



FGEN

Foresight Environmental Infrastructure Limited

Annual Report 2026

Contents

Overview

- About FGEN
- Our track record
- Performance highlights
- Chair’s statement
- Our investment proposition

Strategic report

- A resilient business model
- Consistently delivering on our strategic priorities
- Our top 10 assets by portfolio value
- Key performance indicators
- Markets and opportunities
- The Investment Manager
- The Investment Manager’s report
 - The year in review
 - Capital Markets Day and strategic outlook
 - Our portfolio at a glance
 - Investment portfolio and valuation
 - Operational review
- Risks and risk management
- Stakeholder engagement
- Investment policy
- Sustainability and ESG
- Financial review

Governance

- 1 Chair’s introduction 82
- 2 Board of Directors 83
- 3 Governance at a glance 85
- 4 Board leadership and Company purpose 87
- 6 Relations with shareholders 90
- Division of responsibilities 91
- Nomination Committee report 93
- 8 Audit Committee report 96
- 9 Risk Committee report 99
- Directors’ remuneration report 101
- Report of the Directors 103
- Statement of Directors’ responsibilities 107

Financial statements

- 19 Independent auditor’s report 109
- 22 Income statement 114
- 23 Statement of financial position 115
- 25 Statement of changes in equity 116
- 26 Cash flow statement 117
- 30 Notes to the financial statements 118

Additional information

- 47 Unaudited supporting information: Sustainability and ESG 140
- 61 Alternative performance measures (“APMs”) 161
- 63 Glossary of key terms 163
- 77 Company summary 165
- Directors and advisers 166
- Cautionary statement inside back cover



View our annual results highlights here
[fgen.com](https://www.fgen.com)

Front cover: Grange Farm AD site, CNG Fuels refuelling station and Amber solar farm



Bilsthorpe wind farm

About FGEN

Foresight Environmental Infrastructure Limited (“FGEN” or the “Company”) is an investment company, investing in a diversified portfolio of private infrastructure assets that deliver stable returns, long-term predictable income and opportunities for growth whilst supporting the drive towards decarbonisation and sustainable resource management.

The Company’s portfolio includes 39 assets located across the UK and mainland Europe. FGEN is a Guernsey-registered company with a premium listing on the London Stock Exchange and is a proud constituent of the FTSE 250 index.

Our mission statement

At FGEN, we believe that investors shouldn’t have to choose between earning attractive returns and delivering a real-world positive environmental impact.

FGEN invests into private environmental infrastructure to deliver stable returns, long-term predictable income and opportunities for capital growth. Our strategy spans renewable energy generation, such as wind farms, solar parks and anaerobic digestion (“AD”) plants, other energy infrastructure, such as energy storage, cleaner transportation and heat, and sustainable resource management initiatives across the waste and wastewater sectors. This diversified approach enables us to construct a balanced portfolio that is significantly de-risked from weather variability while supporting the provision of essential infrastructure services.

At the same time, we aim to deliver the core financial characteristics associated with traditional infrastructure investments: long-term, stable cash flows, secure and contracted revenues, and inflation-linked returns.

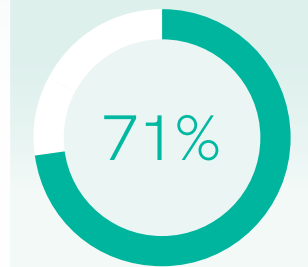
We pursue this diversified strategy to actively participate in the transition to a low-carbon and more resource-efficient economy, which we continue to view as one of the most compelling long-term investment opportunities. Our focus remains on established and resilient sectors underpinned by structural drivers, including decarbonisation, energy security and increasing societal demand for sustainability. Our flexible mandate also allows us to expand into adjacent areas of environmental infrastructure as technologies and markets mature, enabling us to capture a broader range of income and growth opportunities over time.

We invest across three key pillars of environmental infrastructure:

Renewable energy generation

The bedrock of FGEN’s portfolio, which includes wind, solar, anaerobic digestion, biomass, energy-from-waste and hydro. With an established income generation profile, these assets provide diversification across different forms of resource and deliver attractive risk-adjusted returns.

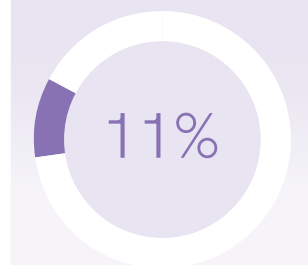
Share of portfolio value



Other energy infrastructure

Non-energy-generating assets that support the transition towards net zero, driven by increased demand for electrification and supported by legislation. This segment includes our battery storage units and low-carbon transport.

Share of portfolio value



Sustainable resource management

Sustainable resource management means applying sustainable practices to ensure that resources benefit both current and future generations. This includes areas such as waste and wastewater treatment, as well as sustainability enhanced agriculture and aquaculture activities.

Share of portfolio value



Our track record

FGEN has a long-term track record of delivering stable, progressive dividends with sustainable dividend coverage, providing investors with an opportunity to invest in a high-quality stock.

Weighted average discount rate and gearing

FGEN has one of the highest weighted average discount rates ("WADR") with one of the lowest gearing rates as compared to its peer group:

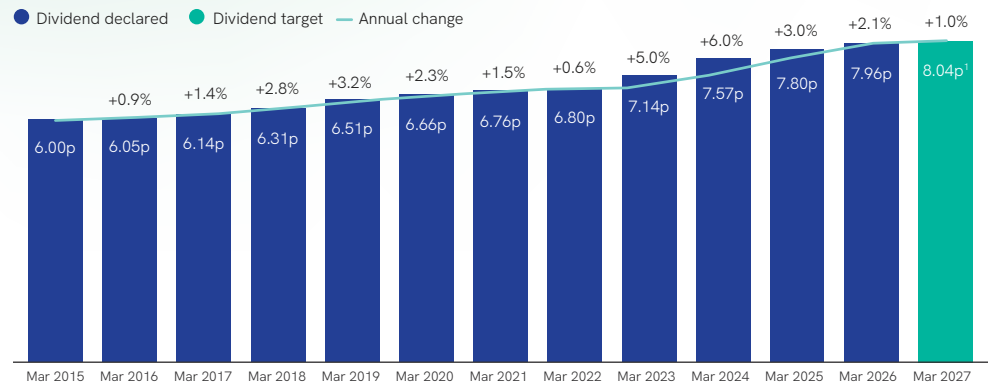


Gearing is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 161 and 162.



Dividend progression

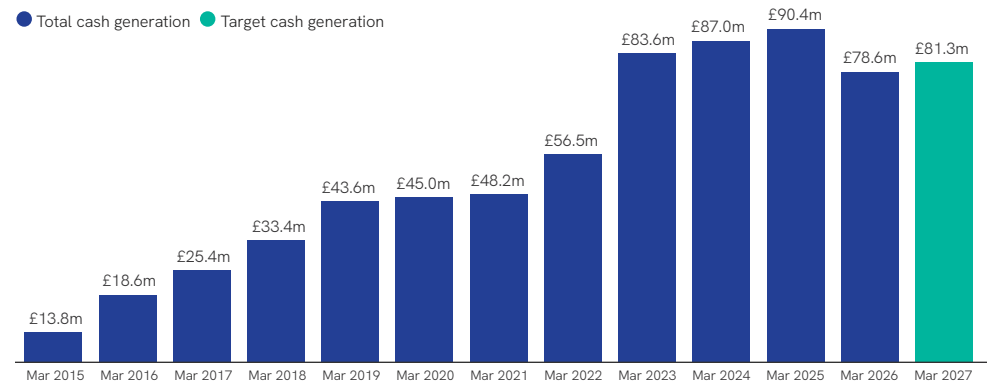
FGEN has consistently grown its dividend since IPO in 2014, reflecting a clear commitment to delivering long-term income for shareholders.



1. This is a target only; there can be no guarantee this target will be met.

Strong cash generation from investments

The portfolio's robust cash generation powers sustainable dividend growth and underscores the resilience of our investment strategy.



Performance highlights

Our results summary for the year ended 31 March 2026.

105.2p

NAV per share¹

FY25: 106.5p

£655.5m

Net Asset Value ("NAV")

FY25: £678.7m

1,338GWh⁴

Renewable energy generated

FY25: 1,272GWh

8.04p (+1%)

2027 dividend target³

FY26: 7.96p (+2.1%)

1.25x

Dividend cover^{1,2}

FY25: 1.32x

223,140 tCO₂e⁵

GHG emissions avoided

FY25: 193,663 tCO₂e

7.2%

Annualised NAV total return¹

FY25: 7.3%

£759.1m

Portfolio value

FY25: £765.7m

653,464

Tonnes of waste diverted from landfill

FY25: 703,470 tonnes

28.8%

Gearing

FY25: 28.7%

39 assets

Diversified portfolio

FY25: 40 assets

£614,491

Contributed to community funds

FY25: £587,440

Resilient earnings and NAV:

- Positive NAV total return for the year of 6.2%
- 12th consecutive dividend increase since IPO
- FY27 dividend target represents a yield of 9.8%⁶

Portfolio diversification underpinning resilience:

- Strong cash generation from underlying assets
- Healthy dividend cover of 1.25x post project debt amortisation
- Diversification strategy actively reduces exposure to market, regulatory and weather volatility

Continued operational excellence:

- Several value-accretive portfolio follow-on investments with a combined IRR in the mid-teens
- Low gearing maintained at 28.8%
- Robust performance across the operational portfolio
- Continued ramp-up progress across the growth assets

1. Annualised NAV total return, Net Asset Value per share and dividend cover are alternative performance measures ("APMs"). The APMs within the Annual Report are defined on pages 161 and 162.

2. On a paid basis.

3. This is a target only; there can be no guarantee this target will be met.

4. When FGEN's ownership percentage is taken into account, generation was 1,019,140MWh.

5. When FGEN's ownership percentage is taken into account, avoided emissions were 187,395 tCO₂e.

6. Based on closing share price at the time of publication, 17 June 2026.

Chair's statement



Ed Warner
Chair

“Our portfolio is designed to deliver stable and predictable income while creating the conditions for long-term capital growth in a self-sustaining model without relying on equity fundraising.”



Grange Farm Energy AD

Overview

The past year has been one of purposeful progress for FGEN. Following the Board's thorough strategic review last year, we set a clear course for the Company, emphasising proactive management of our existing assets, an investment strategy that prioritises a core portfolio of environmental infrastructure, and continuation of our progressive dividend alongside delivery of capital growth. I enjoyed meeting shareholders at our recent Capital Markets Day, where our Investment Manager outlined how the portfolio is designed to deliver stable and predictable income while also creating the conditions for long-term capital growth and a self-sustaining model without relying on equity fundraising. This strategy is being executed with growing momentum, and I am pleased with the progress made across the portfolio during the period.

Performance summary

Against this strategic backdrop, FGEN's performance continues to demonstrate both the resilience and relevance of our approach and the industries we back. The highly cash-generative portfolio continued to deliver robust performance with dividends of 7.96 pence per share declared during the period with healthy dividend cover of 1.25x.

This, alongside our low gearing level, places us very favourably among our peer group. The portfolio delivered a total NAV return of 6.2% over the year, with a modest decline in NAV per share from 106.5 pence to 105.2 pence more than offset by the dividend.

This strong performance continues to set us apart, particularly through its breadth and diversification. Our exposure across the three pillars of environmental infrastructure – renewable generation, other energy infrastructure and sustainable resource management – distinguishes the Company within a sector often concentrated in wind, solar and batteries. Our exposure to sectors such as anaerobic digestion and clean transport is delivering attractive risk-adjusted returns and diversification.

This diversity is deliberate. Our pillars are not simply thematic labels, but the foundation of a portfolio designed to reduce exposure to any single risk factor – whether power prices, weather resource, subsidy regimes, feedstock availability or end-market concentration. In today's increasingly complex and uncertain macroeconomic, geopolitical and regulatory environment, that flexibility is more valuable than ever.

Overall, our environmental infrastructure portfolio delivered a solid underlying operating performance, with renewable energy generation broadly in line with budgets.

A defining feature of the investment strategy is the inclusion of growth assets alongside the core income portfolio. FGEN's growth assets – CNG Fuels, the Glasshouse and Rjukan – together represent c.18% of the portfolio and each has passed significant operational milestones this year, demonstrating tangible progress in their ramp-up phase. CNG Fuels continues to scale its renewable biomethane platform; Rjukan is now producing and harvesting trout; and the Glasshouse is increasing commercial activity having successfully supplied eight of the 10 largest UK clinics.

These developments highlight strong execution and underpin the potential for future value creation. They also demonstrate how FGEN's investment trust structure allows for the provision of predictable, long-term capital to our portfolio, while also enabling shareholders to access liquidity through the buying and selling of shares in the market.

Governance and Board matters

Notwithstanding the above, conditions across the investment trust sector remain challenging, and the Board is not complacent about the persistent discount to NAV. FGEN completed a £30 million buyback programme in September 2025 and the fee structure changes introduced in October 2025, directly linking the Investment Manager's remuneration to progress on narrowing the discount, have strengthened alignment with shareholders. As stated at our recent Capital Markets Day, our shared objective is clear: to deliver an 8 to 10% NAV total return per annum, achieved organically and without reliance on equity fundraising.

Throughout the course of the year, the Board met with many shareholders to discuss the refocused strategy and plans to deliver returns in the years ahead. We trust that these ongoing engagements will give investors the confidence to support FGEN's continuation vote at the AGM in September 2026.

FGEN's AGM on 17 September 2026 will mark the end of my tenure as Chair of the Board, and I will step down at that time. I will hand over to Stephanie Coxon, currently Senior Independent Director and Chair of the Audit Committee, who will succeed me as Chair at that point. As part of this transition, Stephanie will step down from her role as Audit Committee Chair, and we have begun a search process to identify her replacement. Alan Bates will assume the role of Senior Independent Director while continuing as Chair of the Risk Committee.

Stephanie's deep knowledge of the Company and the sector will be invaluable, as well as providing continuity as FGEN continues to execute its long-term strategy. She is a highly experienced FTSE 250 non-executive Director, with over twenty years' experience spanning listed companies, investment companies, private equity, infrastructure and real estate. She also previously led PwC's investment trust capital markets team across the UK and Channel Islands for seven years, bringing deep sector expertise to the role.

It has been a privilege to serve FGEN and its shareholders since 2022. I have every confidence in the Board's ability to continue delivering a strategy in which we share deep conviction, and I look forward to following the Company's success as a shareholder in the years ahead.

Outlook

Looking ahead, the Board and the Investment Manager believe that the structural tailwinds underpinning FGEN's strategy remain strong and enduring. The energy transition continues to gather pace, anchored by economic, societal and political drivers and strongly reinforced by recent geopolitical events that highlight the importance of energy security, amplifying demand for energy systems that are both resilient and low carbon.

The scale of investment required in environmental infrastructure is substantial, representing one of the most significant opportunities of our time. Against this backdrop, FGEN's broad mandate provides investors with access to this long-term megatrend, while enabling the Company to capitalise on opportunities with flexibility and discipline as the UK and wider European markets transition to cleaner, more secure and more affordable energy systems.

On behalf of the Board, I would like to thank our shareholders for their continued support; our Investment Manager for their dedication to executing the strategy; and the management teams of our portfolio companies for the operational progress delivered during the year.



Ed Warner
Chair

17 June 2026



Our investment proposition

Why invest in FGEN?



01.
Highly diversified portfolio of environmental infrastructure assets

39
assets across 10 technology sectors

02.
Delivering stable and predictable income with 12 years of uninterrupted dividend growth

7.96p
dividend target met for FY26

03.
Investment strategy supported by long-term megatrends

€660bn
annual investment requirement into European energy transition¹

04.
Active portfolio management approach and deep origination capabilities

185+
infrastructure professionals across investment and asset management

05.
Highly contracted income and low merchant exposure

51%
of revenues are inflation-linked

06.
High-quality, well-resourced and aligned Investment Manager

450+
Real Assets under management

1. Source: https://energy.ec.europa.eu/topics/funding-and-financing/clean-energy-investment_en.

Strategic report

In this section

A resilient business model	8	- Our portfolio at a glance	26
Consistently delivering on our strategic priorities	9	- Investment portfolio and valuation	30
Our top 10 assets by portfolio value	12	- Operational review	39
Key performance indicators	13	Risks and risk management	47
Markets and opportunities	15	Stakeholder engagement	55
The Investment Manager	19	Investment policy	61
The Investment Manager's report	22	Sustainability and ESG	63
- The year in review	23	Financial review	77
- Capital Markets Day and strategic outlook	25		




A resilient business model

Our objectives

Financial objectives

-  Long-term predictable income growth for shareholders
-  Diversification across sectors and geographies for a more robust, risk-adjusted return
-  Potential for capital growth

ESG objectives

-  Promote the efficient use of resources
-  Develop positive relationships with the communities in which FGEN operates
-  Ensure effective and ethical governance across the portfolio

[read more on page 67](#)

How we deliver on our objectives



01. Acquire

- Effective use of Foresight’s network to originate investment opportunities
- Screened to meet FGEN’s environmental infrastructure mandate
- Comprehensive due diligence processes to assess risks, valuation assumptions and ESG considerations
- Multi-level investment approvals



02. Develop, construct, maintain

- Active asset management through various stages of maturity
- Strong focus on risk identification and mitigation
- Seek partnerships with experienced partners to secure future pipeline opportunities
- Third-party service providers monitor and manage day-to-day performance to meet ESG objectives



04. Hold/exit

- Cash yield supports dividend target
- Seek to deliver capital appreciation in the medium term through the disposal of growth assets once fully ramped up



03. Enhance

- Improve operational and financial performance
- Identify value enhancement opportunities
- Ongoing cost management and efficiency improvement
- ESG KPIs are used to monitor progress and enhance performance

Outcomes for shareholders

7.2%
annualised NAV total return since IPO

7.96p
dividend target for 2026 comfortably met

12th
successive year of dividend growth

9.8%
dividend yield¹

Underpinned by

[Risk management](#)

read more about risk management on pages 47 to 54

[Strong governance](#)

read more about governance on pages 81 to 107

[Financial management](#)

read more about financial management on pages 109 to 139

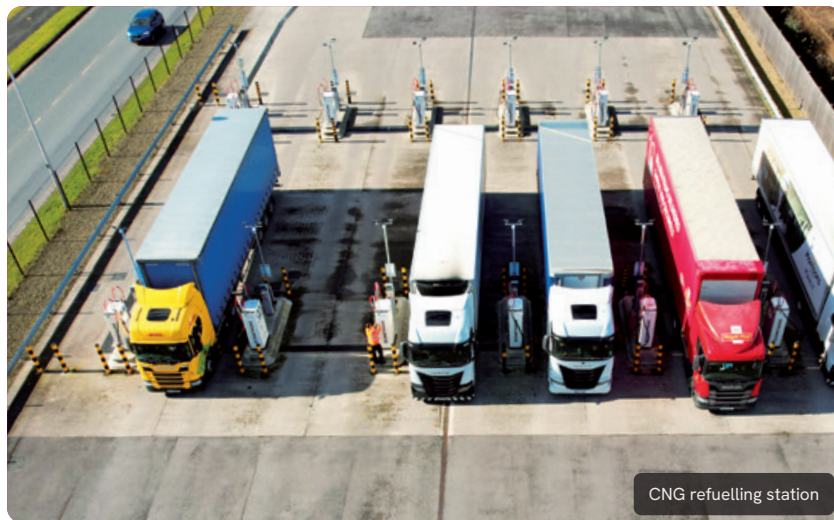
1. Based on the closing share price at the time of publication, 17 June 2026.

Consistently delivering on our strategic priorities

“In June 2025, following a thorough and disciplined strategic review, the Board set a clear course for the Company. We committed to more proactive portfolio management and to a refocused investment strategy centred firmly on environmental infrastructure.”

This approach encompasses both stable, income-generating assets and the delivery of capital growth through our growth assets. Alongside this, we reaffirmed our long-standing commitment to a progressive dividend, fully covered by portfolio cash flows. The strategy is now being executed, and we believe it has strong and growing momentum.

Ed Warner
Chair



1. This is a target only; there can be no guarantee this target will be met.

Strategic priorities

Continuation of the progressive dividend

- Maintain the Company’s progressive dividend policy, with 2027 dividend target increased by 1% to 8.04 pence per share¹, supported by resilient cash generation from the diversified operational portfolio.
- Dividend cover expected to remain comfortable, underpinned by core environmental infrastructure revenues and disciplined portfolio management.
- Preserve the income-led proposition while pursuing growth from within the existing portfolio, without reliance on new equity issuance.

Proactive management of existing portfolio

- Maintain high-performing operational assets through active management of availability, production, costs, contracts and risk.
- Continue value enhancement initiatives across the existing portfolio, supported by Foresight’s operational, commercial and technical capabilities.
- Progress operational and revenue ramp-up across CNG Fuels, Rjukan and the Glasshouse to support medium-term value creation.
- Maintain prudent balance sheet discipline, with capital allocation decisions assessed against debt reduction, reinvestment and shareholder returns.

Delivering long-term organic NAV growth

- Deliver organic NAV growth through operational performance, disciplined reinvestment and potential realisations from maturing growth assets.
- Use capital recycling to renew the portfolio, targeting core environmental infrastructure opportunities offering income, growth and attractive risk-adjusted returns.
- Maintain strategic flexibility over the timing and scale of disposals, based on value, buyer appetite and portfolio needs.
- Build a self-sustaining model capable of delivering income and NAV growth without reliance on equity fundraising.

Our strategic priorities in action

Case study

The role of biomethane in the UK

Biomethane is playing an increasingly important role in the UK's transition to a low-carbon energy system. As a direct substitute for fossil natural gas, it can be injected into the existing gas grid and used across heating, industry, transport and flexible power generation, without requiring significant new infrastructure. This compatibility makes it one of the most scalable and system-ready decarbonisation solutions available today.

Sector	Renewable energy generation – anaerobic digestion
Current feedstock	Food waste, agricultural crops, agricultural residues, manure
Accreditation	RHI, FIT
Basis of FGEN valuation	Discounted cash flow (“DCF”)
31 March 2026 valuation	£166m / 21% of FGEN's portfolio
Life extension NAV uplift	+£8.7m / +1.4p NAV

Industry analysis continues to reinforce biomethane's strategic relevance. Market studies continue to highlight its critical role in decarbonising “hard-to-electrify” sectors, including heavy transport, industrial heat and dispatchable generation. Independent research commissioned from a leading independent biomethane consultancy indicates that, even under conservative regulatory scenarios, future demand for biomethane remains resilient, driven by legislated decarbonisation targets and fuel mandates.

In particular, transport – both road and maritime – is expected to become a key source of long-term demand, alongside continued use in buildings and industry. Importantly, this demand outlook is driven by compliance markets, rather than voluntary corporate purchasing, providing a more robust and predictable foundation for long-term valuation.

Beyond energy generation, anaerobic digestion (“AD”) assets deliver additional environmental benefits, including waste management, recycling of organic materials and production of nutrient-rich fertiliser. Increasingly, they are also being positioned as platforms for future revenue streams, such as biogenic CO₂ capture, further enhancing their importance within the UK's broader circular economy.

Extending the lives of assets beyond the RHI

During the year, the Investment Manager has continued to progress a portfolio-wide initiative to extend the operational lives of its biomethane assets beyond the expiry of Renewable Heat Incentive (“RHI”) and Feed-in Tariff (“FIT”) support. Historically, UK AD plants were often valued only to the end of these subsidy periods. Now, there is growing consensus that this is an overly conservative approach that does not reflect the intrinsic value of these assets as long-term infrastructure.

Foresight's strategy is based on reassessing each asset's ability to operate economically after subsidy expiry, taking into account feedstock security, asset integrity and the evolving market for low-carbon gas.

This reflects a broader shift across the sector – from viewing AD as subsidised energy generation to being recognised as self-sustainable enduring infrastructure, capable of generating diversified revenue streams.

A combination of commercial modelling, independent market analysis and detailed technical due diligence underpins this approach. Across the portfolio, FGEN has undertaken engineering reviews to identify the capital investment required for long-term operation, including major equipment refurbishment, replacement cycles and optimisation of plant performance. This ensures that life extension assumptions are supported by realistic and deliverable capital plans rather than passive run-off scenarios.



Delivering long-term value

The outcome of this work has been a more resilient and forward-looking valuation framework for the portfolio. By incorporating credible post-subsidy cash flows supported by biomethane demand projections, phase one of the initiative has resulted in the recognition of approximately £8.7 million of incremental value across seven of the Company's 11 AD investments – equivalent to 1.4 pence per share on NAV – being the assets with the most compelling extension potential.

We believe that these assumptions remain prudent. Valuations are based on regulated market drivers and exclude higher voluntary green premiums that may emerge over time, ensuring that recognised value is grounded in observable policy frameworks.

Looking ahead, FGEN continues to explore additional opportunities to enhance asset value and extend lives across the remaining AD assets, including the integration of biogenic CO₂ capture and participation in emerging carbon markets. These initiatives have the potential to further diversify revenues and strengthen the role of biomethane as critical decarbonisation infrastructure.

A long-term infrastructure perspective

FGEN's work over the past year demonstrates the evolving investment case for biomethane. Rather than approaching subsidy expiry as an endpoint, the Company is actively positioning its assets for continued operation and value creation over the long term.

By combining disciplined technical planning with robust market analysis, FGEN has reinforced its strategy of owning and operating essential infrastructure that supports the UK's net-zero ambitions – while delivering sustainable, inflation-linked returns for shareholders.

Anaerobic Digestion explained. Inside a typical food waste facility

1 Food waste enters site

Food waste arrives by truck at the waste reception area.

2 Food waste separated

Solid waste is chopped up. All plastics and packaging is removed by screens and liquid is added to turn it into a slurry. Liquid waste goes straight into the buffer tank.

3 The buffer tank

The liquefied waste is stored here while the initial AD process of hydrolysis takes place.

4 Pasteurisation

The waste flows into pasteurisation tanks and is heated to 70°C for an hour to kill any bugs, using spare heat from the generators.



5 Digestion

Two digesters can hold up to 4,500m³ of feedstock each. Pasteurised feedstock enters the tank with gas being blown through to keep the process flowing. In here billions of bacteria convert the calorific fraction of the feedstock into methane.

6 Power/gas generation

Methane can either be used to fuel combined heat and power ("CHP") engines to generate electricity, or purified into biomethane and injected into the gas grid.


A Heat capture

CHP units can produce surplus heat which is not used for heating the digesters.

B Back to the land


The digested feedstock, which is an inert and odourless slurry, is stored in large lagoons and is the perfect fertiliser for farm crops. It is rich in a whole range of nutrients, particularly nitrogen.

Our top 10 assets by portfolio value




1

Cramlington
Sector: Renewable energy generation – Biomass
Location: UK
% of portfolio: 9%




2

Rjukan
Sector: Sustainable resource management – Controlled environment
Location: Norway
% of portfolio: 7%



3

CNG Fuels
Sector: Other energy infrastructure – CNG
Location: UK
% of portfolio: 7%




4

Vulcan
Sector: Renewable energy generation – AD
Location: UK
% of portfolio: 6%



5

The Glasshouse
Sector: Sustainable resource management – Controlled environment
Location: UK
% of portfolio: 5%



6

Amber
Sector: Renewable energy generation – Solar
Location: UK
% of portfolio: 5%




7

Llynfi
Sector: Renewable energy generation – Wind
Location: UK
% of portfolio: 5%



8

ELWA
Sector: Sustainable resource management – Waste management
Location: UK
% of portfolio: 5%



9

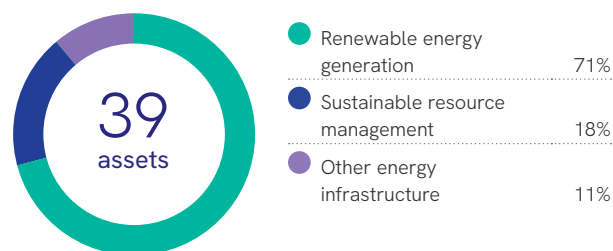
Dungavel
Sector: Renewable energy generation – Wind
Location: UK
% of portfolio: 4%



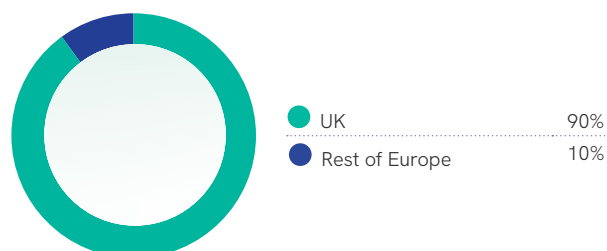
10

Bio Collectors
Sector: Renewable energy generation – Waste AD
Location: UK
% of portfolio: 4%

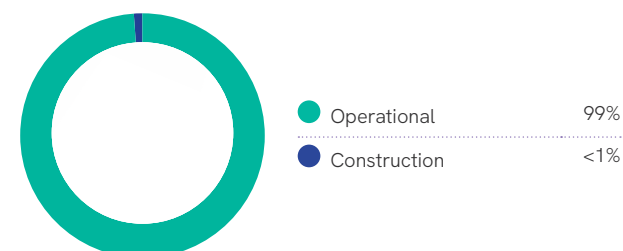
Sector split¹ Split by portfolio value



Split by geography



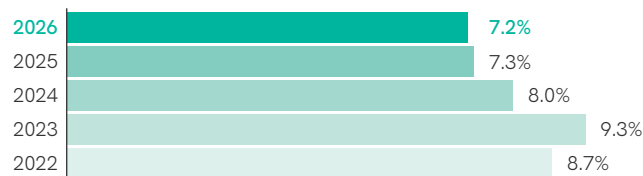
Split by operational status



1. See pages 26 to 29 for further information on our underlying technologies.

Key performance indicators

NAV total return (annualised) 7.2%



Definition and rationale

Measure of financial performance of the Company since IPO on an annualised basis and after taking into account dividends paid to shareholders and net of management fees, operating expenses and finance costs.

Link to Fund objectives:  

KPI performance

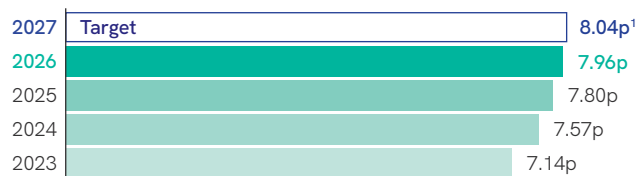
- Annualised NAV total return since IPO of 7.2%. The portfolio continues to show good levels of resilience, with the dividend target being comfortably met for the year and underlying assets performing well.

Objectives for 2027

- Continue to apply a disciplined approach to capital allocation that includes selective follow-on investment into value-accretive portfolio opportunities.

1. This is a target only; there can be no guarantee this target will be met. Past performance is not indicative of future performance and is not guaranteed.

Dividend 7.96p



Definition and rationale

Aggregate dividends declared per share in respect of the financial year, with provision of income to shareholders being a key element of the Company's business plan.

Link to Fund objectives: 

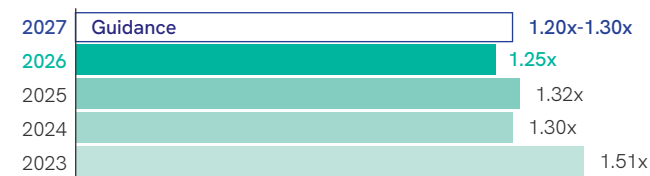
KPI performance

- 7.96 pence dividend declared for the year, in line with the stated target, and comfortably covered by cash received from the portfolio.

Objectives for 2027

- Target dividend for the next financial year of 8.04 pence, up 1% from 2026.

Dividend cover 1.25x



Definition and rationale

Operational cash flow divided by dividends paid to shareholders during the year, being a key measure of performance of underlying investments from year to year.

Link to Fund objectives: 

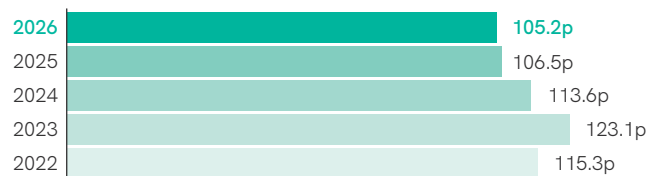
KPI performance

- 1.25x dividend cover for the year, in line with expectations.

Objectives for 2027

- Continue to deliver income from underlying investments in order to maintain a well-covered dividend for the financial year.

NAV per share 105.2p



Definition and rationale

Reflects the net assets of the portfolio divided by the closing number of shares in issuance at the reporting date, enabling investors to gauge whether shares are trading at a premium or a discount by comparing the Net Asset Value per share with the share price.

Link to Fund objectives:   

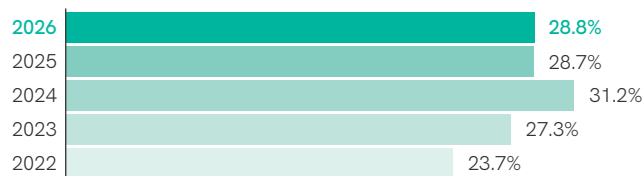
KPI performance

- NAV of £655.5 million, down from £678.7 million at 31 March 2025, following dividend, new investment, disposals and share buybacks.
- NAV per share of 105.2 pence, down 1.2% compared to 31 March 2025.
- 6.2% NAV total return for the 12 months ended 31 March 2026.

Objectives for 2027

- Continue to progress portfolio value-enhancement initiatives and ramp up the growth assets to drive NAV growth.

Gearing 28.8%



Definition and rationale

An illustration of the Company's exposure to project and Fund-level debt as a proportion of overall Gross Asset Value, allowing investors to ascertain financial risk in the Group's balance sheet.

Link to Fund objectives: 

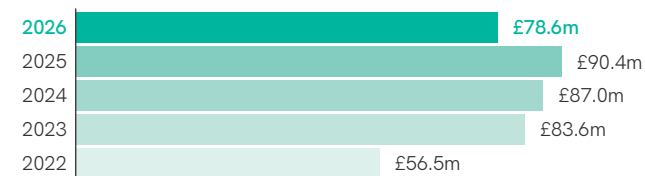
KPI performance

- Managing floating rate debt remains a key priority for the Company and low gearing has been maintained – supported by strong cash generation.

Objectives for 2027

- The Company will continue to carefully manage its debt facilities in a prudent manner and to balance opportunities to further reduce floating rate debt against other capital allocation priorities.

Cash yields £78.6m



Definition and rationale

A key measure of performance from the underlying portfolio.

Link to Fund objectives:  


KPI performance


- Solid cash generation from investments, comfortably covering the dividend and funding repayment of floating rate debt.
- Cash yields lower than previous year due to high power price fixes rolling off but in line with opening annual budget.


Objectives for 2027

- To continue to distribute available cash from underlying projects in line with financial budgets set at the start of the year, in support of the Company's capital allocation objectives.

Past performance is not indicative of future performance and is not guaranteed.

Key to Fund objectives  Long-term predictable income growth for shareholders

 Diversification across sectors and geographies for a more robust, risk-adjusted return

 Potential for capital growth

Markets and opportunities

Overview

Environmental infrastructure remains one of the most significant investment opportunities of this era. The market continues to expand across renewable energy generation, other energy infrastructure and sustainable resource management, supported by the need to decarbonise power, heat, transport, industry and resource use. The period since March 2025 has reinforced both the scale of this opportunity and the importance of regulatory stability, as governments seek to accelerate decarbonisation while managing affordability, energy security and industrial competitiveness.

In the UK, the Clean Power 2030 Action Plan has provided a clearer pathway for the power sector, with significant further investment required in renewables, storage, flexibility and networks. The UK’s decision to retain a national wholesale electricity market, under the Reformed National Pricing programme, has also removed a material uncertainty for investors, although further reforms to network charging, balancing, constraints management and locational signals remain important, as does the proposal for wholesale CfDs for existing low-carbon generators.

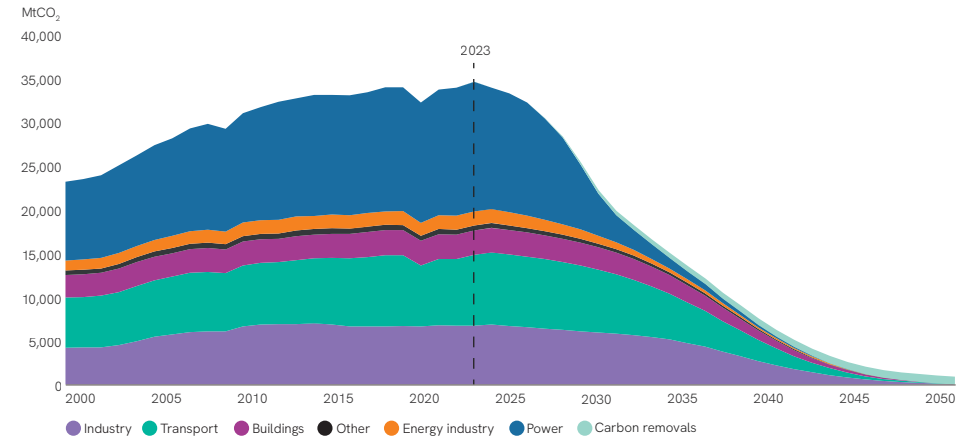
At the same time, the UK Government’s decision to switch Renewables Obligation indexation from RPI to CPI from April 2026 highlights that regulation can create headwinds as well as tailwinds. While the more punitive freeze option was not pursued, the change has increased investor focus on regulatory risk and the durability of contracted and subsidy-backed revenues.

FGEN’s diversified mandate is therefore particularly relevant in the current environment, providing exposure across multiple technologies, revenue frameworks and end markets rather than relying solely on renewable power generation.

In Europe, the adoption of a legally binding 2040 climate target of a 90% net reduction in greenhouse gas emissions compared with 1990 levels provides an important long-term signal for investment across clean energy, industrial decarbonisation, carbon removals and resource efficiency. Alongside this, regulation such as the EU Packaging and Packaging Waste Regulation and continued support for biomethane under REPowerEU demonstrate the breadth of the opportunity beyond electricity generation alone.

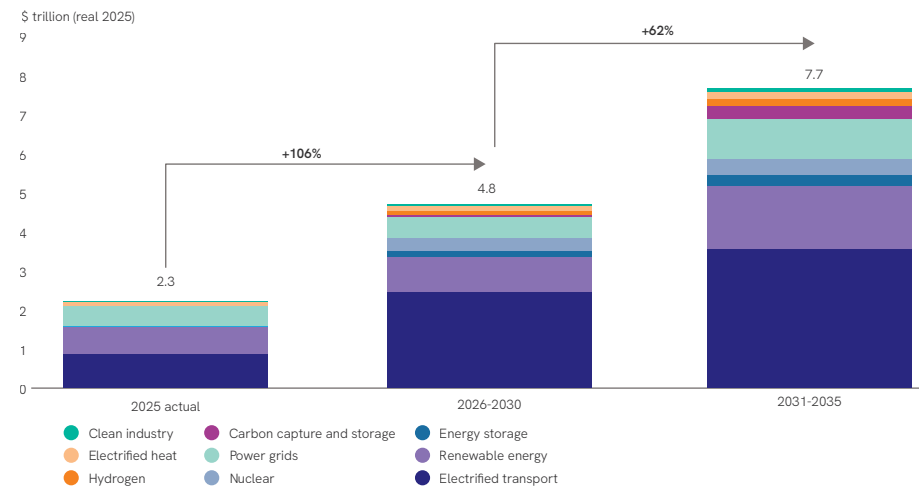
FGEN’s objective is to participate in this opportunity through three distinct but complementary pillars: renewable energy generation, other energy infrastructure and sustainable resource management. These are not simply thematic labels; they create a portfolio that is less exposed to any single risk factor, whether power prices, weather resource, subsidy regimes, feedstock availability or a particular customer market.

Projected carbon intensities



Source: BNEF 2024.

Global energy transition investment by sector



Source: BNEF 2026.

Renewable energy generation

Renewable energy generation remains the bedrock of FGEN's portfolio, diversified across wind, solar, anaerobic digestion, biomass, energy-from-waste and hydro, and generates revenues across a range of regulatory frameworks without an overweight reliance on any one sector or subsidy regime. These assets provide exposure to established infrastructure technologies with attractive income characteristics, including long-term cash flows, inflation linkage and stable production profiles.

Wind and solar remain central to UK and European decarbonisation plans. The UK's Clean Power 2030 pathway requires a significant acceleration in low-carbon generation, while European markets continue to support renewable deployment through auctions, national plans and broader climate commitments. However, this has also reemphasised that renewable deployment is increasingly constrained not by technology readiness, but by grid capacity, connection queues and the speed of network reinforcement.

Grid bottlenecks remain one of the most important barriers to the ongoing buildout of renewables. UK connections reform is intended to move away from a first-come, first-served queue towards a system that prioritises projects that are ready and strategically aligned, while National Grid's Great Grid Upgrade and related transmission investment programmes are critical for the major reinforcement required to move clean electricity from areas of high generation to centres of demand.

The UK policy environment for renewable generation has continued to evolve, notably proposals for a new voluntary Wholesale Contract for Difference for existing wind and solar assets, including legacy Renewables Obligation assets. While subject to consultation, the proposal could exchange the wholesale revenue component for a fixed strike price, potentially decoupling a material proportion of legacy wind and solar generation from wholesale price volatility and extending the visibility of inflation-linked or CfD-style cash flows for operational assets.

Alongside wind and solar, the role of biomethane is increasingly being recognised. Biomethane can directly displace fossil methane in existing gas infrastructure and can contribute to the decarbonisation of heat, transport, industry and agriculture. It also provides wider system benefits through the treatment of organic waste, production of digestate and potential integration with carbon capture to deliver greenhouse gas removals.

This is highly relevant to FGEN's anaerobic digestion portfolio. AD has been a successful part of the Company's evolution, bringing baseload generation and diversification away from intermittent weather-driven assets. As regulatory frameworks for biomethane production, green gas certificates, transport fuels and carbon removals develop further, the Company's existing AD expertise and asset base remain well positioned.

Asset classes

- Wind • Solar • Hydro • Biomass • Anaerobic digestion
- Geothermal • Energy-from-waste

“The EU power sector is expected to generate 70% of its electricity from renewables by 2030, and nearly 90% by 2050. However, this profound transformation faces critical challenges, notably the need for substantial power sector capacity and infrastructure investment – cumulatively amounting to €5.6 trillion by 2050¹.”



Cramlington biomass facility

1. Source: IRENA.

Other energy infrastructure

The transition to net zero requires not only renewable generation, but also the infrastructure that enables clean energy systems to operate efficiently. Investment is required in storage, grid services, balancing, interconnectors, transmission and distribution networks, low-carbon transport and heat decarbonisation. This is the role of FGEN's other energy infrastructure pillar: assets that support the energy transition without necessarily generating power themselves.

The UK's decision not to proceed with zonal pricing has provided welcome clarity for investors, but the Reformed National Pricing programme will still involve meaningful change. Reforms are expected to focus on improving locational signals, reducing constraints, strengthening balancing arrangements and improving the efficiency of system operation. These measures will be important for renewable generators, storage assets and flexible demand, as the power system becomes more decentralised, intermittent and data intensive.

Battery storage remains an important enabling technology, although revenue models continue to evolve. As frequency response markets mature, trading, balancing and constraint management are becoming increasingly important drivers of value. FGEN's existing battery exposure provides diversification and potential upside from greater system flexibility needs, although further investment in the sector would be highly selective and dependent on revenue certainty and risk-adjusted returns.

Pumped hydro, synchronous condensers and interconnectors are other examples of asset classes within wider grid infrastructure that can offer greater certainty of revenue via supporting government frameworks and are sectors within which Foresight is already active.

Low-carbon transport is another area where FGEN already has meaningful exposure through CNG Fuels, Europe's largest supplier of 100% renewable biomethane to transport, supplying major UK fleet operators and providing a commercially available solution for HGV operators today. This is particularly important because heavy goods transport remains difficult to electrify at scale, and biomethane offers a practical alternative that can materially reduce emissions while remaining cost competitive. It is a good example of why FGEN's mandate extends beyond renewable power, providing exposure to a different revenue stack and a different set of value drivers from a conventional renewables portfolio.

Heat decarbonisation remains a significant long-term opportunity. The UK and EU continue to support heat networks, district heating, waste heat utilisation and lower-carbon fuels, reflecting the scale of emissions associated with heat. FGEN's existing experience in bioenergy, private wire heat and power, and the Glasshouse's use of surplus heat and electricity from a co-located AD plant, provide practical examples of how energy infrastructure can support decarbonisation beyond the power market alone.

Asset classes

- Short and long-duration storage
- Cleaner transportation
- Interconnectors and transmission assets
- Decarbonisation of heat

“Simply investing in clean electricity generation is not enough. Parallel efforts to strengthen and modernise network infrastructure and system integration are essential!”



1. Source: European Commission.

Sustainable resource management

Sustainable resource management means using resources with the future in mind. It includes waste and water management, recycling, circular economy infrastructure and other assets that support more efficient and sustainable use of resources. The sector continues to benefit from strong societal and regulatory tailwinds, particularly as governments seek to address water quality, pollution, waste reduction and resource security.

In the UK water sector, AMP8 represents a record investment period, with £104 billion of expenditure expected between 2025 and 2030. This is intended to support resilience, leakage reduction, storm overflow improvements, pollution reduction, environmental protection and long-term supply security. The scale of this programme creates opportunities across the water infrastructure value chain, including treatment, monitoring, last-mile delivery, digitalisation and localised solutions.

The waste sector is also supported by regulatory change. England's Simpler Recycling rules came into force for workplaces in 2025, requiring most businesses, charities and public sector organisations to separate dry recyclables, food waste and residual waste before collection. These reforms should support demand for food waste collection, recycling, waste processing and anaerobic digestion capacity.

At the EU level, the Packaging and Packaging Waste Regulation entered into force in 2025 as well and will generally apply from August 2026 onwards. The regulation is intended to reduce packaging waste, improve recyclability, increase recycled content and support reuse and refill models, all of which reinforce the direction of travel towards a more circular economy.

For FGEN, sustainable resource management is expected to remain focused on mature environmental infrastructure sectors, particularly waste and water, where assets can display long-term revenue visibility, essential service characteristics and regulatory support. The Company's existing waste and wastewater concessions provide stable diversification away from power markets, while its broader exposure to anaerobic digestion, energy-from-waste and controlled environment assets demonstrates how resource efficiency can align with both environmental impact and infrastructure returns.

The Glasshouse and Rjukan are examples of investments within the wider sustainable resource management theme, and whilst FGEN does not expect to make further standalone controlled environment investments, these assets remain important to the current portfolio's capital growth potential and demonstrate the breadth of environmental infrastructure opportunities that can arise where sustainability, physical assets, operational control and growing end-market demand intersect.

Asset classes

- Waste collection and processing
- Recycling
- Water management
- Sustainable resource production

“The traditional linear model of “take, make, use, dispose” is unsustainable and pushes us beyond planetary boundaries. In a circular economy, products and materials are kept in circulation for as long as possible, and waste and resource use are minimised¹.”



East London Waste Authority

1. Source: European Commission.

The Investment Manager

FGEN is managed by Foresight Group LLP (“Foresight” or “Foresight Group”) as its external Alternative Investment Fund Manager (“AIFM”) with discretionary investment management authority for the Company.

About Foresight Group

Founded in 1984, Foresight is a FTSE 250 listed investment manager with a focus on real assets and capital for growth. It manages a range of private and public funds, including products tailored for retail investors. The firm develops investment strategies aimed at supporting the energy transition, industrial decarbonisation, nature recovery and the growth of high-potential businesses. Its approach combines financial and operational expertise to enhance asset value and deliver competitive returns.

Foresight’s platform

£14bn¹

Assets under management

7

Countries across Europe, the UK and Australia

5GW

Renewable energy generation

Foresight Group divisions

Real Assets

79%²

of assets under management

453

Infrastructure assets

Private Equity

14%²

of assets under management

250+

Portfolio companies

Foresight Real Assets divisions

1,000+³

Investment opportunities reviewed

185+

Infrastructure professionals

17

Year track record

The Real Assets division manages 453 infrastructure assets with a focus on renewable energy generation (including wind and solar power, bioenergy, hydropower and geothermal energy), energy storage and grid infrastructure, as well as sustainable resource management, social and transport infrastructure projects and sustainable forestry assets.

The Real Assets team includes over 185 investment, commercial and technical professionals operating from offices in the UK, Italy, Spain and Australia, and collectively speaking over 10 languages.

The Foresight Real Assets broader strategy is focused on the following:

- making good, consistent returns for investors;
- satisfying the strong demand for ESG and alternative long-term investment strategies from its institutional and retail investor base;
- building on its ability to execute complex clean energy and other sustainability-led infrastructure investments in order to capitalise on the projected market growth arising from government and societal objectives to decarbonise economies; and
- tapping into the in-house team’s multi-national/ disciplinary expertise which provides full lifecycle support from investment to exit in order to generate sustainable long-term asset operation and economic benefits.

1. AUM as at 31 March 2026 – relates to continuing operations following the announced agreed sale of Foresight Group’s public markets division. All other figures as at 30 September 2025.

2. Totals of data presented in this document may vary slightly from the actual arithmetic totals of such data due to rounding adjustments, with all percentage movements calculated on underlying numbers.

3. For the year 1 April 2025 – 31 March 2026.

A team of over 185 dedicated professionals, bringing a diverse and comprehensive skillset.

The Real Assets investment team

- The Real Assets investment team comprises 41 professionals with broad sector experience
- The team leverages established UK and international networks to access emerging market opportunities
- Equipped to deploy and manage capital across a wide range of infrastructure sectors and asset life stages
- Bringing extensive investment origination and execution capabilities to FGEN
- Over 1,000 investment opportunities have been reviewed in 2025/26 across all strategies

The Asset Management team

- The Asset Management team comprises 69 professionals, including engineers, commercial managers and accountants
- Equipped to manage assets across development, construction and operational stages
- The team uses integrated management systems to ensure effective oversight and co-ordination of assets
- Focus on asset management and optimisation, particularly in identifying and delivering value enhancement opportunities

Other support functions

- A team of eight dedicated infrastructure investor relations ("IR") professionals managing reporting requirements for institutional investors and overseeing all aspects of communication and engagement with all relevant stakeholders
- A team of four experienced sustainability professionals integrating sustainable practices across investment, portfolio management and IR, utilising proprietary sustainability systems to support decision-making, portfolio oversight and reporting
- Other support functions include finance, marketing, administration and compliance

Foresight's experience and reputation gives a competitive edge in origination of deal flow.

Strong origination capabilities

Size and breadth of team allows for significant deal origination volume

A strong track record of execution enables us to unlock relative value

Co-ordinated origination strategy ensures optimal pipeline selection



FGEN's dedicated investment management team with over 50 years of collective experience.



Edward Mountney
Investment Manager

Edward has been a part of FGEN since 2016 and joined the senior management team in 2022. Before this, he served as Head of Valuations at Foresight Group and John Laing Capital Management. With over 15 years of experience in infrastructure and renewables, Edward is a Member of the Institute of Chartered Accountants in England and Wales. He holds a BA (Hons) in Business and Management from Oxford Brookes University.

Charlie Wright
Investment Manager

Charlie has been at Foresight Group since 2017, recently joining the senior management team for FGEN. He has over 18 years of experience in infrastructure and renewables as an adviser, equity investor and project director, and has overseen a wide range of investments across Europe. He was previously at John Laing Group and KPMG. Charlie holds a BA in History from Exeter University and an ICAEW & CISI Diploma in Corporate Finance.

Chris Tanner
Investment Manager

Chris has been an Investment Manager¹ to FGEN since IPO in 2014. He joined Foresight in 2019 as a Partner and has over 25 years of industry experience. Chris is a Member of the Institute of Chartered Accountants in England and Wales and has an MA in Politics, Philosophy and Economics from Oxford University. Chris also serves as Chair of the Finance Forum for The Association of Renewable Energy and Clean Technology ("REA").

1. Prior to January 2022, FGEN engaged Foresight in an investment advisory capacity rather than as the Investment Manager.



The Investment Manager's report

In this section:

The year in review	23
Capital Markets Day and strategic outlook	25
Our portfolio at a glance	26
Investment portfolio and valuation	30
Operational review	39

Introduction

During the year, FGEN has continued to benefit from the breadth and capability of Foresight Group's infrastructure platform. The Investment Manager's experience across origination, deal structuring, asset management, construction oversight, valuation, sustainability and investor relations remains central to delivering FGEN's broad environmental infrastructure mandate. This breadth is particularly important because FGEN is not simply a collection of renewable power assets; it is a diversified environmental infrastructure company with exposure across energy generation, enabling infrastructure, waste, water and sustainable industries.

The year has been characterised by continued progress against the refocused strategy set out in June 2025. The operational portfolio has continued to deliver resilient cash flows and dividend support, while the growth assets have moved further from construction and early-stage operational risk towards ramp-up, optimisation and value realisation. This combination - income from the operational portfolio and capital growth potential from the growth assets - is central to the Company's investment proposition.

Market conditions for listed infrastructure and renewables companies have remained challenging, with discounts to NAV, elevated interest rates and regulatory uncertainty continuing to influence investor sentiment. In that environment, the Investment Manager has remained focused on what the Company can control: operational performance, value enhancement, engaging with prospective investors, disciplined capital allocation and the creation of a credible pathway to organic NAV growth without reliance on new equity issuance.

The year in review

Progress against strategy

The June 2025 strategic update was an important moment because it gave a clear articulation of where the Board and Investment Manager believe the Company can create value in the current market, and it has made positive progress against its refocused strategy, with the Board remaining focused on serving shareholders through three things: proactive management of the existing portfolio; an investment strategy that prioritises a core portfolio of environmental infrastructure; and continuation of the progressive dividend alongside delivery of capital growth.

Issuing new equity remains unlikely in the current market environment, so growth has to be delivered from capital already available to the Company, i.e. cash generation from the operational portfolio, selective follow-on reinvestment and potential realisations from asset sales. The growth assets form a meaningful component of this strategy, providing the Company with a clear pathway to organic growth and enabling a differentiated market proposition. FGEN can continue to rely on its cash-generating core portfolio while allowing these growth assets to mature into potential realisation opportunities. This gives the Company strategic flexibility without requiring the sale of core yielding assets that support dividend cover.

FGEN's Capital Markets Day, held on 12 May 2026, provided the opportunity for the Board and Investment Manager to present this strategy in greater detail, as detailed further on page 25 of this report.

A portfolio that evolves with the market opportunity

FGEN has always prioritised diversification from its outset, given the benefits of a lower concentration of risk and a wider set of opportunities. The portfolio has evolved deliberately since IPO and has used Foresight's unique investment track record in environmental infrastructure to strategically respond to where we see the best risk-adjusted opportunities in a gradually shifting landscape.

At launch, the clearest opportunity was core renewables, particularly UK wind and solar, supported by attractive subsidy frameworks. Those assets remain important and continue to provide a meaningful part of the Company's cash generation. As competition in wind and solar increased and returns compressed, the Company expanded into bioenergy, particularly anaerobic digestion. That has been a notably successful part of the portfolio, providing baseload generation, exposure to biomethane and diversification away from purely weather-driven generation.

