21 November 2024

FORESIGHT ENVIRONMENTAL INFRASTRUCTURE LIMITED
(“FGEN” or the “Company”)

Half-year results for the period to 30 September 2024

FGEN, a leading listed investment company with a diversified portfolio of environmental infrastructure assets across the UK and mainland Europe, is pleased to announce the Company's half-year results to 30 September 2024.

Summary of results

Earnings and Net Asset Value (“NAV”):

- NAV per share of 109.8 pence following payment of dividends to shareholders in line with targets; resulting in a flat NAV total return of 0.04% for the period
- On course to deliver annual dividend of 7.80 pence in line with target, representing a yield of 10.1%[1] on the share price at the date of this report

Another consecutive period of record cash receipts from investments:

- Operational assets delivered cash receipts of £46.6 million in the period, beating the previous record for H1 of £46.2 million set last year
- Construction progress on track, with potential for further capital growth

Clear and effective capital allocation strategy:

- £68.1 million raised from asset sales in the period
- Prioritising repayment of revolving credit facility (“RCF”), with gearing reduced to 28.7%
- £20 million share buyback programme announced 15 August 2024, of which £5.2 million returned to shareholders to 30 September 2024

Green hydrogen investment enters administration:

- The value (equivalent to 2.6% in NAV) of the Company’s green hydrogen investment (HH2E AG) has been written down in full after failing to secure funding and entering administration, see Half-year Report 2024 for more information

Summary of changes in NAV:

	NAV per share
NAV at 31 March 2024	**113.6p**
Dividends paid in the period	-3.8p
AD operating contracts	1.1p
HH2E impairment	-2.9p
Share buyback uplift	0.2p
Other movements (including discount rate unwind and actual performance)	1.6p
NAV at 30 September 2024	**109.8p**

Key investment metrics

All amounts presented in £million (except as noted)	**Period ended 30 September 2024**	Year ended 31 March 2024
Net assets(2)	**720.1**	751.2
Portfolio value(3)	**806.6**	891.9
Operating income and gain/(loss) on fair value of investments	**4.2**	(3.8)
Net Asset Value per share(4)	**109.8p**	113.6p
Distributions, repayments and fees from portfolio	**46.6**	87.0
(Loss) before tax	**(0.5)**	(13.9)
Gross asset value(4)	**1,010.5**	1,091.8
NAV total return	**0.04%**	(1.6%)
Annualised NAV total return(4)	**7.6%**	8.0%
Total shareholder return(4)	**69.4%**	68.4%
Annualised shareholder return(4)	**5.1%**	5.4%

(1) Based on closing share price of 77.60p on 19/11/2024

(2) Also referred to as “NAV”.

(3) Classified as investments at fair value through profit or loss on the statement of financial position.

(4) See alternative performance measures (“APMs”).on page 71 to 72 in the Half-year Report 2024

Dividend timetable

Ex-dividend date:	5 December 2024
Record date:	6 December 2024
Payment date:	27 December 2024

Ed Warner, Chair of FGEN, said:

"FGEN's half-year results reflect both progress and challenges. While the full write-down of our investment in HH2E impacted overall performance, outside of this our diversified portfolio of sustainable infrastructure assets performed well, delivering record cash distributions and solid dividend cover. During the period, we were pleased to achieve the sale of a majority stake in six anaerobic digestion facilities, to launch our first share buyback programme, and to receive shareholder endorsement of a name change to Foresight Environmental Infrastructure Limited. Additionally, early reductions in UK interest rates provide cautious optimism for a more favourable macroeconomic outlook.

"We remain committed to disciplined capital allocation in the near term, progressing our construction stage assets and delivering other value enhancements across the portfolio. Longer term we are well positioned to take advantage of the significant investment opportunity presented by the commitment to decarbonisation and sustainable development when the wider environment supports it."

Half-year report

A copy of the half-year report has been submitted to the National Storage Mechanism and will shortly be available at https://data.fca.org.uk/#/nsm/nationalstoragemechanism. The half-year report will also be available on the Company's website at http://www.fgen.com where further information on FGEN can be found**.**

Details of the conference call for analysts and investors

A webinar and in-person event for the half-year results will be held at 10:00 am (UK time) today, 21 November 2024, hosted by Chris Tanner, Edward Mountney and Charlie Wright, Investment Managers to FGEN. To register for the webinar, please contact SEC Newgate by email at fgen@secnewgate.co.uk.

Retail Investor Webinar

On Monday 25 November 2024, Chris Tanner, Edward Mountney and Charlie Wright will also be hosting a live presentation for retail investors relating to its half-year results via Investor Meet Company at 12:00 pm BST. The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via your Investor Meet Company dashboard up until 9:00 am the day before the meeting or at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet Foresight Environmental Infrastructure Limited via: https://www.investormeetcompany.com/foresight-environmental-infrastructure-ltd/register-investor
Investors who already follow FGEN on the Investor Meet Company platform will automatically be invited.

For further information and enquiries, please contact:

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About FGEN

FGEN's investment policy is to invest in a diversified portfolio of Environmental Infrastructure. Environmental Infrastructure is defined by the Company 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. Such investments will typically feature one or more of the following characteristics:

· long-term, predictable cash flows, which may be wholly or partially inflation-linked cash flows;
· long-term contracts or stable and well-proven regulatory and legal frameworks; or
· well-established technologies, and demonstrable operational performance.

FGEN's aim is to provide investors with a sustainable, progressive dividend per share, paid quarterly and to preserve the capital value of the portfolio over the long term on a real basis. The target dividend for the year to 31 March 2025 is 7.80 pence per share[1].

FGEN is an Article 9 fund under the EU Sustainable Finance Disclosure Regulation and has a transparent and award winning approach to ESG.

Further details can be found on FGEN's website www.fgen.com and LinkedIn page.

LEI: 213800JWJN54TFBMBI68

(1) These are targets only and not profit forecasts. There can be no assurance that these targets will be met or that the Company will make any distributions at all.

Foresight Environmental Infrastructure Limited
Half-year Report for the six months ended 30 September 2024

ABOUT FGEN

Foresight Environmental Infrastructure Limited ("FGEN" or the "Company") is an environmental infrastructure investment company, investing in a diversified portfolio of assets that support the drive towards decarbonisation, resource efficiency and environmental sustainability whilst aiming to generate a sustainable financial return.

The Company's portfolio includes 42 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. The Company has an award-winning approach to environmental, social and governance ("ESG") and sustainable investing.

View our half-year results highlights here: vimeo.com/fiveminutepitchtv/review/1031607578/7c24e09e9e
fgen.com

OUR VALUE PROPOSITION

At FGEN we believe that investors shouldn't have to choose between attractive returns and investments with real-world environmental benefits.

We have carefully constructed a portfolio that aims to deliver sustainable returns whilst also providing investors with access to otherwise hard-to-reach environmental infrastructure assets.

Our diversified investment strategy goes beyond core renewable assets such as wind farms and solar parks, to unlock a broader array of opportunities across different technologies, sectors and geographies – all centred around driving the transition to a low-carbon economy, mitigating the effects of climate change and preserving resources.

As a result, we're able to create a balanced portfolio that's less exposed to unpredictable weather patterns and that prioritises infrastructure-like characteristics such as inflation protection and stable long-term cash flows, primarily derived from government subsidies or long-term contracts.

Our track record

Dividend progression

2015	**6.00p**
2016	**6.05p**
2017	**6.14p**
2018	**6.31p**
2019	**6.51p**
2020	**6.66p**
2021	**6.76p**
2022	**6.80p**

2023	**7.14p**
2024	**7.57p**
2025	**7.80p[1]**

1. This is a target only, there can be no guarantee this target will be met.
2. Note: Past performance cannot be relied on as a guide to future performance

OUR INVESTMENT CASE

Our aim is to enhance value for the long term.

01.
Sustainable financial return
Offering stable progressive dividends and a portfolio delivering annualised NAV total return of 7.6% since our IPO.

02.
Diversified portfolio
Our broad mandate provides access to a diverse range of investments across various technologies, sectors and geographies, minimising concentration risk and maximising opportunities.

03
Expert investment management
Our experienced team brings deep industry knowledge and a proven track record of generating attractive and accretive investment opportunities.

04
Award-winning approach to ESG
Sustainability is woven into every aspect of our business, ensuring transparency and delivering measurable impacts, which have earned us industry recognition.

PERFORMANCE SUMMARY

For the period ended 30 September 2024.

£720.1m **Net Asset Value ("NAV")** FY24: £751.2m	**109.8p** **NAV per share[1]** FY24: 113.6p	**7.6%** **Annualised NAV total return[1]** FY24: 8.0%	**£806.6m** **Portfolio value** FY24: £891.9m
28.7% **Gearing** FY24: 31.2%	**£595.4m** **Market capitalisation[1]** FY24: £619.9m	**3.90p** **Half-year dividend per share[3]** HY23: 3.78p	**1.23x** **Dividend cover[1,2]** FY24: 1.30x
7.80p (+3% increase) 2025 dividend target[4] FY24: 7.57p	**619GWh[5]** Renewable and low carbon energy generated HY23: 660GWh	**96,742 tCO_2e** GHG emissions avoided HY23: 95,788 tCO_2e	**333,346** Tonnes of waste diverted from landfill HY23: 359,428

Commentary:

Earnings and NAV:
- NAV per share of 109.8 pence following payment of dividends to shareholders in line with targets; resulting in a flat NAV total return of 0.04% for the period
- On course to deliver annual dividend of 7.80 pence in line with target, representing a yield of 10.1%[6] on the share price at the date of this report

Another consecutive period of record cash receipts from investments:
- Operational assets delivered cash receipts of £46.6 million in the period, beating the previous record for H1 of £46.2 million set last year
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- £20 million share buyback programme announced 15 August 2024, of which £5.2 million returned to shareholders to 30 September 2024

Green hydrogen investment enters administration:

- The value (equivalent to 2.6% in NAV) of the Company's green hydrogen investment (HH2E AG) has been written down in full after failing to secure funding and entering administration, see page 28 of the Half-year Report 2024 for more information.

1. The market capitalisation, total shareholder return, Net Asset Value per share and dividend cover are alternative performance measures ("APMs"). The APMs within the accounts are defined on pages 71 and 72 in the Half-year Report 2024.
2. On a paid basis.
3. On a declared basis.
4. This is a target only, there can be no guarantee this target will be met.
5. 619GWh reflects 100% of generation at sites in which FGEN owns an interest. This is equivalent to 563GWh when pro-rating for FGEN's proportionate ownership interest.
6. Based on closing share price of 77.60 pence on 19/11/2024.

OUR PORTFOLIO AT A GLANCE

FGEN's portfolio comprises a carefully constructed and diversified mix of environmental infrastructure assets.

Project locations
Split by portfolio value

UK	90%
Rest of Europe	10%

Operational status
Split by portfolio value

Operational	92%
Construction	8%

Sectors
Wind
Waste & bioenergy
Anaerobic digestion
Solar
Low carbon & sustainable solutions
Controlled environment
Hydro

Total assets
Split by sector

42 assets	
Wind	11
Waste & bioenergy	6
Anaerobic digestion	9
Solar	6
Low carbon & sustainable solutions	6
Controlled environment	2
Hydro	2

See our website for more information: fgen.com/portfolio

Assets by location

Norway	1 asset
United Kingdom	39 assets
Germany	1 asset
Italy	1 asset

Does not include investment into FEIP.

CHAIR'S STATEMENT

"We remain confident in our strategy. Our strong portfolio of assets consistently delivers solid distributions and offers numerous opportunities, including the delivery of our construction assets, other value enhancements across the portfolio and additional targeted divestments."

Ed Warner
Chair

In the half year to 30 September 2024, a period of solid operating and financial performance for FGEN was impacted by a full write-down of the value of the Company's green hydrogen investment in Germany, HH2E AG ("HH2E"), which entered administration after failing to secure the funding necessary for its ongoing development. This is a disappointing outcome to me and the Board. Full details are set out in the Investment Manager's report on pages 9 and 28 of the Half-year Report 2024.

While this is clearly an unfortunate development, there were a number of positives to reflect on during the period, including the sale of a majority stake in six of FGEN's anaerobic digestion ("AD") facilities; strong cash flow generation from the Company's investments; the commencement of our first ever share buyback programme; and the renaming of the Company following shareholders' endorsement of its continuation at the Annual General Meeting.

While we continue to operate within a challenging macroeconomic backdrop, it has been pleasing to see the first reductions in UK interest rates since 2020 – albeit only two 0.25% cuts to date. The inflationary environment experienced over the past two and a half years has been a major driver of the significant share price discounts we have seen across the investment trust industry, including for FGEN, and so this was a welcome development. We are not complacent, especially given the uncertainty created by continuing geopolitical tensions.

Results
During the six months, FGEN delivered a flat Net Asset Value ("NAV") per share total return after the distribution of interim dividends totalling 3.84 pence per share. A pre-HH2E NAV total return of 2.60% was reduced to 0.04% after accounting for the write-down of the green hydrogen investment.

The Company remains on track to meet its full-year target dividend of 7.80 pence per share, with dividend cover expected to be in the range 1.2 to 1.3 times.

After taking account of the dividend, the Company's NAV per share reduced by 3.3% from 113.6 pence at 31 March 2024 to 109.8 pence at 30 September 2024. HH2E aside, several successful value enhancement initiatives within FGEN's portfolio were offset by a slight reduction in independent power price forecasts.

Portfolio performance
Performance of FGEN's individual assets over the six-month period has generally been pleasing. The portfolio delivered yet another consecutive period of record cash distributions, above budget, resulting in dividend cover of 1.23 times. We are also encouraged with the progress being made across our key construction assets and in enhancement work within our core portfolio. Several notable milestones have been achieved already this year, such as the CE Glasshouse achieving its first sales and Sandridge completing construction in preparation for connection to the grid. Further updates on which are provided by our Investment Manager in their report.

Transaction activity, capital recycling and share buyback programme
Our capital allocation strategy remains a key priority for the Board and the Investment Manager, and we were pleased to have finalised the sale of 51% of our portfolio of AD assets for a total consideration of £68.1 million in August. This deal was for cash consideration equivalent to NAV. As we remain a minority owner, we will continue to benefit from the future growth and income generated by this attractive AD portfolio which we expect to be value accretive over the medium term.

This partial sale generated immediate liquidity to commence share buybacks and to manage our credit facility. As a result, we have been able to reduce our gearing to 28.7% and we remain committed to reducing debt further. Our share buyback programme started on 30 August 2024. We bought back 5,485,089 shares in the period for a total consideration of £5.2 million and have continued to be active in the market buying back shares in the second half of the financial year. At the time of publication of this report, the total number of shares bought back stood at 10,398,680.

