Foresight Solar Fund Limited

Annual Report and Financial Statements
For the year ended 31 December 2024

Foresight Solar

About us

Foresight Solar is a closed-end investment company with more than £1 billion deployed in a diversified portfolio of solar PV and battery storage assets.

The sustainability-focused fund contributes to a lower-carbon future by investing in and managing approximately 2GW of operational and under-development renewable energy infrastructure, primarily in the UK and in mainland Europe.

In this report

Chair's statement

Read more on page 6

Investment Manager's report

Read more on page 10

Sustainability

Read more on page 36

Foresight Solar Fund Limited (FSFL) was awarded the Green Economy Mark in 2019. This recognises companies that derive 50% or more of their revenues from environmental solutions.

Front cover: Paddock Wood, UK

Contents

Highlights

As at 31 December 2024

Investment objectives:

Key performance indicators (KPIs)[1]

Preserve and enhance capital value

£634.4m
Net Asset Value (NAV)
(31 December 2023: £697.9m)

112.3p
NAV per share
(31 December 2023: 118.4p)

7.4%
Annualised total NAV return since IPO
(31 December 2023: 8.0%)

3.8%
Annualised total shareholder return since IPO
(31 December 2023: 6.2%)

Deliver sustainable, progressive quarterly dividends

8.10p
Target dividend per share for 2025
(31 December 2024: 8.00p)

1.3x
Estimated net dividend cover for 2025

Develop further portfolio diversification

969MW
Operational portfolio capacity

989MWp
Proprietary development pipeline

Contribute to global decarbonisation goals

1,009GWh
Renewable electricity generated[3]
(31 December 2023: 1,094GWh)

0.31 tCO_2e/£m invested
Carbon footprint
(31 December 2023: 0.41 tCO_2e/£m)

Reliable cash generation

In a year with the lowest amount of sun hours in the UK since 2013, global portfolio performance proved resilient, confirming the 8.00 pence per share (pps) target dividend with 1.4x cover[2].

Expanded divestment target

Enhanced programme, committing to sell 75MW+ of operational capacity in addition to the Australian portfolio. Proceeds from further sales to facilitate greater liquidity for investors.

Focus on returning cash to Shareholders

Returned ~£67m to investors between buybacks and dividends in 2024. Prioritising enhanced and accelerated capital returns going forward.

Growing development pipeline

Signed joint venture agreement to develop 400MWp of BESS in Spain, doubling the proprietary pipeline. First solar project is expected to be ready to build later this year.

Strategic option consideration

Board taking a proactive approach to address investor concerns and exploring all options with support from the Investment Manager to deliver long-term solutions for Shareholders.

1. Refer to the Alternative Performance Measures (APMs) shown on page 81 for more details and definitions of the terms used in this report.
2. Net dividend cover calculated solely from operating cash flow generated in the period. (See details on page 79.)
3. Generation figures have been adjusted, where relevant, for events in which compensation has been, or will be, received.

Investment proposition

Foresight Solar invests in solar and battery storage assets to build income and drive capital growth. Underpinned by a progressive dividend, the Company can hold assets to generate cash or dispose of projects to capture the financial uplift for its Shareholders.

Income and growth

- The Company has consistently met its target of delivering steady income with a growing dividend and regular quarterly payments. Looking ahead, the development pipeline offers the potential to improve returns. As assets progress to construction and then to operation, they will provide the opportunity for FSFL to realise gains or manage them for long-term yield.

Read more on page 21

Geographic diversification

- As nations transition to lower-carbon economies, Foresight Solar's strategic focus on the UK and in mainland Europe gives Shareholders exposure to distinct support mechanisms, different regulatory frameworks and varying levels of irradiation. The continental footprint allows FSFL to, at the same time, maximise returns and mitigate risks.

Read more on page 15

Operational excellence

- Foresight Solar has outperformed its production forecasts most years since starting operations in 2013. The Investment Manager's dedicated portfolio team was involved in the initial construction efforts to ensure asset quality and has since tracked and overseen performance, maintained availability and delivered value uplifts.

Read more on page 29

Investment Manager

- Foresight Group is a leading real assets investment manager with offices in seven countries and more than 180 infrastructure professionals. The firm has the international scale and the local networks to play an important role in the adoption of renewables, support the energy transition and directly contribute to Foresight Solar's long-term success.

Read more on page 11

10.4%
dividend yield
(as at 31 December 2024)

75%
of Foresight Solar's installed capacity is in the UK

£86m
of value added from active portfolio management since IPO[1]

£10.1bn
of infrastructure assets under management[2]

1. More details on operational value added on page 31.
2. Data accurate as per Foresight Group's latest results.

Shotwick, UK

Business model

What we do

Foresight Solar is a sustainability-focused investment trust that aims to deliver progressive returns alongside long-term NAV growth by developing, building and operating utility-scale solar and battery storage assets.

How we create value

01. Identify, acquire

The Investment Manager leverages its global footprint and local networks to source opportunities at different stages of development. These are screened for suitability and potential targets are subject to due diligence to assess risks, confirm valuation assumptions and review sustainability considerations. Investment approval is multi-level and culminates with Board sign-off.

Sustainability considerations

Environmental, social and governance criteria are integral in any investment assessment. The Investment Manager undertakes a thorough analysis for every asset.

02. Develop, build

There is a focus on opportunity identification and risk mitigation to maximise risk-adjusted returns for Shareholders. The Company actively manages projects, employing strategic analyses to make development, construction and maintenance determinations with efficient balance sheet management. Foresight Solar partners with experienced counterparties to build and manage projects, and to secure future pipeline.

Sustainability considerations

Third-party service providers monitor and manage the day-to-day performance, including sustainability KPIs, of each asset in the portfolio.

03. Operate, enhance

The Company seeks to ensure optimal operational availability and maximise revenue potential. The portfolio is regularly assessed for opportunities to improve performance, both operational and financial, and to better meet sustainability objectives. The Investment Manager consistently seeks to capture the value identified for the benefit of Shareholders and a strong operational track record has delivered more than £85 million in value since listing.

Sustainability considerations

Measuring KPIs from as early as the due diligence phase, the Asset Manager is able to continually seek and execute on improvement opportunities across the portfolio.

04. Hold/exit, redeploy

Foresight Solar's strategy involves holding assets for cash yield and delivering long-term NAV growth by bringing projects from development to construction and to operation. The Company may generate additional value by selling assets at favourable prices. The Investment Manager and the Board evaluate these opportunities carefully, reviewing assets' potential to generate returns over time.

