9 million and, in line with the Company's valuation policy, the fair value of this development asset at the year-end is deemed to be equal to its cost.

Valuation sensitivities

For each of the sensitivities shown, it is assumed that potential changes occur independently with no effect on any other assumption. The sensitivity movements are presented both on a cents per share basis and as a percentage of the Company's NAV.



Discount rate: A range of discount rates are applied in calculating the fair value of investments, considering the location, technology and lifecycle stage of each asset as well as leverage and the split of fixed to variable revenues. A 100bps increase or decrease in the levered cost of equity for each portfolio has been applied.

Generation: The sensitivity assumes a 10% decrease or increase in total forecast generation relative to the base case for each year of the asset life.

Portfolio Valuation
Continued

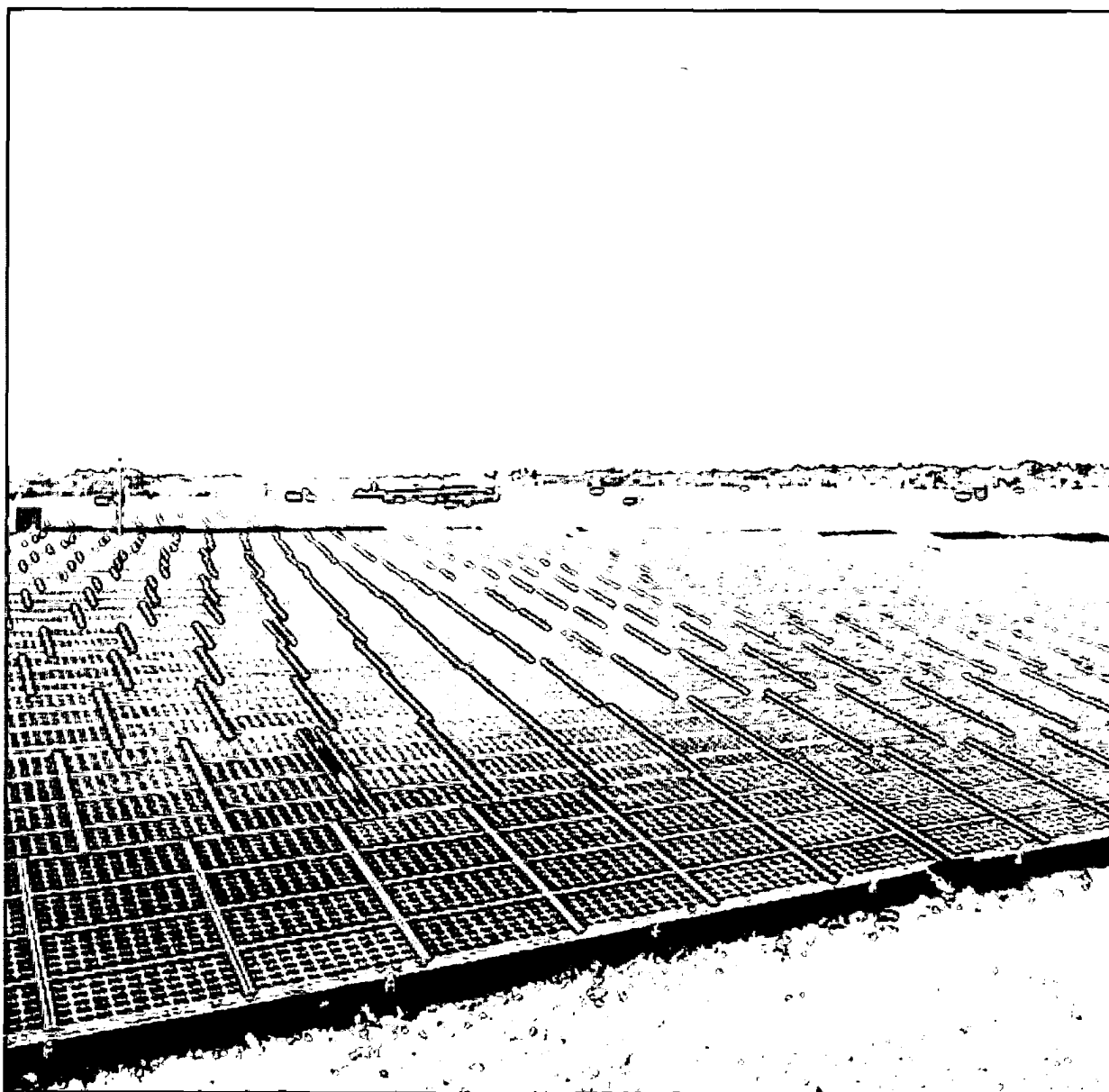
Power price curve: The sensitivity assumes a 25% decrease or increase in power prices relative to the base case for each year of the asset life (excluding any period covered by a PPA).

Inflation: The sensitivity assumes a 1% decrease or increase in inflation relative to the base case for each year of the asset life. Where revenue or cost items have a contractually defined indexation profile, this has not been sensitised.

Construction delay: The sensitivity assumes a three-month delay in the completion of construction of the RUMS project from the current assumed date of 30 June 2023 (i.e. that completion does not occur until 30 September 2024).

Cash extraction delay: At 31 December 2023, NISPI, the SolarArise holding company and each of the SolarArise SPVs had significant negative distributable reserve balances, prohibiting the payment of dividends. The valuations reflect this, but assume that some measures to eliminate cash traps (for example, capital reductions) are implemented within a reasonable timeframe. The sensitivity assumes that such measures to eliminate cash traps are delayed by 12 months at both NISPI and SolarArise.

FX rate: Investments are held in the currency of the territory in which the asset is located. A flat increase or decrease of 10% in the relevant rate over the remaining asset life of each plant has been applied to the final values at 31 December 2023.



AEIT's solar site based in the Philippines

Financial Review

The Financial Statements of the Company for the year ended 31 December 2023 are set out on pages 83 to 108. The Financial Statements have been prepared in accordance with United Kingdom adopted international accounting standards and the applicable legal requirements of the Companies Act 2006.

Basis of accounting

The Company applies IFRS 10 and Investment Entities: Amendments to IFRS 10, IFRS 12 and IAS 28, which state that investment entities should measure all their subsidiaries, joint ventures and associates that are themselves investment entities at fair value. The primary impact of this application, in comparison to consolidating subsidiaries, is that the cash balances, working capital balances and borrowings in its subsidiaries are presented as part of the Company's fair value of investments.

The comparative period is the period from 1 November 2021 to 31 December 2022.

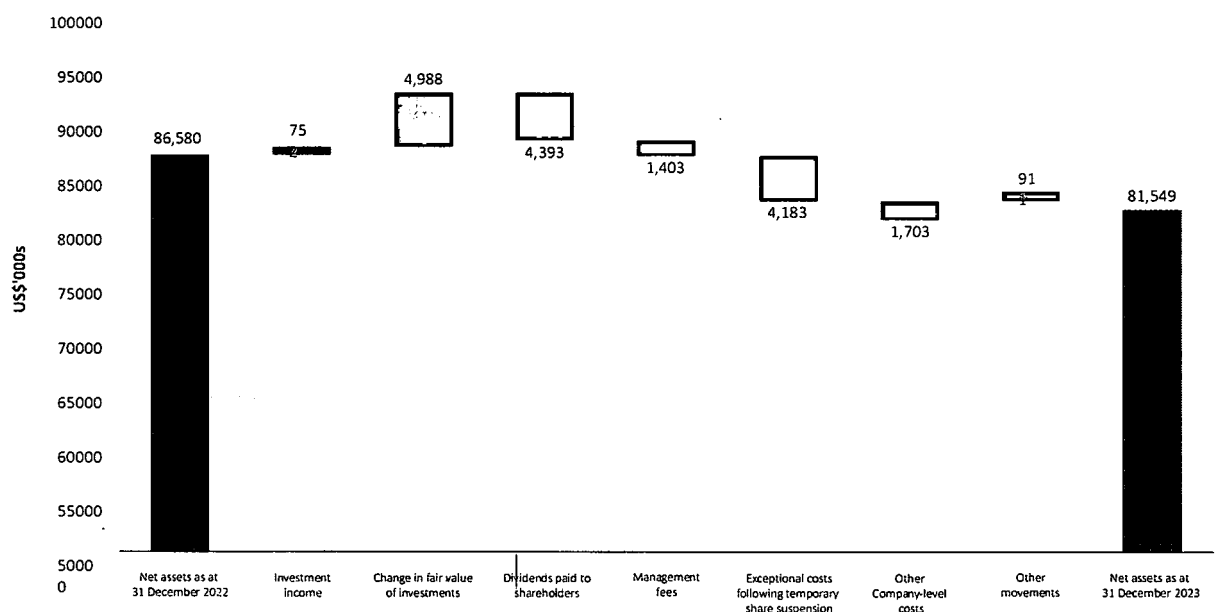
Results for the year/period

	31 December 2023 US\$m	31 December 2022 US\$m
Net asset value	81.5	86.6
Fair value of Company's investments	42.1	11.5
Movement on fair value of investments	5.0	(47.0)
Net assets per share (cents)	46.4	49.3
Onerous contract provision with respect to 57% acquisition of SolarArise	–	(38.5)
Loss for the year/period	(0.6)	(88.8)

Net assets

The net asset value as at 31 December 2023 was US\$81.5 million or 46.4 cents per ordinary share (2022: US\$86.6 million or 49.3 cents per ordinary share). The fair value of the Company's investment portfolio as at 31 December 2023 was US\$42.1 million (2022: US\$11.5 million). Movements between 31 December 2022 and 31 December 2023 are detailed in the bridge below:

Net asset value bridge - 31 December 2022 to 31 December 2023



Notes to the NAV bridge

- Change in fair value of investments:** The change of US\$5.7 million represents the increase in fair value of the underlying investments of US\$5.0 million and investment income of US\$0.7 million, net of the additional capital injections made in the year. These include US\$5.0 million invested into AEIT Holdings in April 2023, of which US\$3.1 million was used for the VSS acquisition, and a further US\$19.8 million invested into SolarArise to fund the construction of the RUMS project in October 2023. For further information see note 9 to the Financial Statements.

- Exceptional costs following temporary share suspension:** Since the material uncertainty arose during the preparation of the December 2022 accounts and audit, additional professional fees have been incurred to provide an in-depth examination of the valuations, to audit and validate the valuation models, to undertake an extensive review into the tax and cash extraction positions, to undertake a comprehensive review of the RUMS project and seek advice with regard to the likely abort liabilities and to provide advice associated with the temporary share suspension, shareholder meeting requisitions by funds managed by the Former Investment Manager, the changes to the investment policy, effecting the change in Investment Manager and the Board's strategic review of the

options for the Company's future. The Board is investigating the Company's right to seek compensation for these exceptional costs whilst reserving all the Company's other rights.

- **Other Company-level costs:** Other ongoing Company-level costs incurred in the year, excluding management fees of US\$1.4 million. Total ongoing Company-level costs for the year were US\$3.1 million as detailed in the OCR APM calculation on page 110.
- **Other movements:** Principally comprise of FX gains (US\$0.3 million) and interest received on cash deposits (US\$0.6 million).

Income

In accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued in July 2022 by the Association of Investment Companies ("AIC"), the statement of comprehensive income differentiates between the 'revenue' account and the 'capital' account, and the sum of both items equals the Company's profit for the year. Items classified as capital in nature either relate directly to the Company's investment portfolio or are costs deemed attributable to the long-term capital growth of the Company.

In the year ended 31 December 2023, the Company's total revenue was US\$5.7 million comprising of the movement of fair value of investments of US\$5.0 million and interest receivable from its investments of US\$0.7m (2022: total revenue of negative US\$85.5 million, consisting of negative US\$47.0 million movement in fair value of investment and negative US\$38.5 million onerous contract provision).

Operating expenses

The operating expenses included in the statement of comprehensive income for the year were US\$6.4 million (2022: US\$3.3 million). These comprise US\$4.2 million of exceptional one-off costs following the temporary share suspension, US\$1.4 million fees relating to the Transitional Investment Manager and Former Investment Manager and US\$5.9 million operating expenses offset by US\$0.3 million net foreign exchange gains and net finance income of US\$0.6 million in the year. The US\$1.4 million of management fees includes fees of US\$1.0 million which may be claimed by the Former Investment Manager but are not being paid to the Former Investment Manager whilst the Board evaluates all available options. The details on how the Transitional Investment Manager's and Former Investment Manager's fees were charged are as set out in note 19 to the Financial Statements.

Ongoing charges

The ongoing charges ratio (OCR) is a measure, expressed as a percentage of average net assets, of the regular, recurring annual costs of running the Company. It has been calculated and disclosed in accordance with the AIC methodology, as annualised ongoing charges (i.e. excluding acquisition costs and other non-recurring items) divided by the average published undiluted NAV in the year. For the year ended 31 December 2023, the OCR was 3.6% (2022: 2.5%). The increase in OCR is driven primarily due to the lower average NAV in 2023 compared to 2022. The OCR is an APM and its calculation is detailed on page 110. Total costs (i.e. including acquisition costs and other non-recurring expenses) were equivalent to 8.4% (2022: 4.1%) of the average net assets for the year.

Financing

The Company does not have any debt. However, it is permitted to have debt within its underlying investments. Per the Company's investment policy, gearing should not exceed 65% of the Adjusted GAV (measured at the time the facility is entered into), with the Company targeting gearing of below 50% in the medium term. External debt financing is only at the level of the Indian and Vietnamese solar portfolios and, as at 31 December 2023, this comprised outstanding principal amounts of US\$109.8 million, (2022: US\$45.9 million pro rated for economic ownership) representing a gearing ratio of 57% (2022: 27%). At 31 December 2023, US\$7.2 million had been drawn under the US\$54.9 million project finance facility for construction of the RUMS project. On a pro forma basis, gearing would increase to 65% once the full project finance facility of the RUMS project is drawn down based on the NAV as at 31 December 2023.

Dividends

During the year, interim dividends totalling US\$4.4 million were paid (1.18 cents per share was paid in respect of the quarter to 31 December 2022 in May 2023, 0.44 cents per share paid in respect of the quarter to 31 March 2023 in July 2023, 0.44 cents per share paid in respect of the quarter to 30 June 2023 in September 2023 and 0.44 cents per share paid in respect of the quarter to 30 September 2023 in December 2023).

A dividend has not been paid or proposed in respect of the quarter ended 31 December 2023 and, subject to shareholders approving the orderly realisation proposal at a general meeting of the Company expected to be held in Q2 2024, the Company's priority will be to achieve a balance between maximising the value of its investments and progressively returning cash to shareholders in a timely manner. It is currently expected that surplus cash will be returned from time to time in the form of capital rather than dividends and that any dividends will be paid on an ad hoc basis.

Impact Report

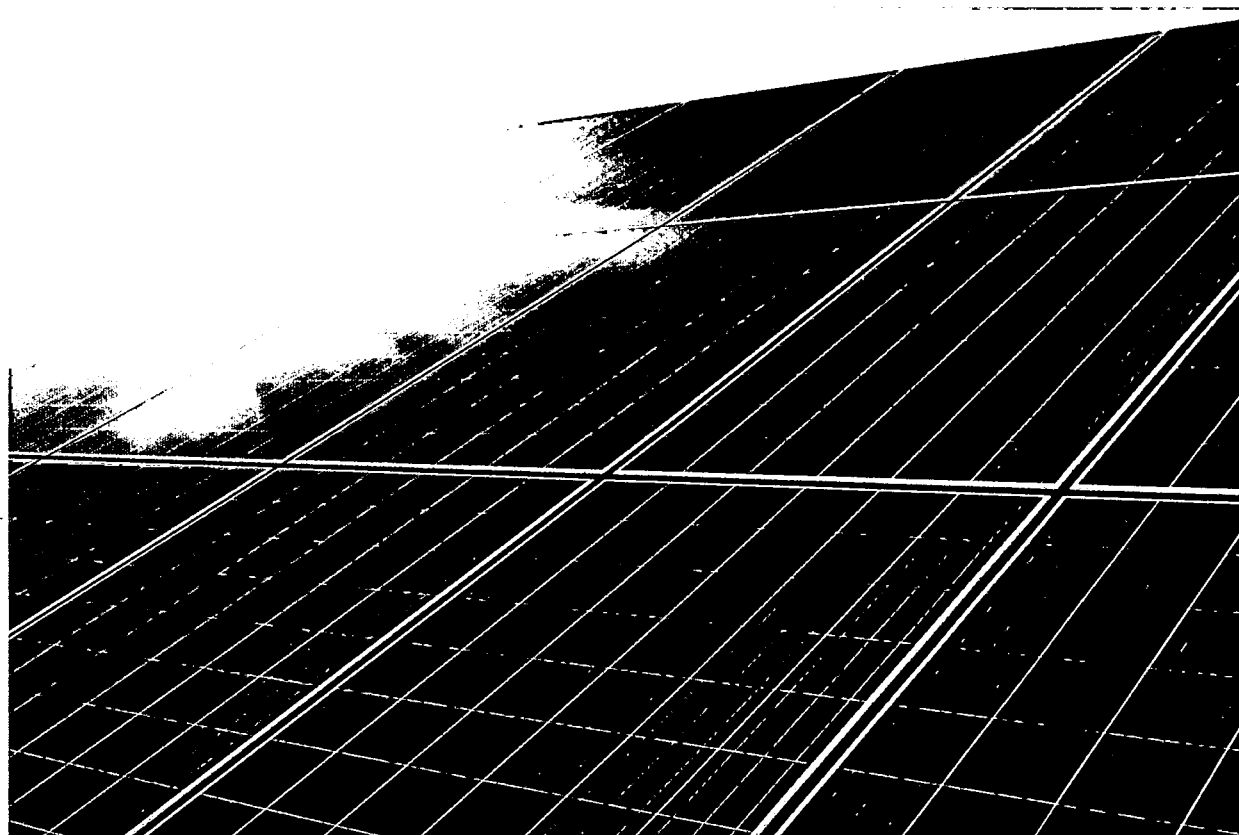
Impact highlights²⁴

Providing financial returns through clean energy generation

Installed operational capacity – MW 233 – SolarArise (2022: 100) 32 – NISPI (2022: 32) 6 – VSS (2022: Nil)	Clean energy generated – MWh 391,683 (2022: 85,199)	EU Taxonomy alignment²⁵ 100% (2022: 100%)
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Providing environmental returns through GHG emission avoidance

GHG emissions avoided – tCO₂e 311,752 (2022: 62,770)	Equivalent UK cars taken off the road – No. 158,265 (2022: 34,427)	Providing social returns through quality jobs created Employment directly supported full time equivalent (“FTE”) jobs – No. 197 (2022: 148)
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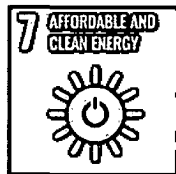
²⁴ These metrics have been proportioned to account for AEIT's share of the SolarArise, NISPI and VSS assets during the reporting period.

²⁵ This calculation excludes cash held by the Company.



AEIT contribution to UN SDG targets

Through its investments, the Company made significant active contributions to four UN SDGs as outlined below.



Affordable and clean energy

7.2: Reducing India's, the Philippines' and Vietnam's reliance on fossil fuels through renewable energy generation by AEIT's assets.



Decent work and economic growth

8.5: Achieve productive employment and decent work, illustrated by the 197 jobs supported by the portfolio and the additional income generated for locals through the robotics program at NISPI.

8.8: Protecting labour rights and promoting safe and secure working environments for all workers through policies and grievance mechanisms and health and safety training.



Take urgent action to combat climate change and its impacts

13.1: Strengthening resilience of portfolio to climate-related hazards through climate risk analysis and monitoring.

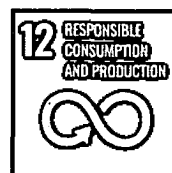
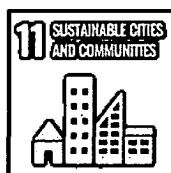
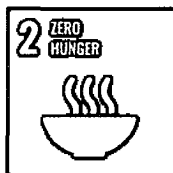
13.2: Contributing to national strategies to increase share of renewable energy to the grid in the fight against climate change.



Life on land

15.5: Reduce the degradation of natural habitats and loss of biodiversity, protecting and preventing impacts to threatened species and other local flora and fauna through the implementation of environmental screening and monitoring at AEIT's assets.

Additional contributions were made through impact initiatives (see pages 32 to 35 for more information)



Impact and ESG approach

Objective

The Company delivers on climate change mitigation through its investments. Nowhere is it more urgent to invest in renewable energy solutions that provide an alternative to polluting fossil fuels and coal than in Asia. The Company's investments in sustainable energy target these fast-growing and emerging economies where greenhouse gas emissions ("GHGs") continue to grow rapidly. The investee companies within the investment portfolio address the climate change mitigation priorities set out in those countries' Nationally Determined Contributions under the Paris Agreement on Climate Change, and efforts to achieve the United Nations Sustainable Development Goals ("UN SDGs"). The investment strategy finances renewable energy generation and avoids GHG emissions, while having a positive impact in the communities where we invest.

As a result of this inherently green contribution, the Company was awarded the Green Economy Mark by the London Stock Exchange in December 2021. In 2022 AEIT was also classified as an Article 9 financial product with a sustainable objective under the EU Sustainable Finance Disclosure Regulation ("SFDR").

Approach

The Company integrates environmental, social and governance ("ESG") risk management into its due diligence and management systems and applies a triple-return approach that considers social and environmental objectives alongside the financial returns of the Company.

Financial return ²⁶	Environmental return	Social return
Providing shareholders with attractive dividend growth and prospects for long-term capital appreciation.	Protecting natural resources and the environment.	Delivering economic and social progress, through job creation and contribution to UN SDGs.

The Investment Manager supports investee companies in monitoring and reporting on mandatory Principle Adverse Impact ("PAI") indicators established under the SFDR framework, and a range of additional ESG-related indicators, as part of its approach to active investment management.

The Company uses a set of key performance indicators ("KPIs") that aims to balance economic, environmental and social considerations, aligning the triple-return approach to the impact areas of generating clean energy, avoiding emissions and supporting quality jobs. The KPIs are listed below:

Impact area	Metric	Unit	Definition	Definition framework
Financial return: Generating clean energy	Installed operational capacity	MW	Total amount of energy the portfolio can transmit as of the end of the reporting period	IRIS+. Energy Capacity (PD3764).
	New energy capacity added	MW	Amount of new energy capacity connected to the grid during the reporting period	IRIS+. Energy Capacity Added (PI9448)
	Energy generated for sale	MWh	Amount of energy generated and sold to offtaker(s) during the reporting period	IRIS+. Energy Generated for Sale: Renewable (PI5842)
Environmental return: Avoiding emissions	Avoided emissions	tCO ₂ e	Avoided emissions from renewable energy generation estimated using standardised grid emission factors per MWh.	IFI Joint Methodology for Renewable Energy Accounting approach
Social return: Quality jobs	Jobs in directly financed companies	Number of FTE jobs	Number of full time equivalent employees working for enterprises financed or supported by the organisation as of the end of the reporting period, aligned with HIPS Direct Jobs Supported (Operations and Maintenance)	IRIS+. Jobs in Directly Supported/Financed Enterprises. (PI4874)

Beyond the Company's contributions to these selected impact KPIs, investments support a range of positive contributions in the communities where the Company operates assets, including through ancillary corporate social responsibility efforts. These additional sustainability contributions are also monitored and highlighted in this Impact Report.

²⁶ Subject to shareholders approving the orderly realisation proposal at the general meeting of the Company expected in Q2 2024, the Company's target financial return will be changed to focus on achieving a balance between maximising the value to be obtained from existing investments held and progressively returning cash to shareholders in a timely manner.

Financial return: generating clean energy²⁷

The financial return target, in particular yield through dividends, is contributed to through the generation of clean energy and the operational performance of assets. Put simply, with all other things being equal, the more green energy an asset produces, the better the financial return for investors through receiving revenue for the electricity that is sold. In this respect, there is no tradeoff between financial return and positive impact through avoided emissions.

In looking through the impact lens, the financial return are generated through the installed operational capacity and the resulting clean energy generated, and this return is sustainable through the alignment to the EU Taxonomy.

The following KPIs are proportionally based on AEIT's equity stake in the SolarArise, NISPI and VSS portfolios.

Installed operational capacity – MW 233 – SolarArise 32 – NISPI 6 – VSS	Clean energy generated – MWh 391,683	EU Taxonomy alignment 100%
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In 2023 the investment portfolio comprised interests in 319 MW of installed operational capacity. The proportional share of this was 271 MW of generating capacity which generated 391,683 MWh of clean renewable energy in the Philippines, India and Vietnam in 2023. This clean energy generation is equivalent to providing 413,144 people with clean electricity (see table for breakdown by country). This directly supports these countries Nationally Determined Contributions under the Paris Agreement on Climate Change, helping to address their climate mitigation priorities.

Equivalent number of people provided with clean electricity- No.

51,415 in the Philippines²⁸	360,022 in India²⁹	1,707 in Vietnam³⁰
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Potential annual MWh contribution and impact of AEIT's operational portfolio once fully constructed.

Metric	2023 Actual	Potential once fully constructed	Change
MW capacity	271	471	+74%
MWh generation	391,683	700,452	+79%
People powered	413,144	734,434	+78%

²⁷ Subject to shareholders approving the orderly realisation proposal at the general meeting of the Company expected in Q2 2024, the Company's target financial return will be changed to focus on achieving a balance between maximising the value to be obtained from existing investments held and progressively returning cash to shareholders in a timely manner.

²⁸ On the basis of: IEA 2020. Average per capita electricity consumption in Philippines (0.84 MWh).

²⁹ On the basis of: IEA 2020. Average per capita electricity consumption in India (0.96 MWh).

³⁰ On the basis of: IEA 2020. Average per capita electricity consumption Vietnam (2.44 MWh).

The EU Taxonomy

The EU Taxonomy was published in 2020, the culmination of an extensive effort to develop a shared framework for defining environmentally sustainable activities across the European Union. The EU Taxonomy specifies six environmental objectives:

- climate change mitigation;
- climate change adaptation;
- protecting marine and water resources;
- transitioning to a circular economy; preventing pollution;
- protecting and restoring biodiversity and ecosystems

The EU Taxonomy is a critical element of the EU's Sustainable Finance Action Plan, and has a central role in the EU SFDR which requires definition of the extent to which investments with an environmentally sustainable objective will meet EU Taxonomy requirements.

The Company aims for 100% alignment of sustainable investments with the EU Taxonomy. In some cases, bringing infrastructure assets into alignment with the full requirements of technical screening criteria may be part of the value addition of the acquisition. Investee companies may also make substantial contributions to other environmental objectives of the EU Taxonomy. To ensure no significant harm to biodiversity and ecosystems, environmental screening is conducted for all investments. Physical climate risk and vulnerability assessments have been completed for all investee company sites by an external consultant. Investee companies will continue to develop longer term climate change risk management plans as part of their ongoing ESG management approach.

As at 31 December 2023 100% of existing investments made a significant contribution to climate change mitigation and were aligned with the EU Taxonomy.

This analysis was conducted drawing on publicly available information and proprietary data sets, and information provided directly by investee companies. Where necessary, inputs from third-party technical advisors may be reflected.

Improving the resilience of the investment portfolio is another way to ensure long-term financial returns. Climate change is a daily lived reality at the renewable energy sites operated by investee companies, which are located in some of the most climate vulnerable regions of the world. The Company's efforts to assess climate risk and develop scenarios for its investment portfolio are discussed as part of its "Task Force on Climate-Related Financial Disclosures" on pages 43 to 47 of this Annual Report.

Environmental returns: avoiding emissions

Through investments in renewable energy, the Company protects natural resources and the environment, directly avoiding greenhouse gas emissions.

The following KPIs are proportionally based on AEIT's equity stake in the SolarArise, NISPI and VSS portfolios.

Avoided emissions - tCO₂e³¹

26,768 – NISPI

282,931 – SolarArise

2,054 – VSS

Equivalent cars taken off the road in the UK³² - No.

158,265

GHG intensity of investee companies - tCO₂e/ US \$m revenue

82.55

The total 391,683 MWh of clean energy generated resulted in a total of 311,752 tonnes of avoided CO₂ emissions. This is equivalent to 158,265 cars taken off the road in the UK for a year.

Potential tCO₂e avoided emissions and impact from AEIT's operational portfolio once fully constructed.

Metric	2023 Actual	Potential once fully constructed	Change
MWh generation	391,683	700,452	+79%
tCO ₂ e avoided	311,752	564,624	+81%
Cars off the road	158,265	286,639	+81%

³¹ Carbon avoided is calculated using the International Financial Institution's approach for harmonised GHG accounting.

³² Equivalent cars is calculated using a factor for displaced cars derived from the UK government GHG Conversion Factors for Company reporting.

2023 carbon footprint

Some GHG emissions will inevitably be associated with investments even though they help avoid emissions that would otherwise result if the same electricity was produced using fossil fuels. The Investment Manager engaged with its investee companies to measure their GHG emissions through collecting data.

During the reporting period, the Investment Manager appointed Altruistiq to provide the platform to calculate the GHG emissions footprint for the Company. The Company has quantified and reported organisational GHG emissions in line with the ICI and ERM Greenhouse Gas Accounting and Reporting Guide for the Private Equity Sector (2022). This methodology was developed to complement both the World Resources Institute's Greenhouse Gas Protocol Standards and the Partnership for Carbon Accounting Financials' ("PCAF") standard for the financial industry. This approach consolidates the organisational boundary according to the operational control approach. More detail on how different activities were allocated to different scopes is laid out below:

2023 AEIT carbon footprint				
Scope	Portfolio emissions (tCO ₂ e)	Company emissions (tCO ₂ e)	Total emissions (tCO ₂ e)	% of Total
1 – Direct emissions	32.11	–	32.11	0.02%
2 – Indirect emissions: market-based ³³	1,430.31	–	1,430.31	0.91%
3 – Indirect emissions	154,968.26	478.26	155,446.52	99.07%
- Purchased Goods and Services	154,254.76	478.26	154,733.02	98.61%
- Fuel & Energy Related Activities	560.63	–	560.63	0.36%
- Travel and Transport ³⁴	49.08	–	49.08	0.03%
- Waste	103.79	–	103.79	0.07%
Total	156,430.68	478.26	156,908.94	

Scope 1 emissions are primarily associated with on-site fuel combustion. In 2023, Scope 1 emissions accounted for the smallest proportion of the investment portfolio's carbon footprint. This figure reflects limited use of on-site combustion. Scope 2 emissions are associated with imported electricity to the solar portfolio and accounted for 0.91% of its total emissions. The Company, as a legal entity, has no direct employees, owned or leased real estate, or direct assets, and therefore the Company has no Scope 1 or 2 emissions.

98% of AEIT's total carbon footprint relates to TT9, the 200 MW asset that is under construction.

It will only take an estimated 7.5 months of operation for TT9 to avoid the equivalent emissions it generated during 2023.

Scope 3 emissions account for the majority of emissions, making up 99.07% of the total carbon footprint. The vast majority of these Scope 3 emissions relate to TT9's purchased goods and services which equate to 97.6% of AEIT's total carbon footprint. This is a result of the large amount of embodied carbon in the equipment and materials purchased for the construction of this 200 MW site. The remainder of the emissions are associated with activities that are indirectly associated with the Company and its portfolio investments (for example, waste generated on site, other fuel and energy related activities, upstream transportation and distribution, employee commuting, business travel and contractor travel). The Company's emissions relate to the AEIT's purchased goods and services (specifically, the emissions relating to the Company's legal services and the Investment Manager's services).

As a result of the carbon intensity of the TT9 project, the carbon intensity of AEIT increased to 333.14 tCO₂e/MW capacity in 2023 (from 19.76 tCO₂e/MW capacity in 2022). This includes Scope 1, 2 and 3 of the whole of AEIT's emissions. If shareholders approve the orderly realisation proposal at a general meeting of the Company expected to be held in Q2 2024, the Company will not make any further acquisitions or commitments to new investments and absolute emissions are expected to decrease over time. The weighted average carbon intensity ("WACI") in 2023, which represents the emissions intensity per million US Dollars of revenue generated, also saw an increase from 35.87 tCO₂e/US\$m revenue to 82.55 tCO₂e/US\$m revenue. This reflects the change in methodology from location-based Scope 2 emissions to market-based Scope 2 emissions, and more location-specific emission factors. Using a location-based calculation, the GHG intensity of AEIT's investee companies was 42.76 tCO₂e/US\$m revenue.

³³ Using a location-based approach, AEIT's Scope 2 emissions in 2023 were 1,202.79 tCO₂e.

³⁴ This category includes upstream transportation and distribution, employee commuting, business travel and contractor travel.

Data quality

The Company recognises the challenges in measuring its GHG emissions for its sites and activities. In particular:

- quality and availability of data collected for conversion calculations can significantly impact the accuracy of the final emissions output; and
- availability and specificity of emissions factors used to convert data into related emissions can also impact the validity of final emissions output.

In 2023, the Transitional Investment Manager engaged with Investee Companies to capture higher quality carbon-emission related data and to reduce reliance of calculations on financial expenditure data. As a result of this engagement, the Transitional Investment Manager procured all relevant datapoints from AEIT's investee companies directly, and thus no proxy calculations for portfolio emissions were required. Of the data received, 74% was activity-based and 26% was spend-based. Further, by partnering with Altruistiq, the Company has benefitted from the large database of emission factors that Altruistiq use for their carbon calculations. As a result of these two improvements, the Transitional Investment Manager has a greater degree of confidence over the precision of these emission calculations relative to those collated in 2022.

Social return: quality jobs

The Company aims to contribute to delivering economic and social progress and help build resilient communities through supporting jobs and contributing to the UN SDGs.

**Employment: directly supported
full time equivalent jobs – No.**

197

UN SDGs contributed to – No.

4 – SDGs 7,8,13,15

As at 31 December 2023, the investment portfolio (proportioned by share) supported four FTE salaried jobs at its investee companies and 193 FTE contractor positions.

**FTE employee opportunities
supported - No.**

4

**FTE contractor employment
opportunities supported - No.**

193

The vast majority of both direct and contractor jobs were occupied by men. NISPI is the only investee company with direct employees, disclosing a 32% difference in the gross hourly salary between men and women. Attracting and retaining diverse talent, including female employees, remains a challenge within the industry. However, in 2023 c.38% of NISPI's workforce was comprised of female employees. This is in line with the share of woman in the solar PV industry (40%)³⁵. No targets have been set in the reporting period.

No major health and safety incidents resulting in lost working time were reported on any of the investee company sites in 2023.

Adherence with global standards and guidelines on human rights and good governance, such as the UN Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, are key to the Company's commitments. All investee companies in the investment portfolio have grievance mechanisms through which any counterparty could raise concerns about their project implementation frameworks. In 2023, no complaints related to adherence with these frameworks were reported. The Investment Manager will continue to work closely with investee companies to identify and action areas where implementation of these frameworks can be further enhanced, make information about the functioning of these mechanisms more readily available and establish appropriate policies to promote respect for human rights in all activities, including with their suppliers. All of the investee companies' asset managers have signed up to the Investment Manager's Supplier Code of Conduct or have an equally robust one in place.

³⁵ "Solar PV: A Gender Perspective", IRENA 2022.

Case study - Impact initiatives and Stakeholder Management Programs at NISPI in 2023

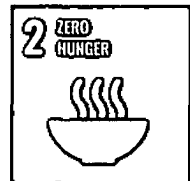
In 2023, NISPI's impact initiatives demonstrated a multifaceted approach towards sustainable development, community engagement, and environmental stewardship. Key activities included:

- agrivoltaics, integrating agriculture within solar farms to enhance land use efficiency;
- biodiversity conservation through tree planting;
- renewable energy advocacy and infrastructure support;
- health and wellness programs for local communities;
- educational outreach and assistance;
- innovative waste management solutions; and
- robust government and community relations efforts.

These initiatives underscored NISPI's commitment to creating shared value, prioritising stakeholder welfare and leading by example in the renewable energy sector.

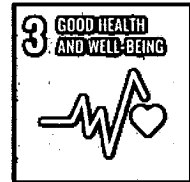
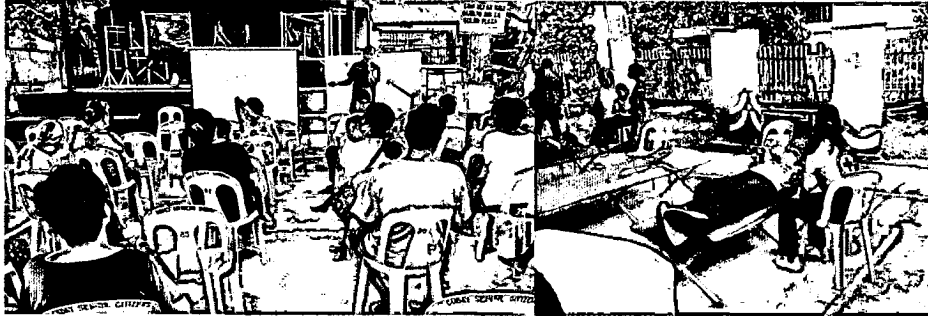
Agrivoltaic program: Harmonises solar energy production with agricultural activities, supporting local farming communities and optimising land use on site.

The women's organisation KALIPI is reaping the benefits of a gardening and livelihood program, having been allocated designated land within the solar farm, along with water supply and the initial set of seeds for a diverse array of crops.



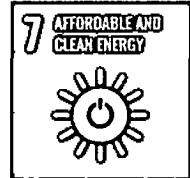
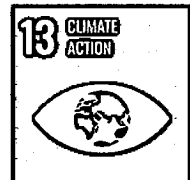
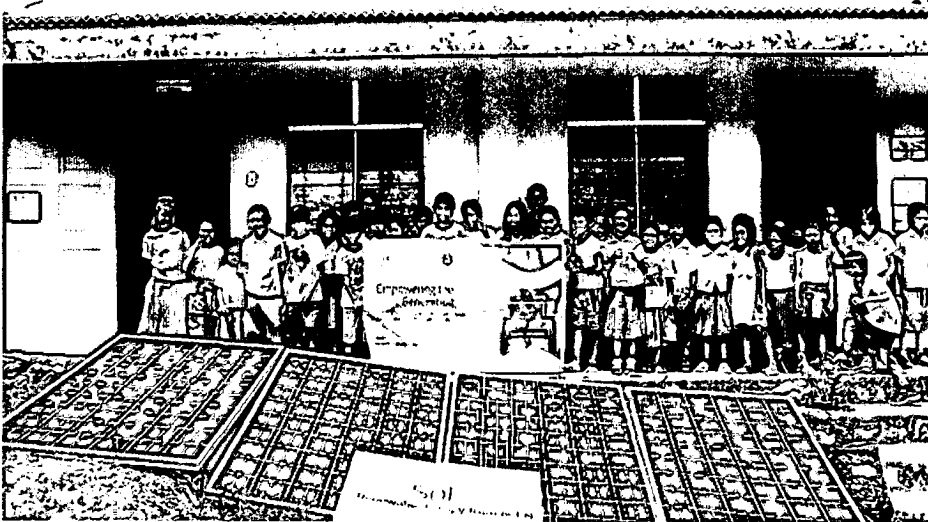
Health and wellness: Community health initiatives, including blood donations drives and wellness seminars.