We have now completed two successful divestments since IPO and we are actively engaged in further sales processes to recycle capital.

Corporate matters
As highlighted in our Annual Report for the year ended 31 March 2024, we have also been laser-focused on ensuring that the Company is as attractive as possible to current and potential shareholders. This culminated in a reduction to the management fees paid to the

Investment Manager, effective from 1 October, and a change in the Company's name to Foresight Environmental Infrastructure Limited, approved at our AGM in September. This will better position FGEN to capitalise on the clear commercial benefits available through closer association with the Foresight brand.

Our AGM also saw our shareholders deliver a solid endorsement of the Company and its business activities, with 93% of votes cast in favour of FGEN's continuation in its present form. We would like to thank shareholders for their support and look forward to maintaining engagement with you over the coming months.

Outlook and conclusion

Looking ahead, we continue to be cautious given the challenges that remain on a macro level, while also acknowledging that there is cause for considered optimism that circumstances in the months ahead will create a more attractive environment in which to invest. As well as the increased potential for further interest rate cuts, we are confident that we can continue to deliver value to shareholders.

We remain confident in our strategy. Our strong portfolio of assets consistently delivers solid distributions and offers numerous opportunities, including the delivery of our construction assets, other value enhancements across the portfolio and additional targeted divestments. We are steadfast in our commitment to maintaining a disciplined approach to capital allocation. Surplus liquidity generated by the portfolio in excess of targeted dividends will be prioritised towards existing commitments, planned follow-on investments and asset enhancements within our current portfolio, alongside continued management of the Company's credit facility to maintain a robust balance sheet. The Directors will also consider extending the buyback programme based on the liquidity position of the Company, the level of gearing and the implied returns on offer from purchasing our own shares.

Finally, the global commitment to decarbonisation and sustainable development continues to present significant prospects for FGEN. Whilst our immediate focus in the short term is progressing the Company's construction stage assets and delivering other value enhancement opportunities across the portfolio, looking forward, we are well positioned to take advantage of the significant investment opportunity when the wider environment supports it, leveraging our expertise and strategic vision to drive continued growth and impact.

Ed Warner
Chair
20 November 2024

THE INVESTMENT MANAGER'S REPORT

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.

Chris Tanner
Investment Manager

Edward Mountney
Investment Manager

Charlie Wright
Investment Manager

For detailed biographies of the team, please see our website: fgen.com

ABOUT FORESIGHT GROUP

Founded in 1984, Foresight is a leading investment manager in real assets and capital for growth, operating across the UK, Europe and Australia.

With decades of experience, Foresight offers investors access to attractive investment opportunities at the forefront of change. Foresight actively builds and grows investment solutions to support the energy transition, decarbonise industry, enhance nature recovery and realise the economic potential of ambitious companies.

A constituent of the FTSE 250 index, Foresight's diversified investment strategies combine financial and operational skillsets to maximise asset value and provide attractive returns to its investors. Its wide range of private and public funds is complemented with a variety of investment solutions designed for the retail market.

Foresight is united by a shared commitment to build a sustainable future and grow thriving companies and economies.

£12.6bn Assets under management[1]	900+ Investment opportunities reviewed
8	438

Countries with operations	Infrastructure assets
180+ Dedicated professionals	4.7GW Renewable energy generation[2]

All figures as at 31 March 2024 (FY24) unless otherwise stated.

1. Unaudited AUM estimate, disclosed as part of the H1 FY25 trading update.
2. As defined by the London Stock Exchange Green Economy Mark.

PORTFOLIO UPDATE

As highlighted by the Chair, a period of solid performance from FGEN's diversified portfolio of sustainable infrastructure assets was offset by the full write-down of value of the Company's investment in the HH2E hydrogen development platform, following HH2E's decision to file for insolvency as a result of the failure to secure the further funding necessary to meet its ongoing commitments. FGEN has invested £19.3 million, equivalent to 2.6% of the NAV prior to the write-down, and we currently consider it unlikely that there will be any recovery, given that FGEN's claim on the company is subordinated to general creditors under German law.

This is clearly a very disappointing result. We remain of the belief that hydrogen will play a key part in the energy transition globally as a versatile and low-carbon energy carrier, and we felt that HH2E was a good opportunity to gain access to the German hydrogen market, expected to be one of the most attractive markets for energy infrastructure investors due to the government support being proposed. However, the pace of development of the hydrogen market has not been as quick as originally expected and this has led to many projects around the world being delayed. The scale of the additional at-risk funding required by HH2E was considered to be too great in the context of slower than expected demand and wider regulatory delays and therefore FGEN declined to provide further funding, particularly in consideration of our approach to portfolio construction, risk and capital allocation in the current market environment.

HH2E was the only development-stage investment in the FGEN portfolio, and so the only asset in the portfolio that faced such a risk profile.

Over 90% of the portfolio by value is in operational assets that earn revenues and have a proven track record of delivery, and our construction assets are progressing well, with potential for capital growth as they become operational.

See page 28 in Half-year Report 2024 in the operational review of the Half-year Report 2024 for detailed information about FGEN's investment in HH2E and the factors that led to the write-down of the investment.

PERFORMANCE SUMMARY

FGEN's diversification strategy continues to offer significant benefits to investors. The portfolio gains from a substantial proportion of contracted revenues, providing long-term predictable cash flows with a high degree of inflation linkage, as well as revenues earned by non-energy generating assets.

NAV per ordinary share at 30 September 2024 fell to 109.8 pence (31 March 2024: 113.6 pence per share) after payment of interim dividends totalling 3.84 pence and the 2.9 pence negative impact of HH2E. The details on NAV movements over the period are set out on pages 12 to 21 ofin the Half-year Report 2024. The Company's portfolio valuation at 30 September 2024 was £806.6 million (31 March 2024: £891.9 million).

The portfolio remains highly cash generative with record cash receipts from the portfolio of £46.6 million by way of distributions, which includes interest, loan repayments and dividends over the first six months of the year (30 September 2023: £46.2 million). Divestments totalling £68.1 million have been carried out in the period and proceeds primarily used to repay the RCF, underscoring the Investment Manager's prudent approach to portfolio and balance sheet management. Dividend cover stands at 1.23 times for the first six months of the financial year, or 1.36 times before payment of the Electricity Generator Levy ("EGL").

Overall, the Company has benefited from good operational performance across the portfolio, despite wind speeds and solar irradiation being below average during the period. The AD portfolio performed above budget and helped to compensate, demonstrating the value of diversification across different asset classes and energy resources. Whilst a material outage at Cramlington during the period contributed to the waste & bioenergy segment underperforming, this issue has now been repaired with the asset since outperforming. Other variances to budget primarily arise from changes in power prices since the start of the year or temporary working capital fluctuations which will be recouped prior to the year end.

Whilst electricity and gas prices have decreased slightly during the period, FGEN benefits from the Investment Manager's active mitigation of merchant power and gas price risk which contributes to insulation from price fluctuations via short-term price fixing arrangements and complemented further by longer-term subsidy support. The portfolio is fixed 60% for winter 2024/25 and 43% for summer 2025.

FGEN's construction projects have also progressed well during the period. The onsite construction of Sandridge, the 50MW battery project, has been completed and is now awaiting grid connection with pre-construction activities at the other battery sites proceeding against planning milestones. The Glasshouse project and the Rjukan project are both progressing according to schedule, with sales ramp-up now well underway at the Glasshouse on its licensed pharmaceutical products and Rjukan on track to complete in time for first sales by the end of 2025. The rollout of further CNG refuelling stations is progressing well with a c.27% increase in fuel dispensed during the first half of FY24.

Progressing these projects through construction and into steady state operations is expected to result in positive capital appreciation whilst providing diversification for the portfolio across different markets and technologies. Detailed case studies for CNG Foresight, the Glasshouse and Rjukan are included in the asset spotlight section on pages 30 to 36 ofin the Half-year Report 2024.

MARKET AND OPPORTUNITIES

The investment thesis for environmental infrastructure remains strong. The markets and opportunities remain largely unchanged from those discussed on pages 21 to 24 in Half-year Report 2024.

The Investment Manager has a strong origination and investment acquisition platform across offices in the UK, Italy and Spain, which over the last 12 months has sourced close to 900 prospective infrastructure investments. These cover the value chain from operational assets providing immediate yield through to development and construction-stage investments with an additional focus on growth and capital appreciation, across asset classes which have been and will continue to be of core focus to FGEN, covering energy transition and renewables, the circular economy, and other low carbon and sustainable solutions.

Investment into new projects are not expected in the short to medium term in light of the wider market situation and ongoing focus on capital allocation. However, we are optimistic that when macro conditions are more supportive, FGEN will be well placed for further investment across a diversified range of asset classes, continuing to prioritise the core aspects of thematic infrastructure investing such as stable cash flows, inflation linkage and the delivery of essential services, whilst contributing to a lower-carbon economy.

Read more about markets and opportunities on pages 21 to 24 in Half-year Report 2024.

RISKS AND RISK MANAGEMENT

The Company's approach to risk governance and its risk review process, as well as the principal risks to the achievement of the Company's objectives, remain unchanged to those set out in the risks and risk management section on pages 53 to 59 of the Company's Half-year Report 2024.

Developments in relation to those principal risks, particularly those which could potentially have a short to medium-term impact during the period to 31 March 2025, are outlined below.

Energy prices

Following the period of extraordinarily high power prices during 2022 and early 2023, prices have fallen back significantly and have been relatively stable over the last six months, with slight reductions due to factors such as reduced energy demand and increased renewable buildout expectations with the associated impact on capture pricing. The Company continues to take a robust mitigation approach to the valuation risks associated with forecast power prices being different to the actual prices achieved by using short-term price fixes and assumptions informed by market forward prices and a blend of three different specialist forecasters where fixes are not in place. The diversification of revenue sources across not just power but gas and other commodities, and across different markets, is a further mitigant in reducing exposure to power price fluctuations in single markets.

Whilst currently in a period of relative stability, the war in Ukraine and the expanding Middle East crisis could create further volatility for oil and gas prices with risks to the valuation related to power price assumptions both to the upside and the downside.

Read more about risks and risk management on pages 53 to 59 in Half-year Report 2024.

Risk associated with development or construction-stage assets

Following the write-down of FGEN's only development-stage investment, the Company does not hold any investments in development-phase projects.

Currently, 8% of the portfolio is invested across construction-stage assets, which are generally targeting steady state operations within the next 12 – 24 months. Therefore, management of construction risk across those assets is a key focus for the Investment Manager in order to maximise the potential for capital appreciation and to deliver further dividend cover as the assets move towards positive cash flow generation. Further detail on a selection of the Company's larger construction-stage investments is included in the asset spotlight section of the operational review on page 30 in the Company's Half-year Report 2024.

Regulatory risk

In general, the regulatory environment across the UK and Europe remains overwhelmingly supportive for the Company's wider mandate.

Focusing on the UK, there were certain consultations and potential reforms underway under the previous Conservative government, such as the review of electricity market arrangements ("REMA"), the consultation on Fixed Price Certificates ("FPCs") into the Renewables Obligation regime in place of Renewable Obligation Certificates ("ROCs"), that remain ongoing but which have not progressed as swiftly as envisaged given the disruption of the general election and the appointment of the new Labour government. We continue to monitor developments here, given that some proposals still under consideration could change the way in which revenues for FGEN's renewable electricity and battery storage assets are determined.

However, for these more significant changes, such as locational pricing, it is unlikely that the necessary adjustments to the regulatory regime will occur before the late 2020s.

In general, the UK government's direction of travel for renewables and wider decarbonisation efforts is increasingly positive under the Labour government, as evidenced by the loosening of planning restrictions for onshore wind in England and the increase in Contracts for Difference ("CfD") budgets. However, some of the finer details of Labour's net zero strategies, for example the exact role that GB Energy will have to play and how to manage grid capacity queues and overall congestion as a major bottleneck to achieving a cleaner energy transmission network, are not yet clear.

INFLATION, INTEREST RATES AND DISCOUNT RATES

As is generally the case for the wider infrastructure sector, the FGEN portfolio carries a certain degree of sensitivity to changes in inflation and interest rates. Whilst higher inflation in isolation is helpful for valuations of FGEN assets given both the explicit and implicit inflation linkage across its various revenue streams, the upward pressure that higher inflation has on interest rates has a negative effect given the read across to higher discount rates for valuing infrastructure assets.

Of relevance to this is the recent Budget announcement in October, since which there has been an upwards movement in gilt rates, thereby increasing the risk-free rate and resulting in share price reductions for alternative listed investment companies such as FGEN. This could potentially call into question future decisions on interest rate reductions, with the latest developments suggesting that the "higher for longer" narrative could continue to persist.

However, the broader macroenvironment, with interest rate cuts throughout the year and inflation now close to pre-crisis levels across the UK, EU and the US, would suggest that the longer-term direction of travel is positive.

INVESTMENT OUTLOOK

The energy transition and pursuit of net zero is resulting in a constantly evolving opportunity set across an increasingly wide range of sectors and asset classes that are still underpinned by infrastructure fundamentals, albeit with varying degrees of risk, opportunity and market exposure. This is illustrated by the ever-increasing number of opportunities being originated by the Investment Manager across the spectrum of environmental infrastructure, as the decarbonisation agenda continues to accelerate.

Therefore, despite the current challenges facing the listed renewable infrastructure sector and the likelihood that equity markets will remain inaccessible to FGEN and its peers in the near term, we remain optimistic about the future. The fundamental story for the growth of the sector and for FGEN is as strong as it has ever been, with the energy transition requiring trillions of investment over the next couple of decades.

FGEN has a broad and diversified investment mandate which combined with the Investment Manager's ability to originate in the UK and Europe gives great scope to be highly selective about the opportunities it pursues compared to any reliance on single markets and/or technologies.

However, in the shorter term and particularly over the next six to twelve months, our capital allocation strategy will continue to lay the foundations for future NAV growth by maximising cash flow from operating assets and by focusing on the Company's construction-stage assets, and other enhancement opportunities and follow-on investments within the portfolio where sufficiently value accretive.

While FGEN is not currently pursuing any new investment, looking further forward, any future development-stage exposure will be limited, particularly where it involves projects at a "pre-final investment decision" ("FID") stage.

The Investment Manager has always maintained an active asset management approach with a large in-house portfolio management team of over 105 people, consisting of engineers, commercial and financial managers, and technical professionals. This contributes to a proactive approach to value enhancement opportunities, with examples including AD expansions and resilience measures across the portfolio.

Finally, following the successful disposal to Future Biogas, we are continuing to consider further asset disposals across other parts of the portfolio where considered strategically appropriate and value accretive, in order to recycle capital and further reduce drawings on the Company's revolving credit facility.