Sustainability considerations

Sales proceeds will typically be used to repay debt or to invest in assets with attractive risk-adjusted returns, including development-stage options that grow the Company's pipeline and provide upside potential.

The value we create

Financial benefits

£100.7m
distributed from underlying assets in 2024

£382m
returned to Shareholders in dividends and buybacks since IPO

Environmental benefits

1,009GWh
of clean energy generated in 2024[1]

367,504
UK homes powered for a year

351,451tCO_2e
avoided compared to country-specific grid intensity

Social benefits

£286,671
contributed to local communities in 2024

1. Generation figures have been adjusted, where relevant, for events in which compensation has been, or will be, received.

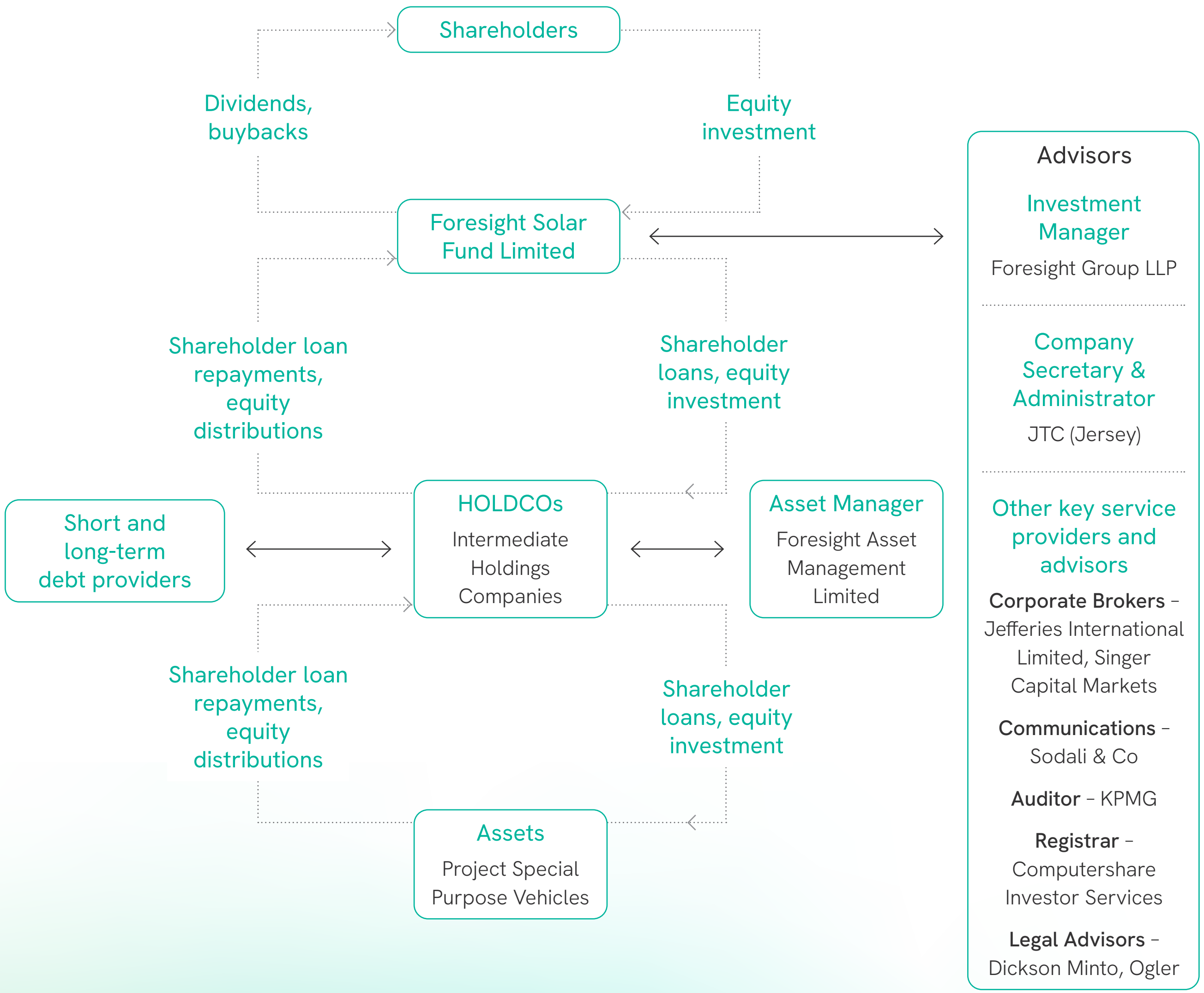
Company structure

Foresight Solar Fund Limited (FSFL) is a closed-end company with an indefinite life. It was incorporated in Jersey under the Companies (Jersey) Law 1991, as amended on 13 August 2013, with registration number 113721.

The Company's Initial Public Offering (IPO) on 24 October 2013 raised £150 million, creating the United Kingdom's (UK) largest listed solar investment company or, colloquially, investment trust, at the time. Its shares are traded on the London Stock Exchange's Main Market. The Company is also a constituent of the FTSE 250. As at 31 December 2024, there were 564,856,642 Ordinary Shares in circulation.

As an investment company, Foresight Solar has no direct employees and outsources its operations to certain key service providers. FSFL makes its investments through intermediate holding companies and underlying special purpose vehicles.

Operating structure and key service providers:



Company structure continued

Investment objective

Foresight Solar's objective is to provide investors with a sustainable, progressive quarterly dividend and enhanced capital value, whilst facilitating climate change mitigation and the transition to a lower-carbon economy.

Investment policy and strategy

The Company pursues its investment objective by acquiring, managing and selling solar and battery energy storage system (BESS) assets at different stages of maturity.

FSFL's aim is to build a diversified portfolio with majority or minority ownership. When investing in a stake of less than 100%, Foresight Solar secures its rights through shareholder agreements and other legal transaction documents. Investments may be made in equity, debt or intermediate instruments but not in securities traded on an investment exchange. To optimise returns, the Company is permitted to invest money held for working capital in cash deposits, gilts and money market funds.

Operationally, each solar power plant in the portfolio enters a power purchase agreement (PPA) with a creditworthy offtaker. Under these contracts, the special purpose vehicles (SPVs) sell electricity and, in some cases, green certificates to the buyer. Not all PPAs include mechanisms such as fixed prices or price floors, allowing the Company to retain some exposure to merchant power prices.