In 2023, three blood drives were organised, collecting over 60 bags of blood for the local communities' reserves.



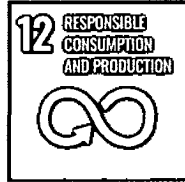
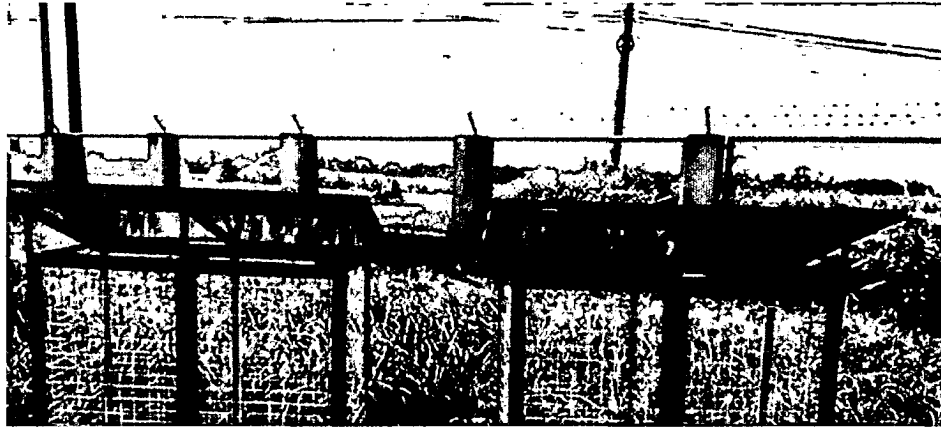
Renewable energy advocacy: Develops infrastructure and raises awareness for renewable energy transition.

In 2023, NISPI conducted numerous renewable energy advocacy drives for local schools, delivering talks about renewable energy as well as access to infrastructure. An example beneficiary of these drives is a remote school in the La Carlota region where 32 families of the 55 pupils attending the school have been gifted access to solar flood lights. The drive introduced NISPI to the community and promoted the use of solar renewable energy as the main source of light for households that are not reachable to the local distribution utility. The solar flood light can be used by the beneficiaries to light their houses but can also be used as portable emergency lights. This is also useful as they traverse the mountain trails during the dark. NISPI also donated a 1-KW solar system to the school, facilitating the use of electronics at the school as well as providing an emergency charging station for the community.



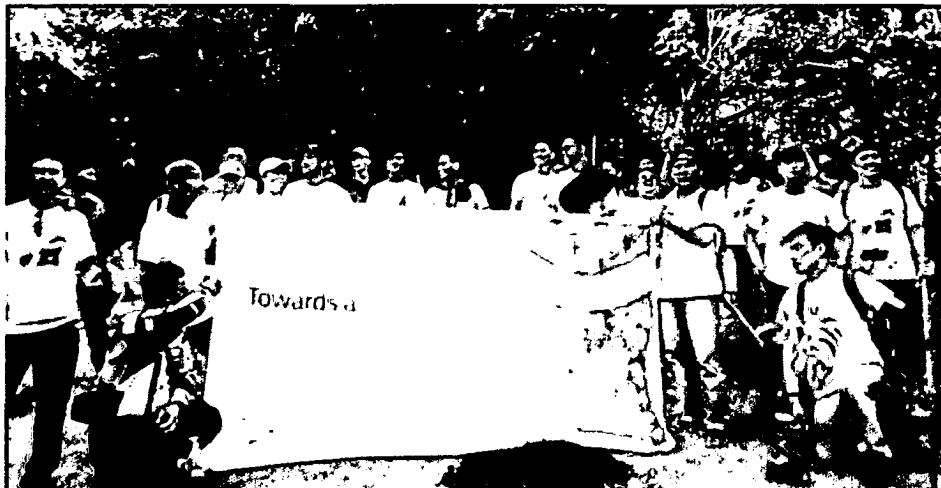
Waste management: Promotes recycling and sustainable waste practices through I-SWEEP, a solid waste exchange economy program.

Through this initiative, plastic wrappers are collected and transformed into materials for throw pillows or stuffed toys, while plastic bottles are sold to junk shops. Revenue generated from these activities is allocated towards purchasing educational materials for the local community, ensuring the project's self-sustainability. This initiative aims to foster a culture of segregation and recycling, reducing plastic waste and generating profit from recycled products, thereby contributing to environmental conservation and educational support.



Biodiversity initiatives: Tree planting and honeybee farming to promote ecological balance and economic opportunities.

In September 2023 8,000 fruit-bearing trees were planted by 41 volunteers. The activity is in coordination with the City Environment and Natural Resources ("ENR") Management Office, the Agricultural and Biosystems Engineering Office of La Carlota City, the Office of the Provincial Agriculture and Brgy Ara-al Agrarian Reform Beneficiary Association ("BAARBA"). The trees will provide livelihood to members of BAARBA and as well as assist in the reforestation efforts of the local ENR Office. Training with the Negros Occidental Honeybee Association is being scheduled to facilitate the honeybee introduction and farming initiative.



Community and government engagement.

NISPI participated and supported many government initiatives and programs to strengthen stakeholder relationships and support local community projects. Examples during 2023 included the multi-sectoral clean up drives, Earth Hour celebration and local festivals.



17 PARTNERSHIPS FOR THE GOALS



11 SUSTAINABLE CITIES AND COMMUNITIES



NISPI's comprehensive impact initiative strategy in 2023 illustrates a proactive approach to social responsibility, environmental conservation and stakeholder engagement. By sharing the benefits of the solar farm with the local community, NISPI has integrated itself as a core part of these communities and promoted a "Just Transition".

Risk and Risk Management

Risk appetite

The Board is ultimately responsible for defining the level and type of risk that the Company considers appropriate, ensuring it remains in line with the Company's investment objective and investment policy which set out the key components of its risk appetite. The Company's risk appetite is considered in light of the principal and emerging risks that the Company faces, including having regard to, amongst other things, the level of exposure to power prices, gearing and financing risk and operational risk.

Risk management

The Company's risk management framework is overseen by the Audit and Risk Committee, comprising independent non-executive Directors.

The Company's risk management policies and procedures do not aim to eliminate risk completely, as this is neither possible nor commercially viable. Rather, they seek to reduce the likelihood of occurrence, and ensure that the Company is adequately prepared to deal with risks and minimise their impact if they materialise.

Procedures to identify principal or emerging risks

The Board regularly reviews the Company's risk matrix, with a focus on ensuring appropriate controls are in place to mitigate each risk. The risk management framework was implemented at IPO and has been in place for the year under review and continues to be in operation.

The following is a description of the procedures for identifying principal risks that each service provider highlights to the Board on a regular basis.

Procedures for oversight

The Audit and Risk Committee undertakes a quarterly review of the Company's risk matrix and a formal review of the risk procedures and controls in place at the AIFM and other key service providers to ensure that emerging (as well as known) risks are adequately identified and, so far as practicable, mitigated.

The Board has completed a robust assessment of the Company's principal and emerging risks, including:

- (a) a description of its principal risks;
- (b) what procedures are in place to identify emerging risks; and
- (c) an explanation of how these are being managed or mitigated.

Following the issues that came to light during the audit of the 2022 Annual Report, the Audit and Risk Committee has reflected on the risks that crystallised during the year and the steps it has taken and changes it has made as a result. These are detailed in the table below:

Crystallised risk	Impact of crystallisation	Steps taken/changes made
Valuation process	- Temporary share suspension due to a material uncertainty regarding the fair value of the Company's assets. - Identified errors and inaccuracies in the prior period valuations.	- Inaccurate or aggressive valuation assumptions identified by the Company following an independent review have been updated in line with best practice and market standards. - Introduction of a SolarArise holding company model to accurately reflect Indian tax liabilities and cash repatriation out of India. - Replacement of the Former Investment Manager effective from 31 October 2023 by the Transitional Investment Manager. - Replacement of the former independent valuation expert. - Appointment of PwC as an independent valuation expert to provide a private, independent opinion on the reasonableness of the valuations that are prepared by the Investment Manager. - Commenced a review of value optimisation strategies with the Transitional Investment Manager.

- Alternative Investment Fund Manager:** The Company has appointed Adepa Asset Management S.A to be the Alternative Investment Fund Manager of the Company (the "AIFM") for the purposes of UK AIFM Directive. Accordingly, the AIFM is responsible for exercising the risk management function in respect of the Company. As part of this the AIFM has put in place a risk management policy which includes stress testing procedures and risk limits. As part of this risk management function, the AIFM maintains a register of identified risks including emerging risks likely to impact the Company. This is updated quarterly following discussions with the Investment Manager and presented to the Board for review and challenge.
- Investment Manager:** Portfolio management has been delegated by the AIFM to the Investment Manager. The Investment Manager provides a report to the Board at least quarterly on asset level risks, industry trends and insight to future challenges in the renewable sector including the regulatory, political and economic changes likely to impact the renewables sector.
- Brokers:** Brokers provide regular updates to the Board on Company performance, advice specific to the Company's sector, competitors and the investment company market whilst working with the Board and Investment Manager to communicate with shareholders.
- Company Secretary and Auditor:** Both brief the Board on forthcoming legislation/regulatory change that might impact on the Company. The Auditor also provides specific briefings at least annually.

Risk and Risk Management
Continued

Crystallised risk	Impact of crystallisation	Steps taken/changes made
Asset valuations	Large decreases in the NAV when subsequent valuations carried out using less aggressive assumptions in line with best practice and market standards.	- Replacement of the Former Investment Manager effective from 1 November 2023 by the Transitional Investment Manager. - Updated valuation assumptions in line with best practice and market standards and replaced the independent valuation expert as detailed above. - The Transitional Investment Manager has additional controls in place for any conflicted transactions.
Reliance on third-party service providers (Company and asset level)	- Valuations based on inaccurate or aggressive assumptions subsequently being updated in line with best practice and market standards, leading to a large decline in the NAV. - Inherited asset acquisitions that do not optimise cash extraction by AEIT, thus requiring reorganisation. - Asset management contracts have not been formalised. - Reports from whistleblowers of key information being withheld from the Board, particularly with regard to the cost and funding of the proposed construction of the RUMS project and the potential penalties that would result from aborting it.	- Replacement of the Former Investment Manager effective from 1 November 2023 by the Transitional Investment Manager. The Transitional Investment Manager has a comprehensive due diligence process that should flag pre-construction risks at the point at which commitments are made. - The Transitional Investment Manager is currently undertaking a review of governance procedures across all of the investment portfolio to identify areas of weakness and propose potential improvements to the Board. - The former independent valuation expert has been replaced and PwC has been appointed as the independent valuation expert to provide a private independent opinion on the reasonableness of the valuations that are prepared by the Transitional Investment Manager. - The Board, which had embedded itself in the detail of the Company's activities, has ensured, in so far as possible, that the new service providers have been given the appropriate handover and information to carry out their duties. - Getting in place appropriate asset management agreements is a priority for the Transitional Investment Manager. - Changes made to SPV governance to ensure that the Board is aware of all commitments made in the underlying investments prior to signing.
Construction risk	- Changes in macro-economic factors from the commitment date to the construction commencement date, such as the increase in solar panel prices (and EPC costs) and the changes in FX rates. - Commitments made without the Board being made aware of all associated risks of the project. - Delays to the RUMS project construction beyond the scheduled commercial operation date of 5 February 2024.	- Appointment of an independent India-based financial adviser to advise the Board on the options for the RUMS project, including proceeding with construction and aborting it, and the associated risks of each option. - Appointment of an independent technical advisor, Fichtner, to oversee the construction of RUMS project and provide independent reports to the Transitional Investment Manager and the Board. - Contingency and provision for liabilities associated with a delay in COD included in the construction budget.
Generation	Operational assets acquired underperformed against P50 technical assumptions at time of investment.	Appointment of independent technical advisor, Sgurr, to conduct refreshed due diligence on the P50 technical assumptions to validate or update modelled assumptions for subsequent valuations.

Principal risks and uncertainties

The Board has defined principal risks that have the potential to materially impact the Company's business model, reputation or financial standing. Subject to shareholders approving the Board's recommended orderly realisation proposal, the Board considers the following to be the principal risk faced by the Company along with the potential impact of these risks and the steps taken to mitigate it.

Risk	Potential impact	Mitigation
Disposal of investments	The realisation of the Company's investments is subject to sale processes. The final value realised on disposal of each investment as the Company implements its orderly realisation strategy may be materially different to its fair value, which could impact the value of the Company either positively or negatively.	The Company will seek to ensure any sale processes are led effectively by the Transitional Investment Manager and the Company's other advisors. The Company will seek to achieve a balance between maximising the value of AEIT's investments and progressively returning cash to shareholders in a timely manner.

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

External economic, political and climate risk factors for the Company – external risks that could impact the income and value of the Company's investments

Risk	Potential impact	Mitigation
Foreign currency	The Company's functional currency is US Dollars (USD), but the Company's investments are based in countries whose local currency is not USD. Therefore, changes in foreign currency exchange rates may adversely affect the value of the investments or dividend income, interest or capital payments from the investment portfolio may be less than expected when received in US Dollars.	While the Company does not hedge translational risk on the valuation of the investment portfolio, the Company may hedge revenues which are to be received by the Company in currencies other than the US Dollar and used to fund dividend payments to shareholders. The Investment Manager monitors foreign exchange exposures using short and long-term cash flow forecasts. The Company's portfolio concentrations and currency holdings are monitored regularly by the Board, AIFM and Investment Manager.
Interest rates	While most borrowing arrangements are on fixed rate terms, the timing of entering into such agreements when interest rates are increasing, may lead to reduced project returns and a lower valuation of the investment portfolio. Where rates are variable, rising rates could lead to adverse debt-cover ratios. Refinancing of borrowings may be at higher interest rates than expected resulting in lower returns and decreased revenue flows to AEIT. Macro level changes in interest rates may affect the valuation of the investment portfolio by impacting the valuation discount rates and could also impact returns on any cash deposits.	The Company seeks to maintain a leverage ratio of below 65% of Adjusted GAV. The Company seeks to limit its exposure to interest rate volatility and therefore the investee companies fix the finance costs at the date of signing. Debt cover ratios are monitored monthly at the investee company level. Interest rate assumptions are reviewed and monitored regularly by the AIFM and Investment Manager in the valuation process.
Inflation	The expenditure of the Company's investments is frequently partially index-linked and therefore any discrepancy with the Company's inflation expectations could impact positively or negatively on the Company's cash flows. The Indian portfolio currently has a non-index-linked fixed price revenue stream over the lives of the assets presenting the risk that high-cost inflation could cannibalise returns.	Inflation assumptions are reviewed and monitored regularly by the AIFM and Investment Manager in the valuation process.
Tax	Changes to the existing rates and rules could have an adverse effect on the valuation of the investment portfolio and levels of dividends paid to shareholders.	The Company considers tax matters at the point of investment, actively monitors forthcoming changes in the jurisdictions in which it operates and has tax advisors to ensure it is abreast of any upcoming changes to tax legislation and rates and can implement necessary changes. Investment in multiple jurisdictions diversifies exposure to individual country regulations and hence risk. During the year, the Board commissioned additional tax advice, particularly in relation to SolarArise.
Reputation	Events over the course of 2023, namely the temporary share suspension, the decline in the Company's NAV and public allegations between the Board and Former Investment Manager, can impact the Company's reputation and ultimately have an adverse effect on shareholder returns.	Following the temporary share suspension, the Board worked tirelessly to complete the activities required to enable the suspension to be lifted, which occurred on 6 March 2024. In doing so, the Board appointed external advisors to perform detailed reviews, has actively and transparently engaged with shareholders, including notifying them of issues as soon as they arose, and made positive changes to improve the Company's future and outlook. See pages 48 to 50 for further information.

Risk and Risk Management
Continued

Risk	Potential impact	Mitigation
Government policy or regulatory changes	Relevant government support for the transition to clean affordable energy in the countries in which the investment portfolio is situated may change or decrease. Changes to government policy may lead to changes in tax incentives, auction processes for PPAs and other contracting and pricing mechanisms for renewable energy, which could lead to opportunities being commercially unviable or unattractive which may lead to lower returns or slower deployment of capital.	The Company aims to hold a diversified investment portfolio, and a diversified set of electricity sale arrangements within target countries, so that it is unlikely that all assets will be affected equally by any single potential change in regulation or policy. Country level investment strategies have assessed government commitments to scaling up low carbon energy and taking ambitious action on climate change, and the Investment Manager and investee companies monitor policy developments closely. Additionally, the investment portfolio does not benefit from any revenue subsidies.
Climate change Further detail can be found in the TCFD disclosures on pages 43 to 47	Climate-related risks relate to transition risks and physical risks. The prominent transition risk relates to oversupply of renewable energy over time, which may cause downward pressure on long-term power price forecasts setting lower capture prices, including the risks associated with periods of negative power prices and power price volatility in markets. This could ultimately lead to a shortfall in anticipated revenues to the Company. The prominent physical risks relate to long-term changes to weather patterns, which could cause a material adverse change to an asset's energy yield from that expected at the time of investment. Physical risks associated with acute and chronic temperature change could lead to flooding, storms and typhoons, and high winds. This could damage equipment and force operational downtime resulting in reduced revenue capability and profitability of the portfolio of assets.	Climate risk assessments are undertaken for each asset in the portfolio as part of the investment process and screening for EU Taxonomy alignment. There is growing demand for consistent, comparable, reliable, and clear climate-related financial disclosure from many participants in financial markets. The Board, AIFM and Investment Manager have included TCFD disclosures as part of this Annual Report which provide a detailed analysis of risks and opportunities associated with climate change.

Internal risk factors for the Company - internal risks that could impact target returns and result in Company objectives not being met over the longer term

Risk	Potential impact	Mitigation
Strategic review	Having undertaken a strategic review of the options for the Company's future, the Board is recommending an orderly realisation strategy and winding up of the Company. Details of this proposal, which is subject to shareholder approval at a general meeting of the Company expected to be held in Q2 2024, will be set out in a separate circular to shareholders and made available on the Company's website in due course.	As part of the strategic review, the Board, with its advisers, completed a thorough analysis of a range of options, including proposals to relaunch the Company, to undertake a managed wind down and subsequent winding up of the Company and an immediate winding up of the Company. Following careful consideration of the options available to the Company and after taking into account feedback from investors representing a significant proportion of AEIT's issued share capital, the Board concluded that it is in the best interests of shareholders as a whole to put forward a proposal for the orderly realisation of AEIT's assets, to be effected in a manner that seeks to achieve a balance between maximising the value of its investments and progressively returning cash to shareholders in a timely manner. The proposal is subject to shareholder approval at a general meeting of the Company expected to be held in Q2 2024.
Investment restrictions	Failure to comply with the investment restrictions may arise due to foreign currency movements, construction overspend, asset allocation or failure to deploy capital in a timely manner. Breaches of investment restrictions may result in lower returns than expected, lower dividend income or reputational damage.	The restrictions in the Company's investment policy are measured at the time of investment or commitment. The Board monitors compliance through information provided by the Investment Manager, Company Secretary and AIFM on a quarterly basis as well as prior to commitment of capital. The assessment of potential or actual breaches to investment restrictions forms part of the Board's risk management framework. The decision to proceed with the RUMS project could have resulted in a breach of the single country limit and as a mitigation measure shareholder and FCA approval was sought, and received, to amend the investment policy. Further information can be found on page 13. This risk did not materialise due to the significant reduction in NAV announced following this change, whilst still having a large cash balance.

Risk and Risk Management
Continued

Risk	Potential impact	Mitigation
Conflicts of interest	The appointments of the AIFM and Investment Manager are on a non-exclusive basis and each of the AIFM and Investment Manager manages other accounts, vehicles and funds pursuing similar investment strategies to that of the Company. This has the potential to give rise to conflicts of interest. Asset transfers between funds managed by the Investment Manager give rise to potential conflicts of interest. There are possibilities for the Board to have conflicts of interest.	The AIFM and Investment Manager have clear conflicts of interest and allocation policies in place. Transactions where there may be potential conflicts of interest follow these policies. Conflicts of interest policies are also in place at the Board and Company levels. The Board, AIFM and Investment Manager are responsible for establishing and regularly reviewing procedures to identify, manage, monitor and disclose conflicts of interest relating to the activities of the Company.
Reliance on Company level third-party service providers (crystallised risk)	The Company has no employees and therefore it has contractually delegated to third-party service providers the day-to-day management of the Company. A deterioration in the performance of any of the key service providers including the Investment Manager, AIFM and Administrator could have an impact on the Company's performance and there is a risk that the Company may not be able to find appropriate replacements should the engagement with the service providers be terminated. In particular, the Company relies on the experience and recommendations of the Investment Manager for the achievement of its investment objective.	All third-party service providers are subject to ongoing oversight by the Board and AIFM and the performance of the key service providers is reviewed on a regular basis. The Board's Management Engagement Committee (the "MEC") undertakes a formal review at least once a year to consider the ongoing performance of the Investment Manager and other service providers and makes a recommendation on the continuing appointments. See page 70 for the outcome of the MEC's formal review in 2023. As explained under 'Procedures for oversight' on page 36, following the reliance on third-party service provider risk having crystallised during the year, changes have been made to further mitigate the crystallisation of this risk in the future.
Valuation process (crystallised risk)	The valuation of the investment portfolio is dependent on financial models which utilise certain key drivers and assumptions: principally discount and local inflation rates, FX rates, near and long-term electricity price outlooks and the amount of electricity generated and sold. Some assumptions and projections are based on the experience and judgement of the Investment Manager. Actual results may vary significantly from the projections and assumptions which may reduce the valuations and profitability of the Company leading to reduced returns to shareholders. Errors may occur in financial models.	It is Company policy to retain an independent valuation expert to provide a private independent opinion on the reasonableness of the quarterly valuations prepared by the Investment Manager. Valuations are reviewed by the Audit and Risk Committee and approved by the AIFM and Board before adoption in the quarterly results. As explained under 'Procedures for oversight' on page 36, following the valuation process risk crystallised during the year, changes have been made to further mitigate the crystallisation of this risk, at the time of both acquisitions of investments and subsequent valuations, in the future.
Environmental, Social and Governance ("ESG")	Material ESG risks may arise such as health and safety, human rights, bribery, corruption and environmental damage that may impact shareholder returns. If the Company fails to adhere to its public commitments and policies as stated in its SFDR pre-contractual disclosures and its triple return investment objective, this could result in shareholder dissatisfaction and adversely affect the reputation of the Company.	The Board has put in place an ESG Committee to specifically review and monitor ESG-related policies, processes and risks. ESG risk consideration is embedded in the investment cycle. Ongoing operational and construction ESG risk management is reviewed periodically by the Investment Manager, who works closely with asset managers on ESG and impact standards and reporting. Further details on the ESG Committee can be found on page 69.
Cyber security	Attempts may be made to access the IT systems and data used by the Investment Manager, Administrator and other service providers through a cyber-attack or malicious breaches of confidentiality that could impact the Company's reputation or result in financial loss.	Cyber security policies and procedures implemented by key service providers are reported to the Board and AIFM periodically to ensure conformity. Thorough third-party due diligence is carried out on all suppliers engaged to service the Company. All providers have processes in place to identify cyber security risks and apply and monitor appropriate risk plans.
Compliance with relevant laws, regulations and rules	Failure to comply with any relevant laws, regulations and rules, including section 1158 of the Corporation Tax Act 2010, the rules of the FCA (including the Listing Rules and the Prospectus Regulation Rules), the Companies Act 2006, the UK Market Abuse Regulation, the UK AIFM Directive, Accounting Standards and the General Data Protection Regulation, could result in financial penalties, loss of investment trust status, legal proceedings against the Company and/or its Directors or reputational damage.	The Board monitors compliance with relevant laws, regulations and rules and associated information provided by the Company Secretary, AIFM and Investment Manager on a quarterly basis and the assessment of associated risks forms part of the Board's risk management framework. All parties are appropriately qualified professionals and ensure that they keep informed with any developments or updates to relevant laws, regulations and rules.

Risk and Risk Management

Continued

Risk factors for the investment portfolio - risks that could adversely impact the portfolio's performance and, as a result, the ability to achieve the Company's objectives and target returns over the longer term.

Risk	Potential impact	Mitigation
Power prices	Revenues of certain investee companies in the investment portfolio are wholly dependent on the wholesale electricity market price achieved and therefore such revenue is subject to volatility. The income and value of the Company's investments may be adversely impacted by changes in the prevailing market prices of electricity and/or prices achievable for offtaker contracts. There is a risk that the actual prices received vary significantly from the model assumptions, leading to a shortfall in anticipated revenues to the Company and dividends payable to shareholders.	The Investment Manager will seek to acquire assets which have a PPA in place, or obtain a PPA to ensure visibility of revenue streams. It is targeted that more than 75% of an investee company's revenue, on an aggregated basis, will be secured by a mid to long-term PPA therefore minimising the impact of declining energy prices. Model assumptions are based on semi-annual reports from a number of independent established market consultants to inform on the electricity prices over the longer term. The Company policy is to blend at least two wholesale electricity spot market price curves as prepared by market advisors that are reputable in the relevant markets.
Capital structure	The ability to extract cash efficiently from the underlying investee companies is imperative to maximise the value of the Company's Investment portfolio. The risk that cash extraction is delayed or trapped due to inefficient capital structures can decrease the value of the underlying investments.	The Transitional Investment Manager has ensured that the underlying valuation models reflect the current capital structures of the underlying investments. Assumptions have been made within the underlying valuation models with regard to capital restructurings and the timing required to put these into effect. The sensitivity of delays in this timing are shown in note 9 to the Financial Statements.
Credit risk	Some investee companies may have one offtaker, therefore increasing the concentration of credit risk. Late or non-payment of sales invoices issued by the investee companies may lead to lower cash flows and revenues received by the Company.	Prior to taking part in the auction process for a PPA, the Investment Manager diligences and assesses the credit risk of an offtaker to conclude on credit worthiness. Where possible, late interest payment terms will be included in PPAs. The Investment Manager ensures asset managers monitor outstanding balances and actively chase non-payments.
Construction (crystallised risk)	Construction projects carry the risk of over-spend, supply chain risk, delays or disruptions to construction milestones, connection failures, changes in market conditions and/or inability of contractors to perform their contractual commitments, all of which could impact Company performance. These include, but are not limited to: - increase in prices of component parts (for example, solar panels); - legislative changes impacting the construction timeline or construction cost; - community-related issues that disrupt construction; and - inaccurate forecasts for build timelines or associated costs.	Where an investment is made in a construction phase asset, it must have an offtake agreement in place, the land for the construction must be identified or contractually secured where appropriate and all relevant permits must have been granted. The Investment Manager carries out due diligence on any external third-party construction contractors prior to engaging. Its ESG due diligence processes also support efforts to anticipate and manage construction-related risks. Construction of the RUMS project (detailed on page 18) has seen a number of these risks being crystallised. The Company has appointed an independent technical advisor, Fichtner, to oversee the construction.
Generation	The volume of solar irradiation available on a given day is out of the Company's control and this is a risk on the performance of the assets. Inconsistent irradiation may have a significant effect on performance of the investment portfolio if actual electricity generation is significantly different from the assumptions made in the valuation models. This may negatively impact project returns or expected dividend income. Additionally, the investment portfolio may be subject to the risk of interruption in grid connection or irregularities in overall power supply infrastructure. Circumstances may arise that adversely affect the performance of the relevant renewable energy asset. These include health and safety, grid connection, material damage or degradation, equipment failures and environmental risks.	The Company utilises technical consultants prior to acquisition to advise on the assumptions which should be made regarding volume and its impact on performance for each investment and to minimise downtime. The Investment Manager works with investee companies to stay informed of grid and supporting infrastructure maintenance arrangements, and liaises with relevant operators to seek to anticipate and minimise interruptions. The investee companies have in place insurance to cover certain losses and damage. The Board has appointed an independent technical advisor, Sgurr, to review the technical assumptions associated with each asset in the portfolio.

Risk and Risk Management
Continued

Risk	Potential impact	Mitigation
Reliance on asset level third-party service providers	The performance of some investee companies may be dependent on external O&M service providers and/or asset managers in remote locations and relies upon them performing their duties with the required skill or level of care.	Prior to entering into a service contract, the Investment Manager carries out due diligence on third-party suppliers to assess reputation, experience and breadth of the local team. The Investment Manager seeks to include service level metrics in O&M agreements with minimum production, overall plant performance metrics and health and safety targets as a minimum. Formal asset management agreements are outstanding on some portfolio assets and this is a priority for the Transitional Investment Manager.
Cyber security	Attempts may be made to access the IT systems and data used by the third-party asset managers through a cyber-attack or phishing attempts that could result in financial loss.	Processes in place and training for the Transitional Investment Manager to mitigate risks associated with receiving emails from bad actors. Third-party due diligence is carried out on asset managers engaged to manage investment portfolio.

Further financial risks are detailed in note 18 to the Financial Statements.

Task Force on Climate-Related Financial Disclosures

Compliance statement

The Company has complied with the requirements of LR 9.8.6(8)R by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures.

Improvements have been made from the 2022 disclosures to include quantitative information around climate risks and opportunities alongside transition plans as required by TCFD Strategy principle (b), and accurate Scope 3 emission data as required under Metrics and Targets principle (b), as set out on page 31.

Sue Inglis
Chair

13 May 2024

Governance

a) Describe the Board's oversight of climate-related risks and opportunities.

Addressing climate change through investment in renewable energy in fast-growing and emerging economies in Asia is the essence of the investment strategy. The Board has established an ESG Committee to review and monitor ESG-related matters, which include climate-related risks. The ESG Committee meets at least two times a year and reports back to the Board to provide recommendations for how sustainability should be considered within the Company's investment strategy. The Committee understands climate change issues and seeks support from external advisors to supplement its work.

The Company embeds climate change within its triple return investment strategy through investments into assets that support the transition to a low carbon economy, or which mitigate the effects of climate change. The Board has considered climate change as an integral component of the investment objective and has defined the Company as an Article 9 Fund under the SFDR, targeting 95% of investments to be aligned with the EU Taxonomy's Climate Change Mitigation criteria. In 2022, the Board instructed the Former Investment Manager to appoint an external advisor to undertake climate change assessments on AEIT's portfolio to identify climate-related risks and potential mitigation strategies. This analysis considered all SolarArise, NISPI and VSS assets. These reports were reviewed in 2023 by the Transitional Investment Manager and have been reviewed by the ESG Committee as part of preparing this report.

The Audit and Risk Committee ("ARC") also considers climate change as part of its oversight of investment processes. The ESG Committee and ARC work closely to oversee climate-related disclosures and agree remedial measures. Climate change risk is included within the Company's risk register.

b) Describe management's role in assessing and managing climate-related risks and opportunities.

The Former Investment Manager had an ESG Monitoring and Stewardship Committee and considered climate change as part of its remit. Climate risk assessments were completed for prospective investments, reports were shared with the Former Investment Manager and opportunities to build resilience around investments were considered. The Transitional

Investment Manager will continue to assess climate risks and consider opportunities for mitigation for existing and prospective investments with oversight of policies by the ESG Committee.

Strategy

The Company aims to finance climate action by investing in sustainable energy and the business model is expressly designed to accelerate the low-carbon transition in emerging Asian economies, both benefitting from and reinforcing efforts to act on climate change. As highlighted in the Impact Report on pages 25 to 35, the investment portfolio has contributed to climate change mitigation. The Company invests in some of the most climate-vulnerable countries in the world, and is seeking to assess and manage climate risk and foster resilience through its investment strategy.

a) Describe the impact of climate-related risks and opportunities the organisation has identified over the short, medium and long term.

The Former Investment Manager coordinated a transition risk analysis, with external specialist support using ERM's Climate Risk and Impacts Solutions Platform, based on transition scenarios from the International Energy Agency (the "IEA") and aligned with Intergovernmental Panel on Climate Change (the "IPCC") scenarios under three time-horizons: 2025, 2030 and 2040. The IEA Announced Pledges Scenario ("APS") was used as the low-carbon scenario, and assumes that all climate commitments made by governments around the world will be met in full and on time. APS assumes global warming will reach 1.7°C by 2100. The IEA Stated Policies Scenario ("STEPS") was used as the business-as-usual carbon scenario which reflects current sector-by-sector and country-by-country assessment of the existing policies that are in place. STEPS assumes global warming will reach 2.5°C by 2100. The transition assessment considered transition indicators including eight opportunity indicators (carbon price, national decarbonisation plans, per capita emissions, annual investment in renewables, solar PV power generation, biomass power generation, battery storage capacity and reputation) and one risk indicator (increase in critical metals demand). The choice of these indicators was driven by the IEA model used to support the transition risk assessment.

Physical climate risk analysis was performed for each of the investee company sites using the external specialist's proprietary physical risk screening tool. Using the IPCC's 2021 Sixth Assessment Report scenarios, a low and high greenhouse gas emissions scenarios (SSP1-2.6 and SSP5-8.5) were selected under three time-horizons: baseline, 2030 and 2050. These time-horizons were selected to cover the portfolio's asset lifetime. On this basis, five key hazards that are expected to increase in the medium (2030) and long (2050) term were identified: tropical cyclones, water stress and drought, wildfire weather, extreme heat, and extreme rainfall flooding. A potential impact from these hazard types could include increased costs for energy and water resources. The combined conditions of high temperature, high wind speed and low humidity may also increase the risk of wildfires.

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

The tables below are a summary of the key material risks and opportunities that are likely to affect portfolio investments, the investment strategy and financial planning in the short, medium and long term. Risks included are those that the Investment Manager estimate to be potentially significant (for example, significant revenue decrease, cost increases, NAV decrease and increased cost of capital).

Task Force on Climate-Related Financial Disclosures
Continued

Climate-related risks

Time horizon	Risk type	Impact
Short-term (2025)	Policy change and power price volatility: Climate and sustainable energy policies are evolving and dynamic in core target markets. These changes are monitored closely as increased efforts to increase energy supply and the share of renewables in the grid could present itself as a competition risk. Increased competition for investments may lead to a reduction in financial returns of new projects. In countries with dynamic markets, there is a risk of renewable energy cannibalisation.	Financial planning
	Grid capacity limitations: The capacity of local grids in target economies to accommodate large increases in intermittent energy supply is a concern, given current technical specifications and management capacities. This may impact the project's ability to sell its maximum energy generation potential.	Strategy, financial planning
	Supply chain risk: More copper for grids, silicon for solar panels and lithium for battery storage is required to transition to low-emissions power systems. Rapidly growing critical mineral demand for clean energy technologies is resulting in supply chain competition, increases in costs, and supply chain sustainability risk management issues.	Strategy, financial planning
Medium-term (2030)	Climate-related hazards: Risks associated with tropical cyclones are already high, and factored into asset design in most cases, but may increase. High wind speeds can cause physical damage to sites, equipment, and vehicles and can lead to increased expenditure for reparations. Extreme heat could cause a health and safety risk for personnel and could overheat electrical equipment. Flooding can also lead to physical damage of the assets that will require additional expenditure for reparations and lost revenue during the reparations period.	Portfolio investments, financial planning
	Construction risk: Climate-related physical risks may also affect construction projects, including inaccurate assessment of the opportunity, and changes in market conditions linked to climate-related disruptions.	Portfolio investments
	Technology obsolescence risk: As more resources and scientific research are dedicated to achieving net zero goals, new technologies may emerge that could replace current renewables or environmental infrastructure technologies.	Strategy
	Price uncertainty: A faster than forecast transition to a global renewable energy supply would increase the penetration of zero marginal cost electricity leading to 'price cannibalisation' and could result in generating assets without long-term PPAs selling their power for less than forecast at investment.	Financial planning
Long-term (2050)	Climate-related physical risks: As climate change worsens, portfolio investments could face a higher likelihood of experiencing extreme weather events, both chronic (for example, altered rainfall patterns, wildfires, and extreme heat) and acute (for example, more frequent and severe tropical cyclones, storms, heat waves, droughts, and floods), potentially resulting in more physical damage to on-site infrastructure and off-site transmission and distribution systems.	Portfolio investments

Climate-related opportunities

Time horizon	Opportunity type	Impact
Short-term (2025)	National decarbonisation plans: Governments in target countries remain committed to climate action and increasing the share of renewable energy in the energy mix. Governments in target countries continue to offer incentives to invest in the focus technologies, notably solar energy, but also in wind.	Strategy
	Demand for renewable energy: There is a growing demand for renewable energy, and pressure on businesses and corporations to decarbonise and purchase renewable energy through both regulatory and climate-related commitments is growing. The investment strategy targets fast-growing economies in Asia, with expanding populations. This increased demand creates short-term opportunities to sell renewable energy at a premium. An increase in public support for decarbonisation is also poised to increase demand for impact-focused investment in public markets.	Financial planning, strategy
	Integration of new energy technologies including those that address intermittency issues: Energy storage technologies, such as lithium-ion batteries, are becoming more widely adopted and efficient, making it possible to store solar energy for later use. This presents short-term opportunities to provide more reliable and consistent solar supply.	Portfolio investments
Medium-term (2030)	Technological advancements: Can further reduce the levelised cost of energy, and create attractive new pipeline opportunities. For example, the use of higher-efficiency solar cells can increase the energy output of solar panels, while reducing the cost per unit of energy produced.	Financial planning
	Carbon pricing and taxation: Could help direct capital towards renewable technologies and away from carbon-intensive sources.	Strategy
Long-term (2050)	Continued commitment to decarbonisation and technology innovation: As the viability and cost effectiveness of low-carbon sustainable energy solutions become mainstream in emerging Asia, so will the business model. These may provide opportunities to broaden the Company's investment mandate, including by taking on different approaches and technologies.	Strategy

Task Force on Climate-Related Financial Disclosures
Continued

The Transitional Investment Manager has carried out a high-level analysis of the potential financial impact of the climate-related hazards and physical risks identified in the Company's scenario planning. In each of the scenarios, limited changes to risks were identified for NIPSI and VSS and therefore mitigations for high risks are already built into the way these assets were designed and managed. For India, changes in severity of risks are seen in the different scenarios, with some risks becoming higher risk. As a result, financial impact scenarios are based on weighted averages from the SolarArise portfolio.