Overall, we remain steadfast in our commitment to maintaining a disciplined approach to capital allocation. We are focused on managing the Company's funding position and balance sheet to ensure that we are as well positioned as possible to continue to exploit the significant investment opportunity when the wider environment supports it, with strong belief and confidence in the long-term investment case and our ability to continue to deliver attractive risk-adjusted returns for shareholders.

INVESTMENT PORTFOLIO AND VALUATION

Investment portfolio

Diversification continues to play a key role for the Company, reducing dependency on a single market, technology type or set of climatic conditions, whilst allowing exposure to a wide opportunity set, as illustrated in the analysis below at 30 September 2024, according to share of portfolio value:

Sector split	
Wind	28%
Waste & bioenergy	26%
Anaerobic digestion	13%
Solar	15%
Low carbon & sustainable solutions	8%
Controlled environment	9%
Hydro	1%

Geography	
UK	90%
Rest of Europe	10%

Remaining asset life	
Up to 10 years	11%
11 to 20 years	61%
More than 20 years	28%

Weighted average remaining asset life of the portfolio is 16.5 years.

Operational status	
Operational	92%
Construction	8%

Valuation method	
Discounted cash flow ("DCF")	91%
Cost	9%

Operator exposure	
SGRE	17%
BWSC	10%
Future Biogas	9%
Brighter Green Engineering	7%
Vestas	5%
Other	52%

Asset concentration	
Largest asset	10%
2nd largest asset	5%
3rd largest asset	5%
4th largest asset	5%
5th largest asset	5%
Top 6-10	20%
Other	50%

Portfolio valuation

The Investment Manager is responsible for carrying out the fair market valuation of the Company's investments, which is 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 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. Assets under construction 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.

This 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 30 September 2024 was £806.6 million, compared to £891.9 million at 31 March 2024. The decrease of £85.3 million is the net impact of follow-on investments, divestments, cash received from investments, changes in foreign exchange rates, power price assumptions, underlying growth in the portfolio and the impairment of FGEN's interests in its green hydrogen development platform. A reconciliation of the factors contributing to the change in the portfolio during the period is shown in the chart in the Half-year Report 2024.

The movement in value of investments during the period ended 30 September 2024 is shown in the table below:

	30 Sep 2024 £m	31 Mar 2024 £m
Valuation of portfolio at opening balance	**891.9**	898.5
Acquisitions in the period (including follow-on investments)	**15.9**	69.2
Divestments	**(68.1)**	—
Cash distributions from portfolio	**(46.6)**	(87.0)
Rebased opening valuation of portfolio	**793.1**	880.7
Changes in forecast power prices	**0.2**	(36.0)
Changes in economic assumptions	**—**	8.6
Changes in discount rates	**—**	(29.0)
Changes in exchange rates	**(0.3)**	(0.5)
Balance of portfolio return	**13.6**	68.1
Valuation of portfolio	**806.6**	891.9
Fair value of intermediate holding companies	**(84.4)**	(138.3)
Investments at fair value through profit or loss	**722.2**	753.6

Allowing for investments of £15.9 million (including payment of deferred consideration), divestments of £68.1 million and cash receipts from investments of £46.6 million, the rebased valuation is £793.1 million. The portfolio valuation at 30 September 2024 is £806.6 million (31 March 2024: £891.9 million), representing an increase over the rebased valuation of 1.7% during the period.

Valuation assumptions

Each movement between the rebased valuation and the 30 September 2024 valuation is considered below:

Forecast power prices

The project cash flows used in the portfolio valuation at 30 September 2024 reflect contractual fixed price arrangements under Power Purchase Agreements ("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 a leading independent market consultant, based on local long-term projections.

The overall change in forecasts for future electricity and gas prices compared to forecasts at 31 March 2024 has increased the valuation of the portfolio by £0.2 million.

The graph on the right 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.

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 for each unit of renewable electricity generated, and by the Green Gas Certification Scheme for gas generated, can be sold as part of, or independently of, 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.

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:

Year	**2024**	**2025**	**2026-28**	**2029+**
REGO	**£5/MWh**	**£5/MWh**	**£5/MWh**	**£2/MWh**

RGGO	£8.5/MWh	£7.5/MWh	£7/MWh	£7/MWh

These prices remain supported by those seen by the Investment Manager and as such the modelled assumptions remain unchanged from the prior year.

Revenue analysis
The graph in the Half-year Report 2024 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 in the Half-year Report 2024. 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	46%
Merchant power	28%
Long-term contracts	11%
Flexible generation	2%
Other merchant revenues	13%

Energy generating portfolio
FGEN's energy generating portfolio includes wind, solar, 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, merchant revenue or other revenues such as those earned from private wire contracts.

Merchant prices have reduced materially from the elevated levels experienced recently. The Company seeks to minimise the impact of power price volatility by maintaining a programme of rolling price fixes for its energy generating projects, typically having the majority of projects on fixed price arrangements in the near term.

At 30 September 2024, 60% of the renewable energy portfolio's electricity and gas price exposure was subject to fixed prices for the winter 2024/25 season and 43% for the summer 2025 season. See the power price hedging section in the operational review on page 25 of the Half-year Report 2024 for more detail about the latest price fixes in place across the portfolio.

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, 81% of total revenues are subject to a fixed price for the financial year to 31 March 2025, showing that merchant revenue remains a low proportion and reflects the broader diversification of FGEN's portfolio.

Waste and wastewater treatment concessions
This category consists of availability-based assets structured under the Private Finance Initiative ("PFI")/Public Private Partnership ("PPP") procurement models, whereby revenue is derived from long-term contracts with local authorities.

Non-energy generating portfolio
The desire to mitigate the effects of climate change stimulates not only opportunities connected to the energy transition, but also in wider environmental infrastructure that has improved sustainability credentials over traditional infrastructure approaches in sectors such as waste management, water treatment, transportation and food production.

This is reflected in FGEN's diversified portfolio, which includes both grid-scale batteries and other non-energy generating assets such as low-carbon transport (CNG Foresight) and controlled environment projects, CE Glasshouse (sustainable agriculture) and CE Rjukan (sustainable aquaculture).

Low-carbon transport
In the case of FGEN's investment into CNG Foresight, a portfolio of CNG refuelling stations for heavy goods vehicles located across the UK, the asset generates revenue through a specified margin on CNG dispensed.

Per the terms of the fuel supply contracts, the asset 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.

Batteries
FGEN's portfolio includes one operational and three c.50MW Battery Energy Storage Systems ("BESS") at varying stages of construction at 30 September 2024, making up less than 4% of the total portfolio valuation of the Company.

Revenues for BESS assets can be generated in a variety of ways with third-party consultants continuing to indicate the importance of prioritising the capture of trading margins over the finite opportunity from revenues generated by the provision of grid services. Therefore, merchant revenues are likely to make up the largest part of the revenue model for these assets. As such, these investments do not currently have long-term contractual inflation linkage, although revenues are driven by a margin over costs which is expected to be sustained regardless of inflation.

Controlled environment
Controlled environment projects typically face a different revenue model to environmental infrastructure projects with subsidy support or with long-term contracts, with a differing set of market risk characteristics.

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 primarily built around the debt service on its senior secured shareholder loan, with some equity participation over time from growth of the underlying horticultural products. The glasshouse is co-located with an existing FGEN anaerobic digestion facility, which itself will receive an additional source of revenue via a private wire supplying low-carbon heat and power to the glasshouse. Wastage from the glasshouse produce may also be returned to the AD digester, creating a circular ecosystem.

In the case of CE Rjukan, revenues will primarily be generated from the production of approximately 8,000 tonnes of trout annually, once the site is fully ramped up in 2025. This will be sold to European and international salmonid markets through a sales and marketing agreement with a globally established Norwegian seafood distribution company.

The Rjukan investment case is built on the premise of achieving average historic prices evidenced by the Fish Pool Index; however, our experienced operational partner is targeting sales at levels between c.5% and 50% higher than this, underpinned by the higher quality of fish production at Rjukan versus the typical fish sold in commodity-based markets.

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

The degree of contractual inflation linkage of each category illustrated can be found in the Half-year Report 2024.

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 ("UELs") 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. 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, after which point the Investment Manager conservatively assumes that facilities will cease to operate.

As signalled previously, the Board and the Investment Manager remain optimistic about the prospects to extend the lives of the Company's AD facilities and are currently working with partners to progress these initiatives.

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 (31 March 2024 figures shown in brackets)

	2024	2025-2030	2031+
UK			
RPI	**3.5%**	3.0%	2.25%
	(3.5%)	(3.0%)	(2.25%)
CPI	**2.5%**	2.25%	2.25%
	(2.5%)	(2.25%)	(2.25%)
Deposit rates	**2.0%**	2.0%	2.0%
	(2.0%)	(2.0%)	(2.0%)
Corporation tax	**25.0%**	25.0%	25.0%
	(25.0%)	(25.0%)	(25.0%)
Italy			
Inflation	**2.0%**	2.0%	2.0%
	(2.0%)	(2.0%)	(2.0%)
Deposit rates	**—%**	—%	—%
	(—%)	(—%)	(—%)

Corporation tax (IRES)	**24.0%**	24.0%	24.0%
	(24.0%)	(24.0%)	(24.0%)
Regional tax (IRAP)	**4.8%**	4.8%	4.8%
	(4.8%)	(4.8%)	(4.8%)

The euro/sterling exchange rate used to value euro-denominated investments was €1.20/£1 and the rate for Norwegian krone-denominated investments was NOK13.96/£1 at 30 September 2024 (€1.17/£1 and NOK13.66/£1 at 31 March 2024).

Actual inflation to date continues to track in line with the Company's modelled assumptions and therefore no changes have been reflected since the start of the year.

The overall change in value resulting from changes to foreign exchange rates in the year is £0.3 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.

UK gilt yields have remained at elevated levels consistent to those prevalent at the start of the year and transactional activity continues to indicate support for the Company's valuation assumptions, therefore no changes have been made to discount rates at either 30 June 2024 or 30 September 2024 in relation to the macroeconomic backdrop.

In addition to macro-driven changes, the Investment Manager also considers project-specific changes – such as the completion of major milestones on construction phase investments. Whilst progress continues at these projects, no changes have been made to discount rates this period.

Taking the above into account and including an increase in the value of assets in construction, the overall weighted average discount rate ("WADR") of the portfolio is 9.5% at 30 September 2024 (31 March 2024: 9.4%).

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

	Sector WADRs	Gearing
Wind	8.7%	35%
Waste & bioenergy	9.8%	9%
Anaerobic digestion	8.6%	—
Solar	7.6%	15%
Batteries	10.0%	—
Hydropower	8.0%	38%
Weighted average	**9.5%**	**18.0%**

Sectors in which the Investment Manager retains proprietary information, such as controlled environment and low-carbon transport, are not disclosed in the table above, although discount rates used in these sectors feed into the portfolio WADR of 9.5%.

As in previous valuations, the discount rate used for energy generating asset cash flows which have received lease extensions beyond the initial investment period of 25 years retains a premium of 1% for subsequent years, reflecting the merchant risk of the expected cash flows beyond the initial 25-year period.

No changes have been made to discount rates during this period, therefore the overall change in value resulting from changes to discount rates in the year is £nil.

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 additional valuation adjustments from updates to individual project assumptions. The total represents an uplift of £13.6 million.

Of this, the key individual items include an uplift of £31.2 million from discount rate unwind, an £8.0 million reduction from operational under-performance (see page 24 in the Half-year Report 2024 for further commentary within the operational review), offset by a £7.1 million uplift from revision to anaerobic digestion operating contracts following the partial disposal completed during the period, a £19.3 million write-down to the value of FGEN's investment in HH2E and a £2.6 million uplift from a number of other lower-value cost adjustments and other commercial assumptions following the normal course of ongoing reassessment throughout the period.

In addition to these items, the Company also benefited from a 0.2 pence increase in NAV per share, arising from the purchase of 5,485,089 shares for £5.2 million, as part of the Company's ongoing share buyback programme.

Valuation sensitivities
The 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 by each project company and the appropriate discount rate to apply.

The following sensitivities include the impact of the EGL.

The key assumptions are as follows:

Discount rate
The WADR of the portfolio at 30 September 2024 was 9.5% (31 March 2024: 9.4%). 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 £18.1 million (2.8 pence per share) compared to an uplift in value of £18.2 million (2.8 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 5.7 pence, the impact from wind, solar and hydro separately is only 4.2 pence per share, 1.3 pence per share and 0.2 pence per share respectively, as shown in the chart on page 21 in the Half-year Report 2024.

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

For the waste & bioenergy projects, 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 generally not very sensitive 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. 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 £41.1 million (6.3 pence per share) compared to a downward movement in value of £39.0 million (5.9 pence per share) if prices were reduced by the same amount.

Should electricity prices fall to £50/MWh, and gas prices also fall by a corresponding amount, the Company would maintain a resilient dividend cover for the next three financial years. Alternatively, should prices fall to £40/MWh, the Company would still expect to cover the dividend, albeit with reduced headroom by year three.

Uncontracted revenues on non-energy generating portfolio
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 a sensitivity illustrating an assumed 10% increase or decrease on all uncontracted revenues for each year of the asset lives.

An increase in uncontracted revenues of 10% would result in an upward movement in the portfolio valuation of £18.3 million (2.8 pence per share) compared to a decrease in value of £14.2 million (2.2 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 life.
An increase in the feedstock prices of 10% would result in a downward movement in the portfolio valuation of £7.0 million (1.1 pence per share) compared to an uplift in value of £7.0 million (1.1 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 17 in the Half-year Report 2024. The sensitivity assumes a 0.5% increase or decrease in inflation relative to the base case for each year of the asset life.

An increase in the inflation rates of 0.5% would result in an uplift in the portfolio valuation of £21.6 million (3.3 pence per share) compared to a decrease in value of £21.9 million (3.3 pence per share) if rates were reduced by the same amount.

Foreign exchange rates
As the proportion of the portfolio assets with cash flows denominated in non-GBP currencies represents a small proportion of the portfolio value at 30 September 2024, the Directors consider the sensitivity to changes in exchange rates to be insignificant.

Corporation tax
The UK corporation tax assumptions applied in the portfolio valuation are outlined in the notes to the accounts on page 64 in the Half-year Report 2024. The sensitivity in the chart in the Half-year Report 2024 assumes a 2% increase or decrease in the rate of UK corporation tax relative to the base case for each year of the asset life.

An increase in the UK corporation tax rate of 2% would result in a downward movement in the portfolio valuation of £12.7 million (1.9 pence per share) compared to an uplift in value of £13.4 million (2.0 pence per share) if rates were reduced by the same amount.