Investment restrictions

To diversify its portfolio and spread risk, there are limitations to Foresight Solar's investment universe and approach:

- **Geography:** Investments outside the UK are limited to 25% of Gross Asset Value (GAV)
- **Leverage:** Total gearing, calculated as overall Company borrowing as a percentage of GAV, will not exceed 50% at the time of drawdown. The Board intends to limit long-term gearing to 40% of GAV
- **Portfolio composition:** No single asset shall exceed 30% of GAV post-acquisition. If the investment is an additional stake in an existing asset, the combined value should not exceed 30%
- **Stage:** Foresight Solar is allowed to deploy no more than 5% of GAV in development-stage projects. These assets are characterised as pre-construction solar or BESS opportunities that may not yet have all necessary rights for build-out and operation, but have a delivery plan and reasonable viability to secure them. Similarly, projects under construction are limited to 25% of GAV
- **Technology:** The Company may only invest in utility-scale battery storage up to a limit of 10% of GAV

Any material change to the investment policy will require the prior approval of Shareholders by way of an ordinary resolution, in accordance with the Listing Rules.

Alternative Investment Fund Management Directive (AIFMD)

Although the Company is located outside the European Economic Area, its marketing activities in the UK are subject to regulation implemented under the AIFMD and the National Private Placement Regime.

The AIFMD, as implemented across the European Union (EU) and in the UK, aims to harmonise the regulation of Alternative Investment Fund Managers (AIFMs), as well as impose obligations on firms that manage or distribute alternative investment funds in the EU or the UK or that market shares in such funds to EU or UK investors.

Under the AIFMD, the Company is self-managed and acts as its own AIFM.

Chair's statement

"The continuing strength of Foresight Solar's performance and potential is not reflected by the current state of the renewables sector"

Alexander Ohlsson
Chair

8.10pps
dividend target for 2025

9.9%
yield as at 17 March 2025

Investors value Foresight Solar's predictable revenues, and we are proud that our operational performance has enabled us to consistently deliver that income. Despite 12 months with the lowest number of daily sun hours in the UK since listing, the Company has achieved its 2024 target aggregate dividend of 8.00 pence per share with a 1.4x cash dividend cover. The Board has also approved an aggregate dividend target for 2025 of 8.10 pence per share, representing a 9.9% prospective yield to the share price on 17 March 2025. (More information on the dividend on page 79.)

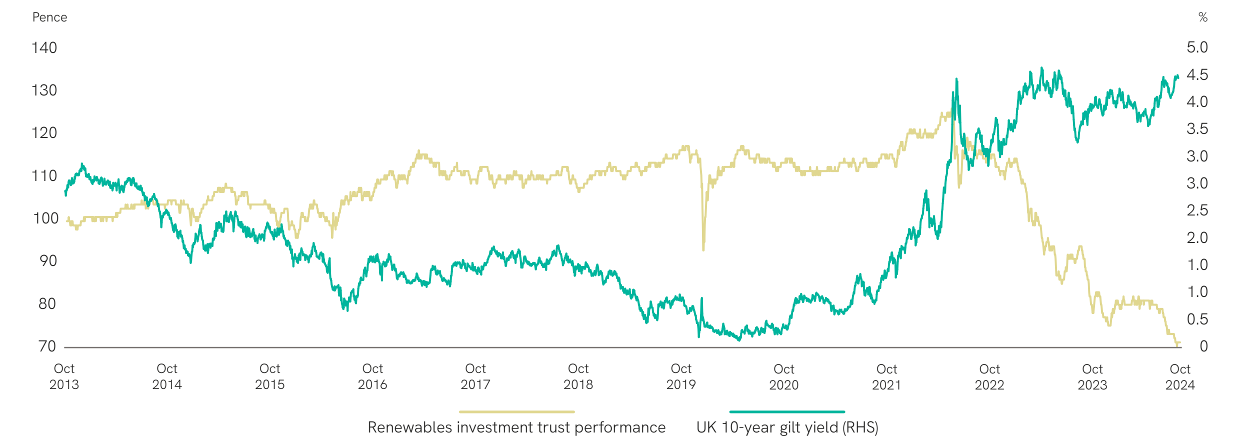
It is impossible to look forward without recognising that 2024 was a particularly difficult year for the listed investment trust sector. Whilst macroeconomic factors, including elevated interest rates, continued to dominate market sentiment, two events materially impacted investor interest in renewable energy generation and demand for listed alternative assets.

In the United Kingdom, the newly elected Labour government set out its economic plan in the Autumn Budget. The combination of higher taxes and increased spending reignited concerns over higher inflation and costs of additional borrowing amid fears of low growth.

The United States election sealed Donald Trump's return to the White House with policies that are expected to be inflationary and have knock-on effects on economies around the globe, including in the fight against climate change.

This combination resulted in bond yields rising dramatically and pushing down the price of income-oriented stocks such as those of renewable energy investment trusts. The share price of companies like Foresight Solar has generally been inversely correlated to the yield of UK 10-year government bonds, and, in this instance, it was no different. Fund outflows from the listed renewable investment trust sector driven by investor redemptions exacerbated the issue.

Renewable investment trust performance x UK 10-year bond yield



Source: FactSet, Bloomberg. Renewables Investment Trusts: AERI, BSIF, DORE, FSFL, GRID, GRP, GSEO, GSF, JLEN, NESF, ORIT, SEIT, TRIG, UKW, USF

Chair's statement continued

The share price discount relative to net asset value for investment trusts, excluding 3iN, averaged 14% in the 29 consecutive months to February 2025. The longest double-digit period since 1996. The gap was even bigger among names that make up the renewable energy infrastructure sector at 38%. Foresight Solar closed 2024 at an average discount of 24% for the year.

Operational and financial performance

The prevailing sentiment in the listed renewable sector is not reflective of Foresight Solar's underlying portfolio performance. Despite the worst year for solar resource in the Company's history, we have achieved our target dividend of 8.00pps for 2024 with strong cash cover. (More information on dividend and dividend cover calculation on page 79.)

In the 12 months to 31 December 2024, FSFL produced 1,009GWh of renewable energy, enough to power 367,504 UK homes for an entire year. Although this was 7.0% below budget, it was only the third time that the core UK portfolio underperformed expectations in 11 years of operation. (More information on the portfolio and generation from page 14.)