Category	Details
Wildfire risk	The sites TT, TT1, TT2, TT4, TT5, TT6 and TT9 are high risk.
Financial impact scenario	Illustrative cost implications without insurance (total cost of US\$831,600) - Damage limited to 2 inverters (central inverter at US\$251,000 each), although extent of damage could be influenced by proximity to local services. - Business interruption: Limited to 30 days, equivalent to US\$329,600 revenue loss based on weighted average of India portfolio. Illustrative cost implications with insurance (total cost of US\$285,700) - Insurance deductible (business interruption): 21 days, equivalent to US\$230,700 revenue loss based on weighted average of India portfolio. - Insurance deductible (material damage): US\$55,000
Mitigation Measures	- Existing measures include onsite fire protection measures (water, sand, extinguishers), an emergency response plan and vegetation management and established fire breaks. - Infrastructure manager to explore opportunities to enhance existing fire prevention protocols (for example, implementing more frequent audit of existing protections, carrying out fire safety drills, increasing grass cutting management). These mitigations are expected to have negligible impact to operating costs

Category	Details
Extreme heat risk	TT, TT1, TT2, TT4, TT5, TT6, TT9, Islasol II, Islasol III, VSS Viet Hong and Hoang Thong are high risk.
Financial impact scenario	Baseline level of extreme heat is already high and so do not expect any material financial impact.
Mitigation Measures	- Existing management practices in place to ensure work continuation - Workers to carry shade with them. - Avoiding times of day which are too hot.

Category	Details
Water scarcity	TT, TT1, TT2, TT4, TT6, TT9, VSS Viet Hong, and Hoang Thong are high risk.
Financial impact scenario	Reduced access to water for fire prevention measures and panel cleaning however, with existing site bore holes it is not expected to happen so financial impact is low.
Mitigation Measures	Access to bore holes on sites.

Category	Details
Cyclone risk	All NISPI assets, TT and TT6 are high risk.
Financial impact scenario	Illustrative cost implications without insurance: (total: \$417,200) - Damage limited to minor module damage (equivalent to 5% or 2,000 panels at a cost estimate of \$87,600). - Business interruption: 30 days due to spares held on site and considering lead time on panels and replacing structure (equivalent to \$329,600 revenue loss based on weighted average of India portfolio). Illustrative cost implications with insurance: (total: \$285,700) - Insurance deductible: 21 days (equivalent to \$230,700 revenue loss based on weighted average of India portfolio). - Insurance Premium: \$55,000.
Mitigation measures	- NISPI sites have risk identified in the baseline scenario. As such, mitigants would have been considered in the design of the structures. - Only an increase of risk from moderate to high was identified for TT and TT6. Currently, insurance would cover the damage and business interruption. In case insurance will no longer cover this – the Investment Manager would look to review structural design at these sites and consider reinforce measures where necessary.

Task Force on Climate-Related Financial Disclosures

Continued

Category	Details
Flood risk	TT5, TT4, TT, TT6, and Islasol II & III are high risk. Note, TT9 was also identified as high risk, but given the site is on a hill with good drainage and stable soil this has been concluded as N/A.
Financial Impact Scenario	Illustrative cost implications without insurance: (total: \$831,600) • Damage limited to: 2 inverters (central inverter at \$251,000 each). • Business interruption: Limited to 30 days (equivalent to \$329,600 revenue loss based on weighted average of India portfolio). Illustrative cost implications with insurance: (total: \$285,700) • Insurance deductible (business interruption): 21 days (equivalent to \$230,700 revenue loss based on weighted average of India portfolio). • Insurance deductible (material damage): \$55,000.
Mitigation Measures	• TT5 has an existing stormwater drainage system installed in 2021, which will require ongoing maintenance. • TT4 has a drainage system not specifically designed for stormwater, with no erosion or trapped water observed; improvements are advised post-hydrological study at an estimated cost of \$65,000. • TT (including TT6) lack proper stormwater drainage systems, with evidence of erosion, necessitating a hydrology study and the design and implementation of stormwater drainage systems at an estimated cost of \$130,000 for each site. • Flooding concerns at Islasol II and III solar sites are considered non-material. These projects were classified with a 'high' flood risk in the baseline scenario and were designed to withstand conditions up to Category 2 on the Saffir-Simpson scale. With adequate storm water drainage systems and no flooding incidents reported on-site, the incremental risk up to 2040 is not expected to materially impact the sites.

c) Describe the resilience of the organisation's strategy, taking into consideration different future climate scenarios, including a 2°C or lower scenario.

Overall, the Company is well positioned to take advantage of the investment opportunities that arise from this transition over the short-, medium- and long-term. The speed and efficiency of the transition will have a notable effect on the performance of the Company. If global temperature change is to be limited to a 2°C increase from pre-industrial levels by 2100, it is expected there will need to be significant intervention from governments, regulators and the market. Given the current investment mandate, there is a direct correlation between the transition to a low-carbon future and the size of the investment opportunity over the long-term. If temperatures increase beyond 2°C, the physical effects of climate change will be more severe, creating additional risks for the Company's portfolio. Climate-related risks and opportunities on balance provide more opportunities to the Company than risks to the Company, which is likely to benefit from an APS scenario more than the STEPS scenario pathway.

Risk management

a) Describe the organisation's processes for identifying and assessing climate-related risks.

With the support of ERM and its software and proprietary tools, the Former Investment Manager completed an exercise whereby climate-related risks and opportunities to the Company were identified and assessed. All principal risks are integrated into the Company's risk register and management frameworks.

b. Describe the organisation's processes for managing climate-related risks.

There are a number of risk mitigation strategies the Company can utilise to mitigate climate-related risk:

- Diversify the investment portfolio across technologies, geographies and development stage.
- Carry out diligence and analysis to understand latest trends and dynamics and status of policy, using external experts where appropriate

- Work with policy makers and regulators to educate and influence policy and frameworks that accelerate the transition to a clean energy future, and actively engage with stakeholders and communities to mitigate resistance to renewable energy assets.
- Actively manage and engage with investee companies on climate-related issues, risks and opportunities, encouraging asset-level adaptation plans that mitigate most material risks (for example, ensuring effective insurance cover, diversified supply chains, and equipment spares)

For example, while the NISPI facilities were not damaged by Super Typhoon Rai in December 2021, continuing severe rain tested the adequacy of the site drainage system. In response, increased maintenance of the drainage system was introduced to avoid potential flooding. This paid off during the 2022 typhoon season in Negros when, despite severe rains, NISPI's sites were not disrupted.

c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

In 2022, the Former Investment Manager completed comprehensive physical climate risk assessments for all AEIT's infrastructure assets to capture any potential climate-related risks not already considered in existing risk-management frameworks. These assessments were carried out with an external specialist in line with EU Taxonomy Do No Significant Harm requirements, using its proprietary assessment and data tool. The resulting report used best-in-class open-source climate data and highlighted relevant natural hazards that may have an impact under present day climate conditions, as well as in the future climate scenario. This analysis was also complemented by additional reports generated by the Climate Scale tool.

Further monitoring of how severe weather events may affect the operations of AEIT's investee companies and opportunities to reduce service interruptions will continue to build portfolio resilience against climate change and help manage risks going forward.

Metrics and targets

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities.

The Transitional Investment Manager continues to develop the framework for assessing climate-related risks and opportunities.

Opportunity metrics:

The investment strategy is aligned to climate mitigation. Therefore, the metrics presented below measure the contribution made through generating clean energy and driving a transition to net zero. These metrics measure the scale of the climate-related opportunities the Company has taken advantage of. The following KPIs track this contribution and are included on pages 28 and 29:

- installed operational capacity – MW;
- clean energy generated – MWh;
- EU Taxonomy alignment – %; and
- GHG emissions avoided – tCO₂e.

Risk metrics:

In 2022, the Former Investment Manager undertook a review of 100% of infrastructure assets which were screened for physical and transition-related climate change risks. Portfolio diversification is also a core metric to monitor climate-related risk.

b. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas emissions, and the related risks.

Efforts to measure and manage the Company's GHG footprint complement the focus on avoiding GHG emissions by investing in sustainable energy in fast-growing and carbon intensive economies in Asia where demand for energy continues to soar, as well as its adherence with the highest standards of good practice for financial products with

a sustainability objective under the EU Sustainable Finance Disclosure Regulation. The transition risks associated with future constraints on emissions, whilst not expected to be a high risk for a low-carbon portfolio, can also be monitored through carbon measurement.

The Transitional Investment Manager worked with all investee companies and Altruistiq, to account for GHG emissions. Altruistiq are an environmental data platform, helping organisations and funds measure, manage and share their carbon and environmental impact. Disclosure of Scope 1, 2 and 3 emissions, and methodology taken can be found on page 30.

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

The Transitional Investment Manager has set a climate-related risk management target to maintain the investment portfolio's current status of 100% of infrastructure assets screened for climate-related risks.

The metrics set out on pages 29 and 30 set an initial GHG footprint for the Company using the updated methodology. Most investee companies are poised to grow their renewable energy asset base. As a result, at this stage, quantitative GHG emission reduction targets which would address any risks in relation to future constraints on emissions are not being specified. As the infrastructure investment portfolio becomes more established, the Company will explore the viability and value addition of setting portfolio level targets given these risks are not expected to be high for the portfolio. This is expected to occur in 2024. In the meantime, the Transitional Investment Manager has set a qualitative target to continue to work with investee companies to improve key elements of GHG measurement related to operations and maintenance service providers.

A climate-related opportunity management target has already been set as part of AEIT's SFDR disclosures. AEIT has a target of 100% alignment of sustainable investments with the EU Taxonomy.

Target	2022	2023
100% of infrastructure assets screened for climate-related risks.	100%	100%
Improve key elements of GHG measurement related to operations and maintenance service providers.	First carbon footprinting exercise completed with guidance from a carbon consultant. Large proportion of data based on spend data.	Second carbon footprinting exercise completed with guidance from Altruistiq. Significant improvement in quality of data received, with reduction of proportion of data based on spend data (26%), the majority of which is in relation to Scope 3 category "Purchased goods and services".
100% alignment of sustainable investments with the EU taxonomy alignment. ³⁶	100%	100%

³⁶ This calculation excludes cash held that is committed and is awaiting deployment.

Stakeholder Engagement

The Board is aware of the need to foster the Company's business relationships with suppliers, customers and other key stakeholders through its stakeholder management activities as described below. The Board believes that positive relationships with each of the Company's stakeholders are important to support the Company's long-term success. The table below outlines the stakeholders that the Board has identified as key, the specific engagement methods used and key activities within the reporting period.

Key stakeholders	How we engage	Key activities
Shareholders of AEIT <i>The Board looks to attract long-term investors in the Company and, in doing so, it has sought out regular opportunities to communicate with shareholders</i> <i>The Board seeks to engage with shareholders to obtain their feedback and views on their perspectives, concerns, priorities and expectations which the Board uses to inform its discussions and decisions</i>	The Company has a broad range of shareholders, comprising both professional and retail investors, and has developed various ways of engaging with them, including: Regulatory announcements and publications: The Company issues regulatory announcements via the London Stock Exchange in respect of routine reporting obligations, periodic financial and portfolio information updates and in response to other material events. The Company's Annual and Interim Reports and associated presentations, as well as quarterly factsheets and shareholder circulars, are made available on the Company's website. Their availability is announced via London Stock Exchange regulatory announcements and they are available via 'Regulatory News Service' section under 'Investor Centre' on the Company's website. Website (www.asianenergyimpact.com): This includes information on strategy, performance, investment portfolio, share price and other relevant information to enhance investors' understanding of the Company and its strategy. Direct investor meetings and engagement: The Investment Manager, on behalf of the Board and with the assistance of AEIT's corporate brokers, undertakes a programme of investor engagement throughout the year. AEIT's corporate brokers also maintain a dialogue with shareholders. The Board receives feedback from the Investment Manager's and corporate brokers' investor engagement and agrees any follow-up actions. The Chair also meets with individual shareholders at relevant times during the year. Shareholders may contact the Company via its corporate brokers or by post or email (AEIT.cosec@jtcgroup.com) via the Company Secretary on any matters that they wish to discuss with the Board and the corporate brokers or Company Secretary will arrange for the relevant Board member to contact them. Annual General Meetings: The Annual General Meeting of the Company provides a forum for shareholders to meet, ask questions and discuss issues with the Directors and Investment Manager. The next Annual General Meeting is expected to be held in Q2 2024.	The Board sought to actively and transparently communicate in a timely manner with investors throughout the year in response to the challenges faced by the Company and the temporary share suspension. A list of the key Board communications to shareholders during the year (through regulatory announcements and other publications) are outlined in the timeline of key events on pages 12 to 14. The Chair attended more than 90 one-on-one shareholder meetings during the year, discussing the challenges faced by the Company and shareholders' perspectives, concerns, priorities and expectations. Shareholder feedback from these meetings was used by the Board to inform its discussions and decisions, including its discussions during the strategic review and its decisions to appoint a transitional Investment Manager in place of the Former Investment Manager, proceed with the RUMS project and change the investment policy to ensure that proceeding with the RUMS project would not breach that policy.

Stakeholder Engagement

Continued

Key stakeholders	How we engage	Key activities
Service providers including the Investment Manager, AIFM, Administrator and other corporate service providers <i>The Investment Manager's specialist knowledge and experience is vital to implementing AEIT's investment strategy successfully and achieving its investment objective</i> <i>The Administrator provides accounting, company secretarial and other administrative services that are critical to the effective running of AEIT's day-to-day operations</i> <i>The Board relies on the AIFM and other key service providers for essential services and for advice, support and, in the case of the AIFM, risk management and valuation oversight, to help ensure the Company operates effectively</i> <i>The Board seeks to build trusted relationships with key service providers through constructive and transparent ongoing two-way communication and aligned objectives for growth and development</i>	The Board engages with the Investment Manager, AIFM, Administrator and other service providers in numerous ways, including: • Regular reporting: The Board receives regular reports from the Investment Manager, AIFM, Administrator, corporate brokers and, as required, other service providers. • Scheduled meetings: Representatives of the Investment Manager and Administrator attend Board, Committee and valuation meetings and representatives of the AIFM attend Audit and Risk Committee, valuation and, as required, Board meetings. The Company's Auditor is invited to attend all Audit and Risk Committee meetings as well as valuation meetings. The Company's independent valuation expert also attends the valuation meetings. To build and maintain strong working relationships, the Company's other key service providers are invited to attend quarterly Board meetings to present their respective reports. • Ongoing dialogue: The Board also engages with the AIFM, Investment Manager, Administrator and other key service providers outside of scheduled meetings to develop its working relationship with those service providers and ensure the smooth operational function of the Company. This includes weekly meetings between the Chair and the Investment Manager and the Chair of the Audit and Risk Committee maintaining regular contact with the Auditor, Investment Manager and Administrator to oversee the audit process. This active engagement with the Company's key service providers aims to enable the Board to exercise effective oversight of the Company's activities, but effective oversight is heavily dependent on accurate, transparent and timely provision of material information by key service providers to the Board. The Board also has in place a Management Engagement Committee that meets annually to review service provider performance. Further information on the Management Engagement Committee can be found in its report on page 70. The Company's whistleblowing framework allows employees of key service providers to confidentially raise any concerns or issues with the Board.	Due to a breakdown in the trusted relationship between the Board and the Former Investment Manager resulting from the events that led to the temporary share suspension and other matters that came to light following that suspension (including new information received under the protections of the Company's whistleblowing policy regarding key information being withheld from the Board, and misleading information being given to it, by the Former Investment Manager over a protracted period of time, the Company terminated the Former Investment Manager's appointment with effect from 31 October 2023 and without any compensation being payable to the Former Investment Manager. Before terminating the Former Investment Manager's appointment, the Board undertook a competitive tender process for the appointment of a Transitional Investment Manager whose immediate priorities would be finalising the 31 December 2022, 30 June 2023 and 30 September 2023 valuations, 2022 audit and accounts and 2023 interim report and a deep dive into the Company's assets. As a result of that process, Octopus Energy Generation was appointed as the transitional Investment Manager with effect from 1 November 2023. Board members used their individual experience to support the Investment Manager in the performance of its responsibilities to the Company throughout the year. In particular, the Board was heavily involved in getting the Transitional Investment Manager quickly 'up-to-speed' on the Company's history, portfolio and challenges, enabling the Transitional Investment Manager to promptly and efficiently prepare the portfolio valuations required for the 30 September 2023 NAV (announced on 13 December 2023) and assist the completion of the 2022 audit and the portfolio valuations and financial reporting for the periods ended 31 December 2022 and the six months ended 30 June 2023. The 2022 Annual Report and 2023 Interim Report were published on 22 January 2024, achieving a key milestone towards lifting the temporary share suspension, which took place on 6 March 2024. In conjunction with the appointment of the Transitional Investment Manager, the Board appointed a new independent valuation expert to support the finalisation of all outstanding valuations and to reassure shareholders of the robustness of the valuation process. The Board maintained constant communication with the Company's Auditor following the temporary share suspension, making it aware of the steps taken to rectify historic issues and updated timelines.

Stakeholder Engagement
Continued

Key stakeholders	How we engage	Key activities
Asset level service providers <i>Building trusted partnerships through shared learnings and an ongoing dialogue and aligned objectives for growth and development</i>	The Investment Manager actively manages asset level service providers, including third-party asset managers, operations and maintenance ("O&M") contractors, construction managers, owner's engineers, suppliers, HSE (health, safety, and environment) contractors and landowners. Communications with service providers are managed across a variety of platforms to ensure focus on day-to-day operational performance of the assets. The Investment Manager undertakes quarterly meetings with external asset managers to review performance against service level provisions, weekly calls with all operators and formal annual contract reviews. The Investment Manager's whistleblowing framework allows employees supported by the investee companies to confidentially raise any concerns or issues.	A key focus for the Transitional Investment Manager was to commence a review of all contractual and governance provisions of the local asset managers to ensure they are working within delegated authority frameworks. Having identified some deficiencies, the Transitional Investment Manager is working to remedy these and improve the overall governance at the local asset management level. Updated technical due diligence has been conducted across all operational sites and the Transitional Investment Manager is feeding these findings back through to the valuations. This should ensure that the assumptions used in the valuations accurately reflect historical performance, any continuing deficiencies in performance and any optimisation plans. The Transitional Investment Manager is building relationships across material service providers to the investee companies and has been appointed to the Boards of investee companies for NISPI and VSS.
Local communities <i>Making a meaningful contribution in the communities where we invest advances AEIT's impact objective</i>	Local asset managers facilitate impact initiatives in the surrounding area of the solar assets the Company is invested into. The Investment Manager engages with local asset managers to ensure active dialogue with key stakeholders within the community and resolution of any issues. The Investment Manager ensures active maintenance of grievance mechanisms at investee companies that enable communities to engage around any complaints.	Social responsibility engagement by investee companies is featured in regular impact reporting and highlighted in the Impact Report on pages 31 to 35. With regard to the recent land-related issues with local farmers affecting the construction of the RUMS project (see page 18), the Transitional Investment Manager has been actively monitoring the situation and the local asset manager applied pressure on the landowner for a positive resolution to the dispute. The dispute appears to have been resolved. The Investment Manager received no complaints through the grievance mechanisms and a key focus of the Transitional Investment Manager in 2024 will be to review the existing impact initiatives on sites which benefit the local communities to see if there are any more opportunities for enhancement.

Section 172(1) statement

The Company provides disclosures relevant to the requirements of section 172(1) (a) to (f) ("S172") throughout the Strategic Report. As an externally managed investment trust, the Company has no employees.

The Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. When making decisions, each Director confirms that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

(a) The likely consequences of any decision in the long term.

The Company was launched with a long-term triple return investment objective which consists of: (i) financial return; (ii) environmental return; and (iii) social return. In view of the issues that arose during the reporting period (see the timeline of key events on pages 12 to 14), the Board commenced strategic review of the options for the Company's long-term future. After consultation with its advisers and taking into account feedback from investors representing a significant proportion of AEIT's issued share capital, the Board has concluded that it is in the best interests of shareholders as a whole to put forward a proposal for the orderly realisation of AEIT's assets, to be effected in a manner that seeks to achieve a balance between maximising the value of its investments and progressively returning cash to shareholders in a timely manner. Details of this proposal, which is subject to shareholder approval at a general meeting of the Company expected to be held in Q2 2024, will be set out in a separate circular to shareholders and will be made available on the Company's website in due course.

The Directors recognise there have been significant complexities in relation to Board decision-making, in particular with reference to the challenges faced by the Company over the last 12 months as outlined in the timeline of key events on pages 12 to 14 of the Strategic Report.

In their discussions, decision-making and reporting, the Directors have considered S172 and acted in good faith having regard to the long-term sustainable success of the Company.

(b) The interests of the company's employees.

The Company does not have any direct employees. However, the Directors seek to ensure that the Company's renewable assets provide decent work and jobs through its social return objective.

The Board monitors this through people-related KPIs, collecting gender pay gap, diversity and other statistics from the employees and contractors of the investee companies within the investment portfolio. The outcome of this monitoring is reported on page 31 which outlines the social return impact KPIs. Additional KPIs can be found in the Principle Adverse Impact Statement on pages 112 to 119.

(c) The need to foster the company's business relationships with suppliers, customers and others.

As the Company has no direct employees, all activities of the Company are delivered through its service providers. The Board actively monitors its relationships with its direct service providers as well as the performance of those service providers and this is outlined in the Management Engagement Committee Report on page 70.

Further information can be found in the Stakeholder Engagement section of the Strategic Report on pages 48 to 50.

(d) The impact of the company's operations on the community and the environment.

The Board has in place an ESG Committee which monitors the social and environment returns for the Company and further information can be found in the ESG Committee Report on page 69.

The outcomes of the Board's focus in this area can be found in the Impact Report on pages 25 to 35.

(e) The desirability of the company maintaining a reputation for high standards of business conduct.

The Board appoints an Investment Manager who ensures that the Company's investments are managed to a high standard of business conduct. The Investment Manager has in place a Responsible Investment Policy which ensures clear governance frameworks, such as a supplier code of conduct, code of ethics, whistleblowing policies and modern slavery statements, to ensure that high standards are maintained in investee companies. The Board has taken steps through the Investment Manager to combat modern slavery and human trafficking.

Through the Investment Manager, the Board is informed and monitors ethics and compliance with relevant governance standards. This helps to ensure that Board decisions and the actions of the Company promote and maintain high standards of business conduct.

(f) The need to act fairly between members of the company.

Throughout the year and following the year end, the Board has actively engaged in open dialogues and consultations with shareholders, both those voting in line with and those voting against the Board's recommendations, to understand their perspectives, concerns and expectations. This engagement is facilitated through regular shareholder meetings ensuring that the Board remains responsive to the needs and interests of all members and can act in the best interests of members as a whole.

To further meet the requirements of section 172(1)(f) the Board has also adopted a transparent decision-making process. This includes the publication of detailed explanations behind major decisions, highlighting how these decisions serve the best interests of the Company and its members collectively.

Non-financial Information Statement

The Board reviews ongoing progress, issues and any updates as part of the quarterly Board meetings through updates from the Investment Manager and the corporate brokers. The Investment Manager provides updates on relationships with stakeholders such as co-shareholders, O&M providers and EPC contractors, where relevant. The corporate brokers provide updates on communications with shareholders and the Management Engagement Committee reviews the Company's relationships with key suppliers. The Company's risk review framework also facilitates the identification of items relevant to the S172 statement. During the annual review of the strategy, objectives and processes, the Board assesses the longer-term factors relating to the Company's decisions and the implications for the communities and environments in which we invest and operate.

As an investment trust specialising in sustainable energy in emerging markets, we are committed to advancing sustainable energy solutions while delivering value to our investors and contributing positively to the communities and environments in which we operate. Our non-financial information statement reflects our dedication to environmental stewardship, social responsibility and governance ("ESG") practices, underpinning our strategic decisions and operations.

Non-financial information area	Statement and references
Environmental matters (including the impact of the Company's business on the environment)	Our investment in solar farms is at the core of our environmental commitment, significantly contributing to the reduction of carbon emissions and supporting the transition to a low-carbon economy. We rigorously assess the environmental impact of our investments, focusing on the conservation of biodiversity, the responsible use of natural resources and the implementation of innovative technologies to maximise energy efficiency and minimise environmental footprints. For further information, please see the 'Environmental return' section of the Impact Report on pages 29 and 30.
The Company's employees	As a closed-ended investment company, the Company has no direct employees. Information on indirect employees can be found in the 'Social return' section of the Impact Report on page 31.
Social matters	The social impact of our investments is core to our investment objective. By financing renewable energy projects, we not only generate renewable energy but also create jobs, foster local economic development and provide communities with clean and affordable energy sources. Our investment in NISPI is a great example of how our investments enable us to actively engage with local communities to ensure that our projects align with their needs and contribute positively to their well-being. For further information, please see the 'Social return' section of the Impact Report on page 31.
Respect for human rights	Our commitment to human rights is reflected in our rigorous due diligence processes, which identify and assess any potential human rights impacts associated with our investments. In particular, the solar sector has higher risk of human rights supply chain risk. We strive to ensure that our projects do not contribute to human rights abuses and actively work to prevent any such occurrences. These policies are aligned with international human rights standards and principles, including the United Nations Guiding Principles on Business and Human Rights, and are a core component of being categorised as an Article 9 fund.
Anti-corruption and anti-bribery matters	It is the Company's policy to conduct all of its business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates. Further information is outlined in the 'Anti-bribery, anti-corruption and tax evasion' section of the Directors' Report on page 58.

This Strategic Report has been approved by the Board of Directors and signed on its behalf by:



Sue Inglis
Chair

13 May 2024

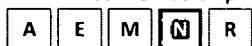
Board of Directors



Sue Inglis
Chair

Date of appointment
18 October 2021

Committee membership



Relevant skills and experience

Sue is an experienced lawyer and corporate financier with comprehensive investment company sector knowledge and technical expertise from more than 30 years advising listed investment companies and financial institutions. Her executive roles included Managing Director – Corporate Finance in the investment companies team at Cantor Fitzgerald Europe and investment companies and financial institutions teams at Canaccord Genuity. Sue was a partner and head of the funds and financial services group at Shepherd & Wedderburn, a leading Scottish law firm. In 1999 she was a founding partner of Intelli Corporate Finance, an advisory boutique firm focusing on the asset management and investment company sectors, which was acquired by Canaccord Genuity in 2009.

Sue retired as an executive in 2018 to pursue a career as a non-executive director, focusing on investment companies. Sue has previously served on the boards of several listed investment companies, including NextEnergy Solar Fund Limited, and was chair of The Bankers Investment Trust PLC.

Current external appointments

Listed companies: Sue is the senior independent director of Baillie Growth US Growth Trust PLC and Seraphim Space Investment Trust PLC. She is also the senior independent director and chair of the audit committee of CT Global Managed Portfolio Trust PLC.

Other significant appointments: None.

Committee membership

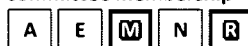
A Audit and Risk Committee	E ESG Committee	M Management Engagement Committee
N Nomination Committee	R Remuneration Committee	☐ Committee Chair



Mukesh Rajani
Senior Independent Director

Date of appointment
18 October 2021

Committee membership



Relevant skills and experience

Mukesh is an experienced advisory, tax, structuring and audit professional with more than 40 years of experience. He worked at PricewaterhouseCoopers ("PwC") for 35 years, where he was a partner for 25 years. During his time at PwC, Mukesh advised leading UK and international organisations on a broad range of complex business issues including market assessment, entry strategy, regulatory requirements, partner selection, mergers, acquisitions, disposals, business reorganisations, capital markets, tax structuring, tax litigation and complex cross-border matters. He was a member of PwC's Emerging Markets Group and established and led PwC's India Business Group for more than 20 years.

Mukesh was previously an independent non-executive director and chair of the audit committee of the UK India Business Council, an advocacy and strategic advisory business on a mission to build economic prosperity in the UK and India.

Mukesh is a Fellow of the Institute of Chartered Accountants in England and Wales.

Current external appointments

Listed companies: None.

Other significant appointments: None.

Board of Directors
Continued

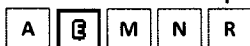


Kirstine Damkjaer
Director

Date of appointment
18 October 2021

Date of resignation
30 April 2024

Committee membership



Relevant skills and experience

Kirstine is a chair and non-executive director at several companies in Africa, Denmark and the UK. She has over 25 years of international investment and asset management experience from positions as non-executive director, CEO of EKF the Danish Export Credit Agency, Chief Investment Officer and Global Head of Equity at the International Finance Corporation and Principal with the World Bank Pension Plan and Endowment.

Kirstine has worked across multiple sectors with a strong focus on the sustainability and climate investment agendas. Kirstine is a graduate of the University of Aarhus, Denmark and a Chartered Financial Analyst (CFA), and has attended trainings at Stanford, IMD, INSEAD and Copenhagen Business School.

Reason for resignation

Following her appointment to a full-time position in April 2024, Kirstine was required to step down from all her non-executive positions, including as a non-executive Director of AEIT, as soon as practicable.

External appointments during period and up to date of resignation

Listed companies: None.

Other significant appointments: Kirstine is non-executive chair at Formuepleje. She is also a non-executive director at Africa Finance Corporation, PensionDanmark, ResourceDanmark and Bladt Industries.

Committee membership

A Audit and Risk Committee

N Nomination Committee

E ESG Committee

R Remuneration Committee

M Management Engagement Committee

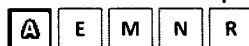
Committee Chair



Clifford Tompsett
Director

Date of appointment
18 October 2021

Committee membership



Relevant skills and experience

Clifford is an experienced advisory, transaction and audit professional having spent his whole career at PricewaterhouseCoopers ("PwC"), including the last 26 years as a partner. He has deep experience and knowledge of work in emerging markets and across a range of sectors and the execution of complex transactions, including mergers and acquisitions. He created, built and led PwC's Global IPO Centre based in London and with hubs in Hong Kong and New York.

Clifford has previously served as an independent non-executive director and the chair of the audit committee of three Nasdaq listed purpose acquisition companies: Kismet Acquisition One Corp, which completed the US\$1.9 billion acquisition of Nexters Inc. an international game development company in 2021, Kismet Acquisition Three Corp, and Quadro Acquisition One Corp. He is also a former senior independent director and chair of the audit and risk committee of Cello Health plc, the AIM-listed global healthcare advisory company.

Clifford is a Fellow of the Institute of Chartered Accountants in England and Wales.

Current external appointments

Listed companies: None

Other significant appointments: Clifford is an independent non-executive director and chair of the audit committee of REED Global Limited (the recruitment company).

Directors' Report

The Directors present their report for the year ended 31 December 2023.

Information contained elsewhere in this Annual Report

The information listed in the table below is incorporated into this Report by reference.

Information	Section	Page(s)
Business review	Strategic Report	5 – 51
Financial results	Financial Statements	83 – 108
Related party transactions	Financial Statements – note 19	105 – 106
Dividends	Financial Statements – note 7	94
Principal risks and uncertainties	Strategic Report – Principal Risks and Uncertainties	38 – 42
Financial risk management	Financial Statements – note 18	102 – 105
Post-balance sheet events	Financial Statements – note 22	108
Likely future developments in the Company's business	Chair's Statement – 'Status of strategic review', 'Outlook'	6
Corporate governance statement	Governance – Corporate Governance Report	59 – 64
S.172 Companies Act 2006 statement	Strategic Report – S.172(1) Statement	51
Directors	Board of Directors	53 – 54
Directors' terms of appointment	Governance – Corporate Governance Report	62
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Directors' interests in shares	Governance – Directors' Remuneration Report	75

Principal activity

The Company is an investment company as defined in section 833 of the Companies Act 2006 and operates as an investment trust in accordance with sections 1158 and 1159 of the Corporation Tax Act 2010. It invests in a diversified portfolio of sustainable energy infrastructure assets in fast-growing and emerging markets in Asia with the current objectives³⁷ of:

- providing shareholders with attractive dividend growth and prospects for long-term capital appreciation;
- protecting natural resources and the environment; and
- delivering economic and social progress, helping build resilient communities and supporting purposeful activity.

The Company's operating activities commenced on 14 December 2021 when the Company's ordinary shares were admitted to trading on the London Stock Exchange's Main Market.

Investment trust status

The Company has been approved as an investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010 with effect from 14 December 2021. The Company had to meet relevant eligibility conditions to obtain approval as an investment trust and must comply with ongoing requirements to maintain its investment trust status, including, but not limited to, retaining no more than 15% of its eligible investment income.

The Directors are of the opinion that the Company conducted its affairs during the year under review, and has continued to conduct its affairs since 31 December 2022, in compliance with the Investment Trust (Approved Company) (Tax) Regulations 2011. The Directors intend to continue to conduct the affairs of the Company to enable it to continue to qualify as an investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010.

Appointment and replacement of Directors

The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association, which require that all Directors shall be subject to re-appointment at the first AGM after appointment and re-appointment annually thereafter. At the AGM of the Company held on 30 June 2023, the re-appointment of all Directors was approved by shareholders. The next AGM of the Company will be held in Q2 2024 and, save for Kirstine Damkjaer who resigned from the Board with effect from 30 April 2024 as a result of taking on a full-time executive role, all the Directors will be put for re-election.

Capital structure, rights and restrictions

No ordinary shares were issued or bought back, or held in treasury, during the year under review or since the year end.

At 31 December 2023 (and the date of this Annual Report), the Company's issued share capital comprised 175,684,705 ordinary shares. The total number of voting rights of the Company at 31 December 2023 was, therefore, 175,684,705. All of the issued ordinary shares have been admitted to trading on the premium segment of the main market of the London Stock Exchange.

Shareholders are entitled to all dividends paid by the Company. On a winding up, provided the Company has satisfied all its liabilities, shareholders are entitled to the surplus assets of the Company. 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.

At 31 December 2023 (and the date of this Annual Report), there were:

- no restrictions on the transfer of securities in the Company except:
 - where the Company is legally entitled to impose such restrictions, such as restrictions on transfers by Directors and persons closely associated with them during closed periods; or
 - where the Company's Articles of Association allow the Board to decline to register a transfer of shares or otherwise impose a restriction on shares to prevent the Company breaching any law or regulation;

³⁷ Having undertaken a strategic review of the options for the Company's future, the Board is recommending a proposal for the orderly realisation of assets and liquidation of the Company. Details of this proposal, which is subject to shareholder approval at a general meeting of the Company expected to be held in Q2 2024, will be set out in a circular to shareholders and will be made available on the Company's website in due course.

Directors' Report Continued

- no restrictions on exercising voting rights save where the Company is legally entitled to impose such restrictions, such as if, having been served with a notice under section 793 of the Companies Act 2006, a shareholder fails to disclose details of any past or present beneficial interest;
- no agreements between holders of securities regarding their transfer or voting rights which are known to the Company; and
- no special rights with regard to control attached to securities in the Company.

Temporary share suspensions

Following the material uncertainty regarding the fair value of the Company's investment portfolio as at 31 December 2022, the Company requested the FCA to suspend the listing of its ordinary shares (with a corresponding request made to the London Stock Exchange for a suspension of trading) with effect from 7.30 a.m. on 25 April 2023, with reference to the FCA's Listing Rule 5.1.2G(3). The suspension of the Company's ordinary shares was lifted on 6 March 2024.

Due to a small number of outstanding points in respect of the Company's Annual Report and audit the Company was not able to publish the Annual Report by the required regulatory deadline of 30 April 2024. The Company therefore requested the FCA to suspend the listing of its ordinary shares (with a corresponding request made to the London Stock Exchange for a

suspension of trading) with effect from 7.30 a.m. on 1 May 2024, with reference to the FCA's Listing Rule 5.1.2G(2). Now that the Annual Report has been published the Board will move expeditiously to apply to the FCA for a restoration of the Company's listing.

Share issue and buy-back authorities

By way of special resolutions passed on 11 November 2021, the Directors currently have a general authority to allot shares with an aggregate nominal value of up to US\$8.2 million for cash on a non-pre-emptive basis. This authority will expire on 10 November 2026. Unless specifically authorised by shareholders, no issue of ordinary shares on a non-pre-emptive basis will be made at a price less than the prevailing NAV per ordinary share at the time of issue.

By way of a special resolution passed on 24 August 2023, the Company was granted authority to make market purchases up to 14.99% of its issued share capital. The Company has not bought back any shares under this authority, which expires at the conclusion of the 2024 AGM. The Company may cancel bought-back shares or hold bought-back shares in treasury and then sell such shares for cash. Shares will only be re-sold from treasury at a premium to the NAV per share. The share issue and buy-back authorities provide the Company with additional flexibility in the management of its capital base.

Major interests in shares

As at 31 December 2023 and 8 May 2024 (the latest practicable date prior to the publication of this Annual Report), the Company was aware of the following interests in 3% or more of the voting rights in the Company's issued share capital.

Investor	31 December 2023		8 May 2024	
	No. of shares	% of voting rights	No. of shares	% of voting rights
Secretary of State for Foreign, Commonwealth and Development Affairs	32,321,899	18.4	32,321,899	18.4
Brevan Howard Investment Products Limited	29,708,737	16.9	29,708,737	16.9
ThomasLloyd Global Asset Management	26,004,420	14.8	26,004,420	14.8
AllianceBernstein	17,214,584	9.8	16,989,584	9.7
Credit Suisse Private Banking*	11,500,000	6.5	–	–
Liontrust Sustainable Investments	8,770,802	5.0	8,166,702	4.6
Schroder Investment Management	8,135,810	4.6	8,135,810	4.6
Privium Fund Management	6,800,000	3.9	6,800,000	3.9
Charles Stanley	6,236,487	3.6	3,266,685	1.9
WH Ireland	5,872,412	3.3	6,351,881	3.6
Kyma Capital	–	–	5,586,799	3.2

* Following the acquisition of Credit Suisse Private Banking by UBS Group AG, the shareholding by Credit Suisse Private Banking was transferred to UBS Group AG. UBS AG subsequently sold its shareholding on 22 April 2024.

Going concern

In April 2024, the Board completed the strategic review of the options for the Company's future and having consulted shareholders, the Board concluded that a proposed realisation strategy is in the best interests of shareholders as a whole. This realisation strategy would consist of an orderly realisation of the Company's assets and winding up of the Company, balancing maximising the value from existing investments and progressively returning cash to shareholders in a timely manner.

Details of this proposal, which is subject to shareholder approval at a general meeting of the Company expected to be held in Q2 2024, will be set out in a separate circular to shareholders. However, while

the outcome of the shareholders vote is uncertain, it is the Board's expectation, based on shareholder interactions to date, that shareholders will vote for the realisation strategy being proposed. This will mean that the Company will subsequently cease to trade, following the realisation of its investments. The Board does not intend to declare a dividend in respect of the quarter ended 31 December 2023, nor does it intend to make any further acquisitions or commitments to new investments prior to the shareholder vote on its recommended proposal.