The portfolio has since evolved into other energy infrastructure and sustainable resource management, including CNG Fuels, Rjukan and the Glasshouse. These assets respond to long-term social, economic and political tailwinds, including decarbonisation, energy security, cleaner transport, sustainable food production and resource efficiency.

This evolution is not a departure from infrastructure discipline. The Company continues to prioritise assets and businesses with infrastructure-like characteristics, including physical asset backing, essential service qualities, revenue visibility, operational control and the potential for attractive risk-adjusted returns. The ability to follow value across environmental infrastructure, while remaining disciplined on risk, is an important differentiator versus narrower renewable generation strategies and will continue to be over the coming years.

Performance summary

NAV per ordinary share at 31 March 2026 was 105.2 pence, compared with 106.5 pence at 31 March 2025. The Company's portfolio valuation was £759.1 million, compared with £765.7 million the prior year end. The portfolio remained highly cash generative, with cash receipts from investments of £78.6 million, supporting dividend cover of 1.25x for the year.

The Company declared dividends of 7.96 pence per share in respect of the year, in line with the target and continuing FGEN's progressive dividend track record. Gearing at year end was 28.8%, remaining at a prudent level, consistent with the Board's disciplined approach to balance sheet management.



Operational performance across the portfolio was pleasing, with renewable and low-carbon energy generation of 1,338GWh. The Company's diversified revenue mix – across power, gas, subsidies, certificates, long-term contracts and non-energy sources – continued to support resilience in a period of lower power prices, regulatory change and ongoing macroeconomic uncertainty.

The growth assets made further progress during the period. CNG Fuels continued to grow volumes and develop its market-leading biomethane refuelling platform; Rjukan moved further into operational ramp-up following first harvest; and the Glasshouse continued to expand sales and customer relationships. These assets remain important to the Company's medium-term NAV growth potential.

Investment activity

Investment activity during the period remained disciplined and focused on opportunities connected to the existing portfolio. The Company made follow-on investments into carbon capture across three of FGEN's anaerobic digestion assets, further investment into the pressure reduction system or "PRS 2" at Vulcan AD, and a debt investment into CNG Fuels. These investments were assessed against alternative uses of capital and are considered by the Investment Manager to be value-accretive opportunities within the existing portfolio, delivering a weighted average return in the mid-teens.

The follow-on investments into carbon capture across three AD assets reflect the growing recognition that biomethane assets can play a broader role in decarbonisation. In addition to being value-accretive investments in their own right via the sale of biogenic CO₂ as a food-grade product for the UK market, they also act as a key enabler for the life extension of the assets where GHG intensity linked biomethane green premiums are expected to dominate.

Further investment into PRS 2 builds on the success of previous pressure reduction system value enhancement work, which increased gas injection capacity and supported additional revenue generation. This is an example of the Investment Manager's active asset management approach: identifying opportunities within the existing portfolio where targeted capital can unlock additional value.

The debt investment into CNG Fuels supports the continued growth of a platform that is already demonstrating strong operational momentum, and provides FGEN with both equity and debt stakes in the business to bolster its protected position.

Looking forward, future investment activity will continue to be selective and will be measured against other capital allocation options, including debt repayment, buybacks, dividends and liquidity preservation.

Outlook

The Investment Manager remains confident in the long-term opportunity for FGEN. Environmental infrastructure continues to be supported by powerful structural drivers, including decarbonisation, electrification, energy security, grid modernisation, sustainable resource management and climate resilience. These drivers are reinforced by policy frameworks such as the UK Clean Power 2030 agenda, the EU 2040 climate target, AMP8 in the UK water sector and circular economy regulation across the UK and EU.

Whilst there has been some notable political turbulence over the period, including heightened geopolitical tensions due to the ongoing events in Ukraine and the Middle East, we retain an optimistic outlook for the wider environmental infrastructure opportunity, with decarbonisation and the path to net zero underpinned by robust social and economic winds. Foresight's continued investment activity across its private funds provides the wider infrastructure team with ongoing exposure to a broad range of infrastructure sectors and investment stages, spanning development platforms, construction and operational assets. The core FGEN investment management team therefore remains closely aligned with new investment activity and market developments. This ensures the Company is ready to deploy this expertise as soon as capital is available and the investment is value accretive for shareholders.

The near-term focus remains on maintaining the high-performing operational portfolio, delivering value enhancement initiatives, progressing the growth assets through ramp-up and allocating capital with discipline. Over the medium term, the growth assets should provide capital for reinvestment, debt reduction or other value-accretive uses whether that be via disposals or surplus cash generation in excess of the dividend cover. As detailed on page 25, the Capital Markets Day outlined how cash generation, selective disposals, reinvestment and balance sheet management can support a self-sustaining model for FGEN. It also demonstrated how the portfolio is now positioned to deliver a progressive dividend, organic NAV growth, low gearing and disciplined capital recycling, without the need for new equity fundraising. The Investment Manager believes this combination positions the Company well to continue delivering attractive risk-adjusted returns while supporting the transition to a more sustainable economy.

Capital Markets Day and strategic outlook

Overview

FGEN hosted a Capital Markets Day in May 2026 to update investors on progress against its refocused strategy and to demonstrate how the portfolio is positioned for resilient income and organic growth. The day included presentations from FGEN's investment management team and from the management teams of the key growth assets, giving investors direct insight into operational progress, market positioning and future value creation potential. Below we summarise the key strategic highlights from the event, focusing on how FGEN's established operational portfolio, maturing growth assets and disciplined capital allocation framework combine to support the Company's long-term objectives.

FGEN strategy into the medium and long term

FGEN's central objective is to maintain a progressive dividend while delivering long-term organic NAV growth. In the current market environment, the strategy is focused on value creation from within the existing portfolio: cash generation from operational assets, selective follow-on reinvestment, potential asset realisations and disciplined capital recycling. In the short term, the priority is to maintain a high-performing operational portfolio, supported by active asset management, cost control, contract management and prudent balance sheet discipline.

Over the medium term, FGEN expects to use opportunistic divestments and reinvestment to refresh the portfolio, with timing determined by asset maturity, market appetite and shareholder value. Longer term, the ambition is to sustain a differentiated environmental infrastructure platform capable of delivering income and NAV growth on a self-funded basis.

Operational portfolio with capital growth potential

FGEN's established operational portfolio, covering wind and solar, AD, biomass, energy storage concessions, waste from energy and hydro, remains the resilient income base of the Company. It provides the cash generation that supports dividend cover and underpins the progressive dividend, without depending on the growth assets to contribute near-term income. This operational base is diversified across technologies, revenue frameworks and end markets, reducing reliance on any single power price assumption, subsidy regime or operating exposure. Alongside this, the growth assets provide a distinct and complementary source of potential capital growth. These assets are now operational and progressing through ramp-up, moving from construction risk towards optimisation, cash generation and potential value realisation. The result is a balanced portfolio structure: operational assets support income today, while growth assets create embedded optionality for future NAV growth and strategic flexibility.

A route to organic NAV growth

The Capital Markets Day outlined a credible route to organic NAV growth through operational performance, asset-level maturation, selective realisations and reinvestment. The key conclusion was that FGEN can continue to create value from capital already within the Company, with CNG, the Glasshouse and Rjukan representing a distinct growth component that complements the established operating portfolio. These assets are not held primarily for current cash yield, as, once they reach operational maturity, they can generate NAV growth through cash generation or potential realisations. This makes the growth story additive rather than a substitute for income. Disposal proceeds or excess cash can be reinvested into new environmental infrastructure opportunities that balance income, growth and risk, extending the life of the fund through disciplined value recognition, capital recycling and sector rotation over time.

Strategic flexibility

FGEN's portfolio construction provides flexibility in how value is realised and redeployed. The Company does not need to sell all growth assets, nor does it need to hold them indefinitely. Decisions can be made according to asset maturity, valuation, buyer appetite and broader portfolio priorities, which may include reinvestment, debt reduction or returns to shareholders.

This flexibility is enhanced because potential realisations are expected to come from assets held primarily for capital appreciation, rather than from the core income-generating portfolio. As a result, FGEN can refresh and reposition the portfolio over time without undermining dividend support.

Key conclusions

The strategic conclusion from the Capital Markets Day was clear: FGEN's operational portfolio provides resilient cash generation and dividend support; the growth assets provide capital growth potential and future realisation options; and disciplined capital allocation creates a pathway to organic NAV growth. This combination of income resilience, embedded growth potential and capital recycling capability differentiates FGEN as an environmental infrastructure company and supports its long-term ambition to deliver both progressive income and sustainable capital growth.



▶ The on-demand recording of the event is available on the website at www.fgen.com

Our portfolio at a glance

Renewable energy generation

The bedrock of FGEN’s portfolio is established income-generating assets focused on diversification across technologies to support the delivery of attractive risk-adjusted returns.

Technologies¹:

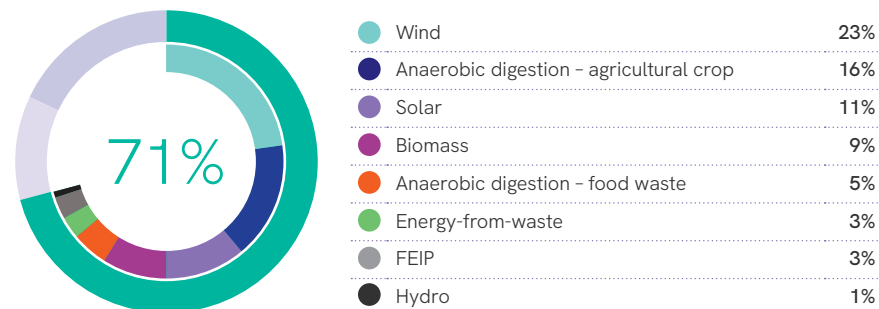
Baseload generators:

- Anaerobic digestion
- Biomass
- Energy-from-waste

Intermittent generators:

- Wind
- Solar
- Hydro

Renewable energy generation



Investment attractions:

- Government-backed incentives across a range of mechanisms, including ROCs, RHI and FITs
- Mature technologies with low operating risk and stable production profiles
- Explicit and implicit inflation linkage
- Diversification of resource risk across different weather patterns, forms of feedstock and power and gas pricing
- Delivering a complementary mix of intermittent and baseload power generation

Potential risks:

- Regulatory changes (REMA, Fixed Price Certificate (“FPC”) consultation)
- Merchant electricity and gas prices
- Wind and solar resource
- Cost and supply of feedstock
- Operational issues

Asset	Location	Ownership	Capacity (MW)	Commercial operations date
Wind				
Bilsthorpe	England	100%	10.2	Mar 2013
Burton Wold Extension	England	100%	14.4	Sep 2014
Carscreugh	Scotland	100%	15.3	Jun 2014
Castle Pill	Wales	100%	3.2	Oct 2009
Dungavel	Scotland	100%	26.0	Oct 2015
Ferndale	Wales	100%	6.4	Sep 2011
Hall Farm	England	100%	24.6	Apr 2013
Llynfi Afan	Wales	100%	24.0	Mar 2017
Moel Moelogan	Wales	100%	14.3	Jan 2003 & Sep 2008
New Albion	England	100%	14.4	Jan 2016
Wear Point	Wales	100%	8.2	Jun 2014

1. Excludes FEIP. See page 38 for a full list of FEIP assets.

Asset	Location	Ownership	Capacity (MW)	Commercial operations date
Anaerobic digestion: agricultural crop				
Biogas Meden	England	49%	5.3 ¹	Mar 2016
Egmere Energy	England	49%	6.3 ²	Nov 2014
Grange Farm	England	49%	6.3 ²	Sep 2014
Icknield Farm	England	53%	7.4 ¹	Dec 2014
Merlin Renewables	England	49%	6.3 ²	Dec 2013
Peacehill Farm	Scotland	49%	6.8 ³	Dec 2015
Rainworth Energy	England	100%	2.2 ⁴	Sep 2016
Vulcan Renewables	England	49%	12.6 ²	Oct 2013
Warren Energy	England	49%	6.3 ²	Dec 2015
Solar				
Amber	England	100%	9.8	Jul 2012
Branden	England	100%	14.7	Jul 2013
CSGH	England	100%	33.5	Mar 2014 & Mar 2015
Monksham	England	100%	10.7	Mar 2014
Pylle Southern	England	100%	5.0	Dec 2015
Biomass				
Cramlington biomass combined heat and power	England	100%	32.0 ⁶	2018

1. MWth (thermal) and an additional 0.4MWe CHP engine for on-site power provision.
2. MWth (thermal) and an additional 0.5MWe CHP engine for on-site power provision.
3. MWth (thermal) and an additional 0.25MWe CHP engine for on-site power provision.
4. Electrical exporting plant measured as MWe.
5. 10MWth and an additional 1.7MWe capacity through two CHP engines.
6. 26MWe (electrical) and 6MWth (thermal).
7. Not including FEIP's 45% ownership. See page 38 for a full list of FEIP investments.
8. Includes a 1.2MW battery storage.
9. See page 38 for a full list of FEIP investments.

Asset	Location	Ownership	Capacity (MW)	Commercial operations date
Anaerobic digestion: food waste				
Codford Biogas waste management	England	100%	3.8 ⁴	2014
Bio Collectors waste management	England	100%	11.7 ⁵	Dec 2013
Energy-from-waste				
Energie Technologie Ambiente ("ETA")	Italy	45% ⁷	16.8	2012
Foresight Energy Infrastructure Partners ("FEIP")				
FEIP limited partner ("LP") ⁹	Various	2.9%	n/a	n/a
Hydro				
Northern Hydropower	England	100%	2.0 ⁸	Oct 2011 & Oct 2017
Yorkshire Hydropower	England	100%	1.8 ⁸	Oct 2015 & Nov 2016
Total			362.2	



Bilsthorpe wind farm

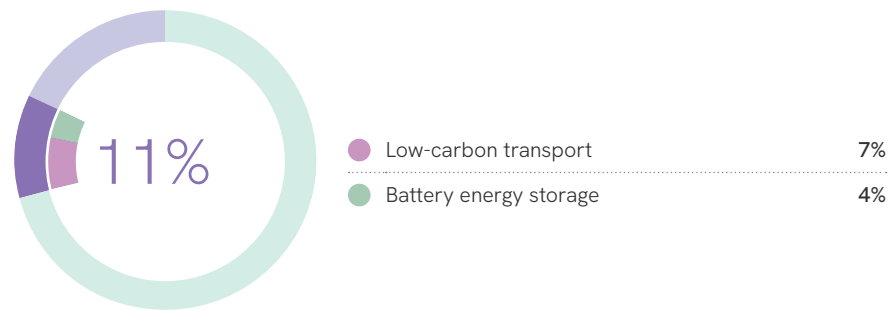
Other energy infrastructure

Non-energy-generating assets that support the transition towards net zero, driven by increased demand for electrification and government-backed legislation. This segment includes our battery storage units and low-carbon transport investment.

Technologies¹:

- Battery Energy Storage Systems (“BESS”) • Low-carbon transport

Other energy infrastructure



Investment attractions:

- Strong cash yield expected from sites once established
- Merchant revenues from the storage assets with a degree of inverse correlation with renewable capture prices, alongside “sticky” revenues across CNG
- Diversification of revenue sources away from power generation
- Capital growth potential

Potential risks:

- Construction risk
- Merchant nature of trading revenue streams
- Evolving market and increased competition
- Shorter track record of operations than for other technologies

Asset	Location	Ownership	Capacity (MW)	Commercial operations date
Battery energy storage				
West Gourdie battery storage	Scotland	100%	50.0	May 2023
Clayfords battery storage	Scotland	50%	50.0	Pre-construction
Sandridge battery storage	England	50%	50.0	Dec 2025
Low-carbon transport				
CNG Fuels	England	Minority stake ²	n/a	Various

1. Excludes FEIP. See page 38 for a full list of FEIP assets.

2. FGEN holds 25% of CNG Foresight Holdings Ltd, which owns 60% of the shares in CNG Fuels Ltd and which holds £150.15 million in 10% preferred return investments issued by CNG Fuels.

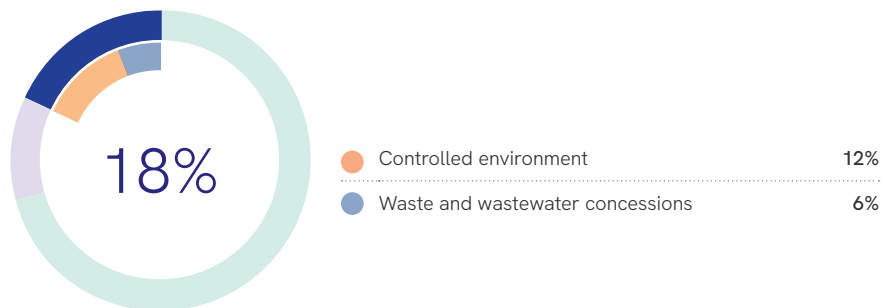
Sustainable resource management

Sustainable resource management means using resources with the future in mind. It involves applying sustainable practices to ensure that resources benefit both current and future generations. This includes areas such as waste and wastewater concessions, as well as controlled environments for agriculture and aquaculture.

Technologies¹:

- Controlled environment - agriculture and aquaculture
- Waste and water management

Sustainable resource management



Investment attractions:

- Concession-based projects benefit from inflation-linked, long-term contracts with public sector counterparties
- Controlled environment investments in sustainable technologies with large revenue markets
- Potential for capital growth across Rjukan and the Glasshouse
- Diversification of revenue sources away from power generation

Potential risks:

- Merchant revenues and operational ramp-up at Rjukan and the Glasshouse
- Handback risk at end of ELWA and Tay concessions

Asset	Location	Ownership	Capacity (MW)	Commercial operations date
Controlled environment				
The Glasshouse	England	10%	n/a	March 2025
Rjukan aquaculture system	Norway	25%	n/a	August 2025
Waste and wastewater concessions				
ELWA waste management	England	80% ²	n/a	2006
Tay wastewater treatment	Scotland	33%	n/a	Nov 2001

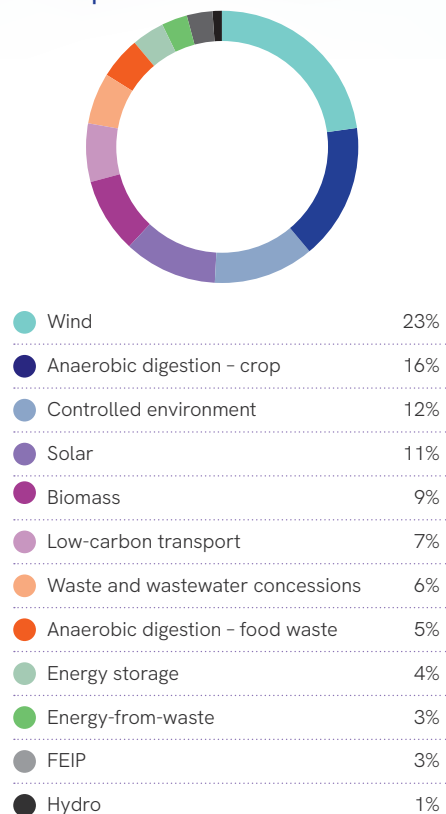
1. Excludes FEIP. See page 38 for a full list of FEIP assets.
 2. 80% of ordinary share capital plus 100% of outstanding loan notes.

Investment portfolio and valuation

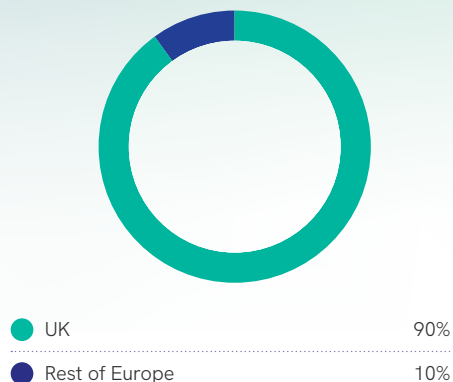
Investment portfolio

Diversification is a key factor for the Company, reducing dependency on a single market, technology type or set of climatic conditions, whilst giving exposure to a wide opportunity set, as illustrated in the analysis below as at 31 March 2026, according to share of portfolio value:

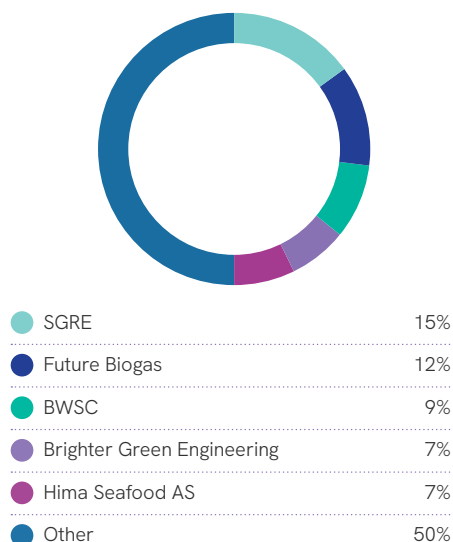
Sector split



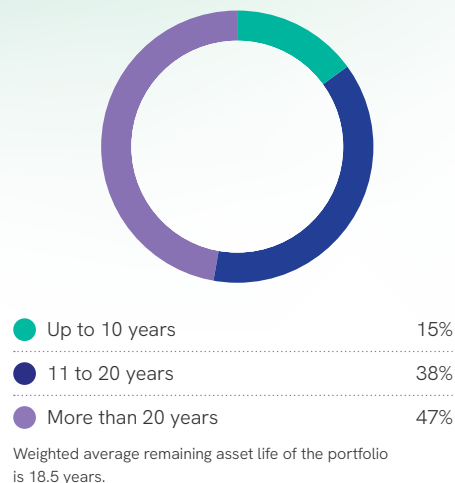
Geography



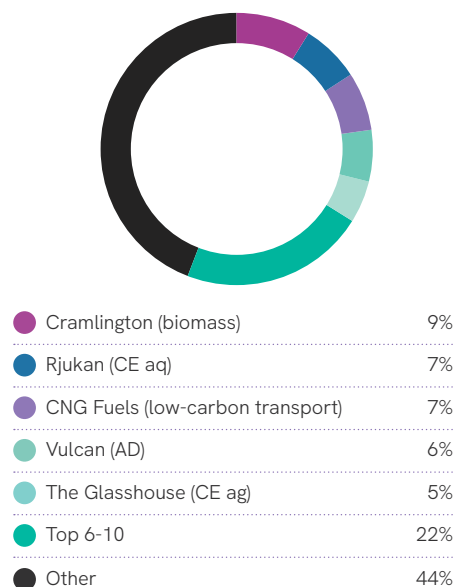
Operator exposure



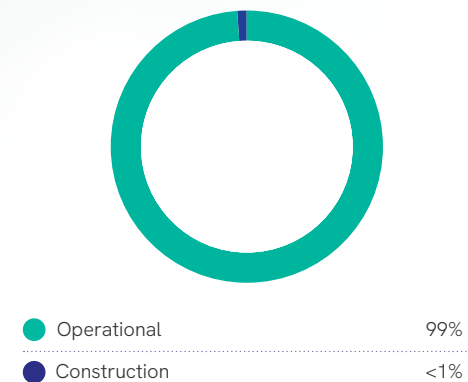
Remaining asset life



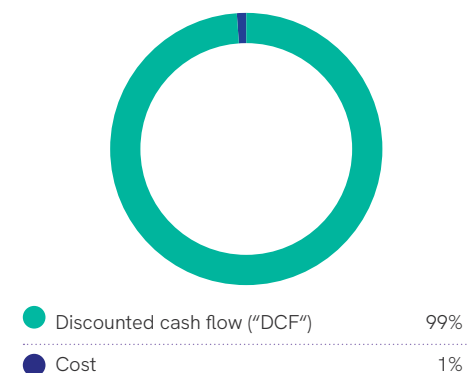
Asset concentration



Operational status



Valuation method



Portfolio valuation

The Investment Manager is responsible for carrying out the fair market valuation of the Company's investments, which is then presented to the Directors for their approval and adoption. The valuation is carried out on a quarterly basis as at 30 June, 30 September, 31 December and 31 March each year.

The valuation is predominantly based on a discounted cash flow analysis of the future expected equity and loan note cash flows accruing to the Group from each operational portfolio investment. Where assets are under construction or not yet operational, they are valued at cost until such time as the risks associated with construction have substantially passed. For some technologies with more complex construction activities, this will be when the asset reaches the start of commercial operations, while for others this may be during late-stage construction.



The portfolio valuation uses key assumptions which are recommended by Foresight using its experience and judgement, having considered available comparable market transactions and financial market data in order to arrive at a fair market value. An independent verification exercise of the methodology and assumptions applied by Foresight is performed by a leading accountancy firm and an opinion is provided to the Directors. The Directors have satisfied themselves as to the methodology used and the assumptions adopted and have approved the valuation.

The Directors' valuation of the portfolio at 31 March 2026 was £759.1 million, compared to £765.7 million at 31 March 2025, as shown in the table below. The decrease of £6.6 million is the net impact of divestments; new acquisitions (including follow-on investments); cash received from investments; changes in macroeconomic, power price and discount rate assumptions; and underlying growth in the portfolio. A reconciliation of the factors contributing to the change in the portfolio and the movement in value of investments during the year is shown in the table below:

	31 Mar 2026 £m	31 Mar 2025 £m
Valuation of the portfolio at opening balance	765.7	891.9
Acquisitions in the period (including follow-on investments)	19.8	30.7
Divestments	(1.4)	(89.1)
Cash distributions from the portfolio	(78.6)	(90.4)
Rebased opening valuation of the portfolio	705.5	743.1
Changes in forecast power prices	(12.2)	8.8
Changes in economic assumptions	6.8	1.7
Changes in discount rates	—	—
Changes in exchange rates	0.9	(0.9)
Balance of portfolio return	58.1	13.0
Valuation of the portfolio	759.1	765.7
Fair value of the intermediate holding companies	(102.4)	(87.5)
Investments at fair value through profit or loss	656.7	678.2

Allowing for investments of £19.8 million (including follow-on investments and payment of deferred consideration), divestments of £1.4 million and cash receipts from investments of £78.6 million, the rebased valuation is £705.5 million. The portfolio valuation at 31 March 2026 is £759.1 million (31 March 2025: £765.7 million), representing a 7.6% increase over the rebased valuation of £705.5 million during the year.

Valuation assumptions

Each movement between the rebased valuation and the 31 March 2026 valuation is considered below:

Forecast power prices

The project cash flows used in the portfolio valuation at 31 March 2026 reflect contractual fixed price arrangements under PPAs, where they exist, and short-term forward market prices for the next two years where they do not.

After the initial two-year period, the project cash flows assume future electricity and gas prices in line with a blended curve informed by the central forecasts from three established market consultants, adjusted by the Investment Manager for project-specific arrangements and price cannibalisation.

For the Italian investment, project cash flows assume future electricity prices informed by long-term projections of two leading independent market consultants.

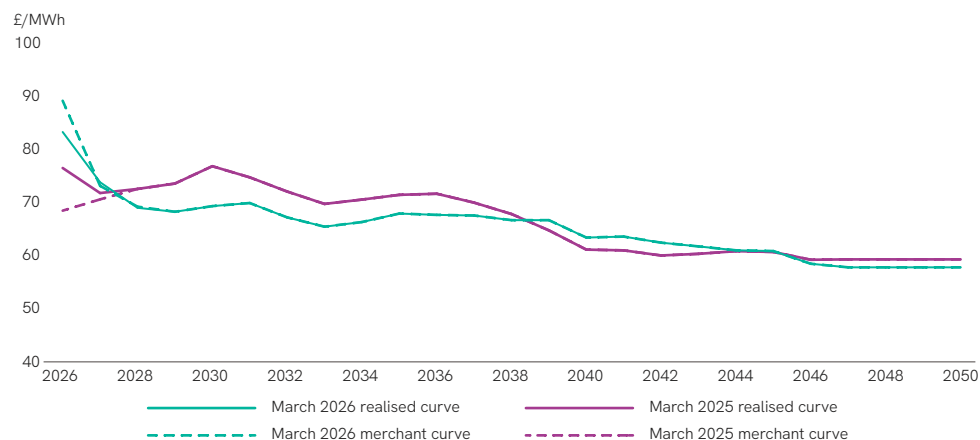
In addition to the usual update of electricity and gas price projections, this year’s valuation movement also reflects two regulatory changes. Firstly, in line with the Company’s announcement on 14 November 2025, updated assumptions reflecting the outcome of the UK Government’s Renewable Obligation and Feed-in Tariffs consultation have been incorporated into the valuation. From 1 April 2026, both schemes will be indexed at the Consumer Price Index (“CPI”). The impact of these changes reduced NAV by £3.1 million, equivalent to 0.5 pence per share.

Secondly, on 16 April 2026, the UK Government announced that Carbon Price Support (“CPS”) will be removed from April 2028 onwards. As CPS has historically increased the cost of fossil fuel-based electricity generation, its removal is expected to reduce the marginal cost of gas-fired generation – which typically sets UK wholesale power prices – resulting in lower long-term power price forecasts and a corresponding £2.3 million reduction in NAV, equivalent to 0.4 pence per share. The Investment Manager has assessed this impact in consultation with independent market forecasters; however, the effect is partially mitigated by FGEN’s diversified portfolio, which reduces exposure to any single revenue driver.

The overall change in forecasts for future electricity and gas prices compared to forecasts at 31 March 2025 has resulted in a reduction in the valuation of the portfolio of £12.2 million.

The graph below represents the blended weighted power curve used by the Company, reflecting the forecast of three leading market consultants, adjusted by the Investment Manager to reflect its judgement of capture discounts and a normalised view across the portfolio of expectations of future price cannibalisation resulting from increased penetration of low marginal cost, intermittent generators on the GB network. The solid line represents the weighted average realised price forecast – including short-term price fixes under PPAs – whereas the dotted line shows the equivalent merchant price for unhedged generation.

Illustrative blended power price curve



Guarantees of origin certificates

As the portfolio includes a number of renewable energy generation projects, it is able to generate revenue from the sale of Renewable Energy Certificates in addition to income from the sale of gas and electricity. A certificate is issued by Ofgem or the Green Gas Certification Scheme for each unit of renewable electricity or gas generated respectively, and can be sold as part of, or separately from, the offtake contracts in place for the wholesale electricity and/or gas. The certificates received for UK projects are Renewable Energy Guarantee of Origin (“REGO”) and Renewable Gas Guarantee of Origin (“RGGO”) for electricity and gas, respectively. Being traded on the open market, the price is variable and subject to typical demand and supply dynamics.

In addition to guarantees of origin certificates, the portfolio’s investment into CNG Fuels also receives revenue from the sale of Renewable Transport Fuel Certificates (“RTFC”) to obligated fuel suppliers to meet their regulatory emissions targets under the UK’s Renewable Transport Fuel Obligation (“RTFO”). Certificates are created for each unit of renewable biomethane supplied as a transport biofuel. Certificate issuance depends on the fuel type and level of greenhouse gas savings, with bio-CNG earning 3.8 certificates for every kilogram sold.

As with forecast power prices, valuations reflect contractual fixed price arrangements where they exist, or the following assumptions informed by forecasts provided from a range of independent market consultants where they do not:

	31 March 2026	31 March 2025
REGO (£/MWh)	2026-2028: £1.58 2029-2030: £1.34 2031+: £1.30	2025-2028: £5.00 2029+: £2.00
RGGO (£/MWh)	2026-2027: £9.30 2028+: £9.00	2025: £9.50 2026+: £9.00
RTFC (pence/certificate)	2026: 26.8p 2027+: 27.0p	22.0p

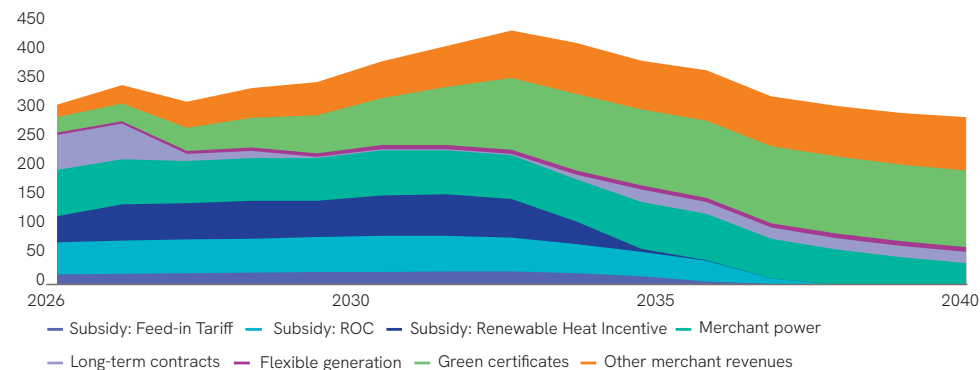
Following a period of lower pricing in REGO markets over the first half of the year, modelled assumptions have been reduced by the Investment Manager, whereas demand for RGGO certificates continues to remain strong, with pricing supporting a slight increase in near-term valuation assumptions.

RTFC pricing has increased steadily since the Company’s investment into CNG, and whilst pricing has softened since the start of the recent conflict in the Middle East, revenues have remained robust due to the Company’s forward hedging strategy.

The net result of changes is a decrease in valuation of £2.0 million, equivalent to 0.3 pence per share. The movement is included within the balance of portfolio return item within the valuation bridge.

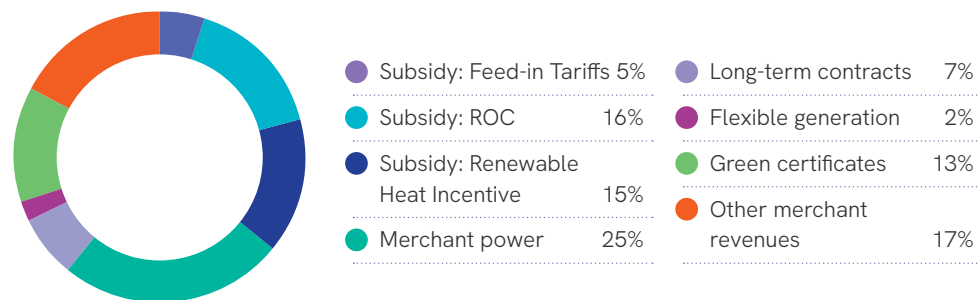
Revenue analysis

The graph below shows the way in which the revenue mix of the portfolio changes over time for future financial years, given the assumptions made regarding future power prices set out on the previous page. As expected, the proportion of merchant revenues increases in later years as the subsidies that projects currently benefit from expire.



On a net present value (“NPV”) basis (using the discount rate applicable to each project), the relative significance of each revenue category illustrated above is as follows:

Revenue NPV



Subsidy revenues, long-term contracts and revenues generated from gas dispensed under contract at CNG Fuels that sit within other merchant revenues in the pie chart, all retain contractual inflation linkage, leading to 51% of total revenues featuring contractual inflation linkage.

Renewable generation portfolio

FGEN’s renewable energy generation portfolio includes a combination of intermittent generating wind and solar investments, alongside baseload generating anaerobic digestion, biomass, energy-from-waste (“EfW”) and hydropower investments. Revenues in these projects typically consist of a combination of government-backed, inflation-linked subsidies, short-term price fixes contracted under a PPA/GPA, merchant revenue or other revenues such as those earned from private wire contracts.

The Company seeks to minimise the impact of power price volatility through its carefully constructed portfolio of diversified asset types, as well as by maintaining a programme of rolling price fixes for energy it generates, typically having the majority of projects on fixed price arrangements over the near term.

Refer to the power price hedging section in the operational review on page 40 for more detail about the price fixes in place across the portfolio at the year end.

Taking the proportion of merchant revenues hedged under fixed price short-term PPAs, along with subsidy revenues and revenues from long-term contracts outside of the energy-generating assets, prices have been fixed for 61% of total revenues for the 2027 calendar year. Accordingly, merchant revenues remain a low proportion of revenues and reflect the broader diversification of FGEN’s portfolio.

Other energy infrastructure

Mitigating the effects of climate change stimulates not only opportunities connected to energy generation, but also in supporting and enabling energy infrastructure where significant investment is needed to further decarbonise the economy. This is reflected in FGEN’s diversified portfolio, which includes grid-scale batteries and low-carbon refuelling alternatives for heavy goods vehicles.

Batteries

Following successful energisation of Sandridge battery storage this year, FGEN’s portfolio now includes two operational and one ready-to-build (“RTB”) c.50MW Battery Energy Storage Systems (“BESS”).

Revenues from BESS assets can be generated through multiple channels, although third-party consultants continue to highlight the importance of prioritising the capture of trading margins over the more limited opportunities from grid service revenues. As a result, merchant revenues are expected to form the largest component of the revenue model for these assets.

While the sector does not currently benefit from long-term contractual inflation linkage, revenues are typically driven by a margin over costs, which is expected to be sustained regardless of inflationary pressures.

Low-carbon transport

In the case of FGEN’s investment into CNG Fuels, an integrated business owning and operating CNG refuelling stations that also sources biomethane for those stations and generates Renewable Transport Fuel Certificates (“RTFCs”) in the process, revenues are generated from CNG dispensed and trading activity in biomethane and RTFCs.

Per the terms of its fuel supply contracts, CNG Fuels reserves the right to revise pricing to reflect changes in the wholesale price of natural gas and fuel duty, and will annually adjust prices (upwards only) in line with CPI inflation. Trading revenues flow from the buying and selling of biomethane across European markets and the sale of RTFCs created by the use of biomethane as a transport fuel.

Sustainable resource management

Sustainable resource management means using resources with the future in mind. It involves applying sustainable practices to ensure that resources benefit both current and future generations. This includes areas such as waste and wastewater treatment, as well as controlled environment for agriculture and aquaculture.

Waste and wastewater treatment

This category currently consists of concessions structured under the Private Finance Initiative (“PFI”)/Public Private Partnership (“PPP”) procurement models where concession payments from the public sector client are highly predictable. Both concession projects, ELWA and Tay, will be going through a process of “handback” over the next few years.

Controlled environment

Controlled environment (“CE”) projects typically face a greater level of market risk than environmental infrastructure projects with subsidy support or with long-term contracts. Therefore, the Company has only invested in projects that enjoy a privileged market position over competitors, for example due to physical location, technology or product differentiation.

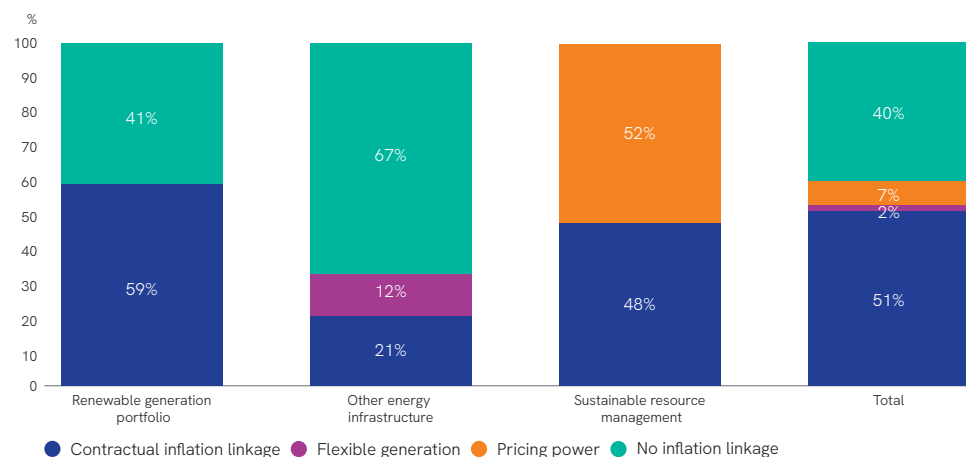
In the case of FGEN’s Glasshouse, the investment is a combination of senior secured shareholder loans that was used to construct the Glasshouse itself, with potential for further uplift from the Company’s minority equity investment over time as the business’s operations reach maturity. The Glasshouse is co-located with an existing FGEN anaerobic digestion facility, which itself receives an additional source of revenue via a private wire supplying low-carbon heat and power to the Glasshouse.

In the case of CE Rjukan, revenues will primarily be generated from the production and sale of trout. This will be sold to European and international salmonid markets through an agreement with an established Norwegian seafood distribution company with global reach.

Whilst these investments do not currently have long-term contractual inflation linkage, the projects retain pricing power and are expected to increase prices to maintain margins as the underlying cost base inflates.

For more information on both the Glasshouse and Rjukan, see the Capital Markets Day 2026 section on the FGEN website.

The degree of contractual inflation linkage of each category illustrated above is as follows:



The Company’s diversification strategy ensures the portfolio benefits from a significant proportion of contracted revenues and revenues earned by non-energy-generating assets. Under current forecasts, dividend cover is expected to be healthily covered for the years ahead.

Useful economic lives

Useful economic lives of assets are based on the Investment Manager’s estimates of the period over which the assets will generate revenue and are periodically reviewed for continued appropriateness. Historically, the assumption used for the useful life of investments is the lower of lease duration and 35 years for solar assets, 30 years for wind farms and 20 years for anaerobic digestion facilities – being the life of the RHI subsidy.

In light of growing evidence that AD facilities may be able to successfully operate for longer durations, the Investment Manager has worked with an independent external adviser to assess the potential future value of biomethane beyond the end of the RHI subsidy, informed by current and expected evolution of biomethane policy in the UK and Europe. The consultant has applied this assessment across the FGEN AD portfolio, including revenue stack analysis and cost requirements, taking into account the technical specifications of each facility.

As a result, the Company has recognised a 1.4 pence per share NAV uplift from extending the lives of the seven ADs with the most compelling extension potential, with work ongoing to further assess the remaining ADs in the portfolio.

Economic assumptions

The valuation reflects an update in inflation assumptions based on a combination of actual historic inflation and recent independent economic forecasts.

Valuation assumptions for operational assets are set out below:

Economic assumptions used in the portfolio valuation

Country	Assumption	31 March 2026	31 March 2025
UK	RPI inflation rate	2026: 4.0%	2025: 3.5%
		2027-2030: 3.0%	2026-2030: 3.0%
		2031+: 2.25%	2031+: 2.25%
	CPI inflation rate	2026: 3.0%	2025: 2.75%
		2027-2030: 2.5%	2026+: 2.25%
		2031+: 2.25%	
	Deposit rate	2.0%	2.0%
	Corporate tax rate	25%	25%
Italy	Inflation rate	2026: 2.5%	2.0%
		2027+: 2%	
	Deposit rate	0%	0%
	Corporate tax rate (IRES)	24%	24%
	Regional tax rate (IRAP)	4.8%	4.8%
Norway	Inflation rate	2.0%	n/a
	Deposit rate	1.2%	n/a
	Corporate tax rate	22%	n/a

The euro/sterling exchange rate used to value euro-denominated investments was €1.15/£1, and the rate for Norwegian krone-denominated investments was NOK12.89/£1 at 31 March 2026 (€1.19/£1 and NOK13.55/£1 at 31 March 2025).

The total net increase in value resulting from changes to inflation rates, deposit rates and foreign exchange rates in the year is £7.7 million.

Discount rates

The discount rates used in the valuation exercise represent the Investment Manager's and the Board's assessment of the rate of return in the market for assets with similar characteristics and risk profile. The discount rates are reviewed on a regular basis and updated to reflect changes in the market and in the project risk characteristics.

Despite continued elevated UK gilt yields, market benchmarks continues to indicate support for the Company's valuation assumptions; therefore, no macro-driven changes have been made to discount rates during the period.

However, the Investment Manager also considers project-specific changes, and therefore, there have been some adjustments to the discount rates across the growth assets due to the operational ramp-up progress being made and parts of the AD portfolio due to the life extensions.

Taking the above into account and including an increase in the value of the growth assets in the portfolio since the start of the year, the overall weighted average discount rate ("WADR") of the portfolio has increased to 9.9% at 31 March 2026 (31 March 2025: 9.7%).

The WADR applied to each of the principal operational sectors within the portfolio is displayed in the following table, noting this represents a blend of levered and unlevered investments and therefore the relevant gearing of each sector is also shown.

	Unlevered discount rate	Levered discount rate	Sector WADRs	Gearing
Wind	8.0%	8.8%	8.7%	37%
Solar	7.2%	8.0%	7.4%	19%
Anaerobic digestion – crop fed	9.1%	—	9.1%	—
Anaerobic digestion – food waste	9.9%	—	9.9%	—
Biomass	10.3%	—	10.3%	—
Energy-from-waste	10.0%	—	10.0%	—
Hydropower	—	8.0%	8.0%	43%
Waste and wastewater concessions	8.3%	8.8%	8.3%	13%
Battery storage	10.3%	—	10.3%	—
Weighted average			9.9%	16.1%

The table above does not separately disclose discount rates for certain sectors, including controlled environment and low-carbon transport, where the Investment Manager considers the underlying assumptions to be commercially sensitive. The WADR applied to these assets is 14.5% and the relevant assumptions are incorporated within the portfolio WADR of 9.9%.

Balance of portfolio return

This represents the balance of valuation movements in the year, excluding the factors noted above. The balance of the portfolio return mostly reflects the impact on the rebased portfolio value, all other measures remaining constant, of the effect of the discount rate unwinding and also some additional valuation adjustments from updates to individual project assumptions. The total represents an uplift of £58.1 million.

Of this, the key positive items are the uplift of £59.2 million from discount rate unwind, the uplift of £8.7 million from work undertaken to extend the lives of FGEN's AD portfolio as described above and a £7.3 million uplift from the signing of new gas injection contracts at the Company's Vulcan Renewables anaerobic digestion facility, following the successful implementation of operational enhancement initiatives underway to maximise the untapped potential of the gas injection capabilities of the site.

Offsetting these positive movements were a reduction in the value of green certificates discussed earlier and that led to a reduction in value of £4.5 million, as well as extended periods of downtime and additional capex requirements at the Company's biomass and food waste AD facility, resulting in £7.4 million and £5.0 million valuation reductions respectively.

Valuation sensitivities

The Net Asset Value ("NAV") of the Company is the sum of the discounted value of the future cash flows of the underlying asset financial models, construction and development spend, the cash balances of the Company and UK HoldCo, and the other assets and liabilities of the Group less Group debt.

The portfolio valuation is the largest component of the NAV and the key sensitivities are considered to be the discount rate applied in the valuation of future cash flows and the principal assumptions used in respect of future revenues and costs.

A broad range of assumptions is used in our valuation models. These assumptions are based on long-term forecasts and are not affected by short-term fluctuations in inputs, whether economic or technical. The Investment Manager exercises its judgement in assessing both the expected future cash flows from each investment based on the project's life and the financial models produced for each project company and the appropriate discount rate to apply.

The key assumptions are as follows:

Discount rate

The WADR of the portfolio at 31 March 2026 was 9.9% (31 March 2025: 9.7%). A variance of plus or minus 0.5% is considered to be a reasonable range of alternative assumptions for discount rates.

An increase in the discount rate of 0.5% would result in a downward movement in the portfolio valuation of £21.2 million (3.4 pence per share) compared to an uplift in value of £23.1 million (3.7 pence per share) if discount rates were reduced by the same amount.

Volumes

Base case forecasts for intermittent renewable energy projects assume a "P50" level of electricity output based on reports by technical consultants. The P50 output is the estimated annual amount of electricity generation (in MWh) 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. Hence the P50 is the expected level of generation over the long term.

The P90 (90% probability of exceedance over a 10-year period) and P10 (10% probability of exceedance over a 10-year period) sensitivities reflect the future variability of wind, hydropower and solar irradiation and the uncertainty associated with the long-term data source being representative of the long-term mean.

Separate P10 and P90 sensitivities are determined for each asset, and historically, the results are presented on the basis that they are applied in full to all wind, hydro and solar assets. This implies individual project uncertainties are completely dependent on one another; however, a portfolio uncertainty benefit analysis performed by a third-party technical adviser identified a positive portfolio effect from investing in a diversified asset base.

That is to say that the lack of correlation between wind, hydro and solar variability means P10 and P90 sensitivity results should be considered independent. Therefore, whilst the overall P90 sensitivity decreases NAV by 4.7 pence, the impact from wind, solar and hydro separately is 3.4 pence per share, 1.2 pence per share and 0.1 pence per share respectively, as shown in the chart on page 38.

Anaerobic digestion facilities do not suffer from similar deviations as their feedstock input volumes (and consequently biogas production) are controlled by the site operator.

Biomass and EfW forecasts are based on projections of future input volumes and are informed by both forecasts and independent studies where appropriate. Revenues in the PPP projects are not sensitive generally to changes in volumes due to the nature of their payment mechanisms.

Electricity and gas prices

Electricity and gas price assumptions are based on the following: for the first two years, cash flows for each project use forward electricity and gas prices based on market rates unless a contractual fixed price exists, in which case the model reflects the fixed price followed by the forward price for the remainder of the two-year period. For the remainder of the project life, a long-term blend of central case forecasts from three established market consultants and other relevant information is used and adjusted by the Investment Manager for project-specific arrangements and price cannibalisation.

The sensitivity assumes a 10% increase or decrease in power prices relative to the base case for each year of the asset life after the first two-year period. While power markets can experience movements in excess of +/-10% on a short-term basis, as has been the case recently, the sensitivity is intended to provide insight into the effect on the NAV of persistently higher or lower power prices over the whole life of the portfolio, which incorporates regulatory impacts such as the cessation of Carbon Price Support. The Directors feel that +/-10% remains a realistic range of outcomes over this very long time horizon, notwithstanding that significant movements will occur from time to time.

An increase in electricity and gas prices of 10% would result in an uplift in the portfolio valuation of £36.2 million (5.8 pence per share) compared to a downward movement in value of £36.3 million (5.8 pence per share) if prices were reduced by the same amount.

Assuming all other factors remain constant, if electricity prices were to fall to £50/MWh, with a corresponding decline in gas prices, the Company would continue to maintain a resilient level of dividend cover over the next three financial years. Even in a more conservative scenario, where prices fall to £40/MWh, the portfolio is still expected to generate sufficient cash flows to cover the dividend, though with a reduced margin of headroom.

Uncontracted revenues on non-energy-generating portfolio

Non-energy-generating assets, such as batteries, low-carbon transport and controlled environment agriculture and aquaculture, are not materially affected by either scarcity of natural resource or power price markets. Therefore, the Investment Manager has presented an alternative sensitivity illustrating an assumed 10% increase or decrease on all uncontracted revenues for each year of the asset's life.

An increase in uncontracted revenues of 10% would result in an upward movement in the portfolio valuation of £26.4 million (4.2 pence per share) compared to a decrease in value of £25.0 million (4.0 pence per share) if those revenues were reduced by the same amount.

Feedstock prices

Feedstock accounts for over half of the operating costs of running an AD plant. As feedstocks used for AD are predominantly crops grown within existing farming rotation, they are exposed to the same growing risks as any agricultural product. The sensitivity assumes a 10% increase or decrease in feedstock prices relative to the base case for each year of the asset's life.

An increase in the feedstock prices of 10% would result in a downward movement in the portfolio valuation of £12.5 million (2.0 pence per share) compared to an uplift in value of £11.9 million (1.9 pence per share) if prices were reduced by the same amount.

No such sensitivity is applicable to FGEN's biomass investment, where fuel costs are tied under long-term contracts.

Inflation

Most projects in the portfolio receive a revenue stream which is either fully or partially inflation-linked. The inflation assumptions are described in the macroeconomic section on page 35. The sensitivity assumes a 0.5% increase or decrease in inflation relative to the base case for each year of the asset's life.

An increase in the inflation rates of 0.5% would result in an uplift in the portfolio valuation of £13.9 million (2.2 pence per share) compared to a decrease in value of £13.5 million (2.2 pence per share) if rates were reduced by the same amount.

Euro/sterling and NOK/sterling exchange rates

The proportion of the portfolio assets with cash flows denominated in foreign currency represents 10% of the portfolio value at 31 March 2026. If foreign currency strengthens by 5%, the value uplift will be £3.5 million (0.6 pence per share) compared to a £4.1 million (0.7 pence per share) decrease in value if FX weakens by the same amount.

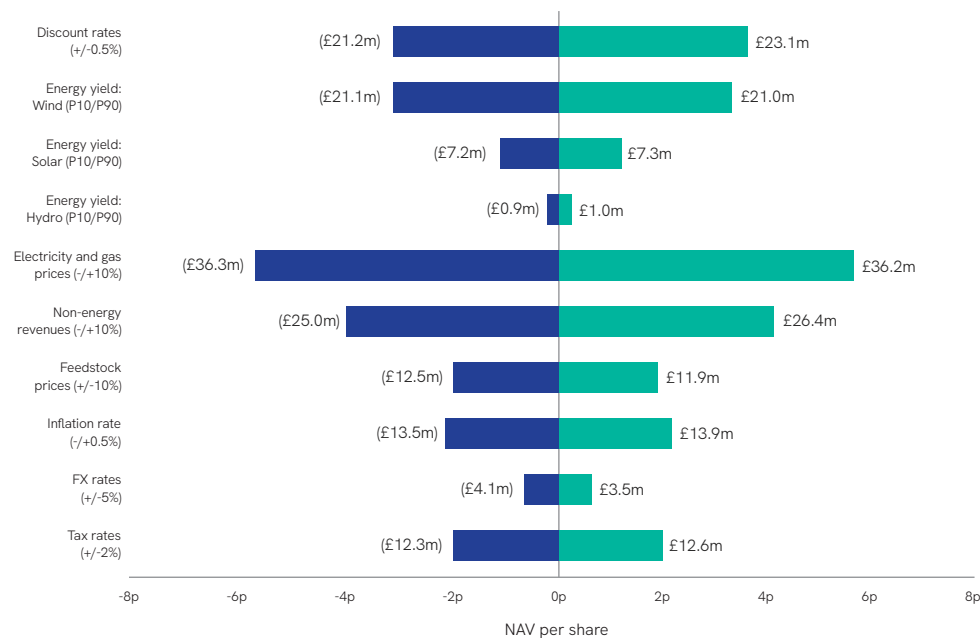
Corporation tax

The UK corporation tax assumptions applied in the portfolio valuation are outlined in the notes to the accounts on page 132. The sensitivity below assumes a 2% increase or decrease in the rate of UK corporation tax relative to the base case for each year of the asset's life.

An increase in the UK corporation tax rate of 2% would result in a downward movement in the portfolio valuation of £12.3 million (2.0 pence per share) compared to an uplift in value of £12.6 million (2.0 pence per share) if rates were reduced by the same amount.

Sensitivities – impact on NAV at 31 March 2026

The following chart shows the impact of the key sensitivities on NAV per share, with the £ labels indicating the impact of the sensitivities on portfolio value.



FEIP investment portfolio

Below is a list of investments in several European opportunities through the Company’s limited partnership in Foresight Energy Infrastructure Partners (“FEIP”).

Asset	Location	Capacity (MW)	Commercial operations date
FEIP: FGEN has committed €25 million to FEIP			
Avalon solar and green hydrogen	Spain	137MWp	Operational/under construction
Carna pumped storage hydro and co-located wind	Scotland	210MW	Under construction
Consortium solar	Greece	267MW	Under construction
ETA Manfredonia EfW	Italy	16.8MW	March 2016
Inca pumped storage hydro	Ireland	300MW	Under construction
Kölvallen wind	Sweden	277MW	May 2025
MaresConnect interconnector	Republic of Ireland	750MW	Under construction
Puskakorpi wind	Finland	88MW	Dec 2022
Quartz battery storage	England	106.5MW	Under construction
Skaftåsen Vindkraft AB wind	Sweden	231MW	June 2023
Torozos wind	Spain	93.5MW	Dec 2019
85 Degrees geothermal heat	Netherlands	53MW	Operational/under construction
Beleolico offshore wind	Italy	30MW	July 2022
Blue Jay battery storage	Scotland	99.3MW	Under construction

Operational review

Investment performance

The NAV per share at 31 March 2026 was 105.2 pence, down from 106.5 pence at 31 March 2025.