As the UK assets begin their second decade of operation, operational efficiency will play a key role in cash generation and capital preservation. The resilience of Foresight Solar's portfolio performance is the result of close monitoring, institutional knowledge and operational expertise. Over the life of the projects, the Asset Manager has added value of some £86 million.

The impact to our operational performance of low irradiance and lower projected power price forecasts in the British, Australian and Spanish markets were key contributors to the decrease in Net Asset Value that we reported over the year. Foresight Solar's NAV per share decreased to 112.3 pence in 2024 from 118.4 pence in 2023. (More information on the NAV on page 33.)

The predictability of FSFL's revenues is something Shareholders deeply value. Aiming to provide greater certainty on future income, the Investment Manager has been actively hedging production into the future and securing advantageous prices that provide income and dividend cover visibility. Post year end, Foresight Solar implemented NAV-accretive hedges, increasing total contracted revenues for 2025 to 88% and for 2026 to 69%, both at an average price of £86/MWh.

As elevated fixes agreed during the pandemic start to roll off in 2025 and 2026, these moves highlight Foresight Solar's commitment to providing steady, covered income to Shareholders. (More information on the active price hedging strategy on page 29.)

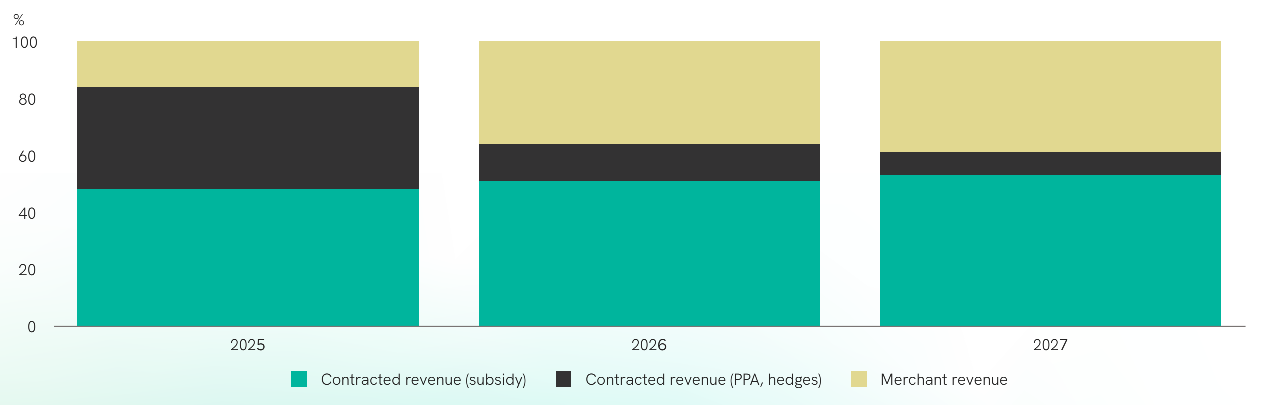
Capital allocation and corporate actions

During the year, the Board and the Investment Manager worked to try and remedy the share price discount to NAV against an increasingly challenging backdrop. We implemented actions to confirm valuations, generate cash and return capital.

We initiated the planned sale of the Australian portfolio in late 2024, a key strategic priority for us. Progress has taken longer than initially envisaged principally due to the delivery and review of third-party inputs. Whilst advancing the transaction is important, both the Board and the Investment Manager are aligned on ensuring the portfolio is best positioned in the market. Therefore, the target is now to agree a sale during the third quarter of this year.

	2025	2026	2027
Average hedged price for the UK portfolio (£/MWh)	£86	£86	£77
Proportion of contracted revenues for the global portfolio	88%	69%	62%

Revenue profile breakdown



Chair's statement continued

Capital allocation and corporate actions continued

To create additional liquidity, the Board and the Investment Manager have also agreed to extend the Company's disposal programme by divesting of at least a further 75 MW of assets. The Investment Manager anticipates preparing the relevant assets and commencing the process in the second quarter of this year, with the Board providing a hands-on role in the decision-making process.

In accordance with our ongoing capital allocation approach, proceeds from divestments will be prioritised for returning capital to investors, paying down debt and reinvesting in higher-yielding development opportunities. With certain Shareholders seeking a material return of capital, the Board envisages that proceeds from these additional sales should be used to facilitate enhanced liquidity for those seeking it.

Another key initiative has been our share buyback programme, which is one of the sector's largest relative to NAV. From May 2023, when it started, to December 2024, Foresight Solar repurchased 45.1 million shares at an average price of 92.47p per share, adding 2.2pps of value to NAV and buying back 7.4% of the Company. Aggregating dividends and share buybacks, FSFL returned £66.5 million to Shareholders during 2024. Over the life of the Company, the total cash paid to Shareholders is £382 million. (More information on the cash position on page 123.)

We have also made a number of new investments with a view to improving our total return. FSFL agreed a framework with Chelion Iberia in Spain to double its proprietary development pipeline. Combined with the work on BESS in Australia, solar and battery storage capacity under development is now 989GWp. These early-stage projects have the potential to drive growth, improving long-term returns for investors with minimal capital at risk. (More information on the proprietary development pipeline on page 22.)

In an environment in which interest rates are expected to stay higher for longer, the Board believes this income and growth strategy has the potential to deliver higher returns over time with a "capital light" investment model. We expect to see results later this year, with the first project in the Cuerva solar pipeline coming through in Spain and the results to multiple grid applications submitted in the Chelion BESS partnership. (More information on the income and growth strategy on page 22.)

A priority for 2025 is securing a development pipeline in the UK. Although the subsidy support for Foresight Solar's portfolio still has an average of 10 years remaining, the Board is attuned to the end of the Renewables Obligation (RO) scheme. The Investment Manager is, therefore, evaluating how to rotate into Contracts for Difference (CfD) backed projects for new investments to support the Company's ability to deliver reliable returns into the future.

The Directors are disciplined in relation to their capital allocation policies and new investments will only be made if they can offer returns in excess of those achievable from buying back FSFL shares at the prevailing discount to NAV.