The Directors have assessed that the Company will be able to continue to meet its liabilities in the going concern assessment period, being a period of at least 12 months from the date the Financial Statements were authorised for issue. In reaching this conclusion, the Directors considered

the expectation that there will be an orderly realisation of the Company's assets, and the Company's net assets as at 31 December 2023 of US\$81.5 million and its cash reserves at that date of US\$41.2 million, along with the cash reserves of AEIT Holdings of US\$1.8 million. The Directors also considered the Company's cash reserves at the date of approval of the Financial Statements of US\$42.1 million, along with the cash reserves of AEIT Holdings of US\$1.8 million. The Directors considered the Company's recurring operating expenditure requirements, both to date and into the future and the commitment made post year end of up to US\$4.5 million of additional funding for the construction of the RUMS project.

The Company continues to meet its day-to-day liquidity needs through its cash resources. Assumed future cash inflows over the going concern assessment period include the receipt of dividend and interest income and capital repayments from its underlying investments and the main cash outflows are the ongoing running costs of the Company and the additional costs incurred in connection with the strategic review. Were the receipt of dividend and interest income and capital repayments from its underlying investments delayed, the Company would still have sufficient resources to meet its liabilities. No realisation of investments has been assumed in this assessment but such realisations may take place in the going concern period.

However, given the orderly realisation proposal being recommended by the Board, whilst the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, the Financial Statements have been prepared on a basis other than that of a going concern given that the Directors have a reasonable expectation that shareholders will vote for the orderly realisation proposal and the ultimate liquidation of the Company.

No adjustments arose within the Financial Statements as a result of preparing them on a basis other than that of a going concern. The Company was not committed to any costs in respect of a wind-up at the balance sheet date and the Company's investments (its principal assets other than cash) were already held at fair value at the balance sheet date. However, the final fair value realised on disposal of each investment as the Company implements its realisation strategy may be materially different to the fair value as at 31 December 2023.

Viability statement

In accordance with the UK Corporate Governance Code and the AIC Code the Directors have assessed the prospects of the Company over a longer period than the 12 months required for the going concern assessment.

Having completed its strategic review of the options for the Company's future and consulted shareholders, the Board has concluded that it is in the best interests of shareholders as a whole to put forward a proposal for the orderly realisation of AEIT's assets and winding up of the Company, balancing maximising the value from existing investments and progressively returning capital to shareholders in a timely manner. The outcome of the strategic review remains subject to a shareholder vote. The Board expects the realisation process to take up to at least two years. The Board, therefore, believes that the period to 30 April 2026, being approximately two years from the signing of the Financial Statements, is an appropriate time horizon over which to assess the viability of the Company.

In assessing the viability of the Company, the Board concluded that, in the event that shareholders vote in favour of the orderly realisation proposal, the Company has the resources to complete this without the need for further capital and will be able to meet its liabilities as they fall due.

In their assessment of the prospects of the Company over the viability assessment period, the Directors considered each of the principal risks and uncertainties set out on page 38 to 42 and the aim to achieve an optimal balance between maximising the value from AEIT's existing investments and progressively returning cash to shareholders in a timely manner as part of the proposed realisation strategy.

In assessing the Company's prospects, the Directors have reviewed cash flow forecasts to 30 April 2026 which assume no further investment commitments (apart from up to US\$4.5 million of additional funding for the construction of the RUMS project), that all ongoing costs will be met by the Company's cash resources of US\$41.2 million at 31 December 2023 (US\$42.1 million at the date of approval of these Financial Statements). The cash flow forecasts for the viability assessment assume that dividend or interest income and capital repayments will be received from the Company's underlying investments but no proceeds from any sale of investments will be received in the period. However, even in the scenario that the Company receives no dividend or interest income and capital payments from its underlying investments, the Company will still have sufficient cash to meet all its liabilities over the viability assessment period.

Dividend policy

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

Subject to shareholders approving the orderly realisation proposal at a general meeting of the Company expected to be held in Q2 2024, the Company's priority will be to achieve a balance between maximising the value of its investments and progressively returning cash to shareholders in a timely manner. It is currently expected that surplus cash will be returned from time to time in the form of capital rather than dividends and that any dividends will be paid on an ad hoc basis.

Streamlined energy and carbon reporting

As an investment company with all its activities outsourced to third parties, the Company does not have any physical assets, property, employees or operations of its own and, therefore, the Company's own direct environmental impact is minimal. In relation to the Streamlined Energy and Carbon Reporting (SECR), implemented by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Reporting) Regulations 2018, for the year ended 31 December 2023 the Company is considered to be a low energy user (<40,000 kWh) and, therefore, falls below the threshold to produce an energy and carbon report.

Directors' Report

Continued

The energy and emissions metrics for the investment portfolio for the year ended 31 December 2023 are disclosed in the Impact Report on page 25.

Modern slavery

The Company is committed to maintaining the highest standards of ethical behaviour and expects the same of its business partners. The use of slavery and human trafficking is unacceptable and entirely incompatible with its ethics as a business. The Company believes that all efforts should be made to eliminate it from its supply chains.

The majority of services supplied to or on behalf of the Company are from the financial services, energy and construction industries and other services associated with those industries. As such, the Company believes there to be a low risk profile of anyone supplying it directly with services being involved in slavery and/or human trafficking. The most significant area of risk for the Company is in relation to its investee companies in relation to sourcing solar panels as there is widely known evidence to suggest that a large proportion of the current global polysilicon supply chain is at high risk of forced labour violations. Polysilicon is the raw material required to create most solar panels. The Company has put in place supplier due diligence processes and traceability requirements to reduce this risk.

Anti-bribery, anti-corruption and tax evasion

It is the Company's policy to conduct all of its business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates. The Company is committed to ensuring that the Company and its subsidiaries and investment entities, and anyone contracting with the Company and its subsidiaries and investment entities (including by the Investment Manager and other key service providers), comply with the requirements of the UK Bribery Act 2010 or equivalent legislation in other jurisdictions.

The Company does not tolerate tax evasion in any of its forms in its subsidiaries and investment entities. The Company complies with the relevant UK law and regulation in relation to the prevention of facilitation of tax evasion and supports efforts to eliminate the facilitation of tax evasion worldwide. It also works to make sure its business partners share this commitment.

Donations and contributions

No political or charitable donations were made during the year under review.

Amendment to the Company's Articles

The Company's Articles of Association may only be amended by a special resolution passed by shareholders.

Disclosure of information to the Auditor

Having made enquiries of key service providers, each of the Directors holding office at the date of this Report confirms that:

- as far as they are aware, there is no relevant audit information of which the Auditor is unaware; and
- they have taken all the steps a Director might reasonably be expected to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

Auditor

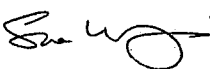
The Company's Auditor, Deloitte LLP, was appointed prior to AEIT's IPO and is willing to continue in office. Resolutions to re-appoint Deloitte LLP and authorise the Board to determine the Auditor's remuneration will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

The date and time of the AGM will be announced, and the notice convening the AGM, will be published shortly.

Approval

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



Sue Inglis
Chair

13 May 2024

Corporate Governance Report

This Corporate Governance Report forms part of the Directors' Report.

The Company became a member of the AIC with effect from 14 December 2021 following completion of its IPO. As such, the Board has considered the principles and provisions of the AIC Code of Corporate Governance (the "AIC Code"). The AIC Code addresses the principles and provisions set out in the UK Corporate Governance Code (the "UK Code"), as well as setting out additional provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the Financial Reporting Council provides more relevant information to shareholders.

The AIC Code is available on the AIC website (www.theaic.co.uk) and the UK Corporate Governance Code can be found on the Financial Reporting Council's website (www.frc.org.uk). The AIC Code includes an explanation of how it adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

Compliance with the AIC Code

Throughout the year ended 31 December 2023, the Company complied with the principles and provisions of the AIC Code except that the Chair of the Company is a member of the Audit Committee and is also Chair of the Nomination Committee. Given the size of the Board of which all members are independent non-executive Directors and the knowledge and experience of the Chair, the Directors consider that this is appropriate.

Division of responsibilities

The Board has overall responsibility for the Company's activities. However, the Company has delegated or outsourced various matters to its standing Committees and key service providers, most notably the AIFM, Investment Manager and Administrator, all of which operate within clearly defined terms of reference or agreements that set out their roles, responsibilities and authorities.

Board

The Board provides overall leadership and is collectively responsible for the long-term sustainable success of the Company, generating value for shareholders, contributing to the fight against climate change and benefitting the communities in which our assets are located. Accordingly, the Board's principal responsibilities include:

- determining the Company's strategic objectives and risk appetite;
- ensuring that the necessary resources are in place for the Company to meet its objectives and fulfil its obligations to shareholders, within a framework of high standards of corporate governance and effective risk management and internal controls;
- business conduct and implementation of its key investment, financial, operational and compliance policies, ensuring they are aligned with AEIT's purpose and strategy and the Board's culture and values and that any necessary corrective action is taken;
- scrutinising the performance of the Investment Manager, Administrator and other key service providers and holding them to account;
- reviewing the proposed valuations of AEIT's investments;
- ensuring effective engagement with, and encouraging participation from, shareholders and other key stakeholders; and

- providing strategic guidance and offering specialist advice, whilst providing constructive and effective challenge, especially with regard to portfolio management.

Matters not delegated or outsourced to Committees and key service providers are reserved for consideration and approval by the Board (including those matters listed in a formal schedule of reserved matters approved by the Board), thus enabling the Board to maintain full and effective control over strategic issues and all operational matters of a material nature. The reserved matters include:

- approving AEIT's long-term objectives and any matters of a strategic nature, including any changes to the investment objective, policy and restrictions (including those which may need to be submitted to shareholders for approval) and target returns;
- the appointment and removal of key service providers and any material amendments to the Company's agreements with them;
- approving any other material contracts and agreements entered into, varied or terminated;
- approving any transactions with related parties;
- approving Annual and Interim Reports and quarterly NAV and other financial announcements;
- approving the Company's operating budget;
- setting the Company's dividend policy and approving dividends;
- approving the raising of new capital;
- approving prospectuses, circulars and other shareholder communications;
- Board appointments and removals; and
- the Company's corporate governance arrangements.

The primary focus at Board meetings is a review of investments and associated matters (such as performance against budget and KPIs, compliance with investment restrictions, investment pipeline, investment strategy, projected cash flows, gearing and currency hedging), financial analyses, share price premium/discount, investor relations and marketing, industry, legal and regulatory (including corporate governance) developments and other matters of an operational nature.

Chair

The Chair is Sue Inglis. Her primary role as Chair is to provide leadership to the Board. The principal responsibilities of the Chair include:

- ensuring the overall effectiveness of the Board in directing the Company;
- taking a leading role in setting the Company's strategic objectives;
- facilitating open, honest and constructive debate among Directors and the effective contribution of all Directors;
- ensuring the Company is meeting its responsibilities to shareholders and other stakeholders; and
- engaging with shareholders to ensure that the Board has a clear understanding of their views.

Full details of the role and responsibilities of the Chair are available on the Company's website.

Senior Independent Director

The Senior Independent Director is Mukesh Rajani. His primary responsibilities as such are to serve as a sounding board for the Chair, act as an intermediary for other Directors and be available to respond to shareholders' concerns if they cannot be resolved through the normal channels of communication (i.e. through the Chair). The Senior Independent Director leads the annual evaluation of the Chair.

Board Committees

The Board has five standing Committees, being the Audit and Risk Committee, ESG Committee, Management Engagement Committee, Nomination Committee and Remuneration Committee. Given its size and the diverse range of skills and experience of the Directors, the Board has considered it appropriate for all Directors to serve on all standing Committees.

Details of the principal responsibilities of the Committees are included in their respective reports on pages 65 to 75 and the terms of reference of each Committee are available on the Company's website. The Committees review their terms of reference at least annually, with any proposed changes recommended to the Board for approval. Committee Chairs attend AGMs to answer any questions on each of their Committee's activities.

The Board may also establish additional Committees from time to time to take operational responsibility on specific matters. These Committees ensure that key matters are dealt with efficiently and in a timely manner.

AIFM

The Company is classified as an Alternative Investment Fund under the EU Alternative Investment Fund Managers' Directive as incorporated into UK law ("AIFMD") and is, therefore, required to have an AIFM. The Company's AIFM is Adepa Asset Management S.A.

The AIFM's responsibilities include:

- portfolio management (which it has delegated to the Investment Manager);
- monitoring and ensuring compliance with the Company's investment policy;
- risk management;
- approval of quarterly portfolio valuations and NAVs; and
- ensuring compliance with AIFMD regulations and reporting.

The AIFM is entitled to an annual management fee, subject to a minimum fee of US\$75,000 per annum, at the following rates, based on the NAV and payable quarterly in arrears:

NAV	Fee rate
Up to US\$200 million	0.055%
Between US\$200-400 million	0.045%
Between US\$400-1,000 million	0.035%
Above US\$1 billion	0.025%

The AIFM is also entitled to annual risk management and AIFMD reporting fees of EUR14,500. The AIFM's appointment is terminable by either party on not less than six months' notice in writing.

Investment Manager

The AIFM, with the agreement of the Company, has delegated the portfolio management of the Company to the Investment Manager. The Investment Management Agreement between the AIFM, Company and Investment Manager (the "IMA") sets out the matters in respect of which the Investment Manager has authority and responsibility, subject to the overall control and supervision of the Board. These include:

- having full discretion in relation to AEIT's portfolio management activities in accordance with AEIT's investment policy and any other restrictions imposed in the IMA or by the Board from time to time;
- managing cash not yet invested by the Company or otherwise applied in respect of its operating expenses; and
- promoting the Company and investor relations.

In advance of Board meetings, the Investment Manager provides regular reports, which include operating updates on the Company's investments, cash flow forecasts and other relevant information. Senior representatives of the Investment Manager attend Board meetings. The Investment Manager is responsible for keeping the Board informed, in a timely manner, of any material developments arising from its portfolio management activities or other relevant matters, including interactions with shareholders and other key stakeholders.

For the period from IPO to 31 October 2023, the Investment Manager was ThomasLloyd Global Asset Management (Americas) LLC (the "Former Investment Manager"). Under the relevant IMA, the Former Investment Manager was entitled to a management fee, details of which are included in note 19 to the Financial Statements. On 15 September 2023, following the failure of the Continuation Resolutions at the requisitioned general meeting and the adjourned annual general meeting held on 24 August 2023, the Board served notice on the Former Investment Manager terminating the IMA with effect from 31 October 2023. From 1 November 2023, Octopus Energy Generation ("OEGEN") was appointed as a Transitional Investment Manager to cover an initial period through to 30 April 2024. For this initial term, the Company will pay OEGEN a management fee of US\$1.35 million. At the end of the term, at the discretion of the Board, there is scope for OEGEN to earn an additional management fee of up to US\$0.55 million for its services during the transitional period.

The Company's existing investment management arrangements, which are due to terminate on 30 April 2024, will roll over until the orderly realisation proposal is approved by shareholders.

Administrator/Company Secretary

The Company has appointed the Administrator to provide fund accounting, company secretarial and other administrative services. The Administrator's responsibilities include:

- undertaking the day-to-day financial and administration functions of the Company, including calculation of the NAV and maintenance of the Company's accounting and statutory records;
- providing the company secretarial functions required by the Companies Act 2006;
- ensuring that the Company complies with applicable laws, rules and regulations, including laws and regulations applicable to investment trusts, the FCA rules applicable to listed investment companies and the London Stock Exchange rules;
- advising on all governance matters;

Corporate Governance Report

Continued

- supporting the Board and its Committees to ensure that they have the policies, processes and information they need to function effectively and efficiently and to enable the Directors to discharge their responsibilities; and
- ensuring that Board and Committee procedures are followed.

In advance of Board meetings, the Administrator provides regular reports, which include operational information, details of any breaches or complaints and relevant legal and regulatory, corporate governance and other technical updates. The Administrator is responsible for keeping the Board informed, in a timely manner, of any material developments regarding matters within the scope of its role and responsibilities.

Board and Committee meetings

Regular Board and Committee meetings are scheduled throughout the year. In addition, valuation meetings are held in advance of each scheduled Audit and Risk Committee meeting to review preliminary quarterly valuations of the Company's investments. Ad hoc Board and Committee meetings are also held between scheduled meetings in preparation for or to follow-up after scheduled meetings, to consider investment proposals and to deal with any other matters arising between scheduled meetings. Typically, all Directors attend valuation and ad hoc meetings, although this is not always feasible or necessary and any Director who is unable to attend a meeting can communicate their views ahead of the meeting. In addition to scheduled and ad hoc meetings, the Board meets frequently on an informal basis to discuss, in particular, developments affecting the Company and progress on identified workstreams.

Attendance at scheduled meetings

	Board	Audit and Risk Committee	Valuation	ESG Committee	Management Engagement Committee	Nomination Committee	Remuneration Committee
<i>No. of meetings held</i>	2	2	2	1	1	1	1
Sue Inglis	2	2	2	1	1	1	1
Mukesh Rajani	2	2	2	1	1	1	1
Clifford Tompsett	2	2	2	1	1	1	1
Kirstine Damkjaer	2	2	1	1	1	1	1

Attendance at ad-hoc meetings

	Board	Audit and Risk Committee	Valuation	ESG Committee	Management Engagement Committee	Nomination Committee	Remuneration Committee
<i>No. of meetings held</i>	29	4	0	3	0	0	0
Sue Inglis	29	4	0	3	0	0	0
Mukesh Rajani	25	4	0	3	0	0	0
Clifford Tompsett	27	4	0	3	0	0	0
Kirstine Damkjaer	22	4	0	3	0	0	0

Following the temporary share suspension, in view of the need to deal with a broad range of issues and other matters in a timely manner, the Board and Audit and Risk Committee held a significant number of ad hoc meetings during 2023, some of which replaced previously scheduled meetings.

Board composition and succession

Board composition and independence

During the year, the Board consisted of four non-executive Directors, all of whom were appointed prior to the Company's IPO and are (and were on appointment) independent of the Investment Manager. Having accepted a full-time executive position that required her to step down from all her non-executive positions as soon as practicable, Kirstine Damkjaer resigned as a Director of AEIT with effect from 30 April 2024.

The Chair and each of the other Directors is (and was on appointment) also independent when assessed against the circumstances set out in provision 13 of the AIC Code. The independence of the Directors is reviewed at least annually by the Nomination Committee.

The initial Board was selected to bring a breadth of skills, knowledge and experience relevant to the Company's structure and strategy. Details of the Directors, including their skills and experience, are set out on pages 53 and 54. In view of the realisation strategy that the Board is proposing following the conclusion of the strategic review, the skillsets of the

continuing Directors and the need to minimise costs where possible, it is not currently anticipated that a replacement for Kirstine Damkjaer will be recruited.

The composition of the Board is a fundamental driver of its success as the Board must provide strong and effective leadership of the Company without any one individual or small group dominating the decision making. The strong and diverse mix of experienced individuals on the current Board enables high calibre debate and constructive challenge. The Board is able to use the skills, knowledge and experience of the individual Directors to their maximum potential and make decisions that are in the best long-term interests of the Company. In particular, the Board uses the Directors' skills, knowledge and experience to review information provided by the Company's key service providers, make enquiries, raise challenges and request additional information as required. However, as the Directors are all non-executive, the effective operation of the Board is heavily dependent on receiving accurate, transparent and timely information (including in response to the Board's requests for information) from the Company's key service providers and, in particular, the AIFM, Investment Manager and Administrator.

The Board's tenure, succession and diversity policies seek to ensure that the Board continues to be well-balanced and refreshed regularly by the appointment of new Directors with the necessary skills, knowledge, experience and personal qualities and who can bring fresh perspectives.

Board diversity

Given the small size of the Board, that it comprises only non-executive Directors and the Company's specialist nature as an externally managed investment company, setting specific diversity targets may provide challenges when recruiting new Directors. The Board does not consider, therefore, it appropriate to set specific diversity targets. However, the Directors acknowledge that diversity in its broadest sense is important to ensure that the Company can draw on a broad range of backgrounds, skills, experience and perspectives to achieve effective stewardship of the Company and the long-term sustainable success of the Company. As explained under 'Appointments to the Board' below, an integral part of the process for recruiting new Directors will include, therefore, the consideration of diversity generally, taking into account gender, social and ethnic backgrounds and cognitive and personal strengths, as well as skills, knowledge and experience.

The FCA's Listing Rules now require companies to report on whether they have met the following targets on board diversity:

- at least 40% of the individuals on the board are women;
- at least one of the senior board positions (in the case of the Company, these are the Chair and Senior Independent Director) is held by a woman; and
- at least one director is of an ethnic minority background.

As shown in the tables below, at 31 December 2023 the Company met all of these diversity targets.

Gender diversity	No. of Board positions	% of Board	No. of senior positions on Board
Male	2	50	1
Female	2	50	1

Ethnic diversity	No. of Board positions	% of Board	No. of senior positions on Board
White British or other (including minority – white groups)	3	75	1
Asian/Asian British	1	25	1

As an externally managed investment company with solely non-executive Directors, the Company does not have a chief executive or a chief financial officer (both being 'senior positions' under the relevant FCA Listing Rule) and has no employees. Accordingly, there are no disclosures about executive management positions to be included. The information in the tables above was provided by individual Directors in response to a request from the Administrator.

Appointments to the Board

The Nomination Committee reviews at least annually the composition and effectiveness of the Board and its Committees with the objective of ensuring that these have the appropriate balance of skills, knowledge and experience required to meet the current and future opportunities and challenges facing the Company and succession plans are implemented in

an orderly manner. The Nomination Committee makes recommendations to the Board when it considers that a new Director should be recruited.

Once a decision has been taken by the Board to recruit a new Director, the Nomination Committee will oversee the recruitment process. At the outset, the Nomination Committee will review the current balance and diversity of the Board, taking into account gender, social and ethnic backgrounds and cognitive and personal strengths, and identify any specific skills, knowledge, experience and personal qualities that are required to ensure the continued effective operation of the Board. The Nomination Committee will then set objective selection criteria to ensure a formal rigorous and transparent appointment process and protect against potential discrimination. The Nomination Committee intends to use non-executive director recruitment consultants and/or open advertising when recruiting new Directors. The Nomination Committee will seek to ensure that longlists of candidates should include diverse candidates, taking into account gender, social and ethnic backgrounds, with the appropriate skills, knowledge experience and personal qualities. Following the creation of a shortlist of candidates, the decision-making process will be based on merit, with due consideration of the objective selection criteria identified.

When considering new appointments, the Nomination Committee will also take into account other demands on the candidates' time. In advance of joining the Board, successful candidates will be asked to disclose any existing significant commitments with an indication of the time involved and to confirm that they are able to allocate sufficient time to the business of the Company and that there are no situations where they have, or could have, a direct or indirect interest that conflicts, or possibly could conflict, with the Company's interests.

Directors are not appointed for any specific term and are subject to annual re-appointment at AGMs.

Directors' appointments are reviewed by the Nomination Committee ahead of their submission for election or re-election, with submission being contingent on a satisfactory performance evaluation. A Director may resign, and the Company may terminate a Director's appointment at any time, by not less than one month's notice in writing. The Articles of Association permit a Director to be removed without prior notice in certain circumstances. Directors are not entitled to any compensation payments for loss of office.

At the time of appointment, a new Director receives a letter of appointment that sets out their duties and obligations. Copies of the letters of appointment of the current Directors are available for inspection at the Company's registered office and at each AGM.

Induction and professional development

Any new Directors will receive an induction on joining the Board covering the Company's strategy, policies, operational structure and governance, which will be coordinated by the Administrator. In addition, new Directors will be briefed fully about the Company's strategy and portfolio by the Investment Manager.

The Administrator is charged with assisting in the ongoing training and development of all Directors, including providing the Directors with details of the Company's regulatory and statutory obligations (and changes thereto). Directors are able to receive training or additional information on any specific subject pertinent to their role as a Director

that they request or require. The Directors are encouraged to participate generally in industry events and to attend any other relevant seminars and conferences, if necessary at the Company's expense. Directors' individual training requirements are considered as part of the annual evaluation process.

Information and support

To enable the Board to function effectively and the Directors to discharge their responsibilities, the Directors are regularly updated on investment, financial, investor and other stakeholder engagement and other matters. In addition to periodic reporting at scheduled Board and Committee meetings, the Directors receive, and may request, ad hoc information from the Investment Manager, Administrator and other key service providers. As the Directors are all non-executive, the effective functioning of the Board is heavily dependent on receiving accurate, transparent and timely information (including in response to the Board's requests for information) from the Company's key service providers and, in particular, the AIFM, Investment Manager and Administrator.

The Directors have access to the advice and services of the Administrator. In addition, there is a procedure in place for Directors to take independent professional advice at the Company's expense should this be required to aid them in their duties. No such independent professional advice was sought during the year under review.

Time commitment

All Directors are aware of the need to allocate sufficient time to the Company in order to discharge their responsibilities effectively. Directors must obtain prior approval from the Board when they take on any additional external appointments and it is their responsibility to ensure that such appointments will not prevent them meeting their required time commitments to the Company.

Where a significant additional external appointment is approved by the Board, the reasons for permitting the appointment will be explained in the next Annual Report. No such appointments were approved during the year under review.

Conflicts of interest

Directors have a duty to avoid situations where they have, or could have, a direct or indirect interest that conflicts, or possibly could conflict, with the Company's interests ("conflict situations"). As permitted by the Companies Act 2006, the Company's Articles of Association allow the Directors to authorise conflict situations, where appropriate.

The Board has a procedure in place to deal with conflict situations. As part of this process, Directors must submit any actual or potential conflict situations they may have to the Board for approval as soon as possible. In deciding whether to approve a conflict situation, the Board will act in a way it considers, in good faith, will be most likely to promote the Company's success, taking into consideration whether the Director's ability to act in accordance with their wider duties is affected. The Administrator maintains the register of approved conflict situations (which also includes a list of other external positions held), which is tabled and considered at each Board meeting. Directors have a duty to keep the Board updated about any changes to their approved conflict situations. In certain circumstances the conflicted Director may be required to absent themselves from discussions or decisions on the matter on which they are conflicted (in which event, the Director will not be counted when determining whether the meeting

is quorate). No such circumstances arose during the year under review. Neither the Chair nor any of the other Directors has, or has had, any potential conflicts of interest of the nature listed in provisions 6 and 12 of the AIC Code.

Election and re-election by shareholders

Directors are required to stand for re-appointment at the first AGM following their appointment and annual re-appointment at each subsequent AGM. A Director who retires at an AGM may, if willing to continue to act, be reappointed at that meeting.

Having considered their effectiveness, demonstration of commitment to the role, attendance at meetings and contribution to the Board's and its Committees' deliberations, the Board approved the nomination for re-appointment of all the Directors at the annual general meeting held on 30 June 2023, and this was subsequently approved by shareholders. Kirstine Damkjær resigned from the Board with effect from 30 April 2024 as a result of taking on a full-time executive role. A resolution to approve the re-appointment of all the other Directors will be put to the vote of shareholders at the forthcoming AGM.

Board tenure

The Board's policy on Director, including Chair, tenure is that a Director should normally serve no longer than nine years but, where it is in the best interests of the Company, its shareholders and other stakeholders, a Director may serve for a limited time beyond that.

The Board believes that the continuity of knowledge and experience of its Directors is important and that a suitable balance requires to be struck with the need for refreshing of the skills and experience of the Board. The Board believes that some limited flexibility in its approach to Director, including Chair, tenure will enable it to manage succession planning more effectively.

Succession planning

The Nomination Committee is responsible for succession planning and its approach to succession planning is explained in the Nomination Committee Report on page 72.

Annual performance evaluations

Board, Committees, Chair and individual Directors

Details on the 2023 formal evaluations of the Board, its standing Committees, the Chair and individual Directors, conducted by the Nomination Committee, are included in the Nomination Committee Report on pages 71 and 72. Having considered them, the Board accepted all of the Nomination Committee's recommendations.

Investment Manager

The performance of the Investment Manager is considered at every Board meeting, with a formal evaluation by the Management Engagement Committee at least once each year.

Details on the 2023 formal evaluation of the Investment Manager are included in the Management Engagement Report on page 70.

AIFM, Administrator and other key service providers

The performance of the Administrator and other key service providers is monitored by the Board and its standing Committees on an ongoing basis and formally evaluated by the Management Engagement Committee

(or, in the case of the Auditor, the Audit and Risk Committee) at least annually. Information on the 2023 formal evaluations is included in the Management Engagement Committee Report on page 70.

Directors' remuneration

The Directors' Remuneration Report on pages 73 to 75 includes the Directors' remuneration policy and details of the remuneration of each Director.

Principal risks

The Company's principal and emerging risks, together with details of how the Board seek to manage and mitigate them, are set out in the Strategic Report on pages 36 to 42. The Company's financial instrument risks are discussed in note 18 to the Financial Statements.

Internal controls

The Board is responsible for maintaining the Company's systems of risk management and internal controls (such as financial, operational and compliance controls). The AIC Code requires the Board to review the effectiveness of the Company's systems of risk management and internal controls at least annually.

Although the Board has contractually delegated services that the Company requires to external third parties, it remains fully informed of the internal control framework established by each relevant service provider. Any changes or amendments to the internal control frameworks of the third-party providers, along with commentary on the effectiveness of financial controls, are discussed at Audit and Risk Committee meetings.

The Board has undertaken a review of the aspects covered by the guidance and has identified risk management controls in the key areas of business objectives, accounting, compliance, operations and secretarial as being matters of particular importance upon which it requires reports from the relevant key service providers.

During the finalisation of the 2022 audit, a number of failings and weaknesses on the part of the Former Investment Manager became apparent and ultimately led to a material fall in the valuation of the investment portfolio as at 31 December 2022. These failings and the

steps the Board has taken to address them are outlined in the Audit and Risk Committee Report on page 65. Also refer to pages 36 and 37 for details of the risks crystallised in the year under review.

Internal audit function

The Audit and Risk Committee has considered the need for an internal audit function and considers that this is not appropriate given the nature and circumstances of the Company as an externally managed investment company with external service providers. There is no impact on the work of the Auditor as a result of not having an internal audit function.

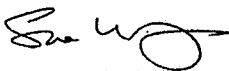
Relations with investors and other stakeholders

The Board is mindful of the importance of engaging with AEIT's shareholders, as well as with the AIFM, Investment Manager, Administrator and other key stakeholders. Details of our engagement with all of the Company's key stakeholders and how we had regard to those stakeholders in our decision-making processes during the year under review are set out in the Strategic Report on pages 48 to 50.

The Board recognises that relationships with suppliers are enhanced by prompt payment and the Administrator, in conjunction with the Investment Manager, ensures payments are processed on a timely basis.

Approval

This Corporate Governance Report was approved by the Board and signed on its behalf by:



Sue Inglis
Chair

13 May 2024

Audit and Risk Committee Report

I present the Audit and Risk Committee Report for the year ended 31 December 2023, which sets out the Committee's responsibilities and its work and focus during, and with respect to, the year.

During the year the Audit and Risk Committee has overseen some significant changes to the valuation process, including changes to the valuation methodology following the appointment of the Transitional Investment Manager, the removal of the previous independent valuer and the introduction of a reasonableness opinion from an independent valuation expert. This brought a fresh and independent view to the valuations which the Committee determined was required. This revised approach was applied in the valuations for the previous financial period ended 31 December 2022, in the interims to 30 June 2023 and for the 30 September 2023 NAV.

Committee's principal responsibilities

- Monitoring and, as appropriate, challenging the integrity of AEIT's financial statements, including its Annual and Interim Reports and any other formal announcements relating to its financial performance.
- Reviewing the valuation of AEIT's investments prepared by the Investment Manager and reported on by the independent valuation expert.
- Reviewing the content of the Annual Report, including the Financial Statements, and advising the Board on whether, taken as a whole, it is fair, balanced and understandable and provides shareholders with sufficient information to assess the Company's performance, business model and strategy.
- Assessing AEIT's principal and emerging risks, including those that would threaten its business model, future performance, solvency or liquidity and reputation, and how they are managed and mitigated.
- Working with the ESG Committee, ensuring the effective integration of ESG-related risks into AEIT's risk management framework.
- Keeping under review the adequacy and effectiveness of AEIT's risk management and internal control systems.
- Considering the ongoing assessment of AEIT as a going concern and assessment of its longer-term viability.
- Managing the relationship with the Auditor, including reviewing the Auditor's remuneration, independence and performance.
- Considering annually whether there is a need for AEIT to have its own internal audit function.
- Reporting to the Board on how the Committee has discharged its responsibilities and making recommendations as appropriate.

The Committee consists of all the Directors and is chaired by Clifford Tompsett. The Chair of the Board is a member of the Audit and Risk Committee. The Board believes that Sue Inglis' knowledge and experience is of significant benefit to the Committee.

The AIC Code requires the Committee to have at least one member with recent and relevant financial experience. Two of the Committee members are qualified accountants (of which the Committee Chair is one), one member has a relevant investment background and one member is a

former investment banker with extensive experience of listed closed-ended investment companies. The Board is satisfied, therefore, that the Committee has sufficient recent and relevant financial and sector experience to discharge its responsibilities.

The Audit and Risk Committee's authority and duties are clearly defined within its written terms of reference which are available on the Company's website. The terms of reference include all matters indicated by the FCA's Disclosure Guidance and Transparency Rule 7.1 and the AIC Code. The terms of reference are reviewed at least annually.

The Committee operates to a forward-planned agenda linked to the Company's financial calendar. It meets four times each year and at such other times as may be required. The Committee met six times during the year ended 31 December 2023. Since the year end, the Committee has met five times.

Representatives of the Company Secretary, AIFM, Investment Manager, independent valuation expert and Auditor are invited to attend Committee meetings and the Committee Chair may invite other external specialists as and when deemed appropriate.

At least once a year the Committee meets with the Auditor without any representative of the Investment Manager or Administrator being present. During the year, the Committee met privately with the Auditor once. The Auditor was also present at all Committee meetings where there was a review of the Financial Statements or formal announcements relating to financial performance. The Committee Chair also maintains regular contact with the Auditor outside the formal Committee meeting schedule.

Financial statement and significant reporting matters

As part of its monitoring of the integrity of the Company's financial statements and NAV publications, the Committee reviews whether suitable accounting policies have been adopted and whether appropriate estimates and judgements have been made. The Committee considered the following significant judgements and other areas of audit focus in respect of the financial statements for the year ended 31 December 2023. These areas have been identified as being significant by virtue of their materiality.

Valuation of investments

The valuation of the Company's investments relies on a number of key assumptions. The key assumptions (which are set out in notes 2 and 9 to the Financial Statements) include future power prices, renewable energy generation, discount rates, inflation rates, timing for completion of the RUMS project and the timing of dividend, interest income and capital repayments given some of the investments have capital structures which make the payment of dividends, interest and capital repayments more difficult. Sensitivities of the key inputs used within the models are detailed in note 9.

The Board notes that at the date of signing this report the Company's shares are trading at a discount to its NAV. It has reviewed this position and concluded that this has no impact on the valuation of its investments as at 31 December 2023.

Whilst the Company holds its investments at fair value, the final value realised on disposal of each investment as the Company implements its orderly realisation strategy may be materially different to its fair value as at 31 December 2023.

The basis of assumptions used, and the approach taken, by the Transitional Investment Manager in the 31 December 2023 valuations are outlined on pages 19 to 22. In particular, the Committee reviewed the following material judgements:

- **Macro-economic assumptions:** It is best practice and common amongst market participants to utilise third-party forecasts prepared by independent and reputable providers when formulating macro-economic assumptions used in financial models and OEGEN does so with regard to inflation, FX and power prices (see below). The Committee reviewed these assumptions, the methodology applied, the source of the forecasts and whether they were independent and was satisfied with the assumptions adopted.
- **WESM pricing:** OEGEN's approach is to blend at least two WESM forecast price curves as prepared by market advisors that are reputable in the relevant markets. If there are any differences in methodology or assumptions, blending two or more forecasts provides a hedge against the different market eventualities that the advisors reflect and minimises the risk of using a single curve which is too prudent or too optimistic. OEGEN appointed, with the agreement of the Committee, two new independent forecasters to provide WESM forecast price curves for the Philippines and Vietnam as at 31 December 2023 (as well as for the valuations as at 31 December 2022) and the Committee was satisfied with this approach. WESM forecast price curves are not required for India as the revenues of each of the Company's Indian assets is based on fixed price PPAs.
- **Discount rates:** Discount rate ranges are based on the applicable cost of equity for the solar market considering data points from transactional and other valuation benchmarks, disclosures in broker reports, other public disclosures and broader market experience of investors in the market. OEGEN compared the range to its own risk-adjusted discount rate analysis and determined the appropriate discount rates to apply. The Committee was satisfied with this approach and was mindful that these rates were also within the ranges of the independent valuation expert and the Auditor.
- **Generation profile:** Updated P50 generation yield curves have been procured from an independent technical advisor. Reports were received in January 2024 for SolarArise. The technical advisor produced two separate reports for SolarArise: revision one ('worst case') which included all potential losses (even those that arose from one-off events) and revision two ('best case') which assumed all losses assumed in revision one would be fully recoverable. The Transitional Investment Manager highlighted to the Committee that it does not believe that either of these reports represent a realistic P50 yield assessment for the SolarArise assets but expects a realistic P50 assumption to be approximately in the middle of the two reports received, on the basis that it is unlikely that all of the excluded losses in revision two would be recoverable. While the Transitional Investment Manager is continuing to work with the independent technical advisor to refine the SolarArise P50 yields, the Committee was told that an updated report would not be available in time for the approval of the 31 December 2023 valuations. As such, in the absence of a final report from the technical advisor, the midpoint of both reports has been taken to generate the P50 yield included in the valuation models for SolarArise as at 31 December 2023 (and the

resulting generation from taking the midpoint is slightly below the estimated reduction applied to the P50 yield assessments at time of acquisition utilised in the 31 December 2022 valuation models). The Committee, following advice from the Transitional Investment Manager, was satisfied with this approach.

A 'haircut' has been applied to the P50 yield assessment at the time of acquisition of the Philippine and Vietnamese assets to align the generation profile in the valuation models to current performance in line with the 31 December 2022 valuation models. Updated P50 assessments in respect of NISPI and VSS were not available until March 2024. The updates from these assessments were not material for inclusion within the valuations as at 31 December 2023.