Sensitivities – impact on NAV at 30 September 2024
The chart in the Half-year Report 2024 shows the impact of the key sensitivities on NAV per share, with the £ labels indicating the impact of the sensitivities on portfolio value.

Investment portfolio
At 30 September 2024, the Group's investment portfolio comprised interests in 42 projects, as well as investments into several European opportunities through its investment in FEIP.

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
		Total	161.0	

Waste & bioenergy				
Bio Collectors waste management	England	100%	11.7[1]	Dec 2013
Codford Biogas waste management	England	100%	3.8[2]	2014
ELWA waste management	England	80%	n/a	2006
Cramlington biomass combined heat and power	England	100%	32.0[3]	2018
Energie Tecnologie Ambiente ("ETA") energy-from-waste	Italy	45%[4]	16.8	2012
Tay wastewater treatment	Scotland	33%	n/a	Nov 2001
		Total	64.3	

Asset	**Location**	**Ownership**	**Capacity (MW)**	**Commercial operations date**
Anaerobic digestion				
Biogas Meden	England	49%	5.0[5]	Mar 2016
Egmere Energy	England	49%	5.0[6]	Nov 2014
Grange Farm	England	49%	5.0[6]	Sep 2014
Icknield Farm	England	53%	5.0[5]	Dec 2014
Merlin Renewables	England	49%	5.0[6]	Dec 2013
Peacehill Farm	Scotland	49%	5.0[7]	Dec 2015
Rainworth Energy	England	100%	2.2[2]	Sep 2016
Vulcan Renewables	England	49%	13.0[6]	Oct 2013
Warren Energy	England	49%	5.0[6]	Dec 2015
		Total	50.2	

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
Panther	England	100%	6.5	2011-2014
Pylle Southern	England	100%	5.0	Dec 2015
		Total	80.2	

Asset	**Location**	**Ownership**	**Capacity (MW)**	**Commercial operations date**
Low carbon & sustainable solutions				
West Gourdie battery storage	Scotland	100%	n/a	May 2023
Clayfords battery storage	Scotland	50%	n/a	Ready to build
Lunanhead battery storage	Scotland	50%	n/a	Ready to build
Sandridge battery storage	England	50%	n/a	Under construction
CNG Foresight low-carbon transport	England	25%8	n/a	Various
HH2E green hydrogen	Germany	n/a	n/a	Development phase
		Total	n/a	

Controlled environment				
Glasshouse	England	Minority stake	n/a	Partially operating
Rjukan aquaculture system	Norway	Minority stake	n/a	Under construction
		Total	n/a	

Hydro				
Northern Hydropower	England	100%	2.09	Oct 2011 & Oct 2017
Yorkshire Hydropower	England	100%	1.89	Oct 2015 & Nov 2016

			Total	3.8	

Asset	Location	Ownership	Capacity (MW)	Commercial operations date
FEIP*[10] *FGEN has committed €25 million to FEIP				
Avalon solar and green hydrogen	Spain	n/a	n/a	Development
Carna pumped storage hydro and co-located wind	Scotland	n/a	n/a	Under construction
Inca pumped storage hydro	Ireland	n/a	n/a	Development
Kölvallen wind	Sweden	n/a	n/a	Under construction
MaresConnect interconnector	Republic of Ireland	n/a	n/a	Development and under construction
Puskakorpi wind	Finland	n/a	n/a	Dec 2022
Quartz battery storage	England	n/a	n/a	Development
Skaftåsen Vindkraft AB wind	Sweden	n/a	n/a	June 2023
Torozos wind	Spain	n/a	n/a	Dec 2019
85 Degrees geothermal heat	Netherlands	n/a	n/a	Operational/under construction
Beleolico offshore wind	Italy	n/a	n/a	July 2022
Blue Jay battery storage	Scotland	n/a	n/a	Development and under construction
Juwi solar	Greece	n/a	n/a	Development
		Total	n/a	

Total portfolio		
	Total	359.5

1. 10MWth and an additional 1.7MWe capacity through two CHP engines.
2. Electrical exporting plant measured as MWe.
3. 26MWe (electrical) and 6MWth (thermal).
4. Not including FEIP's 45% ownership.
5. MWth (thermal) and an additional 0.4MWe CHP engine for on-site power provision.
6. MWth (thermal) and an additional 0.5MWe CHP engine for on-site power provision.
7. MWth (thermal) and an additional 0.25MWe CHP engine for on-site power provision.
8. FGEN holds 25% of the "A" shares. "A" shares have a different economic entitlement than "B" shares, including a priority return.
9. Includes a 1.2MW battery storage.
10. Look-through investments into Foresight Energy Infrastructure Partners ("FEIP").

OPERATIONAL REVIEW

Company performance overview

The NAV per share at 30 September 2024 was 109.8 pence, down from 113.6 pence at 31 March 2024, with the largest drivers being a combination of dividends paid in the period and the full write-down of the Company's investment in the HH2E development platform as discussed in detail on page 28 in the Company's Half-year Report 2024.

FGEN has announced an interim dividend of 1.95 pence per share for the quarter ended 30 September 2024, payable on 27 December 2024, in line with the full-year target of 7.80 pence per share for the year ending 31 March 2025 as set out in the Annual Report 2024.

Financial performance

The Company's operating assets outperformed budgeted yields to deliver strong cash earnings of £46.6 million (30 September 2023: £46.2 million) making this another record period of earnings for the first six months of the year – driving a dividend cover of 1.23x.

As the portfolio diversifies and the proportion of non-energy generating assets increases, the Investment Manager has presented detailed information to better illustrate the financial performance of all sectors within the portfolio.

The chart in the Half-year Report 2024 shows the budgeted proportion of cash distributions forecast to be received from underlying investments at the start of the financial year, versus the relative over or under-performance during the period under review.

The equivalent chart in the Half-year Report 2024 is showing generation performance of the energy generating assets versus budget.

Across the portfolio companies, total revenue generated was £137.8 million and total EBITDA was £60.5 million. The Company operates a diversified portfolio of assets across multiple sectors which supports diversification of the operating risk profile across the portfolio – 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 facilities will also typically have a higher revenue base – as can be seen by the average all-in energy price table below. More information on sector-level performance and relative margins will be provided within the Annual Report 2025.

The average all-in price received by the differing technology classes in the UK for their energy volumes generated in the six months ended 30 September 2024 is shown in the table below:

Average all-in energy price	**Half year ended 30 Sep 2024**	Year ended 31 Mar 2024
Wind	**£213 per MWhe**	£148 per MWhe
AD electric	**£265 per MWhe**	£317 per MWhe
AD gas-to-grid	**£149 per MWhth**	£148 per MWhth
Biomass	**£183 per MWhe**	£205 per MWhe
Energy-from-waste	**€134 per MWhe**	€109 per MWhe
Solar	**£310 per MWhe**	£217 per MWhe
Hydro	**£197 per MWhe**	£308 per MWhe

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 out to three years. The extent of generation subject to fixes at 30 September 2024 is as follows:

	Winter 2024	Summer 2025	Winter 2025
Wind	75%	58%	36%
Solar	100%	54%	54%
Biomass	—	—	—
Energy-from-waste	41%	—	—
AD – electric	100%	36%	32%
AD – gas	74%	58%	56%
Weighted average	60%	43%	35%

The Investment Manager continues to monitor the PPA and Gas Purchase Agreement ("GPA") market for opportunities to fix prices and mitigate risk across the portfolio. Typically FGEN expects to have greater volumes of electricity and gas under fixed price arrangements for closer seasons.

Renewable energy generating assets

The chart in the Half-year Report 2024 shows the forecast generation target expected to be achieved at the start of the financial year, versus the relative sector-level over or under-performance against this target during the period under review.

Over this half-year period the renewables segment of the portfolio produced 619GWh1 (six months to 30 September 2023: 660GWh) of energy, 5.9% below target. The negative variance against the target can be primarily attributed to a six-week outage at Cramlington required to address issues in the flue gas treatment line. This issue has since been resolved and the plant has since been operating above budget. Offsetting that, the agri-AD portfolio recorded another strong performance, which was 2% above the sector target.

Anaerobic digestion

The AD portfolio is the largest producer of energy on a GWh basis and generated 39% of the GWh energy produced by the FGEN portfolio to 30 September 2024. Generation (measured in GWh thermal generated) was 239GWh, 2% ahead of the sector target, continuing the trend of outperformance that has been seen since the Company started to acquire AD assets in 2017.

Notable strong performers were Grange Farm, Rainworth Energy, Warren Energy and Icknield, which outperformed their generation targets by more than 5%. All other sites, with the exception of Peacehill Gas and Merlin Renewables (both sites undertook planned degritting works), exceeded their generation targets.

The strong maize harvest in late 2023 meant the portfolio has had access to healthy volumes of this feedstock throughout the reporting period.

Due to the wet winter experienced across the UK in early 2024, drilling of rye was extremely difficult, resulting in low yields of this crop when harvesting took place in July 2024. The operators have compensated for this deficit by increasing the amount of maize grown in 2024.

Wind

Electricity generation from the wind assets of 157GWh (representing 25% of the portfolio's energy generation for the period) was 4% below its sector target due to below-average wind resource during the period. Total gross availability for the portfolio was 2.9% below the anticipated levels due to unrelated mechanical issues experienced at six of the wind assets. Assuming performance remains on budget for the remainder of the year, payments to compensate for events of unavailability are estimated to bring the wind portfolio in line with the sector's generation target for the period.

Solar

The solar portfolio generated 50GWh (representing 8% of the portfolio's energy generation for the period) and was 8% below its sector generation target.

The deficit is explained by irradiance levels being 4% below expected for the period, inverter issues at Branden Victoria (June to September) and grid issues at CSGH Shoals Hook (three grid constraints) and Monksham (distribution network operator ("DNO") outage for most of August).

Waste & bioenergy

The renewable energy generating segment of the waste & bioenergy portfolio is the second largest producer of energy on a GWh basis and generated 28% of the GWh energy produced by the FGEN portfolio to 30 September 2024. The waste & bioenergy portfolio generated 171GWh over the period to 30 September 2024, 15% below its sector target.

Though Codford Biogas (14% above budget) and ETA Manfredonia performed well throughout the period, the sector was below budget for the reporting period primarily due to a six-week outage at Cramlington in June 2024. The outage was required to allow the operator to address issues within the flue gas treatment line. A long-term and effective resolution was implemented and arrangements were made to address the downtime. Since this issue, Cramlington has outperformed its budget by 6%.

Hydro

The hydro portfolio generated 1.6GWh (which represents less than 1% of the portfolio's energy generation for the period) and saw an 18% negative variance against its sector target. The under-performance was due to rainfall in May through to August being 20% below the long-term average in the Yorkshire catchment area.

Assets which support the transition to a lower-carbon economy

Waste & bioenergy concessions

Waste tonnages processed at the ELWA waste project have continued at levels above target. Operational performance targets are consistently exceeded with diversion from landfill at 99.97%, substantially ahead of the 67% contract target. Recycling, at 31.7%, is ahead of the 22% target.

Renewi (the operating counterparty) announced to the market on 4 October 2023 that it planned to exit the UK municipal waste business by mid 2024. Renewi has confirmed that the sale of their UK business is proceeding, with BIFFA as the proposed new owner, and it is anticipated that the sale will be completed by the end of 2024. The Investment Manager continues to monitor this situation and ensure any contractual risks are monitored.

Tay wastewater plant in Scotland performed well, with no operational or performance issues in the half-year period.

Both projects continue to perform well financially.

Low carbon & sustainable solutions

Low-carbon transport – CNG Foresight

The CNG refuelling stations achieved a 27% increase in total fuel dispensed for the reporting period when compared to the first half of FY24. Truck deliveries saw an uptick over the period, and sales reports remain robust.

The CNG refuelling station at Aylesford has been successfully commissioned and has begun operation. The construction of the Doncaster station is progressing as planned, with completion expected by the end of 2024. Additionally, construction has commenced on a new station in Livingston.

As at 30 September 2024, the portfolio held 15 natural gas refuelling stations, including the sites in construction phase. FGEN has invested a total of £29.3 million as at the balance sheet date.

A detailed description of the CNG Foresight investment is included on page 31 in the Company's Half-year Report 2024.

Battery energy storage ("BESS")

West Gourdie, FGEN's operational 50MW battery asset in Dundee, Scotland, achieved an availability of 95.14% over the half-year period, falling short of budget by 2.9%. The availability losses were mainly due to a grid outage in May, minor technical issues experienced in June and August, and an annual maintenance-related outage in August. The events, assessed on a case-by-case basis during the annual performance warranty review, will determine which ones are eligible for compensation under the performance mechanism outlined in the EPC and O&M contracts.

The route-to-market provider for the two small batteries co-located at the Company's hydro assets continues to pursue hardware changes, allowing participation in new grid services.

Construction-stage projects

BESS construction assets
FGEN currently owns three construction-stage battery storage projects in the UK with a combined capacity of 50MW. The Sandridge project construction is complete and securely paused while awaiting connection works by the subcontractor appointed by the DNO. This project is expected to be energised in late FY25. Meanwhile, the Investment Manager's pre-construction BESS projects, Lunanhead and Clayfords, remain under active review. The holding value for these projects continues to be closely benchmarked to market value for this essential grid infrastructure.

Glasshouse project
Following the initial sales in May 2024, Glass Pharms has continued to secure and commit to sales for the remainder of 2024 and early 2025. These sales are part of an agreement signed between Glass Pharms and Releaf on 22 October 2024. Releaf, the UK's fastest-growing medical cannabis provider, and Glass Pharms, the leading domestic producer, have formed a historic multi-million-pound partnership, making it the largest collaboration in the UK's medical cannabis sector to date.

Rjukan project
Construction is advancing well on this project, with significant progress being made on the main facility building. Although certain areas of the facility experienced known delays affecting the latter stages of the programme, a thorough replanning exercise has helped realign these areas. There maintains a buffer leading up to harvest, albeit with a reduced margin.

Development-stage projects
Green hydrogen – HH2E administration
FGEN made its initial investment into HH2E in January 2023, investing €5.7 million to acquire 33% of Foresight Hydrogen HoldCo GmbH ("FHHG") alongside other Foresight funds. FHHG is the investment vehicle for FGEN's investment in HH2E AG, a developer of green hydrogen production projects in Germany, and its pipeline of potential sites.

Over time, FGEN increased its investment in HH2E and associated projects to €22.3 million. The most advanced of the sites, Lubmin on the Baltic coast, completed much of the work necessary for a final investment decision ("FID") to be taken in 2024, with the main outstanding item being the conclusion of an offtake agreement in a form considered "bankable" by project finance banks required to finance the construction of the project in conjunction with further equity investors. HH2E also made commitments to purchase items of critical equipment that are on long lead times. At the time, these commitments were considered necessary to secure equipment and a grid connection that would otherwise have led to delays, in some cases of several years, that would have caused issues with the delivery timetables being discussed with potential offtakers.