Management Fee

In light of Shareholder feedback and having reviewed changes made by a small number of other listed investment trusts, the Board engaged with the Investment Manager to agree a revised fee structure with the aim of creating greater alignment with investor interests. Following collaborative and productive negotiations with Foresight Group, the Board announced on 18 February a new management fee arrangement. From 1 March 2025, the management fee will be based on an equal weighting of market capitalisation and NAV, with lowered tiers of 0.95% per annum up to £500 million and 0.8% p.a. over £500 million. This equates to a 19% saving (see RNS of 18 February 2025 for calculation).

Board succession

As part of the previously announced Board succession plan, Monique O'Keefe stepped down as a Non-Executive Director (NED) during 2024 and we welcomed Paul Masterton and Tony Roper to the Board. I would like to take this opportunity to thank Monique for her contribution during the five years that she served. Monique's wise counsel and guidance were invaluable to the Board in its deliberations. Paul and Tony each bring significant industry experience. They have a close understanding of the challenges the Company and our Shareholders face and are already making a significant contribution in guiding its future direction.

The next step in our succession plan will be for Chris Ambler to step down at the forthcoming Annual General Meeting (AGM). Chris has served on the Board since Foresight Solar's inception. I would also like to thank Chris for his many years of service. He has made an enormous contribution and his experience and knowledge of the power-generating sector has been immensely helpful. Chris will relinquish the role of Senior Independent Director on his retirement, with Paul Masterton taking over.

Finally, as announced in February, I will be stepping down later this year, with the intention for Tony Roper to assume as Chair.

Chair's statement continued

Shareholder engagement

The Board and the Investment Manager have sought to engage extensively with Shareholders throughout 2024 and subsequently. The importance of this engagement increases in circumstances when the Company's share price performance has been disappointing. We have also specifically engaged with those Shareholders that voted for change at last year's Annual General Meeting. As well as hosting a capital markets event and undertaking a Shareholder perception study during 2024, we hosted nearly 50 meetings with dozens of investors. We listened to views, considered input and have sought to make the necessary strategic adjustments. In cases when there have been conflicting views, the Board has carefully weighed the pros and cons of decisions, aiming to maximise value for Shareholders.

In our discussions with Shareholders, we have heard a range of opinions. It is clear that a number of investors have been looking to withdraw capital from the listed renewable investment trust sector over recent years. This process remains only partially complete, with discounts remaining wide. Insufficient liquidity in the secondary market has proved a barrier to enable the process to conclude and discounts to normalise.

On 18 February 2025, the Company announced it had received a range of views from Shareholders about our strategic and corporate objectives. While some have expressed a desire for a material liquidity event, others continue to support the investment thesis and are seeking ongoing exposure to the listed renewables sector through a vehicle with greater secondary market liquidity and scale to drive efficiencies. Our role is to balance these objectives and deliver value to Shareholders in an efficient and effective manner by considering all options available.

The Board considers that material returns of capital in the listed renewable sector from the disposal of investments will lead to a reduction in its size and an inevitable reduction in the number of market participants. In addition to capital returns, consolidation is likely to be a major feature in the sector in the year ahead and we have seen the early signs of this in the renewables sector. The Directors are fully aware of the benefits that successful consolidation can deliver to Shareholders and this forms a critical part of the Board's ongoing strategic considerations. Ultimately, our intention is to explore all options available to provide the best outcome for the majority of our Shareholders in an efficient and effective manner. We will continue to keep you informed as we seek an acceptable solution to these market-wide issues.

Having consulted with many investors in recent months, we look forward to continuing this engagement ahead of the AGM scheduled for 17 June 2025 at 9:30am. Details of how Shareholders may participate will be set out in the Notice of Annual General Meeting in due course.

Outlook

The Board is fully aware of the unprecedented challenges facing the sector and the Company. Despite the market turbulence, the Directors believe the future for investment in renewable energy remains positive. The sector is backed by supportive governments in the UK and in mainland Europe. We are convinced the income and growth strategy Foresight Solar is implementing is the right approach to drive total shareholder returns, and we remain confident in the portfolio's quality.

Alexander Ohlsson
Chair

19 March 2025

Wymeswold, UK

Investment Manager's report

What's in this section:

£634.4m
Net Asset Value
(as at 31 December 2024)

£105.4m
Total operating profit (EBITDA)
(as at 31 December 2024)

7.4x
EV/EBITDA ratio
(as at 31 December 2024)

Coombeshead, UK

Investment Manager's report

Investment Manager

Foresight Group, the Company's Investment Manager, is responsible for the acquisition and management of assets, including the sourcing and structuring of new transactions, as well as advising on the borrowing strategy to optimise the capital structure.

Founded in 1984, Foresight Group is a leading listed infrastructure and private equity investment manager authorised and regulated by the Financial Conduct Authority. With a long-established focus on sustainability-led strategies, it aims to provide attractive returns to institutional and retail investors from hard-to-access private markets.

Foresight manages hundreds of infrastructure assets with a focus on renewable energy generation, including solar, onshore wind, bioenergy and energy-from-waste. The firm also manages renewable energy-enabling sites, energy efficiency management solutions, social and core infrastructure projects, and sustainable forestry assets on behalf of its clients.

The infrastructure division consisted of almost 200 investment, portfolio and technical professionals as at 30 September 2024 – the latest publicly available data. The team is comprised of:

- An investment management team responsible for originating, assessing and pricing assets, managing due diligence and executing transactions
- An asset management team with expertise across electrical and civil engineering, finance and legal disciplines that oversees day-to-day portfolio operations
- A sustainability team that contributes to every phase of the investment and asset management processes and is responsible for integrating and monitoring best practices

The second part of Foresight Group's business, private equity, manages over 20 investment vehicles across the UK and Ireland. The division reviews approximately 3,500 business plans each year, and currently supports a portfolio of over 250 small and medium-sized enterprises.

The third pillar, Foresight Capital Management, is responsible for four strategies across seven investment vehicles, answering for £1.0 billion in assets under management (AUM).

Foresight Group operates in seven countries in Europe and in Australia with total AUM of £12.4 billion.

Foresight Group Holdings Limited listed on the London Stock Exchange in February 2021 and was admitted to the FTSE 250 in September 2023.

£12.4bn
assets under management[1]

435
infrastructure assets under management[1]

189
investment, commercial and technical professionals[1]

4.7GW
total green energy technology capacity[1]

1. Data accurate as per Foresight Group's latest results.

Investment Manager's report continued

Investment Manager continued

Key members of the Foresight Solar team

Ross Driver
Managing Director, Infrastructure

Background
Mr Driver joined Foresight Group in 2021 to oversee the delivery of Foresight Solar's investment mandate. He has almost 20 years of infrastructure and renewable energy investment experience covering deal structuring and execution, debt financing and asset management.