FGEN has announced an interim dividend of 1.99 pence per share for the quarter ended 31 March 2026, payable on 26 June 2026, in line with the full-year target of 7.96 pence per share for the year ended 31 March 2026.

The Board has also set a dividend target of 8.04 pence per share for the year to 31 March 2027, the 12th consecutive dividend increase since IPO.

Financial performance

The portfolio delivered cash receipts from investments of £78.6 million for the year, compared with a budget of £80.9 million, representing a shortfall of 2.9% before the impact of expected recoveries. The Company expects to recover approximately £4.2 million through contractual compensation mechanisms, principally in relation to availability and performance protections. Including these expected recoveries, cash generation would have been 2.3% ahead of budget, demonstrating the continued resilience of the portfolio and the value of contractual downside protections across the asset base.

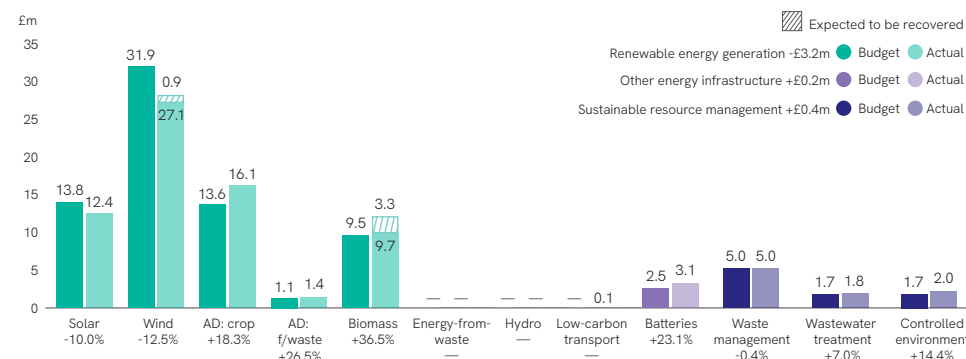
This cash generation supported dividend cover of 1.25x for the year, after amortisation of project-level debt facilities, comfortably within the Company’s target range of 1.20x-1.30x.

The chart on the right shows the budgeted proportion of cash distributions forecast to be received from underlying investments at the start of the financial year, versus the relative sector-level over or under-performance against this target during the period under review. See overleaf for the equivalent chart showing generation performance of the energy-generating assets versus budget.

Renewable energy generation delivered £66.7 million of cash receipts, 4.7% below budget, with weaker wind and solar performance partially offset by strong performance from anaerobic digestion and biomass assets. Other energy infrastructure generated £3.2 million, 25.1% ahead of budget, driven by the battery storage portfolio. Sustainable resource management assets generated £8.7 million, 4.1% ahead of budget, with wastewater treatment and controlled environment assets performing ahead of expectations. The overall result demonstrates the resilience of FGEN’s diversified portfolio and the value of contractual protections, which continue to support predictable income generation and dividend coverage through varying resource and market conditions.

Across the portfolio companies, total revenue generated was £255.8 million and total EBITDA was £82.2 million. The Company operates a diversified portfolio of assets across multiple sectors which supports diversification of the operating risk profile – with both revenues and corresponding margins varying based on the underlying operations of each. For example, wind and solar assets generate electricity through the use of a free natural resource and therefore typically have a lower cost base than an anaerobic digestion facility, which requires a feedstock as part of its energy generation process. To compensate, these anaerobic digestion facilities will also typically have a higher revenue base – as can be seen by the average all-in energy price table below.

Financial performance: budget vs actual project distributions



The average all-in price received by the differing technology classes in the UK for their energy volumes generated in the 12 months ended 31 March 2026 is shown in the table below:

Average all-in energy price	Year ended 31 Mar 2026	Year ended 31 Mar 2025
Wind	£141 per MWhe	£201 per MWhe
AD electric	£261 per MWhe	£262 per MWhe
AD gas-to-grid	£149 per MWth	£152 per MWth
Biomass	£169 per MWhe	£184 per MWhe
Energy-from-waste	€126 per MWhe	€133 per MWhe
Solar	£235 per MWhe	£313 per MWhe
Hydro	£337 per MWhe	£295 per MWhe

Operational performance

Overall, the underlying operating performance of the environmental infrastructure portfolio was pleasing. The renewables segment of the portfolio produced 1,338GWh (2025: 1,272GWh) of green energy, which was 1.2% below the generation target. When expected compensation (insurance and warranty claims) is taken into consideration, the equivalent portfolio generation was 1,364GWh, 1.8% above the target for the period.

Renewable energy generation

Power price hedging

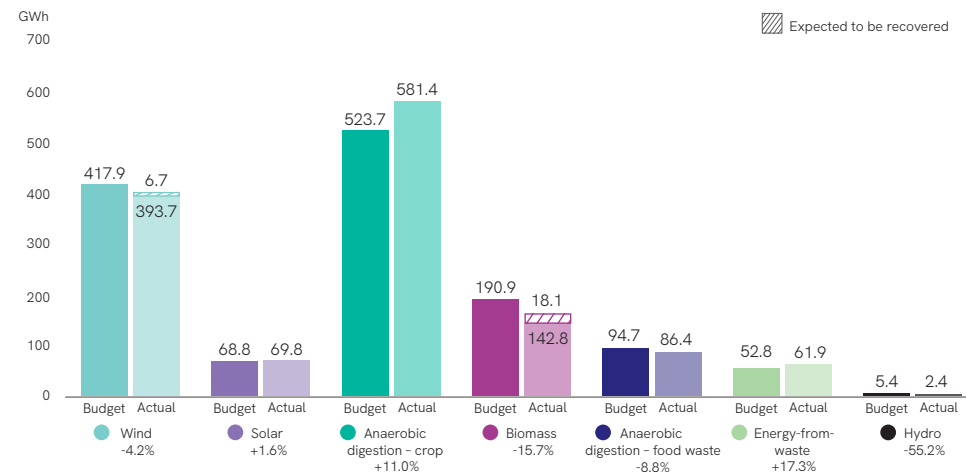
FGEN’s exposure to wholesale power prices is mitigated by the practice of having a substantial proportion of generation for both electricity and gas on fixed price arrangements for durations ranging from six months to two years. The extent of generation subject to fixes at 31 March 2026 is as follows:

	Summer 2026	Winter 2026	Summer 2027	Winter 2027
Wind	82%	69%	15%	15%
Solar	100%	100%	35%	35%
Biomass	—	—	—	—
Energy-from-waste	100%	50%	—	—
AD – electric	100%	100%	—	—
AD – gas	88%	86%	53%	47%
Weighted average	80%	70%	17%	17%

While a large proportion of the summer and winter 2026 capacity was hedged during the period of high gas and power prices in March 2026, the Investment Manager continues to monitor 2027 pricing and beyond.

Since the year end, the Investment Manager has entered into value-accretive power price hedging at its Cramlington biomass facility, for 47% of capacity at £94/MWh for the period between 1 June 2026 and 31 March 2027. A proportion of the remaining capacity is expected to be hedged in the coming months, subject to favourable power price conditions.

Renewable energy: 1,338.4GWh generated, 1.8% above budget¹



Baseload generators

Anaerobic digestion – crop

The AD portfolio is the largest producer of energy on a GWh basis generating 43% of the energy produced by the FGEN portfolio. Gas production (measured in GWh thermal) generated 581GWh², 11% ahead of its sector target (2025 variance was 0.1% favourable). Of this, the Vulcan PRS 1 value enhancement contributed 74GWh of biomethane injection to the gas grid as it ramped up operations through the second half of the financial year.

Six of the nine plants outperformed their generation targets, notably strong performances coming from Icknield Gas and Vulcan Renewables, which performed 27.5% and 34.8% above their generation targets respectively, driven by high biogas yields, good availability and ramp-up of the PRS 1 value enhancement at Vulcan. Meden’s negative variance (-8.7%) against its generation target was due to issues with the upgrader limiting gas-to-grid flow, while the prolonged ramp-up period following a digester degrid at Peacehill Gas resulted in it finishing the year 5.6% below its target. Rainworth’s negative variance (-1.1%) against its generation target was due to a power failure and subsequent membrane replacement works that constrained gas production.

Despite a poor harvest in 2025, all AD plants had access to sufficient feedstock throughout the year due to the purchasing of spot maize earlier on in the year. Due to higher-than-usual rainfall in early 2026, digestate spreading was constrained, resulting in increased storage requirements and costs for some sites. More clamp extension and digestate storage projects are currently in progress to enhance the portfolio’s resilience against climate change.

1. 1.8% above budget including anticipated compensation. 1.2% below budget excluding compensation.
 2. When FGEN’s ownership percentage is taken into account, the generation by the AD portfolio was 296GWh, 10.7% above the sector target.

Wholesale gas and power prices gradually declined from April 2025, with a peak in June following the initial Middle East conflict. From late February 2026, gas and power prices spiked with increased volatility following the Middle East conflict and closure of the Strait of Hormuz.

The Investment Manager has taken the opportunity to hedge 85% of the gas generation capacity for summer and winter 2026, and 45% of gas capacity in summer and winter 2027, as seen in the table on page 40.

Anaerobic digestion – food waste

Following a series of life cycle maintenance works in the first half of the financial year, Riverside Bio and Codford Biogas successfully returned to steady state performance in the second half.

The portfolio generated 95GWh over the reporting period, 8.8% below target but a 17% increase compared to 2025 (80GWh), providing evidence of improved performance.

While Codford is currently operating at maximum capacity, the Investment Manager plans to implement a series of upgrades at Riverside Bio in the next financial year to further increase generation. With the recently implemented Simpler Recycling Legislation requiring commercial businesses and local authorities in England to segregate their food waste, these upgrades will allow more of this available feedstock to be processed.

Biomass

Cramlington generated 143GWh during the reporting period, representing 11% of total portfolio generation. Performance was impacted by a six-week outage overrun in July 2025 and a series of recurring superheater bundle leaks, resulting in output finishing 25.2% below the annual target. Including compensation payments, the variance narrows to a 15.7% shortfall. Following remediation of the boiler issues, plant reliability and availability improved materially, with performance exceeding budget from March onwards.

The Investment Manager is in early-stage discussions with neighbouring facilities and the county council to supply additional private heat and power.

Energy-from-waste

As previously reported, Energie Technologie Ambiente (“ETA”) was offline for the first half of the financial year following the turbine alternator short circuit incident in early April 2025. The insurance claim for the incident is ongoing.

The plant returned to service ahead of schedule in October 2025 and has exceeded generation targets since.



Cramlington biomass facility



Energie Technologie Ambiente (“ETA”)

Intermittent generators

Wind

The wind portfolio generated 394GWh during the reporting period, a 13% increase compared to the prior year (2025: 350GWh). While generation was 5.8% below budget, this reflects a year of improving operational performance. Including estimated compensation payments, equivalent generation increased to 400GWh, reducing the shortfall to 4.2% against budget. Gross availability across the portfolio reached 93.3%, a significant improvement on 2025 (90.4%), demonstrating continued progress in asset reliability and uptime.

The turbine blade upgrades were completed at MM2 during the year. These upgrades improve aerodynamic performance and are expected to increase annual energy production ("AEP"). A third-party validation report estimates an AEP uplift of 5.6% could be realised as a result of these improvements.



Bilsthorpe wind farm

Solar

The solar portfolio generated 70GWh, representing 5% of the total energy produced by the portfolio – and was 1.6% above budget, supported by positive levels of irradiation across the financial year.

A major inverter refurbishment and a module repowering at the Amber sites was carried out during the year, which is expected to improve performance significantly in the next financial year.

During the financial year, an active PPA hedging strategy continued to be pursued. As a result, 100% of the solar portfolio's capacity has fixed PPA prices for the period from April 2026 to March 2027.

Hydro

The hydro portfolio generated 2.4GWh, which was 55% below target (2025: 4GWh). This deficit was primarily due to an exceptionally dry summer and persistently low river levels from late spring through to early autumn 2025.

The hydro assets represent a very small part of FGEN's portfolio, accounting for less than 1% of total energy generation for the year.



Other energy infrastructure

CNG Fuels (in ramp-up phase)

The CNG refuelling business continues to demonstrate strong growth momentum, with a 19% (10.4 million kg) increase in fuel dispensed year-on-year, driven by ongoing fleet adoption as customers bring new vehicles into service and recently commissioned stations to ramp up utilisation. This reflects the strengthening structural demand for Bio-CNG as a cost-competitive and immediately deployable decarbonisation solution for heavy goods vehicles.

The network continues to expand in line with this demand. A new station at Livingston became operational during the year, while construction commenced at Magor, South Wales in October, and planning approval secured for a further site near Swindon (adjacent to the M4) in March 2026, where construction began in May 2026. As at 31 March 2026, CNG had 17 refuelling stations, including the site under construction, maintaining its position as the UK's leading Bio-CNG refuelling network.

Customer demand remains robust, supported by long-term agreements with major fleet operators. During Q3, CNG Fuels signed an agreement with M&S to supply mobile refuelling solutions across up to four depot locations, further underpinning committed fuel volumes and providing a pathway for continued network utilisation growth. The management team is actively progressing similar arrangements with other key customers.

Increased utilisation across the network, combined with continued station rollout, positions the business well to deliver sustained volume growth and benefit from operating leverage as throughput increases.

Battery storage assets

The FGEN battery portfolio delivered a resilient operational performance during the period, despite increasingly challenging market conditions.

The 50MW Sandridge battery completed commissioning and has begun trading, with full takeover expected in mid-2026. Early performance has been in line with expectations as the asset transitions into steady-state operations.

West Gourdie continued to perform reliably, maintaining strong availability (97.11%) and capturing value across its optimisation strategy, with performance across ancillary services, wholesale markets and the Balancing Mechanism remaining solid relative to prevailing conditions.

Market conditions were more supportive in the early part of the period, with higher wholesale spreads and greater dispatch opportunities. However, performance softened through the summer and early autumn as spreads compressed and Balancing Mechanism activity reduced, limiting optimisation opportunities. While conditions improved over winter, with periods of higher volatility and stronger pricing, these were shorter-lived than in prior years. As a result, wholesale trading remained more opportunistic, and Balancing Mechanism revenues were lower due to fewer and less favourable dispatch events.

Ancillary service revenues remained relatively stable, although increased participation in dynamic services continued to place downward pressure on pricing.

These trends reflect a combination of lower commodity prices, comfortable system margins, evolving generation patterns and continued growth in GB battery capacity, increasing competition across core revenue streams. Increased renewable generation has also reshaped intraday price profiles, leading to more frequent low-price periods and fewer sustained price spikes, with volatility increasingly concentrated into shorter events.

Other battery storage assets (in construction phase)

The sale of the Lunanhead battery development was completed in August 2025, while further options are being explored for Clayfords.



Sustainable resource management

Waste and wastewater concessions

The ELWA waste project continues to deliver strong operational and financial performance in line with expectations. Operational targets were once again exceeded, with landfill diversion reaching 99.85%, significantly outperforming the 67% contractual target. Recycling rates also surpassed expectations at 27.7%, compared to the 22% target. Waste tonnages remained stable throughout the year and were consistent with forecast assumptions.

In March 2026, the Company successfully repaid the remaining senior debt in accordance with the scheduled timeline.

The Tay wastewater project delivered another year of stable operational performance, with no availability or performance deductions recorded during the period. The insurance claim relating to the previously reported dryer fire on 16 September 2025, remains ongoing, with all associated costs having been submitted to the insurer.

Controlled environment – Glasshouse (in ramp-up phase)

During the period, Glass Pharms, the operator of the Glasshouse, continued to ramp up operations, with revenue, gross profit and EBITDA all exceeding budget expectations. Production volumes have grown significantly, increasing by 250% year-on-year, while kilograms of flower sold were broadly in line with forecasts. The company continues to receive funding support from FGEN as it progresses towards consistent cash flow breakeven. In September 2025, it secured £2 million of additional working capital through a convertible loan note ("CLN"), of which £1.25 million has been drawn to date.

The company continues to ramp up sales and is now selling to eight of the 10 largest clinics in the UK – including a contract with one of the largest clinics to provide guaranteed minimum monthly volumes of flower in FY27. In parallel, it continues to strengthen relationships with existing clients while exploring new opportunities, including expansion into overseas markets.

Controlled environment – Rjukan aquaculture (in early ramp-up phase)

Rjukan, FGEN's land-based recirculating aquaculture system ("RAS") trout facility in Norway, made important operational progress during the year. Construction of the facility was substantially completed and commercial harvesting commenced in July 2025, marking the transition of the asset from construction into its operational ramp-up phase. The facility is designed to produce approximately 8,000 tonnes of trout per annum at full production, serving European and international salmonid markets.

Early operations have shown the facility's ability to deliver both good growth rates and harvest weights, and Hima Seafood has also reported positive progress in stabilising key RAS processes, including water quality management and the purging system, which is an important component of product quality. As can be the case with process infrastructure assets, particularly with live organisms working through a system with interlinking processes, the initial ramp-up has also shown that for production to reach full target volumes, certain aspects of the facility require upgrades, primarily oxygen delivery, fish transportation, feeding systems, and wastewater treatments.

Accordingly, the project company, working closely with its technology suppliers and operating team, is implementing the relevant remedial and optimisation actions, meaning a moderation in production volumes over the next couple of years and harvest volumes for the reporting period were also below budget. The company remains reliant on ongoing shareholder support for working capital during the ramp-up period, with funding being provided by shareholders on a pro rata basis.

While there is work to do to progress the facility to full capacity, the investment thesis remains unchanged. As Rjukan fully ramps up, FGEN is positive about the value prospects and retains strategic flexibility as to whether it exits or holds. In addition, the wider thesis remains as important as before – land-based aquaculture is a critical piece of infrastructure for producing sustainable seafood without many of the environmental impacts associated with conventional sea-based production.

Similarly, Rjukan's unique characteristics means it benefits from access to high-quality Norwegian freshwater and renewable electricity.

Divestments

Disposal of Lunanhead

In August 2025, the Company announced the sale of its 50% equity stake in Lunanhead, a 50MW lithium-ion Battery Energy Storage System ("BESS") development project located in Perthshire, Scotland.

Lunanhead was jointly owned with Foresight Solar Fund and has been sold to a third-party buyer at a value consistent with the asset's carrying value as at 30 June 2025, which represents less than 0.2% of the Company's total portfolio value. As previously reported, the Investment Manager continues to explore options for Clayfords BESS, in which the Company also holds a 50% stake.



The Glasshouse exterior

Follow-on investments

Overview

During the period, the Company committed to c.£20 million follow-on investment into the portfolio, with a weighted average return in the mid-teens, applying a disciplined approach where additional capital can enhance value, protect existing positions, support operational maturity or extend the long-term cash generation potential of existing assets. Follow-on investment activity has and will continue to be assessed against competing uses of capital, including debt repayment, buybacks and distributions, and is prioritised where it is expected to support NAV growth, improve cash generation or extend asset life, and is consistent with FGEN's stated strategy.

CNG

The Company approved £6.25 million follow-on funding to CNG Fuels through its participation in a senior debt facility to support the continued rollout of permanent Bio-CNG refuelling stations. FGEN's commitment represents its pro rata share of the facility, consistent with its existing ownership position, and is intended to fund new station construction, including the Magor site in South Wales, alongside future stations that meet agreed drawdown criteria and are approved through the CNG Fuels governance process. The investment rationale is underpinned by the continued growth of renewable biomethane as a commercially available decarbonisation solution for heavy goods vehicles, the strength of CNG Fuels' customer base and the benefits of supporting an integrated platform across biomethane sourcing, station ownership and RTFC generation.

Carbon capture

The Company approved c.£7 million investment into carbon capture projects at three of the anaerobic digestion plants jointly owned with Future Biogas. Such enhancements are an example of the strategic benefits that underpinned the sale of the majority shareholding in the portfolio to Future Biogas, providing greater alignment of incentives between the parties and leveraging Future Biogas' expertise in the sector. The projects involve the installation of Air Liquide CO₂ capture and liquefaction technology at three existing gas-to-grid anaerobic digestion plants - Grange, Egmore and Merlin - to convert otherwise vented biogenic CO₂ into a food-grade liquid product for the UK market.

The investment rationale includes creating a new revenue stream from the sale of captured CO₂, and supporting the long-term life extension case for the AD assets as post-subsidy value increasingly depends on demonstrable sustainability credentials and low greenhouse gas intensity. The project is expected to generate attractive value enhancement returns while materially reducing the carbon intensity of the relevant AD assets and strengthening their future strategic relevance within the wider biomethane portfolio.

PRS 2

The Company approved further investment of c. £7 million into the Vulcan Pressure Reduction System Phase 2 project. PRS 2 is an expansion of the initial gas shipping and pressure reduction system at Vulcan Renewables, involving the installation of additional gas download stations to increase the site's ability to receive compressed upgraded biomethane from third-party AD plants and inject it into the gas grid. The project builds on the successful commissioning of PRS 1 and seeks to utilise Vulcan's advantaged RHI accreditation and available network entry capacity through gas supply arrangements with third-party biomethane producers. The investment is expected to deliver attractive value enhancement returns and more broadly, supports the Company's strategy of extracting additional value from core renewable energy assets, increasing biomethane volumes and enhancing long-term cash generation from the AD portfolio.



Other investments

FEIP

FGEN has committed to investing €25 million in Foresight Energy Infrastructure Partners ("FEIP"), a Luxembourg limited partnership investment vehicle. At 31 March 2026, FEIP has invested in 15 projects and is no longer seeking to make new investments.

The investment in FEIP allows FGEN to further diversify its geographic and technology exposure, while also gaining an allocation to construction-stage assets which is expected to enhance returns.

Given construction-stage assets can only represent a small part of the Company's portfolio, the FEIP investment allows a greater level of diversification than would be possible with direct investments, providing for a more attractive risk-adjusted return profile. FGEN is excused from any FEIP investment that is not consistent with FGEN's investment policy. No management fees are payable on the amounts invested by FGEN. FEIP also owns a 45% stake in ETA, the Italian EfW plant, in which FGEN is also an investor. As at 31 March 2026, €23.2 million has been invested in FEIP.

Financing

On 22 April 2026, FGEN announced that it had signed a one-year extension to its existing £150 million revolving credit facility ("RCF") and has activated a £15 million accordion facility. The additional capacity provides greater headroom to ensure the Company can continue to fund existing commitments and the continued development of its diversified environmental infrastructure portfolio.

As at 31 March 2026, drawings under the RCF were £123.1 million (31 March 2025: £99.3 million).

The RCF provides an increased source of flexible funding outside equity raisings, with both sterling and euro drawdowns available on attractive terms. The facility will principally be used to make future acquisitions of environmental infrastructure investments to add to the current portfolio, as well as covering any working capital requirements.

The interest charged in respect of the renewed RCF continues to be linked to the Company's ESG performance, with FGEN incurring a 5 bps premium or discount to its margin based on performance against defined targets. Those targets include:

- environmental: increase coverage of independent biodiversity assessments and implement initiatives to enhance biodiversity net gain across the portfolio;
- social: increase volume of contributions to local communities; and
- governance: maintain a low number of work-related accidents, as defined under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations ("RIDDOR") by the Health and Safety Executive.

Performance against these targets will be measured annually, with the cost of the RCF being amended in the following financial year. Lenders to the facility include HSBC, ING, Nationwide Building Society (trading as Virgin Money) and Royal Bank of Scotland International. The margin can vary between 205 bps and 215 bps over SONIA (Sterling Overnight Index Average) for sterling drawings and Euribor (Euro Interbank Offered Rate) for euro drawings, depending on performance against the ESG targets.

In addition to the RCF, several of the projects have underlying project-level debt.

Project-level gearing at 31 March 2026 across the portfolio was 16.1% (31 March 2025: 18.1%). Taking into account the amount drawn down under the RCF of £123.1 million, the overall fund gearing at 31 March 2026 was 28.8% (31 March 2025: 28.7%).

As at 31 March 2026, the Group, which comprises the Company and the intermediate holding companies, had cash balances of £9.0 million (31 March 2025: £7.8 million).

Financing at 31 March 2026

£123.1m
drawn on RCF

28.8%
gearing¹

1. Gearing is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 161 and 162.



Energie Technologie Ambiente ("ETA")

Risks and risk management

FGEN has a comprehensive risk management framework overseen by the Risk Committee, comprising independent non-executive Directors.

Risk is the potential for events to occur that may result in damage, liability or loss. Such occurrences could adversely impact the Company's business model, reputation or financial standing. Alternatively, under a well-formed risk management framework, potential risks can be identified in advance and can either be mitigated or possibly even converted into opportunities.

Pages 48 to 54 of this report detail the principal and emerging risks that the Directors consider are material and which potentially could impact the Company or occur in an environmental infrastructure project such as those invested in by the Company.

In assessing these risks for the purposes of this report, the Directors typically consider the next 12-18 months as being the critical window for risks to materialise. Environmental infrastructure assets are long-term assets and risks can crystallise throughout an asset's life. Nevertheless, this report is intended to give the reader an understanding of the current risk outlook for the Company and the risks that the Board and the Investment Manager feel have the most significance at the present time. This outlook is updated regularly in the publications that the Company puts into the market, so readers can get a sense of how the Board and the Investment Manager's view of risks changes over time.

Given that the Company delegates certain activities to the Investment Manager and Administrator, reliance is also placed on the controls of the Group's service providers.

In the normal course of business, each project will have developed a rigorous risk management framework, including a comprehensive risk register, that is reviewed and updated regularly and approved by its board. The purpose of FGEN's risk management policies and procedures is not to eliminate risk completely, as this is neither possible nor commercially viable. Rather, it is to reduce the consequence of occurrence and to ensure that FGEN is adequately prepared to deal with risks so as to minimise their effect should they materialise.

Risk identification and monitoring **Three Lines of Defence**

First Line of Defence ("1LoD"): This consists of functions that manage the risk gateway into the portfolio. They are accountable for and responsible to perform or enable the identification, measurement, management and reporting of risks inherent to the investment activities. This includes the design, operation and ensuring performance and effectiveness of controls.

Second Line of Defence ("2LoD"): This consists of independent risk management and compliance functions which are responsible for establishing Foresight's risk management framework and associated control standards, as well as providing independent challenge over the activities, processes and controls carried out by the first line. Additionally, where agreed with the First Line of Defence and the relevant governance forum, 2LoD can perform and complement the responsibility of identification, measurement, management and reporting of risks, with 1LoD retaining the overall accountability for risk management related to their activities.

Third Line of Defence ("3LoD"): This provides independent risk assurance to the Board and senior management about the adequacy of the overall risk and control framework, and establishes a mechanism for assessing the effectiveness of the risk management and control activities of the first and second lines. FGEN has a separate Risk Committee, comprising five non-executive Directors, which is responsible for overseeing and advising the Board on the current and potential risk exposures of the Company, with particular focus on the Group's principal risks, being those with the greatest potential to influence shareholders' economic decisions, and the controls in place to mitigate those risks.

The Board believes that the FGEN Risk Committee provides effective challenge to the risk and compliance frameworks set in place by the Investment Manager. The Board acknowledges that this is not equivalent to an independent internal audit function but that it provides a sufficient and proportionate approach. The Board feels they have a sufficient level of oversight of the internal controls in place.

In the case of new and emerging risks, assessment occurs outside of the quarterly cycle. These systems of internal control were in place for the year under review and continue to be in operation.

Provision 29

Provision 29 of the Corporate Governance Code introduces enhanced expectations for boards to monitor and review the effectiveness of material controls across financial, operational, reporting and compliance areas, and to provide an explicit declaration of their effectiveness at the balance sheet date. This strengthened requirement is intended to enhance transparency, accountability and assurance for stakeholders. The declaration requirement will apply to the Company for the financial year ending 31 March 2027.

While formal mapping to Provision 29 is ongoing, the Board is taking a proactive approach to readiness. During the year, it has continued to oversee the Investment Manager’s risk management and internal control framework, providing regular scrutiny of key controls and their effectiveness.

In anticipation of the new requirements, the Company has adopted a proportionate and structured approach to identifying the key control environment expected to fall within scope. This includes consideration of:

- controls supporting valuations, financial reporting and share issuance/buyback processes;
- controls governing investment decision-making, portfolio monitoring and due diligence;
- operational and resilience controls operated by the Investment Manager, including technology and data governance; and
- compliance controls relating to the Company’s regulatory obligations.

Initial work has focused on understanding how key controls align to the Company’s principal risks, leveraging the Investment Manager’s existing risk management framework. This is helping to strengthen visibility of control ownership, support documentation of control design and enhance the basis for future monitoring of operational effectiveness.

Areas of particular focus during the year have included:

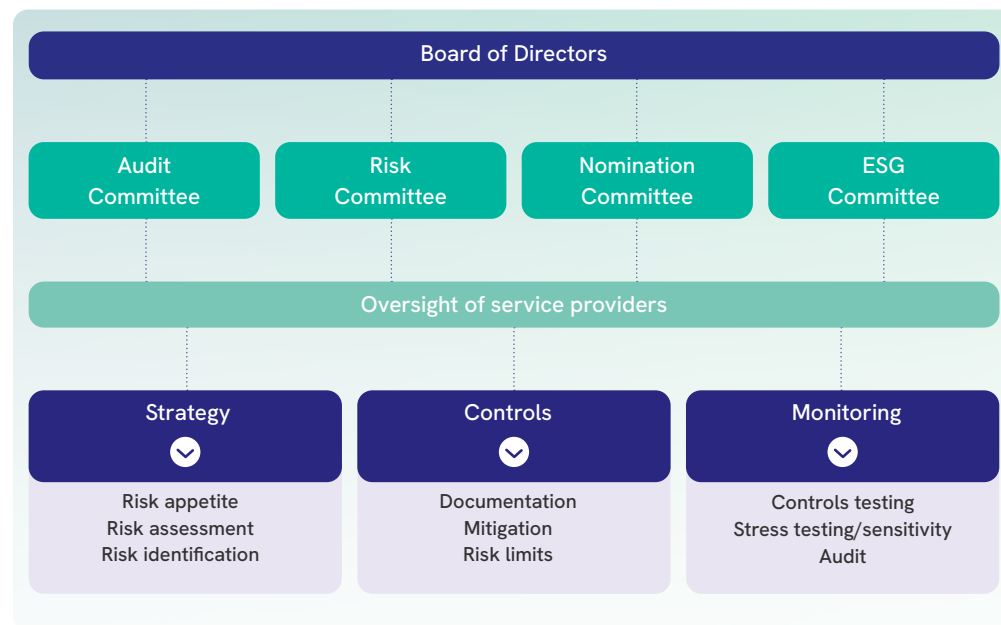
- financial reporting processes and valuation methodologies;
- technology, cybersecurity and data governance;
- oversight of outsourced and third-party service providers, including business continuity and disaster recovery arrangements; and
- fraud risk management and economic crime controls.

The Board will continue to develop its approach to Provision 29 over the coming year, including completing the formal mapping of material controls and enhancing its review processes in advance of the first required declaration.

Risk management framework

FGEN has a comprehensive risk management framework and risk register that assesses: a) the probability of each identified risk materialising; and b) the impact it may have on FGEN. Mitigations and, where applicable, controls have been developed with respect to each risk so as first to reduce the likelihood of such risk occurring and secondly to minimise the severity of its impact in the case that it does occur. The risk register is a “live” document that is reviewed and updated regularly by the Risk Committee as new risks emerge and existing risks change.

The principal risks faced by the Group are formally reviewed by the Risk Committee at each quarterly meeting, and the Committee reports to the Board in respect of changes to the general risk environment and material developments in already identified risks. Each of the underlying projects is overseen by an experienced portfolio manager who reports to their individual project board. The portfolio managers maintain strong relationships between counterparties, contractors, third-party asset managers and other stakeholders. This ensures effective management of potential risks.



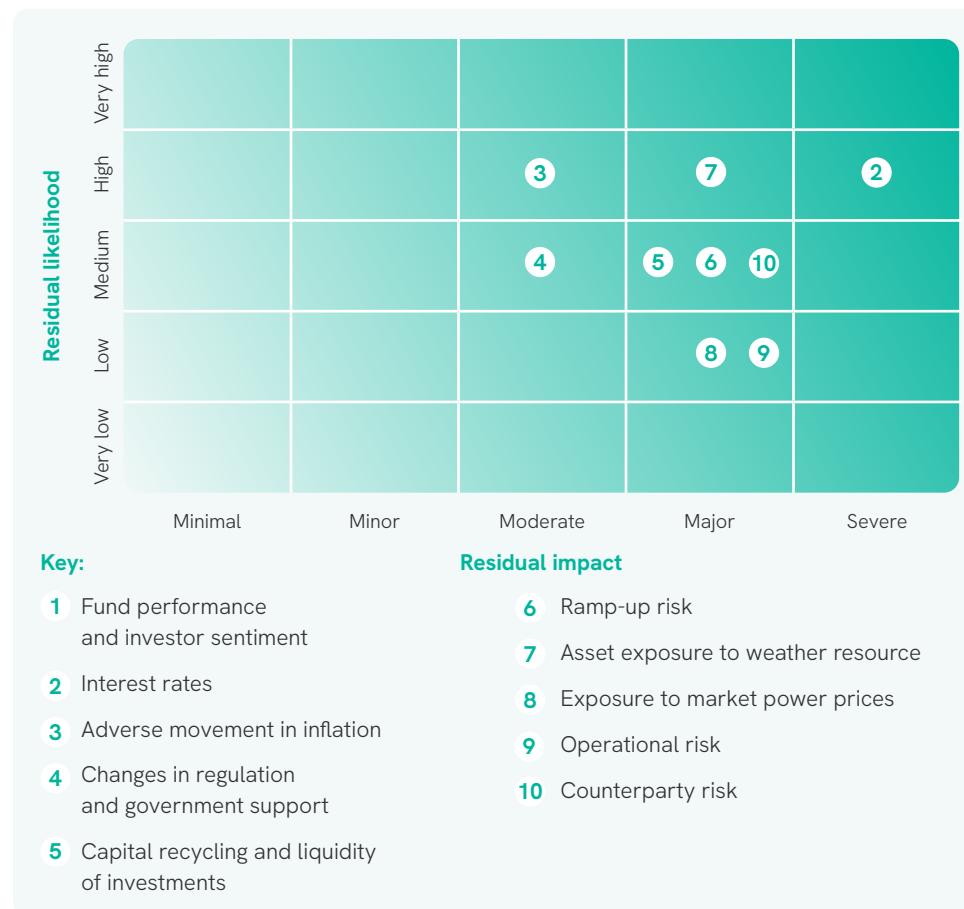
Emerging risks

Emerging risks are characterised by a degree of uncertainty, and the Investment Manager and the Board consider new and emerging risks at the Risk Committee which takes place quarterly; the risk register is then updated to include these considerations if required. Furthermore, the Company is advised by various advisers within the listed infrastructure space and the Investment Manager, Foresight, considers emerging risks over a wider market arena.

Examples of emerging risks that have been considered by the Board and Investment Manager during the period include the following:

- i. Ongoing uncertainty over energy market reform in the UK. Whilst the government has confirmed that zonal pricing will not be introduced under REMA, material areas of reform remain outstanding, including the detailed delivery of a reformed national pricing model. In addition, the consultation on ROC Fixed Price Certificates could affect long-term revenue assumptions for ROC-accredited assets, depending on final design and implementation.
- ii. Heightened geopolitical tension arising from the US/Iran conflict and the associated macroeconomic consequences. Escalation in the Middle East has the potential to disrupt energy markets, shipping routes and global supply chains, with implications for oil and gas prices, inflation, interest rate expectations and investor sentiment. These factors could impact asset operating costs, valuation assumptions, financing conditions and the wider attractiveness of listed infrastructure.
- iii. The risk that policy ambition across the UK and European environmental infrastructure is not matched by deliverable regulatory frameworks, planning capacity, grid access and supply chain availability. Governments continue to signal strong support for clean energy, grid modernisation, storage, waste, water and broader environmental infrastructure; however, the pace of delivery remains vulnerable to planning delays, judicial review, grid connection bottlenecks, network charging uncertainty, skills shortages, equipment availability and competing political priorities around affordability and energy security. These factors could delay construction timetables, increase development and operating costs, constrain revenue opportunities and reduce investor confidence in certain technologies or geographies.

This risk map shows our assessment of each area of principal risk after mitigation.













FGEN’s risk register covers six main areas of risk:




- Strategic, economic and political
- Operational, business, processes and resourcing
- Financial and taxation
- Compliance and legal
- Asset specific
- ESG






This year we are only detailing the most pertinent principal risks affecting the Company. We have identified 10 risks within two of the above-mentioned categories. These risks are summarised below, followed by a detailed discussion of the mitigating factors.





See more on climate-related risks in our Sustainability and ESG report on pages 68 to 70.




Risk	Potential impact	Mitigations	Controls
Strategic, economic and political			
<p>Risk type  Fund performance and investor sentiment</p> <p>Change in year  New principal risk</p> <p>Link to Fund objectives </p> <p>Residual risk Medium</p>	<p>A new principal risk, replacing access to capital and covering a broader spectrum of risk. If the Company underperforms its peer group, fails to deliver expected NAV progression or investor sentiment towards the Company or sector deteriorates, demand for FGEN shares may weaken. This could widen the discount to NAV, constrain the Company's ability to raise capital and restrict ability to fund commitments or deliver portfolio growth. Under-performance could also increase scrutiny of the Company's strategy, dividend policy, management arrangements and capital allocation decisions.</p>	<p>The Board and Investment Manager seek to deliver resilient long-term returns through a diversified portfolio, active asset management, disciplined capital allocation and a clear investment strategy focused on core environmental infrastructure. Ongoing shareholder engagement, transparent reporting and regular market updates are intended to support investor confidence. Peer activity, sector discounts, corporate actions and investor feedback are monitored closely.</p>	<p>The Board reviews performance against strategic objectives, peer benchmarks, share rating, shareholder feedback and capital allocation priorities. The Investment Manager provides regular reporting on NAV performance, asset performance, market conditions and investor sentiment. The Board, broker and financial PR adviser support regular shareholder engagement and communications, including around key strategic matters and AGM resolutions.</p>
<p>Risk type  Interest rates</p> <p>Change in year  No change</p> <p>Link to Fund objectives </p> <p>Residual risk High</p>	<p>Higher or more persistent interest rates may affect the Company in several ways: by increasing discount rates used in asset valuations; reducing portfolio NAV; increasing the cost of floating-rate borrowings; and making alternative asset classes more attractive to investors, which may further affect demand for the Company's shares. Elevated rates may also contribute to wider sector discounts and reduce the availability or attractiveness of debt financing.</p>	<p>The Investment Manager monitors interest rate markets, gilt yields, debt market conditions and peer valuation benchmarks when recommending valuation assumptions. The Company uses fixed-rate debt or interest rate swaps where appropriate at project level, and detailed cash flow modelling is used to assess the impact of changes in interest costs and refinancing assumptions. Maintaining prudent gearing and proactive lender engagement reduces refinancing risk and supports financial flexibility.</p>	<p>Discount rates and financing assumptions are reviewed by the Foresight Valuation Committee and approved by the Board as part of the quarterly valuation process. Portfolio valuations are subject to Board approval, independent review by PwC. Financing structures for new investments or refinancings are reviewed through the Foresight Investment Committee and, where required, the FGEN Investment Committee and Board.</p>







Change in year:  Increased  Decreased  No change  New principal risk


Key to Fund objectives  Long-term predictable income growth for shareholders  Diversification across sectors and geographies for a more robust, risk-adjusted return  Potential for capital growth




Risk	Potential impact	Mitigations	Controls
<p>Risk type ③ Adverse movement in inflation</p> <p>Change in year ○ No change</p> <p>Link to Fund objectives   </p> <p>Residual risk Medium</p>	<p>The portfolio has direct and indirect exposure to inflation through subsidies, service contracts, costs, revenues and discount rate assumptions. If inflation is materially lower than valuation assumptions, revenues and portfolio valuations may be reduced. Conversely, higher inflation may increase operating, maintenance, construction or financing costs and may contribute to higher discount rates. Changes to inflation indexation mechanisms, such as shifts from RPI to CPI, may also reduce expected revenue growth.</p>	<p>A significant proportion of portfolio revenues benefit from contractual inflation linkage or pricing power, providing a degree of natural inflation protection. Inflation assumptions used in valuations are reviewed regularly against market forecasts and economic data. The Board retains discretion over the extent of dividend increases and considers inflation, cash generation, dividend cover and long-term sustainability when setting dividend targets.</p>	<p>Inflation assumptions are reviewed through the Foresight Valuation Committee and approved by the Board as part of the quarterly valuation process. Portfolio valuations are independently reviewed by PwC. The Board monitors dividend cover, cash flow forecasts and inflation sensitivities when considering distributions and capital allocation.</p>
<p>Risk type ④ Changes in regulation and government support</p> <p>Change in year ○ No change</p> <p>Link to Fund objectives   </p> <p>Residual risk Medium</p>	<p>Changes in law, regulation, subsidy regimes, market design or government policy may adversely affect the revenues, costs, compliance requirements or valuations of portfolio assets. This includes changes to renewable support mechanisms, network charging, energy market reform, inflation indexation, sustainability regulation, tax law and broader policy support for the energy transition. Regulatory change may be prospective or retrospective and may affect individual assets, sectors or the wider investment case for environmental infrastructure.</p>	<p>FGEN’s diversified investment mandate reduces exposure to any single regulatory regime, technology or support mechanism. The Investment Manager monitors policy developments in the UK and relevant European markets, engages with trade associations and advisers, and participates in consultation processes where appropriate. External legal, technical, tax and regulatory advisers are used to assess material developments and potential valuation or cash flow impacts.</p>	<p>Regulatory and policy developments are reviewed by the Investment Manager and reported to the Board and Risk Committee. Investment Committee processes consider regulatory risks for new investments, while the Portfolio Oversight Committee monitors developments affecting existing assets. Valuation implications are reviewed through the Foresight Valuation Committee, Board valuation approval process and independent review by PwC.</p>






Change in year:  Increased  Decreased  No change  New principal risk





Key to Fund objectives  Long-term predictable income growth for shareholders  Diversification across sectors and geographies for a more robust, risk-adjusted return  Potential for capital growth




Risk	Potential impact	Mitigations	Controls
<p>Risk type</p> <p>5 Capital recycling and liquidity of investments</p> <p>Change in year</p> <p>✳ New principal risk</p> <p>Link to Fund objectives</p> <p>  </p> <p>Residual risk</p> <p>Medium</p>	<p>A new principal risk with respect to the Company's capital recycling strategy, which may depend on asset disposals that are influenced by factors outside FGEN's control, such as market conditions, buyer demand and financing markets. Infrastructure assets are inherently illiquid, and investments may be difficult to sell at the desired time or price. Failure to execute planned disposals could restrict balance sheet flexibility, delay capital redeployment, limit debt reduction or buybacks and slow progress against strategic objectives.</p>	<p>The Investment Manager maintains regular portfolio reviews to identify potential disposal candidates, assess valuation benchmarks and evaluate market appetite. Disposal processes are timed and structured to maximise value, with the Board retaining discretion over whether proceeds are used for debt repayment, shareholder returns, funding commitments or reinvestment. FGEN's diversified portfolio and active asset management approach are intended to support realisable value and broaden the pool of potential buyers.</p>	<p>Potential disposals and capital recycling decisions are subject to Board oversight and, where applicable, Investment Committee approval. The Foresight Valuation Committee, Board valuation approval process and PwC valuation review provide oversight of carrying values. The Investment Manager monitors peer transactions, market pricing and investor appetite to inform disposal timing and expected proceeds.</p>
Operational, business and resourcing			
<p>Risk type</p> <p>6 Ramp-up risk</p> <p>Change in year</p> <p>— No change</p> <p>Link to Fund objectives</p> <p>  </p> <p>Residual risk</p> <p>Medium</p>	<p>The growth assets, i.e. CNG, the Glasshouse and Rjukan, may not achieve operational, production or sales ramp-up in line with the investment case. Delays, technical issues, lower production volumes, customer demand shortfalls, pricing pressure, biological or infection risks, contractor performance issues or additional funding requirements could reduce cash generation, delay breakeven, impair valuations and affect the Company's liquidity and strategic plans, given the importance of successful ramp-up to medium-term value creation and potential exit outcomes.</p>	<p>The Investment Manager uses experienced contractors, operating partners and specialist advisers, and adopts conservative modelling assumptions for ramp-up timing, pricing and production where appropriate. Asset management teams monitor operational milestones, technical issues, funding requirements and commercial progress closely. The Board and Investment Manager retain flexibility to adjust strategy, funding and exit timing in response to asset-specific performance and market conditions.</p>	<p>Ramp-up performance is monitored through the Foresight Portfolio Oversight Committee, FGEN Risk Committee and regular Board reporting. Key activities at relevant assets require appropriate project director approvals. Funding requirements are incorporated into detailed cash flow forecasts and liquidity monitoring, while valuation impacts are reviewed through the Foresight Valuation Committee, Board valuation approval process and PwC review.</p>











Change in year:  Increased  Decreased  No change  New principal risk





Key to Fund objectives  Long-term predictable income growth for shareholders  Diversification across sectors and geographies for a more robust, risk-adjusted return  Potential for capital growth




Risk	Potential impact	Mitigations	Controls
<p>Risk type 7 Asset exposure to weather resource</p> <p>Change in year (—) No change</p> <p>Link to Fund objectives  </p> <p>Residual risk High</p>	<p>The financial performance of wind, solar and hydro assets depends on the availability of natural resource, including wind speeds, irradiation and rainfall, which are outside the control of the Company. Resource levels below forecast may reduce generation, revenues, cash distributions and portfolio valuations. Climate change and changing weather patterns may also affect long-term resource assumptions, while extreme weather events may damage assets or interrupt operations.</p>	<p>The Company mitigates weather resource risk through diversification across technologies, geographies and weather systems, including exposure to both intermittent and baseload generation and non-energy infrastructure. Independent technical advisers are used when assessing resource assumptions for new investments and periodic performance reviews. The Investment Manager reviews actual generation against forecasts and adjusts assumptions where appropriate. Climate risk analysis and stress testing are used to assess physical risks to the portfolio.</p>	<p>Resource assumptions and asset performance are reviewed by the Foresight Valuation Committee and reflected in the quarterly valuation process. New investments are subject to Foresight Investment Committee review and, where outside delegated authority, FGEN Investment Committee approval. The Board signs off portfolio valuations, with independent PwC review providing additional challenge.</p>
<p>Risk type 8 Exposure to market power prices</p> <p>Change in year (—) No change</p> <p>Link to Fund objectives   </p> <p>Residual risk Very high</p>	<p>Revenues from the Company’s renewable energy generation assets and certain other energy infrastructure investments are exposed to electricity and gas market prices. Actual prices achieved may differ materially from valuation assumptions, reducing cash generation, dividend cover and portfolio valuation. Longer-term power price forecasts may be affected by commodity prices, demand, renewables penetration, capture price discounts, negative pricing, curtailment, cannibalisation, carbon prices and changes in market design. Battery storage revenues are also market based and may be more complex and volatile than traditional generation revenues.</p>	<p>The Company mitigates short-term price volatility through fixed-price arrangements, PPAs and hedging where appropriate, and uses a blended curve from several independent market forecasters for long-term valuation assumptions. The Investment Manager cross-checks assumptions against public information from peers, market data and project-specific arrangements, including capture discounts and cannibalisation. The portfolio’s diversified revenue base, including subsidies, long-term contracts and non-power revenues, reduces reliance on merchant power prices.</p>	<p>Power price assumptions are reviewed by the Foresight Valuation Committee and approved by the Board as part of the quarterly valuation process. The Board signs off the portfolio valuation, which is independently reviewed by PwC. The Company’s power price hedging policy and price fixing activity are monitored by the Investment Manager and reported to the Board.</p>

Change in year:  Increased  Decreased  No change  New principal risk

Key to Fund objectives  Long-term predictable income growth for shareholders  Diversification across sectors and geographies for a more robust, risk-adjusted return  Potential for capital growth

Risk	Potential impact	Mitigations	Controls
<p>Risk type  Operational risk</p> <p>Change in year  No change</p> <p>Link to Fund objectives   </p> <p>Residual risk Medium</p>	<p>Operational issues at portfolio assets may reduce availability, output, revenues or asset valuations. These may include health and safety incidents, technical failures, component defects, contractor under-performance, grid outages or constraints, cyber incidents, environmental events, insurance issues, handback risks, distribution lock-ups or counterparty failures. Material issues at individual assets may require additional expenditure, impair asset valuations, restrict cash distributions to the Company or result in reputational damage.</p>	<p>The Investment Manager monitors asset performance on an ongoing basis, supported by sector specialists, project directors, operating partners, O&M contractors and external advisers. The portfolio is diversified across technologies, contractors, counterparties and geographies, reducing exposure to a single operational issue. Appropriate insurance is maintained, health and safety processes are monitored, cyber security arrangements are reviewed and contingency planning is undertaken for material incidents.</p>	<p>Operational performance is reviewed through the Foresight Portfolio Oversight Committee, FGEN Risk Committee and regular Board reporting. Health and safety audits, incident reporting, contractor monitoring, business continuity testing and cyber security reviews provide additional oversight. Valuation impacts from operational issues are reviewed by the Foresight Valuation Committee, approved by the Board and independently reviewed by PwC.</p>
<p>Risk type  Counterparty risk</p> <p>Change in year  New principal risk</p> <p>Link to Fund objectives   </p> <p>Residual risk Medium</p>	<p>A new principal risk regarding Company exposure to the risk that key contractual counterparties fail to perform, become financially distressed or are unable to meet their obligations. This may include operators, O&M contractors, offtakers, PPA providers, co-investors and asset-level management teams (for example at Rjukan, CNG and Cramlington). Counterparty failure or under-performance could reduce asset availability, delay ramp-up, restrict cash distributions, increase replacement or remediation costs, impair valuations and affect delivery of the Company's strategy.</p>	<p>The Investment Manager manages counterparty risk through financial, technical, legal and commercial due diligence at acquisition and investment stage. Where appropriate, the Company uses experienced advisers, contractual protections, performance obligations, warranties, guarantees and step-in or replacement rights. Material counterparties are monitored on an ongoing basis, drawing on Foresight's sector knowledge, project director oversight and asset management experience. Diversification across sectors, contractors, offtakers and counterparties reduces reliance on any single relationship.</p>	<p>Counterparty exposures are monitored by the Investment Manager and reported through the Foresight Portfolio Oversight Committee, FGEN Risk Committee and Board. New investments are reviewed by the Foresight Investment Committee and, where required, the FGEN Investment Committee, including assessment of key counterparty dependencies and contractual protections. Material counterparty issues and valuation impacts are reviewed through the Foresight Valuation Committee, with portfolio valuations subject to Board approval and PwC review.</p>

Change in year:  Increased  Decreased  No change  New principal risk

Key to Fund objectives  Long-term predictable income growth for shareholders  Diversification across sectors and geographies for a more robust, risk-adjusted return  Potential for capital growth

Stakeholder engagement

The Board is committed to promoting the long-term sustainable success of the Company whilst conducting business in a fair, ethical and transparent manner.

Whilst directly applicable only to companies incorporated in the UK, the Board recognises the intention of the AIC Code where matters set out in Section 172 of the Companies Act 2006 are reported upon. The Board strives to understand the views of the Company's key stakeholders and to take these into consideration as part of its discussions and decision-making process.

As an investment company, the Company does not have any direct employees and conducts its core activities through third-party service providers. Each provider has an established track record and through regulatory oversight is required to have in place suitable policies and procedures to ensure they maintain high standards of business conduct, and employ corporate governance best practice.

The Board strongly believes that fostering healthy and constructive relationships with its broad range of stakeholders, and taking into consideration their respective interests as part of its decision-making process, should result in increased shareholder value over the long term.

FGEN's principal stakeholders comprise of shareholders, the Investment Manager, commercial service providers, asset-level counterparties, local communities and debt providers. Pages 57 to 59 explain why and how the Company engages with these stakeholders, and the actions taken by it to ensure their interests are understood and considered in the Board's strategic decision-making. These relationships are considered fundamental to the Company's sustainability and are monitored carefully by the Board.

FGEN recognises that community engagement at our sites is an ongoing process and that, at times, problems can arise before we can address them; however, it is our stated objective to develop positive relationships with the communities in which we operate. Continually improving our communications, complaints handling processes and providing access to relevant information for local residents through various channels including asset specific websites is a priority.

Section 172

The considerations and activities undertaken by the Directors in complying with Section 172, the stakeholder groups concerned and how the Directors have formed their opinion are set out below.

The Board's annual cycle includes not less than four scheduled meetings between the Board and the Investment Manager where the agenda includes updates on matters relevant to Section 172. The reports provided support the decisions taken to meet the objectives for each of the foregoing sections. Supplementing the quarterly meeting schedule are monthly operational meetings between the Board, the Investment Manager and relevant portfolio managers.

The Risk Committee receives a quarterly report on the Company's key counterparty exposures, and relationships with the Company's suppliers, customers and others forms part of the quarterly operational review provided to the Board. A separate agenda item is dedicated each quarter to matters concerning shareholder engagement and sentiment, corporate broking activity, investor profile and media engagement.

The investment vetting process adopted by the Investment Manager in conjunction with the Risk Committee's oversight of the risk management framework ensures consideration is given to items relevant to the Section 172 statement.

Stakeholder groups typically interface with the Company through the Investment Manager, corporate broker or the Company Secretary. Each are responsible for communicating stakeholder concerns and receiving Board input on the actions proposed to achieve a positive outcome through effective engagement. Stakeholder engagement is a standing agenda item and is considered by the Directors at each ESG Committee meeting.

Annually, the Board meets with the Investment Manager and other key advisers to review the strategic position of the Company, to consider the longer-term factors relevant to the Board's decision-making and how such factors may affect the communities and the local environments in which the Company operates.