A process to bring in senior lenders and an equity investor was run over the summer of 2024 and concluded in October 2024. While there was significant interest in HH2E and the Lubmin project, with several lenders and institutional investors engaging extensively in due diligence, ultimately no party was prepared to invest prior to a bankable offtake agreement being in place.

This delay in bringing in additional funding created a liquidity issue within HH2E and the Lubmin project in light of the commitments already in place.

FGEN and the other Foresight funds invested in HH2E considered providing the company with sufficient funding to enable it to meet all of its payment obligations and demonstrate its ability to continue as a going concern but ultimately the quantum of funding required at risk was too great and the investment was declined.

With no other option for funding to meet outstanding obligations, HH2E filed for insolvency on 11 November 2024. FGEN notified the market that this was the expected outcome on 8 November 2024, also noting that no recovery of the investment was anticipated through the insolvency process, given the extent of commitments outstanding and German insolvency law that places shareholder loans behind general creditors in an insolvency. The company is currently going through an administration process with a view to achieving an accelerated sale on a going concern basis in the best interests of creditors.

A key contributor to the failure of the HH2E investment is the scale of commitments to equipment suppliers ahead of the Lubmin project being in a position to take a FID with a bankable offtake agreement to anchor the revenue case from the sale of green hydrogen. This is symptomatic of the experience across hydrogen markets, with projects being cancelled and delayed as the pace of supporting regulation and the establishment of an offtake market lags the expectation of project developers. As evidence of this, the Hydrogen Council noted in their September 2024 survey of the market that announced production capacity in 2028 and 2029 was more than 1 Mt p.a. lower than stated in the previous year's publication.

While at the time the company felt that making such commitments was justified in keeping the Lubmin project to timetable, offtakers have subsequently not felt in a position to sign up to offtake agreements while expected supporting regulation has not yet been passed into law.

German political instability and the proximity of federal elections in 2025 may also have contributed to this reluctance.

The Investment Manager expects green hydrogen to be a part of the energy mix in the coming years as a means to decarbonise hard-to-abate sectors such as industrial heat and some heavy transport. It will be of increasing interest to infrastructure investors as regulatory regimes become established and the market matures, but at the moment the pace is lagging. FGEN's current focus is not on new investment in any case given market conditions and its emphasis on appropriate capital allocation.

Investment into new projects are not expected in the short to medium term in any sector in light of the wider market situation and ongoing focus on capital allocation. When new investment activity can commence, any development-stage exposure will be limited, particularly where it involves projects at a “pre-FID” stage.

Disposals

Disposal of 51% of six AD facilities

In August 2024, the Company announced the sale of 51% of a portfolio of six gas-to-grid AD facilities to Future Biogas, for a total consideration of £68.1 million. FGEN will continue to own 49% of the AD portfolio, which has a combined generating capacity of 38MW, as well as its interests in three further agri-AD assets which are not operated by Future Biogas and consequently not part of the agreement.

Other investments

FEIP

FGEN has committed to investing €25 million into Foresight Energy Infrastructure Partners SCSp (“FEIP”), a Luxembourg limited partnership investment vehicle that targets investments that support the transformational change underway in global energy markets.

FEIP invests in energy infrastructure across the following sub-sectors:

- renewable generation;
- renewable enabling infrastructure (e.g. energy storage); and
- transmission and distribution.

At 30 September 2024, €20 million had been drawn on this commitment.

Financing

On 13 June 2024, FGEN completed the refinancing of its fund-level debt facility – securing a committed three-year multi-currency RCF of £200 million, with an uncommitted accordion facility of up to £30 million and an uncommitted option to extend for a further year.

The RCF provides an increased source of flexible funding with both sterling and euro drawdowns available on attractive terms. The facility will principally be used to fund the build of existing construction commitments and to make future acquisitions of environmental infrastructure 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: increased volume of contributions to local communities; and
- governance: maintaining a low number of work-related accidents, as defined under the Reporting of Injuries, Diseases and Dangerous Occurrences (“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, Clydesdale Bank, National Australia Bank 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. There is an additional gearing limit in respect of such debt of 85% of the aggregate gross project value (being the fair market value of such portfolio companies increased by the amount of any financing held within the projects) for PFI/PPP projects and 65% for renewable energy generation projects.

As at 30 September 2024, drawings under the RCF were £113.7 million. Under its investment policy, FGEN may borrow up to 30% of its NAV.

The project-level gearing at 30 September 2024 across the portfolio was 18.0% (31 March 2024: 16.9%). Taking into account the amount drawn down under the RCF of £113.7 million, the overall fund gearing at 30 September 2024 was 28.7% – down from 31.2% at 31 March 2024; reflecting the repayment towards the RCF out of cash proceeds raised from asset sales in the period.

At the half-year mark, the weighted average cost of project-level debt was 4.2%, and the weighted average cost of debt after including the RCF was 5.0%.

As at 30 September 2024, the Group, which comprises the Company and the intermediate holding companies, had cash balances of £21.3 million (31 March 2024: £18.1 million).

FINANCIAL REVIEW

Analysis of financial results

The financial statements of the Company for the six-month period ended 30 September 2024 are set out on pages 48 to 70 in Half-year Report 2024.

The Company prepared the condensed unaudited financial statements for the six-month period to 30 September 2024 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 ("HoldCo") (formerly known as JLEN Environmental Assets Group (UK) Limited) and the indirectly held wholly owned subsidiary HWT Limited (which holds the investment interest in the Tay project).

Key investment metrics

All amounts presented in £million (except as noted)	**Period ended 30 Sep 2024**	Period ended 30 Sep 2023	Year ended 31 Mar 2024
Net assets[1]	**720.1**	792.1	751.2
Portfolio value[2]	**806.6**	898.9	891.9
Operating income and (loss)/gain on fair value of investments	**4.2**	6.9	(3.8)
Net Asset Value per share[3]	**109.8p**	119.7p	113.6p
Distributions, repayments and fees from portfolio	**46.6**	46.2	87.0
Loss/profit before tax	**(0.5)**	1.9	(13.9)
Gross Asset Value[3]	**1,010.5**	1,109.8	1,091.8
Market capitalisation[3]	**595.4**	653.6	619.9
Share price[3]	**90.8p**	98.8p	93.7p
Total shareholder return[3]	**69.4%**	70.1%	68.4%
Annualised total shareholder return[3]	**5.1%**	5.7%	5.4%

1. Also referred to as "NAV".
2. Classified as investments at fair value through profit or loss on the statement of financial position.
3. Net Asset Value per share, share price, market capitalisation and Gross Asset Value are alternative performance measures ("APMs"). The APMs within the accounts are defined on pages 71 and 72 in Half-year Report 2024.

Net assets

Net assets decreased from £751.2 million at 31 March 2024 to £720.1 million at 30 September 2024.

The net assets of £720.1 million comprise £806.6 million portfolio value of environmental infrastructure investments and the Company's cash balances of £0.2 million, partially offset by £84.4 million of intermediate holding companies' net liabilities and other net liabilities of £2.3 million.

The intermediate holding companies' net liabilities of £84.4 million comprise a £113.7 million credit facility loan, partially offset by cash balances of £21.3 million and other net assets of £8.0 million.

Analysis of the Group's net assets at 30 September 2024

All amounts presented in £million (except as noted)	**At 30 Sep 2024**	At 31 Mar 2024
Portfolio value	**806.6**	891.9
Intermediate holding companies' cash	**21.3**	17.8
Intermediate holding companies' revolving credit facility	**(113.7)**	(159.3)
Intermediate holding companies' other assets	**8.0**	3.1
Fair value of the Company's investment in UK HoldCo	**722.2**	753.5
Company's cash	**0.2**	0.3
Company's other net liabilities (excluding cash)	**(2.3)**	(2.6)
Net Asset Value	**720.1**	751.2
Number of shares	**656,046,140**	661,531,229
Net Asset Value per share	**109.8p**	113.6p

At 30 September 2024, the Group (the Company plus intermediate holding companies) had a total cash balance of £21.5 million (31 March 2024: £18.1 million), including £0.2 million in the Company's statement of financial position (31 March 2024: £0.3 million) and £21.3 million in the intermediate holding companies (31 March 2024: £17.8 million), which is included in the Company's statement of financial position within "Investments at fair value through profit or loss".

At 30 September 2024, UK HoldCo had drawn £113.7 million of its revolving credit facility (31 March 2024: £159.3 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 2024 to 30 September 2024 is summarised as follows:

All amounts presented in £million	**Period ended 30 Sep 2024**	Year ended 31 Mar 2024
Portfolio value at start of the period/year	**891.9**	898.5
Acquisitions/further investments (net of post-acquisition price adjustments)	**15.9**	69.2
Disposals in investment assets	**(68.5)**	—
Distributions received from investments	**(46.6)**	(87.0)
Growth in value of portfolio	**13.9**	11.2
Portfolio value	**806.6**	891.9

Further details on the portfolio valuation and an analysis of movements during the period are provided in the investment portfolio and valuation section on pages 12 to 23 in the Company's Half-year Report 2024.

Financing at 30 September 2024

£113.7m
Drawn on RCF

28.7%
Fund gearing[1]

1. Gearing is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 71 and 72 in the Company's Half-year Report 2024.

Income

The Company's loss before tax for the six-month period was £0.5 million (six-month period ended 30 September 2023: profit of £1.9 million), a loss of 0.1 pence per share (six-month period ended 30 September 2023: gain of 0.3 pence per share).

All amounts presented in £million (except as noted)	**Six months ended 30 Sep 2024**	Six months ended 30 Sep 2023
Interest received on UK HoldCo loan notes	**15.7**	15.7
Dividend received from UK HoldCo	**19.8**	13.8
Net loss on investments at fair value	**(31.3)**	(22.6)
Operating income and gains on fair value of investments	**4.2**	6.9
Operating expenses	**(4.7)**	(5.0)
(Loss)/profit before tax	**(0.5)**	1.9
(Losses)/earnings per share	**(0.1)p**	0.3p

In the six months to 30 September 2024, the operating income and losses on fair value of investments was £4.2 million, including the receipt of £15.7 million of interest on the UK HoldCo loan notes, £19.8 million of dividends also received from UK HoldCo and a net loss on investments at fair value of £31.3 million.

The operating expenses included in the income statement for the period were £4.7 million, in line with expectations. These comprise £4.0 million of Investment Manager fees and £0.7 million operating expenses. The details on how the Investment Manager fees are charged are set out in note 14 to the condensed unaudited financial statements.

Ongoing charges

The "ongoing charges"[1] ratio is an indicator of the costs incurred in the day-to-day management of the Fund. FGEN uses the Association of Investment Companies ("AIC") recommended methodology for calculating this ratio, which is an annual figure.

For the period ended 30 September 2024, the ongoing charges ratio was 1.26%[1] (31 March 2024: 1.24%), based on an annualised six-month cost and reflecting the decrease in the NAV. The ratio is calculated on a consolidated basis, considering both the UK HoldCo and the Company's expenses. The expected ongoing charge ratio for the full financial year ending 31 March 2025 is 1.19%, which incorporates a reduction in the Investment Management fee over the remaining six months, assuming no change in NAV. For the financial year ending 31 March 2026, the expected ongoing charge ratio is 1.12%, factoring in the full benefit of the Investment Management fee reduction and assuming no change in NAV.

Cash flow

The Company had a total cash balance at 30 September 2024 of £0.2 million (31 March 2024: £0.3 million). The breakdown of the movements in cash during the period is shown below.

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

	Six months	Six months

	ended 30 Sep 2024	ended 30 Sep 2023
Cash balance at 1 April	**0.3**	0.1
Interest on loan notes received from UK HoldCo	**15.7**	15.7
Dividends received from UK HoldCo	**19.8**	13.8
Directors' fees and expenses	**(0.2)**	(0.2)
Investment Manager fees	**(4.2)**	(4.1)
Administrative expenses	**(0.6)**	(0.6)
Dividends paid in cash to shareholders	**(25.4)**	(24.3)
Share buybacks	**(5.2)**	—
Company cash balance at 30 September	**0.2**	0.4

The Group had a total cash balance at 30 September 2024 of £21.5 million (31 March 2024: £18.1 million) and borrowings under the revolving credit facility of £113.7 million (31 March 2024: £159.3 million). The breakdown of the movements in cash during the period is shown in the following table.

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

	Six months ended 30 Sep 2024	Six months ended 30 Sep 2023
Cash distributions from environmental infrastructure investments	**46.6**	46.2
Administrative expenses	**(0.8)**	(0.7)
Directors' fees and expenses	**(0.2)**	(0.2)
Investment Manager fees	**(4.2)**	(4.1)
Financing costs	**(6.8)**	(3.8)
Electricity Generator Levy	**(3.3)**	(5.2)
Cash flow from operations[2]	**31.3**	32.2
Acquisition of investment assets and further investments	**(15.9)**	(30.0)
Disposal of asset	**68.1**	—
Acquisition costs (including stamp duty)	**(0.6)**	(0.3)
Short-term projects debtors	**(2.1)**	(0.7)
Purchase of treasury shares	**(5.2)**	—
Debt arrangement fee cost	**(2.3)**	(1.0)
Repayment/drawdown under the revolving credit facility	**(44.4)**	22.0
Dividends paid in cash to shareholders	**(25.4)**	(24.3)
Cash movement in the period	**3.5**	(2.1)
Opening cash balance	**18.0**	18.0
Group cash balance at 30 September	**21.5**	15.9

1. The ongoing charges ratio is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 71 and 72 in the Company's Half-year Report 2024.
2. "Cash flow from operations" is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 71 and 72 in the Company's Half-year Report 2024.

During the period, the Group received cash distributions of £46.6 million from its environmental infrastructure investments.

Cash received from investments in the period covered the operating and administrative expenses and financing costs, as well as the dividends declared to shareholders in respect of the six-month period ended 30 September 2024. Cash flow from operations of the Group of £31.3 million covered dividends paid in the six-month period to 30 September 2024 of £25.4 million by 1.23x.

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 future costs as well as planned dividends payable to its shareholders.

Dividends

During the period, the Company paid a final interim dividend of 1.89 pence per share in June 2024 (£12.5 million) in respect of the quarter to 31 March 2024. Interim dividends of 1.95 pence per share were paid in September 2024 (£12.9 million) in respect of the quarter to 30 June 2024.