Prior to Foresight, Ross spent eight years at InfraRed Capital Partners. He also worked at John Laing Investments and KPMG Corporate Finance.

Toby Virno
Associate Director, Infrastructure

Background
Mr Virno joined Foresight Group in 2018. With nearly a decade's experience in investment and financing of renewable energy assets and projects, particularly solar PV and BESS, he is part of the full-time Foresight Solar team helping deliver the Company's investment mandate.

Ricardo Piñeiro
Partner, Head of Infrastructure

Background
Mr Piñeiro joined Foresight Group in 2011, rising to become a member of the firm's Executive Committee. He has 20 years of experience in fund management, sustainable infrastructure investment and financing in the UK and abroad. During his time at Foresight, Ricardo led the FSFL investment management team for almost 10 years.

Prior to joining Foresight, Ricardo worked at Espirito Santo Investment, where he focused on lending and advisory for the energy infrastructure and transportation sectors.

Gary Fraser
Partner, CFO of Foresight Group

Background
A member of Foresight Group's Executive Committee, Mr Fraser has more than 30 years of experience providing or facilitating specialist financial input into corporate, portfolio and investment trust decisions.

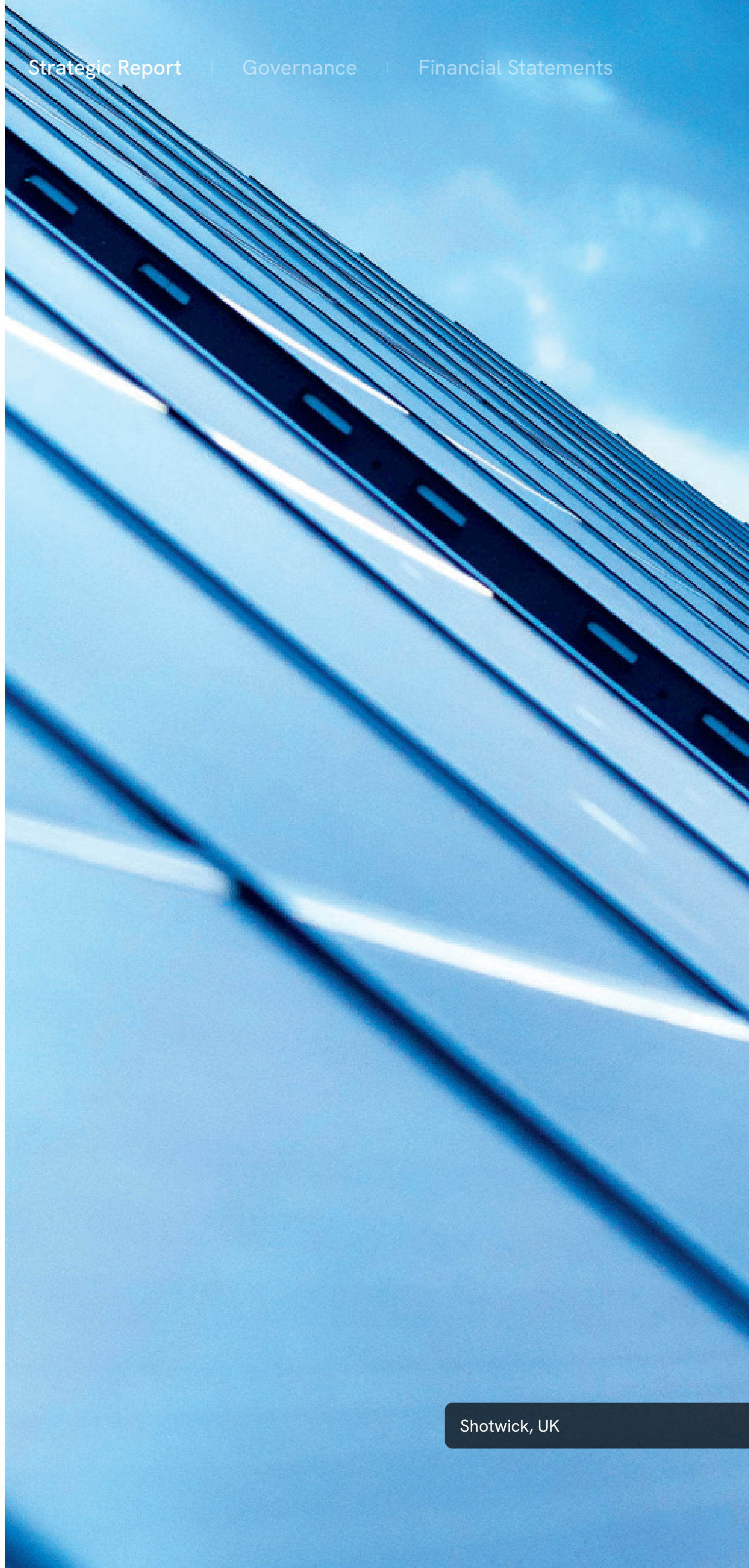
Prior to Foresight, Gary worked at F&C Asset Management as a Company Secretary, focusing on financial, legal, tax compliance, technical and financial reporting, and corporate finance. He also worked at EY with audit and risk assurance.

Investment Manager's report continued

Key investment metrics[1]

Foresight Solar	31 December 2024	31 December 2023
Net Asset Value (NAV)	**£634.4m**	£697.9m
NAV per share	**112.3p**	118.4p
Dividend declared per share for the year	**8.00p**	7.55p
Annualised total NAV return since IPO	**7.4%**	8.0%
Gross Asset Value (GAV)	**£1,044.7m**	£1,140.5m
Share price	**77.0p**	102.2p
Ordinary Shares in circulation[2]	**564,856,642**	589,239,345
Market capitalisation	**£434.9m**	£602.2m
Annualised total shareholder return since IPO	**3.8%**	6.2%
UK portfolio valuation	**£1.10m/MW**	£1.17m/MW
Cash flow from operations	**£61.7m**	£71.3m
Total operating profit (EBITDA)	**£105.4m**	£136.1m
Net debt/EBITDA	**3.2x**	2.7x
Enterprise value (EV)/EBITDA	**7.4x**	7.7x

1. The purpose and calculation methodology of the key APMs are shown on page 81.
2. During the period, 24,382,703 shares were repurchased and are held in treasury. Further details on page 146.