Section 172	Commentary
Long-term decisions	<p>The Board considers the likely long-term consequences on all stakeholders as a routine part of its decision-making process. In addition, learning gained over the life of the Company provides evidence on which the effectiveness of past decisions can be assessed and is considered as part of the annual strategy day.</p> <p>Please see page 8 for the investment objectives and business model.</p>
Interests of employees	<p>As an investment company, at a corporate level, the Company does not have any direct employees. However, certain underlying projects of the Company do have employees and their interests are managed at Board level by the respective project company and by third-party asset-level counterparties.</p> <p>Please see page 142 – governance KPIs.</p>
Fostering relationships with suppliers, customers and others	<p>The Board believes that building effective business relationships with suppliers, customers and other key counterparties is crucial to preserving long-term shareholder value.</p> <p>Excluding the Investment Manager, at the corporate level, these stakeholders include the Administrator and Company Secretary, corporate broker, legal counsel, public relations agency, the auditor and tax advisers and banks. At the operational level, this includes asset-level counterparties, local communities and debt providers.</p> <p>Please see page 58 – stakeholder engagement.</p>
Acting fairly between Company members	<p>Each decision taken by the Board considers the interests of shareholders as a whole and safeguards are in place to manage conflicts of interest appropriately when they arise.</p> <p>Please see page 57 – stakeholder engagement, and page 90 – relations with shareholders.</p>
Impact on the community and environment	<p>This topic is extensively covered in the Company’s Sustainability and ESG report released annually. Please see page 59 – stakeholder engagement, and pages 63 to 76 – sustainability and ESG.</p>
Maintaining high standards of business conduct	<p>The Board strives to meet or exceed the standards expected of a public company owning and investing in renewable infrastructure assets. Examples include the development of the Company’s ESG KPIs, implementing an ESG-linked revolving credit facility and adopting the formation of a dedicated ESG Committee and voluntarily reporting against the TCFD requirements.</p> <p>Please see pages 63 to 76 – sustainability and ESG.</p>

 Shareholders

Providers of equity finance and recipients of income distributions.

48

meetings attended with institutional shareholders

Key stakeholders

- Retail investors
- Institutional investors
- Private client and wealth managers
- Investor platforms
- Pensions and insurance providers
- Proxy voting agencies

How has FGEN communicated and engaged?

- Investor roadshows, presented at conferences and seminars and provided results updates on retail investor platform, IMC
- 1:1 meetings with the Investment Manager, Chair and Senior Independent Director
- Held a Capital Markets Day for investors and analysts to spotlight FGEN's growth assets and the outlook for their ongoing mid to long-term capital growth
- Responding to investors' queries on financial, strategic and ESG topics and completion of due diligence documentation
- Quarterly financial updates, Annual Report, Sustainability and ESG report, RNS announcements and quarterly factsheets
- Dedicated FGEN website
- Views and feedback sought from institutional shareholders via corporate broker and PR adviser
- Investor research notes produced by Quoted Data and Winterflood and frequent articles across traditional print and social media
- Worked with Capital Access Group to reach new private client fund managers and wealth managers

Key strategic decisions impacting stakeholder group during period

- Dividend target increased by 1% to 8.04 pence per share for the financial year to 31 March 2027, in line with investment objective
- Announced a refocused investment strategy, prioritising a core portfolio of environmental infrastructure, including growth assets

 Investment Manager

Key counterparty responsible for delivering the Board's strategy.

25

site visits by the Investment Manager

Key stakeholders

- Foresight Group
- Foresight Group employees

How has FGEN communicated and engaged?

- Quarterly Board meetings in Guernsey and via video conference
- Holding annual strategy day, with input from and engagement with key personnel from the Investment Manager to monitor and assess FGEN's strategic position within the environmental infrastructure market
- Comprehensive assessment of contractual relationship with the Investment Manager and their performance
- Monitoring the effectiveness of the parameters for delegated authority to take investment decisions
- Monthly meetings with the Investment Manager to discuss operational matters and investment opportunities under consideration
- Liaising with the Investment Manager in relation to the discontinuation vote
- Liaising with the Investment Manager in relation to the internal controls arrangements of the Investment Manager
- Arranging site visits for stakeholders to FGEN's CNG Warrington facility and Cramlington Biomass

Key strategic decisions impacting stakeholder group during period

- Determination that the Investment Manager maintains a robust internal control environment
- Confirming the continued appropriateness of the Investment Manager's delegated authority to take investment decisions
- Proposed reduction in investment management fee, calculated 50% based on NAV and 50% on market capitalisation, which will result in an annual cost saving of over £800,000



Commercial service providers

Providers of essential business support services.

19

number of commercial service providers

Key stakeholders

- Administrator and Company Secretary
- Corporate broker
- Legal advisers
- Public relations agency
- Auditor and tax advisers
- Independent valuation specialists

How has FGEN communicated and engaged?

- Regular scheduled update calls as well as specific interactions on corporate actions and portfolio acquisitions
- Collaboration with multiple service providers in publication of annual and interim reports
- Annual service provider performance review
- Consulting on regulatory, governance, accounting and taxation matters
- Engaging and liaising on internal control environment of the Administrator and Company Secretary
- Receiving a specific update from the Company's independent valuation specialists on the state of the market
- Regular meetings with financial public relations agency and Foresight's marketing department to develop tactics to increase engagement with retail investors and the media, build brand awareness and enhance FGEN's reputation in the market

Key strategic decisions impacting stakeholder group during period

- Key service providers retained, providing continuity of service and familiarity with the objectives of the Company
- Appointment of specialist financial public relations agency to provide support to the Board with the delivery of its refocused investment strategy



Asset-level counterparties

Asset-level technical and operational management service providers.

34

number of O&M and MSA providers

Key stakeholders

- Operations and maintenance ("O&M") contractors
- External management services ("MSA") providers
- Supply chain counterparties
- Landowners

How has FGEN communicated and engaged?

- Regular update calls between the Investment Manager, O&M and MSA providers to ensure adequate oversight of portfolio operations
- Focused engagement on value enhancement opportunities, including rationalisation of service provision for cost savings and/or improved services
- Increased scrutiny of, and resource allocation to, emerging risks identified
- Increased emphasis on the internal control framework to ensure that controls are both robust and effective

Key strategic decisions impacting stakeholder group during period

- Following a comprehensive tender process, a new asset manager was appointed at eight of the solar sites in the financial year, with the remaining two due to move across in July 2025
- A new technical asset manager was appointed on 10 of the wind assets. Both changes serve to validate the Investment Manager's pricing assumptions

Local communities

Members of society living in proximity to an asset of the Company, where the operations of that asset may have an impact, whether positive or negative.

£614,491

community contributions made

Key stakeholders

- Local authorities and agencies
- Community funds
- Landowners
- Local environment
- Local residents

How has FGEN communicated and engaged?

- Frequent engagement with local authorities and other regulators to ensure safe and compliant operation of our assets
- Actively engaged with local authorities on construction planning and obtaining necessary planning permissions
- Regular interaction between the owners of land on which our assets operate and the Investment Manager’s asset management team
- Several community outreach programmes took place during the year to support and educate stakeholder groups. See the case studies in the Sustainability and ESG report on pages 63 to 76 for more information

Key strategic decisions impacting stakeholder group during period

- FGEN donated £614,491 to local community funds over the period, helping to address local needs and promote long-term sustainable and prosperous communities

Debt providers

Providers of long-term debt to finance assets within the portfolio. Providers of short to medium-term debt facilities (RCF) to finance the acquisition of investment opportunities.

14

number of lenders to the Company and portfolio SPVs

Key stakeholders

- Banks
- Lenders
- RCF agent

How has FGEN communicated and engaged?

- Regular updates provided on covenant compliance and current positioning
- A number of debt providers, together with investors and analysts, attended FGEN’s Capital Markets Day event to learn more about the growth assets and the outlook for their ongoing mid to long-term capital growth
- FGEN regularly engages with its lenders on sustainability targets and, as such, the RCF has achieved Sustainability Linked Loan status under the Loan Market Association sustainability provisions

Key strategic decisions impacting stakeholder group during period

- Debt remained a key component of the funding strategy. In line with the Company’s stated approach to capital allocation, FGEN continues to maintain one of the lowest levels of gearing in the sector
- As at 31 March 2026, total gearing was 28.8%. In April 2026, the Company signed a one-year extension to its existing £150 million revolving credit facility (“RCF”) and has activated a £15 million accordion facility

Capital Markets Day event

Stakeholders considered:

- Shareholders
- Equity analysts
- Debt providers

On 12 May 2026, investors, analysts and debt providers attended FGEN's Capital Markets Day, which was held at the Foresight Group offices in London.

The event provided a comprehensive update on the Company's strategy, portfolio evolution and value creation pathway, while reinforcing its commitment to transparent and proactive engagement with investors. It brought together senior leadership, asset management teams and operating partners to provide detailed insight into both the established portfolio and the Company's growth assets.

Following a welcome address by the Chair, the Investment Manager highlighted the progress made against the strategic refocus outlined in June 2025. This included emphasising that the core operational portfolio continues to deliver resilient, diversified cash flows, underpinning a progressive dividend and providing a stable foundation for the business. At the same time, FGEN underscored its differentiation as a broader environmental infrastructure company, with exposure spanning renewable generation, enabling energy infrastructure and sustainable resource management, thereby reducing reliance on any single revenue driver, market factor or weather resource.

A key focus of the Capital Markets Day was the Company's growth assets – CNG Fuels, Rjukan and the Glasshouse – which now represent an increasingly important component of future value creation. Presentations delivered by the operating partners demonstrated that these investments have progressed beyond the development phase and are now in operational ramp-up. Discussions centred on the transition from construction risk to operational execution, including scaling production, improving utilisation, strengthening customer relationships and establishing consistent revenue streams.

The event also highlighted the broader market opportunities underpinning these investments. CNG Fuels was presented as a leading biomethane supplier addressing decarbonisation in heavy goods transport; Rjukan showcased the role of land-based aquaculture in sustainable food production; and Glass Pharms illustrated the potential of controlled environment agriculture in supplying highly regulated, pharmaceutical-grade cannabis-based medicines to specialised private clinics. Across each growth asset, management outlined clear pathways to value realisation, linking operational delivery to long-term shareholder value, and highlighting the critical role of operational evidence in attracting future buyers to enable potential capital recycling.

During the networking session following the event, attendees were served smoked trout canapés sourced from the Rjukan facility in Norway. For more information on the key strategic highlights from the event, see page 25.



Investment policy

The Company seeks to achieve its objectives by investing in a diversified portfolio of environmental infrastructure.

FGEN defines environmental infrastructure as infrastructure assets, projects and asset-backed businesses that utilise natural or waste resources or support more environmentally friendly approaches to economic activity, support the transition to a low-carbon economy or which mitigate the effects of climate change.

Environmental infrastructure that the Company invests in typically has one or more of the following characteristics:

- they have the benefit of long-term, predictable cash flows, which may be wholly or partially inflation-linked; and/or
- they are supported by long-term contracts or stable and well-proven regulatory and legal frameworks; and/or
- they feature well-established technologies and demonstrable operational performance.

The Company will invest in environmental infrastructure either directly or through holding or other structures that give the Company an investment exposure to environmental infrastructure. The Company's investment interests in environmental infrastructure may include partnership equity, partnership loans, membership interests, share capital, trust units, shareholder loans and/or debt interests in or to project entities or any other entities or undertakings in which the Company invests or may invest.

Whilst there are no restrictions on the amount of the Company's assets that may be invested in any individual type of environmental infrastructure, the Company will, over the long term, seek to invest in a diversified spread of investments both geographically (although the UK will always represent a minimum of 50% of the portfolio by value) and across different types of environmental infrastructure in order to achieve a broad spread of risk in the Company's portfolio.

Whilst the Company invests predominantly in operational assets, it may also invest in environmental infrastructure that is in its construction or development phase, which includes investment in developers of environmental infrastructure or development funding structures relating to environmental infrastructure.

The Company will also ensure that its investment portfolio comprises a minimum of five investments at any given time, save that this requirement shall not apply when the Company is being wound up or dissolved.

As technologies and the markets in which they contract into develop and become established, future investments may differ from those currently within the portfolio. These assets may incorporate new technologies that have a demonstrable track record or traditional infrastructure projects with features such as greater exposure to merchant markets in feedstock or byproducts.

Investment restrictions

With the objective of achieving a spread of risk, the following investment restrictions will apply to the acquisition of investment interests in the portfolio:

- the substantial majority of investments in the portfolio by value and number will be operational. The Company will not acquire investment interests in any investment if, as a result of such investment: (i) 5% or more of the NAV is attributable to environmental infrastructure in the development phase (including in developers or development funding structures); or (ii) 25% or more of the NAV is attributable to projects that are either in the development phase (including in developers or development funding structures) or are in construction and are not yet fully operational;

- at least 50% of the portfolio (by value) will be based in the UK, and the Company will only invest in environmental infrastructure located in the UK, member states of the European Union or OECD countries and, accordingly, the Company will not make any investment if, as a result of such investment, more than 50% of the NAV immediately post-acquisition would be attributable to investments that are not based in the UK; and
- it is intended that interests in any single investment acquired will not have an acquisition price (aggregated with the value of any existing investment in the relevant project, asset or business if relevant) greater than 25% of the NAV immediately post-acquisition. In no circumstances will a new acquisition exceed a maximum limit of 30% of the NAV immediately post-acquisition.

Borrowing and gearing

The Company intends to make use of short-term debt financing to facilitate the acquisition of investments (either by itself or by one of its subsidiaries). Borrowing may be secured against the assets comprising the portfolio. It is intended that such debt will be repaid periodically by the raising of new equity finance by the Company. The level of such debt is limited to 30% of the Company's Net Asset Value immediately after the acquisition of any further investment. Such debt will not include (and will be subordinate to) any project-level gearing or borrowings by assets or businesses in which the Company may invest, which shall be in addition to any borrowing at Company level.

The Company may acquire investment interests in respect of projects that have non-recourse project finance in place at the project entity level. The Company will target aggregate non-recourse financing attributable to renewable energy generation projects not exceeding 65% of the aggregate gross project value of such projects. The Company will target aggregate non-recourse financing attributable to projects structured as PFI/PPP projects not exceeding 85% of the aggregate gross project value of such projects. The Company will not invest in any project that would cause the Company to be in breach of the targeted limits set out in this paragraph if the Directors do not reasonably believe that the relevant target leverage limit can be achieved within six months of the date of investment in that project.

It is therefore possible that the Company may exceed the targeted gearing limits set out in this paragraph but only in circumstances where the Directors reasonably believe that such breach can be cured (by achieving the relevant target leverage limit) within six months of the date of investment in the relevant project.

Hedging

Where investments are made in currencies other than pounds sterling, the Company will consider whether to hedge currency risk in accordance with the Company's currency and hedging policy as determined from time to time by the Directors. Interest rate hedging may be carried out to provide protection against increasing costs of servicing debt drawn down by the Company to finance investments.

This may involve the use of interest rate derivatives and similar derivative instruments. Hedging against inflation may also be carried out where appropriate and this may involve the use of RPI swaps and similar derivative instruments. The currency, interest rate and any inflationary hedging policies will be reviewed by the Directors on a regular basis to ensure that the risks associated with movements in foreign exchange rates, interest rates and inflation are being appropriately managed.

Any hedging transactions (if carried out) will only be undertaken for the purpose of efficient portfolio management to enhance returns from the portfolio and will not be carried out for speculative purposes. The execution of hedging transactions is at the discretion of the Investment Manager, subject to the policies set by, and the overall supervision of, the Directors.

Cash balances

Pending reinvestment or distribution of cash receipts or repayments of any outstanding indebtedness, cash received by the Company will be invested in cash, cash equivalents, near-cash instruments, money market instruments and money market funds and cash funds. The Company may also hold derivative or other financial instruments designed for efficient portfolio management or to hedge interest, inflation or currency rate risks. The Company and any other member of the Group may also lend cash which it holds as part of its cash management policy.

Origination of further investments

Each of the investments comprising the portfolio comply with the Company's investment policy and further investments will only be acquired if they comply with the Company's investment policy.

Subject to due diligence and agreement on price, the Company will seek to acquire those investments that fit the investment objectives and investment policy of the Company. If, in the opinion of the Investment Manager, the risk characteristics, valuation and price of the prospective investment are acceptable and consistent with the Company's investment objective and investment policy, then (subject to the Company having sufficient sources of capital and, in respect of certain transactions, the approval of Directors) an offer will be made (without seeking the prior approval of shareholders) and, if successful, the investment will be acquired by the Company.

The Investment Manager will be subject to the overall supervision of the Board, all of whom are independent of the Investment Manager.

Potential disposal of investments

Whilst the Investment Manager may elect to retain investment interests in the portfolio of investments that the Company acquires, and any other further investments made by the Company over the long term, the Investment Manager will regularly monitor the valuations of such investments and any secondary market opportunities to dispose of investments. The Investment Manager only intends to dispose of investments where it considers that appropriate value can be realised for the Company or where it otherwise believes that it is appropriate to do so. Proceeds from the disposal of investments may be reinvested or distributed at the discretion of the Directors.

Amendments to and compliance with the investment policy

Material changes to the investment policy of the Company may only be made in accordance with the approval of the shareholders by way of ordinary resolution and (for so long as the ordinary shares are listed on the official list maintained by the Financial Conduct Authority) in accordance with the Listing Rules. Minor changes to the investment policy must be approved by the Directors. In the year under review, no policy changes were proposed.

The investment restrictions detailed above apply at the time of the acquisition of investment interests, and the values of existing investment interests shall be as at the date of the most recently published NAV of the Fund, unless the Directors believe that such valuation materially misrepresents the value of the Company's investment interests at the time of the relevant acquisition. The Fund will not be required to dispose of investment interests and to rebalance its portfolio as a result of a change in the respective valuations of investment interests.

Sustainability and ESG

In this section:

ESG Committee Chair's foreword	64
At a glance	65
Climate-related risks and opportunities	68
Progress against targets	72
Environmental and health and safety incidents	74
GHG emissions performance	75
GHG emissions avoided	76

Awards

FGEN was shortlisted for the following awards in the period:

edie Awards 2025

Sustainability reporting and communications project of the year

AIC Shareholder Communication Awards 2025

Best ESG Communication

Investment Week – Sustainable Investment Awards 2025

Best Sustainable Investment Fund

| ESG Committee Chair's foreword



Jo Harrison
Chair, ESG Committee

“This year has seen a structural shift from sustainability screening to fully integrated decision intelligence.”



This year has marked further progress in our environmental, social and governance (“ESG”) journey, as we continue to embed sustainability into our strategy, operations and decision-making. We remain committed to transparent, credible and decision-useful disclosures, while evolving our approach in line with emerging best practice and a shifting external environment, including ongoing market uncertainty.

Reflecting this, we have restructured this year’s report to bring key developments, updates and performance highlights to the forefront, with supporting process detail provided in the appendix. We have also deepened our alignment with the International Financial Reporting Standards (“IFRS”) S1 and S2, integrating previously separate ESG and Taskforce on Climate-related Financial Disclosures (“TCFD”) reporting into a more streamlined framework.

The primary development this year saw the enhancement of our approach to risk assessment and due diligence through a new framework aligned with evolving global standards. This includes further development of the Frontierra platform, supported by the UK Space Agency, to incorporate “value at risk” capabilities. This strengthens the integration of climate and nature-related risks into portfolio valuation and investment decision-making and represents a structural shift from sustainability screening to dynamic, fully integrated decision intelligence – embedding climate and nature considerations into investment strategy, risk management and long-term portfolio resilience.

We have also taken an important step towards science-based net-zero targets, with our Investment Manager developing targets across the wider Group that will cascade to fund level and be integrated into our plans.

Nature and biodiversity remain a core focus. This year, our revolving credit facility biodiversity target evolved to focus on active interventions – the first of its kind for a Foresight-managed fund. Supporting this, we have delivered initiatives including biodiversity planting, invasive species management, enhanced grazing regimes and installation of nesting boxes. We have also renewed our partnership with the Eden Project and continued to support biodiversity research, including acoustic monitoring across our sites.

At the asset level, we continue to advance decarbonisation initiatives, including progress on carbon capture at anaerobic digestion sites.

Looking ahead, our ambition remains clear: to build a resilient portfolio aligned with a net-zero future while contributing positively to the natural environment and local communities.

Jo Harrison
Chair, ESG Committee

17 June 2026

| At a glance

FGEN's Strategic Ambition

“FGEN's portfolio of investments will be net zero by 2050, in line with the 1.5°C Paris Agreement objective, be resilient to the changing climate and contribute towards a more sustainable future.”

The Strategic Ambition informs FGEN's transition plan, published in 2025.

Evolving the due diligence process

During the period, the Investment Manager transitioned pre-investment due diligence to an updated sustainability and climate risk framework aligned with evolving global standards, including the Sustainability Accounting Standards Board (“SASB”) and the EU Taxonomy. Sustainability assessments are embedded into investment processes and formally incorporated into Investment Committee materials, supported by enhanced counterparty and value chain due diligence using third-party platforms.

The Frontierra platform, described further on page 71, has also been integrated into pre-investment due diligence and asset-level risk registers, providing the Asset Management team with greater visibility of identified risks and potential mitigation requirements, while also supporting clearer planning of required works and enabling appropriate budget allocation.

While this process is still at an early stage, we expect it to evolve and further strengthen our approach to climate resilience and adaptation over time. The platform was further enhanced during the year to quantify value at risk associated with climate and nature-related risks, strengthening investment and portfolio management decision-making.

Biodiversity interventions supported by RCF

FGEN is the first fund in the Foresight portfolio to include an active biodiversity intervention target within its sustainability-linked revolving credit facility. Following the achievement of the initial biodiversity management plan target last year, the Company achieved its new target of biodiversity interventions, being undertaken across 20% of wholly owned operational UK sites.

Renewed partnership with the Eden Project

Foresight renewed its partnership with the Eden Project following three years of collaboration, including development of the Nature Recovery Blueprint. The renewed partnership strengthens stakeholder engagement and includes plans to extend activity across additional regions.

Progressing emissions reduction

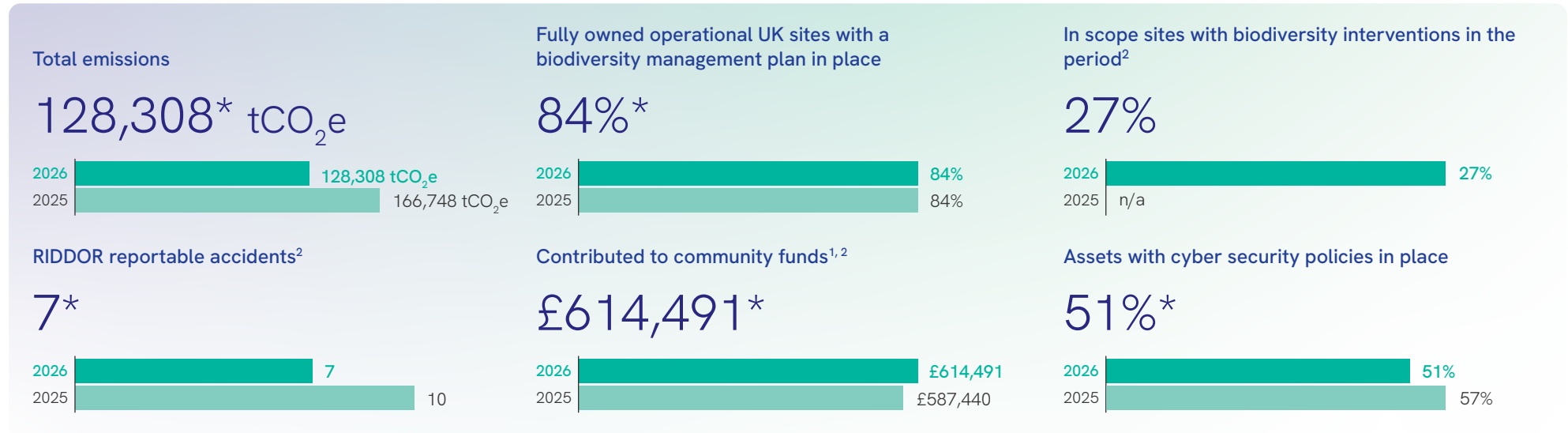
FGEN continues to progress its long-term ambition to achieve net-zero GHG emissions by 2050. During the year:

- carbon capture technology was approved for implementation at three AD sites in Norfolk and Lincolnshire, converting captured CO₂ into food-grade product while significantly improving emissions intensity;
- FGEN's carbon forecasting model informed development of a Group-wide forecasting approach, the outputs of which will be integrated into investment decision-making; and

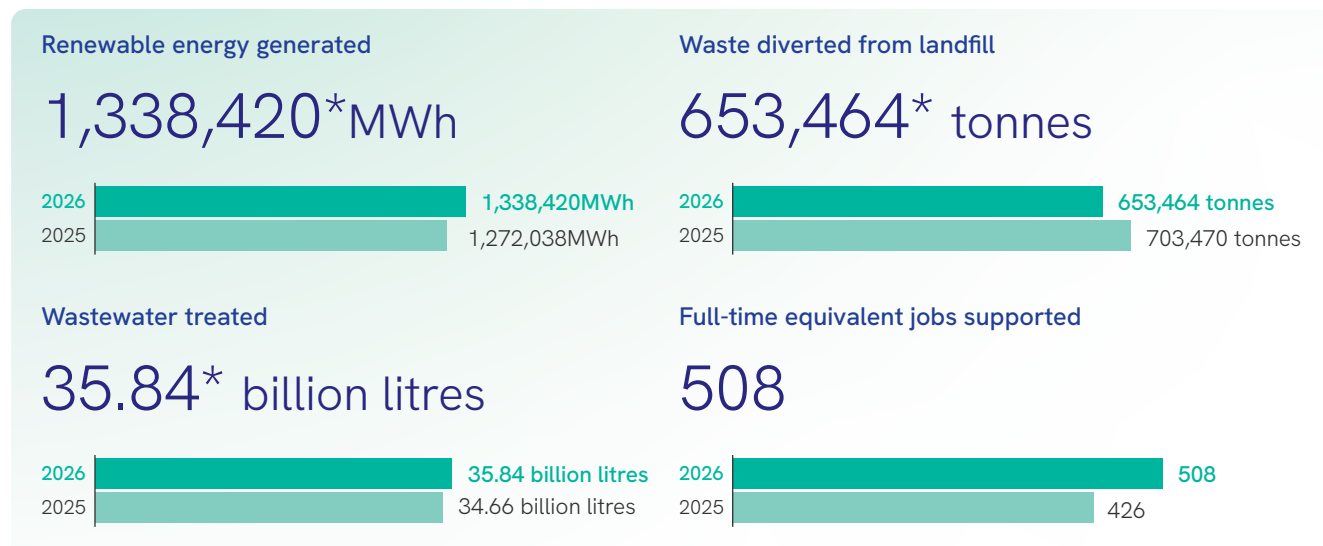
- the Investment Manager also identified division-level emissions reduction targets, supporting development of fund-level targets and progression towards Scope 1, 2 and 3 reduction objectives.



Sustainability metrics



1. FGEN's Community Funding guidance, published in May 2024, outlined the priority themes for community funded projects for FY24 and FY25 and has been carried through to FY26. These themes are: biodiversity projects and sustainability-focused educational opportunities.
2. KPIs associated with FGEN's revolving credit facility ("RCF").



Branden solar project

* Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out on page 160. FGEN's full sustainability-related reporting metrics can be found in the supporting information on pages 141 to 143.

ESG objectives



Promote the efficient use of resources

To invest in projects that manage the availability of natural resources, whether through utilisation of renewable resources, increasing resource or energy efficiency, or reusing or recovering waste.

Example criteria:

- Resource management
- Life on land/below water
- Climate change and resilience



Develop positive relationships with the communities in which FGEN operates

To encourage positive relationship-building between portfolio assets and the communities in which they sit.

Example criteria:

- Health and wellbeing
- Local economic impact – job creation
- Local social impact
- Community engagement and benefit



Ensure effective and ethical governance across the portfolio

To manage portfolio assets in a way that promotes ethical and effective governance.

Example criteria:

- Anti-bribery and corruption
- Modern slavery
- Audit and tax practices
- Cyber security
- Health and safety practices
- Board composition

Case study

Llynfi Afan Renewable Energy Park community benefit milestone

Overview

Llynfi Afan Renewable Energy Park is a 24MW onshore wind farm in South Wales that is wholly owned by FGEN. The wind farm has been operational since 2017 and produces enough energy each year to power approximately 17,900 homes. Alongside its contribution to renewable energy generation, the project’s community benefit fund has been focused on delivering long-term value to local communities.

£1 million community investment milestone

This year marks a significant milestone for the project, with the community benefit fund surpassing £1 million in funding made available to local initiatives since it began operating. The Fund provides ongoing financial support to communities in Neath Port Talbot and Bridgend throughout the life of the wind farm, helping ensure that the benefits of renewable energy are shared locally.

Delivering tangible local impact

The funding has supported a wide range of projects that enhance community wellbeing and resilience, including:

- redevelopment of children’s playgrounds;
- installation of outdoor community gyms;
- development of school allotments;
- support for local sports clubs and facilities;
- maintenance of libraries and swimming pools;
- refurbishment of community spaces, including the Miners’ Welfare Hall; and
- purchase of defibrillators for a number of villages.



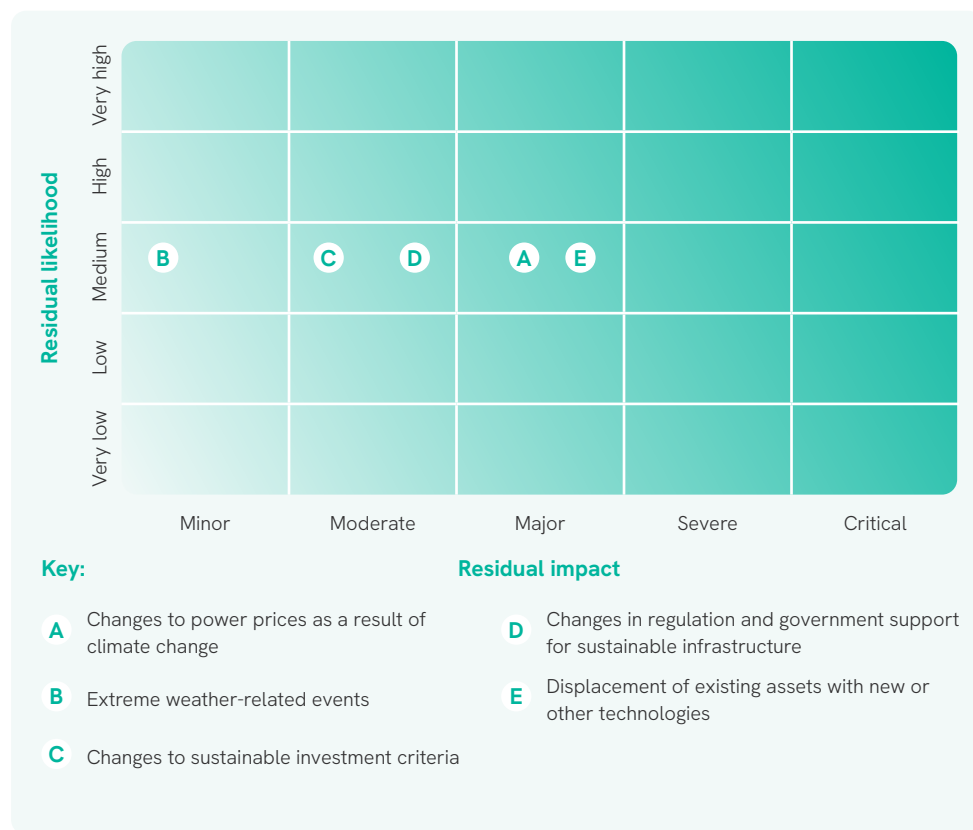
Bleaengwynfi Play Park, Neath Port Talbot

Climate-related risks and opportunities

FGEN’s methodology and approach to identifying and managing climate-related risks and opportunities is set out on pages 153 and 154.

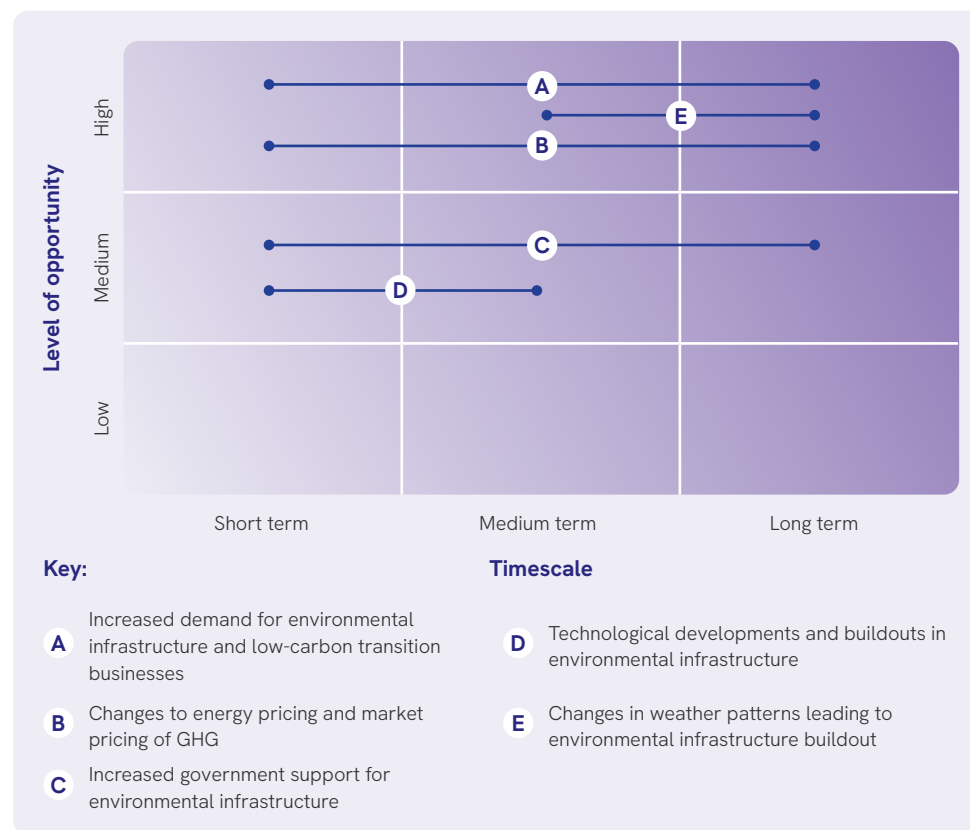
Portfolio-level climate-related risks

Portfolio-level climate-related risks are considered by the Investment Manager and mitigation options are discussed as part of FGEN’s comprehensive risk management framework. The climate-related risks associated with the portfolio are illustrated below. A detailed account of the material climate-related risks that have been identified, as well as their impacts and mitigation, can be found on pages 144 and 145.



Portfolio-level climate-related opportunities

In addition to risk, portfolio-level climate-related opportunities are considered and mapped by the Investment Manager. The climate-related opportunities identified for the portfolio are illustrated below. A detailed account of the material climate-related opportunities can be found on pages 146 and 147.



Disaggregating physical climate impacts

FGEN's portfolio is influenced by physical climate risks, as noted in the risk chart above (extreme weather events).

All assets were assessed for nine physical climate hazards, with individual hazard risks. These include coastal flooding, drought, fluvial flooding, pluvial flooding, landslide, temperature extremes, tropical cyclone, water stress and wildfire.

The assessment calculated relative average annual loss for each asset as a percentage of the asset value. The following thresholds for value impact were applied:

- 0-5% - Minimal
- 5-10% - Moderate
- >10% - High

All assets are subject to minimal loss of value as a result of physical climate impacts. Water stress and temperature extremes are the most significant physical risks to individual assets within the portfolio, including FGEN's hydro and wastewater treatment assets; however, they still have a less than 5% impact on asset value. For these assets, the highest projected physical risks at 2050 are again temperature extremes and water stress. Information on the top physical risks to each of FGEN's investment sectors is set out in the table below.

Physical risks	Impact	Renewable energy generation	Other energy infrastructure	Sustainable resource management	Mitigation
Temperature extremes	Increased technology and equipment degradation	✓		✓	<ul style="list-style-type: none"> • Ongoing assessment of equipment degradation • Assess and identify technical climate resilience measures, e.g. cooling for inverters
	Exceedance of threshold for safe operating conditions	✓	✓	✓	<ul style="list-style-type: none"> • Ongoing assessment of technology-specific thresholds for safe operating temperatures • Apply mitigation measures, e.g. retrofit cooling mechanisms
Wildfire	Damage to equipment		✓		<ul style="list-style-type: none"> • Implement appropriate prevention measures e.g. fire-resistant design, vegetation management • Implement monitoring and early warning systems • Investigate potential adaptation measures
Drought/water stress	Impact on performance due to lack of water, e.g. to generate steam for turbines or grow crops	✓	✓		<ul style="list-style-type: none"> • Assessment of: <ul style="list-style-type: none"> • Ability to hold additional water reserves • Water recycling opportunities • Ability to store additional feedstock • Implement monitoring to manage water usage and detect stress.
Fluvial and pluvial flooding	Reduced performance due to water damage	✓		✓	<ul style="list-style-type: none"> • Review flood risk management plans • Evaluate the suitability and effectiveness of site-specific adaptation measures already in place, e.g. larger drainage channels on solar farms
Inconsistent water availability (flood and drought)	Volatile generation profile driven by excess rainfall and/or drought conditions	✓			<ul style="list-style-type: none"> • Evaluate alternative water sourcing options, including storage and closed loop cooling systems • Integrate climate risk in forecasting and annual budgets

Scenario analysis results

	NAV per share	Difference (p)	% Difference
Base case SSP 2 - 4.5	105.20	0	0
SSP 1 - 2.6	106.18	0.98	0.93
SSP 3 - 7.0	105.69	0.49	0.46
SSP 5 - 8.5	103.77	-1.43	-1.38

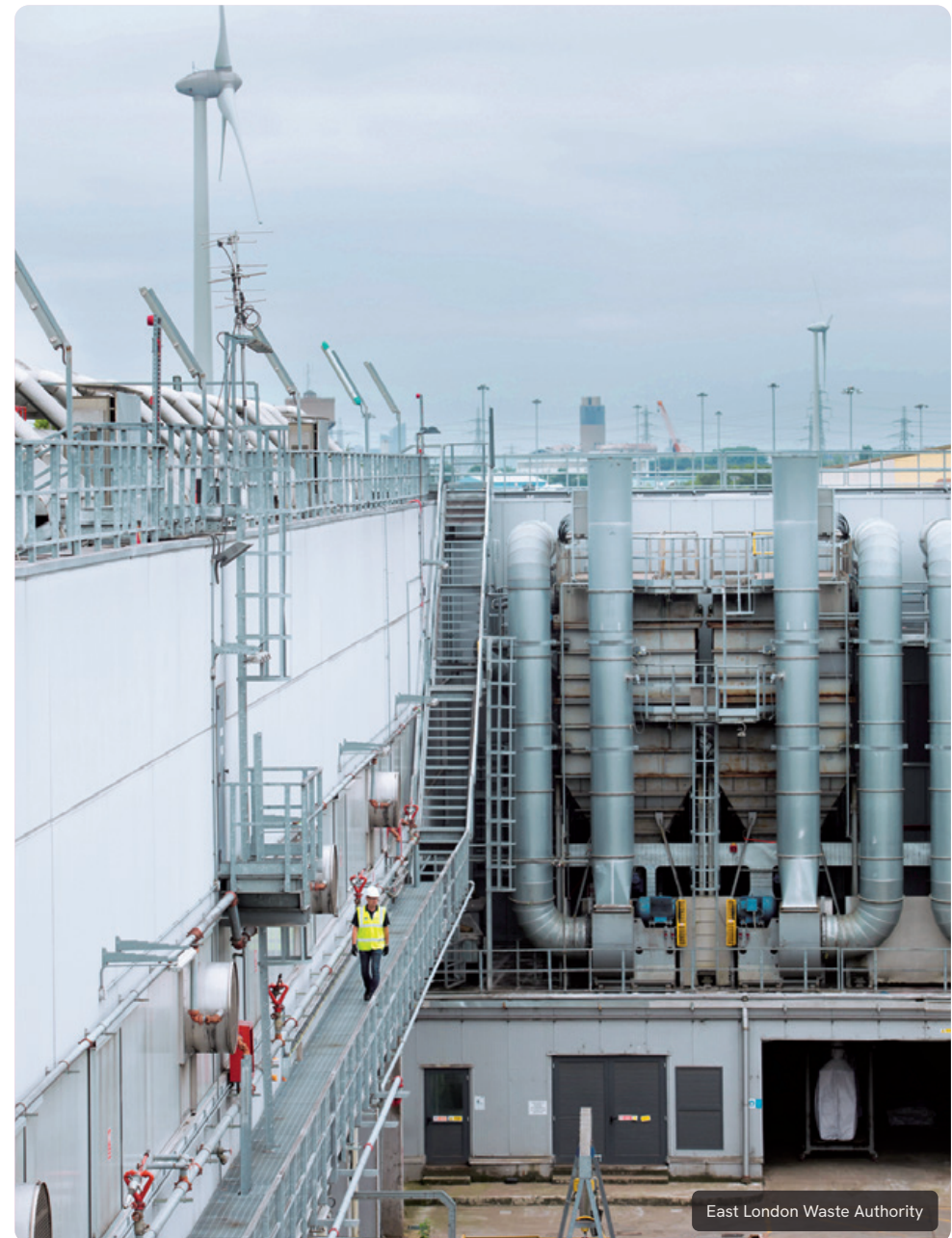
The Investment Manager uses the Climonomics platform to undertake scenario analysis. Further information on the methodology applied is set out on page 154.

Based on the analysis produced by the Climonomics platform, the portfolio continues to show a good level of resilience across a wide variety of climate scenarios and associated impacts, with this year's analysis showing a slight widening of the range of projected impacts across all scenarios.

- Exposure to the modelled transition risks (including litigation, market shifts, reputational damage and technological disruption) remains negligible across all scenarios under the base case by 2050.
- Under the base case, SSP 2-4.5, the portfolio is assessed to maintain resilience when considering both more and less severe climate futures.
- Under the less severe SSP1-2.6 scenario, now considered increasingly unlikely, the model indicates a positive impact on NAV of 0.93% by 2055 relative to the central case. This represents an increase compared to the 2025 scenario analysis results.
- The SSP3-7.0 scenario follows a similar trajectory, with a net positive impact on NAV of 0.46% by 2055. This is a smaller increase compared to the uplift observed under the SSP1-2.6 scenario.
- Under the most severe scenario (SSP5-8.5), which is also currently viewed as unlikely based on prevailing estimates, the analysis indicates a negative impact on NAV of 1.38% by 2055 relative to the central case. This represents a deterioration compared to the -1.16% impact projected for 2054 in last year's analysis.

Improving asset-level resilience

As part of our ongoing efforts to embed climate adaptation measures across the portfolio, we are implementing initiatives to enhance overall resilience. This year the Investment Manager implemented drainage improvements at solar sites. At both Crug Mawr and Branden Victoria, drainage works have been completed to mitigate flood risk, including the installation of French drains to address seasonal flooding around combiner boxes, helping to reduce the likelihood of technical issues and minimise site downtime.



Case study

Climate & Nature Insights Platform

The Investment Manager partnered with Frontierra, supported by a second round of UK Space Agency funding, to further develop its Climate & Nature Insights Platform - delivering a step change in how climate and nature-related risks are assessed and managed across the portfolio.

The enhanced platform integrates analysis of physical climate hazards, transition risks and opportunities, and nature-related factors within a single, satellite-enabled system. This provides asset-level visibility of exposures across global portfolios and, critically, enables these risks to be translated into decision-useful financial metrics.

A key advancement is the introduction of a climate and nature value at risk module, which quantifies potential financial impacts under forward-looking scenarios to 2050. By linking environmental exposures to sector sensitivities and aggregating results at asset and portfolio level, the platform enables prioritisation of risks and opportunities and supports more informed capital allocation decisions. The platform also aligns with leading regulatory and disclosure frameworks, including the Taskforce on Nature-related Financial Disclosures ("TNFD"), International Sustainability Standards Board ("ISSB") and the EU Taxonomy, ensuring outputs can be directly integrated into due diligence, portfolio monitoring and reporting processes.

This capability represents a structural shift from sustainability screening to fully integrated decision intelligence - embedding climate and nature considerations into investment strategy, risk management and long-term portfolio resilience.

Over time, the Investment Manager intends to use Frontierra to inform identification and management of climate and nature-related risks and opportunities.

Case study

Acoustic monitoring for biodiversity

Overview

Acoustic monitoring is an emerging technique that uses sensors to capture real-time data on wildlife activity. While still in its early stages, it offers a scalable way to support biodiversity measurement and respond to evolving regulatory expectations.

Application and insights

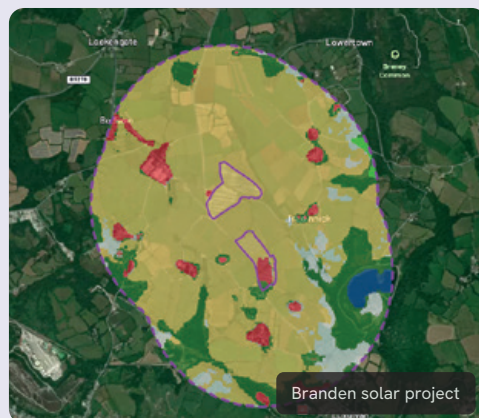
This year, bird and pollinator monitoring was deployed across AD sites, including Grange Farm and Egmore Energy. Bird recorders have identified several UK Red List species, such as Eurasian Skylark, House Sparrow and Yellowhammer, with the presence of species like Hawfinch highlighting strong habitat value. Data is shared with the British Trust for Ornithology to support wider conservation efforts. Pollinator sensors at Grange Farm have captured extensive data, including identifying peak activity times for bees and clear links between habitat interventions and biodiversity uplift. Initiatives such as "No Mow May" and species-rich planting have already demonstrated measurable increases in activity.

Looking ahead

As datasets grow, acoustic monitoring is expected to support more data-driven habitat management. The activity has already been expanded across additional assets with the intention of strengthening biodiversity interventions reporting and outcomes over time.



Branden solar project



Branden solar project



Egmore Energy

Progress against targets

The ESG targets currently applied to the portfolio are set out in the table below. Performance against all targets is reviewed at least annually by the ESG Committee and by the FGEN Board. FGEN's full table of sustainability-related metrics are provided on pages 141 and 142. The Investment Manager continues to consider additional targets across the ESG metrics. The timescales against which targets are set are aligned with the risk management timescales set out on page 153.

Category	Target	Target timescale	Progress in the period	Overall progress
Environmental: biodiversity	*NEW* Undertake biodiversity interventions on >=20% of fully owned, UK-based operating assets ^{1,2}	FY26	Active biodiversity interventions were undertaken covering 27% of the portfolio. This included: <ul style="list-style-type: none"> • avoidance of any intrusive works during breeding bird season; • changes to grazing regimes to allow for better sward recovery; • installation of nest boxes; and • management of invasive species. 	✓ Complete
Social: community funding contributions	Provide £600,000 in community benefit through asset-level community benefit fund ¹	FY26	Over 50% of assets have a community fund in place, committing a total of £614,491 to community projects in the period	✓ Complete
Governance: health and safety performance	>=87% of assets having conducted an annual health and safety audit in the period, while maintaining the number of reportable health and safety incidents at or below three ¹	FY26	Health and safety audits: 91% of assets were subject to health and safety audits in the period Reportable health and safety incidents: 7 RIDDOR reportable accidents in the period	Partially achieved
Governance: cyber security	Produce and roll out cyber security policy across the portfolio by FY25	Short term	Initial drafts of the cyber security policies have been completed, with review by portfolio managers underway to identify required mitigation actions and associated budgets	● Minor delay
Environmental: biodiversity	100% of fully owned, UK-based operating assets to have biodiversity management plans in place ^{1,2}	Medium term	84% of fully owned operational UK sites have a biodiversity management plan in place, equal to FY25. The final sites are CNG locations where the opportunity to develop biodiversity management plans and install biodiversity interventions is very limited. Consideration will be given next year to editing this target to reflect further opportunities in the portfolio	Under review
Environmental: biodiversity	Implement biodiversity enhancement at FGEN's anaerobic digestion sites	Medium term	This target has been expanded to cover all FGEN sites with an active biodiversity management plan in place. See below for an update on activities undertaken	Superseded, see below
Environmental: biodiversity	*NEW* Implement biodiversity enhancement at sites with a biodiversity management plan in place ¹	Medium term	This target is linked to, and informs, FGEN's RCF target of achieving active biodiversity interventions each financial year. See above for more information. Biodiversity enhancements and works included: <ul style="list-style-type: none"> • wildflower planting on AD sites; • rotational grazing on solar sites; • invasive species treatment on solar sites; and • installation of ecological acoustic monitoring. 	● On track

Category	Target	Target timescale	Progress in the period	Overall progress
Environmental: transition	Integrate transition plan reporting into Board papers	Short term	Progress reporting against the transition plan targets and workstreams was integrated into ESG Committee papers and updates are routinely reported to the Board	✓ Complete
Environmental: GHG	Integrate carbon intensity benchmarking into annual target review process	Short term	Work was undertaken to identify the carbon intensity of the AD portfolio, and to calculate improvements to that intensity following the installation of carbon capture technology. Further work on benchmarking is ongoing and will be informed by the Investment Manager's planned carbon reduction targets	● On track
Environmental: GHG	Embed forecast asset acquisitions into FGEN's carbon forecast model	Short term	Pipeline functionality has been embedded into the tool	● On track
Environmental: GHG	Integrate carbon forecast model into investment proposals	Short term	FGEN's carbon forecast model has been used by the Investment Manager to inform the development of a Group-wide carbon forecast model which will include Fund-specific functionality. This model will be intended for use in forecasting the impact of investment decisions on Fund and Group-level GHG emissions	● On track
Environmental: GHG	Review Scope 1 emissions sources and identify sector or portfolio-wide opportunities for improvement	Short term	The most carbon-intensive assets have been identified and particular focus is being paid to the AD portfolio due to fugitive emissions. A carbon capture initiative has been approved for implementation at three AD sites and is anticipated to result in an emissions intensity of >-100g CO ₂ e/kWh	● On track
Environmental: GHG	Develop short and medium-term targets for emissions reduction	Short term	The Investment Manager identified a series of carbon reduction targets for its activities, including targets for the Real Assets Division, which includes FGEN. These targets are being analysed and mapped across individual funds and will inform FGEN's target setting in the next year	● On track
Environmental: GHG	Engage with relevant portfolio companies to implement Scope 1 reductions	Short term	An engagement letter has been sent to Future Biogas to identify FGEN's carbon reduction commitments	● On track
Environmental: GHG	Achieve net-zero Scope 1, 2 and 3 emissions by 2050	Long term	A carbon capture initiative has been approved for implementation at three AD sites and is anticipated to result in an emissions intensity of >-100g CO ₂ e/kWh	● On track

1. These targets are associated with FGEN's revolving credit facility.

2. The scope of the biodiversity surveys undertaken is intended to be in addition to standard planning and pre-construction surveys. As such, it is not suited to pre-operational sites. Additionally, the survey methodology is specific to UK sites, in that it applies the Defra biodiversity metric, therefore it is not appropriate for use on non-UK sites at present.

Environmental and health and safety incidents

Reportable environmental and health and safety incidents

The following RIDDOR reportable and environmental incidents were recorded for FGEN's portfolio in the period.

Asset class	Reportable health and safety incidents	Reportable environmental incidents
Renewable energy generation	<ul style="list-style-type: none"> Two dangerous occurrences reported across two solar sites caused by electrical overload, resulting in fire damage to equipment. In both cases, the area was made safe and follow-up tests were carried out. Three lost time incidents reported by waste and bioenergy assets. <ul style="list-style-type: none"> A back injury resulted in an employee requiring significant time off work. Safety and operating procedures were reviewed and mitigation was put in place to prevent further injury. A broken hand caused by a faulty vehicle door. Safe operating procedures have been tightened and all vehicles are subject to more frequent inspection. A team leader fell, injuring their elbow. The incident was reviewed and no remedial actions were required. 	<ul style="list-style-type: none"> Four pollution incidents were reported to the Environment Agency by waste and bioenergy assets. These were caused by membrane damage and eventual failure, a split feedline and a planned degritting operation. 14 incidents that had the potential to cause environmental pollution were reported to the Scottish Environmental Protection Agency and Scottish Water by the Fund's wastewater treatment plant. Of those, five led to pollution events and are recorded as environmental incidents in the sustainability-related performance metrics table on page 141. Four of the five incidents were caused by pump failure at stations and one was due to repair of a leaking fitting, requiring shutdown of a station. All events were within permit limits.
Other energy infrastructure	<ul style="list-style-type: none"> One lost time incident as a driver fell from his vehicle, resulting in a back injury. Training and safety procedures were reviewed and reiterated. 	
Sustainable resource management	<ul style="list-style-type: none"> A serious injury incident resulted in an employee suffering burns caused by an explosion while working on an oxygen line. Root cause analysis and other safety investigations have been undertaken and recommended improvement measures are being implemented. 	

GHG emissions performance

Metric	Description	Units	FY26	FY25	FY24	FY23 (baseline)
Weighted average carbon intensity ("WACI") ¹	Portfolio's exposure to carbon-intensive assets	tCO ₂ e/£m revenue	163.82	146.06	231.6	339.9
Total carbon emissions ²	Absolute greenhouse gas emissions associated with the portfolio	tCO ₂ e	64,848.56*	84,754.90	79,637	91,653
Carbon footprint	Portfolio carbon emissions, normalised by the market value of the portfolio	tCO ₂ e/£m invested	98.94*	124.9	106.0	112.5
Carbon intensity	Portfolio carbon emissions per million pounds of revenue	tCO ₂ e/£m revenue	253.32	216.9	280.7	349.9
Exposure to carbon-related assets	Percentage of carbon-related assets in the portfolio	%	13	14.0	14.6	17.0

1. The Investment Manager is committed to working with third-party MSA providers to continually improve data quality.

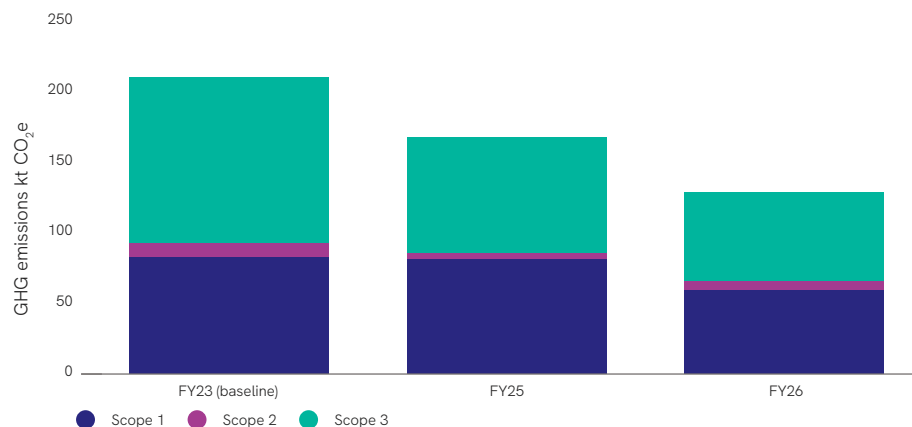
2. In accordance with TCFD methodology, these calculations are undertaken using Scope 1 and Scope 2 emissions only.

* Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out on page 160.

Performance to date

Scoped emission figures can be found on page 141. FGEN's GHG emissions decreased during the period compared with the previous year. This was affected by the following:

- a decrease in scope 1 emissions was largely a consequence of Energie Technologie Ambiente being offline for the first half of the financial year, as previously reported, resulting in a corresponding reduction in scope 1 emissions;
- an increase in scope 2 emissions was driven by improvements in reporting of emissions at Cramlington. Previous years have applied pro-rated estimates based on a small number of months of data availability. More accurate information is now available and has been wrapped in to the scope 2 calculations; and
- decrease in scope 3 emissions (see sustainability-related performance metrics on page 141) is driven by revenue data.