- **Cash extraction:** Given the current structure of the investments is not optimal for cash extraction, OEGEN's DCF models assume a degree of capital restructuring for each investment to enable cash to be extracted more efficiently. The Committee reviewed the cash extraction methods and assumptions in the underlying models and was satisfied with the plans to restructure each asset to extract cash and the judgements adopted in the timing on when cash can be received from each investment.
- **The RUMS project:** During the year a decision was taken to proceed with the RUMS project in light of a substantial fall in panel prices and other macro-economic factors and, as at 31 December 2023, the RUMS project was valued on a DCF basis. Based on the information known and knowable at the valuation date both the Transitional Investment Manager and the independent technical advisor believed that construction would be completed by 31 March 2024, albeit with some additional cost implications from not completing by 5 February 2024. A contingency of US\$2.8 million and increased costs were included in the DCF as at 31 December 2023 and, based on the information presented to the Committee, the unaudited NAV as at 31 December 2023 was announced on this basis. Following the year end, principally due to the delays in construction in January and February 2024, a decision was taken to increase the contingency to US\$6.3 million based on commissioning now expected to occur in June 2024 and the audited NAV as at 31 December 2023 reflects this increased contingency. The Committee was satisfied with this approach.
- **TT8 project:** During the year, the SolarArise holding company had invested approximately US\$1.9 million into the TT8 development project. In line with the Company's valuation policy the Transitional Investment Manager proposed to hold this project at cost at the valuation date. This approach was challenged by the Committee on the basis that the latest DCF valuation indicated an impairment to the project. Following a number of discussions, the Committee was ultimately satisfied with holding the project at cost, on the basis that this constituted the fair value, since a non-binding offer had been received from an independent third party supporting its valuation at cost.

In its assessment of the material judgements and key sources of estimation uncertainty in the valuations, the Committee also considered the views of the Company's independent valuation expert, PricewaterhouseCoopers LLP ("PwC"), and the work and conclusions of Deloitte LLP as external auditor. The Committee was satisfied with the basis of assumptions and valuation approach adopted by the Transitional Investment Manager and

recommended to the Board that the final valuations as at 31 December 2023 were within a reasonable range and should be approved.

Going concern and viability statement

The Committee reviewed the Company's financial resources and concluded that the Company will have sufficient financial resources during the going concern assessment period. However, given the result of the strategic review, being a proposal to shareholders for the realisation of AEITs assets and winding up of the Company, it has been assessed that the Company should prepare the Financial Statements on a basis other than that of a going concern.

The Committee considered the going concern papers prepared by the Transitional Investment Manager, the disclosures presented and the work of the Auditor, Deloitte LLP, and concluded that adopting a basis other than that of a going concern basis of accounting was appropriate. The Committee also considered and reviewed the Company's viability statement and considered the period of two years and why it is an appropriate period to use and was satisfied that it was an appropriate period. The full going concern disclosure and viability statement are included in the Directors' Report on pages 56 and 57.

Other key activities during, and in respect of, the year ended, 31 December 2023

Financial reports and NAV announcements

The Committee reviewed the Company's accounting policies and critical estimates and judgements. In addition, the Committee considered the format and content of the Annual Report for the year ended 31 December 2022, the Interim Report for the period ended 30 June 2023 and the announcements of the unaudited NAV and trading update as at 30 September 2023 and unaudited 31 December 2023 NAV before recommending their approval to the Board.

The Committee also received and discussed with the Auditor status updates and its initial report and results for the year ended 31 December 2023.

Fair, balanced and understandable

The Committee has concluded that this Annual Report, taken as a whole, is fair, balanced and understandable and provides the necessary information for shareholders to assess the Company's financial position, performance, business model and strategy. The Committee has reported its conclusions to the Board of Directors. The Committee reached this conclusion through a process of review of this Annual Report and enquiries of the various parties involved in the production of this Annual Report.

Risk management and internal controls

Under the AIC Code, the Board is required to establish procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives. A principal role of the Committee is to assist the Board in this regard. Details of the Company's risk management and internal control framework are set out under Risk and Risk Management section on pages 36 to 42. The Company's principal and emerging risks, together with details of how the Board seeks to manage and mitigate them, are also set out in that section.

The Committee continued to monitor the effectiveness of the Company's risk management and internal controls framework during the year,

making refinements as required. Improvements made to the control environment following the crystallised risks in the year, such as the significant changes to the valuation process (including changes to the valuation methodology following the appointment of the Transitional Investment Manager, the removal of the previous independent valuer and the introduction of a reasonableness opinion from PwC as an independent valuation expert), are detailed in the Risk and Risk Management section on pages 36 to 42, and have been designed to mitigate the crystallisation of these risks from recurring. The Board is also working closely with the Transitional Investment Manager to review the controls surrounding the Company's underlying investments, which include improved governance within the underlying investee companies.

The appointment of the Transitional Investment Manager, the changes to the Company's valuation process to include a private independent opinion on the reasonableness of the valuations prepared by the Transitional Investment Manager by PwC as the independent valuation expert, and the willingness of the Board to seek third-party advice to clarify outstanding issues such as the potential abort liabilities associated with the RUMS project are all examples of (and/or enhancements to) the Company's control framework designed to mitigate the impact of these risks from re-occurring. The Committee will continue to assess the Company's control environment and further improvements that can be made to the Company's overall control environment, particularly around the investment valuation process.

Internal audit

The Committee has considered the need for an internal audit function and considers that this is not appropriate given the nature and circumstances of the Company as an externally managed investment company with external service providers. The Board is of the opinion that the appointment of the Transitional Investment Manager and the changes made to the risk management and internal control framework as detailed in the Risk and Risk Management section on pages 36 to 42 are sufficient and do not warrant the need for an internal audit function. However, the Board and the Committee will continue to keep this under review.

Effectiveness of the audit

To form a view on audit quality and the effectiveness of Deloitte LLP as Auditor, the Committee reviewed and considered:

- the 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;
- feedback from the Transitional Investment Manager evaluating the performance of the audit team, including the robustness of the audit, the level of challenge offered by the audit team, the skills, experience and overall quality of the audit team, the timeliness of delivering the tasks required for the audit and reporting to the Committee and the overall quality of the service; and
- the Committee's own observations and interactions with the Auditor.

The Committee also considered the Auditor's technical competence, its understanding of the Company's business and whether it demonstrated an appropriate level of diligence, professional scepticism and challenge. Following this review, the Committee was satisfied that Deloitte LLP had

Audit and Risk Committee Report

Continued

carried out its duties in a diligent and professional manner and provided a high level of service.

Independence of the Auditor

The Committee is satisfied that there are no issues in respect of the independence of the Auditor.

The Committee has put a policy in place on the supply of any non-audit services provided by the Auditor. Such services are considered on a case-by-case basis and may only be provided to the Company if such services are compatible with the 'white list' of permissible services under the Revised Ethical Standards 2019 of the Financial Reporting Council and that the provision of such services is at a reasonable and competitive cost and does not constitute a conflict of interest or potential conflict of interest which would prevent the Auditor from remaining objective and independent.

Details of fees paid to the Auditor are shown in note 4 to the Financial Statements. The Committee considered and agreed the audit fee. No non-audit services were provided during the year.

The Committee also considered if there were any other factors impacting the Auditors' independence and objectivity and concluded that there were none. It is not expected that the Auditor will be engaged to provide significant non-audit services going forward.

Deloitte LLP confirmed that all its partners and staff involved with the audit were independent of any links to the Company and that these individuals had complied with Deloitte LLP's ethics and independence policies and procedures which are fully consistent with the Financial Reporting Council's Ethical Standards.

Tenure and reappointment of the Auditor

This is the third financial period that Deloitte LLP has audited the Financial Statements of the Company. The reappointment of the Auditor is subject to annual shareholder approval at the AGM. There are no contractual obligations restricting the choice of Auditor and the Company will put the audit services contract out to tender at least every ten years. In accordance with professional guidelines, the statutory auditor will be rotated at least every five years. The current statutory auditor, Daryl Winstone, has completed his third year in the role and second as a listed company. The Company has therefore complied with the Statutory Audit Services Order 2014 for the year under review.

Having satisfied itself as to the effectiveness and independence of Deloitte LLP as the Company's Auditor, the Committee recommended to the Board that Deloitte LLP be reappointed as Auditor for the year ending 31 December 2024. Accordingly, a resolution proposing the reappointment of Deloitte LLP as the Auditor will be put to shareholders at the forthcoming Annual General Meeting.

The Committee will continue to monitor the performance of the Auditor on an annual basis and will consider its 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.

Whistleblowing

The Committee reviewed the whistleblowing policy in place for each of the Investment Manager and the Administrator and was satisfied the relevant staff could raise concerns, in confidence, about possible improprieties relating to financial reporting or other matters that may affect the Company.

On 15 August 2023 the Company announced that new information had come to light under the protections of the Company's whistleblowing policy revealing that the Former Investment Manager was aware of material information relating to the RUMS project by August 2022. Based on the information provided by the whistleblowers to the Company, it appears, therefore, that key information was withheld from the Board, and misleading information given to it, over a protracted period of time. Having considered the information provided by the whistleblowers and the Board's investigations following the temporary share suspension, the Committee was satisfied that all necessary information required for the purpose of undertaking the valuation of the Company's investments at the year end had been available.

Information on the Company's whistleblowing policy is available on the Company's website.

Committee evaluation

An evaluation of the Committee formed part of the annual Board evaluation process completed in December 2023. It was concluded that the Committee members had the appropriate skills and experience to assess the performance and terms of engagement of the Auditor, Investment Manager, Administrator and other key service providers.

Approval

This Audit and Risk Committee Report was approved by the Audit and Risk Committee and signed on its behalf by:

Clifford Tompsett

Audit and Risk Committee Chair

13 May 2024

ESG Committee Report

Committee's principal responsibilities

Reviewing reports from, and overseeing AEIT's ESG and impact activities undertaken by the Investment Manager, including:

- development, maintenance, and implementation of AEIT's ESG and impact strategy and KPIs;
- reviewing external insights which will inform the ESG and impact strategy;
- monitoring performance in relation to ESG matters, impact objectives and KPIs;
- effective management and governance of ESG and impact matters (including policies, procedures, processes, resourcing and management) by the Investment Manager;
- supporting compliance with relevant legal and regulatory requirements, industry standards and guidelines relating to ESG and impact matters;
- ESG and impact reporting and disclosures; and
- reporting to the Board on how the Committee has discharged its responsibilities and making recommendations as appropriate.

The Committee consists of all the Directors and was chaired by Kirstine Damkjaer up to the effective date of her resignation on 30 April 2024.

The Committee's authority and duties are clearly defined within its written terms of reference which are available on the Company's website. The terms of reference are reviewed at least annually.

During the year under review, the Committee met three times, including one scheduled meetings.

Principal activities during the year

The Committee oversaw the reporting on ESG matters in the Company's Annual Report for the financial period ended 31 December 2022 and Interim Report for the period ended 30 June 2023 as well as in this Annual Report.

Transitional Investment Manager review

The Committee carried out a review of the Transitional Investment Manager's policies, governance structure and approach to ESG and Impact. This included a review of the Transitional Investment Manager's:

- Responsible Investment Policy
- Modern Slavery Policy/Statement
- Whistleblowing Policy
- Supplier Code of Conduct
- Stewardship and Engagement Policy
- Biodiversity Mission Statement
- Equity, Diversity and Inclusion Policy
- Panel Procurement Policy
- Conflict of Interest Policy
- Gift and Entertainment Policy
- Anti-bribery and Corruption Policy

The ESG committee also reviewed the application of the Transitional Investment Manager's approach to AEIT's 2023 reporting. This involved:

- Evaluating the Transitional Investment Manager's methodologies for data collection and validation;
- Ensuring that the verification processes for data points adhere to ESG committee minimum standards; and
- Confirming the statements in the report are true representations of activities that have occurred during the period.

Committee evaluation

An evaluation of the Committee formed part of the annual Board evaluation process completed in December 2023. It was agreed that the Committee Chair would develop an ESG training programme to enhance the Committee's knowledge of fast evolving sustainability practice and standards, and a rolling workplan. It was concluded that the Committee, as a whole, had the appropriate skills, knowledge and experience to carry out its responsibilities.

Management Engagement Committee Report

I present the Management Engagement Committee Report for the year ended 31 December 2023.

Committee's principal responsibilities

- Evaluating the performance and appropriateness of the continuing appointment of the Investment Manager.
- Reviewing the level and method of the Investment Manager's remuneration.
- Reviewing the terms of the Investment Management Agreement (the "IMA"), including considering whether they remain appropriate, are fair, comply with all regulatory requirements and conform with market and industry practice.
- Considering the merit of obtaining an independent appraisal of the Investment Manager's services.
- Evaluating the performance of the AIFM, Administrator and other key service providers (except for the Auditor) and considering whether their fees are reasonable and competitive.
- Assessing whether the culture, policies and practices of the Investment Manager, Administrator and other key service providers are consistent with good risk management, compliance and regulatory frameworks.
- Reporting to the Board on how the Committee has discharged its responsibilities and making recommendations as appropriate.

The Committee consists of all the Directors and is currently chaired by Mukesh Rajani.

The Committee's authority and duties are clearly defined within its written terms of reference which are available on the Company's website. The terms of reference are reviewed at least annually.

The Committee meets once a year and at such other times as may be required. It met once during the year ended 31 December 2023.

The activities of the Committee are complemented by the Board's and its Committees' ongoing oversight of, and engagement with, the Investment Manager, Administrator and other key service providers.

Principal activities during the year

Annual evaluation of the Investment Manager

During the year, following the events that led to the delay in the 2022 audit and specifically the issues surrounding the investment portfolio valuations (discussed further in the 2022 Annual Report) and information the Board received in August 2023 revealing that the Former Investment Manager had withheld key information from the Board, the Board served notice on ThomasLloyd Global Asset Management (Americas) LLC to terminate the IMA, with effect from 31 October 2023.

Following a competitive process, Octopus Energy Generation was appointed as the transitional Investment Manager to cover the period from 1 November 2023 to 30 April 2024.

The Committee met in December 2023 for the purpose of the formal annual evaluation of the Investment Manager's performance. Given the brief period that the Transitional Investment Manager had been in place, an in depth review of its performance was not carried out. However, the Committee confirmed it was satisfied with the performance of the Transitional investment Manager to date.

Annual evaluation of other key service providers

At its meeting in December 2023, the Committee also undertook the formal annual evaluation of the Administrator's, the AIFM's and other key service providers' performance and reviewed their respective remuneration. The Committee reviewed a detailed questionnaire completed by these service providers, which included sections on their systems, controls and policies. In most instances, relationships with these service providers are managed by the Investment Manager and/or the Administrator on behalf of the Board and the Committee considered feedback received from the Administrator and the high level feedback received from the Transitional Investment Manager (given the short period of time since its appointment) regarding the levels of service provided by, and relationships with, the other key service providers. There were no material issues to report as a result of the evaluation.

The Committee was satisfied with the levels of service provided by the Administrator and other key service providers and that the fees were fair and competitive. The Committee concluded that, in its opinion, the continuing appointments of the Administrator and other key service providers on the terms agreed remained appropriate and in the interests of the Company and recommended this to the Board. The Board agreed with the Committee's recommendations and approved the continuing appointments of the other key service providers on the terms agreed.

Committee evaluation

An evaluation of the Committee formed part of the annual Board evaluation process completed in December 2023. It was concluded that the Committee members had the appropriate skills and experience to assess the performance and terms of engagement of the Investment Manager, Administrator and other key service providers.

Approval

This Report is approved on behalf of the Management Engagement Committee by:

Mukesh Rajani

Management Engagement Committee Chair

13 May 2024

Nomination Committee Report

I present the Nomination Committee Report for the year ended 31 December 2023.

Committee's principal responsibilities

- Developing and reviewing periodically policies on diversity and Board tenure.
- Reviewing the structure, size and composition of the Board and its Committees.
- Undertaking an annual performance evaluation of the Board, its Committees, the Chair and each of the other Directors.
- Reviewing the time required from the Directors and their outside commitments.
- Ensuring plans are in place for orderly succession to the Board.
- Identifying, evaluating and recommending candidates for new Board appointments.
- Reporting to the Board on how the Committee has discharged its responsibilities and making recommendations as appropriate.

The Committee consists of all the Directors and is chaired by Sue Inglis. The Board considers that given the size of the Board and that all members are non-executive it is appropriate that all Directors sit on this Committee. Individual Directors are not involved in decisions connected with their own appointments.

The Committee's authority and duties are clearly defined within its written terms of reference which are available on the Company's website. The terms of reference are reviewed at least annually.

The Committee meets once a year, with additional meetings scheduled as required. The Committee met once during the year, in December 2023.

Principal activities during the year

Annual evaluation of the Board, Committees and Directors

The Committee ensures that there is a formal and rigorous annual evaluation of the performance of the Board, its Committees, the Chair and each of the other Directors.

For the 2023 evaluation, the Committee opted to undertake an internal performance evaluation process, assisted by the Administrator. This involved the Directors completing in-depth questionnaires prepared by the Administrator. The questionnaires included a comprehensive assessment of various areas, including:

- overall strategy of the Company;
- oversight of investment and operating activities;
- risk management;
- shareholder accountability;
- support and relationship with key stakeholders;

- Board and Committee compositions, processes and effectiveness;
- corporate governance and regulatory compliance;
- Board skills, knowledge, experience and diversity;
- each Director's independence, commitment and contribution; and
- performance of the Chair.

The feedback from the completed questionnaires was collated by the Administrator and then considered by the Committee. The performance evaluation of the Board Chair was led by the Senior Independent Director.

In view of the events that had led to the temporary share suspension, in addition to reviewing the performance the Board since its last scheduled meeting in December 2022, the Committee revisited the performance of the Board over the preceding period from IPO.

It was noted that the Board had endeavoured to use its collective skills, knowledge and experience to work collaboratively with the Former Investment Manager from the outset, taking into account the Former Investment Manager's lack of experience of managing a UK-listed investment company or an investment fund with a wholly independent board. The Committee agreed that members of the Former Investment Manager's senior management team had seemed to struggle with the Board's oversight and requests for information. Having considered the interaction between the Board and Former Investment Manager during 2022, the Committee concluded that the collaborative approach adopted by the Board had not adversely affected the Board's ability to request information from and challenge the Former Investment Manager and, in particular, that the Board had been asking the correct questions on material matters. However, the Committee noted that, as the Directors are all non-executive, the Board is heavily dependent on receiving accurate, transparent and timely information (including in response to the Board's requests for information) from the Company's key service providers and, in particular, the Investment Manager. It was also noted that the Chair and Audit and Risk Committee Chair had met with the Chief Executive Office and Chief Financial Officer of the Former Investment Manager at its head office in December 2022 to address what, at that time, appeared to be 'teething issues' in providing the information required by the Board and to agree a 'reset' on how the Former Investment Manager would work with the Board going forward, to ensure the Board was receiving accurate and transparent information in a timely manner, which the Former Investment Manager had supported. Finally, it was noted that the Board only became aware, when it received information under the protections of the Company's whistleblowing policy in August 2023, that key information was withheld from the Board, and misleading information given to it, over a protracted period of time (and as early as August 2022), which related to matters that the Board had repeatedly made enquiries of the Former Investment Manager.

The Committee noted that the key events following the temporary share suspension (detailed on pages 12 to 14) and the subsequent breakdown in relationship with the senior management team of the Former Investment Manager had required the Board to take a hands-on approach in order to find a resolution and act in the best interests of shareholders. This has required each of the Directors to utilise

Nomination Committee Report Continued

their wide-ranging skills, knowledge and experience to, in particular (and with the assistance of external advisers reporting directly to the Board), investigate in detail the Company's underlying investments and their respective valuations and the Company's consequential financial position, develop a strategy to enable the temporary share suspension to be lifted, undertake a strategic review of the options for the Company's future and communicate with shareholders and other stakeholders in a detailed, transparent and timely manner.

After a robust discussion, the Committee concluded that, whilst, with the benefit of hindsight, there were some matters that it could have handled differently, those were not material and would not have led to a different outcome or avoided the temporary share suspension. Furthermore, the Committee agreed that the Company had benefited from the skills, knowledge and experience of each Director throughout.

Following a robust review, the Committee concluded that:

- each Director had been and continued to be independent and no circumstances had been identified that were likely to, or could appear to, impair their independent judgement;
- the skills, knowledge and experience of each Director were a significant benefit to the Board;
- each Director had demonstrated their ability to commit the time required to discharge their responsibilities fully and effectively;
- the Directors (individually and collectively) had been operating effectively;
- as all Directors had been in office for less than three years, there were no issues with respect to long tenure;
- the Board and each of its Committees had a good balance of relevant skills, knowledge, experience and diversity and their structures, sizes and compositions were appropriate and, accordingly, no changes were expected to be required for at least the next 12 months;
- the Committees continued to support the Board in fulfilling its duties;
- the proposed re-election of each Director at the 2024 AGM should be recommended by the Board.

The Committee made recommendations to the Board based on the outcome of its deliberations. Following these recommendations, Kirstine Damkjaer informed the Board that she had accepted a full-time executive role and that she was required to stand down for all her non-executive roles. She resigned from the Board with effect from 30 April 2024 and, as a result, she will not be proposed for re-election at the 2024 AGM.

Diversity and Board tenure policies

The Committee reviewed the policies on diversity and Board tenure and recommended them to the Board for approval (see 'Board diversity' and 'Board tenure' on pages 62 and 63 respectively for details of these policies, as approved by the Board).

Succession planning

The Committee considered succession planning and, in particular, whether a detailed succession plan was required. It concluded that, as all Directors have served less than three years and in view of the outcome of the Board's strategic review, a detailed succession plan is not required.

Committee evaluation

As noted earlier in this Report, an evaluation of the Committee formed part of the annual performance evaluation process. The conclusion from the process was that the Committee was operating effectively with the right balance of membership and skills.

Approval

This Report is approved on behalf of the Nomination Committee by:

Sue Inglis

Nomination Committee Chair

13 May 2024

Directors' Remuneration Report

The Board presents the Directors' Remuneration Report for the year ended 31 December 2023, which has been prepared in accordance with the requirements of the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. By law, the Company's Auditor is required to audit certain of the disclosures provided in this Report. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is given in the Independent Auditor's Report on page 77.

Remuneration Committee's principal responsibilities

- Determining the Directors' remuneration policy and reviewing its ongoing appropriateness and relevance.
- Setting the Directors' remuneration, including any ad hoc payments to Directors in relation to duties undertaken over and above normal business.
- Reporting to the Board on how the Committee has discharged its responsibilities and making recommendations as appropriate.

The Remuneration Committee consists of all the Directors and is chaired by Mukesh Rajani. The Board considers that given the size of the Board and that all members are non-executive it is appropriate that all Directors sit on this Committee. The Chair of the Board is eligible to serve on the Committee as, on appointment, she was (and remains) independent. Individual Directors are not involved in decisions connected with their own remuneration.

The Remuneration Committee's authority and duties are clearly defined within its written terms of reference, which are available on the Company's website. The terms of reference are reviewed by the Committee at least annually.

The Committee meets once a year, and at such other times as the Committee Chair shall require. The Committee met once during the year, in December 2023.

Directors' remuneration policy

It is the Company's policy that the level of Directors' remuneration should be sufficient to attract and retain Directors with the skills, knowledge and experience necessary for the effective stewardship of the Company and reflect the expected contribution of the Board, as a whole, to the long-term sustainable success of the Company. In addition, the Directors' remuneration should be fair and reasonable in relation to the remuneration of directors of comparable listed investment companies of similar size and complexity as the Company. The duties and responsibilities of, and time expected to be spent on the Company's business by, individual Directors should also be taken into account.

Director's fees are determined within the limit set out in the Company's Articles of Association. Within that limit, it is the responsibility of the Board as a whole to determine and approve the Directors' remuneration, following a recommendation from the Remuneration Committee.

There are no performance conditions attaching to the Directors' remuneration as the Board does not consider such arrangements necessary or appropriate for non-executive Directors. Accordingly, the Directors' remuneration is wholly in the form of fixed annual fees, which are payable in cash quarterly in arrears. Annual fees are pro-rated where a change takes place during a year. The Directors' fee rates are reviewed by the Remuneration Committee at least annually, but reviews will not necessarily result in a change to the rates.

As permitted by the Company's Articles, Directors may be paid additional ad hoc fees where they undertake any special or material additional duties or services outside their ordinary duties as a Director which require a meaningful time commitment.

The Directors are entitled to the reimbursement of reasonable fees and expenses incurred by them in the performance of their duties. Where expenses are recognised as a taxable benefit, a Director may receive the grossed-up costs of that expense as a benefit.

Directors have no entitlement to pensions or pension-related benefits, medical or life insurance schemes, share options or long-term incentive schemes.

The Directors do not have a service contract. Each Director has signed a letter of appointment with the Company. The letters of appointment provide for a minimum period of one month's notice of termination by either party. On termination, a Director shall only be entitled to accrued fees as at the date of termination together with reimbursement of any expenses properly incurred to that date.

The Board is committed to ongoing investor engagement and any feedback received from investors will be taken into account when reviewing the Directors' remuneration policy and Directors' fees.

This policy was approved by shareholders at the Accounts General Meeting held on 27 February 2024 and it is intended that the policy will continue in force until the 2026 AGM (or, if earlier, the Company is placed in member's voluntary liquidation).

Annual report on Directors' remuneration (audited information)

For the year ended 31 December 2023, the Directors' fees were set at £50,000 per annum, with the remuneration for the Chair of the Board set at £65,000 per annum and for the Chair of the Audit and Risk Committee at £55,000 per annum in recognition of their role, responsibilities and additional time commitments. Following the Remuneration Committee's annual review of Directors' remuneration, for the year ending 31 December 2024, the Director's remuneration has been set to stay at this level.

Directors' Remuneration Report

Continued

The following table shows, in respect of each Director, all remuneration earned during the year ended 31 December 2023 and their annual remuneration for the year ending 31 December 2024. Directors' fees are paid in sterling, as presented below, and, for the purpose of the Financial Statements converted into US Dollars at the exchange rate applicable at the time of payment.

Director	Role	2023 Fee	2023 Benefits ³³	2023 Total	2024 Fee
Sue Inglis	Chair, Nomination Committee Chair	65,000	—	65,000	65,000
Kirstine Damkjaer	ESG Committee Chair	50,000	1,739	51,739	16,667*
Mukesh Rajani	Senior Independent Director, Management Engagement Chair, Remuneration Committee Chair	50,000	—	50,000	50,000
Clifford Tompsett	Audit and Risk Committee Chair	55,000	—	55,000	55,000
Total		220,000	1,739	221,739	220,000

* The remuneration for Kirstine Damkjaer is reflected for the period up to the effective date of her resignation on 30 April 2024.

None of the Directors received any additional ad hoc fees during the financial period ended 31 December 2022 or the year ended 31 December 2023.

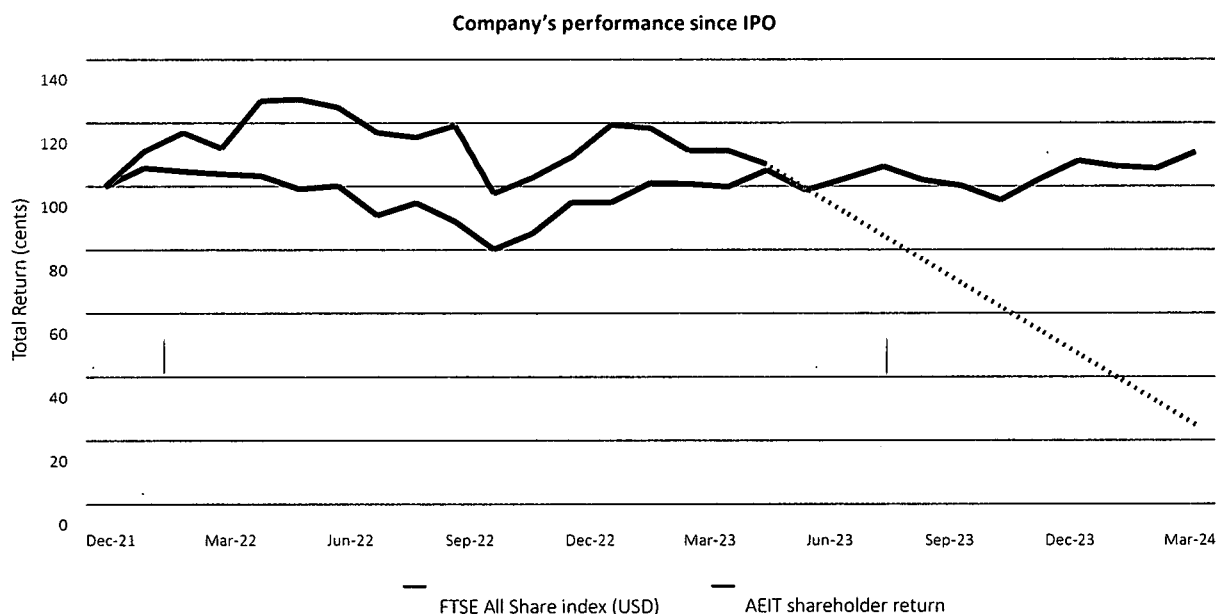
Directors' liability insurance and indemnification

The Company maintains appropriate directors' and officers' liability insurance in respect of legal action against the Directors on an ongoing basis.

In addition, as permitted by the Company's Articles of Association, the Company has indemnified each Director in respect of costs which they may incur relating to the defence of any proceedings brought or threatened against them arising out of their position as a Director but subject to applicable law and other exclusions and limitations, including the indemnity not applying if they are convicted or a court judgement is given against them.

Company performance

The following chart shows the Company's total shareholder return (with reference to its share price, including dividends reinvested) and, for comparison purposes, the total return of the FTSE All-Share Index (in US Dollar terms, including dividends reinvested), with both rebased to 100 at 14 December 2021 (the date the Company's IPO completed). As the Company does not have a specific benchmark index, the Remuneration Committee has deemed the FTSE All-Share Index (in US Dollar terms) to be the most appropriate comparator for the Company's performance for the purpose of this Annual Report as it is a publicly available broad equity index which focuses on smaller companies and is, therefore, more relevant than most other publicly available indices. The choice of the FTSE All-Share Index is also in line with our peer group.



The returns of AEIT are shown up to 22 April 2023, the date trading in the Company's shares was suspended. The shares were relisted after the year end, on 6 March 2024, and the dotted line shows the movement between the date the Company's shares were suspended and 31 March 2024.

³³ Reimbursement of travelling and accommodation expenses to attend Board meetings.

Directors' Remuneration Report

Continued

Relative importance of spend on pay

In order to show the relative importance of spend on pay, the table below sets out the aggregate Directors' remuneration paid during the year ended 31 December 2023 compared with the distributions to shareholders by way of dividends during that year. During the year under review, no ordinary shares were bought back by the Company and there were no other distributions, payments or other uses of the Company's net return or cash flow deemed to assist in the understanding of the relevant importance of spend on pay.

	2023 US\$'000
Total Directors' remuneration	254
Dividends paid	1,901

Directors' interests in shares (audited information)

There are no requirements for the Directors to own shares in the Company.

The interests of the Directors in the Company's ordinary shares at 31 December 2023, all of which are beneficial, are shown in the table below. There have been no changes to the Directors' interests between 31 December 2023 and the date of this Report.

Director	31 December 2023 No. of shares
Sue Inglis	65,000
Kirstine Damkjaer	–
Mukesh Rajani	33,000
Clifford Tompsett	33,000

Shareholder resolutions

The Company seeks shareholder approval of the Directors' remuneration policy at every third AGM. In addition, an advisory ordinary resolution to approve the Directors' Remuneration Report (excluding the Directors' remuneration policy) is put to shareholders at each AGM.

The Company published its first annual report and accounts (being for the financial period ended 31 December 2022) on 22 January 2024. This means the 2022 Annual Report was not available at the Annual General Meeting of the Company held on 30 June 2023 or at the Adjourned Annual General Meeting held on 24 August 2023 and, therefore, the resolutions referred to in the previous paragraph were not proposed at the 2023 AGM. Instead, the resolutions were proposed at the Accounts General Meeting held on 27 February 2024. At that meeting, of the proxy votes received in respect of:

- the Directors' remuneration policy, 79.28% were in favour and 20.72% were against (votes representing approximately 0.001% of the issued share capital were withheld); and
- the Directors' Remuneration Report, 79.28% were in favour and 20.72% were against (votes representing approximately 0.004% of the issued share capital were withheld).

The Board has sought to engage with shareholders to discuss any views they may have regarding the Directors' remuneration policy and the Directors' Remuneration Report and will take into account any feedback around their concerns.

Remuneration Committee's principal activities during the year

Review of Directors' remuneration policy

The Committee reviewed the Directors' remuneration policy and recommended no changes be made to it to the Board.

Review of Directors' remuneration

The Committee reviewed the level of Directors' fees for the year ending 31 December 2024. Having been provided with a detailed schedule of directors' fees paid by comparable listed investment companies, which had been prepared by the Administrator, the Committee agreed that it was not necessary to obtain advice from an independent remuneration consultant.

Subsequent to the year end, the Committee concluded that, for the year ending 31 December 2024, the standard Director's remuneration should remain at £50,000 per annum, the remuneration for the Chair of the Board should remain at £65,000 per annum and the remuneration for the Chair of the Audit and Risk Committee should remain at £55,000 per annum.

Committee evaluation

An evaluation of the Committee was undertaken as part of the overall Board evaluation completed in December 2023. The evaluation concluded that there was a good balance of skills amongst the members of the Committee, enabling the Committee to operate effectively.

Approval

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

Mukesh Rajani
Remuneration Committee Chair

13 May 2024

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, including this Financial Statements, in accordance with applicable law and regulations, including the FCA's Listing Rules and Disclosure Guidance and Transparency Rules.

UK company law requires the Directors to prepare financial statements for each financial year. Under UK company law:

- the Directors are required to prepare financial statements in accordance with UK-adopted international accounting standards ("IFRS"); and
- 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 of the Company for that period.

In preparing the Financial Statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the Annual Report, including the Financial Statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Website publication

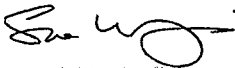
The Directors are responsible for ensuring this Annual Report, including the Financial Statements, are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial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

Responsibility statement

Each of the Directors confirms that, to the best of their knowledge:

- the Financial Statements, which have been prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Strategic 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 it faces; and
- this Annual Report, including the Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board and is signed on its behalf by:



Sue Inglis
Chair

13 May 2024

Independent Auditor's Report to the Members of Asian Energy Impact Trust plc

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Asian Energy Impact Trust plc (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We 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 Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the company.

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

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Valuation of investments at fair value through profit or loss; and • Going concern.
Materiality	Materiality was set at \$1.7 million determined based on 2% of net assets.
Scoping	All audit work to address the risk of material misstatements was carried out by the audit engagement team.
Significant changes in our approach	In the prior year we identified a key audit matter relating to an onerous contract for the commitment to acquire a further 57% investment in SolarArise for \$38.5m. The acquisition completed in January 2023 and the onerous contract was fully settled. On acquisition, the investment was immediately fair valued to \$nil. We therefore no longer identify a key audit matter in relation to the onerous contract provision.

4. Key audit matters

Key audit matters are those matters that, in our professional judgement, are 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 key audit matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

4.1. Valuation of investments at fair value through profit or loss

Key audit matter description	As at 31 December 2023, the company held three principal investments being a 40% economic interest in NISPI, a 100% interest in SolarArise and a 99.8% interest in Viet Solar System Company Limited and its subsidiaries ("VSS"). Each investment is measured at fair value through profit and loss. As described in note 18, at 31 December 2023, NISPI was valued at \$12.7m (2022: \$11.5m), SolarArise at \$25.5m (2022: \$nil) and VSS at \$2.4m (2022: no investment). The company engaged an independent valuation firm to review the valuation of each investment as prepared by the investment manager, Octopus Energy Generation. As described in the significant accounting policies in note 2 and in note 9 (investments at fair value through profit or loss) of the financial statements, the fair value of each investment is determined using a discounted cash flow methodology, which corresponds to the income approach under IFRS13 'Fair value measurement'. The fair value of each investment is based on several significant assumptions, the most critical of which are set out below. The focus of our work and the key audit matter relates to the investment in NISPI and SolarArise as these investments constitute 91% of the total investment balance. • The forecast power prices adopted in valuing NISPI, as the asset has not entered into a power purchase arrangement ('PPA') and consequently sells its output on the Philippines spot market. SolarArise has fixed price PPA's and consequently power price risk is limited. The directors engaged a range of third party providers to provide power price forecasts to aid them in their selection of power price forecasts for NISPI. • The discount rate used in valuing the investments in both NISPI and SolarArise. • Forecast energy generation within SolarArise. In the year the company obtained a range of updated generation forecasts from an external independent party. Judgement is needed in determining which generation forecast is the most acceptable to use within the valuation. Octopus as investment manager have taken the mid-point of the best and worse case generation forecasts. • The valuation of the RUMS asset within SolarArise. The asset is now valued using a discounted cash flow methodology following the decision made in 2023 to proceed with construction of the asset. Other key assumptions include forecast energy generation (NISPI), the timing of dividends and the availability of distributable reserves, and inflation. The company has identified the valuation of investments as a key source of estimation uncertainty, with further details provided in note 2 and note 9 to the financial statements. Note 9 also provides disclosure on the sensitivity of the valuation of investments to a change in the above assumptions. The significant assumptions adopted in valuing each investment is also referred to within the Audit and Risk Committee report on pages 65 to 68. Given the inherent subjectivity in the above assumptions, and the risk of bias in the assumptions adopted, in particular the discount rate, forecast energy generation, the valuation of RUMS and forward power prices, we identified a risk of fraud in the adoption of the discount rate (NISPI and SolarArise), forward power prices (NISPI only), forecast energy generation (SolarArise only) and the valuation of the Rewa Ultra Mega Solar Park (the "RUMS project") within SolarArise.
How the scope of our audit responded to the key audit matter	Procedures to address the risk around future power prices, the discount rates and forecast energy generation adopted included: • obtaining an understanding of relevant controls established around the valuation of investments and the selection of key assumptions; • holding discussions with the board's valuation expert to understand and challenge their work including assessing their competence, capabilities and objectivity; • agreeing the power prices adopted in valuing NISPI to the external forecasts obtained by the directors and Investment Manager (Octopus Energy Generation) and assessing whether the forecasts adopted were within a reasonable range and whether there was evidence of bias in the forecasts adopted. We also assessed the competence, capability and objectivity of the providers of those forecasts; • working with our valuation specialist, we calculated an independent discount rate range for each investment. We assessed whether the discount rate adopted by the directors fell within this range; and • agreeing the initial generation profile adopted in valuing SolarArise to the technical reports obtained from the independent third party. We checked the computational accuracy of calculating the mid-point of these forecasts and checked that they had been appropriately incorporated into the valuation model. We also assessed historic generation and forecasting accuracy. Procedures to address the risk around the valuation of 'RUMS' in SolarArise included: • assessing the accuracy of the RUMS valuation model including agreeing key inputs such as prices to the power purchase agreement and costs back to agreements; • recomputing the overall accuracy of the valuation; • agreeing construction costs back to the relevant agreements; and • understanding progress on construction completion post year end and the implications for the valuation of any delays which also included information on construction progress subsequent to the balance sheet date. Procedures to address other aspects of the valuation included: • recomputing the valuation, assess the mechanical accuracy of the models and check the foreign exchange rates adopted to external data; • evaluating the macroeconomic assumptions included in the forecasts with reference to observable market data and external forecasts;

	- assessing historic generation and assess forecasting accuracy, while benchmarking average annual degradation to external data; - benchmarking the inflation assumptions to external, independent forecasts; - checked the modelling of dividends and distributable reserves in the model; - agreeing the power price rate used in the SolarArise valuation to the PPAs; and - assessing the appropriateness of the disclosures made in the financial statements including the key assumptions, sensitivities applied and challenging whether these reflect a reasonable possible range.
Key observations	Based on the audit procedures performed and our benchmarking of assumptions, we identified differences within the valuations which we reported to the Audit and Risk Committee. However these differences were not material.