Shotwick, UK

Investment Manager's report continued

Key operational metrics

	Year ended 31 December 2024					Year ended 31 December 2023				
Foresight Solar	Operational capacity (MW)	Total generation (GWh)[1]	Budgeted generation (GWh)	Generation variance to budget[2]	Irradiation variance to budget	Operational capacity (MW)	Total generation (GWh)	Budgeted generation (GWh)	Generation variance to budget[2]	Irradiation variance to budget
United Kingdom	723	630	670	(6.0)%	(4.7)%	723	678	673	0.7%	2.1%
Spain	76	144	139	3.6%	(2.5)%	76	179	229	(1.5)%	(1.6)%
Australia	170	235	276	(14.7)%	(4.8)%	170	237	260	(9.0)%	8.3%
Global operational portfolio	969	1,009	1,085	(7.0)%	(4.5)%	969	1,094	1,162	(1.9)%	3.4%

1. Generation numbers include distribution network operators' (DNOs) outages outside of Foresight Solar's control. Removing network operators' unforeseen stoppages, total generation for the global portfolio to 31 December 2024 would have been 0.5% higher at 1,014GWh.
2. Generation figures have been adjusted, where relevant, for events in which compensation has been, or will be, received.

Los Llanos, Spain

Investment Manager's report continued

Portfolio overview

As at 31 December 2024, Foresight Solar's portfolio comprised 61 assets with a total net peak capacity of 1,044MW and a proprietary development pipeline totalling 989MWp.

In the UK, the Company had 50 operational solar sites with an installed capacity of 723MW. In addition, FSFL holds 50% stakes in three battery storage projects, equivalent to 75MW, that are currently under construction or in pre-construction. Foresight Solar also owns four operational solar assets in Australia, totalling 170MW of capacity, and another four operational plants in Spain, with stakes corresponding to 76MW in installed capacity. (For more information, see the full portfolio composition from page 16.)

The solar farms in the United Kingdom all benefit from regulatory support and are accredited under the Renewables Obligation (RO) scheme, except for Yardwall, which is a Feed-in Tariff (FiT) scheme accredited asset (representing less than 1% of the portfolio in the country). The battery storage assets will predominantly trade on a merchant basis, although they will also be able to bid for fixed price service contracts under National Grid ESO capacity auctions.

The Australian projects, meanwhile, benefit from Large-Scale Generation Certificate (LGC) subsidies.

The Spanish sites do not rely on regulatory support. They instead have long-term power purchase agreements (PPAs), striking production deals at determined prices with creditworthy counterparties for certain periods. This approach provides a high proportion of contracted income and revenue visibility.

The Investment Manager has been successful in sourcing those types of contracts, with Virgen del Carmen establishing a 10-year offtake agreement with Shell in September 2020, and the Lorca portfolio (comprising Los Llanos, Los Picos and Las Salinas) signing a decade-long agreement with Statkraft in December 2021.

Foresight Solar has been consistently building its proprietary development pipeline of solar and battery storage assets in Europe. So far, the Company has established a total of 867MWp between multiple projects of both technologies and developed 122MWp of BESS in-house in Australia. These well-structured, early-stage opportunities are an excellent way to increase investment optionality, provide an avenue for growth and improve returns for Shareholders over time.

Revenue structure

The Company generates income by producing and exporting electricity to the grid. The revenue predominantly arises from regulatory support mechanisms available in the markets in which FSFL operates and from the sale of electricity to third-party offtakers – either at fixed or merchant prices.

Foresight Solar seeks to minimise the impact of power price volatility on future cash flows by implementing a proactive strategy that includes fixed price arrangements for the sale of electricity and financial instruments. The goal of this power price hedging approach is to enhance the quality of revenues by actively managing the market power price exposure of forecast production in the short and medium term.

By way of example, Foresight Solar can fix the price for an amount of electricity sales in the summer to support the dividend policy, whilst leaving some exposure to market rates that allow it to capture potential upside from power price volatility in other seasons.

Income from subsidies, from fixed price power purchase agreements and from hedges have a high degree of receivable certainty and are, therefore, defined as contracted. Day-ahead electricity sales, on the other hand, are labelled merchant or uncontracted.

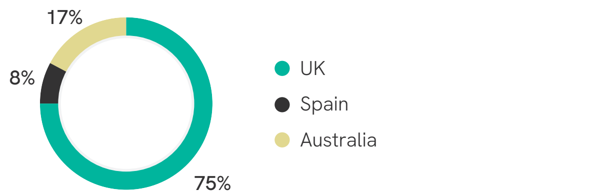
In 2024, approximately 40% of revenues were derived from subsidies, with the remaining 60% from the sale of electricity. With fixed price contracts mainly secured through PPAs, 89% of revenue in the period was considered contracted, with the remaining 11% merchant.

On a net present value basis, as at 31 December 2024, contracted revenues over the entire investment period represented 48% of the total forecasted revenue.

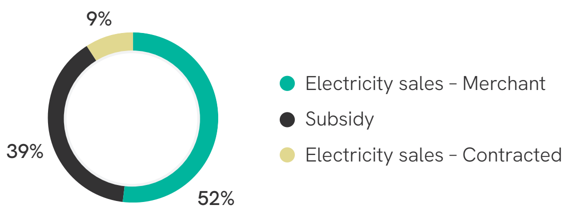
Investment Manager's report continued

Portfolio overview continued

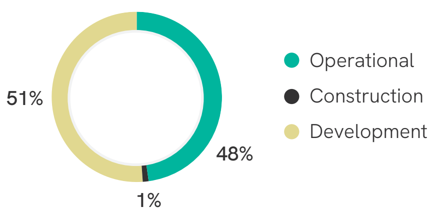
Countries by installed capacity



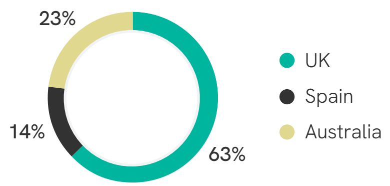
Global portfolio revenue by net present value