On 20 November 2024, the Board approved an interim dividend of 1.95 pence per share in respect of the quarter ended 30 September 2024. The dividend is payable on 27 December 2024 to all voting shares, excluding shares kept in treasury.

In line with the announcement in the 2024 Annual Report, the target dividend for the year to 31 March 2025 is 7.80 pence per share[1].

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

RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Half-year Report and condensed unaudited interim financial statements in accordance with applicable regulations.

We confirm that to the best of our knowledge:

- the condensed unaudited interim financial statements have been prepared in accordance with United Kingdom adopted International Accounting Standard 34 Interim Financial Reporting and in accordance with the accounting policies set out in the audited Annual Report to 31 March 2024; and
- the Chair's statement and Investment Manager's report meet the requirements of an interim management report and include a fair review of the information required by:
  (a) DTR 4.2.7R, being an indication of important events during the first six months of the financial year and their impact on the condensed unaudited interim financial statements and a description of principal risks and uncertainties for the remaining six months of the year; and
  (b) DTR 4.2.8R, being the disclosure of related parties' transactions that have taken place during the first six months of the financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

The Board is 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.

This responsibility statement was approved by the Board of Directors on 20 November 2024 and is signed on its behalf by:

Ed Warner
Chair
20 November 2024

INDEPENDENT REVIEW REPORT

to Foresight Environmental Infrastructure Limited

Conclusion

We have been engaged by Foresight Environmental Infrastructure Limited (formerly known as JLEN Environmental Assets Group Limited) (the "Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2024 of the Company, which comprises the condensed unaudited statement of financial position, the condensed unaudited income statement, the condensed unaudited statement of changes in equity, the condensed unaudited cash flow statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2024 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE (UK) 2410") issued by the Financial Reporting Council for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the scope of review section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Company to cease to continue as a going concern, and the above conclusions are not a guarantee that the Company will continue in operation.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2(a), the annual financial statements of the Company are prepared in accordance with UK-adopted international accounting standards. The Directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 Interim Financial Reporting.

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

Our responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the scope of review paragraph of this report.

The purpose of our review work and to whom we owe our responsibilities
This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Barry Ryan
For and on behalf of KPMG Channel Islands Limited
Chartered Accountants, Guernsey

20 November 2024

CONDENSED UNAUDITED INCOME STATEMENT

for the six months ended 30 September 2024

	Notes	**Six months ended 30 Sep 2024 (unaudited) £'000s**	Six months ended 30 Sep 2023 (unaudited) £'000s
Operating income and (loss)/gains on fair value of investments	3	**4,213**	6,884
Operating expenses	4	**(4,750)**	(5,018)
Operating (loss)/profit		**(537)**	1,866
(Loss)/profit before tax		**(537)**	1,866
Tax	5	**—**	—
(Loss)/profit for the period		**(537)**	1,866
(Losses)/earnings per share			
Basic and diluted (pence)	7	**(0.1)**	0.3

The accompanying notes form an integral part of the condensed set of unaudited financial statements.

All results are derived from continuing operations.

There are no items of other comprehensive income in either the current or preceding period, other than the loss for the period, and therefore no separate condensed unaudited statement of comprehensive income has been presented.

CONDENSED UNAUDITED STATEMENT OF FINANCIAL POSITION

as at 30 September 2024

	Notes	**30 Sep 2024 (unaudited) £'000s**	31 Mar 2024 (audited) £'000s
Non-current assets			
Investments at fair value through profit or loss	8	**722,241**	753,572
Total non-current assets		**722,241**	753,572

Current assets			
Trade and other receivables	9	**38**	25
Cash and cash equivalents		**193**	271
Total current assets		**231**	296
Total assets		**722,472**	753,868
Current liabilities			
Trade and other payables	10	**(2,335)**	(2,654)
Total current liabilities		**(2,335)**	(2,654)
Total liabilities		**(2,335)**	(2,654)
Net assets		**720,137**	751,214
Equity			
Share capital account	12	**664,401**	664,401
Treasury shares		**(5,179)**	—
Retained earnings	13	**60,915**	86,813
Equity attributable to owners of the Company		**720,137**	751,214
Net assets per share (pence per share)		**109.8**	113.6

The accompanying notes form an integral part of the condensed set of unaudited financial statements.

The condensed set of unaudited financial statements were approved by the Board of Directors and authorised for issue on 20 November 2024.

They were signed on its behalf by:

Ed Warner
Chair

Stephanie Coxon
Director

CONDENSED UNAUDITED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2024

		Six months ended 30 Sep 2024 (unaudited)			
	Notes	**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 for the period	13	**—**	**—**	**(537)**	**(537)**
Purchase of treasury shares		**—**	**(5,179)**	**—**	**(5,179)**
Dividends paid	6	**—**	**—**	**(25,361)**	**(25,361)**
Balance at 30 September 2024		**664,401**	**(5,179)**	**60,915**	**720,137**

		12 months ended 31 Mar 2024 (audited)			
	Notes	Share capital account £'000s	Treasury shares £'000s	Retained earnings £'000s	Total £'000s
Balance at 1 April 2023		664,401	—	150,167	814,568
Loss and total comprehensive income for the period		—	—	(13,937)	(13,937)
Dividends paid		—	—	(49,417)	(49,417)
Balance at 31 March 2024		664,401	—	86,813	751,214

		Six months ended 30 Sep 2023 (unaudited)			
	Notes	Share capital account £'000s	Treasury shares £'000s	Retained earnings £'000s	Total £'000s
Balance at 1 April 2023		664,401	—	150,167	814,568
Profit and total comprehensive income for the period	13	—	—	1,866	1,866
Dividends paid	6	—	—	(24,345)	(24,345)
Balance at 30 September 2023		664,401	—	127,688	792,089

The accompanying notes form an integral part of the condensed set of unaudited financial statements.

CONDENSED UNAUDITED CASH FLOW STATEMENT

for the six months ended 30 September 2024

	Notes	**Six months ended 30 Sep 2024 (unaudited) £'000s**	Six months ended 30 Sep 2023 (unaudited) £'000s
(Loss)/profit for the period		**(537)**	1,866
Adjustments for:			
Interest received		**(15,744)**	(15,701)
Dividends received		**(19,800)**	(13,800)
Net loss on investments at fair value through profit or loss		**31,331**	22,617
Operating cash flows before movements in working capital		**(4,750)**	(5,018)
(Increase)/decrease in receivables		**(13)**	38
(Decrease)/increase in payables		**(319)**	82
Net cash outflow from operating activities		**(5,082)**	(4,898)
Investing activities			
Interest received		**15,744**	15,701
Dividends received		**19,800**	13,800
Net cash generated from investing activities		**35,544**	29,501
Financing activities			
Purchase of treasury shares	12	**(5,179)**	—
Dividends paid	6	**(25,361)**	(24,345)
Net cash outflow from financing activities		**(30,540)**	(24,345)
Net (decrease)/increase in cash and cash equivalents		**(78)**	258
Cash and cash equivalents at beginning of period		**271**	143
Cash and cash equivalents at end of period		**193**	401

The accompanying notes form an integral part of the condensed set of unaudited financial statements.

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

for the six months ended 30 September 2024

1. General information

Foresight Environmental Infrastructure Limited (the "Company" or "FGEN", formerly known as JLEN Environmental Assets Group Limited, "JLEN") 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 condensed unaudited interim financial statements of the Company are for the six-month period ended 30 September 2024 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", formerly known as JLEN Environmental Assets Group (UK) Limited) is measured at fair value as detailed in the significant 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 condensed unaudited interim financial statements, which give a true and fair view, were approved and authorised for issue by the Board of Directors on 20 November 2024. The condensed unaudited interim financial statements included in this Half-year Report have been prepared in accordance with UK-adopted International Accounting Standard 34 "Interim Financial Reporting".

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 30 September 2024 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 condensed unaudited interim financial statements incorporate the financial statements of the Company only.

The accounting policies and significant judgements are consistent with those used in the latest audited financial statements to 31 March 2024 and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 March 2024.

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.

The valuation is 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. Assets under construction 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.

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 30 September 2024 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 a leading independent market consultant's long-term projections.

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 15.

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 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 8 and sensitivity analysis is disclosed in note 15.

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 the inflation rate is disclosed in note 15.

(b) Going concern
The Directors, in their assessment of the Company's going concern, have reviewed comprehensive cash flow forecasts prepared by the Company's Investment Manager, Foresight Group. These forecasts, based on prudent market data and a reasonable worst-case scenario, form the basis of the Directors' belief that it is appropriate to prepare the interim financial statements on a going concern basis. This conclusion is further supported by an evaluation of the Company's subsidiary banking facilities.

In reaching their decision, the Directors considered several key risks, including the volatility of energy prices, the potential impact of the principal risks (as outlined in the Annual Report 2024), and the possibility of another discontinuation vote in 2025.

Additionally, the Directors have assessed sustainability-related risks, including environmental, social and governance ("ESG") factors, with a particular focus on climate change. In line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), outlined in the financial disclosures in the Annual Report 2024, the Investment Manager has reviewed the portfolio's exposure to these risks. The conclusion is that such risks are not currently material to the Fund, although they continue to be monitored closely.

The Board considers the going concern assessment period of 18 months to 31 March 2026 to be appropriate. A longer period than the typical requirement of 12 months has been adopted to factor in the full payment of the September 2025 dividend.

The Directors also considered that the Company has adequate financial resources, and were mindful that the Group had unrestricted cash of £21.5 million as at 30 September 2024 and a revolving credit facility ("RCF") and uncommitted accordion facility (available until June 2027 with an uncommitted option to extend for a further year, for investment in new or existing projects and working capital) of £230 million. As at 30 September 2024, the Company's wholly owned subsidiary UK HoldCo had borrowed £113.7 million under the facility, leaving £86.3 million undrawn under the current committed amount. 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 provides the Company with the flexibility to meet its existing funding commitments to portfolio assets. Additionally, the Company has sufficient headroom in its RCF to finance its hard commitments related to construction assets within the portfolio.

The RCF covenants have been stress-tested under downside risk scenarios. These scenarios include a 10% reduction in power price projections relative to the base case, lower generation levels assuming a P90, a portion of the portfolio not yielding, and combinations of these factors. In all scenarios, including the combined downside case, the Company remained compliant with its key covenants.

At the September 2024 Annual General Meeting ("AGM"), shareholders were presented with a vote on the potential discontinuation of the Company, triggered by its share price trading at a discount of more than 10% to the Net Asset Value ("NAV") per share during the financial year. The vote from shareholders was in support for the Company to continue operations. However, the Directors noted that the share price has continued to trade at a discount to NAV since the start of the current financial year and will continue to monitor the situation, with the possibility of a future discontinuation vote remaining under consideration.

However, following the recent vote, both the Investment Manager and the Directors are confident that FGEN's discount to NAV is not directly attributable to the individual performance of FGEN, its Investment Manager, or its Board of Directors.

In light of this, the Directors are satisfied that the Company has sufficient resources to continue operating for the foreseeable future, defined as a period of no less than 12 months from the date of this report. Accordingly, they have continued to adopt the going concern basis in the preparation of these condensed interim unaudited financial statements.

(c) 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.

(d) 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.

(e) 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. Operating income and loss on fair value of investments

	Six months ended 30 Sep 2024 (unaudited) £'000s	Six months ended 30 Sep 2023 (unaudited) £'000s
Interest income	**15,744**	15,701
Dividend income	**19,800**	13,800
Net loss on investments at fair value through profit or loss	**(31,331)**	(22,617)
	4,213	6,884

4. Operating expenses

	Six months ended 30 Sep 2024 (unaudited) £'000s	Six months ended 30 Sep 2023 (unaudited) £'000s
Investment management fees	**3,974**	4,227
Directors' fees and expenses	**175**	172
Administration fee	**66**	56
Other expenses	**535**	563
	4,750	5,018

5. 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.

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 jurisdictions 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.

6. Dividends

	Six months ended 30 Sep 2024 (unaudited) £'000s	Six months ended 30 Sep 2023 (unaudited) £'000s
Amounts recognised as distributions to equity holders during the period (pence per share):		
Final dividend for the year ended 31 March 2024 of 1.89 (31 March 2023: 1.79)	**12,503**	11,842
Interim dividend for the quarter ended 30 June 2024 of 1.95 (30 June 2023: 1.89)	**12,858**	12,503
	25,361	24,345

A dividend for the quarter to 30 September 2024 of 1.95 pence per share was approved by the Board on 20 November 2024 and is payable on 27 December 2024. The dividend has not been included as a liability at 30 September 2024.

7. (Loss)/earnings per share
Earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue during the period:

	Six months ended 30 Sep 2024 (unaudited) £'000s	Six months ended 30 Sep 2023 (unaudited) £'000s
(Loss)/earnings		
(Loss)/earnings for the purposes of basic and diluted earnings per share, being net profit attributable to owners of the Company	**(537)**	1,866
Number of shares		
Time weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**660,905,560**	661,531,229

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.

	Six months ended 30 Sep 2024 (unaudited) £'000s	Six months ended 30 Sep 2023 (unaudited) £'000s
Basic and diluted (loss)/earnings per share (pence)	**(0.1)**	0.3

8. Investments at fair value through profit or loss
As set out in note 1, 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:

	30 Sep 2024 (unaudited) £'000s	31 Mar 2024 (audited) £'000s
Fair value of environmental infrastructure investments	**806,646**	891,927
Fair value of intermediate holding companies	**(84,405)**	(138,355)

Total fair value of investments	**722,241**	753,572

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 below also presents a reconciliation of the fair value of the asset portfolio to the Company's condensed unaudited statement of financial position as at 30 September 2024, by incorporating the fair value of these intermediate holding companies.

	Six months to 30 Sep 2024 (unaudited)			Year to 31 Mar 2024 (audited)		
	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	**891,927**	**(138,355)**	**753,572**	898,539	(81,739)	816,800
Acquisitions						
Portfolio of assets acquired/further investment	**15,933**	**—**	**15,933**	69,221	—	69,221
Disposal of assets	**(68,496)**	**—**	**(68,496)**	—	—	—
	(52,563)	**—**	**(52,563)**	69,221	—	69,221
Growth in portfolio[1]	**13,905**	**—**	**13,905**	11,181	—	11,181
Cash yields from portfolio to intermediate holding companies	**(46,623)**	**46,623**	**—**	(87,014)	87,014	—
Yields from intermediate holding companies						
Interest on loan notes[1]	**—**	**(15,744)**	**(15,744)**	—	(31,401)	(31,401)
Dividends from UK HoldCo to the Company[1]	**—**	**(19,800)**	**(19,800)**	—	(28,000)	(28,000)
	—	**(35,544)**	**(35,544)**	—	(59,401)	(59,401)
Other movements						
Investment in working capital in UK HoldCo	**—**	**7,010**	**7,010**	—	(13,425)	(13,425)
Administrative expenses borne by intermediate holding companies[1,2]	**—**	**(9,692)**	**(9,692)**	—	(15,008)	(15,008)
Drawdown of UK HoldCo revolving credit facility borrowings	**—**	**45,553**	**45,553**	—	(55,796)	(55,796)
Fair value of the Company's investment in UK HoldCo	**806,646**	**(84,405)**	**722,241**	891,927	(138,355)	753,572

1. The net loss on investments at fair value through profit or loss for the period ended 30 September 2024 is £31,331,000 (year ended 31 March 2024: loss of £63,228,000). This, together with interest received on loan notes of £15,744,000 (year ended 31 March 2024: £31,401,000) and dividend income of £19,800,000 (year ended 31 March 2024: £28,000,000) comprises operating income in the condensed unaudited income statement.
2. Administrative expenses borne by intermediate holding companies includes the payment of the Electricity Generator Levy.