4.2. Going concern

Key audit matter description	As set out in note 2 to the financial statements, in April 2024, the Board completed the strategic review of the options for the Company's future. Having consulted shareholders, the Board concluded that a proposed realisation strategy is in the best interests of shareholders as a whole. This realisation strategy would consist of an orderly realisation of the Company's assets and winding up of the Company, balancing maximising the value from existing investments and progressively returning cash to shareholders in a timely manner. This realisation strategy will be subject to a shareholder vote later in 2024. Given the orderly realisation proposal being recommended by the Board, the Financial Statements have been prepared on a basis other than that of a going concern given that the Directors have a reasonable expectation that the shareholders will vote for the orderly realisation proposal and the ultimate liquidation of the Company. Given the significance of this to the financial statements, we identified a key audit matter in respect of the going concern assessment and the associated disclosures within the financial statements. There has been no impact on the presentation of the financial statements as at the balance sheet date as a result not preparing the financial statements on a going concern basis. Please see note 2 for further information.
How the scope of our audit responded to the key audit matter	Procedures to address this key audit matter included; - obtaining an understanding of the relevant controls that the company has established regarding the drafting, review and approval of the going concern model and going concern assessment; - reviewing the going concern papers prepared by the investment manager; - understanding the mechanism and potential outcomes of the shareholder vote later in 2024 and review of the RNS published by the Board on the realisation proposal; - assessing whether the decision to prepare the financial statements on a non-going concern impacted the financial performance and position of the company at the balance sheet date; and - reviewing the disclosures within the financial statements.
Key observations	We concur with management's decision to prepare the financial statements on a basis other than a going concern.

5. Our application of materiality

5.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

Materiality	\$1.7 million (2022: \$1.7 million). For the audit of specific balances in the income statement, materiality was limited to \$0.85 million (2022: \$0.85 million).
Basis for determining materiality	2% (2022: 2%) of net assets as at 31 December 2023. We applied a lower materiality of 50% of overall materiality to specific balances in the income statement.
Rationale for the benchmark applied	We have considered the users of the financial statements when selecting the appropriate benchmark. Prior to the announcement of the company's realisation strategy, the company's investment objective was to achieve long-term capital appreciation from its investments. We therefore evaluated the company's net assets as the most appropriate benchmark as it is one of the principal considerations for members of the company in assessing financial performance and represents total shareholders' interest. Our procedures on the income statement (excluding fair value and exchange rate movements) were performed to a lower level of materiality for which we believe misstatements of lesser amounts than materiality for the financial statements as a whole could be reasonably expected to influence the users' assessment of the financial performance of the company.

5.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 50% of materiality for the 2023 audit (2022: 50%). In determining performance materiality, we considered the following factors:

- the increased inherent risks following the announcement and impact of the share suspension in April 2023;
- the complexity and the risks associated with the valuation of the company's two principal investments; and
- the quality of the control environment which meant we were not able to rely on controls.

5.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of \$88,000 (2022: \$88,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

6. An overview of the scope of our audit**6.1. Scoping**

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

6.2. Our consideration of the control environment

We have obtained an understanding of the control environment and the relevant controls to address key aspects of the financial statements, in particular controls over the valuation of investments. Following the share suspension announced in April 2023, the board appointed a new investment manager (Octopus Energy Generation) to manage the investment portfolio and to support the board in preparation of the Annual Report and Accounts in both the current and prior year. As set out in the Audit and Risk Committee report on page 67 and the Risk Management section on page 36, deficiencies were identified by the board in the overall control environment including controls around the acquisition of, and valuation of, investments and in assessing and valuing the RUMS construction obligations within SolarArise.

As disclosed within the same sections referenced above, the board continues to take steps to improve the overall control environment including (amongst others) appointing a new investment manager, undertaking a detailed review of the key assumptions in valuing each of the company's investments in conjunction with an independent valuer and the precision of manual review controls around the valuation of investments.

Given the matters noted above we did not plan to test or rely on controls for our audit, and therefore maintained a fully substantive approach.

6.3. Our consideration of climate-related risks

Climate change and the transition to a low carbon economy were considered in our audit where they have the potential to directly or indirectly impact key judgements and estimates within the financial statements, including the valuation of investments.

The directors have disclosed their climate risk considerations (and opportunities) on pages 43 to 47. This is consistent with our evaluation of the climate-related risks facing the company. We assessed these disclosures by performing inquiries with the board and investment manager, and we did not identify any climate related material risks of misstatement. We also considered whether information included in the climate related disclosures in the annual report were materially consistent with our understanding of the business and the financial statements and our knowledge obtained in the audit.

7. 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 our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

8. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

9. 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.

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

10. Extent to which 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 above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

10.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of the investment manager, the directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - o the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax and valuations specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation of investments at fair value through profit or loss. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, the Investment Trust SORP and UK tax legislation, given the company's qualification as an investment trust.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

10.2. Audit response to risks identified

As a result of performing the above, we identified the valuation of investments at fair value through profit and loss as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of the board of directors, investment manager, the Audit and Risk Committee and legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

11. 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 the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

12. Corporate governance statement

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

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

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 56;
- the 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 page 57;
- the directors' statement on fair, balanced and understandable set out on page 67;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 36;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 67; and
- the section describing the work of the Audit & Risk Committee set out on pages 65 to 68.

13. Matters on which we are required to report by exception**13.1. Adequacy of explanations received and accounting records**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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 are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14. Other matters which we are required to address**14.1. Auditor tenure**

Following the recommendation of the Audit and Risk Committee, we were appointed by the board of directors on 28 October 2021 to audit the financial statements for the period ending 31 October 2021 and subsequent financial periods. The Company decided to change its financial year end to 31 December, with the period ending 31 December 2022 being a 14-month period of account. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is three accounting periods, covering the periods ending 31 October 2021, 31 December 2022 and 31 December 2023.

14.2. Consistency of the audit report with the additional report to the Audit & Risk Committee

Our audit opinion is consistent with the additional report to the Audit & Risk Committee we are required to provide in accordance with ISAs (UK).

15. 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.

D. Winstone

Daryl Winstone FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

13 May 2024

Statement of Comprehensive Income

	Notes	For the year ended 31 December 2023			For the period from 1 November 2021 to 31 December 2022		
		Revenue US\$'000s	Capital US\$'000s	Total US\$'000s	Revenue US\$'000s	Capital US\$'000s	Total US\$'000s
Investment income	9	752	–	752	–	–	–
Movement in fair value of investments	9	–	4,988	4,988	–	(46,993)	(46,993)
Onerous contract provision	13	–	–	–	–	(38,500)	(38,500)
Total revenue		752	4,988	5,740	–	(85,493)	(85,493)
Investment management fees	3e	(701)	(701)	(1,402)	(712)	(712)	(1,424)
Administration and professional fees (1,192) - exceptional	4	(4,183)	–	(4,183)	(1,192)	–	–
Administration and professional fees	4	(1,703)	–	(1,703)	(2,048)	(296)	(2,344)
Administration and professional fees- total	4	(5,886)	–	(5,886)	(3,240)	(296)	(3,536)
Net finance income	5	622	–	622	–	–	–
Net foreign exchange gains	5	287	–	287	1,669	–	1,669
(Loss)/profit before taxation		(4,926)	4,287	(639)	(2,283)	(86,501)	(88,784)
Taxation	6	–	–	–	–	–	–
(Loss)/profit for the year/period		(4,926)	4,287	(639)	(2,283)	(86,501)	(88,784)
(Loss)/profit per ordinary share (cents) - basic and diluted	8	(2.80)	2.44	(0.36)	(1.98)	(75.14)	(77.13)

The total column of the above statement of comprehensive income is the profit and loss account of the Company.

All revenue and capital items in the above statement derive from continuing operations.

There are no items of other comprehensive income in the current year or prior period, other than the profit/(loss) for the year or period, and therefore no separate income statement has been presented.

The accompanying notes are an integral part of these Financial Statements.

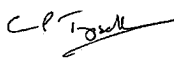
Statement of Financial Position

	Notes	As at 31 December 2023 US\$'000s	As at 31 December 2022 US\$'000s
Non-current assets			
Investments at fair value through profit or loss	9	42,065	11,491
Current assets			
Trade and other receivables	10	2,370	633
Cash and cash equivalents	11	41,170	115,819
		43,540	116,452
Current liabilities: amounts falling due within one year			
Trade and other payables	12	(4,056)	(2,863)
Onerous contract provision	13	—	(38,500)
		(4,056)	(41,363)
Net current assets		39,484	75,089
Net assets		81,549	86,580
Capital and reserves: equity			
Ordinary share capital	14	1,757	1,757
Share premium	14	63,518	63,518
Special distributable reserve	15	105,697	110,089
Revenue reserve	3i	(7,209)	(2,283)
Capital reserve	3i	(82,214)	(86,501)
Shareholders' funds		81,549	86,580
Net assets per share (cents)	16	46.42	49.28

The Financial Statements on pages 83 to 108 were approved by the Board of Directors and authorised for issue on 13 May 2024 and were signed on its behalf by:



Sue Inglis
Chair of the Board



Clifford Tompsett
Director

The accompanying notes are an integral part of these Financial Statements.

Incorporated in England and Wales with registered number 13605841

Statement of Changes in Equity

For the period from 1 November 2021 to 31 December 2023

	Notes	Share capital US\$'000s	Preference shares US\$'000s	Share premium US\$'000s	Special distributable reserve US\$'000s	Capital reserve US\$'000s	Revenue reserve US\$'000s	Total US\$'000s
At 1 November 2021		–	66	–	–	–	–	66
Shares issued in the period	14	1,757	–	179,128	–	–	–	180,885
Share issue costs	14	–	–	(3,618)	–	–	–	(3,618)
Transfer to special distributable reserve	15	–	–	(111,992)	111,992	–	–	–
Cancellation of share capital	14	–	(66)	–	–	–	–	(66)
Loss and comprehensive income for the period		–	–	–	–	(86,501)	(2,283)	(88,784)
Dividends paid	7	–	–	–	(1,903)	–	–	(1,903)
Closing equity as at 31 December 2022		1,757	–	63,518	110,089	(86,501)	(2,283)	86,580
Loss and comprehensive income for the year		–	–	–	–	4,287	(4,926)	(639)
Dividends paid	7	–	–	–	(4,392)	–	–	(4,392)
Closing equity as at 31 December 2023		1,757	–	63,518	105,697	(82,214)	(7,209)	81,549

The accompanying notes are an integral part of these Financial Statements.

Statement of Cash Flows

	Notes	For the year ended 31 December 2023 US\$'000s	For the period from 1 November 2021 to 31 December 2022 US\$'000s
Operating activities cash flows			
Loss before taxation		(639)	(88,784)
Adjustments for:			
Movement in fair value of investments	9	(4,988)	46,993
Investment income	9	(752)	–
Increase in provisions	13	–	38,500
Foreign exchange gains		(287)	(1,669)
Operating cash flow before movements in working capital*		(6,666)	(4,960)
Changes in working capital:			
Increase in trade and other receivables	10	(1,737)	(633)
Increase in trade and other payables	12	1,193	2,863
Net cash flow used in operating activities		(7,210)	(2,730)
Investing activities cash flows			
Acquisition of and cash injections into investments	9	(63,334)	(28,298)
Net cash flow used in investing activities		(63,334)	(28,298)
Financing activities cash flows			
Dividends paid to shareholders	7	(4,392)	(1,903)
Proceeds from issue of share capital during the year/period	14	–	150,699
Costs in relation to issue of shares	14	–	(3,618)
Net cash flow from financing activities		(4,392)	145,178
Cash and cash equivalents at start of year/period		115,819	–
Net (decrease)/Increase in cash and cash equivalents		(74,936)	114,150
Foreign exchange gains on cash or cash equivalents		287	1,669
Cash and cash equivalents at end of year/period	11	41,170	115,819

* This includes the payment of costs presented as exceptional of US\$4.2 million (2022: US\$1.2 million).

The accompanying notes are an integral part of these Financial Statements.

Notes to the Financial Statements

For the year ended 31 December 2023

1. General information

Asian Energy Impact Trust plc ("AEIT" or the "Company") is a public company limited by shares incorporated in England and Wales on 6 September 2021 with registered number 13605841. The Company changed its name from ThomasLloyd Energy Impact Trust plc on 27 October 2023. The Company is a closed-ended investment company with an indefinite life. The Company commenced its operations on 14 December 2021 when the Company's ordinary shares were admitted to trading on the premium segment of the London Stock Exchange's Main Market (the "IPO"). The Directors intend, at all times, to conduct the affairs of the Company as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010, as amended.

The registered office and principal place of business of the Company is The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF, United Kingdom.

The Company's principal activity is to invest in a diversified investment portfolio of sustainable energy infrastructure assets in fast-growing and emerging economies in Asia. Prior to announcing the Company's proposed realisation strategy, the Company had a triple return investment objective which consisted of: (i) providing shareholders with attractive dividend growth and prospects for long-term capital appreciation (the financial return); (ii) protecting natural resources and the environment (the environmental return); and (iii) delivering economic and social progress, helping build resilient communities and supporting purposeful activity (the social return). The Company sought to achieve its investment objective by delivering on its principal activity.

The audited financial statements of the Company (the "Financial Statements") are for the period from 1 January 2023 to 31 December 2023 and comprise only the results of the Company as the Company is determined to be an investment entity and, therefore, its subsidiaries are measured at fair value and are not consolidated (see note 2). The comparative period is the period from 1 November 2021 to 31 December 2022.

The Company has appointed Adepa Asset Management S.A to be the alternative investment fund manager of the Company (the "AIFM") for the purposes of Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers as incorporated into UK law. Accordingly, the AIFM is responsible for the portfolio management of the Company and for exercising the risk management function in respect of the Company.

The AIFM, with the agreement of the Company, has delegated the portfolio management of the Company to the Investment Manager. For the period from IPO to 31 October 2023, the Investment Manager was ThomasLloyd Global Asset Management (Americas) LLC (the "Former Investment Manager"). Under the relevant investment management agreement between the AIFM, Company and Former Investment Manager (the "IMA") the Former Investment Manager was entitled to a management fee, details of which are included in note 19 to the Financial Statements. On 15 September 2023, the Board served notice on the Former Investment Manager terminating the IMA with effect from 31 October 2023. From 1 November 2023, Octopus Energy Generation ("OEGEN" or the "Transitional Investment Manager") was appointed as transitional Investment Manager to cover an initial period through to 30 April 2024. For this initial term, the Company will pay OEGEN a management fee of US\$1.35 million. At the end of the term, at the discretion of the Board, there is scope for OEGEN to earn an additional management fee of up to US\$550k for its services during the transitional period.

JTC Limited (the "Administrator") provides administrative and company secretarial services to the Company under the terms of the Administration Agreement between the Company and the Administrator.

2. Basis of preparation

The Financial Statements have been prepared in accordance with United Kingdom adopted international accounting standards and the applicable legal requirements of the Companies Act 2006.

The Financial Statements have also been prepared as far as is relevant and applicable to the Company in accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued in July 2022 by the Association of Investment Companies (the "AIC"). In line with the AIC SORP, the statement of comprehensive income differentiates between the 'revenue' account and the 'capital' account, and the sum of both items equals the Company's profit for the year. Items classified as capital in nature either relate directly to the Company's investment portfolio or are costs deemed attributable to the long-term capital growth of the Company.

The Financial Statements are prepared on the historical cost basis but as the Company qualifies as an investment entity under the amendments to IFRS10, all investments in subsidiaries, associates and joint ventures are measured at fair value through profit or loss. They have been prepared on the basis of the accounting policies, significant judgements, key assumptions and estimates as set out in notes 2 and 3. These policies are consistently applied.

The Financial Statements are presented in US Dollar ('US\$'), which is the Company's functional currency, and are rounded to the nearest thousand, unless otherwise stated. On 14 December 2021, the date of the IPO, the Company changed its functional and presentation currency to the US Dollar from the Great British Pound ("GBP"), with the change in functional currency being applied prospectively.

Going concern

In April 2024, the Board completed the strategic review of the options for the Company's future and having consulted shareholders, the Board concluded that a proposed realisation strategy is in the best interests of shareholders as a whole. This realisation strategy would consist of an orderly realisation of the Company's assets and winding up of the Company, balancing maximising the value from existing investments and progressively returning cash to shareholders in a timely manner.

Details of this proposal, which is subject to shareholder approval at a general meeting of the Company expected to be held in Q2 2024, will be set out in a separate circular to shareholders. However, while the outcome of the shareholders vote is uncertain, it is the Board's expectation, based on shareholder interactions to date, that shareholders will vote for the realisation strategy being proposed. This will mean that the Company will subsequently cease to trade, following the realisation of its investments. The Board does not intend to declare a dividend in respect of the quarter ended 31 December 2023, nor does it intend to make any further acquisitions or commitments to new investments prior to the shareholder vote on its recommended proposal.

The Directors have assessed that the Company will be able to continue to meet its liabilities in the going concern assessment period, being a period of at least 12 months from the date the Financial Statements were authorised for issue. In reaching this conclusion, the Directors considered the expectation that there will be an orderly realisation of the Company's assets, and the Company's net assets as at 31 December 2023 of US\$81.5 million and its cash reserves at that date of US\$41.2 million, along with the cash reserves of AEIT Holdings of US\$1.8 million. The Directors also considered the Company's cash reserves at the date of approval of the Financial Statements of US\$42.1 million, along with the cash reserves of AEIT Holdings of US\$1.8 million. The Directors considered the Company's recurring operating expenditure requirements, both to date and into the future and the commitment made post year end of up to US\$4.5 million of additional funding for the construction of the RUMS project.

The Company continues to meet its day-to-day liquidity needs through its cash resources. Assumed future cash inflows over the going concern assessment period include the receipt of dividend and interest income and capital repayments from its underlying investments and the main cash outflows are the ongoing running costs of the Company and the additional costs incurred in connection with the strategic review. Were the receipt of dividend and interest income and capital repayments from its underlying investments delayed, the Company would still have sufficient resources to meet its liabilities. No realisation of investments has been assumed in this assessment but such realisations may take place in the going concern period.

However, given the orderly realisation proposal being recommended by the Board, whilst the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, the Financial Statements have been prepared on a basis other than that of a going concern given that the Directors have a reasonable expectation that shareholders will vote for the orderly realisation proposal and the ultimate liquidation of the Company.

No adjustments arose within the Financial Statements as a result of preparing them on a basis other than that of a going concern. The Company was not committed to any costs in respect of a wind-up at the balance sheet date and the Company's investments (its principal assets other than cash) were already held at fair value at the balance sheet date. However, the final fair value realised on disposal of each investment as the Company implements its realisation strategy may be materially different to the fair value as at 31 December 2023.

Critical 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. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed regularly on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Significant estimates, judgements and assumptions for the year are set out as follows:

Key sources of estimation uncertainty: fair value estimation for investments at fair value

The Company's investments at fair value are not traded in active markets. As such, the fair value of these investments are calculated using discounted cash flow ("DCF") models based on valuation methods and techniques generally recognised as standard in the industry, specifically taking into account the International Private Equity and Venture Capital Valuation Guidelines, which include recommendations and best practice.

The discounted cash flow models use observable data, to the extent practicable. However, the key inputs require management to make estimates. The key assumptions used in the DCF models as at 31 December 2023 that the Directors believe would have a material impact on the fair value of the investments should they change are set out in note 9. The key unobservable inputs, and therefore the key sources of estimation uncertainty, are future power prices, renewable energy generation, discount rates, construction timeline of the RUMS project and the timing of dividends given some of the investments have capital structures which make payment of dividends more difficult. Sensitivities of the key inputs used in the DCF models are detailed in note 9.

Further considerations on currency risk, interest rate risk, power price risk, credit risk, and liquidity risk are detailed in note 18.

Critical accounting judgment - Going Concern

The Company has considered the impact of preparing the financial statements on a basis other than that of a going concern. It has been assessed that this does not impact the fair value of its investments at the balance sheet date, since these investments are reflected at fair value at the balance sheet date, based on calculations using DCF models and utilising valuations methods and techniques generally recognised as standard within the industry plus market assumptions that were in place at the balance sheet date. The valuation methods, techniques and assumptions applied do not change as a result of preparing the financial statements on a basis other than that of a going concern. However, the final value realised on disposal of each investment as the Company implements its realisation strategy may be materially different to the fair value as at 31 December 2023.

As at 31 December 2023, the Company assessed that there were no additional costs required to be shown in respect of the orderly realisation proposal, since there had been no commitments made at the balance sheet date, and the strategic review was ongoing, at this date and the subsequent outcome of the strategic review remains subject to shareholder approval.

Critical accounting judgement: Equity and loan investments

The Company considers its equity and loan investments to share the same investment characteristics and risks and they are therefore treated as a single unit of account for fair value purposes (IFRS 13) and a single class for financial instrument disclosure purposes (IFRS 9). As a result, the evaluation of the performance of the Company's investments is done for the entire portfolio on a fair value basis, as is the reporting to the key management personnel and to the investors.

Critical accounting judgement: Basis of non-consolidation

The Company has adopted the amendments to IFRS 10 which states that investment entities should measure all of their subsidiaries that are themselves investment entities at fair value (in accordance with IFRS 9 Financial Instruments: Recognition and Measurement and IFRS 13 Fair Value Measurement). Under the definition of an investment entity, the Company should satisfy all three of the following tests:

- i. the Company obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- ii. the Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- iii. the Company measures and evaluates the performance of substantially all of its investments on a fair value basis.

In assessing whether the Company meets the definition of an investment entity set out in IFRS 10 the Directors note that:

- i. the Company has multiple investors and obtains funds from a diverse group of shareholders who would otherwise not have access individually to invest in renewable energy infrastructure investments due to high barriers to entry and capital requirements;
- ii. the Company intends to hold its investments for the remainder of their useful lives for the purpose of capital appreciation and investment income in line with the Company's stated strategy and the Directors believe the Company is able to generate returns to the investors during that period³⁹; and
- iii. the Company measures and evaluates the performance of all of its investments on a fair value basis which is the most relevant for investors in the Company. Management use fair value information as a primary measurement to evaluate the performance of all of the investments and in decision making.

The Directors are of the opinion that the Company meets all the typical characteristics of an investment entity and therefore meets the definition set out in IFRS 10. The Directors are satisfied that investment entity accounting treatment appropriately reflects the Company's activities as an investment trust.

New and amended standards and interpretations

There are no new or amended accounting standards or interpretations adopted during the year that have a significant or material impact on the Financial Statements. The Company notes the following standards and interpretations which were in issue and effective at the date of the Financial Statements.

- IFRS 17 including Amendments to IFRS 17: Insurance Contracts (effective for accounting periods beginning on or after 1 January 2023)
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective for accounting periods beginning on or after 1 January 2023)
- Amendments to IAS 8: Definition of Accounting Estimate (effective for accounting periods beginning on or after 1 January 2023)
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for accounting periods beginning on or after 1 January 2023)
- Amendments to IAS 12: International Tax Reform – Pillar Two Model Rules (issued on 23 May 2023 with immediate effectiveness)

³⁹ Having undertaken a strategic review of the options for the Company's future, the Board is recommending a proposal for the orderly realisation of assets and liquidation of the Company. Details of this proposal, which is subject to shareholder approval at a general meeting of the Company expected to be held in Q2 2024, will be set out in a circular to shareholders and will be made available on the Company's website in due course.

Notes to the Financial Statements

Continued

The Company also notes the following standards and interpretations which were in issue but not effective at the date of the Financial Statements. They are not expected to have a material impact on the Company's financial statements.

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective date of 1 January 2024)
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements (effective date of 1 January 2024)
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback (effective date of 1 January 2024)

3. Significant accounting policies

a) Financial instruments

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 are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred and the transfer qualifies for derecognition in accordance with IFRS 9 Financial Instruments.

Financial assets

As an investment entity, the Company is required to measure its investments in its wholly owned direct subsidiaries, joint ventures and associates at fair value through profit or loss ("FVTPL"). As explained in note 2, the Company has made a judgement to fair value both the equity and debt investments in its subsidiaries, joint ventures and associates together. Subsequent to initial recognition, the Company measures its investments on a combined basis at fair value in accordance with IFRS 9 Financial Instruments.

Recognition and measurement and IFRS 13 fair value measurement

Trade receivables, loans and other receivables that are non-derivative financial assets and that have fixed or determinable payments that are not quoted in an active market are classified as financial assets at amortised cost. These assets are measured at amortised cost using the effective interest method, less allowance for expected credit losses. The Company has assessed IFRS 9's expected credit loss model and does not consider there to be any material impact on the Financial Statements.

Trade receivables, loans and other receivables are included in current assets, except where maturities are greater than 12 months after the year end date in which case they are classified as non-current assets.

Regular purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Financial assets at FVTPL are initially recognised at fair value. Transaction costs are expensed as incurred within the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value.

Gains and losses arising from changes in the fair value of the 'financial assets at FVTPL' category are presented in the Statement of Comprehensive Income within investment income in the period in which they arise.

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

Financial liabilities and equity

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

The Company's financial liabilities include trade and other payables and other short-term monetary liabilities which are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Recognition and measurement and IFRS 13 fair value measurement

Financial liabilities are measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest rate method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expire.

Ordinary shares are classified as equity. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Direct issue costs are charged against the value of ordinary share premium.

b) Taxation

Investment trusts which have approval under section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains. The Company has successfully applied and has been granted approval as an Investment Trust by HMRC.

Irrecoverable withholding tax is recognised on any overseas income on an accrual basis using the applicable rate of taxation for the country of origin.

The underlying intermediate holding companies and project companies in which the Company invests provide for and pay taxation at the appropriate rates in the countries in which they operate. This is taken into account when assessing the value of the subsidiaries, joint ventures and associates.

c) Segmental reporting

The Board is of the opinion that the Company is engaged in a single segment of business, being investment in renewable energy infrastructure assets to generate investment returns. The financial information used by the Board to manage the Company presents the business as a single segment.

d) Investment income

Investment income comprises interest income and dividend income received from the Company's investments. Interest income is recognised in the Statement of Comprehensive Income using the effective interest method. Dividend income is recognised when the Company's entitlement to receive payment is established.

e) Expenses

All expenses are accounted for on an accrual basis. In accordance with the AIC SORP, the Statement of Comprehensive Income differentiates between the 'revenue' account and the 'capital' account, and the sum of both items equals the Company's profit for the period. In respect of the analysis between revenue and capital items presented within the Statement of Comprehensive Income, expenses directly attributable to the long-term capital growth of the Company are presented as capital items. See below for specific examples:

- **Investment management fees:** As per the Company's investment objective at the balance sheet date, and before the conclusion of the strategic review and announcement of proposed the realisation strategy, it was expected that income returns made up 50% of the Company's long-term return. Therefore, based on the estimated split of future returns, 50% of the investment management fee is charged as a capital item within the Statement of Comprehensive Income.
- **Transaction costs:** Transaction costs incurred on completed transactions are charged as capital items within the Statement of Comprehensive Income.

f) Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency using the exchange rate prevailing at the Statement of Financial Position date. Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income. Foreign exchange gains and losses relating to the financial assets carried at fair value through profit or loss are presented in the Statement of Comprehensive Income.

g) Cash and cash equivalents

Cash and cash equivalents includes deposits held with banks and other short-term deposits with original maturities of three months or less.

h) Dividends payable

Final dividends payable to equity shareholders are recognised in the Financial Statements when they have been approved by shareholders and become a liability of the Company. Interim dividends payable are recognised in the period in which they are paid.

i) Reserves

The Company's capital is represented by the ordinary shares, share premium, the special distributable reserve, retained losses and other comprehensive income.

- **Share premium:** Share premium includes the premium above nominal value received by the Company on issuing shares, net of issue costs, to the extent not subsequently cancelled and transferred to another reserve.
- **Special distributable reserve:** This reserve is distributable and may be used, where the Board considers it appropriate, by the Company for the purposes of paying dividends to shareholders (and, in particular, augmenting or smoothing payments of dividends to shareholders) or buying back shares. There is no guarantee that the Board will make use of this reserve for such purposes. See note 15 for further information.
- **Retained losses:** Retained losses are split between revenue and capital reserves as follows:
 - **Revenue reserve:** This reserve reflects all income and costs which are recognised in the revenue column of the statement of comprehensive income. This reserve is distributable by way of dividend.
 - **Capital reserve:** This reserve includes gains and losses on disposal of investments and changes in fair values of investments, foreign exchange differences determined to be of a capital nature and the capital element of the management fee. Any associated tax relief is also credited to this reserve. This reserve is distributable by way of dividend.

Notes to the Financial Statements
Continued

j) Onerous contract provision

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company or its subsidiaries has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Please refer to note 13 for further detail.

4. Administration and professional fees

	For the year ended 31 December 2023			For the period ended 31 December 2022		
	Revenue US\$'000	Capital US\$'000	Total US\$'000	Revenue US\$'000	Capital US\$'000	Total US\$'000
Administration fees	166	–	166	146	–	146
AIFM fees	122	–	122	94	–	94
Legal and professional fees	3,805	–	3,805	693	–	693
Transaction costs	–	–	–	–	296	296
Compliance and regulatory fees	102	–	102	157	–	157
Directors' fees	294	–	294	267	–	267
Valuation fees	742	–	742	842	–	842
Company's audit and non-audit fees:						
– in respect of audit services	357	–	357	445	–	445
– in respect of non-audit related services	–	–	–	207	–	207
Other operating expenses	298	–	298	389	–	389
	5,886	–	5,886	3,240	296	3,536

Analysed as:

	For the year ended 31 December 2023	For the period ended 31 December 2022
	Total US\$'000	Total US\$'000
Ongoing and recurring costs of the Company	1,703	1,508
Exceptional costs incurred following the temporary share suspension	4,183	1,192
Other one-off costs	–	836
Total	5,886	3,536

Fees payable to the Company's Auditor during the year/period were:

	For the year ended 31 December 2023	For the period ended 31 December 2022
	Total US\$'000	Total US\$'000
Fees payable to the Company's Auditor for the audit of the Company's Financial Statements	357	445
Fees payable to the Company's Auditor for other services:		
– Audit-related services	–	43
– Non-audit related services	–	446
Total	357	934

The audit-related services provided in the period ended 31 December 2022 relate to the review of the 2022 interim financial statements. During the prior period, the Company's Auditor was also paid £215,000 (US\$282,000 equivalent) for its role as reporting accountant and £136,000 (US\$164,000 equivalent) for tax structuring advice in connection with the IPO. The reporting accountant fee was recognised directly in equity as a cost associated with the initial capital raising of the Company.

In addition to the fees disclosed above, US\$3,350 (2022: US\$3,350) is payable to the Company's Auditor in respect of audit services provided to the Company's unconsolidated subsidiary, AEIT Holdings, that is not included in the Company's expenses above.

The Company has no employees. Full detail on Directors' fees is provided in note 19. Directors' fees in the table above include employer social security contributions of US\$25,266 (2022: US\$11,000).

5. Investment income, net foreign exchange gains and net finance income

Investment income relates to interest receivable in respect of the investment portfolio held by the Company.

Net foreign exchange gains relate to foreign exchange gains realised on the cash balances held in currencies other than US\$ and exchange differences arising due to the timing between receipt of supplier invoices in GBP and the payment date of these invoices.

Net finance income relates to interest receivable in respect of cash which has been placed in interest bearing deposit accounts.

6. Taxation

(a) Analysis of charge in the year/period

	For the year ended 31 December 2023			For the period ended 31 December 2022		
	Revenue US\$'000	Capital US\$'000	Total US\$'000	Revenue US\$'000	Capital US\$'000	Total US\$'000
Corporation tax	—	—	—	—	—	—
Tax charge for the year/period	—	—	—	—	—	—

(b) Factors affecting total tax charge for the year/period

The effective UK corporation tax rate applicable to the Company for the year is 23.5% (2022: 19%). The tax charge differs from the charge resulting from applying the standard rate of UK corporation tax for an investment trust company. The differences are explained below:

	For the year ended 31 December 2023			For the period ended 31 December 2022		
	Revenue US\$'000	Capital US\$'000	Total US\$'000	Revenue US\$'000	Capital US\$'000	Total US\$'000
(Loss)/profit before taxation	(4,926)	4,287	(639)	(2,283)	(86,501)	(88,784)
Corporation tax at 23.5% (2022: 19%)	(1,158)	1,007	(151)	(434)	(16,435)	(16,869)
Effects of:						
Non-taxable capital gains	—	(1,172)	(1,172)	—	—	—
Non-deductible capital losses	—	—	—	—	16,244	16,244
Unutilised losses carried forward	1,158	165	1,323	434	191	625
Total tax charge/(credit) for the year/period	—	—	—	—	—	—

The Directors are of the opinion that the Company has complied with the requirements for maintaining investment trust status for the purposes of section 1158 of the Corporation Tax Act 2010. This allows certain capital profits of the Company to be exempt from UK tax. Additionally, the Company may designate dividends payable wholly or partly as interest distributions for UK tax purposes. Interest distributions are treated as tax deductions against taxable income of the Company so that investors do not suffer double taxation on their returns.

The Financial Statements do not directly include the tax charges for any of the Company's subsidiaries as these are held at fair value. Each of these companies is subject to taxes in the country in which it operates.

The Company has an unrecognised deferred tax asset of \$2.2 million (2022: US\$0.8 million) based on the excess unutilised operating expenses of US\$8.9 million (2022: US\$3.3 million) at the prospective UK corporation tax rate of 25%. A deferred tax asset has not been recognised in respect of these operating expenses and will be recoverable only to the extent that the Company has sufficient future taxable revenue.

7. Dividends

The dividends reflected in the Financial Statements for the period are as follows:

	For the year ended 31 December 2023		For the period ended 31 December 2022	
	Cents per ordinary share	Total US\$'000	Cents per ordinary share	Total US\$'000
Q4 2022 dividend – paid on 23 May 2023	1.18	2,073	–	–
Q1 dividend – paid on 19 July 2023 (2022: 24 June 2022)	0.44	773	0.44	508
Q2 dividend – paid on 11 September 2023 (2022: 30 September 2022)	0.44	773	0.44	622
Q3 dividend – paid on 11 December 2023 (2022: 2 December 2022)	0.44	773	0.44	773
Total	2.50	4,392	1.32	1,903

The dividends relating to the year ended 31 December 2023 and period ended 31 December 2022, which is the basis on which the requirements of section 1159⁴⁰ of the Corporation Tax Act 2010 are considered, are detailed below:

	For the year ended 31 December 2023		For the period ended 31 December 2022	
	Cents per ordinary share	Total US\$'000	Cents per ordinary share	Total US\$'000
Q1 dividend	0.44	773	0.44	508
Q2 dividend	0.44	773	0.44	622
Q3 dividend	0.44	773	0.44	773
Q4 dividend	–	–	1.18	2,073
Total	1.32	2,319	2.50	3,976

A dividend has not been paid or proposed in respect of the quarter ended 31 December 2023 and, subject to shareholders approving the orderly realisation proposal at a general meeting of the Company expected to be held in Q2 2024, the Company's priority will be to achieve a balance between maximising the value of its investments and progressively returning cash to shareholders in a timely manner.

It is currently expected that surplus cash will be returned from time to time in the form of capital rather than dividends and that any dividends will be paid on an ad hoc basis.

8. Earnings per ordinary share

Earnings per ordinary share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year/period.

	For the year ended 31 December 2023			For the period ended 31 December 2022		
	Revenue	Capital	Total	Revenue	Capital	Total
(Loss)/profit attributable to the equity holders of the Company (US\$'000)	(4,926)	4,287	(639)	(2,283)	(86,501)	(88,784)
Weighted average number of ordinary shares in issue (000s)	175,685	175,685	175,685	115,177	115,177	115,177
Earnings per ordinary share (cents) - basic and diluted	(2.80)	2.44	(0.36)	(1.98)	(75.14)	(77.13)

⁴⁰ The requirement for an investment trust to pay out 85% of revenue profits generated in the year as dividends

9. Investments at fair value through profit or loss

As set out in note 2, the Company accounts for its interest in its investments at fair value through profit or loss.

	31 December 2023 US\$'000	31 December 2022 US\$'000
Amount brought forward	11,491	—
Acquisitions/capital injections in the year/period	63,334	58,484
Provisions utilised during the year/period	(38,500)	—
Investment income	752	—
<u>Movement in fair value of portfolio (excluding investment income)</u>	<u>4,988</u>	<u>(46,993)</u>
Total investments at FVTPL	42,065	11,491
<i>Movements in the period net of acquisitions/capital injections:</i>		
Discount rate unwind	4,097	2,833
Changes to inflation	(356)	2,789
Change in FX	(272)	(3,391)
Revaluation of RUMS project	5,412	(14,071)
Changes to capital structure and timing of cash extraction	(3,243)	(12,410)
Changes to power prices	(2,167)	(9,036)
Changes to generation profile	(1,694)	(3,328)
Changes in discount rates	94	(826)
Removal of carbon credit revenues (SolarArise)	—	(2,033)
Inclusion of residual land value	1,965	—
Other movements in fair value of investments	1,904	(7,520)
Movement in the fair value of the Company's investments in the year/period	5,740	(46,993)
Analysed as:		
Investment income	752	—
<u>Movement in fair value of Company's investments taken to the P&L in the year/period</u>	<u>4,988</u>	<u>(46,993)</u>
Movement in the fair value of the Company's investments in the year/period	5,740	(46,993)

Acquisitions and capital injections during the year

On 13 January 2023, the Company acquired a 57% shareholding in SolarArise for a cash consideration of US\$38.5 million, increasing its overall shareholding in SolarArise to 100%. This acquisition crystallised the utilisation of the onerous contract provision of US\$38.5 million that was recognised in the prior period. See note 13 to the Financial Statements for further information.

During the year, a total amount of US\$5.0 million was invested into AEIT Holdings Limited, a wholly owned subsidiary. This funding was used to acquire a 99.8% shareholding in VSS, with the excess being held as cash in the bank of AEIT Holdings Limited.

On 18 October 2023, funding of US\$19.8 million was invested in SolarArise through an INR-denominated external commercial borrowings loan from the Company to enable the construction activities for the RUMS project.