GHG emissions avoided

A summary of the greenhouse gas benefits delivered by the portfolio is provided in the table below. FGEN invests into a broad range of environmental infrastructure technologies and the total GHG emissions avoided takes into account any assets that are net emitters. Further detail on the process is set out on page 160.

Asset portfolio by sector	GHG emissions avoided (tCO ₂ e)		
	FY26	FY25	FY24
Wind	121,530*	107,949	120,321
Solar (including rooftop)	18,973*	17,588	19,983
AD	84,186*	70,216	74,481
Hydro	473*	747	987
Biomass	-1,632*	-2,157	-2,167
Energy-from-waste	-389*	-680	-688
Total	223,140*	193,663	212,917

The calculation methodology follows the International Financial Institutions (“IFI”) Approach to GHG Accounting for Renewable Energy Projects and uses the Harmonised IFI Default Grid Factors for calculation.

Sustainable Finance Disclosure Regulation

FGEN discloses under Article 9 of the SFDR, defined as “a fund that has sustainable investment as its objective”. Pursuant to Article 11 of the SFDR, certain disclosures relating to the overall sustainability-related impact of the Company are set out in the UN SDG performance table on page 143. The remaining disclosures are summarised below:

Sustainable investment objective of the Company

The Company’s objective contributes to the climate change mitigation objective and supports the transition to a low-carbon economy by investing in a diversified portfolio of environmental infrastructure, including infrastructure assets, projects and asset-backed businesses that utilise natural or waste resources or support more environmentally friendly approaches to economic activity whilst generating a sustainable financial return.

* Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out on page 160.

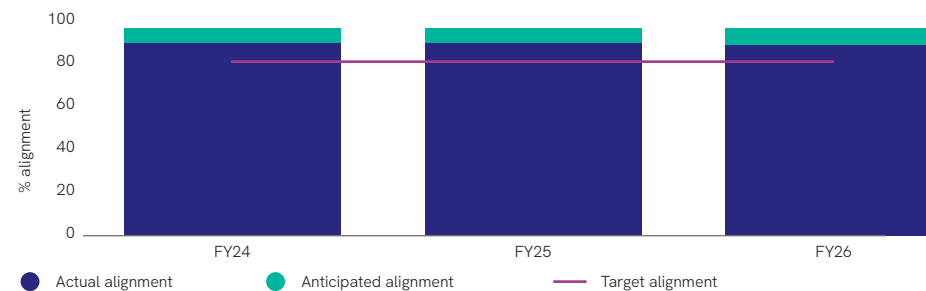
The Company’s activities will contribute materially towards the emissions reduction objectives set out under the Paris Climate Agreement. By way of example, FGEN has invested into a portfolio of diversified renewable energy assets, clean fuel distribution assets and other assets that contribute to decarbonising both the national energy mix and other emissions-intensive activities.

SFDR disclosures

The following disclosures are available on the Company’s website:

- Principal Adverse Impact reporting, set out in the Annex V disclosure document;
- Annex III Pre-Contractual Disclosure;
- Article V Periodic Disclosure; and
- RTS Website Disclosure.

Alignment with EU Taxonomy (internal assessment)



- FGEN commitment: minimum proportion of 80% of investments aligned with EU Taxonomy by value.
- Current alignment: 97%*.
- Greenhouses and other indoor food production systems, inclusive of aquaculture, have not yet had technical screening criteria (“TSC”) developed. However, the proposed text for the remaining four environmental objectives of the EU Taxonomy clearly stipulates that both greenhouses and other indoor food production systems are to be prioritised for development in the next iteration. Using the TSC for other food production systems as a baseline, FGEN is confident that its assets in these sectors will satisfy the stipulated criteria as and when they are developed. As such, within this disclosure, the Company has chosen to account for these assets as being Taxonomy aligned.

Financial review

Analysis of financial results

The financial statements of the Company for the year ended 31 March 2026 are set out on pages 114 to 139.

The Company prepared the financial statements for the year ended 31 March 2026 in accordance with UK-adopted international accounting standards as applicable to companies reporting under those standards. In order to continue providing useful and relevant information to its investors, the financial statements also refer to the "Group", which comprises the Company, its wholly owned subsidiary Foresight Environmental Infrastructure (UK) Ltd ("UK HoldCo") and the indirectly held wholly owned subsidiary HWT Limited (which holds the investment interest in the Tay project).

Basis of accounting

The Company applies IFRS 10 and Investment Entities: Amendments to IFRS 10, IFRS 12 and IAS 28, which states that investment entities should measure all their subsidiaries that are themselves investment entities at fair value. The Company accounts for its interest in its wholly owned direct subsidiary Foresight Environmental Infrastructure (UK) Ltd as an investment at fair value through profit or loss.

The primary impact of this application, in comparison to consolidating subsidiaries, is that the cash balances, the working capital balances and borrowings in the intermediate holding companies are presented as part of the Company's fair value of investments.

The Company's intermediate holding companies provide services that relate to the Company's investment activities on behalf of the parent, which are incidental to the management of the portfolio. These companies are recognised in the financial statements at their fair value, which is equivalent to their net assets.

The Group holds investments in the 39 portfolio assets that make distributions comprising returns on investments (interest on loans and dividends on equity) together with repayments of investments (loan repayments and equity redemptions).

Key investment metrics

All amounts presented in £million (except as noted)	Year ended 31 Mar 2026	Year ended 31 Mar 2025
Net assets ¹	655.5	678.7
Portfolio value ²	759.1	765.7
Operating income and gains on fair value of investments	44.8	6.0
Net Asset Value per share ³	105.2p	106.5p
Distributions, repayments and fees from portfolio ³	78.6	90.4
Profit/(loss) before tax	37.2	(2.8)
Gross Asset Value ³	920.1	951.3
Market capitalisation ³	423.9	457.0
Share price ³	68.0p	71.7p
Total shareholder return ³	49.4%	41.0%
Annualised total shareholder return ³	3.4%	3.2%

1. Also referred to as "NAV".

2. Classified as investments at fair value through profit or loss in the statement of financial position.

3. Net Asset Value per share, distributions, repayments and fees from portfolio, total shareholder return, annualised total shareholder return, market capitalisation and Gross Asset Value are alternative performance measures ("APMs"). The APMs within the accounts are defined on pages 161 and 162.

FGEN total return since IPO



Net assets

Net assets decreased from £678.7 million at 31 March 2025 to £655.5 million at 31 March 2026. The decrease was primarily due to the net effect of shareholder dividend payments and buybacks, alongside lower power price forecasts, adverse regulatory changes, partly offset by underlying portfolio returns and value enhancements.

The net assets of £655.5² million comprise £759.1 million portfolio value of environmental infrastructure investments and the Company's cash balances of £0.5 million, partially offset by £102.4 million of intermediate holding companies' net liabilities and other net liabilities of £1.8 million.

The intermediate holding companies' net liabilities of £102.4 million comprises a £123.1 million credit facility loan, partially offset by cash balances of £8.5 million and other net assets of £12.2 million.

Analysis of the Group's net assets at 31 March 2026

All amounts presented in £million (except as noted)	At 31 Mar 2026	At 31 Mar 2025
Portfolio value	759.1	765.7
Intermediate holding companies' cash	8.5	5.1
Intermediate holding companies' revolving credit facility	(123.1)	(99.3)
Intermediate holding companies' other assets	12.2	6.7
Fair value of the Company's investment in UK HoldCo	656.7	678.2
Company's cash	0.5	2.6
Company's other net liabilities (excluding cash)	(1.8)	(2.1)
Net Asset Value²	655.5	678.7
Number of shares	623,338,335	637,443,058
Net Asset Value per share¹	105.2p	106.5p

1. Net Asset Value per share is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 161 and 162.

2. Total may not cast due to rounding.

At 31 March 2026, the Group (the Company plus intermediate holding companies) had a total cash balance of £9.0 million (31 March 2025: £7.8 million). This included £0.5 million held on the Company's statement of financial position (31 March 2025: £2.6 million) and £8.5 million held by the intermediate holding companies (31 March 2025: £5.1 million). The latter is included in the Company's statement of financial position under "investments at fair value through profit or loss".

At 31 March 2026, UK HoldCo had drawn £123.1 million of its RCF (31 March 2025: £99.3 million), which is included in the Company's statement of financial position within "investments at fair value through profit or loss".

The movement in the portfolio value from 31 March 2025 to 31 March 2026 is summarised as follows:

All amounts presented in £million	Year ended 31 Mar 2026	Year ended 31 Mar 2025
Portfolio value at start of the year	765.7	891.9
Acquisitions/further investments (net of post-acquisition price adjustments)	19.8	30.7
Disposals in investment assets	(1.4)	(89.1)
Distributions received from investments	(78.6)	(90.4)
Growth in value of portfolio	53.6	22.6
Portfolio value	759.1	765.7

Further details on the portfolio valuation and an analysis of movements during the year are provided in the investment portfolio and valuation section on pages 30 to 38.

Income

The Company's profit before tax for the year ended 31 March 2026 was £37.2 million, generating earnings of 5.9 pence per share (year ended 31 March 2025: loss of 0.4 pence per share). The year-on-year movement was primarily driven by a shift from negative valuation movements in the prior year to higher positive gains in the year ended 31 March 2026, underpinned by increased underlying portfolio returns.

All amounts presented in £million (except as noted)	Year ended 31 Mar 2026	Year ended 31 Mar 2025
Interest received on UK HoldCo loan notes	29.8	31.1
Dividend received from UK HoldCo	36.4	32.3
Net loss on investments at fair value	(21.4)	(57.4)
Operating income and gains on fair value of investments	44.8	6.0
Operating expenses	(7.6)	(8.8)
Profit/(loss) before tax	37.2	(2.8)
Earnings/(losses) per share	5.9p	(0.4)p

In the year to 31 March 2026, the operating income on fair value of investments was £44.8 million, including the receipt of £29.8 million of interest on the UK HoldCo loan notes, £36.4 million of dividends also received from UK HoldCo and net losses on investments at fair value of £21.4 million.

The operating expenses included in the income statement for the year were £7.6 million, in line with expectations. These comprise £5.8 million Investment Manager fees and £1.8 million operating expenses. The details on how the Investment Manager fees are charged are set out in note 15 to the financial statements.

Ongoing charges

The ongoing charges ratio¹ is an indicator of the costs incurred in the day-to-day management of the Fund. FGEN uses the AIC-recommended methodology for calculating this ratio, which is an annual figure.

The ongoing charges percentage for the year to 31 March 2026 was 1.11% (year ended 31 March 2025: 1.24%).

The ongoing charges have been calculated, in accordance with AIC guidance, as annualised ongoing charges (i.e. excluding acquisition costs and other non-recurring items) divided by the average published undiluted Net Asset Value in the period. The ongoing charges percentage has been calculated on the consolidated basis and therefore takes into consideration the expenses of UK HoldCo as well as the Company. Adjusting for the impact of the drawn down amount under the RCF, the ongoing charges ratio would have been 0.93% (31 March 2025: 1.06%). For the financial year ending 31 March 2027, the expected ongoing charges ratio is 1.05%, factoring in the full benefit of the Investment Management fee reduction and assuming no change in NAV. Foresight believes this to be competitive for the market in which FGEN operates and the stage of development and size of the Fund, demonstrating that management of the Fund is efficient with minimal expenses incurred in its ordinary operation.

Cash flow

The Company had a total cash balance at 31 March 2026 of £0.5 million (31 March 2025: £2.6 million).

The breakdown of the movements in cash during the year is shown below.

Cash flows of the Company for the year (£million):

	Year ended 31 Mar 2026	Year ended 31 Mar 2025
Cash balance at 1 April	2.6	0.3
Loan repayment from subsidiary	—	18.0
Interest on loan notes received from UK HoldCo	29.8	31.1
Dividends received from UK HoldCo	36.4	32.3
Directors' fees and expenses	(0.3)	(0.3)
Investment Manager fees	(6.0)	(7.8)
Administrative expenses	(1.6)	(1.3)
Dividends paid in cash to shareholders	(49.6)	(50.5)
Purchase of treasury shares	(10.8)	(19.2)
Company cash balance at 31 March	0.5	2.6

The Group had a total cash balance at 31 March 2026 of £9.0 million (31 March 2025: £7.8 million) and borrowings under the revolving credit facility of £123.1 million (31 March 2025: £99.3 million).

1. The ongoing charges ratio is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 161 and 162.

The breakdown of the movements in cash during the year is shown below.

Cash flows of the Group for the year (£million):

	Year ended 31 Mar 2026	Year ended 31 Mar 2025
Cash distributions from environmental infrastructure investments	78.6	90.4
Administrative expenses	(2.1)	(1.7)
Directors' fees and expenses	(0.3)	(0.3)
Investment Manager fees	(6.0)	(7.8)
Financing costs	(6.6)	(10.5)
Bank interest income	0.2	0.1
Electricity Generator Levy	(2.0)	(3.3)
Cash flow from operations¹	61.8	66.9
Acquisition of investment assets and further investments	(19.8)	(30.7)
Disposal of asset	1.4	88.6
Acquisition costs (including stamp duty)	(0.1)	(1.6)
Short-term projects debtors	(3.5)	(2.6)
Purchase of treasury shares	(10.8)	(19.2)
Debt arrangement fee cost	(0.1)	(2.3)
Drawdown/(repayment) under the revolving credit facility	21.9	(58.9)
Dividends paid in cash to shareholders	(49.6)	(50.5)
Cash movement in the period	1.2	(10.3)
Opening cash balance	7.8	18.1
Group cash balance at 31 March	9.0	7.8

During the year, the Group received cash distributions of £78.6 million from its environmental infrastructure investments.

Cash received from investments in the year covers the operating and administrative expenses and financing costs, as well as the dividends declared to shareholders in respect of the year ended 31 March 2026. Cash flow from operations of the Group of £61.8 million covers dividends paid in the year to 31 March 2026 of £49.6 million by 1.25x.

The Group anticipates that future revenues from its environmental infrastructure investments will continue to be in line with expectations and therefore will continue to cover fully future costs as well as planned dividends payable to its shareholders².

Dividends

During the year, the Company paid a final dividend of 1.95 pence per share in June 2025 (£12.3 million) in respect of the quarter to 31 March 2025.

Interim dividends of 1.99 pence per share were paid in September 2025 (£12.4 million) in respect of the quarter to 30 June 2025, of 1.99 pence per share in December 2025 (£12.4 million) in respect of the quarter to 30 September 2025, and of 1.99 pence per share in March 2026 (£12.4 million) in respect of the quarter to 31 December 2025. On 27 May 2026, the Company declared a final dividend of 1.99 pence per share in respect of the quarter ended 31 March 2026 (£12.4 million), which is payable on 26 June 2026.

The target dividend for the year to 31 March 2027 is 8.04 pence per share, a 1.0% increase from the dividend of 7.96 pence per share declared in respect of the year to 31 March 2026².

1. Cash flow from operations is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 161 and 162.

2. These are targets only and not profit forecasts. There can be no assurance that these targets will be met.

Governance

In this section

Chair's introduction	82	Nomination Committee report	93
Board of Directors	83	Audit Committee report	96
Governance at a glance	85	Risk Committee report	99
Board leadership and Company purpose	87	Directors' remuneration report	101
Relations with shareholders	90	Report of the Directors	103
Division of responsibilities	91	Statement of Directors' responsibilities	107



Chair's introduction

The Board believes that a strong corporate governance culture is essential for the Company to achieve its investment objectives, to mitigate downside risk and to take account of the interests of key stakeholders as part of its decision-making process.

Introduction

The Listing Rules and the Disclosure Guidance and Transparency Rules ("Disclosure Rules") of the FCA require listed companies to disclose how they have applied the principles and complied with the provisions of the Corporate Governance Code to which the issuer is subject. The provisions of the UK Corporate Governance Code ("UK Code"), as issued by the Financial Reporting Council ("FRC") in July 2018 and updated in January 2024, are applicable to the year under review and can be viewed at www.frc.org.uk.

The related Code of Corporate Governance (the "AIC Code"), issued by the Association of Investment Companies ("AIC"), provides specific corporate governance guidelines to investment companies. The AIC issued their revised code for member companies in 2024, and this applies to accounting periods beginning on or after 1 January 2025.

The FRC has confirmed that AIC member companies who report against the AIC Code will be meeting their obligations in relation to the UK Code and the associated disclosure requirements of the Disclosure Rules. The AIC Code can be viewed at www.theaic.co.uk.

The Guernsey Financial Services Commission ("GFSC") has issued a Finance Sector Code of Corporate Governance (the "Guernsey Code"). The Guernsey Code comprises principles and guidance and provides a formal expression of good corporate practice against which shareholders, boards and the GFSC can better assess the governance exercised over companies in Guernsey's finance sector.

Companies which report against either the UK Code or the AIC Code are also deemed to meet the Guernsey Code.

Statement of compliance with the AIC Code and Guide

The Board recognises the importance of a strong corporate governance culture that meets the Listing Rules of the FCA. The Board has put in place a framework for corporate governance that reflects the scale, nature and complexity of the Company and its operations. All Directors contribute in a meaningful way to Board discussions and debates.

The Board believes in providing as much transparency on the Company's activities for stakeholders as is reasonably possible. It should be noted that most of the Company's day-to-day responsibilities are delegated to third parties and the Company has no employees.

The Company is a member of the AIC and is classified within the renewable energy infrastructure sector. The Company complies (except as set out in the next paragraph) with the principles and provisions of good governance contained in the AIC Code (which complements the UK Code and provides a framework of best practice for listed investment companies), and in accordance with the AIC Code, the Company will be meeting its obligations in relation to the UK Code and associated disclosure requirements of the Listing Rules.

The UK Code includes provisions relating to the role of the Chief Executive, executive Directors' remuneration and the need for an internal audit function. The Board considers these provisions are not relevant to the position of the Company, as all of the Company's day-to-day management and administrative functions are outsourced to third parties and it has no executive Directors, employees or internal operations.

The independent compliance functions and internal control frameworks in place by service providers undertaking the Company's critical business functions, principally the Investment Manager and the Administrator, provides comfort that the activities which would otherwise have been undertaken by an internal audit function have been effectively addressed through other means. Therefore, no further reporting has been provided in respect of these provisions.

The functions which would typically be carried out by a management engagement committee are performed by the Company's Board as a whole, and the Board has not considered it necessary to appoint a separate remuneration committee.

Board of Directors

Ed Warner

Board Chair



Appointed

2 August 2022

Ed has extensive financial services experience from his time spent in senior positions at several investment banks and financial institutions, including IFX Group, Old Mutual, NatWest Markets and Dresdner Kleinwort Benson.

Past experience

Ed has deep expertise in the investment trust sector, having been Chair of both Standard Life Private Equity Trust plc and BlackRock Energy and Resources Income Trust. He is currently Chair of HarbourVest Global Private Equity Limited. Ed has also previously served as Chair of Air Partner plc and non-executive Director and interim Chair of Clarkson plc.

Stephanie Coxon

Senior Independent Director



Appointed

11 June 2020

Stephanie is a Fellow of the Institute of Chartered Accountants in England and Wales and is a non-executive Director of several London-listed companies.

Past experience

Prior to becoming a non-executive Director, Stephanie led the investment trust capital markets team at PwC for the UK and Channel Islands. During her time at PwC, Stephanie specialised in advising FTSE 250 and premium London-listed companies on accounting, corporate governance, risk management and strategic matters.

Alan Bates

Director



Appointed

10 June 2021

Alan has over 34 years' experience in the energy and infrastructure sectors, including electricity, gas and water utilities. He has developed a broad understanding of the dynamics behind the energy transition and has assisted the Government of Guernsey in developing its energy policy.

Alan is the CEO of Guernsey Electricity and is a Director of the Channel Islands Electricity Grid and Alderney Electricity Limited. Alan is a Chartered Engineer, Fellow of the Institute of Mechanical Engineers and a Member of the Institute of Engineering Technology.

Past experience

Alan commenced his career with P&O and Princess Cruises as a Marine Engineering Officer, followed by 19 years in the oil and gas industry working for Mobil Oil/BP Oil and then International Energy Group before becoming the Managing Director of Manx Gas in the Isle of Man.

Jo Harrison

Director



Appointed

10 June 2021

Jo has over 25 years' experience working in the water industry and is the Director of Strategic Planning & Sustainability at United Utilities, where she is accountable for leading the approach to environmental and long-term planning, including developing and strengthening the approach to all aspects of the environment, climate change and carbon, asset strategy, risk and resilience. Jo is a chartered member of the Institute of Water and Environmental Managers and is a Chartered Environmentalist. She is also a trustee of the Rivers Trust.

Past experience

Jo started her career working in renewable energy and has worked for United Utilities since 1998. She has a BSc in Geography and Ecology from the University of Sheffield and an MSc in Pollution and Environmental Control from Manchester University. Jo was also previously a trustee of the Community Forest Trust and the Mersey Rivers Trust and a Director of UK Water Industry Research.

Nadia Sood

Director



Appointed

10 February 2023

Nadia has extensive experience of executing, managing and overseeing complex infrastructure investments. She has run large renewable energy infrastructure investment portfolios worth billions of dollars in multiple countries and served as a Director on the board of more than 20 prominent privately owned companies. Nadia is currently CEO of CreditEnable, a global credit insights and technology solutions company, and a member of the IFC/World Bank SME Finance Forum.






Nadia holds a Bachelor of Science in Foreign Service from the Edmund A. Walsh School of Foreign Service at Georgetown University in Washington D.C., and a Masters in International Affairs from Columbia University, New York. She is fluent in English, French and Norwegian.




Past experience

Nadia was previously EVP at SN Power, a \$2.5 billion renewable energy private equity investment fund, where she also held a senior role within a joint venture with Tata Power. She was a Director at Nestlé, and worked for the Secretary General of the United Nations.

Board experience matrix

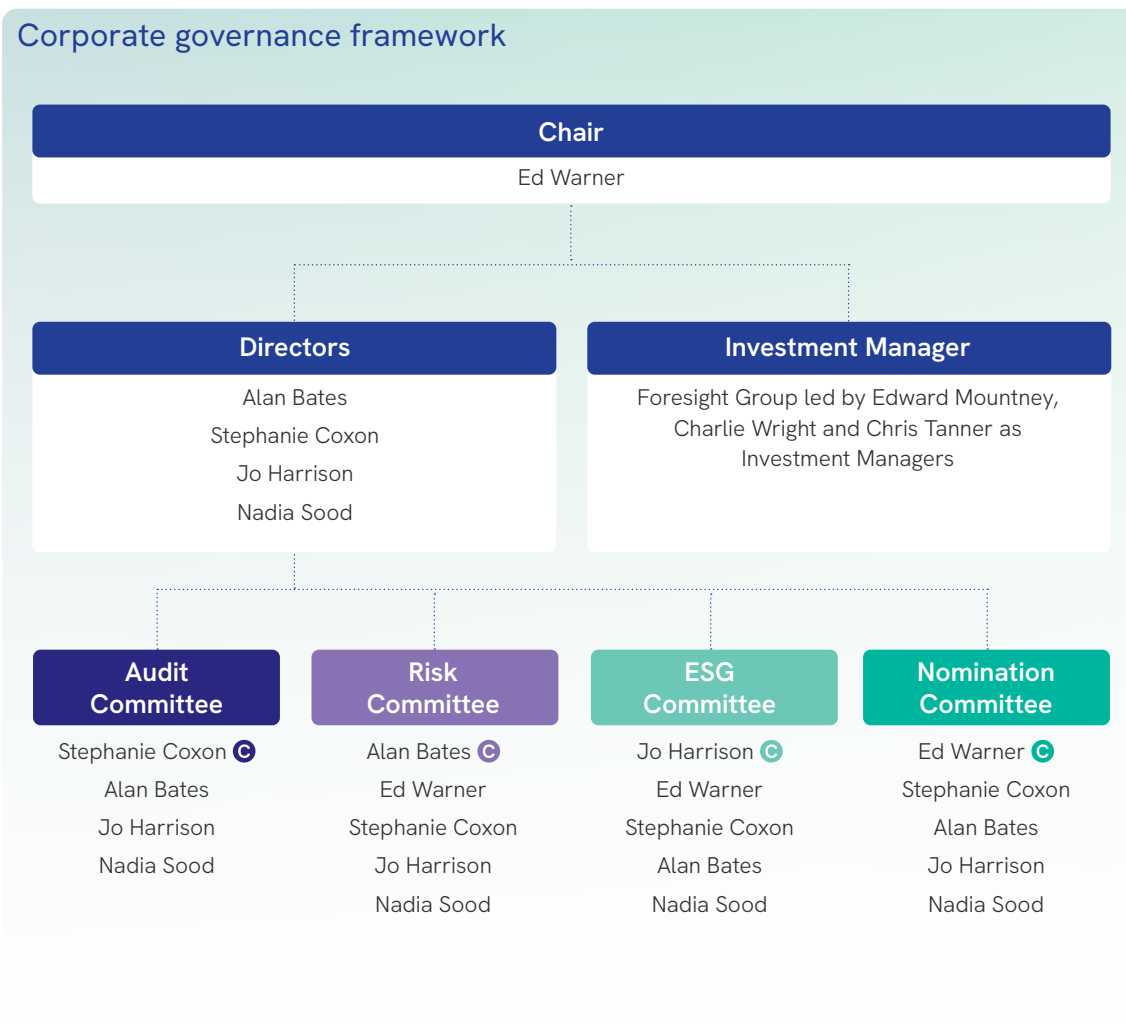
Board skills

Governance	    
Financial & accounting	    
Risk	    
Fund structure/management	    
Tax & legal	    
ESG	    
Thematic experience relevant to FGEN	    

 Experienced  Some experience
 Limited experience

Governance at a glance

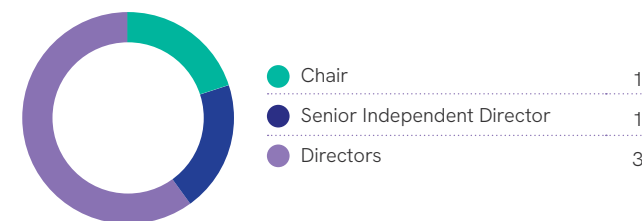
The corporate governance and Board structure is outlined below.



Key to Committee membership: © Committee Chair

Board structure as at 31 March 2026

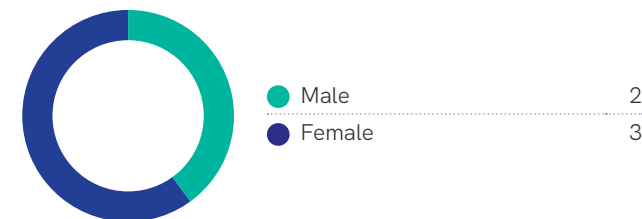
Board composition



Board tenure



Gender diversity



Board activities in 2025/26

Strategy

Following approval by shareholders, in September 2022 the Company's investment policy was amended to allow a greater degree of flexibility. This now allows the Company to invest in environmental infrastructure in its construction or development phase. This includes investment in developers of environmental infrastructure or development funding structures relating to environmental infrastructure.

In May 2026, the Board attended a strategy day and site visit to CNG Fuels' refuelling facility. Directors were taken on a tour of the facility and attended a presentation by the operators of the facility, discussing the future prospects of the business.

Review of strategic options

With the support of independent advisers, the Board rigorously evaluated a full range of strategic alternatives for the Company in the previous financial year, including a managed wind-down, a targeted divestment approach, the continuation of the current investment strategy and potential mergers and acquisitions.

Following this review, the Board concluded that the long-term prospects of the Company and shareholder interests were best served through the proactive management of the existing portfolio, and a refocused investment strategy that reflects the structural changes in macroeconomic conditions since 2022, characterised by increased levels of market volatility and higher return expectations in an elevated rate environment. The Board believe that this remains the case.

Management fees

During the financial year, it was announced that the basis for calculation of investment management fees was being adjusted to better align the interests of the Investment Manager, Foresight, with those of shareholders. As a result, as of 1 October 2025, the fees were calculated 50% based on Net Asset Value and 50% on market capitalisation (the latter element capped at Net Asset Value).

Governance

On 1 October 2025, KPMG Channel Islands Limited changed its name to KPMG Audit Limited ("KPMG"). The 2026 financial year marks the third annual audit completed by KPMG. KPMG was originally appointed following a formal audit tender launched after the 2023 financial year, in line with the UK Code and AIC Code recommendations to retender the role every 10 years.

During the year, the Board has continued to engage with FGEN's stakeholders. This engagement has taken the form of meetings with major shareholders and dialogue with senior executives at Foresight Group.

Risk management

The duties of the Company's Risk Committee include the identification, measurement, management and monitoring of all risks relevant to the Company's investment strategy and to which the Company is or may be exposed.

Activities undertaken during the course of the year include careful monitoring of macroeconomic factors creating market disruption, assessing the impact of ongoing higher interest rates, inflation and volatile short-term power prices on the Company's ability to maintain its target dividend.

The Board has also assessed the robustness of risk management controls implemented by the Investment Manager, with a particular focus on the integration of new technologies into the portfolio and identification and subsequent management of risks associated with construction-stage investments, as the proportion of such assets in the portfolio increases.

The Board places a high degree of importance on ensuring that high standards of corporate governance are maintained throughout the Group.

Board leadership and Company purpose

Duties and responsibilities

The Board's annual cycle includes not less than four scheduled meetings per year and, should the nature of the activity of the Company require it, additional meetings may be scheduled, some at short notice. Between meetings there is regular contact with the Investment Manager and the Administrator, and the Board requires information to be supplied in a timely manner by the Investment Manager, the Company Secretary and other advisers in a form and of a quality appropriate to enable it to discharge its duties, and in a timely manner to enable full and proper consideration to be given to the relevant issues. Outside of the formal meeting schedule, informal sessions are held between the Board and an annual strategy day is held by the Board with key advisers.

The Board has overall responsibility for the management of the Company's affairs. Whilst discretionary management authority has been delegated to the Investment Manager, the Board has adopted a set of reserved powers which set out the particular areas where the Board wishes to retain control. Such reserved powers include decisions relating to the determination of investment policy and approval of certain investment transactions, strategy, capital raising, statutory obligations and public disclosure, financial reporting, entering into any material contracts by the Company and overseeing the Company's sustainability strategy.

The Board actively promotes a culture of openness, constructive challenge and debate in the boardroom, underpinned by robust internal controls and governance frameworks. Assessment of the personality types of Board Directors and their cognitive and interpersonal skills forms part of the Board's consideration of the expected future leadership needs of the Company. In considering these needs, the Board seeks to ensure that the practices and behaviour throughout the Company's operations remain aligned with the Company's purpose, values and strategy.

No corrective actions were taken during the year in response to matters arising which did not meet the Board's expected standards.

An Investment Management Agreement between the Company and the Investment Manager sets out the matters over which the Investment Manager has delegated authority, including monitoring and managing the existing investment portfolio, risk management, taking investment decisions within the agreed parameters and also the limits on cost and expenditure above which Board approval must be sought. All other matters are reserved for approval by the Board of Directors.

In contributing to the delivery of the Company's strategy, the Board maintains a high level of engagement with the Investment Manager and seeks to work in a collegiate and co-operative manner, whilst encouraging open discussion, challenge and debate of all significant matters relevant to the Investment Manager's delegated authority. In addition to the Board's cycle of scheduled meetings, members of the Board regularly attend operational update meetings hosted by the investment management team.

The Directors are expected to devote such time as is necessary to enable them to discharge their duties. Where necessary, in carrying out their duties, the Directors may seek independent professional advice at the expense of the Company. The Company maintains appropriate Directors' and Officers' liability insurance in respect of legal action against its Directors on an ongoing basis.

The Board has responsibility for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and which enable it to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008, as amended.

It is the Board's responsibility to present a fair, balanced and understandable assessment, which extends to interim and other price-sensitive public reports.

Board operation

The overall management of the Company is the responsibility of the Board, which exercises all the powers of the Company subject to the relevant statutes, the Company's Articles of Incorporation and any directions given by resolutions passed by shareholders. The Articles empower the Board to allot, grant options, warrants or other rights over, or otherwise dispose of, the Company's shares as the Board determines. The law permits the Company to make market purchases of its own shares if the purchase has first been authorised by a resolution of the Company.

Shareholders authorised the renewal of the Board's authority to allot ordinary shares at the 2025 AGM and, subject to certain terms and conditions, to repurchase ordinary shares on behalf of the Company. Similar authorities are being sought at the forthcoming AGM and details will be set out in the notice of AGM.

The Board's annual cycle includes quarterly meetings where the Directors follow a formal agenda, which is fixed in advance, and standing agenda items at each quarterly meeting cover each area where the Board has reserved decision-making power, in addition to receiving reports from key service providers on portfolio performance, share price performance, asset valuations and enhancements, operational matters, business development and capital allocation, ESG matters, risk management, peer group information, regulatory and industry developments.

The Board actively monitors the environment in which the Company operates to ensure any developments which may affect the Company are considered. Strategy sessions are held at least annually and are co-ordinated by the Investment Manager and key advisers, which include site visits and technical briefings. The Board's annual cycle also includes a dividend policy review session and setting the target for the next financial year.

In order to discharge their duties and to operate effectively as a Board, the Directors have full and timely access to all relevant information concerning the Company.

The principal matters considered by the Board during the year (including attending to matters formally reserved for its decision-making) included:

- the strategic direction of the Company within the investment policy;
- composition of the Board, diversity and succession planning;
- the Annual Report and audited financial statements and the Half-year Interim Report;
- the dividend policy;
- funding requirements of the Company, including usage of the Company's existing revolving credit facility ("RCF") and the usage of the Company's accordion facility;
- the activities of the Board's formally constituted committees;
- the valuation policy, the recognition of value enhancements, the inclusion of capture discounts and the ongoing appropriateness of the blended power curve; and
- the risk management framework and the principal risks facing the Company.

Committees of the Board

The Board has not deemed it necessary to appoint a separate remuneration committee as, being comprised of five non-executive Directors, it considers that such matters may be considered by the Board as a whole. At the launch of the Company, the remuneration of the Board was fixed after consultation with independent external advisers, and in subsequent years, the Board has reviewed the remuneration levels for the Company and received industry comparison information from advisers in respect of Directors' remuneration. The Company's remuneration policy was last subject to a full independent review in May 2023. As noted in the Directors' remuneration report on pages 101 and 102, an internal review of remuneration levels was undertaken during March 2026, and recommendations for fee levels to apply from the financial year commencing April 2026 will be proposed to shareholders as part of the remuneration policy at the 2026 AGM.

Following Foresight's appointment as AIFM, the Board meets to consider any investment proposals which fall outside of Foresight's delegated authority. The Board ensures compliance with the terms of the investment policy of the Company and will consider and decide on any changes to the investment policy (subject to obtaining the relevant shareholder approvals), including geographical and sectorial spread of investments, risk profile, investment restrictions and the approach to project selection.

Prior to January 2022, the Board was responsible for making discretionary management decisions in respect of the investment portfolio (with reference as necessary to advice provided by Foresight Group, which at that time acted as the Company's Investment Adviser).

In connection with Foresight's appointment as discretionary Investment Manager, the Board and Foresight agreed specific delegation parameters against which investment proposals are to be assessed. In cases where the parameters are exceeded, the transaction qualifies as a "Board approval transaction", therefore falling outside the scope of Foresight's delegated authority.

The Board as a whole also fulfils the functions typically carried out by a management engagement committee. The Board reviews and makes recommendations on any proposed amendment to the Investment Management Agreement and keeps under review the performance of the Investment Manager.

The Board also performs a review of the performance of other key service providers to the Fund and meets at least once a year to undertake a qualitative performance review. In the case of each service provider, the review seeks to ensure that:

- the terms of engagement remain fair and reasonable in the context of the Company and the market;
- their objectives remain aligned with those of the Company;
- they have not been subject to any adverse event which may present additional risk to the Company;

- they remain appropriately incentivised to perform their duties to a high standard; and
- their continued engagement remains in the best interests of the Company as a whole.

The Board notes the supporting guidance provided under provision 17 of the 2019 edition of the AIC Code on means by which investment companies may assess the relationship with the Investment Manager. During the 2025/26 financial year, the Board reviewed the Company's position against each of the suggested considerations and concluded that the relationship was operating effectively, that the duties of the Investment Manager remained aligned with the objectives of the Company and that the continued retention of the Investment Manager's services remained in the best interests of the Company.

Audit Committee

The Company has established an Audit Committee, chaired by Stephanie Coxon, which operates within clearly defined terms of reference and comprises four non-executive Directors: Stephanie Coxon, Alan Bates, Jo Harrison and Nadia Sood, whose qualifications and experience are noted on pages 83 and 84. All members of the Audit Committee are independent Directors and have no connections with the serving external auditor. The Audit Committee meets at least three times a year, at times appropriate to the financial reporting calendar.

Further details of the membership and activities of the Audit Committee are described in this report on pages 96 to 98.

Audit Committee performance evaluation

For the financial year ended 31 March 2026, the Board undertook an internal evaluation of the performance of the Audit Committee. The evaluation process included feedback from all Committee members on the Committee's discharge of the duties delegated under its terms of reference, as well as on the performance and effectiveness of the Audit Committee Chair.

External audit

The 2026 financial year marks the third annual audit completed by the Company's external auditor, KPMG. KPMG was originally appointed following a formal audit tender launched after the 2023 financial year, in line with the UK Code and AIC Code recommendations to retender the role every 10 years. Prior to this, Deloitte LLP had served as the Company's external auditor since inception. KPMG's engagement began with an interim review for the period ended 30 September 2023, followed by their first full audit for the 2024 financial year.

The Audit Committee is satisfied with the quality, effectiveness and independence of the audit process, and the effectiveness of the recent audit and the performance of the external auditor is reviewed annually. The review process includes receiving feedback from all key personnel involved in the audit process and in the production of the annual financial statements. Any findings from the audit effectiveness review are communicated to the external auditor in advance of their next engagement and considered as part of the subsequent audit planning process.

Risk Committee

The Company has also established a Risk Committee, which is chaired by Alan Bates and comprises all non-executive Directors on the Board: Alan Bates, Ed Warner, Nadia Sood, Jo Harrison and Stephanie Coxon. The duties of the Risk Committee include the identification, measurement, management and monitoring of all risks relevant to the Company's investment strategy and to which the Company is or may be exposed. Drawing from this, the Risk Committee is responsible for determining the principal risks to which the Company is exposed, being those most likely to threaten the business model, future performance, solvency or liquidity.

It is the responsibility of the Risk Committee to advise the Board on the overall risk appetite, tolerance and strategy of the Company, and to oversee the Company's current risk exposures and the controls in place to mitigate those risks. The Risk Committee meets at least four times per year.

Nomination Committee

The Nomination Committee, chaired by Ed Warner, comprises all non-executive Directors on the Board: Ed Warner, Stephanie Coxon, Nadia Sood, Alan Bates and Jo Harrison.

The Nomination Committee's main function is to regularly review the structure, size and composition of the Board and to consider succession planning for Directors. The Nomination Committee meets at least twice per year.

ESG Committee

The ESG Committee, chaired by Jo Harrison, comprises all non-executive Directors on the Board: Jo Harrison, Ed Warner, Stephanie Coxon, Alan Bates and Nadia Sood. The ESG Committee's main functions include guiding and monitoring the development of the Company's sustainability and ESG strategy, agreeing the Company's ESG objectives and monitoring progress against the KPIs linked to each objective.

The ESG Committee will also assess and prioritise ESG risks and opportunities for the Company, including assessing climate change risks, and working with the Risk Committee and the Investment Manager to ensure climate governance is integrated into the Company's risk management.

Separate reports from the Audit, Risk and Nomination Committees on their activities for the year are set out on pages 93 to 100. The terms of reference for each of the Committees are available on the Company's website or upon request from the Company Secretary.

Directors' attendance

The attendance record of Directors for the year to 31 March 2026 is set out below:

	Board meeting	Audit Committee	Risk Committee	Nomination Committee	ESG Committee
Number of meetings	4	6	4	2	3
Ed Warner	4	—	4	2	3
Alan Bates	4	6	4	2	3
Stephanie Coxon	4	6	4	2	3
Jo Harrison	4	6	4	2	3
Nadia Sood	4	6	4	2	3

A total of 15 other unscheduled Board meetings were held during the year for specific purposes, which were attended by some, but not all, of the Directors.

Relations with shareholders

Dialogue with shareholders

The Company welcomes the views of all shareholders and places great importance on effective communication with its shareholders through a variety of channels. The Investment Manager produces a quarterly factsheet, which is available on the Company's website. The Chair and senior members of the Investment Manager make themselves available, as practicable, to meet with principal shareholders, key sector analysts or other key stakeholders. Meetings between institutional investors and the Investment Manager are arranged periodically by the Company's broker, and representatives of the Company are open to meeting with all investors, on request.

Feedback from these meetings is provided to the Board on a regular basis. The Board is also kept fully informed of all relevant market commentary on the Company by the Company's financial PR agency, as well as receiving relevant updates from the Investment Manager and the Company's broker.

Investor publications

All shareholders can address any feedback or queries concerning the Company in writing at its registered address via the Company Secretary.

The Chair or the Senior Independent Director are willing to meet with major shareholders to discuss any particular items of concern or to understand their views on governance and the performance of the Company, and the AGM of the Company provides a forum for shareholders to meet and discuss issues with the Directors and the Investment Manager.

Company website

The Company's website, www.fgen.com, is regularly updated with new information, research, videos and quarterly publications. The Company's Prospectus, Key Information Document and Investor Disclosure Document are all available for download. The Company also maintains an issuer services page with the London Stock Exchange, providing details of key contacts and corporate events over the financial year.

Stakeholders, business relationships and socially responsible investment Section 172 statement

Whilst not directly applicable to companies incorporated outside the UK, the Board recognises the intention of the AIC Code, which matters set out in Section 172 of the Companies Act 2006 are reported.

The Board strives to understand the views of the Company's key stakeholders and to take these into consideration as part of its discussions and decision-making process.

Additionally, the Board promotes the success of the Company for the benefit of the Company's members as a whole as well as a broad range of stakeholders that the Board recognises as material to the long-term success of the business. We set out the detail of how the Board has considered the duty under Section 172 on pages 55 and 56.

As an investment company, the Company does not have any employees and conducts its core activities through third-party service providers. Each provider has an established track record and regulatory oversight is required to have suitable policies and procedures in place to ensure they maintain high standards of business conduct, treat shareholders fairly and employ corporate governance best practice.

The stakeholders which the Board has identified as being key are the Company's shareholders, the Investment Manager, commercial service providers, asset-level counterparties, local communities and debt providers. Understanding the needs of each stakeholder group and ensuring the Company's operations are conducted in a manner which recognises their interests is crucial for ensuring the Company's long-term sustainable success.

Further information on how the Company engages with stakeholders can be found on pages 57 to 60.

The Board's commitment to maintaining high standards of corporate governance, combined with the Directors' duties enshrined in company law, the constitutive documents, the Disclosure Guidance and Transparency Rules and the UK version of the Market Abuse Regulation, provides shareholders with regular and detailed announcements concerning the Company and its activities sufficient for investors to make informed decisions concerning their shareholding. At each scheduled meeting, a significant amount of time is dedicated to risk management and how effectively the Company can preserve value for shareholders over the long term through mitigating downside risk. Regular dialogue with the Investment Manager and the corporate broker ensures the Board is aware of the investment strategy and the views of major shareholders and for these to be taken into consideration as part of the Board's decision-making process.

Representatives of the Investment Manager are involved in the governance framework of each project. This reinforces the effective flow of relevant information to the Board on the activities of the Company's significant counterparty exposures involved in operating each project, and provides a communication channel through which community stakeholders' views can be shared, considered at each scheduled meeting of the Directors, and to ensure their interests remain aligned with the objectives of the Company.

Division of responsibilities

The Board has overall responsibility for the management of the Company's affairs.

Chair

As Chair, Ed Warner is responsible for leading the Board and for ensuring its effectiveness in all aspects of its role. Specific duties of the Chair include demonstrating ethical leadership, objective judgement, promoting the highest standards of integrity, probity and a culture of openness and debate. The Chair sets the Board's agenda and ensures the Board has a clear understanding of the views of those who provide the Company's capital and that effective decision-making processes are in place, supported by high-quality information that take into consideration the interests of all the Company's key stakeholders.

The Chair leads the annual performance evaluation of the Board, with support from the Senior Independent Director, and acts as appropriate on the results. One-on-one meetings are held between the Chair and the Directors each year, which provides an additional forum through which any potential training needs are identified, experiences of the Company are shared or other relevant Board matters are addressed.

Senior Independent Director

Stephanie Coxon was the Senior Independent Director during the financial year ended 31 March 2026, and provided support to the Chair on matters of Board effectiveness, governance and acting as an intermediary for the Directors, shareholders and other key stakeholders. The Senior Independent Director also provides an additional channel of communication through which stakeholders may voice concerns, works annually with the other Directors on reviewing the performance of the Chair and is responsible for leading the succession planning arrangements for the Chair.

Non-executive Directors

Including the Chair and the Senior Independent Director, the Company currently has five independent non-executive Directors.

The Company Secretary

The Directors have access to the advice and services of Apex Fund and Corporate Services (Guernsey) Limited, the Company Secretary and Administrator, which is responsible to the Board for ensuring that Board procedures are followed and that it complies with Guernsey law and applicable rules and regulations of the Guernsey Financial Services Commission and the London Stock Exchange.

The Company Secretary is also responsible for the timely delivery of information to the Board and ensuring that statutory obligations are met.

Market Abuse Regulation

The Board has formally adopted procedures in relation to the Company's obligations under the UK version of the Market Abuse Regulation ("MAR"), including procedures for the identification, management and disclosure of price-sensitive information, share dealing by persons discharging managerial responsibility and their persons closely associated.

The Board is responsible for overseeing the Company's compliance with MAR, and ensuring compliance with MAR by the Directors.

AIFM Directive

The Company is categorised as an externally managed non-EEA AIF for the purposes of the Alternative Investment Fund Managers Regulations 2013 and the AIFM Directive.

The Investment Manager has received authorisation from the FCA to act as AIFM to the Company. The Board has delegated responsibility for the Company's risk management and portfolio management functions to the Investment Manager, subject to specific delegation parameters described in the Investment Management Agreement.

Although the Board delegates discretionary management authority to the Investment Manager, it actively and continuously supervises the Investment Manager in the performance of its functions and reserves the right to take decisions in relation to the overall investment and risk management policies and strategies of the Company or to terminate the appointment of the Investment Manager (subject to the terms of the Investment Management Agreement). The Board has the right to request additional information or updates from the Investment Manager in respect of all delegated matters, including in relation to the identity of any sub-delegates and their sphere of operation.

AIFM Directive disclosures

The Company is required, pursuant to Regulation 59(2) of the Alternative Investment Fund Managers Regulations 2013 and Article 42(1)(a) of the AIFM Directive, to make certain specified disclosures to prospective investors prior to their investment in the Company, in accordance with the FCA's Investment Funds sourcebook and Article 23 of the AIFM Directive (the "Article 23 Disclosures").

The Company has published an investor disclosure document on its website (www.fgen.com) for the purposes of making the Article 23 Disclosures available to prospective investors prior to their investment in the Company.

AIFM remuneration

The Investment Manager is categorised by the FCA as a Collective Portfolio Management Investment (“CPMI”) firm and is accordingly subject to certain provisions of the FCA’s AIFM Remuneration Code and MIFIDPRU Remuneration Code for its MiFID business (the “Remuneration Code”).

The Investment Manager’s remuneration policy (the “policy”) applies to all staff whose professional activities have a material impact on the risk profiles of the Investment Manager or of the funds it manages, including the Company. This includes senior management, risk takers, control functions and any employee/member receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers.

The Investment Manager’s Remuneration Code staff have been identified as:

- partners as members of the management body, of those responsible for the prevention of money laundering and terrorist financing and managerial responsibility for business units, departments and teams; and
- Directors/Heads of Teams, including senior staff responsible for investment management, IT, risk management and those with authority to take decisions on the introduction of new products.

The Investment Manager ensures that the policy is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking that is inconsistent with the risk profile of the funds it manages, including the Company.

The Investment Manager recognises the importance of an effective remuneration policy in order to attract, motivate and retain individuals of the necessary ability and experience and to reward individuals both on an annual basis and over the long term for their contributions to the success of the Investment Manager, the Company and the Company’s portfolio of assets.

The Investment Manager ensures that where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the Company (as an AIF) and of the Investment Manager’s overall results. When assessing individual performance, financial and non-financial criteria are considered. Variable remuneration consists of bonus payments of employees.

The Investment Manager has an established Employee Remuneration Committee to oversee the implementation of its remuneration policies and practices established under the Remuneration Code.

The Company does not have any employees.

The services in this regard are provided by staff members of the Investment Manager in its role as AIFM.

In accordance with the Alternative Investment Fund Managers Regulations 2013 and related FCA rules, the Investment Manager is required to make certain remuneration disclosures available to investors and the FCA. In accordance with these obligations, the Investment Manager’s Policy and the numerical remuneration disclosures in respect to the relevant reporting period are available from the Investment Manager on request.

Non-mainstream pooled investments

The Board notes the rules of the UK FCA on the promotion of non-mainstream pooled investments.

The Board confirms that it conducts the Company’s affairs, and intends to continue to do so, in order that the Company’s shares will be excluded securities under the FCA’s rules. This is on the basis that the Company, which is resident outside the EEA, would qualify for approval as an investment trust by the Commissioners for HM Revenue and Customs under Sections 1158 and 1159 of the Corporation Tax Act 2010 if a resident and listed in the United Kingdom. Therefore, the Company’s shares will not amount to non-mainstream pooled investments. Accordingly, promotion of the Company’s shares will not be subject to the FCA’s restriction on the promotion of non-mainstream pooled investments.

Significant voting rights

Details of shareholders with notifiable interests in the voting rights of the Company can be found on page 105.

Share repurchase

Subject to the provisions of the law and the Company’s Articles of Incorporation, the Company may purchase all or any of its shares of any class, including any redeemable shares, and may hold such shares as treasury shares or cancel them. During August 2024, a share buyback programme was introduced to allow the purchase of up to £20 million of the Company’s shares back into treasury by 31 March 2025. The buyback allowance was then extended by a further £10 million in March 2025. The share buyback programme concluded in September 2025 with the entire allowance utilised and a total of 38,192,894 shares bought back by the Company and are currently being held as treasury shares.

Amendment to the Company’s Articles of Incorporation

Subject to the provisions of the law and the Company’s Articles of Incorporation, the Company’s Articles can be amended by special resolution.

Nomination Committee report

Composition, succession and evaluation



Ed Warner
Chair of the Nomination Committee

“The Board ensures it has the appropriate balance of skills, experience, diversity and knowledge to operate effectively.”

Committee members

Ed Warner

Chair of the Nomination Committee

Alan Bates

Director

Stephanie Coxon

Senior Independent Director

Jo Harrison

Director

Nadia Sood

Director

The Board of Directors has established a Nomination Committee from the non-executive Directors of the Company. The Nomination Committee, chaired by Ed Warner, operates within clearly defined terms of reference which are considered and are then referred to the Board for approval. A copy of the terms of reference is available on the Company's website or upon request from the Company Secretary.

The main roles and responsibilities of the Nomination Committee are to:

- regularly review the structure, size and composition of the Board and make recommendations to the Board with regard to any changes, based on merit and objective criteria (including skills, knowledge and experience, and promoting diversity of gender, social and ethnic backgrounds, cognitive and personal strengths);
- give full consideration to succession planning for Directors, ensuring effective plans are in place for orderly succession to the Board and to oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Company; and
- lead the process for appointments and be responsible for identifying and nominating for the approval of the Board candidates to fill Board vacancies as and when they arise.

The Nomination Committee reports formally to the Board on its proceedings on all matters within its duties and responsibilities and how it has discharged its responsibilities. The Committee meets at least twice a year per its terms of reference and at such other times as the Nomination Committee Chair shall require. Other Directors and third parties may be invited by the Nomination Committee to attend meetings as and when appropriate.

The initial and all subsequent members of the Board are selected following a comprehensive recruitment exercise with the aim of establishing a Board with the skills, knowledge, experience and diversity necessary for providing effective leadership and maintaining a governance framework suitable for the nature, scale and complexity of the Company.

The Nomination Committee met on two occasions during the financial year. Matters considered by the Committee during the year included, but were not limited to:

- the Company's policy on diversity, ensuring this remained aligned with the Company's strategy and objectives;
- monitoring the ongoing effectiveness of the Board and its Committees;
- the development of, and implementation of, the Board's succession plan;
- the time requirements and independence of Directors; and
- consideration and agreement of the terms of reference of the Nomination Committee for approval by the Board.

The Nomination Committee continues to maintain and develop the Board's succession planning arrangements to ensure the arrangements remain effective, and that a diverse pipeline for succession is maintained which remains aligned with the Company's strategy and future leadership needs. The Board is committed to maintaining at least 40% female representation and having at least one Board member from an ethnic minority background before the December 2024 target, which it achieved.

Board composition timeline 2025

31 March 2026

At the year end, the Board consisted of five non-executive Directors:

- Chair – Ed Warner;
- SID – Stephanie Coxon;
- Alan Bates;
- Jo Harrison; and
- Nadia Sood.

Board independence and composition

The Board consists of five Directors, all of whom are non-executive and independent of the Company's Investment Manager and other key service providers. Board independence is formally reviewed annually against the factors suggested in the AIC Code as likely to impair, or could appear to impair, independence, in addition to any other relevant considerations.

The Board considers all of the Directors, including the Chair, to be independent. The Directors' details are contained on pages 83 and 84 and set out the range of investment, financial and business skills and experience represented. Ed Warner has been appointed Chair and Stephanie Coxon as Senior Independent Director.

The Board believes that the Directors provide the appropriate balance of skills, knowledge and diversity necessary to manage the affairs of the Company and to operate effectively as a Board. Biographical details of the Directors are provided on pages 83 and 84. The composition of the Board is formally reviewed annually by the Nomination Committee with the objective of ensuring that it meets the current and expected future leadership needs of the Company. The Board's formal performance evaluation also provides feedback from the Directors on aspects of the Board's operation where greater effectiveness may be achieved.

Tenure, succession planning and induction

In accordance with the recommendations of the AIC Code, the tenure of all Directors, including the Chair, is expected not to exceed nine years unless exceptional circumstances warrant, such as to allow for phased Board appointments and retirements and to ensure that the Board remains well balanced and that the skills, knowledge and experience of the Board is refreshed at appropriate intervals.

In 2019 the Board began the implementation of its succession plan which involved a staged process of rotating the Directors first appointed at the Company's launch. In accordance with corporate governance best practice as set out in the AIC Code, each Director will be subject to annual re-election by shareholders at the AGM.

The Board maintains a succession roadmap which documents the plans in place for a gradual phasing of the Board and to avoid any undue disruption which may arise if more than one Director were to retire within a short space of time.