The balances in the table above represent the total net movement in the fair value of the Company's investment. The "cash, working capital and debt in intermediate holding companies" 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 30 September 2024. 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.

Assets under construction are valued at cost (which is deemed to approximate fair value) 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 valuation techniques and methodology have been applied consistently with the valuation performed in the Company's latest annual audited financial statements.

Discount rates applied to the operating portfolio of assets range from 7.0% to 18.3% (weighted average 9.5%) (at 31 March 2024: from 7.0% to 17.7% – weighted average 9.4%).

The following economic assumptions were used in the discounted cash flow valuations:

	30 Sep 2024 (unaudited)	31 Mar 2024 (audited)
UK – RPI inflation rates	**3.5% for 2024, 3% to 2030 and 2.25% thereafter**	3.5% for 2024, decreasing to 3% until 2030, decreasing to 2.25% from 2031
Italy – inflation rates	**2% flat rate**	2.0% from 2024 onwards
UK – deposit interest rates	**2.0% for the life of each asset**	2.0% from 2024 onwards
Italy – deposit rates	**0%**	0%
UK – corporation tax rates	**25%**	25% from April 2024 onwards
Italy – corporation tax rates	**National rate of 24%, plus applicable regional premiums**	National rate of 24%, plus applicable regional premiums
Euro/sterling exchange rate	**1.20**	1.17

Refer to note 15 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 revolving credit facility debt; therefore, the Directors consider the fair value to be equal to the book values.

Details of investments made during the period

During the period, £0.9 million was invested in CNG Foresight Limited. The portfolio holds 13 natural gas refuelling stations in operation and two in construction phase.

The Group also invested £7.2 million into the Rjukan project, £2.9 million into Cramlington, £1.1 million into Vulcan gas, £1.2 million into the CE Glasshouse project, €2.9 million into FEIP and £0.6 million to other projects.

In August 2024, the Company announced the successful completion of the sale of 51% of its 45.9MW portfolio across six anaerobic digestion ("AD") sites in the UK to Future Biogas, for a total consideration of £68.1 million (the amount includes £0.2 million in stamp duty). FGEN will retain a 49% ownership stake in the AD portfolio, along with its interests in three additional AD assets that were not included in the transaction.

9. Trade and other receivables

	30 Sep 2024 (unaudited) £'000s	31 Mar 2024 (audited) £'000s
Prepayments	**38**	25
Closing balance	**38**	25

10. Trade and other payables

	30 Sep 2024 (unaudited) £'000s	31 Mar 2024 (audited) £'000s
Accruals	**2,335**	2,654
Closing balance	**2,335**	2,654

The accruals balance for the period ended 30 September 2024 includes an amount of £1,955,000 for the investment management fee for the quarter to 30 September 2024, payable to Foresight Group LLP.

11. Loans and borrowings

The Company had no outstanding loans or borrowings at 30 September 2024 (31 March 2024: none), as shown in the Company's condensed unaudited statement of financial position.

As at 30 September 2024, the Company held loan notes of £348.9 million which were issued by UK HoldCo (31 March 2024: outstanding amount of £348.9 million).

As at 30 September 2024, UK HoldCo had an outstanding balance of £113.7 million under a revolving credit facility (31 March 2024: £159.3 million). The loan bears interest between 205 bps and 215 bps over SONIA (Sterling Overnight Index Average) for sterling drawings and Euribor (Euro Interbank Offered Rate) for euro drawings. £44.4 million of the revolving credit facility balance was repaid during the period with the intention for the balance to be reduced further using available proceeds from asset disposals or future capital raises.

There were no other outstanding loans or borrowings in either the Company, UK HoldCo or HWT at 30 September 2024.

12. Share capital account

	30 Sep 2024 (unaudited)		
	Ordinary shares	**Treasury shares**	**£'000s**
Opening balance	**661,531,229**	**—**	**664,401**
Purchase of treasury shares	**—**	**(5,485,089)**	**(5,179)**
Closing balance	**661,531,229**	**(5,485,089)**	**659,222**

	31 Mar 2024 (audited)		
	Ordinary shares	Treasury shares	£'000s
Opening balance	661,531,229	—	664,401
Purchase of treasury shares	—	—	—
Closing balance	661,531,229	—	664,401

The number of voting shares at 30 September 2024 was 656,046,140 (total shares in issue 661,531,229 less 5,485,089 shares kept in treasury as a result of the share buyback programme that started on 30 August 2024).

13. Retained earnings

	30 Sep 2024 (unaudited) £'000s	31 Mar 2024 (audited) £'000s
Opening balance	**86,813**	150,167
Loss for the period/year	**(537)**	(13,937)
Dividends paid	**(25,361)**	(49,417)
Closing balance	**60,915**	86,813

14. 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 8. 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 is the Company's Investment Manager. Foresight's appointment as Investment Manager is governed by an Investment Management Agreement.

For the period under review, Foresight Group was entitled to a base fee equal to:

a) 1.0% per annum of the Adjusted Portfolio Value[1] of the Fund[2] up to and including £500 million; and
b) 0.8% per annum of the Adjusted Portfolio Value of the Fund in excess of £500 million.

The total Investment Manager fee charged to the condensed unaudited income statement for the six months ended 30 September 2024 was £3,974,000 (six-month period ended 30 September 2023: £4,227,000) of which £1,955,000 remained payable as at 30 September 2024 (31 March 2024: £2,147,000).

1. Adjusted Portfolio Value is defined in the Investment Management Agreement as:
    a. the fair value of the investment portfolio; plus
    b. any cash owned by or held to the order of the Fund; plus
    c. the aggregate amount of payments made to shareholders by way of dividend in the quarterly period ending on the relevant valuation day, less
  i. any other liabilities of the Fund (excluding borrowings); and

ii. any uninvested cash.

2. 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.

The Board has approved a reduction in the management fee payable to Foresight Group LLP by changing the basis of calculating the fee from adjusted NAV to NAV. With effect from 1 October 2024 the management fee will be calculated as follows:

a) 0.95% per annum of the portfolio Net Asset Value of the Fund[2] up to and including £500 million;
b) 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
c) 0.75% per annum of the portfolio Net Asset Value of the Fund in excess of £1 billion.

Other transactions with related parties
The Directors of the Company, who are considered to be key management, received fees for their services for the six-month period of £173,085 (six-month period ended 30 September 2023: £167,250). The Directors were paid expenses of £1,947 in the six-month period (six-month period ended 30 September 2023: £4,907).

The Directors held the following shares:

	Total number of shares held at 30 Sep 2024 (unaudited)	Total number of shares held at 31 Mar 2024 (audited)
Ed Warner	**75,000**	60,000
Alan Bates	**12,500**	12,500
Stephanie Coxon	**15,000**	15,000
Jo Harrison	**8,066**	8,066
Hans Joern Rieks	**—**	95,000
Nadia Sood	**—**	—

All of the above transactions were undertaken on an arm's length basis. Hans Joern Rieks retired from the Board on 13 September 2024.

The Directors were paid dividends in the period of £5,465 (six-month period ended 30 September 2023: £7,013).

15. Financial instruments

Financial instruments by category
The Company held the following financial instruments at 30 September 2024. There have been no transfers of financial instruments between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

	30 Sep 2024 (unaudited)				
	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)	**—**	**—**	**722,241**	**—**	**722,241**
Current assets					
Trade and other receivables	**—**	**38**	**—**	**—**	**38**
Cash and cash equivalents	**193**	**—**	**—**	**—**	**193**
Total financial assets	**193**	**38**	**722,241**	**—**	**722,472**
Current liabilities					
Trade and other payables	**—**	**—**	**—**	**(2,335)**	**(2,335)**
Total financial liabilities	**—**	**—**	**—**	**(2,335)**	**(2,335)**
Net financial instruments	**193**	**38**	**722,241**	**(2,335)**	**720,137**

	31 Mar 2024 (audited)				
	Cash and cash balances	Financial assets held at amortised cost	Financial assets at fair value through profit or loss	Financial liabilities at amortised cost	Total

	£'000s	£'000s	£'000s	£'000s	£'000s
Non-current assets					
Investments at fair value through profit or loss (Level 3)	—	—	753,572	—	753,572
Current assets					
Trade and other receivables	—	25	—	—	25
Cash and cash equivalents	271	—	—	—	271
Total financial assets	271	25	753,572	—	753,868
Current liabilities					
Trade and other payables	—	—	—	(2,654)	(2,654)
Total financial liabilities	—	—	—	(2,654)	(2,654)
Net financial instruments	271	25	753,572	(2,654)	751,214

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 to closing balances of the investments at fair value through profit or loss is given in note 8.

The fair value of the investments at fair value through profit or loss includes the use of Level 3 inputs. Please refer to note 8 for details on the valuation methodology.

Sensitivity analysis of the portfolio
The sensitivity of the portfolio to movements in the discount rate is as follows:

30 Sep 2024 (unaudited)			
Discount rate	**Minus 0.5%**	**Base 9.5%**	**Plus 0.5%**
Change in portfolio valuation	**Increases £18.2m**	**£806.6m**	**Decreases £18.1m**
Change in NAV per share	**Increases 2.8p**	**109.8p**	**Decreases 2.8p**

31 Mar 2024 (audited)			
Discount rate	Minus 0.5%	Base 9.4%	Plus 0.5%
Change in portfolio valuation	Increases £20.7m	£891.9m	Decreases £19.8m
Change in NAV per share	Increases 3.1p	113.6p	Decreases 3.0p

The sensitivity of the portfolio to movements in inflation rates is as follows:

30 Sep 2024 (unaudited)			
Inflation rates	**Minus 0.5%**	**Base 3.5% (2024), 3% (to 2030), then 2.25% thereafter**	**Plus 0.5%**
Change in portfolio valuation	**Decreases £21.9m**	**£806.6m**	**Increases £21.6m**
Change in NAV per share	**Decreases 3.3p**	**109.8p**	**Increases 3.3p**

31 Mar 2024 (audited)			
Inflation rates	Minus 0.5%	Base 3.5% (2024), then 3% to 2030, then 2.25%	Plus 0.5%
Change in portfolio valuation	Decreases £18.9m	£891.9m	Increases £19.3m
Change in NAV per share	Decreases 2.9p	113.6p	Increases 2.9p

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:

30 Sep 2024 (unaudited)			
Energy yield: wind	**P90 (10 year)**	**Base P50**	**P10 (10 year)**
Change in portfolio valuation	**Decreases £27.7m**	**£806.6m**	**Increases £26.8m**

Change in NAV per share	**Decreases 4.2p**	**109.8p**	**Increases 4.1p**
Energy yield: solar	**P90 (10 year)**	**Base P50**	**P10 (10 year)**
Change in portfolio valuation	**Decreases £8.3m**	**£806.6m**	**Increases £8.2m**
Change in NAV per share	**Decreases 1.3p**	**109.8p**	**Increases 1.3p**
Energy yield: hydro	**P90 (10 year)**	**Base P50**	**P10 (10 year)**
Change in portfolio valuation	**Decreases £1.3m**	**£806.6m**	**Increases £1.4m**
Change in NAV per share	**Decreases 0.2p**	**109.8p**	**Increases 0.2p**

31 Mar 2024 (audited)			
Energy yield: wind	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £28.3m	£891.9m	Increases £27.0m
Change in NAV per share	Decreases 4.3p	113.6p	Increases 4.1p
Energy yield: solar	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £9.3m	£891.9m	Increases £9.5m
Change in NAV per share	Decreases 1.4p	113.6p	Increases 1.4p
Energy yield: hydro	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £1.3m	£891.9m	Increases £1.4m
Change in NAV per share	Decreases 0.2p	113.6p	Increases 0.2p

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. 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. 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:

30 Sep 2024 (unaudited)			
Energy prices	**Minus 10%**	**Base**	**Plus 10%**
Change in portfolio valuation	**Decreases £39.0m**	**£806.6m**	**Increases £41.1m**
Change in NAV per share	**Decreases 5.9p**	**109.8p**	**Increases 6.3p**

31 Mar 2024 (audited)			
Energy prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Decreases £37.4m	£891.9m	Increases £37.0m
Change in NAV per share	Decreases 5.7p	113.6p	Increases 5.6p

Waste & bioenergy assets (excluding Bio Collectors) do not have significant volume and price risks and therefore are not included in the above volume and price sensitivities.

In line with FGEN's original investment case for anaerobic digestion, the Company continues to apply the conservative valuation assumption that facilities will simply cease to operate beyond the life of their RHI tariff. The Investment Manager has seen a growing case of evidence, including several transactional datapoints, pointing towards a positive change in market sentiment for valuing these assets – including the potential to run anaerobic digestion facilities on an unsubsidised basis.

In light of this change, the Investment Manager has provided a sensitivity extending the useful economic lives of its AD portfolio by up to five years – capped at the duration of land rights already in place. Such an extension would result in an uplift in the portfolio valuation of £21.9 million (3.3 pence per share).

The sensitivity of the portfolio to movements in AD feedstock prices is as follows:

30 Sep 2024 (unaudited)			
Feedstock prices	**Minus 10%**	**Base**	**Plus 10%**
Change in portfolio valuation	**Increases £7.0m**	**£806.6m**	**Decreases £7.0m**
Change in NAV per share	**Increases 1.1p**	**109.8p**	**Decreases 1.1p**

31 Mar 2024 (audited)			
Feedstock prices	Minus 10%	Base	Plus 10%

Change in portfolio valuation	Increases £8.7m	£891.9m	Decreases £8.9m
Change in NAV per share	Increases 1.3p	113.6p	Decreases 1.3p

The sensitivity of the portfolio to movements in corporation tax rates is as follows:

30 Sep 2024 (unaudited)			
Corporation tax	**Minus 2%**	**Base 25%**	**Plus 2%**
Change in portfolio valuation	**Increases £13.4m**	**£806.6m**	**Decreases £12.7m**
Change in NAV per share	**Increases 2.0p**	**109.8p**	**Decreases 1.9p**

31 Mar 2024 (audited)			
Corporation tax	Minus 2%	Base 25%	Plus 2%
Change in portfolio valuation	Increases £13.6m	£891.9m	Decreases £13.9m
Change in NAV per share	Increases 2.1p	113.6p	Decreases 2.1p

Euro/sterling exchange rate sensitivity

As the proportion of the portfolio assets with cash flows denominated in euros represents a small proportion of the portfolio value at 30 September 2024, the Directors consider the sensitivity to changes in euro/sterling exchange rates to be insignificant.