Fair value of the investment portfolio

The Transitional Investment Manager has carried out a fair market valuation of the investments as at 31 December 2023. These valuations have been reviewed by the Company's independent valuation expert and AIFM.

The Directors have satisfied themselves as to the methodology used, the discount rates applied and the valuation. All investments are in renewable energy assets and are valued using a discounted cash flow methodology, with the exception of the development project within SolarArise (the "TT8 project") as discussed further below.

The key assumptions used in the DCF models at 31 December 2023 that the Directors believe would have a material impact on the fair value of the investments should they change are set out in the table below. The key and most material unobservable inputs, and therefore the key sources of estimation uncertainty, are future power prices, renewable energy generation, ability and timing of cash extraction, the timing for completion of the RUMS project and discount rates. The table below also includes other assumptions that the Transitional Investment Manager considers to be key to the valuation of each investment including inflation and foreign exchange rates.

Whilst the Company holds its investments at fair value, the final value realised on disposal of each investment as the Company implements its orderly realisation strategy may be materially different to its fair value as at 31 December 2023.

Notes to the Financial Statements
Continued

Key assumption	Philippines	India	Vietnam	Description
Power prices	Forecast WESM ⁴¹ prices are based on a blend of two WESM price curves as prepared by independent market advisors that are reputable in this market.	Fixed price PPA	Forecast retail electricity tariff ⁴² prices are based on a blend of two wholesale energy price curves as prepared by independent market advisors that are reputable in this market.	All assets in the Indian portfolio have long-term fixed price power purchase agreements and therefore market forecasts are not required. The Philippine portfolio generates revenue through the sale of power to the grid at the WESM price and is fully exposed to volatility in wholesale energy price curves. All assets in the Vietnamese portfolio have long-term fixed price power purchase agreements, with exposure to upside from a proportion of power sold to tenants of each rooftop location priced at the applicable retail electricity tariff as set by Electricity Vietnam and updated periodically. Therefore this investment is exposed to fluctuations in forecasted power prices.
Energy generation	P50 plus a 3.3-3.37% 'haircut' based on historical underperformance.	For operational assets, P50 blend based on 'best case' and 'worst case' yield assessments from the technical advisor reports. For the RUMS project, a 'haircut' is applied based on the historic underperformance of the wider SolarArise portfolio.	P50 less a haircut for one of the assets based on historical underperformance.	Electricity output is based on specifically commissioned yield assessments prepared by technical advisors. Each asset's valuation assumes a 'P50' level of electricity output, which is the estimated annual amount of electricity generation that has a 50% probability of being exceeded - both in any single year and over the long term - and a 50% probability of being underachieved. The P50 provides an expected level of generation over the long term. Adjustments are made to the P50 forecasts where actual performance falls below the P50.
Discount rate	The discount rate used in each DCF model reflects the current market assessment of the time value of money and the risks specific to each investment. Key inputs to the discount rates have been reviewed by PwC, the independent valuation expert. The discount rates used in the valuation models are within the range of 10.0-12.5%.			
FX rate	US\$1:PHP 55.40	US\$1:INR 83.21	US\$1:VND 24,269	Underlying valuations are calculated in local currency and converted back to USD at the spot rate at the relevant valuation date.
Inflation	CPI trends downwards to a long-term inflation rate assumption of 3%. The Bangko Sentral ng Pilipinas (central bank of the Philippines) target inflation range is 2% to 4%.	India CPI forecasts trend downwards in the near term to a long-term inflation rate assumption of 4.0%. This is in line with the Reserve Bank of India target inflation range of 2% to 6%.	Vietnam CPI decreases in the short term before increasing towards a long-term rate of 3.7%.	Inflation assumptions used in the model are a blend of a leading market forecaster with International Monetary Fund CPI forecasts for all invested markets as at 31 December 2023.

⁴¹ Philippine Wholesale Electricity Spot Market.

⁴² Forecasted applicable retail electricity tariff, set by Electricity Vietnam.

Notes to the Financial Statements
Continued

Key assumption	Philippines	India	Vietnam	Description
Capital structure	Capital reduction effective on 30 June 2024	Capital reduction effective on 1 April 2025	n/a	The current structure of each of these investments is not optimal for cash extraction. The DCF models assume a degree of capital restructuring, as indicated, for each investment to enable cash to be extracted more efficiently. Any delay to these restructuring plans may delay the ability of the Company to extract cash out of its underlying investments.
Construction of the RUMS project	n/a	Assumes commissioning occurs by 30 June 2024	n/a	Any delay to the commissioning of the RUMS project may impact its valuation. Post the year end, despite initial progress, construction faced delays due to farmers from the surrounding land temporarily restricting access to the construction site. The assumed commissioning date of 30 June 2024 factors in the delays experienced since the year end. See page 18 for further details.

TT8 project

The TT8 project is a 150 MW solar project in Maharashtra currently under development within the SolarArise portfolio. TT8 secured its PPA in August 2023 with Maharashtra State Electricity Distribution Company Limited at a non-inflating fixed Indian rupee tariff of Rs. 2.9/kWh for 25 years. As at 31 December 2023, the TT8 project was valued at US\$1.9 million (2022: US\$nil), which is equal to cost.

AEIT Holdings

On 5 May 2022, the Company incorporated a wholly owned subsidiary, AEIT Holdings, a private company, limited by ordinary shares. AEIT Holdings' principal activity is to act as an investment holding company. During the year, the Company invested cash of US\$5.0 million into AEIT Holdings, which was used to acquire a 99.8% holding in VSS in Vietnam on 31 May 2023 for a total consideration of US\$3.1 million. As at 31 December 2023, as well as its investment in VSS, AEIT Holdings held cash of US\$1.8 million and other net liabilities of US\$0.3 million. As such, AEIT Holdings has been valued at US\$1.5 million.

Valuation sensitivities

The following table presents the results and impact of the sensitivity analysis completed on the key inputs used in the DCF models. The sensitivities assume that the relevant input is changed over the entire useful life of each of the underlying renewable energy investments, while all other variables remain constant. All sensitivities have been calculated independently of each other.

The Directors have assessed the sensitivity applied to each of the significant unobservable inputs and believe that each sensitivity represents a reasonable possible long-term movement in the significant unobservable input to which it relates.

Notes to the Financial Statements
Continued

While the Directors believe the changes in inputs calculated to be within a reasonable expected range based on their understanding of market transactions, this is not intended to imply the likelihood of change or that possible changes in value would be restricted to the range considered.

Significant unobservable input	Relationship to fair value	Impact of sensitivity			
		Fair value increase	Fair value (decrease)	NAV per share increase	NAV per share (decrease)
Power prices	Power price sensitivities have only been applied to investments whose underlying assets are exposed to merchant prices (i.e. revenue streams which are not tied to a fixed-price PPA). An increase in forecast power prices used for these revenue streams would result in an increase in fair value. Sensitivity: +/- 25%	US\$6.5 million	US\$(7.0) million	3.7 cents	(4.0) cents
Renewable energy generation	An increase in generation would result in an increase in fair value. Sensitivity: +/- 10%	US\$15.7 million	US\$(18.1) million	9.0 cents	(10.3) cents
Discount rate	A decrease in the discount rate used would result in an increase in fair value. Sensitivity: +/- 1%	US\$3.3 million	US\$(2.9) million	1.9 cents	(1.6) cents
Foreign exchange rate	Deflation of the local currencies in which the investments are held against the US Dollar would result in an increase in fair value. Sensitivity: +/- 10%	US\$4.7 million	US\$(3.8) million	2.7 cents	(2.2) cents
Cost inflation	A decrease in the inflation rate used would result in an increase in fair value. Sensitivity: +/- 1%	US\$0.3 million	US\$(0.3) million	0.2 cents	(0.2) cents
Timing of cash extraction	As at 31 December 2023, NISPI, the SolarArise holding company and each of the SolarArise SPVs had significant negative distributable reserve balances, prohibiting the payment of dividends. The valuations have been updated to reflect this but assume that some measures to eliminate cash traps (for example, capital reductions) within a reasonable timeframe are implemented. The sensitivity assumes that such measures to eliminate cash traps are delayed by c. 12 months at both NISPI and SolarArise. Sensitivity: Delay to assumed capital reductions +12 months	–	US\$(0.9) million	–	(0.5) cents
RUMS construction delays	As at 31 December 2023, the valuation of the RUMS project assumed commissioning is reached by 30 June 2024. The sensitivity shows the impact on the value of the SolarArise investment from construction delays of a further three months. Sensitivity: Delay to construction schedule by three months	–	US\$(0.7) million	–	(0.4) cents

10. Trade and other receivables

	31 December 2023 US\$'000	31 December 2022 US\$'000
VAT receivable	1,698	541
Prepayments	68	92
Other receivables	354	–
Amounts receivable from subsidiaries	250	–
Total	2,370	633

Amounts receivable from subsidiaries relate to amounts paid by AEIT on behalf of its directly-owned subsidiary, AEIT Holdings Limited (see note 19).

11. Cash and cash equivalents

The cash and cash equivalents were held in the following currencies at the year/period end:

	31 December 2023 US\$'000	31 December 2022 US\$'000
US\$	41,060	109,024
GBP	61	6,742
Euro	49	53
Total	41,170	115,819

12. Trade and other payables

	31 December 2023 US\$'000	31 December 2022 US\$'000
Trade payables	891	350
Accrued expenses	3,165	2,513
Total	4,056	2,863

Amounts payable to related parties are included within trade payables and accrued expenses. See note 19 for further information.

13. Provisions

	31 December 2023 US\$'000	31 December 2022 US\$'000
Opening balance	38,500	–
Additions in the year/period		
Onerous contract provision	–	38,500
Amounts utilised in the year/period (note 9)	(38,500)	–
Balance at the end of the year/period	–	38,500

On 20 June 2022 the Company made a commitment to purchase the remaining 57% of SolarArise for a total consideration of US\$38.5 million. As at 31 December 2022, the Company had identified an onerous contract and recognised a provision of US\$38.5 million in respect of this commitment as, on completion of the acquisition in 2023, a fair value loss was recorded which was lower than the consideration paid to acquire this 57% investment, primarily due to potential abandonment liabilities relating to the RUMS project. Completion of the purchase of 57% of SolarArise occurred on 13 January 2023 and it is at this date on which the provision was utilised. See note 9 for further details on how the fair value of SolarArise was determined.

14. Share capital

	Number of ordinary shares	Share capital US\$'000	Share premium US\$'000	Number of preference shares	Preference share capital US\$'000
Allotted, issued and fully paid:					
At 31 October 2021	1	–	–	50,000	66
Issue of shares at IPO (14 December 2021)	115,393,127	1,154	114,239	–	–
Cancellation of preference shares (22 March 2022)	–	–	–	(50,000)	(66)
Subsequent issue of shares (16 August 2022)	26,014,349	260	29,926	–	–
Subsequent issue of shares (16 November 2022)	34,277,228	343	34,963	–	–
Share issue costs	–	–	(3,618)	–	–
Transfer to special distributable reserve	–	–	(111,992)	–	–
Closing balance at 31 December 2022 and 31 December 2023	175,684,705	1,757	63,518	–	–

The Company was incorporated on 6 September 2021 with share capital of £0.01, being one ordinary share of £0.01.

On 18 October 2021, the Company issued US\$0.01 of ordinary share capital, being one ordinary share of US\$0.01 and preference share capital of £50,000, being 50,000 preference shares of £1.00. On this date, the Company cancelled the one ordinary share of £0.01.

On 14 December 2021, at IPO, the Company issued 115,393,127 ordinary shares of US\$0.01 each, at a price of US\$1.00 per ordinary share, raising gross proceeds of US\$115.4 million.

On 22 March 2022, the Company effected a capital reduction process which included the cancellation of the 50,000 preference shares and the related reduction of an amount receivable from related parties of US\$66,000 and the reduction of the share premium reserve and related transfer to the special distributable reserve of US\$111,992,000.

On 16 August 2022, the Company issued 26,014,349 ordinary shares of US\$0.01 each in consideration for the 43% economic interest in SolarArise. SolarArise formed part of the seed assets at the time of the IPO, with the consideration shares forming part of the gross IPO proceeds. The shares were issued at a price of US\$1.16035 per share that was based on the 10-day average share price prior to allotment of the shares.

On 18 November 2022, pursuant to the subsequent placing programme, the Company issued 34,277,228 ordinary shares of US\$0.01 each at a price of US\$1.030 per ordinary share, raising gross proceeds of US\$35.3 million.

Expenses incurred of US\$3.6 million were determined to be directly attributable to the equity transactions and would have otherwise been avoided if the shares had not been issued. These expenses include broker fees and commissions, sponsor fees and amounts paid to lawyers, accountants and other professional advisors in relation to the IPO and the subsequent placing programme. Such expenses have been recognised directly in share premium.

15. Special distributable reserve

In March 2022, the Company was granted court approval for a capital reduction process to cancel US\$112.0 million of share premium which was transferred to the special distributable reserve. During 2023, the Company paid dividends of US\$4.4 million from this reserve (2022: US\$1.9 million). At 31 December 2023, the special distributable reserve was US\$105.7 million and is fully distributable.

16. Net asset value per ordinary share

	As at 31 December 2022	As at 31 December 2023
Total shareholders' equity (US\$'000)	81,549	86,580
Number of ordinary shares in issue (000s)	175,685	175,685
Net asset value per ordinary share (cents)	46.42	49.28

17. Financial instruments by category

The table below sets out the classifications of the carrying amounts of the Company's financial assets and financial liabilities into categories of financial instruments. There are no non-recurring fair value measurements.

As at 31 December 2023				
	Financial assets at amortised cost US\$'000	Financial assets at fair value through profit or loss US\$'000	Financial liabilities at amortised cost US\$'000	Total US\$'000
Non-current assets				
Investments at fair value through profit or loss	–	42,065	–	42,065
Current assets				
Cash and cash equivalents	41,170	–	–	41,170
Total assets	41,170	42,065	–	83,235
Current liabilities				
Trade payables	–	–	(891)	(891)
Total liabilities	–	–	(891)	(891)
Net assets	41,170	42,065	(891)	82,344

As at 31 December 2022				
	Financial assets at amortised cost US\$'000	Financial assets at fair value through profit or loss US\$'000	Financial liabilities at amortised cost US\$'000	Total US\$'000
Non-current assets				
Investments at fair value through profit or loss	–	11,491	–	11,491
Current assets				
Cash and cash equivalents	115,819	–	–	115,819
Total assets	115,819	11,491	–	127,310
Current liabilities				
Trade payables	–	–	(350)	(350)
Total liabilities	–	–	(350)	(350)
Net assets	115,819	11,491	(350)	126,960

Financial instruments are held at carrying value as an approximation to fair value unless stated otherwise.

IFRS 13 requires the Company to classify its investments in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. IFRS 13 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The three levels of fair value hierarchy under IFRS 13 are as follows:

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities	Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)	Level 3: fair value measurements are those derived from valuation techniques that include inputs to the asset or liability that are not based on observable market data (unobservable inputs)
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Notes to the Financial Statements
Continued

As at 31 December 2023				
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Financial assets				
Investments at fair value through profit or loss	–	–	42,065	42,065
Total financial assets	–	–	42,065	42,065

As at 31 December 2022				
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Financial assets				
Investments at fair value through profit or loss	–	–	11,491	11,491
Total financial assets	–	–	11,491	11,491

There were no Level 1 or Level 2 assets during the year/period. There were no transfers between Level 1 and 2, Level 1 and 3 or Level 2 and 3 during the year/period.

Reconciliation of Level 3 fair value measurement of financial assets and liabilities

An analysis of the movement between opening to closing balances of the investments at fair value through profit or loss (all classified as Level 3) is given in note 9.

The fair value of the investments at fair value through profit or loss includes the use of Level 3 inputs. Refer to note 9 for details on the valuation methodology.

18. Financial risk management

The Company is exposed to certain risks through the ordinary course of business and its financial risk management objective is to minimise the effect of these risks on its operations. The management of risks is the responsibility of the Board. The Investment Manager and AIFM report to the Board on a quarterly basis and provide information to the Board which allows it to monitor and manage financial risks relating to the Company's operations.

The exposure to each financial risk considered potentially material to the Company, how it arises and the policy for managing it is summarised below.

(i) Currency risk

The Company operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the US Dollar, the functional currency. Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions and recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk and not foreign currency risk. However, the Investment Manager monitors the exposure on all foreign currency-denominated assets and liabilities.

Whilst the Company will not pursue long-term currency hedging, the Board intends to substantially hedge future dividend payments to shareholders where those payments are funded by non-US Dollar-denominated dividend income. This hedging programme may cover up to a rolling two-year period. At 31 December 2023, the Company had not entered into any foreign exchange hedging transactions for the purpose of managing its exposure to foreign exchange movements (both monetary and non-monetary).

In relation to local currency debt facilities held at the investment portfolio level, these are and should be in the same currency as the offtake agreement, which provides a natural hedge to mitigate the currency risk. The Investment Manager also includes prevailing assumptions on annualised currency depreciation in its financial projections, so that its financial models contain anticipated changes in currency value. As at 31 December 2023, the SolarArise portfolio held debt of US\$108.6 million on a 100% basis (2022: US\$106.8 million on a 100% basis and US\$45.9 million on a 43% proportionate share basis).

When the Investment Manager formulates a view on the future direction of foreign exchange rates and the potential impact on the Company, the Investment Manager factors that into its investment portfolio decisions. While the Company has direct exposure to foreign exchange rate changes on the price of non-US Dollar-denominated investments, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain of its investments and, therefore, the sensitivity analysis below may not necessarily indicate the total effect on the Company's net assets of future movements in foreign exchange rates.

Notes to the Financial Statements
Continued

The table below summarises the Company's assets and liabilities, both monetary and non-monetary, denominated in the currencies the Company was exposed to, expressed in US\$'000s.

As at 31 December 2023

	US\$	GBP	PHP	INR	VND	Other	Total
Assets							
Investments at fair value through profit or loss	–	1,491	12,690	25,481	2,403	–	42,065
Trade and other receivables	269	2,101	–	–	–	–	2,370
Cash and cash equivalents	41,060	61	–	–	–	49	41,170
Liabilities							
Trade and other payables	(1,402)	(2,654)	–	–	–	–	(4,056)
Net assets	39,927	999	12,690	25,481	2,403	49	81,549
% of NAV	49%	1%	16%	31%	3%	0%	100%

As at 31 December 2022

	US\$	GBP	PHP	INR	VND	Other	Total
Assets							
Investments at fair value through profit or loss	–	–	11,491	–	–	–	11,491
Trade and other receivables	–	633	–	–	–	–	633
Cash and cash equivalents	109,024	6,742	–	–	–	53	115,819
Liabilities							
Trade and other payables	(593)	(2,270)	–	–	–	–	(2,863)
Onerous contract provision	–	–	–	(38,500)	–	–	(38,500)
Net assets	108,431	5,105	11,491	(38,500)	–	53	86,580
% of NAV	125%	6%	13%	(43%)	0%	0%	100%

(ii) Interest rate risk

The Company's interest and non-interest bearing assets and liabilities (both monetary and non-monetary) are summarised below:

As at 31 December 2023

	Interest bearing US\$'000	Non-interest bearing US\$'000	Total US\$'000
Assets			
Cash and cash equivalents	30,564	10,606	41,170
Trade and other receivables	–	2,370	2,370
Investments at fair value through profit or loss	23,855	18,210	42,065
Total assets	54,419	21,186	85,605
Liabilities			
Trade and other payables	–	(4,056)	(4,056)
Onerous contract provision	–	–	–
Total liabilities	–	(4,056)	(4,056)

As at 31 December 2022

	Interest bearing US\$'000	Non-interest bearing US\$'000	Total US\$'000
Assets			
Cash and cash equivalents	–	115,819	115,819
Trade and other receivables	–	633	633
Investments at fair value through profit or loss	–	11,491	11,491
Total assets	–	127,943	127,943
Liabilities			
Trade and other payables	–	(2,863)	(2,863)
Onerous contract provisions	–	(38,500)	(38,500)
Total liabilities	–	(41,363)	(41,363)

Notes to the Financial Statements
Continued

(iii) Power power risk

The Company is also exposed to power price risk on its investments, primarily being future power prices. Wholesale electricity prices tend to be volatile and are impacted by a variety of factors, including market demand, the electricity generation mix in a specific market and fluctuations in the market prices of certain commodities. Whilst SolarArise benefits from fixed priced PPAs, NISPI's revenues are based on the wholesale electricity spot market price in the Philippines and VSS's revenues are based on the applicable retail tariff in Vietnam. The Investment Manager continually monitors the wholesale electricity spot market price and forecasts and aims to put in place mitigating strategies, such as securing fixed PPA contracts, to reduce the exposure of the Company to this risk. The valuation sensitivity of the investment portfolio to power prices is shown in note 9.

The Company's policy is to manage price risk arising from investments through diversification of its investment portfolio and selection of investments in renewable energy assets and other financial instruments within the specified limits set out in the Company's investment policy, or otherwise set by the Board. See pages 10 and 11 for details on the Company's Investment Policy.

(iv) Credit risk

The Company is exposed to third-party credit risk in several instances and the possibility that a counterparty with which the Company or its underlying investment entities contract may fail to perform their obligations under a commitment that it has entered into with the Company or its underlying investment entities in the manner anticipated by the Company.

Credit risk arises where capital commitments are being made and is managed by diversifying exposures among a portfolio of counterparties and through applying credit limits to those counterparties with a lower credit standing.

Counterparty credit risk exposure limits are determined based on the credit rating of the counterparty. Counterparties are assessed and monitored on the basis of their ratings from Standard & Poor's and/or Moody's. No financial transactions are permitted with counterparties with a credit rating of less than BBB- from Standard & Poor's or Baa3 from Moody's, unless specifically approved by the Board.

Credit risk also arises from cash and other assets that are required to be held in custody by banks and other financial institutions. Cash held with banks and other financial institutions will not be treated as client money subject to the rules of the FCA and may be used by the bank in the ordinary course of its own business. The Company will, therefore, be subject to the creditworthiness of the bank or other financial institution. In the event of insolvency of a bank or other financial institution, the Company will rank as a general creditor in relation thereto and may not be able to recover such cash in full, or at all. To mitigate this risk, cash and bank deposits are only held with major financial institutions with high credit ratings assigned by international credit rating agencies.

The Company has assessed the expected credit loss model in IFRS 9 and does not consider any material impact on these Financial Statements. No balances are past due or impaired.

(v) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they fall due. The objective of liquidity management is, therefore, to ensure that all commitments which are required to be funded can be met out of readily available and secure sources of funding.

At 31 December 2023, the Company's financial liabilities were trade payables. The Company intends to hold sufficient cash to meet its working capital needs over a horizon of at least the next 12 months from the signing of these Financial Statements. The Company held cash and cash equivalents of US\$41.2 million at 31 December 2023, with total financial and non-financial liabilities of US\$4.1 million.

Cash flow forecasts are prepared by the Investment Manager on a quarterly basis for a rolling six-month period to assist in the ongoing analysis of short-term cash flow, and for at least 12 months to cover the Company's going concern assessment. The Directors monitor forecast and actual cash flows from operating, financing and investing activities to consider payment of trade and other payables, payment of dividends or the funding of additional investing activities. The Company also ensures that it maintains adequate cash reserves by monitoring the forecast and actual cash flows.

The following table shows the maturity analysis of financial liabilities held:

As at 31 December 2023

	Less than 1 year US\$'000	1-5 years US\$'000	More than 5 years US\$'000	Total US\$'000
Liabilities				
Trade and other payables	(891)	—	—	(891)
	(891)	—	—	(891)

As at 31 December 2022

	Less than 1 year US\$'000	1-5 years US\$'000	More than 5 years US\$'000	Total US\$'000
Liabilities				
Trade and other payables	(350)	—	—	(350)
	(350)	—	—	(350)

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 at 31 December 2023 consists of equity attributable to equity holders of the Company, comprising issued share capital and reserves, including accumulated losses. The Board continues to monitor the balance of the overall capital structure so as to maintain investor and market confidence. The Company is not subject to any external capital requirements.

The Company does not have any debt. However, it is permitted to have debt within its underlying investments. Per the Company's investment policy, gearing should not exceed 65% of the Adjusted GAV (measured at the time the facility is entered into), with the Company targeting gearing of below 50% in the medium term. External debt financing as at 31 December 2023 is comprised of outstanding principal amounts of US\$109.8 million, representing a leverage ratio of 57%.

19. Related party transactions**AIFM**

The Company is classified as an Alternative Investment Fund under the EU Alternative Investment Fund Managers' Directive as incorporated into UK law and is, therefore, required to have an AIFM. The Company's AIFM is Adepa Asset Management S.A.

The AIFM is entitled to an annual management fee at the following rates, subject to a minimum fee of US\$75,000, based on the NAV and payable quarterly in arrears:

	Fee based on NAV
Up to US\$200 million	0.055%
Between US\$200-400 million	0.045%
Between US\$400-1,000 million	0.035%
Above US\$1 billion	0.025%

The AIFM is also entitled to an annual risk management fee of EUR14,500.

During the year, the AIFM was entitled to management fees of US\$122,384 (2022: US\$94,000). Of this total, no amounts remained outstanding at the balance sheet date (31 December 2022: US\$34,000 included in trade payables).

Investment Manager

The AIFM, with the agreement of the Company, has delegated the portfolio management of the Company to the Investment Manager. For the period from IPO to 31 October 2023, the Investment Manager was ThomasLloyd Global Asset Management (Americas) LLC (the "Former Investment Manager").

Management fees to the Former Investment Manager were payable quarterly in arrears and calculated at the following rates, based on the NAV on the last business day of the relevant quarter:

	Fee based on NAV
Up to US\$700 million	1.3%
US\$700 million to US\$2.0 billion	1.1%
Over US\$2.0 billion	1.0%

For the period from 1 January 2023 to 31 October 2023, management fees of US\$1.0 million (2022: US\$1.4 million) may be claimed by the Former Investment Manager. Of this total, US\$1.0 million (31 December 2022: US\$0.2 million) remained outstanding at the balance sheet date (and is not being paid to the Former Investment Manager whilst the Board evaluates all available options).

The Investment Management Agreement between the AIFM, Company and Former Investment Manager (the "IMA") was terminated with effect from 31 October 2023. From 1 November 2023, Octopus Energy Generation were appointed as transitional Investment Manager to cover an initial period through to 30 April 2024. For this initial term, the Company will pay OEGEN a management fee of US\$1.35 million. At the end of the term, at the discretion of the Board, there is scope for OEGEN to earn an additional management fee of up to US\$0.55 million for its services during the initial period. As at 31 December 2023, investment management fees of US\$0.5 million remained outstanding and payable to OEGEN.

Transactions with the Former Investment Manager**Acquisition of SolarArise**

The Company acquired its 43% economic interest in SolarArise from ThomasLloyd SICAV, ThomasLloyd Cleantech Infrastructure Fund SICAV and ThomasLloyd Cleantech Infrastructure Holding GmbH, all related parties of the Former Investment Manager. The acquisition agreement signed in November 2021 was amended prior to completion in August 2022 to provide for the consideration to be changed from a fixed number of ordinary shares to a variable number of shares based on an average 10-day share price prior to the date of allotment, to update the fair value to that at 30 June 2022 as opined on by an independent third-party and to provide for the number of ordinary shares to be issued as consideration to be net of withholding tax of US\$2.7 million, which was required to be withheld and remitted by the Company to the tax authorities on behalf of the sellers.

At November 2021, the consideration payable was US\$34.6 million, which was to be settled by the issue of 34,606,872 ordinary shares in the Company (equivalent to an issue price of US\$1.00 per share). Following the amendments referred to above and on completion of the acquisition of 43% of SolarArise, the aggregate consideration was US\$32.9 million, settled net of a withholding tax payable of US\$2.7 million, through the issue of 26,014,349 ordinary shares at an issue price US\$1.16035 per share.

Acquisition of NISPI

On 17 December 2021 the Company acquired its 40% economic interest in NISPI from ThomasLloyd CTI Asia Holdings Pte Ltd, which is a related party of the Former Investment Manager and shares an ultimate beneficial owner with the Former Investment Manager. Under the acquisition agreement, the Company paid an initial cash consideration of US\$25.4 million and may have been required to pay an additional contingent cash consideration of up to US\$22.0 million if NISPI, prior to June 2023, was awarded a power purchase agreement pursuant to a Green Auction carried out by the Department of Energy of the Philippines. If such contingent consideration was payable, the consideration would have been settled 10 business days after the Green Auction purchase price agreement is awarded. On 10 June 2022, the Company and ThomasLloyd CTI Asia Holdings Pte Ltd agreed to extend the date for payment of any contingent consideration to the earlier of (i) 31 December 2026 and (ii) 10 business days after a further capital raise by the Company, the purpose of which includes funding payment of contingent consideration (or, if the updated valuation has not been received prior to such fund raise, 10 business days after the updated valuation has been received).

NISPI was not awarded a PPA prior to June 2023 and therefore no further consideration is payable for the acquisition of NISPI.

Directors

The Company has four non-executive Directors. The standard Director's fee is set at £50,000 per annum (2022: £50,000), with the remuneration for the Chair of the Board set at £65,000 per annum (2022: £50,000) and for the Chair of the Audit and Risk Committee at £55,000 per annum (2022: £50,000). Total Directors' fees of US\$261,314, (2022: US\$255,000) with associated payroll taxes of US\$25,266 (2022: US\$11,000), have been incurred in respect of the year. Total expenses of US\$4,203 (2022: US\$6,000) were also paid to the Directors in the year, of which none was outstanding at the year end (31 December 2022: US\$1,000).

The Directors had the following shareholdings in the Company, all of which were beneficially owned.

	Ordinary shares held as at date of this report	Ordinary shares held as at 31 December 2023
Sue Inglis	65,000	65,000
Kirstine Damkjaer	—	—
Mukesh Rajani	33,000	33,000
Clifford Tompsett	33,000	33,000

20. Subsidiaries, joint ventures and associates

As a result of applying Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), no subsidiaries have been consolidated in these Financial Statements. AEIT has control of AEIT Holdings Limited, SolarArise, VSS and their subsidiaries, either directly or indirectly, and therefore the transfer of dividends is dependent on there being suitable distributable reserves. The Company does not have a controlling stake in NISPI and, therefore, the transfer of dividends is dependent on both the availability of sufficient distributable reserves and the approval of co-shareholders. For those subsidiaries with external debt, all debt agreements are complied with. The Company's subsidiaries and associates are listed below:

Name	Category	Place of business	Registered Office*	Ownership interest
AEIT Holdings Limited	Intermediate Holdings	UK	A	100%
Negros Island Solar Power Inc. ("NISPI")	Project company	Philippines	B	34% ⁴³
SolarArise India Projects Private Ltd ("SolarArise")	Intermediate Holdings	India	C	100%
Talettutayi Solar Projects Private Limited	Project company	India	D	100%
Talettutayi Solar Projects One Private Limited	Project company	India	D	100%
Talettutayi Solar Projects Two Private Limited	Project company	India	D	100%
Talettutayi Solar Projects Four Private Limited	Project company	India	D	100%
Talettutayi Solar Projects Five Private Limited	Project company	India	D	100%
Talettutayi Solar Projects Six Private Limited	Project company	India	D	100%
Talettutayi Solar Projects Eight Private Limited	Project company	India	D	100%
Talettutayi Solar Projects Nine Private Limited	Project company	India	D	100%
Talettutayi Solar Projects Ten Private Limited	Project company	India	D	100%
Viet Solar System Company Limited ("VSS")	Intermediate holdings and project company	Vietnam	E	99.8%
VSS Ba Ria Co., Limited	Project company	Vietnam	E	99.8%
VSS Vung Tau Co., Limited	Project company	Vietnam	E	99.8%
Vtech Chau Duc Co., Limited	Project company	Vietnam	E	99.8%
Vtech Vung Tau Co., Limited	Project company	Vietnam	E	99.8%

*Registered offices:

A – The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF, United Kingdom

B – Emerald Arcade, F.e. Ledesma 8t., San Carlos, Negros Island, Philippines

C – A-39, LGF, Lajpat Nagar, Part-1 New Delhi-110024, India.

D – Unit No. 1004, 10th Floor, BPTP Park Centra, Sector 30, NH-8, Gurugram-122001, Haryana, India.

E – Lot 21, Road D.02, Chau Duc Industrial Area, Quang Tay Hamlet, Nghia Thanh Commune, Chau Duc District, Ba Ria - Vung Tau Province, Vietnam.

As at 31 December 2023, investments into AEIT Holdings, NISPI and SolarArise were held directly. All other investments were held indirectly.

21. Guarantees, contingent liabilities and other commitments

As at 31 December 2023, the Company has no financial guarantees or other commitments into which it has entered.

As at 31 December 2022, the Company had the following financial guarantees, contingent liabilities and other commitments:

NISPI – contingent consideration

The sale and purchase agreement for the acquisition of the 40% economic interest in NISPI provided for an initial cash consideration of US\$25.4 million and potentially an additional contingent cash consideration of up to US\$22.0 million. As at 31 December 2022, this contingent cash consideration was dependent upon NISPI being awarded a PPA, prior to June 2023, by the Philippine's Department of Energy under their Green Auction process. At 31 December 2022 any payment was considered remote and therefore was fair valued at US\$nil. NISPI was not awarded a PPA under a Green Auction prior to June 2023.

AEIT Holdings – funding

As at 31 December 2022, the Company committed to provide US\$5.0 million of funding to AEIT Holdings to acquire a 99.8% interest in VSS, a privately owned company which holds 6.12 MWp of rooftop solar assets. The funding was provided through the issue of shares by AEIT Holdings to the Company for cash. The funding was provided on 20 April 2023 and the acquisition of VSS completed on 31 May 2023 for US\$3.1 million.

⁴³ The Company's economic interest in NISPI is 40%.

SolarArise – acquisition of additional 57% economic stake

On 20 June 2022 the Company made a commitment to purchase the remaining 57% of SolarArise for a total consideration of US\$38.5 million. As at 31 December 2022, the Company had identified an onerous contract and recognised a provision of US\$38.5 million in respect of this commitment. This provision represents the Company's best estimate of the fair value of 57% of SolarArise (which was US\$nil after factoring in the liabilities associated with the RUMS project) less the consideration payable as of 31 December 2022. Completion of the purchase of 57% of SolarArise occurred on 13 January 2023. There is no remaining commitment as at 31 December 2023.

22. Post year end events

In March 2024, the Board approved additional cash funding of up to US\$4.5 million to fund project delays and additional costs for the RUMS project.

In April 2024, having undertaken a comprehensive strategic review of the options for the Company's future and after consultation with its advisers and having taken into account feedback from investors representing a significant proportion of AEIT's issued share capital, the Board concluded that it is in the best interests of shareholders as a whole to put forward a proposal for the orderly realisation of AEIT's assets. The proposal will seek to achieve a balance between maximising the value of AEIT's investments and progressively returning cash to shareholders in a timely manner. Details of this proposal, which is subject to shareholder approval at a general meeting of the Company expected to be held in Q2 2024, will be set out in a separate circular to shareholders and will be made available on the Company's website in due course. For this reason these financial statements have been prepared on a basis other than that of a going concern. Please see Note 2 for further details.

On 1 May 2024 the Company announced a temporary share suspension. Due to a small number of outstanding points in respect of the Company's Annual Report and audit for the year ended 31 December 2023 the Company was not able to publish the Annual Report by the required regulatory deadline of 30 April 2024, resulting in the suspension of the listing of and trading in the Company's shares. Now that the Annual Report has been published in accordance with the Company's obligations, the Board will move expeditiously to apply to the FCA for a restoration of the Company's listing.

On 2 May 2024 the Company received US\$5.6 million from its investment in NISPI. The monies received arise after successful collaboration with the joint owners to approve a partial redemption of shares in NISPI. Following this cash return, the level of economic ownership and percentage of voting rights that AEIT holds in NISPI remains unchanged. On a pro forma basis, the return is broadly NAV neutral for the Company.

Alternative Performance Measures

In reporting financial information, the Company presents alternative performance measures ("APMs"), which are not defined or specified under the requirements of IFRS. The Company believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the Company. The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for listed closed-ended investment companies. The APMs presented in this Annual Report are shown below:

NAV per share

A measure of the value of the Company attributable to each share, at the reporting date. The calculation of NAV per share is shown in note 16 to the Financial Statements.

NAV total return

A measure of success of the Company's investment strategy. The NAV total return per share includes both income and capital returns by taking into account any increase or decrease in the NAV per share over the relevant period and assuming that dividends paid to shareholders during the relevant period are reinvested at the NAV per share on the dividend payment date.

31 December 2023 (since IPO)		Page	NAV
NAV per share at IPO (14 December 2021) – cents	a	n/a	98.00
NAV per share at 31 December 2023 – cents	b	100	46.42
Dividends paid since IPO – cents	c	n/a	3.82
Benefits of reinvesting dividends – cents ⁴⁴	d	n/a	(2.74)
Total return (expressed as a percentage)	((b+c+d)-a)-1		-51.5%

31 December 2022 (since IPO)		Page	NAV
NAV per share at IPO (14 December 2021) – cents	a	n/a	98.00
NAV per share at 31 December 2022 – cents	b	100	49.28
Dividends paid in the year – cents	c	94	1.32
Benefits of reinvesting dividends – cents ⁴⁴	d	n/a	(0.78)
Total return (expressed as a percentage)	((b+c+d)-a)-1		-49.2%

31 December 2023 (reporting period)		Page	NAV Return
NAV per share at 31 December 2022 – cents	a	100	49.28
NAV per share at 31 December 2023 – cents	b	100	46.42
Dividends paid in the year – cents	c	94	2.50
Benefits of reinvesting dividends – cents ⁴⁴	d	n/a	(1.42)
Total return (expressed as a percentage)	((b+c+d)-a)-1		-3.6%

GAV, Adjusted GAV and gearing

GAV is a measure of the total size of the Company and is the total value of the assets of the Company, being the aggregate of the fair value of its investment portfolio and any cash and cash equivalents. Leverage is not employed at the Company level but may be employed within investment portfolio. Adjusted GAV is a measure of the total size of the Company, including, on a look through basis, its proportionate share of any leverage within its investment portfolio, and forms the basis on which the gearing restriction in the Company's investment policy is calculated. Gearing is a measure of the potential financial risk to which the Company is exposed and is its proportionate share of any leverage within its investment portfolio expressed as a percentage of Adjusted GAV.

		Page	31 December 2023 US\$ million	31 December 2022 US\$ million
Value of investment portfolio	a	95	42.1	11.5
Cash and cash equivalents of the Company	b	99	41.2	115.8
GAV	a+b=c		83.3	127.3
Debt in underlying SPVs ⁴⁵	d	n/a	109.8	45.9
Adjusted GAV	c+d=e		193.1	173.3
Gearing	d÷e		57%	27%

⁴⁴ Calculated by taking the dividend per share and assuming it is invested at the prevailing NAV per share on the dividend payment date.