On appointment to the Board, new Directors will be provided with an induction pack by the Company Secretary containing all relevant information regarding the Company, its history, operations, key relationships and their duties and responsibilities as Directors. New appointees meet with each of the Directors and with representatives of the Investment Manager. The Chair is responsible for agreeing the programme of induction training with new appointees, and that any training needs of the existing Directors are addressed.

The Nomination Committee is responsible for ensuring that a diverse pipeline for succession is maintained, relevant to the future leadership needs of the Company.

Board diversity

The Board supports the recommendations issued by the FTSE Women Leaders Review (building on the work of the former Hampton Alexander and Davies Reviews) and the Listing Rule requirement relating to diversity. The Board further notes the recommendations of the Parker Review to have at least one member of the Board from an ethnic minority background by December 2024. The Board considers diversity in all its forms as part of its succession planning and the Directors are committed to maintaining a gender-balanced Board, and successfully achieved the recommendations of the Parker Review in advance of December 2024.

The objectives of the Company's diversity policy are to:

- seek to broaden the diversity represented on the Board;
- reduce the risks of groupthink which may otherwise exist on less diverse boards; and
- bring fresh perspectives to the Board's decision-making processes from the widest possible range of backgrounds.

No Director has a service contract with the Company and the terms and conditions of appointment for each of the Directors are set out in writing between each individual and the Company. Copies of the relevant appointment letters are available for inspection at the Company's registered office.

Statement on Board diversity

In compliance with Listing Rule 9.8.6R (9)(a), the Company has provided information, set out in the following tables, on how the Board has met the following targets on Board diversity at a chosen reference date within its accounting period:

- at least 40% of individuals on its Board are women;
- at least one of the senior Board positions is held by a woman; and
- at least one individual on its Board is from a minority ethnic background.

The Board has determined its financial year end, 31 March 2026, as the reference date for the data.

The following tables set out the required information as at 31 March 2026 in accordance with the requirements of the Listing Rules. All the targets were met at the reporting date.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board ¹
Men	2	40%	2
Women	3	60%	2
Not specified/prefer not to say	—	—	—

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (SID and Chair) ¹
White British or other White (including minority white groups)	4	80%	4
Mixed/Multiple ethnic groups	—	—	—
Asian/Asian British	1	20%	—
Black/African/Caribbean/Black British	—	—	—
Other ethnic group, including Arab	—	—	—
Not specified/prefer not to say	—	—	—

1. The Listing Rules specify the positions of CEO, CFO, Chair and SID as being senior positions. The Company is an externally managed investment company, with a board comprised entirely of non-executive Directors. Accordingly, the Company does not have a CEO or CFO, and within the context of the Company, the applicable senior roles for reporting purposes are considered to be the positions of Chair, SID and the Chairs of the Risk Committee, ESG Committee and the Audit Committee. In accordance with the Listing Rules, the Company confirms that the numerical data presented in the table above was collected directly from the non-executive Directors on the Board. Directors were provided with an anonymised form asking them to specify how they wished to be categorised for the purposes of the Listing Rule disclosures.

Conflicts of interest

The Directors have undertaken to notify the Company Secretary as soon as they become aware of any actual or potential new conflict of interest. Only Directors who have no material interest in the matter being considered will be able to participate in the Board approval process. Other business relationships, including those that conflict or may potentially conflict with the interests of the Company, are taken into account when appointing Board members and are monitored on a regular basis. The terms of each Director's appointment letter with the Company require that they seek prior approval from the Board before taking up any additional external appointments. The Board recognises the holdings of ordinary shares in the Company held by each of Ed Warner, Stephanie Coxon, Jo Harrison and Alan Bates, details of which are set out on page 106. The Board considers these interests at each scheduled meeting and remains satisfied that they do not affect the ability of the Directors to exercise independent judgement or their objectivity.

Performance and evaluation

The FGEN Board has adopted a process to review its performance on a regular basis and such reviews are carried out internally on an annual basis, with an externally facilitated evaluation expected to take place periodically. The internal annual evaluation of the Board and the performance of its Committees has taken the form of questionnaires and discussion to assess Board effectiveness and individual Director performance in various areas. The review of the Chair's performance is led by the Senior Independent Director.

The last externally facilitated performance evaluation was undertaken by BoardAlpha Limited ("BoardAlpha"), which is an affiliate of Trust Associates Limited ("Trust Associates"), in respect of the financial year ended 31 March 2023. The findings from the external review were generally satisfactory and no material deficiencies were identified. The next externally facilitated performance evaluation is expected to be undertaken in respect of the financial year ending 31 March 2027.

For the financial year ended 31 March 2026, the Directors undertook an internal evaluation of the Board. The evaluation process covered the composition of the Board and meeting process, Board information, training and development, Board dynamics, accountability and effectiveness.

Additional reviews were undertaken in respect of the performance and effectiveness of the Chair, and of the Audit Committee. Certain points were identified during the assessment which the Board agreed to take forward in the coming year. These included:

- maintaining the diversity of the Board and continuing to implement a remuneration policy which reflects market practice and the time commitment and demands placed on the Directors; and
- continuing to ensure that the composition of the Board reflects the requirements of the Company, and that if a new Director is appointed, they should have significant technical experience in new technologies.

Audit Committee report

Audit, risk and internal control



Stephanie Coxon
Chair of the Audit Committee

“I am pleased to present the Audit Committee report for the year ended 31 March 2026, detailing the activities undertaken this year to fulfil its responsibilities.”

Committee members

Stephanie Coxon

Senior Independent Director

Alan Bates

Director

Jo Harrison

Director

Nadia Sood

Director

The Audit Committee is appointed by the Board from the non-executive Directors of the Company. The Audit Committee, chaired by Stephanie Coxon, operates within clearly defined terms of reference and includes all matters indicated by Disclosure Guidance and Transparency Rule 7.1 and the UK Corporate Governance Code. The terms of reference are considered by the Audit Committee at each meeting and any changes are then referred to the Board for approval. A copy of the terms of reference is available on the Company's website or upon request from the Company Secretary.

Summary of the roles and responsibilities of the Audit Committee

The main roles and responsibilities of the Audit Committee are:

- monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and reporting to the Board on significant financial reporting issues and judgements contained therein;
- reviewing the content of the Half-year and Annual Reports and financial statements and advising the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy;
- agreeing with the external auditor the audit plan and reviewing the auditor's report related to the Half-year Report and the Annual Report and financial statements;
- maintaining the Company's policy on the provision of non-audit services by the external auditor;
- reviewing and recommending for approval the audit, audit-related and non-audit fees payable to the external auditor and the terms of their engagement;
- taking into account the principal risks, reviewing the long-term viability and going concern statements, including the underlying documentation prepared by the Investment Manager;
- reviewing, in conjunction with the Risk Committee, the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management systems;
- reviewing the adequacy and security of the Company's arrangements for regulatory compliance, whistleblowing and fraud, recognising that responsibilities for whistleblowing arrangements reside with the Board as a whole;
- assessing annually the effectiveness of the audit process and the external auditor's independence and objectivity, taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services and the effectiveness of the audit process;

- overseeing the external audit tender process;
- overseeing and liaising with the external valuer; and
- making recommendations to the Board to be put to shareholders for approval at the AGM, in relation to the appointment, reappointment and removal of the Company's external auditor.

The Audit Committee reports formally to the Board on its proceedings on all matters within its duties and responsibilities and how it has discharged its responsibilities.

Meetings

The Audit Committee meets at least three times a year at appropriate intervals in the financial reporting and audit cycle as per the terms of reference and at such other times as the Audit Committee Chair shall require.

In addition to the Audit Committee meeting formally with the external auditor, the Chair of the Audit Committee has met them informally on four further occasions and the independent valuations specialists five times.

These informal meetings have been held to ensure the Audit Committee Chair is kept up to date with the progress of their work and that their formal reporting meets the Audit Committee's needs. Any member of the Audit Committee may request that a meeting be convened by the Company Secretary.

The external auditor may request that a meeting be convened if it is deemed necessary.

Other Directors and third parties may be invited by the Audit Committee to attend meetings as and when appropriate.

AGM

The Audit Committee Chair attends the AGM to answer shareholder questions on the Committee's activities.

Significant issues

The Audit Committee considered the following significant issues during the year and in relation to the financial statements:

Valuation of investments

The Company is required to calculate the fair value of its investments. Whilst a relatively high volume of transactions for investments of this nature take place, there is not a suitable listed or other public market in these investments against which their value can be benchmarked. As a result, a valuation is predominantly performed based on a discounted cash flow methodology in line with IFRS 13 Fair Value Measurement.

The calculation of the fair value of the investments carries elements of risk, mainly in relation to the assumptions and factors such as:

- the determination of the appropriate macroeconomic assumptions underlying the forecast investment cash flows;
- the determination of the appropriate assumptions regarding future power prices, inflation forecasts, energy generation and volumes underlying the forecast investment cash flows;
- the determination of appropriate sensitivities to apply to meet the required disclosures;

- the impact of project-specific matters on the forecast cash flows for each investment;
- the determination of the appropriate discount rate for each investment that is reflective of current market conditions;
- the tax deductibility of interest expense under the Base Erosion and Profit Shifting ("BEPS") legislation;
- the underlying project financial models may not reflect the underlying performance of the investment;
- terms and costs of the future refinancing of senior debt on certain projects;
- the cash flows from the underlying financial models may not take into account current known issues; and
- the updates performed on the underlying financial models may result in errors in forecasting.

The Audit Committee is satisfied that the Investment Manager's assumptions have been reviewed and challenged for:

- the macroeconomic assumptions, including inflation and the comparison of these assumptions to observable market data, actual results and prior year comparatives;
- the electricity price, gas price, energy generation and volume assumptions, including the comparison of these assumptions to observable market data, actual results and prior year comparatives; and
- the build-up of the discount rates for consistency and reasonableness, benchmarking against market data and peers and project-specific items.

The Audit Committee is also satisfied that the portfolio valuation and associated disclosures have been checked for mechanical accuracy, ensuring that the investments are brought on balance sheet at fair value and that the independent valuation carried out by an independent firm has been reviewed and challenged by the Audit Committee, Board and by the auditor.

Internal audit

The Audit Committee considers at least once a year whether or not there is a need for an internal audit function. Currently, the Audit Committee does not consider there to be a need for an internal audit function specific to the Company, given that there are no employees in the Company and the systems and procedures employed by the Administrator and Investment Manager, including their own internal controls and procedures in place in relation to the Company and its subsidiaries, provide sufficient assurance that a sound system of internal control, which safeguards the Company's assets, is maintained.

External audit

KPMG was appointed as the Company's auditor in September 2023 and this is the third set of annual financial statements on which it has expressed an audit opinion.

The Audit Committee has assessed the quality and the effectiveness of the audit process. To draw its conclusions, the Audit Committee reviewed:

- the scope of the audit, the audit fee and the external auditor's fulfilment of the agreed audit plan;
- the degree of diligence and challenge demonstrated by them in the course of their interaction with the Board, the Audit Committee, the Administrator and Investment Manager; and
- the report highlighting the matters that arose during the course of the audit and the recommendations made by the external auditor.

The Directors note the recommendation of the UK Code and the AIC Code that the role of the external auditor is retendered every 10 years, with the audit partner changing every five years.

As part of our annual review of the objectivity and effectiveness of the audit, the Audit Committee conducted an evaluation in 2026 of the auditor's performance and the Audit Committee was satisfied in this regard. This evaluation was completed by the Audit Committee and senior finance personnel of the Investment Manager, considering the audit quality, technical competence and level of professional scepticism applied during the audit. In accordance with the relevant Corporate Governance Code principles, the Committee will continue to review the effectiveness of the external auditor in line with best practice.

Non-audit services

The Audit Committee considered the extent of non-audit services provided by the external auditor. The Company has adopted a formal policy in relation to the provision of non-audit services, pursuant to which the external auditor's objectivity and independence is safeguarded through limiting non-audit services to their role as reporting accountants for capital raising services and in relation to the Half-year Report, subject to a cap.

The Company paid £49,600 during the year for non-audit services to KPMG, in relation to the Half-year Report.

Internal control

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness, and the Board has therefore established an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed.

The process is based on a risk-based approach to internal control through a matrix that identifies the key functions carried out by the Investment Manager, Administrator and other key service providers, the various activities undertaken within those functions, the risks associated with each activity and the controls employed to minimise and mitigate those risks and the risks at the operating companies.

The Audit Committee works in close co-operation with the Risk Committee, with the prime responsibility of the Audit Committee being the review of internal financial controls and processes, and of the Risk Committee being the principal risks and uncertainties facing the Company. A separate report on the activities of the Risk Committee is set out on pages 99 and 100.

Following publication of the revised UK Corporate Governance Code, the Committee has commenced planning to address the enhanced internal control requirements set out in provision 29. During the year, a number of detailed discussions were held with the Investment Manager to determine the appropriate approach to achieving compliance when the provision becomes effective.

Activities of the Audit Committee

The Audit Committee met on six occasions during the year ended 31 March 2026. Matters considered at these meetings included, but were not limited to:

- reviewing the independent internal controls assurance process put in place by the Investment Manager;
- meeting with the independent valuation provider and with the external auditor without representatives of the Investment Manager present to receive their views in relation to the half-year and year-end valuation and the appropriateness and implementation of the Company's asset valuation methodology;
- monitoring the ongoing appropriateness of the Company's blended power price curve and capture price discounts;
- reviewing the reappointment of the external auditor;
- reviewing the effectiveness of the external auditor and the external audit process;
- considering the short and long-term implications to asset valuations and cash flows from the significant dislocation in energy markets, rising inflation and interest rates;
- reviewing the long-term viability and going concern statements, including the underlying documentation;

- approving the external audit fees;
- considering and agreeing the terms of reference of the Audit Committee for approval by the Board;
- reviewing the proposed accounting policies and format of the financial statements;
- reviewing the audit plan and timetable for the preparation of the Annual Report and financial statements;
- reviewing the Company's asset valuation methodology;
- reviewing the independent valuation report; and
- reviewing the 2026 Annual Report and financial statements and the 2025 Half-year Report to ensure they are fair, balanced and understandable.

No areas of significant disagreement or concern were highlighted during the Audit Committee's activities during the year that necessitated further action being taken outside of the Committee's routine duties.

As a result of its work during the year, the Audit Committee has concluded that it has acted in accordance with its terms of reference.

Approval

On behalf of the Audit Committee:



Stephanie Coxon
Chair of the Audit Committee

17 June 2026

Risk Committee report

Audit, risk and internal control



Alan Bates
Chair of the Risk Committee

“I am pleased to present the Risk Committee report for the year ended 31 March 2026.”

Committee members

Alan Bates

Chair of the Risk Committee

Stephanie Coxon

Director

Jo Harrison

Director

Nadia Sood

Director

Ed Warner

Director

The Board of Directors has established a Risk Committee from the non-executive Directors of the Company. The Risk Committee, chaired by Alan Bates, operates within clearly defined terms of reference and works closely with the Audit Committee in monitoring the internal controls and risk management of the Company.

The terms of reference are considered at least annually by the Risk Committee and are then referred to the Board for approval. A copy of the terms of reference is available on the Company's website or upon request from the Company Secretary.

The main roles and responsibilities of the Risk Committee are to:

- when requested to do so, advise the Board on the overall risk appetite, tolerance and strategy of the Company, taking account of the extent to which the risk profile of the Company corresponds to the size, structure and objectives of the Company, in addition to the current and prospective macroeconomic, financial and regulatory environment, including relevant stakeholder issues;
- oversee and advise the Board on the current risk exposures of the Company with particular focus on the Company's principal risks, being those which could influence shareholders' economic decisions, and the controls in place to mitigate those risks;
- keep under review the Company's overall risk identification and assessment processes and, in conjunction with the Audit Committee, review the adequacy and effectiveness of the internal control and risk management systems;
- in conjunction with the Audit Committee, ensure that a framework of strong corporate governance and best practice is in place, which enables the Company to comply with the main requirements of the Guernsey Code, UK Code or the AIC Code where considered appropriate;
- in conjunction with the ESG Committee, ensure the effective integration of climate risk into the Company's risk management framework;
- when requested to do so, advise the Board on proposed strategic transactions including acquisitions or disposals, ensuring that a due diligence appraisal of the proposition is undertaken, focusing in particular on risk aspects and implications for the risk appetite and tolerance of the Fund, and taking independent external advice where appropriate and available; and
- oversee the remit of the risk management function, its resources, access to information and independence.

The Risk Committee reports formally to the Board on its proceedings on all matters within its duties and responsibilities and how it has discharged its responsibilities. The Committee must meet at least four times a year per the terms of reference and at such other times as the Risk Committee Chair shall require. Other Directors and third parties may be invited by the Risk Committee to attend meetings as and when appropriate. The Risk Committee met four times in the year.

In order to assist in fulfilling its role on behalf of the Board, the Committee has established, in conjunction with the Investment Manager, an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed. This is a risk-based approach through the maintenance of a register that identifies the key risk areas faced by the Company and the controls employed to minimise and mitigate those risks. Scoring based on a traffic light system for likelihood and impact is used to assess the significance to the Company of each individual risk. The register is updated quarterly and the Committee considers all material changes to the risk ratings and the action which has been, or is being, taken. By their nature, these procedures will provide a reasonable, but not absolute, assurance against material misstatement or loss.

Activities of the Risk Committee

The Risk Committee met on four occasions during the year ended 31 March 2026. Matters considered at these meetings included, but were not limited to:

- challenging the Investment Manager's views on risk movements during the period;
- considering and agreeing the Company's principal risks;
- monitoring developments with the Company's major counterparty exposures;
- considering changes to the risk profile of the portfolio arising from proposed investments in new asset classes or geographies;
- monitoring the development of emerging risks and assessing their impact on the Company; and
- reviewing the effectiveness of the risk management function.

Directors' remuneration report

Remuneration

Introduction

The Board has established separate Risk, Audit, ESG and Nomination Committees to effectively oversee the activities of the Group.

The Board has not deemed it necessary to appoint a remuneration committee as, being comprised of five Directors, it considers that such matters may be considered by the whole Board, provided that no Director is involved in deciding their own remuneration.

The Board determines and agrees the policy for the remuneration of the Directors of the Company, including the approval of any ad hoc payments in respect of exceptional work required. No Director is involved in determining his or her own remuneration.

As all Directors of the Company are non-executive, they receive an annual fee appropriate for their responsibilities and time commitment, but no other incentive programmes or performance-related emoluments.

At IPO, the remuneration of the Board was fixed after consultation with independent external advisers. The remuneration policy is reviewed annually by the Directors to ensure it remains appropriate in the context of the activities of the Company, that the practices continue to support strategy and promote the Company's long-term sustainable success, and that they reflect the time commitment and responsibility of the role.

In 2022 an external review of the Company's remuneration policy was carried out by Trust Associates and their recommendations were considered by the Board as a whole prior to determining the policy to apply for the financial year commencing 1 April 2022. Internal remuneration policy reviews are undertaken annually by the Directors for each year intervening an externally facilitated review of remuneration.

The external remuneration review included a desktop benchmarking exercise, comparing the Company's remuneration practices against the broader listed investment company sector, companies based in the Channel Islands, in addition to a selected peer group comparison. Account was taken for the time, complexity and level of risk involved for Directors, which was assessed based on the findings of questionnaires and calls held with each Director, in addition to comments received from the Investment Manager, corporate brokers and the Company Secretary.

The findings confirmed that the Board continued to be highly responsive to Company demands, demonstrated by the attendance record at scheduled and ad hoc meetings held during the financial year. It was also acknowledged that the Board had adopted a conservative approach to reviewing its own remuneration by applying an inflationary increase in the 2019/20 financial year, then retaining those fee levels for 2020/21 in light of the ongoing uncertainty and market volatility caused by the Covid-19 pandemic.

The Directors are mindful of maintaining remuneration levels at a level broadly consistent with market expectations to avoid fees being a limiting factor by prospective Board candidates, whilst also taking account of the time requirement expected for each Board position and any additional responsibilities. In considering the findings of the external remuneration review, relevant factors included the Company remaining competitive against peers, the additional scrutiny placed on FTSE 250 constituents, and to avoid the need for substantial fee increases over future years as inflation levels remain high. Having considered the recommendations of the external review, the Board agreed to adopt each recommendation, without variation, which were ratified by shareholders at the 2025 AGM. The proposed remuneration policy applicable for the financial year ended 31 March 2026 is set out on the following page.

During March 2026, the Board undertook an internal evaluation of its remuneration levels. The internal review of the remuneration policy undertaken during 2026 benchmarked the Company's position against listed peer funds in the renewable energy infrastructure sector. The time commitment of the Directors during the year under review and additional responsibilities placed on certain Board members were considered. The review identified certain aspects of the Company's policy where changes would be suitable.

Accordingly, and with effect from 1 April 2026, the Board is recommending that shareholders approve the remuneration levels proposed in the comparative table set out on page 102.

Remuneration policy

Each Director receives a fixed fee per annum based on their role and responsibility within the Company and the time commitment required. It is not considered appropriate that Directors' remuneration should be performance related and none of the Directors are eligible for pension benefits, share options, long-term incentive schemes or other benefits in respect of their services as non-executive Directors of the Company. Shares held by the Directors are disclosed in the report of the Directors. The total remuneration of non-executive Directors has not exceeded the £400,000 per annum limit approved by shareholders at the EGM of the Company held on 8 March 2021.

The Company's Articles of Incorporation empower the Board to award additional remuneration where any Director has been engaged in exceptional work on a time spent basis to compensate for the additional time spent over their expected time commitment.

All of the Directors have been provided with letters of appointment which stipulate that their initial term shall be for three years, subject to annual re-election. The Articles of Incorporation provide that Directors retire and offer themselves for re-election at the first AGM after their appointment and at least every three years thereafter. Pursuant to the AIC Code, each Director retires and offers themselves for re-election at each AGM. A Director's appointment may at any time be terminated by, and at the discretion of, either party upon three months' written notice.

A Director's appointment will automatically end without any right to compensation whatsoever if they are not re-elected by the shareholders. A Director's appointment may also be terminated with immediate effect and without compensation in certain other circumstances.

The terms and conditions of appointment of non-executive Directors are available for inspection at the Company's registered office.

Details of individual remuneration

For comparative purposes, the table below sets out the Directors' remuneration approved and actually paid for the year to 31 March 2026, as well as that proposed for the year ending 31 March 2027.

Director	Role	Annual base proposed for 2026/27	Paid 2025/26
Ed Warner	Chair and Nomination Committee Chair	£85,000	£83,000
Stephanie Coxon	Senior Independent Director and Audit Committee Chair	£65,500	£63,750
Alan Bates	Risk Committee Chair	£55,500	£54,000
Jo Harrison	ESG Committee Chair	£55,500	£54,000
Nadia Sood	Director	£53,000	£51,500
Total		£314,500	£306,250

Where the Company requires Directors to work on specific corporate actions, an additional fee may be appropriately determined. No additional fees were paid to the Directors for the year ended 31 March 2026.

Directors are entitled to claim reasonable expenses which they incur attending meetings or otherwise in performance of their duties relating to the Company.

The total amount of Directors' expenses paid for the year ended 31 March 2026 was £4,406 (31 March 2025: £3,780).

Approval of report

The Board will seek approval at the AGM on 17 September 2026 for both the remuneration policy and the annual Directors' fees for routine business for the year ended 31 March 2026, as set out above.

Report of the Directors

The Directors are pleased to submit their report and the audited financial statements of the Company for the year ended 31 March 2026.

Principal activities

Foresight Environmental Infrastructure Limited is a company incorporated and registered in Guernsey under the Companies (Guernsey) Law, 2008. The Company was incorporated on 12 December 2013 with the Company registered number 57682.

At 31 March 2026, the total number of ordinary shares of the Company in issue was 623,338,335.

The Company is a registered fund under the Registered Collective Investment Scheme Rules and Guidance, 2021, and is regulated by the Guernsey Financial Services Commission and, during the year, its principal activity was as an investor in environmental infrastructure that utilises natural or waste resources or supports more environmentally friendly approaches to economic activity.

Business review

The Company is required to present a fair review of its business during the year ended 31 March 2026, its position at the year end and a description of the principal and emerging risks and uncertainties it faces.

This information is contained within the strategic report on pages 7 to 80.

Disclosure of information under Listing Rule 9.8.4

The Company is required to disclose information on any contract of significance subsisting during the period under review:

- to which the Company, or one of its subsidiary undertakings, is a party and in which a Director of the Company is or was materially interested; and
- between the Company, or one of its subsidiary undertakings, and a controlling shareholder.

Details can be found in note 15 to the financial statements.

The Directors note that no shareholder has waived or agreed to waive any dividends.

Results and dividends

The results for the year are set out in the financial statements on pages 114 to 139. On 27 May 2026, the Directors declared a dividend in respect of the period 1 January 2026 to 31 March 2026 of 1.99 pence per share to shareholders on the register as at the close of business on 5 June 2026, payable on 26 June 2026.

Going concern

The Directors, in their consideration of going concern, have reviewed comprehensive cash flow forecasts prepared by the Company's Investment Manager, Foresight Group, which are based on prudent market data and a reasonable worst case scenario and believe, that it is appropriate to prepare the financial statements of the Company on the going concern basis.

In arriving at their conclusion, the Directors assessed the risks of the volatility of energy prices, the potential impact of the principal risks (documented in the strategic report), the potential impact of the escalation in the Middle East and the upcoming continuation vote.

In addition to the risks outlined above, the Directors have also considered sustainability-related risks, including climate change (in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD")), which is integrated throughout the Sustainability and ESG report found on pages 68 to 70). The Investment Manager has reviewed the portfolio's exposure to these risks and has concluded that it is currently not material to the Fund, although it continues to monitor the market attentively.

The Board considers the going concern assessment period of 18 months to 30 September 2027 to be appropriate. A longer period than the typical requirement of 12 months has been adopted to factor in the full payment of the March 2027 dividend. On 22 April 2026, the Company announced that it had signed a one-year extension to the £150 million revolving credit facility ("RCF") and activated a £15 million accordion facility. All other terms of the RCF, as announced on 13 June 2024, remain unchanged. The Directors considered that the Company had adequate financial resources and were mindful that the Group had unrestricted cash of £9.0 million (including £0.5 million in the Company) as at 31 March 2026 and a revolving credit and accordion facility of £165 million, of which £123.1 million was drawn as at 31 March 2026. All key financial covenants under this facility are forecast to continue to be complied with for the duration of the going concern assessment period.

The RCF continues to provide ample headroom to cover outstanding portfolio commitments. The RCF provides the flexibility for the Fund to continue meeting existing funding commitments to portfolio assets. The RCF covenants have been tested on downside risk scenarios, with the assumption of 10% lower power price projections compared to the base case, reduced P90 generation levels, a proportion of the portfolio not yielding and a combination of these scenarios. In all scenarios, including the combined downside case, the Company remained compliant with its key covenants.

At the statement of financial position date, the Group reported a net current liabilities position. The Directors have reviewed the Group's forecasts and liquidity position and are satisfied that the Group will have sufficient resources to meet its obligations as they fall due for a period of at least 12 months from the date of approval of these financial statements.

As outlined in the updated Articles of Incorporation, if in respect of any full financial year of the Company commencing on or after 1 April 2025, the ordinary shares have traded on average at a discount in excess of 10% to the Net Asset Value per share, the Board shall put to the Members, at the next AGM of the Company, an ordinary resolution to consider whether the Company should continue in its present form. To pass the ordinary resolution, at least 50% of the voting members are required to vote in favour. Given the continued discount to NAV at which the Company's shares trade, the Board has considered the potential for a continuation vote in September 2027, which falls within the going concern assessment period.

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

Long-term viability statement

The Directors have assessed the viability of the Group over the three-year period to June 2029, taking into account the Group's current position and the potential impact of the principal risks outlined in the strategic report.

In addition to these principal risks, the Directors have considered sustainability-related risks, including environmental, social and governance ("ESG") factors and climate change (in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), which is integrated throughout the Sustainability and ESG report found on pages 68 to 70).

Sensitivity analysis has been undertaken to assess the potential impact of these risks on the business model, future performance, solvency and liquidity over the period.

In particular, this analysis has considered the achievement of budgeted energy yields, the level of future power prices in a volatile market, continued government support for renewable energy subsidy payments and the impact of a proportion of the portfolio not yielding.

The Directors have determined that a three-year period to June 2029 is an appropriate timeframe for this viability assessment. This is consistent with the outlook period used in economic and other medium-term forecasts regularly prepared for the Board by the Investment Manager and the discussion of any new strategies undertaken by the Board in its normal course of business. These reviews consider both the market opportunity and the associated risks, principally the ability to raise third-party funds and invest capital, or mitigating actions which could be taken if required, such as a reduction of dividends paid to shareholders or utilisation of additional borrowings available under the RCF.

The Group's risk management framework, as described on pages 47 to 54, identifies key risks, including:

- exposure to market power prices;
- investor sentiment and fund performance; and
- asset exposure to weather resource.

Whilst these risks are deemed significant to the Group's ability to operate its projects, generate revenue and to the value of the Company's investments, the Directors believe that this has had limited impact on the business to date.

Risk mitigating activities (as outlined on pages 47 to 54) have aided in the reduction of the impact.

The Company mitigates short-term price volatility through fixed-price arrangements, PPAs and hedging where appropriate, and uses a blended curve from several independent market forecasters for long-term valuation assumptions. The Investment Manager cross-checks assumptions against public information from peers, market data and project-specific arrangements, including capture discounts and cannibalisation.

The portfolio's diversified revenue base, including subsidies, long-term contracts and non-power revenues, reduces reliance on merchant power prices.

FGEN's exposure to wholesale power prices is mitigated by the practice of having a substantial proportion of generation for both electricity and gas on fixed-price arrangements for durations ranging from six months to two years.

Latest power prices are fixed for 80% of generation for the current summer season and 70% for the upcoming winter 2026 season.

The Investment Manager has run downside risk scenarios, with the assumption of 10% lower power price projections compared to the base case, reduced P90 generation levels, a proportion of the portfolio not yielding, and a combination of these scenarios. In all scenarios, including the combined downside case, the Company remained solvent, compliant with its key covenants and could continue to pay dividends to the shareholders.

FGEN aims to provide investors with a sustainable, progressive dividend, paid quarterly, and to preserve the capital value of its portfolio over the long term on a real basis. As such, the dividend is increased when the Board considers it is prudent to do so. The Board considers forecasted cash flows and dividend cover, in conjunction with inflation, electricity prices and the current operational performance of the Company's portfolio in making decisions surrounding dividends. Dividends are declared quarterly and are discretionary in nature. The Managers prepare robust scenario analysis when the target dividend for the next financial year is set. The Directors consider the anticipated cash flows under these scenarios and will assess the sustainability of the proposed dividend during the forecasted period. When considering this analysis, the Directors are comfortable that the cash dividend cover projections remain healthy over the look-forward period.

The shareholders will be presented with a continuation vote at the AGM in September. The trigger for this vote is the share price has traded, on average, at a discount in excess of 10% to the Net Asset Value per share in the financial year under review.

Upon assessing recent interactions with shareholders, macroeconomic factors prevalent in the entire renewables sector and considering the tighter rating of FGEN relative to peers, the Investment Manager and the Directors have no reason to believe that the ordinary resolution (50% of the total voting members) will not be passed by the shareholders.

Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to June 2029. In making this statement, the Directors have considered and challenged the reports of the Investment Manager in relation to the resilience of the Group, taking into account its current position, the principal risks facing it in reasonable downside scenarios, the effectiveness of any mitigating actions and the Group's risk appetite.

Internal controls review

Taking into account the principal risks and uncertainties detailed on pages 47 to 54 of the strategic report and the Audit and Risk Committees' ongoing framework to monitor the risk management and internal control systems, which includes current initiatives to embed the upcoming requirements of Provision 29 of the UK Corporate Governance Code, the Directors:

- confirm they have conducted a robust assessment of the principal risks facing the Company, including those threatening its business model, future performance, solvency or liquidity; and
- have reviewed the effectiveness of the risk management and internal control systems, with no significant failings or weaknesses identified.

Share capital

The Company has one class of ordinary shares which carry no rights to fixed income. On a show of hands, each member present in person or by proxy has the right to one vote at general meetings. On a poll, each member is entitled to one vote for every share held.

The issued nominal value of the ordinary shares represents 100% of the total issued nominal value of all share capital.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Incorporation and prevailing legislation.

The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

The Company's Memorandum and Articles of Incorporation contain details relating to the rules that the Company has about the appointment and removal of Directors or amendment to the Company's Articles of Incorporation, which are incorporated into this report by reference.

Authority to purchase own shares

A resolution to provide the Company with authority to purchase its own shares will be tabled at the AGM on 17 September 2026. This shareholder authority was last renewed at the 2025 AGM.

Major interests in shares and voting rights

As at 31 March 2026, the Company had been notified, in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules, of the following interests in 5% or more of the voting rights as a shareholder in the Company.

Shareholder	Percentage of voting rights and issued share capital	Number of ordinary shares
Hargreaves Lansdown, stockbrokers (EO)	8.36%	52,082,531
Interactive Investor (EO)	6.39%	39,832,752
Gravis Capital Management	6.26%	39,025,000

Board of Directors

The Board members that served during the year and up until the date of this report, all of whom are non-executive Directors and independent of the Investment Manager, are listed below. Their biographical details are shown on pages 83 and 84.

Name	Function
Ed Warner	Chair
Stephanie Coxon	Senior Independent Director
Alan Bates	Director
Jo Harrison	Director
Nadia Sood	Director

Re-election of Directors

In compliance with the provisions of the AIC Code of Corporate Governance, all of the Directors will stand for re-election at each AGM. The Directors are satisfied that the Board continues to perform effectively, and that each Director continues to demonstrate commitment to their roles. Each of the Directors has a letter of appointment rather than a service contract.

Directors' interests

Directors who held office and had interests in the shares of the Company as at 31 March 2026 were:

Name	Ordinary shares of no par value each held at 31 Mar 2026	Ordinary shares of no par value each held at 31 Mar 2025
Ed Warner	75,000	75,000
Stephanie Coxon	65,000	45,000
Alan Bates	25,000	25,000
Jo Harrison	8,066	8,066
Nadia Sood	—	—

Since 31 March 2026, Nadia Sood purchased 6,796 shares of the Company.

AGM

The Company's AGM will be held at 10.00am on 17 September 2026 at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, Channel Islands. Details of the business to be conducted will be confirmed in the notice of AGM.

Appointment of the Investment Manager

On 1 July 2019, the Company changed Investment Adviser from John Laing Capital Management Limited to Foresight Group LLP. The existing team that had been providing investment advice since FGEN's launch in 2014 transferred to Foresight to continue working with the Company. In January 2022, the former Investment Advisory Agreement was terminated and the Company entered into a new Investment Management Agreement with Foresight. Save for the addition of certain additional regulatory obligations in connection with Foresight's role as Alternative Investment Fund Manager and the delegation of discretionary decision-making authority in relation to routine investment transactions, the material terms and provisions of the Investment Management Agreement with Foresight Group remained the same as the previous Investment Advisory Agreement.

With effect from 1 October 2025, a new investment management fee structure was implemented, whereby the fees are now calculated as 50% based on NAV and 50% on market capitalisation (the latter element being capped at NAV). This new fee structure was implemented in order to better align the interests of Foresight Group LLP with those of the Company's shareholders. It is the Directors' opinion that the continuing appointment of Foresight Group LLP on these agreed terms is in the best interests of shareholders as a whole.

Auditor

On 1 October 2025, KPMG Channel Islands Limited changed its name to KPMG Audit Limited. The Board has appointed KPMG as the external auditor to the Company.

On behalf of the Board



Ed Warner
Chair

17 June 2026

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and applicable law.

The financial statements are required by law to 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping proper accounting records that 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 (Guernsey) Law, 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, and for the preparation and dissemination of financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with UK-adopted international accounting standards, 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 position of the Company and the undertakings taken as a whole, together with a description of the principal risks and uncertainties that it faces; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

On behalf of the Board



Ed Warner
Chair

17 June 2026

Financial statements

In this section

Independent auditor's report	109	Statement of changes in equity	116
Income statement	114	Cash flow statement	117
Statement of financial position	115	Notes to the financial statements	118

Independent auditor's report

to the members of Foresight Environmental Infrastructure Limited

Our opinion is unmodified

We have audited the financial statements of Foresight Environmental Infrastructure Limited (the "Company"), which comprise the statement of financial position as at 31 March 2026, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 31 March 2026, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in accordance with UK-adopted international accounting standards; and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as required by the Crown Dependencies' Audit Rules and Guidance. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Key audit matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These 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. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2025):

The risk	Our response
Investments at fair value through profit and loss £656,728,000 (2025: £678,157,000); Refer to Audit Committee report (page 96), note 2(f) accounting policy and note 9 disclosures	
<p>Basis: The Company's investment in its immediate subsidiary (the "UK HoldCo") is carried at fair value through profit or loss and represents a significant proportion of the Company's net assets. The UK HoldCo in turn owns investments in intermediate holding companies and environmental infrastructure projects.</p> <p>The fair value of the investment in the UK HoldCo, which is reflective of its net asset value, predominantly comprises of the fair value of underlying environmental infrastructure projects.</p> <p>The fair value of the underlying environmental infrastructure projects has been primarily determined using the income approach discounting the future cash flows to be received from the underlying projects (the "Valuations"), for which there is no active market. The Valuations incorporate certain assumptions including generation output assumptions, discount rates, power price forecasts, inflation rates and other macroeconomic assumptions.</p> <p>Management engages an independent valuation specialist to review the Valuations and form an opinion on the appropriateness of the Valuations.</p> <p>Risk: The Valuations represent both a risk of fraud and error associated with estimating the timing and amounts of long term forecasted cash flows alongside the selection, and application, of appropriate assumptions. Changes to long term forecasted cash flows and/or the selection and application of different assumptions may result in a materially different valuation of investments held at fair value through profit or loss.</p> <p>We therefore have determined that the Valuations have a high degree of estimation uncertainty giving rise to a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.</p>	<p>Our audit procedures included:</p> <p>Internal Controls: We have obtained an understanding of the valuation process and tested the design and implementation of the valuation process control.</p> <p>We performed the procedures below rather than seeking to rely on the control as the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.</p> <p>Management's independent valuation specialist valuation report:</p> <ul style="list-style-type: none"> • we assessed the objectivity, capabilities and competence of management's independent valuation specialist; • we assessed the scope of management's independent valuation specialist review of the Valuations and read their valuation report and the investment valuation memoranda produced by the Investment Manager; and • we held discussions with management's independent valuation specialist to understand the nature of the procedures performed by them in arriving at their opinion on the appropriateness of the Valuations. <p>Challenging managements' assumptions and inputs including use of KPMG valuation specialists With the support of KPMG valuation specialists we challenged the appropriateness of the Company's valuation methodology and key assumptions such as discount rates, power price forecasts, inflation rates, and other macro economic assumptions applied, by:</p> <ul style="list-style-type: none"> (i) assessing the appropriateness of the valuation methodology applied; (ii) benchmarking the discount rates applied against independent market data and relevant peer group companies; (iii) assessing the reasonableness of the power price forecasts used, by reference to power price curves supplied to management by external consultants and external data sources; (iv) challenging inflation rates and other macro economic assumptions used, by reference to observable market data and market forecasts; (v) agreeing significant additions of operational and non-operational environmental infrastructure projects to supporting documentation; (vi) comparing, where appropriate, the valuation of the underlying environmental infrastructure projects to any indicative non-binding offers received by management; and (vii) using our KPMG valuation specialists' experience in valuing similar investments. <p>For a risk based sample of the cash flow valuation models:</p> <ul style="list-style-type: none"> • we tested their mathematical accuracy including, but not limited to, material formulae errors; • we challenged the generation output assumptions, by reference to due diligence reports prepared by third party engineers or historical performance, where available; • we agreed other key inputs, such as contracted revenue to supporting documentation; • we assessed the appropriateness of changes to operational assumptions and cashflows, with reference to third party support and historical experience where required; and • in order to assess the reliability of management's forecasts, we assessed the historical accuracy of the cash flow forecasts against actual results and project disposals in the year. <p>Assessing disclosures: We considered the appropriateness and adequacy of the disclosures made in the financial statements (see notes 2(f), 9 and 16) in relation to the use of estimates and judgements regarding the fair value of investments, the valuation estimation techniques inherent therein and fair value disclosures for compliance with UK-adopted international accounting policies.</p>

Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £13.0 million, determined with reference to a benchmark of net assets of £655.5 million, of which it represents approximately 2% (2025: 2%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Company was set at 75% (2025: 75%) of materiality for the financial statements as a whole, which equates to £9.75 million. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.65 million, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to affect the Company's financial resources or ability to continue operations over this period were:

- availability of capital to meet operating costs and other financial commitments;
- the outcome of the upcoming continuation vote.

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Company's financial forecasts.

We also considered the risk that the outcome of the continuation vote could affect the Company over the going concern period, by considering the outcome of previous votes held by the Company, inspecting summaries of discussions held with the broker, and considering key financial metrics including the discount of the Company's share price against its reported net asset value per share, in comparison to its peers over the last 12 months.

We considered whether the going concern disclosure in note 2(b) to the financial statements gives a full and accurate description of the directors' assessment of going concern.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the directors' statement in the notes to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period, and that statement is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, and taking into account possible incentives or pressures to misstate performance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates such as valuation of unquoted investments. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation;
- incorporating an element of unpredictability in our audit procedures; and
- assessing significant accounting estimates for bias.

Further detail in respect of valuation of unquoted investments is set out in the key audit matter section of this report.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. 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.

Disclosures of emerging and principal risks and longer term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge. We have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the long-term viability statement (pages 104 and 105) that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the emerging and principal risks disclosures describing these risks and explaining how they are being managed or mitigated; and

- the directors' explanation in the long-term viability statement (pages 104 and 105) as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the long-term viability statement, set out on pages 104 and 105 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Company's risk management and internal control systems.

We are required to review the part of Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

We have nothing to report on other matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 107, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of this report and restrictions on its use by persons other than the Company's members as a body

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. 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.

Barry Ryan

For and on behalf of KPMG Audit Limited

Chartered Accountants and Recognised Auditors
Guernsey

17 June 2026

Income statement

for the year ended 31 March 2026

	Notes	Year ended 31 Mar 2026 £'000s	Year ended 31 Mar 2025 £'000s
Operating income and gains on fair value of investments	4	44,752	5,958
Operating expenses	5	(7,589)	(8,793)
Operating profit/(loss)		37,163	(2,835)
Profit/(loss) before tax		37,163	(2,835)
Tax	6	—	—
Profit/(loss) for the year		37,163	(2,835)
Earnings/(losses) per share			
Basic and diluted (pence)	8	5.9	(0.4)

The accompanying notes form an integral part of the financial statements.

All results are derived from continuing operations.

There is no other comprehensive income in either the current year or the preceding year, other than the profit for the year, and therefore no separate statement of comprehensive income has been presented.

Statement of financial position

as at 31 March 2026

	Notes	31 Mar 2026 £'000s	31 Mar 2025 £'000s
Non-current assets			
Investments at fair value through profit or loss	9	656,728	678,157
Total non-current assets		656,728	678,157
Current assets			
Trade and other receivables	10	34	21
Cash and cash equivalents		492	2,617
Total current assets		526	2,638
Total assets		657,254	680,795
Current liabilities			
Trade and other payables	11	(1,802)	(2,094)
Total current liabilities		(1,802)	(2,094)
Total liabilities		(1,802)	(2,094)
Net assets		655,452	678,701

	Notes	31 Mar 2026 £'000s	31 Mar 2025 £'000s
Equity			
Share capital account	13	664,401	664,401
Treasury shares		(30,001)	(19,156)
Retained earnings	14	21,052	33,456
Equity attributable to owners of the Company		655,452	678,701
Net assets per share (pence per share)		105.2	106.5

The accompanying notes form an integral part of the financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 17 June 2026.

They were signed on its behalf by:



Ed Warner
Chair



Stephanie Coxon
Director

Statement of changes in equity

for the year ended 31 March 2026

	Notes	Year ended 31 Mar 2026			
		Share capital account £'000s	Treasury shares £'000s	Retained earnings £'000s	Total £'000s
Balance at 1 April 2025		664,401	(19,156)	33,456	678,701
Profit and total comprehensive income for the year	14	—	—	37,163	37,163
Purchase of treasury shares		—	(10,845)	—	(10,845)
Dividends paid	7	—	—	(49,567)	(49,567)
Balance at 31 March 2026		664,401	(30,001)	21,052	655,452

	Notes	Year ended 31 Mar 2025			
		Share capital account £'000s	Treasury shares £'000s	Retained earnings £'000s	Total £'000s
Balance at 1 April 2024		664,401	—	86,813	751,214
Loss and total comprehensive income/(expense) for the year		—	—	(2,835)	(2,835)
Purchase of treasury shares		—	(19,156)	—	(19,156)
Dividends paid		—	—	(50,522)	(50,522)
Balance at 31 March 2025		664,401	(19,156)	33,456	678,701

The accompanying notes form an integral part of the financial statements.

Cash flow statement

for the year ended 31 March 2026

	Notes	Year ended 31 Mar 2026 £'000s	Year ended 31 Mar 2025 £'000s
Profit/(loss) for the year		37,163	(2,835)
Adjustments for:			
Interest received	4	(29,781)	(31,073)
Dividends received	4	(36,400)	(32,300)
Net loss on investments at fair value through profit or loss	4	21,429	57,415
Operating cash flows before movements in working capital		(7,589)	(8,793)
(Increase)/decrease in receivables		(13)	4
Decrease in payables		(292)	(560)
Net cash outflow used in operating activities		(7,894)	(9,349)
Investing activities			
Loan repayment from subsidiary		—	18,000
Interest received	4	29,781	31,073
Dividends received	4	36,400	32,300
Net cash generated from investing activities		66,181	81,373

	Notes	Year ended 31 Mar 2026 £'000s	Year ended 31 Mar 2025 £'000s
Financing activities			
Purchase of treasury shares	13	(10,845)	(19,156)
Dividends paid	7	(49,567)	(50,522)
Net cash outflow used in financing activities		(60,412)	(69,678)
Net (decrease)/increase in cash and cash equivalents		(2,125)	2,346
Cash and cash equivalents at beginning of the year		2,617	271
Cash and cash equivalents at end of the year		492	2,617

The accompanying notes form an integral part of the financial statements.

Notes to the financial statements

for the year ended 31 March 2026

1. General information

Foresight Environmental Infrastructure Limited (the "Company" or "FGEN") is a closed-ended investment company domiciled and incorporated in Guernsey, Channel Islands, under Section 20 of the Companies (Guernsey) Law, 2008. The shares are publicly traded on the London Stock Exchange under a premium listing. The audited financial statements of the Company are for the year ended 31 March 2026 and have been prepared on the basis of the accounting policies set out below. The financial statements comprise only the results of the Company as its investment in Foresight Environmental Infrastructure (UK) Limited ("UK HoldCo") is measured at fair value as detailed in the material accounting policies below. The Company and its subsidiaries invest in environmental infrastructure that utilises natural or waste resources or supports more environmentally friendly approaches to economic activity.

2. Material accounting policies

(a) Basis of preparation

The financial statements, which give a true and fair view, were approved and authorised for issue by the Board of Directors on 17 June 2026. The set of financial statements included in this financial report has been prepared in accordance with UK-adopted international accounting standards as applicable to companies reporting under those standards and complies with the Companies (Guernsey) Law, 2008.

As a result of adopting the amendments to IFRS 10, IFRS 12 and IAS 28 first adopted in the Company's Annual Report to 31 March 2015, the Company is required to hold its subsidiaries that provide investment services at fair value, in accordance with IFRS 9 Financial Instruments Recognition and Measurement and IFRS 13 Fair Value Measurement. The Company accounts for its investment in its wholly owned direct subsidiary UK HoldCo at fair value. The Company, together with its wholly owned direct subsidiary UK HoldCo and the intermediate holding subsidiary HWT Limited, comprise the Group (the "Group") investing in environmental infrastructure assets.

The net assets of the intermediate holding companies (comprising UK HoldCo and HWT Limited), which at 31 March 2026 principally comprise working capital balances, the revolving credit facility ("RCF") and investments in projects, are required to be included at fair value in the carrying value of investments.

Consequently, the Company does not consolidate its subsidiaries or apply IFRS 3 Business Combinations when it obtains control of another entity as it is considered to be an investment entity under UK-adopted international accounting standards. Instead, the Company measures its investment in its subsidiary at fair value through profit or loss.

The financial statements incorporate the financial statements of the Company only.

UK HoldCo is itself an investment entity. Consequently, the Company need not have an exit strategy for its investment in UK HoldCo.

Each investment indirectly held has a finite life. For the PPP assets, the shareholder debt will mature towards the end of the concession, and at the end of the concession the investment will be dissolved. In the case of renewable energy assets, the life of the project is based on the expected asset life and the land lease term, after which the investment will also be dissolved. The exit strategy is that investments will normally be held to the end of the concession, unless the Company sees an opportunity in the market to dispose of investments. Foresight Group, the Company's Investment Manager, and the Company's Board regularly consider whether any disposals should be made.

The Directors continue to consider that the Company demonstrates the characteristics and meets the requirements to be considered as an investment entity.

The following relevant standards which have not been applied in these financial statements were in issue but not yet effective:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (applicable for annual periods beginning on or after 1 January 2026);
- Annual Improvements to IFRS Accounting Standards (applicable for annual periods beginning on or after 1 January 2026) – Amendments to:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures, and its accompanying guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash Flows;
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7;
- IFRS 18 Presentation and Disclosure in Financial Statements (applicable for annual periods beginning on or after 1 January 2027); and
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (applicable for annual periods beginning on or after 1 January 2027).

2. Material accounting policies continued

The Company is currently assessing the impact of IFRS 18 on its financial statements. Particular focus is being given to potential changes in the structure of the income statement, the statement of cash flows and the enhanced disclosure requirements related to management performance measures ("MPMs"). The assessment also includes a review of how information is grouped and presented within the financial statements.

The following relevant standards became effective during the year and did not have a material impact on the Company's reported results:

- Lack of Exchangeability - Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (applicable for annual periods beginning on or after 1 January 2025).

(b) Going concern

The Directors, in their consideration of going concern, have reviewed comprehensive cash flow forecasts prepared by the Company's Investment Manager, Foresight Group, which are based on prudent market data and a reasonable worst case scenario and believe, that it is appropriate to prepare the financial statements of the Company on the going concern basis.

In arriving at their conclusion, the Directors assessed the risks of the volatility of energy prices, the potential impact of the principal risks (documented in the strategic report), the potential impact of the escalation in the Middle East and the upcoming continuation vote.

In addition to the risks outlined above, the Directors have also considered sustainability-related risks, including climate change (in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), which is integrated throughout the Sustainability and ESG report found on pages 63 to 76). The Investment Manager has reviewed the portfolio's exposure to these risks and has concluded that it is currently not material to the Fund, although it continues to monitor the market attentively.

The Board considers the going concern assessment period of 18 months to 30 September 2027 to be appropriate. A longer period than the typical requirement of 12 months has been adopted to factor in the full payment of the March 2027 dividend. On 22 April 2026, the Company announced that it had signed a one-year extension to the £150 million revolving credit facility ("RCF") and activated a £15 million accordion facility. All other terms of the RCF, as announced on 13 June 2024 remain unchanged.

The Directors considered that the Company had adequate financial resources, and were mindful that the Group had unrestricted cash of £9.0 million (including £0.5 million in the Company) as at 31 March 2026 and a revolving credit and accordion facility) of £165 million, of which £123.1 million was drawn as at 31 March 2026. All key financial covenants under this facility are forecast to continue to be complied with for the duration of the going concern assessment period.

The RCF continues to provide ample headroom to cover outstanding portfolio commitments. The RCF provides the flexibility for the Fund to continue meeting existing funding commitments to portfolio assets. The RCF covenants have been tested on downside risk scenarios, with the assumption of 10% lower power price projections compared to the base case, reduced P90 generation levels, a proportion of the portfolio not yielding and a combination of these scenarios. In all scenarios, including the combined downside case, the Company remained compliant with its key covenants.

At the statement of financial position date, the Group reported a net current liabilities position. The Directors have reviewed the Group's forecasts and liquidity position and are satisfied that the Group will have sufficient resources to meet its obligations as they fall due for a period of at least 12 months from the date of approval of these financial statements.

As outlined in the updated Articles of Incorporation, if in respect of any full financial year of the Company commencing on or after 1 April 2025, the ordinary shares have traded on average at a discount in excess of 10% to the Net Asset Value per share, the Board shall put to the Members, at the next AGM of the Company, an ordinary resolution to consider whether the Company should continue in its present form. To pass the ordinary resolution, at least 50% of the voting members are required to vote in favour. Given the continued discount to NAV at which the Company's shares trade, the Board has considered the potential for a continuation vote in September 2027, which falls within the going concern assessment period.

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

2. Material accounting policies continued

(c) Revenue recognition – Operating income and loss on fair value of investments

Operating income and loss on fair value of investments in the income statement represents gains or losses that arise from the movement in the fair value of the Company's investment in UK HoldCo, dividend income and interest received from UK HoldCo. Dividends from UK HoldCo are recognised when the Company's right to receive payment has been established. Interest income is accrued by reference to the loan principal outstanding, applicable interest rate and in accordance with the loan note agreement. Refer to note 9 for details.

(d) Taxation

Under the current system of taxation in Guernsey, the Company itself is exempt from paying taxes on income, profits or capital gains. Dividend income and interest income received by the Company may be subject to withholding tax imposed in the country of origin of such income. 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 fair value of the Company's investments.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, deposits held on call with banks and other short-term highly liquid deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purpose of the cash flow statements. Deposits held with original maturities of greater than three months are included in other financial assets.

(f) Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are 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.

l) Financial assets

The Company classifies its financial assets as either investments at fair value through profit or loss or financial assets at amortised cost. The classification depends on the results of the "solely payments of principal and interest" and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

This assessment includes judgement reflecting all relevant evidence, including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how management are compensated. Monitoring is part of the Company's continuous assessment of whether the business model, for which the remaining financial assets are held, continues to be appropriate and, if it is not appropriate, whether there has been a change in business model and so a prospective change to the classification of those assets.

i) Investments at fair value through profit or loss

Investments at fair value through profit or loss are recognised upon initial recognition as financial assets at fair value through profit or loss in accordance with IFRS 10. In these financial statements, investments at fair value through profit or loss is the fair value of the Company's subsidiary, UK HoldCo, which comprises the fair value of UK HoldCo and HWT Limited and the environmental infrastructure investments.

The intermediate holding companies' net assets (UK HoldCo and HWT Limited) are mainly composed of cash, working capital balances and borrowings under the Company's wholly owned direct subsidiary's RCF, and are recognised at fair value, which is equivalent to their net assets. Although the working capital and the RCF outstanding balance are measured at amortised cost, their fair values do not materially differ from their amortised costs.

The Company's investment in UK HoldCo comprises both equity and loan notes. Both elements are exposed to the same primary risk, being performance risk. This performance risk is taken into consideration when determining the discount rate applied to the forecast cash flows.