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.

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 a sensitivity illustrating an assumed 10% change in all uncontracted revenues for each year of the asset lives. An increase in uncontracted revenues of 10% would result in an upward movement in the portfolio valuation of £18.3 million (2.8 pence per share) compared to a decrease in value of £14.2 million (2.2 pence per share) if those revenues were reduced by the same amount.

16. Guarantees and other commitments

As at 30 September 2024, the Company has provided a guarantee over the Company's wholly owned subsidiary UK HoldCo's obligations under the £200 million revolving credit facility refinanced on 13 June 2024 with a three-year agreement with ING, HSBC, National Australia Bank, Royal Bank of Scotland International and Clydesdale Bank. The contract includes an uncommitted accordion facility of up to £30 million and an uncommitted option to extend for a further year.

As at 30 September 2024, the Group has the following future investment obligations over a 12-month horizon: €4.5 million (equivalent to £3.8 million) to FEIP, £1.6 million to the CNG Foresight project, £4.1 million to the CE Rjukan project, £2.7 million to the Cramlington capex programme, £3.9 million to Sandridge battery storage, £1.2 million to Vulcan gas shipping, £0.3 million into Vulcan D2 feeder value enhancements, £0.7 million in working capital loans for AD assets and £0.7 million in various small projects.

The Company had no other commitments or guarantees.

17. 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)":

Subsidiaries	Category	Place of business	Registered office	Ownership interest	Voting rights
Foresight Environmental Infrastructure (UK) Limited[1]	Intermediate holding	UK	A	100%	100%
HWT Limited	Intermediate holding	UK	B	100%	100%
JLEAG Solar 1 Limited	Operating subsidiary	UK	C	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	D	100%	100%
Amber Solar Park Limited	Operating subsidiary	UK	D	100%	100%
Bilsthorpe Wind Farm Limited	Operating subsidiary	UK	E	100%	100%
Ferndale Wind Limited	Project holding company	UK	L	100%	100%
Castle Pill Wind Limited	Project holding company	UK	L	100%	100%
Wind Assets LLP	Operating subsidiary	UK	E	100%	100%

Hall Farm Wind Farm Limited	Operating subsidiary	UK	E	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	E	100%	100%
Wear Point Wind Limited	Operating subsidiary	UK	E	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	E	100%	100%
New Albion Wind Limited	Operating subsidiary	UK	E	100%	100%
Dreachmhor Wind Farm Limited	Operating subsidiary	UK	E	100%	100%
France Wind GP Germany GmbH[2]	Project holding company	DE	F	100%	100%
France Wind Germany GmbH & Co. KG[2]	Project holding company	DE	F	100%	100%
CSGH Solar Limited	Project holding company	UK	A	100%	100%
CSGH Solar (1) Limited	Project holding company	UK	A	100%	100%
sPower Holdco 1 (UK) Limited	Project holding company	UK	D	100%	100%
sPower Finco 1 (UK) Limited	Project holding company	UK	D	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	UK	D	100%	100%
Golden Hill Solar Limited	Operating subsidiary	UK	A	100%	100%
Shoals Hook Solar (UK) Limited	Operating subsidiary	UK	A	100%	100%
CGT Investment Limited	Project holding company	UK	G	100%	100%
CWMNI GWYNT TEG CYF	Operating subsidiary	UK	G	100%	100%
Moelogan 2 (Holdings) Cyfyngedig	Project holding company	UK	G	100%	100%
Moelogan 2 C.C.C.	Operating subsidiary	UK	G	100%	100%
Llynfi Afan Renewable Energy Park Limited	Operating subsidiary	UK	E	100%	100%
Bio Collectors Holdings Limited	Project holding company	UK	J	100%	100%
Bio Collectors Limited	Operating subsidiary	UK	J	100%	100%
Riverside Bio Limited	Operating subsidiary	UK	J	100%	100%
Riverside AD Limited	Operating subsidiary	UK	J	100%	100%
Yorkshire Hydropower Holdings Limited	Project holding company	UK	E	100%	100%
Yorkshire Hydropower Limited	Operating subsidiary	UK	E	100%	100%
Northern Hydropower Holdings Limited	Project holding company	UK	E	100%	100%
Northern Hydropower Limited	Operating subsidiary	UK	E	100%	100%
Codford Biogas Limited	Operating subsidiary	UK	M	100%	100%
Rainworth Energy Limited	Operating subsidiary	UK	K	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	L	100%	100%
Fryingdown Solar Park Limited	Non-trading entity	UK	D	100%	100%
Five Oaks Solar Park Limited	Non-trading entity	UK	D	100%	100%
Warren Power Limited	Project holding company	UK	H	100%	100%
ELWA Holdings Limited	Project holding company	UK	L	80%	80%
ELWA Limited[3]	Operating subsidiary	UK	L	80%	81%[3]
Green Gas Oxon Limited	Project holding company	UK	I	52.6%	52.6%
Icknield Gas Limited	Operating subsidiary	UK	I	52.6%	52.6%
Cross Solar PV Limited	Operating subsidiary (dormant)	UK	C	100%	100%
Domestic Solar Limited	Operating subsidiary (dormant)	UK	C	100%	100%
Residential PV Trading Limited	Operating subsidiary (dormant)	UK	C	100%	100%

1. Foresight Environmental Infrastructure (UK) Limited (“UK HoldCo”, formerly known as JLEN Environmental Assets Group (UK) Limited).
2. Underlying French wind assets were disposed of in January 2022.
3. ELWA Holdings Limited holds 81% of the voting rights and a 100% share of the economic benefits in ELWA Limited.

Associates	Category	Place of business	Registered office	Ownership interest	Voting rights
Foresight Biomass Holding Italy S.r.l.	Project holding company	IT	N	45%	45%
Energie Tecnologie Ambiente S.r.l.	Operating associate	IT	N	45%	45%
Foresight Rjukan Holding Limited	Project holding company	UK	A	43%	43%
Catchment Tay Holdings Limited	Project holding company	UK	O	33.3%	33.3%

Catchment Tay Limited	Operating associate	UK	O	33.3%	33.3%
Foresight Hydrogen HoldCo GmbH	Project holding company	DE	P	40.1%	40.1%
Hima Seafood Rjukan AS	Operating associate	NO	Q	25%	25%
HH2E Werk Thierbach GmbH	Operating associate	DE	R	23%	23%
HH2E Werk Lubmin GmbH	Operating associate	DE	R	23%	23%
HH2E AG	Project holding company	DE	R	23%	23%
Sandridge Battery Storage Limited	Operating associate	UK	A	50%	50%
Clayfords Energy Storage Limited	Operating associate	UK	S	50%	50%
AD Holdco 1 Limited	Project holding company	UK	H	49%	49%
Egmere Energy Limited	Operating associate	UK	H	49%	49%
Warren Energy Limited	Operating associate	UK	H	49%	49%
Vulcan Renewables Limited	Operating associate	UK	H	49%	49%
Grange Farm Energy Limited	Operating associate	UK	H	49%	49%
Merlin Renewables Limited	Operating associate	UK	H	49%	49%
Biogas Meden Limited	Operating associate	UK	H	49%	49%
Foresight Battery Storage Holdings Limited	Project holding company	UK	A	50%	50%
Lunanhead Energy Storage Limited	Operating associate	UK	A	50%	50%
JLEAG AD Limited	Project holding company	UK	A	49%	49%
Peacehill Gas Limited	Operating associate	UK	T	49%	49%
CNG Foresight Holdings Limited	Project holding company	UK	A	25%	25%
CNG Foresight Limited	Operating associate	UK	U	25%	25%
CNG Newton Aycliffe Limited	Operating associate	UK	U	25%	25%
CNG Eurocentral Limited	Operating associate	UK	U	25%	25%
CNG Avonmouth North Limited	Operating associate	UK	U	25%	25%
CNG Corby Limited	Operating associate	UK	U	25%	25%
CNG Doncaster Limited	Operating associate	UK	U	25%	25%
CNG Bracknell Limited	Operating associate	UK	U	25%	25%
CNG Bangor Limited	Operating associate	UK	U	25%	25%
CNG Aylesford Limited	Operating associate	UK	U	25%	25%
CNG Station Holdings Limited	Operating associate	UK	U	25%	25%
CNG Leyland Limited	Operating associate	UK	U	25%	25%
CNG Knowsley Limited	Operating associate	UK	U	25%	25%
CNG Castleford Limited	Operating associate	UK	U	25%	25%
Lavant Down Northampton Limited	Operating associate	UK	U	25%	25%
Oxford Erdington Limited	Operating associate	UK	U	25%	25%
Hams Warrington Limited	Operating associate	UK	U	25%	25%
Nexus Newark Limited	Operating associate	UK	U	25%	25%

Registered offices

A) The Shard, C/O Foresight Group Llp, 32 London Bridge Street, London, SE1 9SG
B) 50 Lothian Road, Festival Square, Edinburgh, Midlothian, EH3 9WJ
C) 1 Filament Walk, Suite 203, Wandsworth, London, SW18 4GQ
D) The Long Barn, Manor Courtyard, Stratton-On-The-Fosse, Radstock, BA3 4QF
E) C/O RES White Limited, Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire, WD4 8LR
F) Steinweg 3-5, Frankfurt Am Main, 60313, Germany
G) Cae Sgubor Ffordd Pennant, Eglwysbach, Colwyn Bay, Conwy, LL28 5UN
H) 10-12 Frederick Sanger Road, Guildford, Surrey, GU2 7YD
I) Friars Ford, Manor Road, Goring, Reading, RG8 9EL
J) 10 Osier Way, Mitcham, Surrey, CR4 4NF
K) C/O Material Change, The Amphenol Building, 46-50 Rutherford Drive, Park Farm Industrial Estate, Wellingborough, NN8 6AX
L) 8 White Oak Square, London Road, Swanley, BR8 7AG
M) C/O External Services Limited, 20 Central Avenue, St Andrews Business Park, Norwich, NR7 0HR
N) Piazza Barberini 52, 00187, Rome, Italy
O) C/O Infrastructure Managers Limited, 2nd Floor Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN
P) C/O Intertrust (Deutschland) GmbH, Eschersheimer Landstraße 14, 60322 Frankfurt am Main
Q) Skriugata 26, 3660, Rjukan
R) Kaiser-Wilhelm-Straße 93, 20355 Hamburg
S) Foresight Group LLP, Clarence House, 133 George Street, Edinburgh, EH2 4JS
T) Peacehill Farm, Wormit, Fife, DD6 8PJ
U) C/O Flb Accountants Llp, 1010 Eskdale Road, Winnersh Triangle, Wokingham, RG41 5TS

18. Events after statement of financial position

A dividend for the quarter ended 30 September 2024 of 1.95 pence per share was approved by the Board on 20 November 2024. Please refer to note 6 for further details.

The interim dividend will be paid on 27 December 2024.

Since the date of the condensed unaudited statement of financial position, 4,913,591 of the Company's shares were bought back for the total consideration of £4.2 million and average price paid of 84.92 pence per share.

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 Company)	Since IPO: closing share price as at 30 September 2024 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, expressed as a percentage	**69.4%** (HY23: 70.1%)	Calculation for total shareholder return since IPO: closing share price as at 30 September 2024 as per key investments metrics on page 42 in the Company's Half-year Report 2024, plus all dividends since IPO assumed reinvested, divided by the share price at IPO, expressed as a percentage
		Annualised: closing share price as at 30 September 2024 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	**5.1% annualised** (HY23: 5.7%)	Calculation for annualised total shareholder return: closing share price as at 30 September 2024 as per key investment metrics on page 42 in Half-year Report 2024 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	**109.8 pence** (FY24: 113.6 pence)	The calculation divides the net assets as per the statement of financial position on page 49 in Half-year Report 2024 by the closing number of ordinary shares in issue as per note 12 on page 58 in Half-year Report 2024
Market capitalisation	Provides an indication of the size of the Company	Closing share price as at 30 September 2024 multiplied by the closing number of ordinary shares in issuance	**£595.4 million** (FY24: £619.9 million)	The calculation uses the closing share price as at 30 September 2024 as per the key investment metric table on page 42 in Half-year Report 2024 and the closing number of ordinary shares as per note 12 of the financial statements on page 58 in Half-year Report 2024
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	**£1,010.5 million** (FY24: £1,091.8 million)	This is the total debt (RCF drawn: £113.7 million plus project level debt: £176.6 million) plus the Net Asset Value as per the statement of financial position on page 49 in Half-year Report 2024
Gearing	Ascertain financial risk in the Group's balance sheet	Total debt of the Group and underlying investments as a percentage of GAV	**28.7%** (HY23: 28.7%)	The calculation uses the total debt (RCF drawn: £113.7 million plus project level debt: £176.6 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	**£46.6 million** (HY23: £46.2 million)	As per "Cash flows of the Group for the period", also titled "Cash distributions from environmental infrastructure

				investments" on page 44 in Half-year Report 2024
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 period" table on page 44 in Half-year Report 2024, 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)	**£31.3 million** (HY23: £32.2 million)	Detailed breakdown as per page 44 in Half-year Report 2024 in the "Cash flows of the Group for the period"
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	**1.23x** (HY23: 1.32x)	The calculation uses the cash flows from operations as per "Cash flows of the Group for the period" on page 44 in Half-year Report 2024 and the dividends paid in cash to shareholders as per the cash flow statement on page 51 in Half-year Report 2024
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	**1.26%** (FY24: 1.24%)	Annualised ongoing charges for the period ended 30 September 2024 have been calculated as £9.3 million. The ongoing charges ratio divides this by the published average Net Asset Value over the last two quarters to the calculation date (including 30 September 2024)
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 30 September 2024 plus all dividends since IPO assumed reinvested, divided by the NAV at IPO, to the power of 1, over the number of years since IPO	**7.6%** (HY23: 8.7%)	Calculated as the closing NAV per ordinary share as per the statement of financial position on page 49 in Half-year Report 2024

[ENDS]