⁴⁵ Pro-rated for economic ownership where applicable.

Alternative Performance Measures

Continued

Net operational asset value

The value of the Company's operational asset investments, excluding construction and development projects. This provides a measure of the value of the investment portfolio that is revenue generating and makes a positive contribution to the Company's dividend cover.

		Page	As at 31 December 2023 US\$ million	As at 31 December 2022 US\$ million
Value of investment portfolio	a	95	42.1	11.5
Value of construction projects	b	20	0.7	(12.0)
Value of development projects	c	21	1.9	–
Total operational asset value	a-b-c		39.5	23.5

Market capitalisation

Market capitalisation is a measure of the value of the Company as determined by the stock market and is the total value of all outstanding shares at the prevailing market price.

As at 31 December 2023, the shares of the Company were suspending from trading and as such no calculation is shown at this date.

		Page	As at 31 December 2022 US\$ million
Share price (US\$ per share)	a	n/a	1.18
Shares in issue at period end	b	100	175,685
Market capitalisation	axb		207.3

Ongoing charges ratio

The ongoing charges ratio is a measure of the recurring annual costs of running the Company based on historical data. It is calculated using the AIC methodology and is the Company's recurring operating expenses for the last 12 months expressed as a percentage of the average published net assets for that period. Recurring operating expenses exclude the costs of buying and selling investments, any non-recurring costs and the costs of issuing shares.

As at 31 December 2023		Page	US\$ million
NAV			
Q1 2023 ⁴⁶	a	n/a	86.6
Q2 2023	b	n/a	89.9
Q3 2023	c	n/a	88.5
Q4 2023	d	100	81.5
Average NAV	(a+b+c+d)/4=e		86.6
Total expenses	f	83	6.4
Transaction costs	g	n/a	–
Other non-recurring expenses	h	n/a	(4.2)
Add realised FX gains	i	83	0.3
Add net finance income	j	83	0.6
Annualised expenses	f-g-h+i+j=k		3.1
Ongoing charges ratio (expressed as a percentage)	k÷e		3.58%

⁴⁶ Since there was no published or available NAV for Q1 2023, the Q4 2022 NAV has been used instead.

Alternative Performance Measures

Continued

Period ended 31 December 2022		Page	US\$ million
<i>Reported NAV</i>			
Q1 2022	a	n/a	106.2
Q2 2022	b	n/a	115.2
Q3 2022	c	n/a	142.5
Q4 2022	d	100	86.6
Average NAV	(a+b+c+d)/4=e		112.7
Total expenses	f	83	3.3
Less transaction costs	g	92	(0.3)
Less non-audit related services	h	92	(0.2)
Less other non-recurring expenses	i	n/a	(1.5)
Add realised FX gains	j	83	1.7
Annualised expenses	(f+g+h+i+j)/12.5=k		2.9
Ongoing charges ratio (expressed as a percentage)	k÷e		2.50%

% of sustainable investments

The proportion of the Company's sustainability-related investments after classifying the Company's cash as 'unsustainable'. This is disclosed in the SFDR periodic disclosures on pages 112 to 119.

			As at 31 December 2023	As at 31 December 2022
	Page		US\$ million	
Fair value of investments	a	95	42.1	11.5
Net assets of the Company	b	100	81.5	88.8
Onerous contract provision	c	99	-	38.5
Adjusted net assets of the Company	b+c=d		81.5	127.3
% of sustainable investments	a÷d		51.6%	9.0%
Committed for 57% of SolarArise	e	108	-	38.5
Committed for 99.8% of VSS	f	107	-	3.1
Total commitments	e+f=g		-	41.6
% of sustainable investments (including commitments)	(a+g)÷d		51.6%	41.7%

Excluding cash, 100% of the Company's investments are sustainable.

SFDR Principle Adverse Impacts Statement for financial products (Unaudited)

SFDR Principle Adverse Impacts Statement for financial products (Article 7 of SFDR)

Financial market participant: Asian Energy Impact Trust

Summary

Asian Energy Impact Trust plc (AEIT) LEI 254900V23329JCBR9G82 through its Investment Manager during the period, ThomasLloyd Global Asset Management (Americas) LLC, the "Former Investment Manager", for the period to 31 October 2023. Octopus Renewables Limited, trading as Octopus Energy Generation, the "Transitional Investment Manager" for the period to 31 December 2023), considered principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of AEIT. This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2023 to 31 December 2023. The indicators presented are based on data directly provided by investee companies and reviewed by the Transitional Investment Manager. This statement considers SolarArise's Q2 current value for its Q1 current value. Without doing so, this results in the SolarArise being valued at zero due to material negative value of the RUMS project at that time. A value of 0 at Q1 would mean all data pertaining to SolarArise, would not have been considered due to the mathematical calculations. Applying the Q2 value ensures that SolarArise reflects a non-zero value and PAIs are more reflective of the assets. To complete a comprehensive assessment of Scope 1, 2 and 3 assessments, the Transitional Investment Manager engaged with Altruistiq to identify the most appropriate emissions factors to both activity related data and financial expenditures. On climate and environment related indicators: the GHG emissions associated with the AEIT portfolio are a small fraction of the avoided emissions associated with the clean energy generation it has financed, even when all three scopes are accounted for. The Transitional Investment Manager will continue to work with investee companies to explore opportunities to further reduce this footprint, in order to improve carbon footprint, carbon intensity, and reduce non-renewable energy consumption PAIs wherever possible. Portfolio emissions or intensity targets are not yet proposed. No investments had negative impacts on biodiversity sensitive areas, and emissions to water and hazardous waste were small across the portfolio. On social and employee issues, respect for human rights, anti-corruption and anti-bribery matters, no major issues related to the UN Global Compact or OECD Guidelines for Multinational Enterprises were reported, and grievance mechanisms were in place. Further engagement with investee companies will strengthen the practical implementation of existing policies and effectiveness of grievance mechanisms. The data presented in this PAI statement for AEIT has been reviewed by the Board.

Indicators applicable to investments in investee companies (AEIT investment portfolio including commitment to SolarArise)

					Actions taken, and actions planned and targets set for the next reference period	
Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	
Climate and other environment-related indicators						
Greenhouse gas (GHG) emissions	1. GHG emissions	Scope 1 GHG Emissions	7.1 tCO ₂ e	23.0 tCO ₂ e	The Transitional Investment Manager used Altruistiq, to complete its GHG footprint. GHG emissions were calculated in line with the ICI and ERM Greenhouse Gas Accounting and Reporting Guide for the Private Equity Sector (2022), using the operational control boundary approach. The increase in GHG emissions compared to 2022 can be explained by the carbon emissions generated through the construction activities at TT9.	In 2023, the Transitional Investment Manager engaged with investee companies to better capture their GHG emissions. The Transitional Investment Manager will continue to engage with Investee companies to also look for innovative ways to reduce their carbon footprint, especially in relation to construction activities. At this stage, GHG emission reduction targets are not being set.
		Scope 2 GHG Emissions	295.9 tCO ₂ e	68.2 tCO ₂ e		
		Scope 3 GHG Emissions	18,668.2 tCO ₂ e	598.7 tCO ₂ e		
		Total GHG Emissions	18,971.2 tCO ₂ e	689.9 tCO ₂ e		
	2. Carbon footprint	Carbon footprint	749.24 tCO ₂ e/EUR m	22.2 tCO ₂ e/EUR m		
3. GHG intensity of investee companies	GHG intensity of investee companies	4,795.57 tCO ₂ e/EUR m revenue	213.6 tCO ₂ e/EUR m revenue			
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0	0		The Transitional Investment Manager's ESG policies excluded investment in coal or nuclear fired power, and oil and gas projects.	

SFDR Principle Adverse Impacts Statement for financial products (Unaudited)
Continued

Indicators applicable to investments in investee companies (AEIT investment portfolio including commitment to SolarArise)

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Climate and other environment-related indicators					
Greenhouse gas (GHG) emissions (continued)	5. Share of non-renewable energy	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	a) 57% (note, all energy consumption was from non-renewable sources)) b) 0% (all production from renewable sources)	a) 100% (all consumption from non-renewable sources) b) 0% (all production from renewable sources)	Calculating the proportion of non-renewable energy consumption to renewable energy consumption was not possible across all investee companies and quarters owing to periods of no energy consumption. This limitation in the calculation approach has skewed the share percentage to 58%. In actuality, all recorded energy consumption across the investee companies originated from non-renewable energy sources. The investment portfolio is focused on renewable energy production. However, some non-renewable energy is used through diesel generator sets for backup power and purchasing electricity from the grid to support overnight functions for the solar portfolio.
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.055 GWh/EURm	0.075GWh/EURm	Renewable energy generation is allocated to the NACE sector "electricity, gas, steam and air conditioning supply" (NACE code D/35) classified in total as high impact climate sector. For the purposes of this PAI indicator regulation 2022/1288 does not differentiate between renewable energy generation and other forms of energy generation which have a high climate impact.
Biodiversity	7. Activities negatively affecting biodiversity – sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0%	0%	None.
Water	8. Emissions to Water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.000 tonnes	0.002 tonnes	As the current portfolio comprises entirely of solar plants, these emissions are not associated with their operations.
					The Transitional investment Manager will continue to monitor this critical issue.

SFDR Principle Adverse Impacts Statement for financial products (Unaudited)
Continued

Indicators applicable to investments in investee companies (AEIT investment portfolio including commitment to SolarArise)

Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Climate and other environment-related indicators						
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.03 tonnes	0.04 tonnes	Small amounts of waste generated as part of normal site maintenance and/or construction activities. Contractors on site dispose of the hazardous waste responsibly in line with waste management policies, where applicable.	The Transitional Investment Manager will continue to explore opportunities to reduce the production of hazardous waste and promote circular economy approaches.
Indicators for Social and Employee, Respect for Human Rights, Anti-Corruption and Anti-Bribery Matters						
Social and Employee Matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%	No violations have been reported.	Further engagement with investee companies will strengthen their implementation of the OECD Guidelines for Multinational Enterprises and the effectiveness of grievance mechanisms.
Indicators for Social and Employee, Respect for Human Rights, Anti-Corruption and Anti-Bribery Matters						
Social and Employee Matters (continued)	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%	All investee companies have grievance mechanisms in place through which any stakeholder can raise concerns about their project implementation frameworks, and complaints lodged through these mechanisms are reported to the Transitional Investment Manager.	The Transitional Investment Manager will continue to work closely with the investee companies to identify and action areas where implementation of these frameworks can be further enhanced, make information about the functioning of these mechanisms more readily available, and establish appropriate policies to promote respect for human rights in all activities, including with their suppliers.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	14%	37%	Gender pay-gap analysis was not possible at SolarArise and VSS given no employees. At NISPI the gender pay gap was 32%.	The Transitional Investment Manager will continue to monitor and encourage investee companies to consider diversity and equality in their operating priorities, local culture and needs.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	91%	74%	The increase in ratio from the previous year can be attributed to the acquisition of VSS portfolio that only has male board members.	The Transitional Investment Manager will look to advocate for gender equality across investee company governance.

SFDR Principle Adverse Impacts Statement for financial products (Unaudited)
Continued

Indicators applicable to investments in investee companies (AEIT investment portfolio including commitment to SolarArise)					
Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators for Social and Employee, Respect for Human Rights, Anti-Corruption and Anti-Bribery Matters					
Social and Employee Matters (continued)	14. Amount of accumulated earnings in non-cooperative tax jurisdictions	Amount of accumulated earnings at the end of the relevant financial year from investee companies where the total consolidated revenue on their balance sheet date for each of the last two consecutive financial years exceeds total EUR 750M in jurisdictions that appear on the revised EU list of non-cooperative jurisdictions for tax purposes	0	N/A – new for 2023	The Company does not have any investments in non-cooperative tax jurisdictions.
	15. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	Not applicable due to exclusion.
	16. Exposure to companies involved in the cultivation and production of tobacco	Share of investments in investee companies involved in the cultivation or production of tobacco	0%	N/A – new for 2023	Not applicable due to exclusion.
	17. Interference in the formation of trade unions or elections of worker representatives	Share of investments in investee companies without commitments on their non-interference in the formation of trade unions or election of worker representatives	0%	N/A – new for 2023	The Transitional Investment manager's Supplier Code of Conduct considers freedom of association and the right to collective bargaining.
	18. Share of employees in investee companies earning less than adequate wage	Average percentage of employees in investee companies earning less than the adequate wage	0%	N/A – new for 2023	The majority of investee companies do not have employees. The investee company with employees had 0% of employees earning less than adequate wage.

SFDR Principle Adverse Impacts Statement for financial products (Unaudited)
Continued

Indicators applicable to investments in investee companies (AEIT investment portfolio including commitment to SolarArise)

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Additional climate and other environment-related indicators						
Water	6. Water Usage	(a) Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies (b) percentage of water recycled and reused by investee companies	a) 1,107.6 m3/EURm b) 0.19%	(a) 751.7 m3/EUR m (b) 0%	Water consumption at investee companies fluctuated over the course of 2023, with less consumption during rainy periods, and substantially higher consumption during periods of high pollution that result in a greater need for solar panel cleaning. A nearby cement factory emitted significant pollution, necessitating increased cleaning of the solar panels at one of AEIT's assets. Water recycling and reuse started to be tracked during the period, however the rate was low.	Efforts to improve water consumption efficiency reflecting the level of water scarcity at site level are needed at all sites. The Transitional Investment Manager will continue to engage with investee companies to explore site appropriate responses. The Transitional Investment Manager will encourage higher rates of water recycling and reuse.
Additional social and employee, respect for human rights, anti-corruption and anti-bribery matters indicator						
Social and employee matters	3. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	0	0	Investee companies reported no workdays lost to health and safety related issues.	Continued vigilance in monitoring incidents at managed sites is needed, and sustained efforts to maintain high health and safety standards are required.
	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	0%	N/A – new for 2023	The Transitional Investment Manager has a Supplier Code of Conduct and requires the Company's investee companies to either adhere to the Transitional Investment Manager's Supplier Code of Conduct or adopt one that is equally robust.	
Anti-corruption and anti-bribery	20. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	0%	N/A – new for 2023	The Transitional Investment Manager has an anti-bribery policy and all investee companies either align to the Transitional Investment Manager's or have adopted their own policy.	The Transitional Investment manager will continue to formalise its approach in assessing the alignment of key portfolio service providers to these standards.
Other indicators used to identify and assess additional principal adverse impacts on a sustainability factor						
Other	Number of community complaints	Number of community complaints received by investee companies	0	N/A – new for 2023		The Transitional Investment Manager will continue to engage with community stakeholders and find innovative ways to realise benefits for the community.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

The Transitional Investment Manager has a **Responsible Investment Policy** that sets out the approach to identifying and managing environmental, social and governance ("ESG") matters and the principles that they adopt. These principles are in line with the UN Principles for Responsible Investment (UN PRI) to which the Transitional Investment Manager is a signatory. These policies outline risks and mitigations aligned to potential adverse impacts on sustainability factors.

The Transitional Investment Manager seeks to embed the principles set out in the Responsible Investment Policy into investment decisions and ongoing management of investments to actively manage sustainability risks. In addition to having a no fossil fuel or nuclear energy-related investments policy, ESG risk management is ingrained in the way the Transitional Investment Manager originates and executes investment decisions, as well as in ongoing portfolio and asset management. AEIT's approach is based on a triple-return approach that considers social and environmental objectives alongside the financial returns of the Company.

The Company is currently undertaking a strategic review and at this time, no new investments will be made. The outcome of the strategic review will determine the appointment of a long-term Investment Manager and the investment processes and policies that will be put in place to manage sustainability factors during the investment cycle.

The principle adverse impacts, those that are most likely to be material to renewable energy investments, are outlined in the table above. No PAI indicators were available within the SFDR RTS for community relations, therefore a bespoke metric has been included on a voluntary basis as communities form an important backbone to energy investments.

Ongoing data collection in line with the PAI Indicators is requested either directly from investee companies or as part of counterparty contracts from operations and maintenance providers, HSE providers, and/or external asset managers. Ongoing management and oversight of principle adverse impacts is the responsibility of the Asset Management or Development Team. Any issues are escalated to the **Octopus Energy Generation Asset Board** before being escalated to the **Company's ESG committee** as appropriate. All data is consolidated, reviewed, and signed off by the ESG team before being put forward to the AEIT ESG Board Committee for approval.

The Transitional Investment Manager obtains information concerning the PAIs directly from investee companies. To ensure the reliability and accuracy of the data, the Transitional Investment Manager works closely with specialised external advisors, particularly carbon consultants. These advisors thoroughly review the Transitional Investment Manager's methodologies in regards to GHG emission PAIs and offer valuable insights based on industry best practices.

The data collection process:

- KPI data is primarily sourced directly from the Investee Companies or the third party service providers that help manage them. This information is then complemented, as needed and where relevant, by the expertise of the Transitional Investment Manager's own asset managers and ESG team and by the carbon consultants. This information is sourced from the periodic reports from Company's Operations and Maintenance (O&M) service providers, Asset Managers or other service providers. These reports consist of a standardised set of KPIs, as well as qualitative factors like health and safety, adherence to applicable laws and regulations, engagement with local communities, and biodiversity metrics, whenever relevant.
- Carbon footprint indicators are measured in line with the iCI and ERM Greenhouse Gas Accounting and Reporting Guide for the Private Equity Sector (2022). This methodology was developed to complement both the World Resources Institute's Greenhouse Gas Protocol Standards and the Partnership for Carbon Accounting Financials' Standard for the financial industry. This approach consolidates the organisational boundary according to the operational control approach. For more information on the carbon footprint methodology and definitions, see the carbon footprint section of the Impact report. The calculations of emissions are verified by third-party consultants.
- The Transitional Investment Manager may need to resort to estimates or proxy data where data is unavailable. The proportion of estimates and proxies used varies depending on investee company but overall, use of estimates and proxies are infrequent and constitute only a minority of the data used. When estimated data is used, it is based on reasonable assumptions and appropriate comparators.

Engagement policies

The Company recognises the importance of active stewardship in responsible investment and is dedicated to engaging with stakeholders relevant to its portfolio, ensuring the Company continues to contribute to its financial, environmental and social return objectives. The Transitional Investment Manager seeks to establish long-term value for the Company and its portfolio of relevant stakeholders through active management of its assets. The Transitional Investment Manager has published its Engagement and Stewardship Policy outlining their approach. This can be viewed on the website here: <https://a.storyblok.com/f/154679/x/5eeb87e6d3/oegen-engagement-and-stewardship-policy-june-2023-vf.pdf>.

SFDR Principle Adverse Impacts Statement for financial products (Unaudited)
Continued

The majority of the Company's renewable energy assets under management are wholly owned subsidiaries of the Company. Where investee companies are fully owned subsidiaries, directorship services are either provided by the Transitional Investment Manager or through AEIT nominee directors ensuring consistency in governance and in the application of the ESG Policy which applies to investee companies. Due to this, the Company does not put in place investee company engagement policies. There are no voting matters to report on as the Transitional Investment Manager actively manages and make decisions as directors of the investee companies. The Transitional Investment Manager directly controls the investee companies' strategy, financial and non-financial performance and risk, capital structures, social and environmental impact and corporate governance on behalf of the Company as well as appointment of 3rd party operators of the assets who are actively engaged with to ensure appropriate decision-making oversight. Conflicts of interest are governed by the Transitional Investment Manager's Conflicts of Interest policy.

In circumstances where the Company does not hold a controlling interest in the relevant investee company, the Company will secure shareholder rights through contractual and other arrangements, to, inter alia, ensure that the renewable energy asset is operated and managed in a manner that is consistent with the Company's investment and ESG Policy. In this case, the Transitional Investment Manager will always take up Board seats and attend Board meetings. Regular reporting data is provided to the Board on investee performance, including any environmental or social issues or risks. The Transitional Investment Manager will directly use their influence to monitor and support investee companies on relevant matters including strategy, financial and non-financial performance and risk, capital structuring and social and environmental impact. They look to galvanise other shareholders in line with the Company's ESG Policies and minimise the Company's principle adverse impacts.

The Transitional Investment Manager works with a range of external service providers to manage the portfolio of investments, for example construction managers, operations and maintenance providers, and external asset managers. To address any adverse impacts on a continuous basis, the Transitional Investment Manager actively engages with service providers, provide decision making oversight and carry out an annual ESG review on each material third-party service provider and this includes reviewing policies in relation to human rights, anti-corruption and anti-bribery. This seeks to ensure that strategies to reduce any new adverse impacts are put in place in a timely manner. Adverse impacts associated with health and safety are assessed and monitored continuously by the Asset Management Directors and/or HSE consultants.

References to international standards

In line with AEIT's triple return investment objective, which aim to provide financial, environmental and social returns, the investments support the environmental objective of climate change mitigation as set out in Article 9 of the EU Taxonomy by generating, transmitting, storing, distributing or using renewable energy. AEIT's investments in sustainable energy target countries where greenhouse gas (GHG) emissions are growing rapidly. The investments address the climate change mitigation priorities set out in those countries' Nationally Determined Contributions under the Paris Agreement on Climate Change, as well as their efforts to achieve the Sustainable Development Goals (SDGs), by avoiding GHG emissions and having a positive effect on the communities in which they work. The Transitional Investment Manager has also signed up to achieve net zero by 2050 and are in the process of validating targets in line with the Science Based Targets Initiative (SBTi).

The Transitional Investment Manager maintains a list of relevant responsible investment partner organisations and memberships which create potential synergies and provide valuable insights and benefits for the Company. The Transitional Investment Manager is currently a member or supporter of the following organisations:

- United Nations Principles for Responsible Investment ("UN PRI")
- The Institutional Investors Group on Climate Change (IIGCC)
- UN Sustainable Development Goals
- Science Based Targets Initiative (SBTi)
- Taskforce of climate-related financial disclosure (TCFD)

The Transitional Investment Manager also utilises the following data sources:

- EU Taxonomy
- Transparency International (corruption index)
- Climate Scale (climate change risk assessments)

The Transitional Investment Manager also uses a number of partner organisations to support due diligence on investments including legal and technical advisors.

SFDR Principle Adverse Impacts Statement for financial products (Unaudited)
Continued

As part of the Transitional Investment Manager's due diligence, alignment to the EU Taxonomy is evaluated, and climate change risk assessments are carried out on all investments. This is performed either by technical advisors, or through utilising Climate Scale, which provides high resolution climate data in a 2- and 4-degree scenario for climate change risk assessments. PAI data is collected directly from the investee companies, reviewed and challenged by the ESG team before being consolidated.

Historical comparison

The year-on-year comparison indicates consistent performance across the portfolio, with only significant variations observed in carbon emissions, water consumption, gender pay gap, and board diversity. Construction activities at TT9 were the primary source of the portfolio's carbon emissions, leading to a significant rise in AEIT's emissions. In response to the increased water consumption and to underscore the importance of sustainable water use, the Transitional Investment Manager has requested the asset manager to start monitoring the recyclability rate of water used by the assets. Through proactive engagement in this area, the aim is to explore avenues for minimising water dependency. Although the gender pay gap has narrowed, the acquisition of a company with an exclusively male board has impacted gender diversity at the board level negatively. This development highlights an area for potential enhancement in the future. Meanwhile, a notable rise in renewable energy consumption represents an accomplishment for the portfolio, emphasising the Company's dedication to moving away from non-renewable energy sources.

Appendix 2: SFDR Periodic Disclosure

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Asian Energy Investment Trust plc
Legal entity identifier: 254900V23329JCBR9G82

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☒ Yes

☐ No

☒ It made sustainable investments with an environmental objective: 100%

☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made sustainable investments with a social objective: ____%

☐ It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

It promoted E/S characteristics, but did not make any sustainable investments



To what extent was the sustainable investment objective of this financial product met?

Asian Energy Infrastructure Trust plc ("AEIT") is a renewable energy investment trust providing direct access to sustainable energy infrastructure in fast-growing and emerging economies in Asia. In line with AEIT's triple return objectives, which aim to provide financial, environmental and social returns, the investments support the environmental objective of climate change mitigation as set out in Article 9 of the EU Taxonomy by generating, transmitting, storing, distributing or using renewable energy. AEIT's investments in sustainable energy target countries where greenhouse gas (GHG) emissions are growing rapidly. The investments address the climate change mitigation priorities set out in those countries' Nationally Determined Contributions under the Paris Agreement on Climate Change, as well as their efforts to achieve the Sustainable Development Goals (SDGs), by avoiding GHG emissions and having a positive effect on the communities in which they work. In the year ended 31 December 2023, investments were made in 233 MW of operating solar capacity in India and 6 MW in Vietnam, and 200 MW of in construction solar capacity in India.

Sustainability indicators
measure how the sustainable
objectives of this financial
product are attained.

How did the sustainability indicators perform?

AEIT's investments substantially contributed to climate change mitigation as reflected in the technical screening criteria listed in section 4 Annex 1 regulation 2021/2139. The construction and operation of new renewable energy infrastructure in Asia helped improve energy access and security, create jobs, and avoid GHG emissions. These positive impacts were measured using the following key performance indicators, which align with SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action):

Installed renewable capacity – MW	271
Renewable energy generated – MWh	391,683
CO ₂ emissions avoided – CO ₂ e tonnes	311,752

Note: Figures are based on AEIT's proportional share of the investment portfolio as at 31 December 2023.

and compared to previous periods?

Sustainability indicator	2022	2023
Installed renewable capacity – MW	132	271
Renewable energy generated – MWh	85,199	391,683
CO ₂ emissions avoided – tCO ₂ e	62,770	311,752

In January 2023 and May 2023, AEIT completed acquisitions of the remaining 57% of the SolarArise portfolio and 99.8% of the VSS portfolio, respectively. These acquisitions significantly increased the MW capacity of the operating portfolio, resulting in increased renewable energy generation and associated avoided emissions in 2023 compared with 2022.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

Environmental, social and governance (ESG) considerations are integral to AEIT's investment objective, and AEIT's Former Investment Manager during the period had environmental and social policies that drew on the International Finance Corporation's environmental and social performance standards. These policies provide a framework that help identify and manage potential significant harm to any environmental or social objectives, including water; biodiversity and ecosystems; circular economy; pollution prevention. From 1 November 2023, Octopus Renewables Limited, trading as Octopus Energy Generation ("OEGEN" or "Octopus Energy Generation"), was appointed as a transitional Investment Manager (the "Transitional Investment Manager") for the Company and assumed all day-to-day portfolio management responsibilities for the Company from this date. The Former investment manager also undertook a review of the specific renewable energy assets in relation to the EU Taxonomy screening criteria in the period to confirm whether the investments continued to meet the qualification criteria. AEIT's investments met the criteria for do no significant harm.

How were the indicators for adverse impacts on sustainability factors taken into account?

Data related to the mandatory indicators for Principle Adverse Impacts listed under Table 1 Annex 1 of regulation 2022/1288 have been collected. These indicators are also monitored continuously over the life of an investment. AEIT's 2023 Annual Report includes its Annual PAI Statement completed using Annex I of regulation 2022/1288.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

No major controversies or violations were reported during the period. The Transitional Investment Manager will continue to engage with investee companies to strengthen implementation frameworks, and enhance the practical effectiveness of established grievance mechanisms.



Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did this financial product consider principal adverse impacts on sustainability factors?

The issues addressed by the PAIs were expressly covered by the Former and Transitional Investment Manager's sustainability and responsible investment policies. Social and environmental issues were considered during due diligence phases of the investment process and KPIs were monitored post-acquisition. In 2023, the Transitional Investment Manager worked with investee companies to carry out a more robust greenhouse gas accounting exercise, which led to higher levels of reported activity and spend data across all three Scopes. AEIT's 2023 Annual Report includes its Annual PAI Statement containing information on the mandatory PAI indicators in Table 1 Annex 1 regulation 2022/1288 for the AEIT investments collected using best efforts.

What were the top investments of this financial product?

Largest investments	Sector	%	Country
SolarArise	Energy	63	India
NISPI	Energy	31	Philippines
VSS	Energy	6	Vietnam

Note: Figures are based on AEIT's investment portfolio's NAV as at 31 December 2023.



The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: Jan 1 – December 31 2023.

What was the proportion of sustainability-related investments?

100%

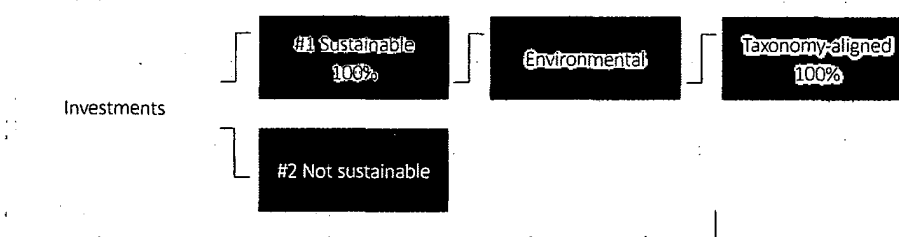
AEIT invests in sustainable energy solutions and infrastructure assets that align with the EU Green Taxonomy environmental objective of climate change mitigation. In 2023, 100% of AEIT investments were used to meet its sustainable investment objective, in accordance with the binding elements of the investment strategy. Due to the unusual circumstances of the Company whereby the Company is undergoing a strategic review that prevents new investments being made, this calculation excludes cash held at the PLC level held in liquid accounts which cannot currently be invested in assets.

Given AEIT held a significant proportion of cash during the period, AEIT decided to also disclose the proportion of sustainability-related investments if investors classify AEIT's cash as 'unsustainable'. This is calculated to be 51.7%⁴⁷.

Should the outcome of the strategic review be a relaunch of the Company, the cash being held in liquid assets will be invested into assets that are expected to meet the sustainable investment criteria as per the Investment Strategy's mandate.



Asset allocation describes the share of investments in specific assets.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

What was the asset allocation?

100% of the sustainable investments were held indirectly through Special Purpose Vehicles and intermediate entities.

In which economic sectors were the investments made?

Energy – Electricity generation using solar photovoltaic technology

⁴⁷ Refer to the APM for detailed calculations.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (Capex) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

100%

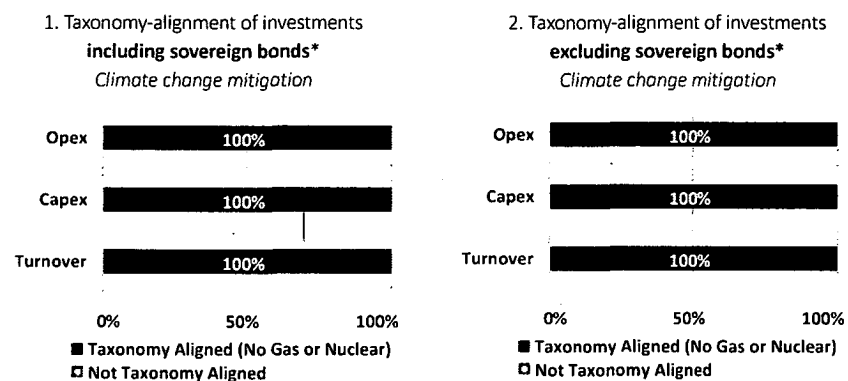
All investments made by AEIT in 2023 were in companies that exclusively generate solar photovoltaic electricity, thereby meeting the substantial contribution criteria of the technical screening criteria of the EU Taxonomy in section 4.1 Annex 1 of regulation 2021/2139 (electricity generation using solar photovoltaic technology). The MWh produced have been reported above and detailed in 2023 AEIT's Annual Report. To ensure no significant harm to biodiversity and ecosystems, environmental screening was conducted for all investments prior to acquisition, reflecting the Former Investment Manager's ESG policies and national law. Physical climate risk and vulnerability assessments were completed for all existing investments in collaboration with a third-party sustainability advisory. This screening and assessments have been reviewed by the Transitional Investment Manager. Investee companies have sought to use durable equipment.

The alignment of existing investments with EU Taxonomy was not subject to an assurance provided by an auditor. Such alignment was substantiated by in-house experts, on the basis of inputs from third-party technical advisors, publicly available information, information provided directly by investee companies, as well as third-party data sources.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy⁴⁸?

- ☐ Yes
- ☐ In fossil gas
- ☐ In nuclear energy
- ☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



Note: AEIT does not make any investments in Fossil gas or Nuclear.

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

⁴⁸ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of investments made in transitional and enabling activities?
0%

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

Not Applicable.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
0%



What was the share of socially sustainable investments?

Not applicable for Article 9 SFDR classification purposes. All AEIT investments aim to have a positive effect on the communities in which they work and support social development. In 2023, AEIT investments directly supported 197 full time equivalent jobs, including four full time salaried employee positions.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

No investments were included under not sustainable.



What actions have been taken to attain the sustainable investment objective during the reference period?

The sustainability objectives achieved are the direct result of implementation of the binding elements of our investment strategy. AEIT invests in a diversified portfolio of sustainable energy infrastructure assets in fast-growing and emerging economies in Asia. The investments meet the AEIT's aim of building a diversified portfolio of assets in the areas of renewable energy generation. The 2023 portfolio consists entirely of solar photovoltaic electricity generation. The Transitional Investment Manager has worked with the investee companies to monitor progress towards attainment of these sustainability objectives using the key performance indicators specified above, which align with SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action). Avoided emissions were calculated using the standards of the International Financial Institutions Joint Standards for GHG Accounting for Grid Connected Renewable Energy Projects. The avoided emissions attributable to the AEIT portfolio on this basis substantially exceeded the Scope 1, 2 and 3 emissions associated with operating these assets as reported in AEIT's Annual PAI Statement which is annexed to its 2023 Annual Report. The sustainability indicators presented in this disclosure and in the Annual Report have been reviewed by the Board.



How did this financial product perform compared to the reference sustainable benchmark?

Not Applicable.

How did the reference benchmark differ from a broad market index?

Not Applicable as AEIT does not use any reference benchmarks.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?

Not Applicable.

How did this financial product perform compared with the reference benchmark?

Not Applicable.

How did this financial product perform compared with the broad market index?

Not Applicable.

Glossary

Adjusted GAV	GAV plus the Company's proportionate share of asset level debt
AIC	The Association of Investment Companies
AIFM	Alternative investment fund manager
AIFM Directive	The EU Alternative Investment Fund Managers Directive (No. 2011/61/EU)
APM	Alternative performance measure
CO ₂ e	Carbon dioxide
Company or AEIT	Asian Energy Impact Trust plc
Continuation Resolution	An ordinary resolution to continue the Company in its present form
DCF	Discounted cash flow
DTR	The FCA's Disclosure Guidance and Transparency Rules
Group	The Company along with all its subsidiaries (as disclosed in note 20)
ESG	Environmental, social and governance
EU	European Union
FCA	Financial Conduct Authority
FCDO	Foreign, Commonwealth and Development Office of the UK Government
Former Investment Manager or ThomasLloyd Group	ThomasLloyd Global Asset Management (Americas) LLC
FRC	Financial Reporting Council
FTE	Full time equivalent
FVTPL	Fair value through the profit or loss
GAV	Gross asset value
GW	Gigawatt
IPO	The Company's initial public offering which completed on 14 December 2021, when its shares were admitted to trading on the London Stock Exchange
INR	Indian Rupee
Investment Manager	The Company's investment manager from time to time (the Former Investment Manager or the Transitional Investment Manager as the context requires)
KPI	Key performance indicator
LSE	London Stock Exchange plc
MW	Megawatt
MWh	Megawatt hour
MWp	Megawatts of electricity generated in the form of direct current at peak capacity
NAV	Net asset value
NISPI	Negros Island Solar Power Inc
OCR	Ongoing charges ratio
O&M	Operations and maintenance
PHP	Philippine Peso
PPA	Power purchase agreement
SASB	Sustainability Accounting Standards Board
SDGs	Sustainable Development Goals
SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector
SolarArise	SolarArise India Projects Private Limited and its subsidiaries
SORP	Statement of Recommended Practice
SPV	Special purpose vehicle
TCFD	Task Force on Climate-related Financial Disclosures

Glossary
Continued

tCO ₂ e	The number of metric tonnes of CO ₂ emissions with the same global warming potential as one metric ton of another greenhouse gas
Temporary share suspension	The temporary suspension of the listing of, and trading in, the Company's shares, at the request of the Company due to a material uncertainty regarding the fair value of its assets and liabilities, with effect from 25 April 2023 and which was lifted on 6 March 2024
Transitional Investment Manager or OEEN	Octopus Renewables Limited (trading as Octopus Energy Generation)
VND	Vietnamese Dong
VSS	Viet Solar System Company Limited and its subsidiaries
WESM	Wholesale electricity spot market

Company Information

Registered Office

The Scalpel, 18th Floor
52 Lime Street
London, EC3M 7AF
United Kingdom
Registered number: 13605841
LEI: 254900V23329ICBR9G82
Website: <https://www.asianenergyimpact.com/>

Former Investment Manager *(until 31/10/2023)*

ThomasLloyd Global Asset Management (Americas) LLC
427 Bedford Road
Pleasantville
New York 10570
United States of America

Transitional Investment Manager *(from 1/11/2023)*

Octopus Renewables Limited (trading as Octopus Energy Generation)
UK House 5th Floor
164-182 Oxford Street
London, W1D 1NN
United Kingdom

Administrator and Company Secretary

JTC UK Limited
The Scalpel, 18th Floor
52 Lime Street
London, EC3M 7AF
United Kingdom

Independent Valuation Expert

PricewaterhouseCoopers LLP
7 More London Riverside,
London, SE1 2RT
United Kingdom

Sponsor and Joint Corporate Broker

Shore Capital and Corporate Limited
Cassini House
57-58 St. James's Street
London, SW1A 1LD
United Kingdom

Legal Advisor

Stephenson Harwood LLP
1 Finsbury Circus
London, EC2M 7SH
United Kingdom

Directors

Sue Inglis (Chair)
Kirstine Damkjær (resigned on 30 April 2024)
Mukesh Rajani
Clifford Tompsett
(All non-executive and independent)

AIFM

Adepa Asset Management S.A.
R.C. B0114721
6A, Rue Gabriel Lippmann
L-5365 Schuttrange-Munsbach
Grand Duchy of Luxembourg

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol, BS13 8AE
United Kingdom

Independent Auditor

Deloitte LLP
1 New Street Square
London, EC4A 3HQ
United Kingdom

Depository

INDOS Financial Limited
54 Fenchurch Street
London, EC3M 3JY
United Kingdom

Joint Corporate Broker

Peel Hunt LLP
100 Liverpool Street,
London, EC2M 2AT
United Kingdom

Asian Energy Impact Trust

**The Scalpel, 18th Floor
52 Lime Street
London
EC3M 7AF**



www.asianenergyimpact.com