In determining fair value, the Board considered observable market transactions and has measured fair value using assumptions that market participants would use when pricing the asset, including assumptions regarding risk. The loan notes and equity are considered to have the same risk characteristics. As such, the debt and equity form a single class of financial instrument for the purposes of disclosure. The Company measures its investment as a single class of financial asset at fair value in accordance with IFRS 13 Fair Value Measurement.

ii) Financial assets at amortised cost

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

2. Material accounting policies continued

The loan notes issued by the Company's wholly owned subsidiary UK HoldCo are held at fair value, which is included in the balance of the investments at fair value through profit or loss in the statement of financial position.

II) 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.

i) Equity instruments

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares that would otherwise have been avoided are written off against the balance of the share capital account as permitted by Companies (Guernsey) Law, 2008.

ii) Financial liabilities

Financial liabilities are classified as other financial liabilities, comprising:

- loans and borrowings which are recognised initially at the fair value of the consideration received, less transaction costs. Subsequent to initial recognition, loans and borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis; and
- other non-derivative financial instruments, including trade and other payables, which are measured at amortised cost using the effective interest method less any impairment losses.

In accordance with IFRS 9, financial guarantee contracts are recognised as a financial liability. The liability is measured at fair value and subsequently in accordance with the expected credit loss model under IFRS 9.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between contracted payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

III) Effective interest method

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the relevant asset's carrying amount.

IV) Fair value estimation for investments at fair value

The Company's investments at fair value are not traded in active markets.

Fair value is calculated by discounting at an appropriate discount rate future cash flows expected to be received by the Company's intermediate holdings, from investments in both equity (dividends and equity redemptions), shareholder and inter-company loans (interest and repayments). The discount rates used in the valuation exercise represent the Investment Manager's and the Board's assessment of the rate of return in the market for assets with similar characteristics and risk profile. The discount rates are reviewed on a regular basis and updated, where appropriate, to reflect changes in the market and in the project risk characteristics. The discount rates that have been applied to the financial assets at 31 March 2026 were in the range of 7.0% to 25.0% (31 March 2025: 7.0% to 25.0%). Refer to note 9 for details of the areas of estimation in the calculation of the fair value.

For subsidiaries which provide management/investment-related services, the fair value is estimated to be the net assets of the relevant companies, which principally comprise cash, loans and working capital balances.

(g) Segmental reporting

The Board is of the opinion that the Company is engaged in a single segment of business, being investment in environmental infrastructure to generate investment returns while preserving capital. The financial information used by the Board to allocate resources and manage the Company presents the business as a single segment comprising a homogeneous portfolio.

(h) Statement of compliance

Pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020, the Company is a registered closed-ended investment scheme. As a registered scheme, the Company is subject to certain ongoing obligations to the Guernsey Financial Services Commission, and is governed by the Companies (Guernsey) Law, 2008, as amended.

(i) Seasonality

Neither operating income nor profit are impacted significantly by seasonality. While meteorological conditions resulting in fluctuation in the levels of wind and sunlight can affect revenues of the Company's environmental infrastructure projects, due to the diversified mix of projects, these fluctuations do not materially affect the Company's operating income or profit.

3. Critical accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the fair value of assets and liabilities that affect reported amounts. Actual results may differ from these estimates.

Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Investments at fair value through profit or loss

The fair value of environmental infrastructure investments is calculated by discounting at an appropriate discount rate future cash flows expected to be received by the Company's intermediate holdings, from investments in both equity (dividends and equity redemptions), shareholder and inter-company loans (interest and repayments). Estimates such as the cash flows are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the fair value of assets not readily available from other sources. Actual results may differ from these estimates.

The project cash flows used in the portfolio valuation at 31 March 2026 reflect contractual fixed price arrangements under PPAs, where they exist, and short-term market forward prices for the next two years where they do not.

After the initial two-year period, the project cash flows assume future electricity and gas prices in line with a blended curve informed by the central forecasts from three established market consultants, adjusted by the Investment Manager for project-specific arrangements and price cannibalisation.

For the Italian investment, project cash flows assume future electricity prices informed by long-term projections of two leading independent market consultants.

The power price assumptions, including the discount to the near-term power price assumptions, are a key source of estimation and uncertainty. Information on the sensitivity of the portfolio to movement in power price is disclosed in note 16.

Discount rates used in the valuation represent the Investment Manager's and the Board's assessment of the rate of return in the market for assets with similar characteristics and risk profile. The discount rate is deemed to be one of the most significant unobservable inputs and any change could have a material impact on the fair value of investments. Underlying assumptions and discount rates are disclosed in note 9 and sensitivity analysis is disclosed in note 16.

Due to the current economic environment, the Investment Manager and the Board believe that the rate of inflation should also be considered a key source of estimation uncertainty. Information on the sensitivity of the portfolio valuation to movements in inflation rates is disclosed in note 16.

Critical accounting judgements

Equity and debt investment in UK HoldCo

In applying their judgement, the Directors have satisfied themselves that the equity and debt investments in UK HoldCo share the same investment characteristics and, as such, constitute a single asset class for IFRS 7 disclosure purposes. Please refer to the accounting policies in note 2 for further detail.

Investment entities

The Directors consider that the Company demonstrates the characteristics and meets the requirements to be considered as an investment entity. Please refer to the accounting policies in note 2 for further detail.

4. Operating income and loss on fair value of investments

	Year ended 31 Mar 2026 £'000s	Year ended 31 Mar 2025 £'000s
Interest income	29,781	31,073
Dividend income	36,400	32,300
Net loss on investments at fair value through profit or loss	(21,429)	(57,415)
	44,752	5,958

5. Operating expenses

	Year ended 31 Mar 2026 £'000s	Year ended 31 Mar 2025 £'000s
Investment management fees	5,755	7,208
Directors' fees and expenses	314	327
Administration fee	110	124
Other expenses	1,410	1,134
	7,589	8,793

5. Operating expenses continued

The Company had no employees during the year (31 March 2025: nil). There was no Directors' remuneration for the year other than Directors' fees as detailed in note 15 (31 March 2025: £nil).

Included within other expenses is an amount of £204,000 to KPMG Audit Limited for the audit of the Company for the year ended 31 March 2026 (year ended 31 March 2025: £197,000).

The Company paid £49,600 during the year for non-audit services to KPMG Audit Limited, all in relation to the Half-year Report (year ended 31 March 2025: £48,904).

6. Tax

Income tax expense

The Company has obtained exempt status from income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. FGEN is charged an annual exemption fee of £1,600 (year ended March 2025: £1,600).

The income from its investments is therefore not subject to any further tax in Guernsey, although the investments provide for and pay taxation at the appropriate rates in the countries in which they operate. The underlying tax within the subsidiaries and environmental infrastructure assets, which are held as investments at fair value through profit or loss, is included in the estimate of the fair value of these investments.

7. Dividends

	Year ended 31 Mar 2026 £'000s	Year ended 31 Mar 2025 £'000s
Amounts recognised as distributions to equity holders during the period (pence per share):		
Final dividend for the year ended 31 March 2025 of 1.95 (31 March 2024: 1.89)	12,323	12,503
Interim dividend for the quarter ended 30 June 2025 of 1.99 (30 June 2024: 1.95)	12,436	12,858
Interim dividend for the quarter ended 30 September 2025 of 1.99 (30 September 2024: 1.95)	12,404	12,667
Interim dividend for the quarter ended 31 December 2025 of 1.99 (31 December 2024: 1.95)	12,404	12,494
	49,567	50,522

A dividend for the quarter ended 31 March 2026 of 1.99 pence per share was approved by the Board on 26 May 2026 and is payable on 26 June 2026.

8. Earnings/(loss) per share

Earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the time weighted average number of ordinary shares in issue during the year:

	Year ended 31 Mar 2026 £'000s	Year ended 31 Mar 2025 £'000s
Earnings/(loss)		
Earnings/(loss) for the purposes of basic and diluted earnings per share, being net profit attributable to owners of the Company	37,163	(2,835)
Number of shares		
Time weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	626,624,590	653,841,890
The denominator for the purposes of calculating both basic and diluted earnings per share is the same, as the Company has not issued any share options or other instruments that would cause dilution. Shares held in treasury are excluded from the calculation.		
	Year ended 31 Mar 2026 £'000s	Year ended 31 Mar 2025 £'000s
Basic and diluted earnings/(loss) per share (pence)	5.9	(0.4)

9. Investments at fair value through profit or loss

As set out in note 2, the Company accounts for its interest in its 100% owned subsidiary UK HoldCo as an investment at fair value through profit or loss. UK HoldCo in turn owns investments in intermediate holding companies and environmental infrastructure projects.

The table below shows the movement in the Company's investment in UK HoldCo as recorded on the Company's statement of financial position:

	31 Mar 2026 £'000s	31 Mar 2025 £'000s
Fair value of environmental infrastructure investments	759,120	765,674
Fair value of intermediate holding companies	(102,392)	(87,517)
Total fair value of investments	656,728	678,157

9. Investments at fair value through profit or loss continued**Reconciliation of movement in fair value of portfolio of assets**

The table below shows the movement in the fair value of the Company's portfolio of environmental infrastructure assets. These assets are held through other intermediate holding companies. The table also presents a reconciliation of the fair value of the asset portfolio to the Company's statement of financial position as at 31 March 2026, by incorporating the fair value of these intermediate holding companies.

	Portfolio value £'000s	Cash, working capital and debt in intermediate holding companies £'000s	Total £'000s	Portfolio value £'000s	Cash, working capital and debt in intermediate holding companies £'000s	Total £'000s
Opening balance	765,674	(87,517)	678,157	891,927	(138,355)	753,572
Acquisitions						
Portfolio of assets acquired/further investment	19,825	—	19,825	30,722	—	30,722
Disposal of assets	(1,376)	—	(1,376)	(89,137)	—	(89,137)
	18,449	—	18,449	(58,415)	—	(58,415)
Growth in portfolio¹	53,609	—	53,609	22,585	—	22,585
Cash yields from portfolio to intermediate holding companies	(78,612)	78,612	—	(90,423)	90,423	—
Yields from intermediate holding companies						
Interest on loan notes ¹	—	(29,781)	(29,781)	—	(31,073)	(31,073)
Dividends from UK HoldCo to the Company ¹	—	(36,400)	(36,400)	—	(32,300)	(32,300)
	—	(66,181)	(66,181)	—	(63,373)	(63,373)
Other movements						
Investment in working capital in UK HoldCo	—	5,262	5,262	—	(19,512)	(19,512)
Administrative expenses borne by intermediate holding companies ^{1,2}	—	(8,857)	(8,857)	—	(16,626)	(16,626)
(Drawdown)/repayment of UK HoldCo revolving credit facility borrowings	—	(23,711)	(23,711)	—	59,926	59,926
Fair value of the Company's investment in UK HoldCo	759,120	(102,392)	656,728	765,674	(87,517)	678,157

1. The net loss on investments at fair value through profit or loss for the year ended 31 March 2026 is £21,429,000 (31 March 2025: net loss of £57,415,000). This, together with interest received on loan notes of £29,781,000 (31 March 2025: £31,073,000) and dividend income of £36,400,000 (31 March 2025: £32,300,000) comprises operating income and gains/(losses) on fair value of investments in the income statement.

2. Administrative expenses borne by intermediate holding companies includes the payment of the Electricity Generator Levy.

9. Investments at fair value through profit or loss continued

The balances in the table on the previous page represent the total net movement in the fair value of the Company's investment. The "cash, working capital and debt in intermediate holdings" balances reflect investment in, distributions from or movements in working capital and are not value generating.

Fair value of portfolio of assets

The Investment Manager has carried out fair market valuations of the investments as at 31 March 2026. The Directors have satisfied themselves as to the methodology used and the discount rates applied for the valuation. Investments are all investments in environmental infrastructure projects and are valued using a discounted cash flow methodology, being the most relevant and most commonly used method in the market to value similar assets to the Company's. The Company's holding of its investment in UK HoldCo represents its interest in both the equity and debt instruments. The equity and debt instruments are valued as a whole using a blended discount rate, and the value attributed to the equity instruments represents the fair value of future dividends and equity redemptions in addition to any value enhancements arising from the timing of loan principal and interest receipts from the debt instruments, while the value attributed to the debt instruments represents the principal outstanding and interest due on the loan at the valuation date.

The valuation techniques and methodologies have been applied consistently with the valuations performed since the launch of the Fund in March 2014.

Discount rates applied to the portfolio of assets range from 7.0% to 25.0% (31 March 2025: 7.0% to 25.0%). The weighted average discount rate of the portfolio at 31 March 2026 is 9.9% (31 March 2025: 9.7%).

The following economic assumptions have been used in the discounted cash flow valuations:

Country	Assumption	31 Mar 2026	31 Mar 2025
UK	RPI inflation rates	2026: 4.0%	2025: 3.5%
		2027-2030: 3.0%	2026-2030: 3.0%
		2031+: 2.25%	2031+: 2.25%
	CPI inflation rates	2026: 3.0%	2025: 2.75%
		2027-2030: 2.5%	2026+: 2.25%
		2031+: 2.25%	
	Deposit interest rates	2%	2%
	Corporation tax rates	25%	25%
Italy	Inflation rates	2026: 2.5%	2%
		2027+: 2.0%	
	Deposit rates	0%	0%
	Corporation tax rates (IRES)	24%	24%
	Regional tax rate (IRAP)	4.8%	4.8%
Norway	Inflation rate	2%	n/a
	Deposit rate	1.20%	n/a
	Corporate tax rate	22%	n/a
	Euro/sterling exchange rate	1.15	1.19
	NOK/sterling exchange rate	12.89	13.55

Refer to note 16 for details of the sensitivity of the portfolio to movements in the discount rate and economic assumptions.

The assets in the intermediate holding companies substantially comprise working capital, cash balances and the outstanding RCF debt; therefore, the Directors consider the fair value to be equal to the amortised cost.

9. Investments at fair value through profit or loss continued

Details of environmental infrastructure project investments are as follows:

Project name	% holding at 31 Mar 2026		% holding at 31 Mar 2025		Project name	% holding at 31 Mar 2026		% holding at 31 Mar 2025	
	Equity	Shareholder loan	Equity	Shareholder loan		Equity	Shareholder loan	Equity	Shareholder loan
Amber	100%	100%	100%	100%	Icknield	53%	100%	53%	100%
Bilsthorpe	100%	100%	100%	100%	Llynfi	100%	100%	100%	100%
Bio Collectors	100%	100%	100%	100%	Lunanhead	0%	0%	50%	50%
Biogas Meden	49%	49%	49%	49%	Merlin Renewables	49%	49%	49%	49%
Branden	100%	100%	100%	100%	Moel Moelogan	100%	100%	100%	100%
Burton Wold Extension	100%	100%	100%	100%	Monksham	100%	100%	100%	100%
Carscreugh	100%	100%	100%	100%	New Albion Wind Farm	100%	100%	100%	100%
Castle Pill	100%	100%	100%	100%	Northern Hydro	100%	n/a	100%	n/a
Clayfords	50%	50%	50%	50%	Peacehill	49%	100%	49%	100%
CNG Foresight	25%	25%	25%	25%	Pylle Southern	100%	100%	100%	100%
Codford	100%	100%	100%	100%	Rainworth	100%	100%	100%	100%
Cramlington	100%	100%	100%	100%	Rjukan	25%	33%	25%	33%
CSGH	100%	100%	100%	100%	Sandridge	50%	50%	50%	50%
Dungavel	100%	100%	100%	100%	Tay	33%	33%	33%	33%
Egmere Energy	49%	49%	49%	49%	Thierbach	36%	25%	36%	25%
ELWA	80%	80%	80%	80%	Lubmin	0%	0%	30%	5%
ETA Manfredonia	45%	45%	45%	45%	Vulcan	49%	49%	49%	49%
Ferndale	100%	100%	100%	100%	Warren	49%	49%	49%	49%
Glasshouse	10%	100%	10%	100%	Wear Point	100%	100%	100%	100%
Grange Farm	49%	49%	49%	49%	West Gourdie	100%	100%	100%	100%
Hall Farm	100%	100%	100%	100%	Yorkshire Hydro	100%	n/a	100%	n/a

Additionally, the fair value of the portfolio of assets includes the Fund's investment into FEIP, details of which can be found on page 38 of this report.

9. Investments at fair value through profit or loss continued

Details of investments made during the year

During the year, £1.3 million was injected into CNG Foresight Limited. As at 31 March 2026, CNG had 17 refuelling stations, including the site under construction.

The Group funded a capital call of €0.7 million to Foresight Energy Infrastructure Partners SCSP ("FEIP"), in line with its existing commitment to the fund.

The Group also invested £8.1 million into Rjukan Holdings Limited, £6.3 million into a sub-portfolio of AD assets, £1.3 million into the Glasshouse project, £0.7 million into Sandridge Battery Storage, £0.7 million into Bio Collectors waste management and £0.8 million to various other projects.

10. Trade and other receivables

	31 Mar 2026 £'000s	31 Mar 2025 £'000s
Prepayments	27	19
Other debtors	7	2
Closing balance	34	21

11. Trade and other payables

	31 Mar 2026 £'000s	31 Mar 2025 £'000s
Accruals	1,802	2,094
Closing balance	1,802	2,094

The accruals balance for the year ended 31 March 2026 includes an amount of £1,324,000 for the investment management fee for the quarter to 31 March 2026 payable to Foresight Group LLP.

12. Loans and borrowings

The Company had no outstanding loans or borrowings at 31 March 2026 (31 March 2025: £nil), as shown in the Company's statement of financial position.

As at 31 March 2026, the Company held loan notes of £330.9 million which were issued by UK HoldCo (31 March 2025: outstanding amount of £330.9 million). This balance is included within the Company's investment in subsidiaries, which is measured at fair value through profit or loss.

As at 31 March 2026, UK HoldCo had an outstanding balance of £123.1 million under a revolving credit facility (31 March 2025: £99.3 million). The loan bears interest of SONIA + 205 to 215 bps. This balance is included within the Company's investment in subsidiaries, which is measured at fair value through profit or loss.

There were no other outstanding loans and borrowings in either the Company, UK HoldCo or HWT at 31 March 2026.

13. Share capital account

	31 Mar 2026 (audited)		31 Mar 2025 (audited)	
	Number of shares	£'000s	Number of shares	£'000s
Opening balance	637,443,058	645,245	661,531,229	664,401
Purchase of treasury shares	(14,104,723)	(10,845)	(24,088,171)	(19,156)
Closing balance	623,338,335	634,400	637,443,058	645,245

The number of voting shares at 31 March 2026 was 623,338,335 and 14,104,723 shares were kept in treasury as a result of the share buyback programme that started on 30 August 2024.

14. Retained earnings

	31 Mar 2026 (unaudited) £'000s	31 Mar 2025 (unaudited) £'000s
Opening balance	33,456	86,813
Earnings/(loss) for the year	37,163	(2,835)
Dividends paid	(49,567)	(50,522)
Closing balance	21,052	33,456

15. Transactions with the Investment Manager and related parties

Transactions between the Company and its subsidiaries, which are related parties of the Company, are fair valued and are disclosed within note 9. Details of transactions between the Company and related parties are disclosed below. This note also details the terms of the Company's engagement with Foresight Group as Investment Manager.

Transactions with the Investment Manager

Foresight Group ("Foresight") is the Company's Investment Manager. Foresight's appointment as Investment Manager is governed by an Investment Management Agreement.

For the first half of the financial year Foresight was entitled to a base fee equal to:

- 0.95% per annum of the portfolio Net Asset Value of the Fund¹ up to and including £500 million;
- 0.80% per annum of the portfolio Net Asset Value of the Fund on the balance above £500 million up to and including £1 billion; and
- 0.75% per annum of the portfolio Net Asset Value of the Fund in excess of £1 billion.

The Board approved a reduction in the management fee payable to Foresight Group LLP, by changing the calculation basis from Net Asset Value to the average of the Company's Net Asset Value and its market capitalisation.

With effect from 1 October 2025, Foresight became entitled to receive a fee, accruing and calculated quarterly in arrears as at each Valuation Day, on the average of the Company's Net Asset Value and its market capitalisation, at the following annual rates:

- up to and including £0.5 billion: 0.95%;
- between £0.5 billion – £1 billion: 0.8%; and
- over £1 billion: 0.75%.

The fee is capped at the maximum amount that would be payable if it was based on the Company's Net Asset Value only.

The total Investment Manager fee charged to the income statement for the year ended 31 March 2026 was £5,755,000 (31 March 2025: £7,208,000), of which £1,324,000 remained payable as at 31 March 2026 (31 March 2025: £1,530,000).

During the year, the Investment Manager, through its subsidiary Foresight Asset Management Limited, charged asset management fees of £571,047 to the underlying projects (31 March 2025: £479,368).

1. "Fund" means the Company and Foresight Environmental Infrastructure (UK) Limited together with their wholly owned subsidiaries or subsidiary undertakings (including companies or other entities wholly owned by them together, individually or in any combination, as appropriate) but excluding project entities.

Transactions with related parties

During the year, the Directors of the Company, who are considered to be key management, received fees of £306,250 (31 March 2025: £323,335) for their services. The Directors of the Company were also paid £4,406 of expenses (31 March 2025: £3,780).

The Directors held the following shares:

	Total number of shares held 31 Mar 2026 (audited)	Total number of shares held 31 Mar 2025 (audited)
Ed Warner	75,000	75,000
Stephanie Coxon	65,000	45,000
Alan Bates	25,000	25,000
Jo Harrison	8,066	8,066
Nadia Sood	—	—

All of the above transactions were undertaken on an arm's length basis.

The Directors were paid dividends in the year of £12,520 (31 March 2025: £8,811).

16. Financial instruments

Financial instruments by category

The Company held the following financial instruments at 31 March 2026. There have been no transfers of financial instruments between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

	31 Mar 2026 (audited)				
	Cash and cash balances £'000s	Financial assets held at amortised cost £'000s	Financial assets at fair value through profit or loss £'000s	Financial liabilities at amortised cost £'000s	Total £'000s
Non-current assets					
Investments at fair value through profit or loss (Level 3)	—	—	656,728	—	656,728
Current assets					
Trade and other receivables	—	34	—	—	34
Cash and cash equivalents	492	—	—	—	492
Total financial assets	492	34	656,728	—	657,254
Current liabilities					
Trade and other payables	—	—	—	(1,802)	(1,802)
Total financial liabilities	—	—	—	(1,802)	(1,802)
Net financial instruments	492	34	656,728	(1,802)	655,452

16. Financial instruments continued

	31 Mar 2025 (audited)				Total £'000s
	Cash and cash balances £'000s	Financial assets held at amortised cost £'000s	Financial assets at fair value through profit or loss £'000s	Financial liabilities at amortised cost £'000s	
Non-current assets					
Investments at fair value through profit or loss (Level 3)	—	—	678,157	—	678,157
Current assets					
Trade and other receivables	—	21	—	—	21
Cash and cash equivalents	2,617	—	—	—	2,617
Total financial assets	2,617	21	678,157	—	680,795
Current liabilities					
Trade and other payables	—	—	—	(2,094)	(2,094)
Total financial liabilities	—	—	—	(2,094)	(2,094)
Net financial instruments	2,617	21	678,157	(2,094)	678,701

The Company's investments at fair value through profit or loss are classified at Level 3 within the IFRS fair value hierarchy.

The Level 3 fair value measurements derive from valuation techniques that include inputs to the asset or liability that are not based on observable market data (unobservable inputs).

In the tables above, financial instruments are held at carrying value as an approximation to fair value unless stated otherwise.

Reconciliation of Level 3 fair value measurement of financial assets and liabilities

An analysis of the movement between opening and closing balances of the investments at fair value through profit or loss 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. Please refer to note 9 for details of the valuation methodology.

16. Financial instruments continued**Sensitivity analysis of the portfolio**

The sensitivity of the portfolio to movements in the discount rate is as follows:

31 March 2026

Discount rate	Minus 0.5%	Base 9.9%	Plus 0.5%
Change in portfolio valuation	Increases £23.1m	£759.1m	Decreases £21.2m
Change in NAV per share	Increases 3.7p	105.2p	Decreases 3.4p

31 March 2025

Discount rate	Minus 0.5%	Base 9.7%	Plus 0.5%
Change in portfolio valuation	Increases £18.0m	£765.7m	Decreases £17.2m
Change in NAV per share	Increases 2.8p	106.5p	Decreases 2.7p

The sensitivity of the portfolio to movements in long-term inflation rates is as follows:

31 March 2026

Inflation rates	Minus 0.5%	Base	Plus 0.5%
Change in portfolio valuation	Decreases £13.5m	£759.1m	Increases £13.9m
Change in NAV per share	Decreases 2.2p	105.2p	Increases 2.2p

31 March 2025

Inflation rates	Minus 0.5%	Base	Plus 0.5%
Change in portfolio valuation	Decreases £20.4m	£765.7m	Increases £20.6m
Change in NAV per share	Decreases 3.2p	106.5p	Increases 3.2p

The fair value of the investments is based on a "P50" level of electricity generation for the renewable energy assets, being the expected level of generation over the long term.

Wind, solar and hydro assets are subject to electricity generation risks.

The sensitivity of the portfolio to movements in energy yields based on an assumed "P90" level of electricity generation (i.e. a level of generation that is below the "P50", with a 90% probability of being exceeded) and an assumed "P10" level of electricity generation (i.e. a level of generation that is above the "P50", with a 10% probability of being achieved) is as follows:

31 March 2026

Energy yield: wind	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £21.1m	£759.1m	Increases £21.0m
Change in NAV per share	Decreases 3.4p	105.2p	Increases 3.4p
Energy yield: solar	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £7.2m	£759.1m	Increases £7.3m
Change in NAV per share	Decreases 1.2p	105.2p	Increases 1.2p
Energy yield: hydro	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £0.9m	£759.1m	Increases £1.0m
Change in NAV per share	Decreases 0.1p	105.2p	Increases 0.2p

31 March 2025

Energy yield: wind	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £21.8m	£765.7m	Increases £21.2m
Change in NAV per share	Decreases 3.4p	106.5p	Increases 3.3p
Energy yield: solar	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £7.9m	£765.7m	Increases £8.1m
Change in NAV per share	Decreases 1.2p	106.5p	Increases 1.3p
Energy yield: hydro	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £1.2m	£765.7m	Increases £1.3m
Change in NAV per share	Decreases 0.2p	106.5p	Increases 0.2p

16. Financial instruments continued

Anaerobic digestion facilities do not suffer from similar deviations as their feedstock input volumes (and consequently biogas production) are controlled by the site operator.

Biomass and EfW forecasts are based on projections of future input volumes and are informed by both forecasts and independent studies where appropriate. Revenues in the PPP projects are not sensitive generally to changes in volumes due to the nature of their payment mechanisms.

Electricity and gas price assumptions are based on the following: for the first two years, cash flows for each project use forward electricity and gas prices based on market rates unless a contractual fixed price exists, in which case the model reflects the fixed price followed by the forward price for the remainder of the two-year period. For the remainder of the project life, a long-term blend of central case forecasts from three established market consultants and other relevant information is used, and adjusted by the Investment Manager for project-specific arrangements and price cannibalisation.

The sensitivity assumes a 10% increase or decrease in power prices relative to the base case for each year of the asset life after the first two-year period. While power markets can experience movements in excess of +/-10% on a short-term basis, as has been the case recently, the sensitivity is intended to provide insight into the effect on the NAV of persistently higher or lower power prices over the whole life of the portfolio, which incorporates regulatory impacts such as the cessation of Carbon Price Support. The Directors feel that +/-10% remains a realistic range of outcomes over this very long time horizon, notwithstanding that significant movements will occur from time to time.

The sensitivity of the portfolio to movements in electricity and gas prices is as follows:

31 March 2026

Energy prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Decreases £36.3m	£759.1m	Increases £36.2m
Change in NAV per share	Decreases 5.8p	105.2p	Increases 5.8p

31 March 2025

Energy prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Decreases £35.3m	£765.7m	Increases £35.9m
Change in NAV per share	Decreases 5.5p	106.5p	Increases 5.6p

Assuming all other factors remain constant, if electricity prices were to fall to £50/MWh, with a corresponding decline in gas prices, the Company would continue to maintain a resilient level of dividend cover over the next three financial years. Even in a more conservative scenario, where prices fall to £40/MWh, the portfolio is still expected to generate sufficient cash flows to cover the dividend, though with a reduced margin of headroom.

The sensitivity of the portfolio to movements in AD feedstock prices is as follows:

31 March 2026

Feedstock prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Increases £11.9m	£759.1m	Decreases £12.5m
Change in NAV per share	Increases 1.9p	105.2p	Decreases 2.0p

31 March 2025

Feedstock prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Increases £6.8m	£765.7m	Decreases £6.5m
Change in NAV per share	Increases 1.1p	106.5p	Decreases 1.0p

No such sensitivity is applicable to FGEN's biomass investment, where fuel costs are tied under long-term contract.

The sensitivity of the portfolio to movements in corporation tax rate is as follows:

31 March 2026

Corporation tax	Minus 2%	Base 25%	Plus 2%
Change in portfolio valuation	Increases £12.6m	£759.1m	Decreases £12.3m
Change in NAV per share	Increases 2.0p	105.2p	Decreases 2.0p

31 March 2025

Corporation tax	Minus 2%	Base 25%	Plus 2%
Change in portfolio valuation	Increases £11.4m	£765.7m	Decreases £11.3m
Change in NAV per share	Increases 1.8p	106.5p	Decreases 1.8p

Euro/sterling and NOK/sterling exchange rates

The proportion of the portfolio assets with cash flows denominated in foreign currency represents 10% of the portfolio value at 31 March 2026. If foreign currency strengthens by 5%, the value uplift will be £3.5 million (0.6 pence per share) compared to a £4.1 million (0.7 pence per share) decrease in value if FX weakens by the same amount.

The Directors consider that the carrying value amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements are approximately equal to their fair values.

16. Financial instruments continued

Uncontracted revenues on non-energy-generating portfolio sensitivity

Non-energy-generating assets, such as batteries and controlled environment agriculture and aquaculture, are not materially affected by either scarcity of natural resource or power price markets. Therefore, the Investment Manager has presented an alternative sensitivity illustrating an assumed 10% increase or decrease on all uncontracted revenues for each year of the asset's life.

An increase in uncontracted revenues of 10% would result in an upward movement in the portfolio valuation of £26.4 million (4.2 pence per share) compared to a decrease in value of £25.0 million (4.0 pence per share) if those revenues were reduced by the same amount.

Capital risk management

Capital management

The Group, which comprises the Company and its non-consolidated subsidiaries, manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The capital structure of the Group principally consists of the share capital account and retained earnings as detailed in notes 13 and 14, and debt as detailed in note 12. The Group aims to deliver its objective by investing available cash and using leverage whilst maintaining sufficient liquidity to meet ongoing expenses and dividend payments.

Gearing ratio

The Company's Investment Manager reviews the capital structure of the Company and the Group on a semi-annual basis. The Company and its subsidiaries intend to make prudent use of leverage for financing acquisitions of investments and working capital purposes. Under the Company's Articles, and in accordance with the Company's investment policy, the Company's outstanding borrowings, excluding the debts of underlying assets, will be limited to 30% of the Company's Net Asset Value ("NAV").

As at 31 March 2026, the Company had no outstanding debt. However, as set out in note 12, as at 31 March 2026, the Company's subsidiary UK HoldCo had an outstanding balance of £123.1 million under a revolving credit facility (31 March 2025: £99.3 million).

Financial risk management

The Group's activities expose it to a variety of financial risks: capital risk, liquidity risk, market risk (including interest rate risk, inflation risk and power price risk) and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

For the Company and the intermediate holding companies, financial risks are managed by the Investment Manager, which operates within the Board-approved policies. For the environmental infrastructure investments, due to the nature of the investments, certain financial risks (typically interest rate and inflation risks) are hedged at the inception of a project. All risks continue to be managed by the Investment Manager. The various types of financial risk are managed as follows:

Financial risk management – Company only

The Company accounts for its investments in its subsidiaries at fair value. Accordingly, to the extent there are changes as a result of the risks set out below, these may impact the fair value of the Company's investments.

Capital risk

The Company has implemented an efficient financing structure that enables it to manage its capital effectively. The Company's capital structure comprises equity only (refer to the statement of changes in equity). As at 31 March 2026, the Company had no recourse debt, although as set out in note 17, the Company is a guarantor for the RCF of UK HoldCo.

Liquidity risk

The Directors monitor the Company's liquidity requirements to ensure there is sufficient cash to meet the Company's operating needs.

The Company's liquidity management policy involves projecting cash flows and forecasting the level of liquid assets necessary to meet these. Due to the nature of its investments, the timing of cash outflows is reasonably predictable and, therefore, is not a major risk to the Company.

The Company was in a net cash position and had no outstanding debt at the balance sheet date. At the balance sheet date, the Group had debt of £123.1 million, being the amount drawn on the RCF.

16. Financial instruments continued

Market risk – foreign currency exchange rate risk

Where investments are made in currencies other than pounds sterling, the Company will consider whether to hedge currency risk in accordance with the Company's currency and hedging policy as determined from time to time by the Directors. A portion of the Company's underlying investments may be denominated in currencies other than pounds sterling. However, any dividends or distributions in respect of the ordinary shares will be made in pounds sterling and the market prices and NAV of the ordinary shares will be reported in pounds sterling.

Currency hedging may be carried out to seek to provide some protection for the level of pounds sterling dividends and other distributions that the Company aims to pay on the ordinary shares, and in order to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure. Such currency hedging may include the use of foreign currency borrowings to finance foreign currency assets and forward foreign exchange contracts.

Financial risk management – Company and non-consolidated subsidiaries

The following risks impact the Company's subsidiaries and in turn may impact the fair value of investments held by the Company.

Market risk – interest rate risk

Interest rate risk arises in the Company's subsidiaries on the RCF borrowings and floating rate deposits. Borrowings issued at variable rates expose those entities to variability of interest payment cash flows. Interest rate hedging may be carried out to seek to provide protection against increasing costs of servicing debt drawn down by UK HoldCo as part of its RCF. This may involve the use of interest rate derivatives and similar derivative instruments.

Each infrastructure investment hedges their interest rate risk at the inception of a project. This will either be done by issuing fixed-rate debt or variable rate debt which will be swapped into fixed rate by the use of interest rate swaps.

Market risk – inflation risk

Some of the Company's investments will have part of their revenue and some of their costs linked to a specific inflation index at inception of the project. In most cases this creates a natural hedge, meaning a derivative does not need to be entered into in order to mitigate inflation risk.

Market risk – power price risk

The wholesale market price of electricity and gas is volatile and is affected by a variety of factors, including market demand for electricity and gas, the generation mix of power plants, government support for various forms of power generation, as well as fluctuations in the market prices of commodities and foreign exchange. Whilst some of the Company's renewable energy projects benefit from fixed prices, others have revenue which is in part based on wholesale electricity and gas prices.

A decrease and/or prolonged deterioration in economic activity in the UK, for any reason, could result in a decrease in demand for electricity and gas in the market. Short-term and seasonal fluctuations in electricity and gas demand will also impact the price at which the investments can sell electricity and gas. The supply of electricity and gas also impacts wholesale electricity and gas prices. Supply of electricity and gas can be affected by new entrants to the wholesale power market, the generation mix of power plants in the UK, government support for various generation technologies, as well as the market price for fuel commodities.

Volume risk – electricity generation risk

Meteorological conditions poorer than forecast can result in generation of lower electricity volumes and lower revenues than anticipated.

16. Financial instruments continued

Credit risk

Credit risk is the risk that a counterparty of the Company or its subsidiaries will default on its contractual obligations it entered into with the Company or its subsidiaries. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers. The Company and its subsidiaries mitigate their risk on cash investments and derivative transactions by only transacting with major international financial institutions with high credit ratings assigned by international credit rating agencies.

The Company's infrastructure investments receive regular, long-term, partly or wholly index-linked revenue from government departments, local authorities or clients under the Renewables Obligation Certificates and Feed-in Tariff regimes. The Directors believe that the Group is not significantly exposed to the risk that the customers of its investments do not fulfil their regular payment obligations because of the Company's policy to invest in jurisdictions with satisfactory credit ratings.

Given the above factors, the Board does not consider it appropriate to present a detailed analysis of credit risk.

The Company's maximum exposure to credit risk is the £330.9 million owed by HoldCo, detailed in note 12.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group adopts a prudent approach to liquidity management by ensuring it maintains adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Directors monitor the Company's liquidity requirements to ensure there is sufficient cash to meet the Company's operating needs.

The Company's liquidity management policy involves projecting cash flows and forecasting the level of liquid assets required to meet its obligations. Due to the nature of its investments, the timing of cash outflows is reasonably predictable and, therefore, is not a major risk to the Group.

Debt raised by asset investments from third parties is without recourse to the Group.

17. Guarantees and other commitments

As at 31 March 2026, the Company provided a guarantee over the Company's wholly owned subsidiary UK HoldCo's obligations under the £150 million RCF.

On 22 April 2026, FGEN announced that it had signed a one-year extension to its existing £150 million revolving credit facility ("RCF") and has activated a £15 million accordion facility. £15 million of the £30 million accordion facility remains uncommitted. Lenders to the facility include HSBC, ING, Nationwide Building Society (trading as Virgin Money) and Royal Bank of Scotland International.

As at 31 March 2026, the Group has the following future investment obligations over a 12-month horizon: £6.4 million to a sub-portfolio of AD assets, £4.9 million to CNG Fuels, £1.2 million to Vulcan Renewables PRS, £1.4 million to Sandridge battery storage, €1.8 million (equivalent to £1.5 million) to Foresight Energy Infrastructure Partners ("FEIP"), £0.8 million to the Glasshouse project, £0.2 million to Bio Collectors waste management and £0.1 million in other projects.

18. Subsidiaries and associates

The following subsidiaries and associates have not been consolidated in these financial statements as a result of applying the requirements of "Investment Entities: Applying the Consolidation Exception" (Amendments to IFRS 10, IFRS 12 and IAS 27):

Name	Category	Place of business	Registered office	Ownership interest	Voting rights
Foresight Environmental Infrastructure (UK) Limited	Intermediate holding	UK	A	100%	100%
HWT Limited	Intermediate holding	UK	B	100%	100%
Easton PV Limited	Project holding company	UK	A	100%	100%
Pylle Solar Limited	Project holding company	UK	A	100%	100%
Second Energy Limited	Operating subsidiary	UK	A	100%	100%
JLEAG Wind Holdings Limited	Project holding company	UK	A	100%	100%
JLEAG Wind Limited	Project holding company	UK	A	100%	100%
Amber Solar Parks (Holdings) Limited	Project holding company	UK	A	100%	100%
Amber Solar Parks Limited	Operating subsidiary	UK	A	100%	100%
Bilsthorpe Wind Farm Limited	Operating subsidiary	UK	A	100%	100%
Ferndale Wind Limited	Project holding company	UK	K	100%	100%
Castle Pill Wind Limited	Project holding company	UK	K	100%	100%
Wind Assets LLP	Operating subsidiary	UK	D	100%	100%
Hall Farm Wind Farm Ltd	Operating subsidiary	UK	D	100%	100%
Branden Solar Parks (Holdings) Limited	Project holding company	UK	A	100%	100%
Branden Solar Parks Limited	Operating subsidiary	UK	A	100%	100%
KS SPV 3 Limited	Operating subsidiary	UK	A	100%	100%
KS SPV 4 Limited	Operating subsidiary	UK	A	100%	100%
Carscreugh Renewable Energy Park Limited	Operating subsidiary	UK	D	100%	100%
Wear Point Wind Limited	Operating subsidiary	UK	D	100%	100%
Monksham Power Ltd	Project holding company	UK	A	100%	100%
Frome Solar Limited	Operating subsidiary	UK	A	100%	100%
BL Wind Limited	Operating subsidiary	UK	D	100%	100%
New Albion Wind Limited	Operating subsidiary	UK	D	100%	100%
Dreachmhor Wind Farm Limited	Operating subsidiary	UK	D	100%	100%
France Wind GP Germany GmbH ¹	Project holding company	DE	E	100%	100%
France Wind Germany GmbH & Co. KG ¹	Project holding company	DE	E	100%	100%

1. Underlying French wind assets were disposed of in January 2022.

18. Subsidiaries and associates continued

Name	Category	Place of business	Registered office	Ownership interest	Voting rights
CSGH Solar Limited	Project holding company (dormant)	UK	A	100%	100%
CSGH Solar (1) Limited	Project holding company (dormant)	UK	A	100%	100%
sPower Holdco 1 (UK) Limited	Project holding company (dormant)	UK	C	100%	100%
sPower Finco 1 (UK) Ltd	Project holding company (dormant)	UK	C	100%	100%
Higher Tregarne Solar (UK) Limited	Operating subsidiary	UK	A	100%	100%
Crug Mawr Solar Farm Limited	Operating subsidiary	UK	A	100%	100%
Golden Hill Solar (UK) Limited	Project holding company (dormant)	UK	A	100%	100%
Golden Hill Solar Limited	Operating subsidiary	UK	A	100%	100%
Shoals Hook Solar (UK) Limited	Operating subsidiary	UK	A	100%	100%
CGT Investments Limited	Project holding company	UK	F	100%	100%
CWMNI GWYNT TEG CYF	Operating subsidiary	UK	F	100%	100%
Moelogan 2 (Holdings) Cyfyngedig	Project holding company	UK	F	100%	100%
Moelogan 2 C.C.C.	Operating subsidiary	UK	F	100%	100%
Llynfi Afan Renewable Energy Park Limited	Operating subsidiary	UK	D	100%	100%
Bio Collectors Holdings Limited	Project holding company	UK	I	100%	100%
Bio Collectors Limited	Operating subsidiary	UK	I	100%	100%
Riverside Bio Limited	Operating subsidiary	UK	I	100%	100%
Riverside AD Limited	Operating subsidiary	UK	I	100%	100%
Yorkshire Hydropower Holdings Limited	Project holding company	UK	D	100%	100%
Yorkshire Hydropower Limited	Operating subsidiary	UK	D	100%	100%
Northern Hydropower Holdings Limited	Project holding company	UK	D	100%	100%
Northern Hydropower Limited	Operating subsidiary	UK	D	100%	100%
Codford Biogas Limited	Operating subsidiary	UK	L	100%	100%
Rainworth Energy Limited	Operating subsidiary	UK	J	100%	100%
FS West Gourdie Limited	Operating subsidiary	UK	A	100%	100%
Spruce Bioenergy Limited	Project holding company	UK	A	100%	100%
Cramlington Renewable Energy Developments Limited	Operating subsidiary	UK	K	100%	100%
Fryingdown Solar Park Limited	Non-trading entity	UK	A	100%	100%
Five Oaks Solar Parks Limited	Non-trading entity	UK	U	100%	100%

18. Subsidiaries and associates continued

Name	Category	Place of business	Registered office	Ownership interest	Voting rights
ELWA Holdings Limited	Project holding company	UK	K	80%	80%
ELWA Limited ²	Operating subsidiary	UK	K	80%	81%
Green Gas Oxon Limited	Project holding company	UK	H	52.6%	52.6%
Icknield Gas Limited	Operating subsidiary	UK	H	52.6%	52.6%
Foresight Biomass Holding Italy S.r.l.	Project holding company	IT	M	45%	45%
Energie Technologie Ambiente S.r.l.	Operating associate	IT	M	45%	45%
Foresight Rjukan Holding Limited	Project holding company	UK	A	43%	43%
Catchment Tay Holdings Limited	Project holding company	UK	N	33.3%	33.3%
Catchment Tay Limited	Operating associate	UK	N	33.3%	33.3%
Foresight Hydrogen HoldCo GmbH	Project holding company	DE	O	40.1%	40.1%
Hima Seafood Rjukan AS	Operating associate	NO	P	25%	25%
HH2E Werk Thierbach GmbH	Operating associate	DE	Q	23%	23%
HH2E AG	Project holding company	DE	Q	23%	23%
Foresight Battery Storage Holding Limited	Project holding company	UK	A	50%	50%
Sandridge Battery Storage Limited	Operating associate	UK	A	50%	50%
Clayfords Energy Storage Limited	Operating associate	UK	R	50%	50%
AD Holdco 1 Limited	Project holding company	UK	G	49%	49%
Egmere Energy Limited	Operating associate	UK	G	49%	49%
Warren Energy Limited	Operating associate	UK	G	49%	49%
Vulcan Renewables Limited	Operating associate	UK	G	49%	49%
Grange Farm Energy Limited	Operating associate	UK	G	49%	49%
Merlin Renewables Limited	Operating associate	UK	G	49%	49%
Biogas Meden Limited	Operating associate	UK	G	49%	49%
JLEAG AD Limited	Project holding company	UK	A	49%	49%
Peacehill Gas Limited	Operating associate	UK	S	49%	49%
CNG Foresight Holding Limited	Project holding company	UK	A	25%	25%

2. ELWA Holdings Limited holds 81% of the voting rights and a 100% share of the economic benefits in ELWA Limited.

18. Subsidiaries and associates continued**Registered offices**

- A) The Shard, 32 London Bridge Street, London SE1 9SG
- B) 50 Lothian Road, Festival Square, Edinburgh, Midlothian, Scotland, EH3 9WJ
- C) Long Barn, Manor Courtyard, Stratton-On-The-Fosse, Radstock, England, BA3 4QF
- D) C/O RES White Limited, Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire, England, WD4 8LR
- E) Steinweg 3-5, Frankfurt Am Main, 60313, Germany
- F) Cae Sgubor Ffordd Pennant, Eglwysbach, Colwyn Bay, Conwy, Wales, LL28 5UN
- G) 10-12 Frederick Sanger Road, Guildford, Surrey, England, GU2 7YD
- H) Friars Ford, Manor Road, Goring, Reading, England, RG8 9EL
- I) 10 Osier Way, Mitcham, Surrey, England, CR4 4NF
- J) C/O Material Change, The Amphenol Building 46-50 Rutherford Drive, Park Farm Industrial Estate, Wellingborough, England, NN8 6AX
- K) 8 White Oak Square, London Road, Swanley, England, BR8 7AG
- L) 20 Central Avenue, St Andrews Business Park, Norwich, England, NR7 0HR
- M) Piazza Barberini 52, 00187, Rome, Italy
- N) C/O Infrastructure Managers Limited, 2nd Floor Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh, Scotland, EH1 2ENO)
- O) C/O Intertrust (Deutschland) GmbH Eschersheimer Landstraße 14, 60322 Frankfurt am Main
- P) Skriugata 26, 3660, Rjukan
- Q) Kaiser-Wilhelm-Straße 93, 20355 Hamburg
- R) Foresight Group LLP, Clarence House, 133 George Street, Edinburgh, Scotland, EH2 4JS
- S) Peacehill Farm, Wormit, Fife, Scotland, DD6 8PJ
- T) Ground Floor Heritage House, 2-14 Shortlands, London, England, W6 8DJ
- U) 2 Fitzroy Place, 8 Mortimer Street, London, England, W1T 3JJ

19. Events after balance sheet date

A dividend for the quarter ended 31 March 2026 of 1.99 pence per share, amounting to £12.4 million, was approved by the Board on 26 May 2026 for payment on 26 June 2026.

On 22 April 2026, FGEN announced that it had signed a one-year extension to the £150 million revolving credit facility ("RCF") and activated a £15 million accordion facility.

Unaudited supporting information: Sustainability and ESG

In this section

Sustainability-related performance metrics	141
Alignment against disclosure standards	148
ESG methodology and process information	150



Sustainability-related performance metrics

Topic	Metric	Units	FY26	FY25	FY24	FY23 (baseline)
Environmental						
Greenhouse gas emissions	Scope 1 emissions	Tonnes carbon dioxide equivalent (tCO ₂ e)	58,877* ¹	80,651	77,017	82,314
	Scope 2 emissions	Tonnes carbon dioxide equivalent (tCO ₂ e)	5,971* ²	4,104	3,490	9,338
	Scope 3 emissions ³	Tonnes carbon dioxide equivalent (tCO ₂ e)	63,460*	81,993	63,100	117,843
	Total emissions	Tonnes carbon dioxide equivalent (tCO ₂ e)	128,308*	166,748	143,607	209,495
	GHG emissions avoided (calculated based on 100% ownership)	Tonnes carbon dioxide equivalent (tCO ₂ e)	223,140* ⁴	193,663	212,917	212,263
	GHG emissions avoided (calculated based on actual ownership)	Tonnes carbon dioxide equivalent (tCO ₂ e)	187,395	Not reported	Not reported	Not reported
Environmental performance	Alignment with EU Taxonomy (internal assessment)	%	97*	97	97	97
	Renewable energy generated (calculated based on 100% ownership)	Megawatt-hours (MWh)	1,338,420*	1,272,038	1,357,805	1,325,132
	Renewable energy generated (calculated based on actual ownership)	Megawatt-hours (MWh)	1,019,140	Not reported	Not reported	Not reported
	Waste diverted from landfill	Tonnes (t)	653,464* ⁵	703,470	680,825	684,181
	Wastewater treated	Litres	35,837,259,000*	34,656,822,800	40,213,501,000	35,586,057,000
	Environmental incidents	Count	9*	5	2	3
Energy procurement	Total purchased energy in the portfolio originating from renewable sources	%	55*	39	39	21
	Assets in the portfolio sourcing purchased energy from renewable tariffs	%	84*	76	77	45
Biodiversity	Fully owned, operating UK sites in the portfolio with biodiversity plans	%	84* ⁶	84	69	42
	Fully owned, operating UK sites in the portfolio with biodiversity interventions in the period	%	27	n/a	n/a	n/a

Topic	Metric	Units	FY26	FY25	FY24	FY23 (baseline)
Social						
Health and safety	RIDDOR reportable accidents	Count	7*	10	4	3
	Other material accidents	Count	3	3	—	1
Jobs supported	FTE jobs supported	Count	508 ⁷	426	467	347
Community	Funding provided to community projects	£	614,491*	587,440	655,076	432,756
	Assets in the portfolio with a clear, easily accessible complaints handling mechanism in place ⁸	%	70	84	76	81
	Community funds that are easily accessible and signposted for local communities	%	91*	84	84	83
Governance						
Gender diversity	Assets with at least one female board member	%	26*	6	Not reported	7
Performance audits	Assets audited for health and safety practices	%	91*	96	89	84
	Assets audited for tax and financial practices	%	78*	96	87	89
	Assets with cyber security policy in place	%	51*	57	n/a	n/a

*Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out on page 160.








1. Scope 1 emissions decreased significantly due to Energie Technologie Ambiente being offline for the first half of the financial year, as previously reported.
2. Scope 2 emissions increased due to improvements in data reporting at Cramlington. See page 75 for further detail.
3. Scope 3 emissions are calculated using the Partnership for Carbon Accounting Financials ("PCAF") methodology, which is based on asset revenues.
4. This increase is driven by biomass and EfW comprising 15% of total generation in FY26, compared with 23% in FY25. Additionally, wind and AD generation were strong in FY26.
5. As previously reported, Energie Technologie Ambiente was offline for the first half of the financial year, resulting in a corresponding drop in waste diverted from landfill.
6. Remaining assets are CNG sites with limited opportunity for biodiversity management and improvement.
7. Methodology changed this year to include estimates for months where data gaps exist. Previous years did not include these estimates.
8. Methodology updated from FY25. In FY25, this was based on whether the asset had a website; from FY26 onward, it is based on whether the site explicitly describes the complaints process.

Performance of sustainability indicators

FGEN discloses under Article 9 of the SFDR and the latest disclosures can be found on FGEN's website. The impact element of FGEN's SFDR reporting aligns against the UN Sustainable Development Goals ("UN SDGs").

The SDGs are a set of 17 goals for sustainable development. To be achieved by 2030, they recognise that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection and job opportunities, while tackling climate change and environmental protection. The Investment Manager has mapped FGEN's portfolio against the SDGs and the table below records performance against the selected SDGs over the past three years. Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the assurance process is set out on page 160.

Contribution to the Sustainable Development Goals

SDG	Target	Metric	Units	FY26	FY25	FY24
	6.3 Improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	Wastewater treated	Billion litres	35.84*	34.66	40.21
	7.2 Increase substantially the share of renewable energy in the global energy mix.	Renewable energy generated	GWh	1,338*	1,272	1,358
		Homes powered by renewable energy per year (excludes AD portfolio)	Count	248,389	264,844	284,167
	8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	FTE jobs supported by the FGEN portfolio	Count	508	426	467
	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all.	Total generation capacity	MW	362.2*	409	422
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Waste diverted from landfill	Tonnes	653,464*	703,470	680,825
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	GHG emissions avoided	tCO ₂ e	223,140*	193,663	212,917
	15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.	Annual avoidance of fossil fuels	tonnes oil equivalent ("TOE")	115,083*	109,376	116,771
		Active biodiversity management plans in place	%	84*	84	69

Risks and opportunities

The sustainability-related risks and opportunities identified in the tables below are illustrated in the charts on page 68. This section is intended to be read in conjunction with the principal risk register on pages 49 to 54.

Risk	Description	Investment Manager’s response	Area of impact
A Changes to power prices as a result of climate change			
Risk Type Transition (market)	Power price volatility will continue to be a feature of energy systems as they transition. Risks include: <ul style="list-style-type: none"> • lower-than-forecast power prices driven by increased renewables deployment; • power price cannibalisation; • climatic changes resulting in demand dynamic changes; • higher-than-forecast power prices driven by short-term shocks such as decreased supply from lower-than-anticipated renewables resource; and • higher-than-forecast power prices driven by longer-term impacts such as government reviews of energy pricing. 	<ul style="list-style-type: none"> • The majority of assets in the portfolio earn revenues that are not dependent on merchant power sales and various mechanisms are in place to help mitigate the risk of lower power prices. • Arguments for supporting less sustainable alternatives to manage short-term power price shocks are, on the whole, not supported by society although sometimes short-term pragmatism overrides this when combined with security of supply needs. 	Strategy, financial planning, Company’s investments
Time period S M L			
Financial impact ££			
Main risk register reference 8			
B Extreme weather-related events			
Risk Type Physical	Weather-related catastrophic events have the capacity to negatively impact assets and their operational effectiveness. These events can be either: <ul style="list-style-type: none"> • chronic (e.g. changing wind patterns, heat stress, rising sea levels); or • acute (e.g. storms, heat wave, drought, floods). 	<ul style="list-style-type: none"> • Having conducted a review of the physical risks to the portfolio, the physical risks are largely localised and the impact of a single event or limited set of events is considered to have a negligible impact to the overall portfolio; nevertheless, this is kept under close review by the Investment Manager. 	Strategy, financial planning, Company’s investments
Time period S M L			
Financial impact ££	Weather events have the potential to cause disruption to the Fund’s business model by negatively impacting the production output of operational assets or delaying construction timelines (e.g. weather events disrupting global supply chains or making sites inaccessible).		
Main risk register reference 7 9			

Key to timescales: S Short term (0-3 years) M Medium term (4-10 years) L Long term (10+years) Key to financial impact: £ Moderate financial impact ££ Major financial impact £££ Severe financial impact

Key to risk register: 1 Fund performance and investor sentiment 4 Changes in regulation and government support 5 Capital recycling and liquidity investments 7 Asset exposure to weather resource 8 Exposure to market power prices 9 Operational risk

Risk	Description	Investment Manager's response	Area of impact
C Changes to sustainable investment criteria			
<p>Risk Type Transition (regulation, market)</p> <p>Time period M L</p> <p>Financial impact £</p> <p>Main risk register reference 1 4</p>	<ul style="list-style-type: none"> As the energy transition proceeds and scientific knowledge regarding the consequences of particular courses of action increases, there is a risk that activities and assets that were once classified as "sustainable" become reclassified as "unsustainable" with consequences for FGEN's ownership of such assets. Risk if the EU and financial institutions continue to turn away from the energy-from-waste ("EfW") sector and policy developments penalise EfW assets. This could limit future deployment and impact lifecycle emissions for EfW assets in FGEN's portfolio. 	<ul style="list-style-type: none"> FGEN invests in assets that contribute to the acceleration of the energy and sustainability transition and have strong transition characteristics. Third-party expert validation of the sustainability credentials of assets is sought where appropriate. Meanwhile, the Investment Manager assumes an active role in policy discussions and remains abreast of sustainable investment changes and reviews its strategy accordingly. The diversified nature of FGEN's portfolio protects the Fund against overexposure to any one sector. If considered appropriate in the future, FGEN would review a phase-out of EfW from the Fund's investment strategy. 	Strategy, Company's investments
D Changes in regulation and government support for sustainable infrastructure			
<p>Risk Type Transition (market, regulation, reputation)</p> <p>Time period S M</p> <p>Financial impact £</p> <p>Main risk register reference 4</p>	<ul style="list-style-type: none"> Changes in regulation of sectors in which FGEN is already invested, e.g. EfW not meeting criteria to be considered aligned to the EU Taxonomy. Changes in farming regulation which impact the agri-AD portfolio. Government support for short-term energy solutions that negatively impact the transition to a low-carbon future e.g. support of coal. 	<ul style="list-style-type: none"> Given the diversified nature of the assets, the impact is likely to be limited to a single asset or small part of the portfolio. The risk over the long term is considered negligible as other avenues or solutions would be found for the asset or technology affected, such as selling an asset or finding alternative sources of feedstock. 	Strategy, financial planning
E Displacement of existing assets with new or other technologies			
<p>Risk Type Transition (technology)</p> <p>Time period M L</p> <p>Financial impact £</p> <p>Main risk register reference 5</p>	<ul style="list-style-type: none"> As more resource and scientific-backed research is dedicated to achieving net-zero goals, technologies could be developed that make current clean energy infrastructure technologies obsolete, resulting in lower profitability within the existing portfolio. 	<ul style="list-style-type: none"> It is considered more likely that new technologies would be developed and FGEN is well positioned to invest in new energy solutions once they become proven at scale. It is unlikely that a single solution would be found for all energy needs, but if it were, this would necessitate considerable buildout beyond the lifetime of FGEN's assets. 	Strategy, financial planning

Key to timescales: S Short term (0-3 years) M Medium term (4-10 years) L Long term (10+years) **Key to financial impact:** £ Moderate financial impact ££ Major financial impact £££ Severe financial impact

Key to risk register: 1 Fund performance and investor sentiment 4 Changes in regulation and government support 5 Capital recycling and liquidity investments 7 Asset exposure to weather resource
8 Exposure to market power prices 9 Operational risk

Climate-related opportunities

In addition to its risk management activities, the Investment Manager, on behalf of FGEN, applies climate-related scenarios to identify opportunities for the Company. The primary climate-related opportunities identified for the Company are set out below.

Opportunity	Description	Investment Manager's response	Area of impact
<p>Increased demand for environmental infrastructure and businesses which support the transition to a low-carbon economy</p> <p>Opportunity type Transition (market)</p> <p>Time period S M L</p> <p>Level of opportunity ★★★★</p>	<ul style="list-style-type: none"> Increased demand for infrastructure which helps to balance the intermittent generation profile of renewables – e.g. battery storage. Increased demand for shorter-term solutions to reach net zero by 2050, e.g. CNG refuelling stations and synthetic low-carbon fuels as a low-carbon transport option, while other solutions are further developed. 	<ul style="list-style-type: none"> FGEN is already well positioned to invest in environmental infrastructure sectors that support the transition to a low-carbon economy, as demonstrated in the markets and opportunities section on pages 15 to 18. 	Strategy, financial planning
<p>Changes to energy pricing and market pricing of GHGs</p> <p>Opportunity type Transition (regulation, market)</p> <p>Time period S M L</p> <p>Level of opportunity ★★★★</p>	<ul style="list-style-type: none"> The market pricing of GHG emissions begins to increase, which in turn drives the competitiveness of renewables. Future changes to energy prices spurred by a clampdown on fossil fuels. Longer-term view on building out clean energy generation capacity when markets are supportive of renewables and prices are competitive. 	<ul style="list-style-type: none"> FGEN is positioned to benefit from future increases in carbon pricing and cost competitiveness of renewables. FGEN is positioned to benefit from future increases in energy pricing and the increased buildout of renewables capacity. 	Strategy, financial planning
<p>Increased governmental support for environmental infrastructure projects</p> <p>Opportunity type Transition (policy and legal)</p> <p>Time period S M L</p> <p>Level of opportunity ★★</p>	<ul style="list-style-type: none"> Government policies aimed at facilitating the transition to a net-zero carbon economy may subsidise certain technologies to increase their uptake or buildout, creating further opportunities for investment by FGEN. Government policies aimed to help the transition to reduce the impact on natural resources, e.g. Norway's resource rent tax rate in sea aquaculture. 	<ul style="list-style-type: none"> Government support of emerging sectors will change the risk profile and may open up areas that would otherwise be insufficiently attractive for FGEN investment. 	Strategy, financial planning

Key to timescales: **S** Short term (0-3 years) **M** Medium term (4-10 years) **L** Long term (10+years)

Level of opportunity: ★ Low opportunity ★★ Medium opportunity ★★★ High opportunity

Opportunity	Description	Investment Manager's response	Area of impact
<p>Technological developments and buildouts in environmental infrastructure</p> <p>Opportunity type Transition (technology)</p> <p>Time period S M</p> <p>Level of opportunity ★★</p>	<ul style="list-style-type: none"> As new technologies become better developed, the Company is well positioned to invest in a diversified range of projects. Examples of new technologies may include environmental or sustainable infrastructure related to fuels, controlled environment or energy production. 	<ul style="list-style-type: none"> FGEN is ideally positioned to invest in a diversified range of projects and to benefit from such advances in environmental or sustainable infrastructure related to fuels, controlled environment or energy production in the future. 	Strategy, financial planning
<p>Changes in weather patterns leading to buildout of certain types of environmental infrastructure or business</p> <p>Opportunity type Physical</p> <p>Time period M L</p> <p>Level of opportunity ★★★</p>	<ul style="list-style-type: none"> Changes in weather patterns could lead to opportunities for new types of infrastructure or further investment into existing categories. An example of this could be flood defence infrastructure in response to increased rainfall or sea level rise or controlled environment agriculture facilities in response to higher temperatures. 	<ul style="list-style-type: none"> The Investment Manager reviews over 1,000 opportunities a year in the environmental infrastructure sector, which ensures FGEN can respond as these arise. 	Strategy, financial planning, Company's investments

Judgements and uncertainties

Judgements		Uncertainties	
Scope 3 emissions	Partnership for Carbon Accounting Financials ("PCAF") emission factors have been used to calculate Scope 3 emissions. This is calculated from asset revenue data.	Lack of specific data	Where it has not been possible to collect specific data, assumptions have been made using appropriate proxy technologies, sites and time periods.
		Fugitive emissions from AD plants	Fugitive emissions from AD plants have been calculated by applying an emissions factor per unit of production that has been calculated by Future Biogas based on ongoing analysis of their portfolio. This emissions factor may evolve over time.

Key to timescales: **S** Short term (0-3 years) **M** Medium term (4-10 years) **L** Long term (10+years)

Level of opportunity: **★** Low opportunity **★★** Medium opportunity **★★★** High opportunity

Alignment against disclosure standards

FGEN, as an investment company domiciled in Guernsey, is not required to include full climate-related disclosures (aligned with TCFD, IFRS or UK SRS) under the Listing Rules of the FCA. Nevertheless, the Board and the Investment Manager believe that the nature of FGEN's business and strategy is intrinsically aligned to the goal of a greener and less carbon-intensive future and consider such disclosures to be a positive tool for driving accountability and change. In considering disclosures, the Company notes that, in July 2025, the Guernsey Financial Services Commission published the following policy positions:

- the Commission confirms that supervised entities are permitted to make disclosures in compliance with ISSB Standards on a voluntary basis; and
- the Commission has no plans to implement mandatory sustainability disclosure standards applicable to the regulated financial services sectors in the foreseeable future.

As a result, FGEN has again voluntarily included climate-related financial disclosures in these financial statements. This year's report has fully integrated its ESG and TCFD reporting and has made further steps towards aligning with the IFRS S1 and S2 disclosure protocols. This process will continue in subsequent years.

Framework area	Disclosure summary	IFRS disclosure	TCFD disclosure	Page reference
Governance	Board oversight of sustainability and climate-related risks and opportunities, including integration into governance structures and delegated committee responsibilities	S1 and S2 – Sustainability and climate-related governance	Governance (a, b)	150 to 152
Strategy	Identification of material sustainability-related risks and opportunities and their impact on business model, strategy and financial planning	S1 – Sustainability-related strategy	Strategy (a, b)	68, 144 to 147, 153
	Assessment of climate-related risks and opportunities across the short, medium and long term, including alignment with the transition plan	S2 – Climate strategy	Strategy (a, b)	68 to 69, 144 to 147, 154
	Analysis of portfolio resilience under different climate scenarios, including physical and transition risks	S2 – Climate resilience	Strategy (c)	70, 154
Risk management	Processes for identifying, assessing and managing sustainability risks, integrated into enterprise risk management and investment processes	S1 – Risk management	Risk management (a, b, c)	155 to 159
	Climate-specific risk identification and mitigation, including use of tools and data (e.g. geospatial analysis) to assess asset-level exposure	S2 – Climate risk	Risk management (a, b, c)	68 to 69, 157
Metrics and targets	Disclosure of key ESG metrics used to monitor performance and progress against strategic objectives	S1 – Sustainability-related metrics	Metrics and targets (a)	72 to 73
	Disclosure of Scope 1, 2 (and relevant Scope 3) emissions, carbon intensity and other climate-related indicators	S2 – Climate metrics	Metrics and targets (b)	75, 141
	Net-zero ambition and development of science-based targets, including progress tracking and integration into business planning	S2 – Targets	Metrics and targets (c)	65, 72

Basis of preparation and limitations of the disclosure

The disclosures are intended to provide material information about sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects, including its cash flows, access to finance and cost of capital over the short, medium and long term.

In preparing these disclosures, we have applied a materiality-based approach, focusing on those sustainability matters most relevant to our business model and stakeholders. The report reflects an integrated approach, connecting sustainability-related information with financial and strategic reporting where relevant.

Where appropriate, we have drawn on established frameworks and methodologies, including climate-related disclosures aligned with IFRS S2 and consistent with recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), to support completeness and comparability. Comparative information has been included where available.

The disclosures in this report comply with the TCFD recommendations. Further information on where each disclosure can be located is set out in the table above. FGEN continues to work on developing its approach to climate-related issues and this will be reflected in future disclosures.

This report has been prepared, to the extent possible for this year, applying IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures on a voluntary basis. The Company continues to work on developing its future disclosures.

Both the Investment Manager and the Board of FGEN are fully supportive of the goals of IFRS S1 and S2 in bringing climate change considerations into mainstream reporting. However, analytical frameworks for evaluating the complex impacts that climate change might have on the markets in which FGEN operates are still evolving rapidly. As a result, there is currently no standardised way of assessing climate change risks and opportunities and how these are managed by the Company. Estimation uncertainty remains inherent in certain metrics, particularly in relation to the emerging areas of climate and nature-related risk assessment. We continue to refine our data, methodologies and controls in line with evolving best practice and regulatory expectations.

ESG methodology and process information

| Governance

FGEN's governance of ESG and climate-related risks and opportunities is formalised through clear communication and information flows between its Board of Directors, ESG Committee and Investment Manager. Summaries of these information flows are set out below.



Investment Manager PRI scores

Foresight Group is a signatory to the UN Principles for Responsible Investment (“PRI”), a set of voluntary guidelines that help companies to address social, ethical, environmental and corporate governance issues as part of the investment process. The scorecard for Foresight Group’s latest annual assessment is available via the UN PRI website. In summary, the Investment Manager achieved 5 star ratings as shown below:

Category	Module score	Star score
Policy Governance and Strategy – Group	91%	★★★★★
Direct – Infrastructure	96%	★★★★★
Confidence Building Measures	100%	★★★★★



Skills and training

Through the governance approach described above, FGEN’s Board of Directors is supported and advised by a broad team of people with significant experience across the environmental infrastructure and wider sustainability landscape.

In order to ensure continuous improvement in FGEN’s ESG and climate-related processes, the Board is provided with training on a range of relevant topics. Training is provided periodically and the topic is informed by current and future activities.

Training could include updates and information on subjects such as regulation and policy changes, climate science and developments in specific sectors. The Board did not undertake any specific sustainability-related training this year.

Sustainability-linked objectives

Entity	Sustainability-linked objectives
FGEN Board of Directors	<p>FGEN’s primary objective is to attain its goals by investing in a diversified portfolio of environmental infrastructure projects that support more environmentally friendly approaches to economic activity whilst generating a sustainable financial return.</p> <p>FGEN’s Board of Directors is mandated to ensure that the Company achieves its primary objective. Directors receive a fixed fee per annum based on their role and responsibility within the Company and the time commitment required. It is not considered appropriate that Directors’ remuneration should be performance related.</p>
Investment Manager	<p>Foresight is required by FGEN to help the Company achieve its primary objective.</p> <p>All Foresight employees are obliged to incorporate one or more sustainability-related objective(s) as part of their annual appraisal. Failure to achieve those objectives will result in an impact to the overall performance grade of the individual. This commitment by Foresight Group ensures that there is a mechanism in place for inclusion of specific climate-related performance targets in future.</p>

Policies

Investment policy

FGEN’s investment policy is grounded in ESG principles and emphasises environmental, social and governance considerations. Its primary objective is to attain its goals by investing in a diversified portfolio of environmental infrastructure. Environmental infrastructure, as defined by FGEN, encompasses infrastructure assets, projects and asset-backed businesses that leverage natural or waste resources, promote environmentally friendly economic activities, facilitate the transition to a low-carbon economy or mitigate the impacts of climate change.

Strategic Ambition

The Strategic Ambition was developed and agreed by the Board of Directors as part of the transition planning process. This ambition incorporates FGEN’s net-zero commitment, as well as its core ESG principles from the investment policy, and states:

“FGEN’s portfolio of investments will be net zero by 2050, in line with the 1.5°C Paris Agreement objective, be resilient to the changing climate and contribute towards a more sustainable future.”

FGEN’s full transition plan can be found on the Company’s website.





Modern slavery and human trafficking

FGEN does not provide goods or services in the normal course of business and has no customers, employees or turnover. As a result, FGEN does not fall within the scope of the UK Modern Slavery Act 2015 (the “Modern Slavery Act”). However, the Directors recognise the critical importance of preventing modern slavery and have chosen to develop a voluntary statement as part of the Company’s ongoing commitment to high standards of business conduct and in recognition of the importance of the issues which the Modern Slavery Act seeks to address. This statement is published on the Company’s website.

The Board specifically notes the Investment Manager’s Modern Slavery statement which sets out the Investment Manager’s approach to matters such as services and supply chain due diligence and training of employees, recruitment and welfare.

Investment Manager policies

The Board acknowledges that, as non-executive Directors of an externally managed investment company, their influence is necessarily limited and will be significantly informed by the approach and policies of the Investment Manager. Foresight, as FGEN’s Investment Manager, applies a series of policies in the management of the Company’s assets. These policies include:

-  Human Rights policy;
-  Sustainability policy;
-  Modern Slavery Statement; and
-  Code of Conduct (includes Greenwashing, DE&I, Bribery and Corruption, Money-Laundering, Tax Evasion and Whistleblowing).

| Strategy

By virtue of its investment policy, FGEN aims to make a significant contribution to reducing global GHG emissions and mitigating climate change. This goal is embedded into horizon scanning activities that the Investment Manager undertakes on behalf of the FGEN Board of Directors – seeking to identify risks and opportunities for the portfolio. The results of these activities feed into regular communications with the Board of Directors and inform strategic decision-making including, for example, target investment sectors and budget planning.

As part of this horizon scanning, the Investment Manager applies and maintains a risk management framework, as set out in the risks and risk management section on pages 47 to 54. This section provides additional detail to expand on the risks and risk management section.

Climate-related risks

FGEN considers the following types of climate-related risks and opportunities in its assessments. Each risk identified informs FGEN's principal risk register. The risks and opportunities identified are set out in the tables on pages 144 to 147 and illustrated in the charts on page 68. Broadly, climate-related risks and opportunities are split into two categories:

Transition	Physical
<p>These are risks related to the transition to a net-zero or low-carbon future. These risks fall into four categories:</p> <ul style="list-style-type: none"> • Policy and legal • Technological • Market • Reputational 	<p>These are risks associated with physical impacts of weather and climate on asset operations and performance, as identified by the EU Taxonomy. These fall into two core categories:</p> <ul style="list-style-type: none"> • Acute: extreme weather events • Chronic: changes to climate patterns over time

Climate-related opportunities

There are two key opportunities that the Investment Manager considers:

1. **Sector opportunities** – the Investment Manager frequently evaluates opportunities for infrastructure investments that generate lower GHG emissions than earlier infrastructure or that support the transition to a low-carbon economy. These opportunities are discussed with, and considered by, the FGEN Board.
2. **Value-enhancing opportunities** – the Investment Manager assesses existing portfolio assets for opportunities to enhance climate-related performance and discusses assessment findings with the FGEN Board where appropriate, which holds responsibility for authorising significant proposed enhancements.

At investment level, consideration of the sustainability credentials of environmental infrastructure and their resilience to climate-related physical risks is undertaken.

Timescales

Climate-related risks are assessed using timeframes that align with the organisation's overall risk management framework and apply the same impact and probability definitions as the broader risk register.

Climate-related risks and opportunities are assessed against the following timescales:

Category	Period	Justification
Short term	0-3 years	Aligns with business planning and the recommendations of the Transition Plan Taskforce Disclosure Framework
Medium term	4-10 years	Encompasses a period of significant transition risk resulting from decarbonisation targets
Long term	10+ years	A period typically longer than the FGEN investment lifecycle, this encompasses the typical design life of environmental infrastructure assets as well as 2050, a key date for delivering net-zero carbon emissions

Strategic resilience

FGEN's primary approach to resilience is focused on owning a portfolio of assets that is diversified by geography, technology, resource use and revenue composition. The Investment Manager engages with a range of specialists across different areas of expertise and levels of the business to help drive and maintain a resilient portfolio. Risks and opportunities are also assessed within the framework discussed on pages 155 to 159 and on an ad hoc, day-to-day basis.

As new investment opportunities such as emerging sectors evolve, FGEN will consider these as part of its investment strategy. Likewise, if new risks emerge for existing investment sectors, or if the impact of existing risks increases, FGEN will consider this at the Risk Committee, ESG Committee and Board levels and identify opportunities for mitigation or, if necessary, disposal of assets.

Company-level resilience

Overview

The Investment Manager works with third-party service providers to analyse the FGEN portfolio across the climate scenarios published in the Intergovernmental Panel on Climate Change's ("IPCC") sixth Assessment Report. The Shared Socioeconomic Pathways ("SSPs") are an evolution of the earlier Representative Concentration Pathways ("RCPs") and represent a range of possible outcomes including future anthropogenic greenhouse gas emissions, their effects on atmospheric concentrations of CO₂ and their potential societal, demographical and economic impacts.

The consequences of the SSP 2, SSP 3 and SSP 5 scenarios set out below, with rising oceans and alternate climate patterns, could be devastating for humanity. FGEN currently analyses the potential impacts of these scenarios on portfolio value using the Climonomics platform, the results of which are set out on page 70.

The scenarios are best summarised as:

- **SSP 1 – 2.6** assumes aggressive mitigation and total GHG emissions reducing to net zero by 2050, resulting in a global average temperature increase of 1.3°C to 2.4°C by 2100.
- **BASE CASE: SSP 2 – 4.5** implies aggressive mitigation with total GHG stabilising at current levels until 2050 and then declining to 2100. This results in a global average temperature increase of 2.1°C to 3.5°C by 2100.
- **SSP 3 – 7.0** estimates limited mitigation with total GHG emissions doubling by 2100 and global average temperatures increasing by 2.8°C to 4.6°C.
- **SSP 5 – 8.5** assumes low mitigation, total GHG emissions tripling by 2075 and global average temperatures increasing by 3.3°C to 5.7°C.

Methodology

In analysing the SSPs, the following risks and opportunities are applied:

1. **Physical risk** – Analysing atmospheric data related to acute and chronic climate hazards across temperature, precipitation, drought, wildfire, coastal flooding, tropical cyclones, water stress and fluvial-basin flooding to provide a rigorous estimate of risk under various conditions.
2. **Transition risk** – Incorporating modelling of hazards associated with a global transition to a low-carbon economy via litigation, reputational, technology and market.
3. **Opportunity modelling** – Calculating opportunities derived from resource efficiencies, energy sourcing, changing markets and resilience.

An estimate of direct financial impacts for each asset type is calculated based on the hazards identified. Each technology's vulnerability is characterised by the specific ways in which it is likely to be impacted by a given climate-related variable. An asset type's overall "impact function" comprises these individual impact pathways.

The science of scenario analysis is evolving quickly and current assessments are made with the most credible existing frameworks and input data available. Given the nature of these estimates, limitations remain. However, the Company is committed to using best-in-class methodologies to accurately estimate its performance under different climate futures and will continue making the necessary adjustments as the methodologies progress.

Asset-level resilience

The risk assessments, including the scenario analysis, are undertaken at the asset level. This allows the Company to identify priority areas for resilience and adaptation measures. The Investment Manager is working on improving the resilience of assets that have higher vulnerability to physical climate risks. Further information on sector-level risks is set out on page 69, with information on resilience activities in the period on page 70.

Risk management

This section describes the Investment Manager's approach to identifying and managing climate and sustainability-related risks on behalf of the Company.

Portfolio-level risk management activities

Horizon scanning

The Investment Manager, on behalf of FGEN, undertakes continuous market research and horizon scanning to identify risks and opportunities for the portfolio.

Stakeholder engagement

In addition to horizon scanning activities, the Investment Manager undertakes stakeholder engagement to understand stakeholder needs and the options for responding to those needs.

Information on different stakeholder types, how the Company has engaged and the key strategic decisions impacting the various stakeholder groups in the year, is set out on pages 55 to 60. Further information on FGEN's approach to engaging with stakeholders on its net-zero target and the low-carbon transition is set out on pages 12 to 14 of the transition plan.

Materiality assessment

Foresight Group's double materiality assessment was first undertaken, and reported on, in FY24. While the Investment Manager is beginning to align its sustainability-related activities with ISSB requirements, which focus solely on financial materiality, the decision has been taken to maintain a double materiality assessment as it is considered the most effective tool for identifying material sustainability topics.

The double materiality assessment was refreshed in the period. Materiality definitions were refined to strengthen clarity and focus. Impact materiality was narrowed to topics with high significance and financial materiality remained unchanged.

The refresh resulted in a reduction of material topics from 27 to 10. This will facilitate greater focus on issues of the highest significance and the outputs will guide the Investment Manager in prioritising actions and allocating resources to address key sustainability-related risks and opportunities.

Sustainability-related risks identified through this refreshed process have been recorded in the enterprise risk management system.

Early adopter

A watching brief is maintained on evolving and forthcoming disclosures frameworks. The Company seeks to be an early adopter of core elements of those frameworks where possible and is committed to taking a transparent approach to its management of sustainability-related risks and opportunities. This year, the Company has voluntarily disclosed against most of the IFRS S1 and S2 standards. Work will continue next year to further align with the disclosure standards.

Monitoring future standards

The Investment Manager proactively monitors and engages on a series of evolving regulations and standards. This approach helps FGEN and its Investment Manager to develop its strategy in line with emerging regulations and standards, helping to reduce risks but also helping to identify opportunities for the Company to improve its stakeholder communication and approach to investment management.

International Standard on Sustainability Assurance (“ISSA”) 5000

From December 2026, the ISAE 3000 standard will be superseded for sustainability and ESG assurance by the ISSA 5000 standard. ISAE 3000 (Assurance Engagements Other Than Audits or Reviews of Historical Financial Information) has been applied as a catch-all standard for non-financial reporting including ESG and sustainability-related assurance. However, as ESG and sustainability disclosures have grown in complexity, a more tailored standard has been developed to address issues such as value-chain transparency, materiality and forward-looking data. ISSA 5000 has been purpose-built for ESG and provides specific, detailed parameters for assuring sustainability topics such as carbon emissions, human rights and governance data. FGEN currently voluntarily assures its metrics against ISAE 3000 and is monitoring the requirements of ISSA 5000 to understand the impacts of the change on the current assurance process.

Taskforce on Nature-related Financial Disclosures (“TNFD”)

In April 2026, the ISSB confirmed its intention to develop an IFRS Practice Statement to guide nature-related disclosures, building on existing requirements under IFRS S1 and S2 rather than introducing a new standalone standard. This reinforces that nature-related risks and opportunities are already expected to be disclosed where material, while providing additional clarity on how to apply these requirements in practice.

Importantly, the proposed guidance will draw heavily on the TNFD framework, signalling increasing alignment towards a global baseline for nature-related reporting. The ISSB is expected to publish an exposure draft in October 2026, marking a key milestone in the evolution of regulatory expectations in this area.

UK Green Taxonomy

In July 2025, the UK Government confirmed its decision not to proceed with a UK Green Taxonomy, concluding after extensive consultation that it would not represent a proportionate or effective tool to support the transition to net zero. While a taxonomy could provide a classification system for sustainable economic activities, feedback highlighted concerns around complexity, ongoing maintenance requirements and limited influence on real-world investment decisions.

The government’s assessment also noted that a taxonomy would be unlikely to materially improve capital allocation or significantly reduce greenwashing risks compared to existing and emerging measures. Instead, policy focus is shifting towards initiatives considered more impactful, including the UK Sustainability Reporting Standards, transition planning frameworks and strengthened disclosure and anti-greenwashing rules.

This direction reflects a more flexible and disclosure-led approach, with emphasis on decision-useful information and alignment with international frameworks, rather than prescriptive activity-level classification systems.

UK Sustainability Reporting Standards (“UK SRS”)

The UK SRS were published in February 2026 and established the UK framework for sustainability-related (S1) and climate-related (S2) disclosures. The UK SRS are closely aligned with IFRS S1 and S2, with only minor UK-specific amendments, signalling strong international consistency and reinforcing the ISSB standards as the global baseline for sustainability reporting. While currently voluntary, the government has indicated its intention to introduce mandatory reporting requirements for certain entities through future regulatory changes, including updates to the Companies Act 2006 and FCA Listing Rules. In this context, UK SRS S2 disclosures are expected to satisfy existing UK climate reporting requirements for public companies. Overall, this represents a significant step towards a more standardised and decision-useful sustainability reporting framework in the UK.

Taskforce on Inequality and Social-related Financial Disclosures (“TISFD”)

During the year, the Investment Manager monitored the release of the TISFD draft framework, marking an important step towards more structured reporting on social and people-related risks and opportunities. The framework aligns with ISSB, GRI and ESRS, and mirrors the structure of TCFD and TNFD, signalling continued convergence towards integrated sustainability disclosures across climate, nature and social factors. With consultation underway and a final framework expected by 2027, TISFD highlights the growing importance of social factors as financially material considerations.

Other European disclosures frameworks

The Investment Manager recognises that EU reporting requirements also have significant influence on the investment markets and notes that, despite a significant reduction in mandatory reporting coverage of European companies under the Omnibus, there is a clear trend towards voluntary disclosures due to stakeholder and investor demand.

Management of ESG and climate-related risks and opportunities

The Board of Directors holds ultimate responsibility for risk management activities. Where material risks are identified by the Investment Manager, they are considered by the Company's Risk Committee on a quarterly basis. Mitigation options are discussed and the relevant Committee will determine whether the risk is acceptable under the FGEN risk management framework. Where the risk is material to one or more assets but not to the broader portfolio, it will sit on the relevant asset-level risk register. Where a risk is applicable to multiple assets, or if it is otherwise material to the portfolio, it will be added to the Fund-level risk register. The Risk Committee will advise the FGEN Board on the results of their findings.

The identification, assessment and management of risks are necessarily managed by the Investment Manager. They are integral aspects of the Investment Manager's work in both managing the existing portfolio on a day-to-day basis and pursuing new investment opportunities. Foresight applies a series of measures to identify, assess, prioritise and monitor risks and opportunities. Assessment of ESG and climate-related risks is incorporated into the Investment Manager's comprehensive risk management framework and risk register, which assesses:

- a measure of the probability of each identified risk materialising; and
- the potential impact the risk event may have on the asset and, ultimately, its impact on the Company.

For each risk, mitigation actions are developed to reduce the likelihood of it occurring and to minimise the severity of its impact in the event that it does occur. Climate risks are incorporated into fund- and division-level risk registers with assigned ownership, mitigation plans and regular reporting to the Investment Manager's senior management and Board of Directors. The risk team meets periodically with risk owners and escalates material changes to the appropriate decision-makers. Enhanced key risk indicator functionality in the Investment Manager's risk system supports better monitoring of potentially material risks, including climate-related exposures. This strengthens the Investment Manager's ability to respond to climate-related challenges and improves overall resilience. The framework will naturally evolve as climate-related risks evolve.

Investment teams, supported by the Sustainability team, apply scenario analysis and materiality assessments to evaluate physical and transition risks, although capabilities and tools continue to mature. The climate risk matrix introduced in FY25 is now more widely used to assess likelihood and impact at the asset or portfolio level. While these assessments involve uncertainty due to evolving policy, technology and climate conditions, the matrix helps distinguish between routine, lower impact risks and less frequent but potentially severe events. This has improved understanding of how climate risks could affect operations, revenues or reputation.

More information about FGEN's approach to risks and risk management is set out in pages 47 to 54.

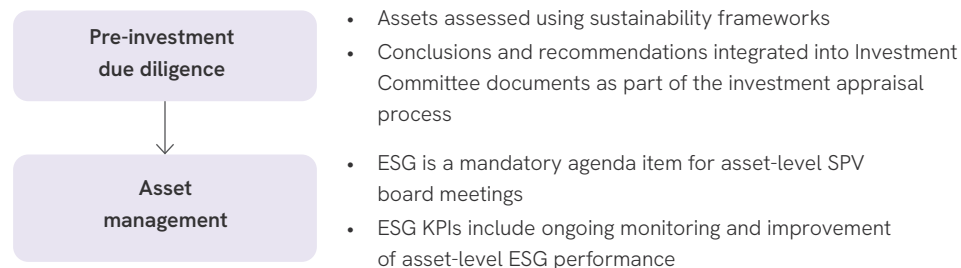
ESG considerations, including analysis of climate-related risks and opportunities, are embedded throughout the Investment Manager's investment and asset management processes, from initial investment screening through due diligence and into ongoing monitoring and reporting.

FGEN approaches management of ESG and climate-related risks and opportunities via the following principles:

Assess	Monitor	Engage
<p>The investment Manager undertakes due diligence on each of its asset acquisitions, including assessing a range of ESG criteria.</p> <p>This is governed by a structured sustainability and ESG risk assessment framework that is aligned with recognised standards, including SASB and the EU Taxonomy.</p> <p>Sustainability considerations are embedded into the investment decision-making process, starting with high-level screening and progressing to detailed analysis during due diligence, with outputs informing Investment Committee papers. Ongoing monitoring is supported by third-party counterparty and value chain screening to identify, escalate and manage material risks.</p>	<p>Third-party service providers, with the help of technical advisers, monitor and manage the performance of each asset in the FGEN portfolio, reporting periodically to the Investment Manager. The Investment Manager conducts site visits to ensure assets are operating as expected and third-party audits maintain visibility over ESG performance.</p> <p>ESG updates are provided biannually to the ESG Committee, informing FGEN's risk management and strategy evolution.</p> <p>The primary tool for monitoring, improving and reporting on sustainability and ESG is Foresight Infrastructure's portfolio sustainability metrics, which are managed using a data platform. These metrics, collected monthly and reported quarterly, allow for detailed performance comparisons and accurate reporting on Foresight's investments, including those of the Company.</p>	<p>Stakeholder engagement is an important part of FGEN's approach. Engagement with stakeholders occurs through a combination of formal (e.g. contractual obligations or industry events) and informal channels (e.g. ongoing meetings and discussions). Further information on stakeholder engagement can be found on pages 55 to 60.</p> <p>Reporting is an essential part of FGEN's stakeholder communication and the Investment Manager works to ensure its ESG reporting is continually improving and meeting the highest standards to support that.</p>

Asset-level risk management activities

The Investment Manager applies the following risk management process to its investment and portfolio management activities:



Pre-investment due diligence

Environmental, social and governance criteria are integral in any pre-investment due diligence. The Investment Manager undertakes a thorough analysis for every asset.

Sustainability considerations are embedded throughout the investment lifecycle, beginning at the pre-investment stage. Prospective investments are assessed against the Fund's mandate and sustainable investment objectives using defined criteria aligned with recognised external standards. The outcomes of this initial assessment are formally incorporated into Investment Committee materials to support decision-making.

Following progression beyond the non-binding offer stage, investments are subject to more detailed and structured analysis as part of advanced due diligence. The Investment Manager's approach to pre-investment due diligence is aligned with global best practice risk management frameworks, including:

- Sustainability Accounting Standards Board ("SASB") Standards (as incorporated into IFRS), which provide sector-specific guidance to identify and assess financially material sustainability risks and opportunities that may impact cash flows, cost of capital and long-term value creation; and
- EU Taxonomy, which supports the classification of environmentally sustainable economic activities, including assessment of substantial contribution to climate and environmental objectives, alongside the identification and mitigation of potential adverse impacts.

Climate and nature-related risks and opportunities are identified using a range of measures including the Frontierra platform, and the results are integrated into Investment Committee materials as part of the investment appraisal process.

Asset management

Ongoing portfolio monitoring is conducted in line with these frameworks, ensuring consistent identification, measurement and management of ESG risks over time. This framework is further supported by enhanced counterparty and value chain due diligence processes using third-party platforms, including Ethixbase. These tools facilitate the identification of potential risks across supply chains and counterparties beyond traditional financial and regulatory checks.

Material risk alerts are subject to internal review, with escalation to Compliance and, where required, the Money Laundering Reporting Officer ("MLRO"), ensuring appropriate governance and follow-up actions. This process operates alongside standard KYC procedures, including AML and anti-bribery and corruption checks, providing a comprehensive and integrated approach to risk management.

Management of environmental and health and safety risks and incidents

FGEN takes its environmental and health and safety ("EHS") responsibilities very seriously, and seeks to ensure effective management of these issues in both its own operations and in its investment portfolio. FGEN aims to manage risks and incidents in a fair and transparent manner with appropriate action to reduce risk wherever practicable.

Third-party asset managers are responsible for the day-to-day management of EHS issues and are required to report incidents to the Investment Manager, which are recorded through their portfolio management software.

The software can deliver either a high degree of granularity on individual assets or an aggregated snapshot of the portfolio's performance as a whole. This allows the Investment Manager to monitor and report individual asset performance as well as sector and portfolio-level performance to a range of internal stakeholders.

The Investment Manager periodically contracts third parties to conduct comprehensive health and safety audits of each site. This serves both to encourage best possible working practices and acts as a means of highlighting areas for development. The Investment Manager's team also performs spot auditing and reporting functions on selected assets on an ongoing basis. Any recommendations from the audits are allocated to the Investment Manager's asset management team, which then becomes responsible for ensuring the recommendations are actioned as necessary. These tasks are tracked through the Investment Manager's portfolio management software and monitored to ensure they have been resolved in a timely manner. All audit results, shortfalls and recommendations are included on the agenda of the asset's board meetings.

Management of human rights risks

FGEN is aware that the renewable energy value chain carries the risk of significant impacts on human rights, as identified by the Business and Human Rights Resource Centre. The FGEN Board of Directors necessarily relies on the Investment Manager's approach to managing human rights risks, as set out in its Human Rights Policy.

Following the OECD Guidelines for Multinational Enterprises, and the EU Taxonomy's Minimum Social Safeguards requirements, the Investment Manager takes a multi-layered approach to mitigating supply chain risk as follows:

Internal activities

- The Company specifically targets investment opportunities in European countries with strong regulatory frameworks around human rights and labour standards. This approach means that there are no investment activities in any countries named in the Conflict Affected and High-risk Areas list.
- Key counterparties' governance frameworks are assessed during due diligence.
- The Investment Manager's Supplier Code of Conduct references the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.
- The Investment Manager also undertakes direct engagement with suppliers where there are specific areas of concern.

External activities

- In 2022, the Investment Manager engaged the Ethixbase platform to undertake a supply chain interrogation across regulatory and ESG risk criteria. This included an assessment of a supplier's capacity to scrutinise aspects such as modern slavery risk. Detail on this review was reported in FGEN's 2023 Annual Report.
- Enhanced due diligence, using specialist third parties, to conduct in-person audits of higher-risk counterparties and their facilities.
- Collaboration with industry partners (e.g. Solar Power Europe) and peers to deliver more effective engagement with key suppliers.

Management of cyber security risk

The Board of Directors is highly aware of the risks posed by cyber attacks and has been working with the Investment Manager to develop and implement a cyber security strategy for the portfolio.

FGEN is advancing a portfolio-wide cyber security enhancement programme to strengthen resilience and align with upcoming regulatory requirements, with cyber security policies being updated accordingly.

Sites are undergoing structured assessments and categorisation into tiers based on the significance of their potential cyber security risk. This approach enables a targeted mitigation plan that deploys appropriate solutions to each site's risk profile, such as firewalls and varying degrees of monitoring.

Additionally, the Investment Manager is working with external cyber security specialists to identify vulnerabilities and prioritise remediation actions. Progress is being made on closing identified gaps on a site-by-site basis, balancing risk mitigation with operational and financial considerations.

Management of supply chain risks

FGEN began implementing its Supplier Code of Conduct in FY23 with the aim of further embedding ESG considerations into procurement practices. The Code was well received by both existing and potential suppliers, fostering greater engagement on sustainability issues.

Where a supplier identifies a requirement they cannot meet, this is reviewed in consultation with the Investment Manager's sustainability team. Any deviations deemed to fall within acceptable risk tolerances are clearly documented in the supplier contract, ensuring transparency and consistency in ESG risk management across the supply chain. If the deviations exceed acceptable risk tolerances, further discussions are held with the supplier to reach a suitable solution. The Investment Manager assesses the risk of these deviations in accordance with the contract scope.

| Metrics and targets

Baseline year

FGEN's baseline year is set as FY23, when a full set of ESG data was collated and calculated for the first time. Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out below.

Internal controls and collection and verification of data

The following steps have been taken to validate the data presented in this Sustainability and ESG report, which is accurate to the best of the Investment Manager's knowledge. In order to generate the metrics reported here, the Investment Manager receives data from two primary sources:

- front-line site managers and asset operators; and
- independent sustainability advisers (principally for climate-related disclosures).

Whilst some reliance is placed on externally generated data, the Investment Manager performs the following steps to assess its validity:

- following submission, data is reviewed for completeness by the Foresight portfolio management team prior to upload onto the Investment Manager's custom-built data management platform, Sennen;
- the data is then processed and analysed by the Foresight sustainability team, including assessment of anomalies and outliers; and
- material metrics, such as those associated with FGEN's sustainability-linked loan facility, are further subject to third-party assurance.

ESG performance is also presented and discussed with the FGEN ESG Committee on a bi-annual basis.

Despite best intentions to design a robust internal control framework, there remains scope for error in collation of underlying data and therefore the Investment Manager is committed to continuous enhancement of data collection and validation processes. FGEN recognises that methodologies for collection and reporting of data evolve over time and, therefore, data may not always be comparable year-on-year.

Data assurance

Aardvark Certification was again engaged to undertake independent, third-party limited assurance of the processes in place to collect sustainability data and analyse the validity of the information being presented in accordance with ISAE 3000. All sustainability-related metrics marked with an asterisk have been included in the assessment for limited assurance.

This process aims to verify the inputs and outputs of FGEN's environmental, social and governance reporting and ensure the information is accurate, reliable and consistent.

This year, Aardvark provided the following conclusion:

"Based upon the procedures completed during this assurance engagement, nothing has come to our attention that causes us to believe that the sustainability and ESG metrics completed for the FY26 reporting period for FGEN are not correct in all material respects unless specifically noted as an exception below.

Exceptions: No evidence was provided to support the equivalent number of full time jobs created or the metric for 'Homes Powered' for those assets which generate energy. 69% of the assets sampled were verified as having a Cyber Security Policy in place."

Alternative performance measures (“APMs”)

APM	Purpose	Calculation	APM value	Reconciliation to IFRS
Total shareholder return (since IPO and annualised)	Measure of financial performance, indicating the amount an investor reaps from investing since IPO and expressed as a percentage (annualised or total since IPO of the Fund)	Since IPO: closing share price as at 31 March 2026 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, expressed as a percentage	49.4% (FY25: 41.0%)	Calculation for total shareholder return since IPO: closing share price as at 31 March 2026 as per key investments metrics on page 77 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, expressed as a percentage
		Annualised: closing share price as at 31 March 2026 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, to the power of one over the number of years since IPO, expressed as a percentage	3.4% annualised (FY25: 3.2%)	Calculation for annualised total shareholder return: closing share price as at 31 March 2026 as per key investment metrics on page 77 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, to the power of one over the number of years since IPO, expressed as a percentage
Net Asset Value per share	Allows investors to gauge whether shares are trading at a premium or a discount by comparing the Net Asset Value per share with the share price	The net assets divided by the number of ordinary shares in issuance	105.2 pence (FY25: 106.5 pence)	The calculation divides the net assets as per the statement of financial position on page 115 by the closing number of ordinary shares in issue as per note 13 on page 127
Market capitalisation	Provides an indication of the size of the Company	Closing share price as at 31 March 2026 multiplied by the closing number of ordinary shares in issuance	£423.9 million (FY25: £457.0 million)	The calculation uses the closing share price as at 31 March 2026 as per the key investment metric table on page 77 and the closing number of ordinary shares as per note 13 of the financial statements on page 127
Gross Asset Value (“GAV”)	A measure of the value of the Company’s total assets Gross Asset Value on investment basis including debt held at SPV level	The sum of total assets of the Company as shown on the statement of financial position and the total debt of the Group and underlying investments	£920.1 million (FY25: £951.3 million)	This is the total debt (RCF drawn: £123.1 million plus project-level debt: £141.6 million) plus the Net Asset Value as per the statement of financial position on page 115
Gearing	Ascertain financial risk in the Group’s balance sheet	Total debt of the Group and underlying investments as a percentage of GAV	28.8% (FY25: 28.7%)	The calculation uses the total debt (RCF drawn: £123.1 million plus project-level debt: £141.6 million) and shows this as a percentage of the GAV
Distributions, repayments and fees from portfolio	A measure of performance from the underlying portfolio	Total cash received from investments in the period	£78.6 million (FY25: £90.4 million)	As per “Cash flows of the Group for the year”, also titled “Cash distributions from environmental infrastructure investments” on page 80

APM	Purpose	Calculation	APM value	Reconciliation to IFRS
Cash flow from operations of the Group	Gauges operating revenues and expenses of the Group	As per the "Cash flows of the Group for the year" table on page 80, the calculation takes the cash distributions from environmental infrastructure investments and subtracts the following: administrative expenses, Directors' fees and expenses, Investment Manager fees, financing costs (net of interest income)	£61.8 million (FY25: £66.9 million)	Detailed breakdown as per page 80 in the "Cash flows of the Group for the year"
Cash dividend cover	Investors can gauge the ability of the Group to generate cash surplus after payment of dividend	Cash flow from operations of the Group divided by dividend paid within the reporting period	1.25x (FY25: 1.32x)	The calculation uses the cash flows from operations as per "Cash flows of the Group for the year" on page 80 and the dividends paid in cash to shareholders as per the cash flow statement on page 117
Ongoing charges ratio	A measure of the annual reduction in shareholder returns due to operational expenses, based on historical data	The ongoing charges have been calculated, in accordance with AIC guidance, as annualised ongoing charges (i.e. excluding acquisition costs and other non-recurring items) divided by the average published undiluted Net Asset Value in the period. Total annualised ongoing charges include Investment Manager fees, legal and professional fees, administration fees and Directors' fees	1.11% (FY25: 1.24%)	Annualised ongoing charges for the period ended 31 March 2026 have been calculated as £7.3 million. The ongoing charges ratio divides this by the published average Net Asset Value over the last four quarters to the calculation date (including 31 March 2026)
Annualised NAV total return since IPO	Measure of financial performance (annualised), which indicates the movement of the value of the Company since IPO	Closing NAV per ordinary share as at 31 March 2026 plus all dividends since IPO assumed reinvested, divided by the NAV at IPO, to the power of one, over the number of years since IPO	7.2% (FY25: 7.3%)	Calculated using the closing NAV per ordinary share as per the statement of financial position on page 115

Glossary of key terms

AD	anaerobic digestion	EGL	Electricity Generator Levy
AIFM	Alternative Investment Fund Manager	EHS	environmental, health and safety
AIFM Directive	the EU Alternative Investment Fund Managers Directive (No. 2011/61/EU)	ESG	environmental, social and governance
APM	Alternative performance measure	EU	European Union
BESS	Battery Energy Storage System	FEIP	Foresight Energy Infrastructure Partners
bps	basis points	FIT	Feed-in Tariffs
business day	means any day (other than a Saturday, Sunday or bank holiday) on which commercial banks are open for non-automated business in London and Guernsey	Foresight Group or Foresight	Foresight Group LLP
CNG	compressed natural gas	FPCs	Fixed Price Certificates
the Company or FGEN	Foresight Environmental Infrastructure Limited	FTE	full time equivalent
CO₂e	carbon dioxide equivalent	GHG	greenhouse gas
continuation vote	as part of the Company's discount management policies, the Board intends to propose a continuation vote if the ordinary shares trade at a significant discount to Net Asset Value per share for a prolonged period of time. If, in any financial year, the ordinary shares have traded, on average, at a discount in excess of 10% to the Net Asset Value per share, the Board will propose an ordinary resolution at the Company's next AGM to consider whether the Company should continue in its present form. If such vote is not passed, the Board will be required to formulate proposals to be put to shareholders within four months to wind up or otherwise reconstruct the Company, bearing in mind the illiquid nature of the Company's underlying assets	Group	Foresight Environmental Infrastructure Limited and its intermediate holding companies UK HoldCo and HWT Limited
controlled environment	refers to the science of cultivating human-grade produce in a contained structure that is precisely regulated to ensure control over environmental conditions such as lighting, temperature, humidity, water supply, air quality, nutrient content etc	GWh	gigawatt hour
EfW	energy from waste	IFI	international financial institutions
		IFRS	International Financial Reporting Standards
		intermediate holding companies	companies within the Group which are used as pass-through vehicles to invest in underlying environmental infrastructure assets, namely UK HoldCo and HWT Limited
		Investment Manager	Foresight Group
		IPO	Initial Public Offering
		ISSB	International Sustainability Reporting Standards
		kWh	kilowatt hour
		Mt	metric tonne

MSA	management services agreement	RHI	Renewable Heat Incentive
MWe	megawatt electric	RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
MWh	megawatt hour	ROCs	Renewables Obligation Certificates
MWhth	megawatt hours of heat	RPI	Retail Price Index
MWth	megawatt thermal	RTFCs	Renewable Transport Fuel Certificates
NAV	Net Asset Value	RTFO	Renewable Transport Fuel Obligation
Net Asset Value per share	the net assets of the Company divided by the number of ordinary shares in issuance	SASB	Sustainability Accounting Standards Board
OECD	Organisation for Economic Co-operation and Development	SDG	Sustainable Development Goals
offtakers	offtakers in project financings are buyers of the resources produced by completed and operating projects. Offtakers contractually agree in an Offtake Agreement to purchase all or substantially all of the future production from the project	SET	Sustainability Evaluation Tool
ordinary shares	means ordinary shares of no par value each in the capital of the Company	SFDR	Sustainable Finance Disclosure Regulation
PCAF	Partnership for Carbon Accounting Financials	SONIA	Sterling Overnight Index Average
peers	Greencoat UK Wind (UKW) Foresight Solar (FSFL) NextEnergy Solar (NESF) Octopus Renewables (ORIT) The Renewables Infrastructure Group (TRIG) Bluefield Solar (BSIF)	SPV	special purpose vehicle
portfolio	the 39 assets in which FGEN had a shareholding as at 31 March 2026	TCFD	Task Force on Climate-related Financial Disclosures
portfolio valuation	the sum of all the individual investments' net present values	TISFD	Taskforce on Inequality and Social-related Financial Disclosures
PPAs	Power Purchase Agreements	TNFD	Taskforce on Nature-related Financial Disclosures
PPP/PFI	the Public Private Partnership procurement model	total shareholder return	total shareholder return combines the share price movement and dividends since IPO expressed as an annualised percentage
price cannibalisation	the depressive influence on the wholesale power price at timings of high output from intermittent weather-driven generation such as solar and wind	TSC	technical screening criteria
RCF	revolving credit facility	UK HoldCo	Foresight Environmental Infrastructure (UK) Limited, wholly owned subsidiary of Foresight Environmental Infrastructure Limited
REGO	Renewable Energy Guarantees of Origin	UK SRS	UK Sustainability Reporting Standards
REMA	review of electricity market arrangements	WACI	weighted average carbon intensity
		WADR	weighted average discount rate

Company summary

Company information	Foresight Environmental Infrastructure Limited is a Guernsey-registered closed-ended investment company (registered number 57682) with a premium listing on the London Stock Exchange and a constituent of the FTSE 250 index	Investment Manager term	Rolling one-year notice
Registered address	1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey GY1 2HL	ISA, PEP and SIPP status	The ordinary shares are eligible for inclusion in PEPs and ISAs (subject to applicable subscription limits) provided that they have been acquired in the market and they are permissible assets for SIPPs
Ticker/SEDOL	FGEN/BJL5FH8	AIFMD status	The Company is classed as an externally managed Alternative Investment Fund under the Alternative Investment Fund Managers Regulations 2013 and the AIFM Directive. The Investment Manager acts as the Company's AIFM
Company year end	31 March	Non-mainstream pooled investment status	The Board conducts the Company's affairs, and intends to continue to conduct the Company's affairs, such that the Company would qualify for approval as an investment trust if it were resident in the United Kingdom. It is the Board's intention that the Company will continue to conduct its affairs in such a manner and that independent financial advisers should therefore be able to recommend its ordinary shares to ordinary retail investors in accordance with the FCA's rules relating to non-mainstream pooled investment products
Dividend payments	Quarterly in June, September, December and March	FATCA	The Company has registered for FATCA and has a GIIN number 2BN95W.99999.SL.831
Investment Manager	Foresight Group LLP, No OC300878, registered in England and Wales and authorised and regulated by the Financial Conduct Authority	Investment policy	The Company's investment policy is set out on pages 61 and 62 of the Annual Report 2026 and can also be found on the Company's website: fgen.com
Company Secretary and Administrator	Apex Fund and Corporate Services (Guernsey) Limited, a company incorporated in Guernsey on 13 April 2005 (registered number 43046)	Website	fgen.com
Market capitalisation	£423.9 million at 31 March 2026		
Investment Manager fees¹	<p>The Investment Manager is entitled to receive a fee accruing and calculated quarterly in arrears as at each valuation day, on the average of the Company's Net Asset Value and its market capitalisation, at the following annual rates:</p> <p>(a) up to and including £0.5 billion: 0.95%; (b) between £0.5 billion - £1 billion: 0.8%; and (c) over £1 billion: 0.75%.</p> <p>The fee is capped at the maximum amount that would be payable if it was based on the Company's Net Asset Value only</p>		

1. Investment Manager fees became effective on 1 October 2025. For information on the Investment Manager fees applicable to the period under review, see note 15 on page 128.

Directors and advisers

Directors

Ed Warner (Chair)
Stephanie Coxon (Senior Independent Director)
Alan Bates
Jo Harrison
Nadia Sood

Administrator to the Company, Company Secretary and registered office [Apex Fund and Corporate Services \(Guernsey\) Limited](#)

1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey GY1 2HL
Channel Islands

Registrar

[MUFG Corporate Markets \(Guernsey\) Limited](#)

Mont Crevelt House
Bulwer Avenue
St Sampson
Guernsey GY2 4LH
Channel Islands

UK transfer agent

[MUFG Corporate Markets](#)

Central Square
29 Wellington Street
Leeds LS1 4DL
United Kingdom

Auditor

[KPMG Audit Limited \(formerly KPMG Channel Islands Limited\)](#)

Gategny Court
Gategny Esplanade
St Peter Port
Guernsey GY1 1WR
Channel Islands

Investment Manager

[Foresight Group LLP](#)

The Shard
32 London Bridge Street
London SE1 9SG
United Kingdom

Public relations

[FTI Consulting](#)

200 Aldersgate
Aldersgate Street
London EC1N 8SB
United Kingdom

Corporate broker

[Winterflood Securities Limited](#)

The Atrium Building
Cannon Bridge House
25 Dowgate Hill
London EC4R 2GA
United Kingdom

Corporate bankers

[HSBC](#)

PO Box 31
St Peter Port
Guernsey GY1 3AT
Channel Islands

Cautionary statement

Pages 1 to 80 of the Annual Report, including about FGEN, our track record, performance highlights, Chair's statement, investment proposition, the business model, the strategic priorities, top 10 assets, the KPIs, markets and opportunities, the Investment Manager, the Investment Manager's report, the year in review, Capital Markets Day and strategic outlook, the portfolio at a glance, the portfolio and valuation, operational review, sustainability and ESG and the financial review (together, the review section) have been prepared solely to provide additional information to shareholders to assess FGEN's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

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

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

These forward-looking statements reflect current expectations regarding future events and performance and speak only as at the date of this report. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not guarantees of future performance or results and will not necessarily be accurate indications of whether or not or the times at or by which such performance or results will be achieved. The Company's actual investment performance, results of operations, financial condition, liquidity, prospects, opportunities, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this report.

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

In addition, the review section may include target figures for future financial periods. Any such figures are targets only and are not forecasts.

This Annual Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Foresight Environmental Infrastructure Limited and its subsidiary undertakings when viewed as a whole.



Designed and produced by lyonsbennett.com

This report is printed on Nautilus which is made from FSC® recycled certified post-consumer waste pulp. The FSC® label on this report ensures responsible use of the world's forest resources. Printed sustainably in the UK by Pureprint, a CarbonNeutral® company with FSC® chain of custody and an ISO 14001 certified environmental management system recycling over 100% of all dry waste.

Foresight Environmental Infrastructure Limited

1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey GY1 2HL
Channel Islands

fgen.com