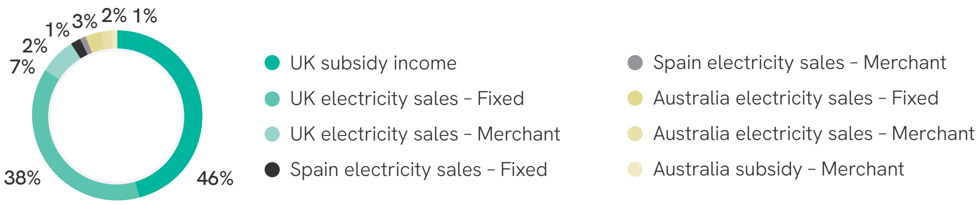
Global portfolio by peak capacity



Countries by production



Country by portfolio revenue



Cliveden House, UK

Investment Manager's report continued

Portfolio overview continued

Current portfolio

Type	Asset	Peak capacity (MW)	Status	Connection date	Revenue type
UK solar					
01	Wymeswold	34	Operational	March 2013	ROC/Electricity sales
02	Castle Eaton	18	Operational	March 2014	ROC/Electricity sales
03	Highfields	12	Operational	March 2014	ROC/Electricity sales
04	High Penn	10	Operational	March 2014	ROC/Electricity sales
05	Pitworthy	16	Operational	March 2014	ROC/Electricity sales
06	Hunter's Race	10	Operational	July 2014	ROC/Electricity sales
07	Spriggs Farm	12	Operational	March 2014	ROC/Electricity sales
08	Bournemouth	37	Operational	September 2014	ROC/Electricity sales
09	Landmead	46	Operational	December 2014	ROC/Electricity sales
10	Kencot Hill	37	Operational	September 2014	ROC/Electricity sales
11	Copley	30	Operational	December 2015	ROC/Electricity sales
12	Atherstone	15	Operational	March 2015	ROC/Electricity sales
13	Paddock Wood	9	Operational	March 2015	ROC/Electricity sales
14	Southam	10	Operational	March 2015	ROC/Electricity sales
15	Port Farm	35	Operational	March 2015	ROC/Electricity sales
16	Membury	16	Operational	March 2015	ROC/Electricity sales
17	Shotwick	72	Operational	March 2016	ROC/Electricity sales
18	Sandridge	50	Operational	March 2016	ROC/Electricity sales
19	Wally Corner	5	Operational	March 2017	ROC/Electricity sales
20	Coombeshead	10	Operational	December 2014	ROC/Electricity sales
21	Park Farm	13	Operational	March 2015	ROC/Electricity sales
22	Sawmills	7	Operational	March 2015	ROC/Electricity sales
23	Verwood	21	Operational	February 2015	ROC/Electricity sales
24	Yardwall	3	Operational	June 2015	FiT/Electricity sales
25	Abergelli	8	Operational	March 2015	ROC/Electricity sales
26	Crow Trees	5	Operational	February 2016	ROC/Electricity sales
27	Cuckoo Grove	6	Operational	March 2015	ROC/Electricity sales
28	Field House	6	Operational	March 2016	ROC/Electricity sales


Yardwall, UK

Investment Manager's report continued

Portfolio overview continued

Current portfolio continued

Type	Asset	Peak capacity (MW)	Status	Connection date	Revenue type
UK solar continued					
29	Fields Farm	5	Operational	March 2016	ROC/Electricity sales
30	Gedling	6	Operational	March 2015	ROC/Electricity sales
31	Homeland	13	Operational	March 2014	ROC/Electricity sales
32	Marsh Farm	9	Operational	March 2015	ROC/Electricity sales
33	Sheepbridge	5	Operational	December 2015	ROC/Electricity sales
34	Steventon	10	Operational	June 2014	ROC/Electricity sales
35	Tengore	4	Operational	February 2015	ROC/Electricity sales
36	Trehawke	11	Operational	March 2014	ROC/Electricity sales
37	Upper Huntingford	8	Operational	October 2015	ROC/Electricity sales
38	Welbeck	11	Operational	July 2014	ROC/Electricity sales
39	Yarburgh	8	Operational	November 2015	ROC/Electricity sales
40	Abbey Fields	5	Operational	March 2016	ROC/Electricity sales
41	SV Ash	8	Operational	March 2015	ROC/Electricity sales
42	Bilsthorpe	6	Operational	November 2014	ROC/Electricity sales
43	Bulls Head	5	Operational	September 2014	ROC/Electricity sales
44	Lindridge	5	Operational	January 2016	ROC/Electricity sales
45	Manor Farm	14	Operational	October 2015	ROC/Electricity sales
46	Misson	5	Operational	March 2016	ROC/Electricity sales
47	Nowhere	8	Operational	March 2015	ROC/Electricity sales
48	Pen Y Cae	7	Operational	March 2015	ROC/Electricity sales
49	Playters	8	Operational	October 2015	ROC/Electricity sales
50	Roskrow	9	Operational	March 2015	ROC/Electricity sales
UK BESS					
51	Sandridge BESS	25[1]	Construction	—	Merchant
52	Clayfords	25[2]	Pre-construction	—	Merchant
53	Lunanhead	25[3]	Pre-construction	—	Merchant
	Operational sub-total	**723**			
	Construction and pre-construction sub-total	**75**			

1. Accounts for the 50% stake the Company holds of Sandridge BESS (50MW).
2. Accounts for the 50% stake the Company holds of Clayfords (50MW).
3. Accounts for the 50% stake the Company holds of Lunanhead (50MW).

Investment Manager's report continued

Portfolio overview continued

Current portfolio continued

Type	Asset	Peak capacity (MW)	Status	Connection date	Revenue type
Spain solar					
1	Virgen del Carmen	26	Operational	November 2022	Long-term PPA/ Electricity sales
Lorca portfolio					
2	Los Llanos	25[1]	Operational	August 2022	Long-term PPA/ Electricity sales
3	Las Salinas	15[1]			
4	Los Picos	10[1]			
5	Cuerva pipeline	467	Development	—	Long-term PPA/ Electricity sales
Spain BESS					
6	Chelion pipeline	400	Development	—	Merchant
	Operational sub-total	76			
	Development sub-total	867			

Type	Asset	Peak capacity (MW)	Status	Connection date	Revenue type
Australia solar					
1	Bannerton	53[2]	Operational	July 2018	LGC/Long-term PPA
2	Longreach	17	Operational	March 2018	LGC/Long-term PPA
3	Oakey 1	30	Operational	February 2019	LGC/Long-term PPA
4	Oakey 2	70	Operational	May 2019	LGC/Electricity sales
Australia BESS					
5	Bannerton BESS	42[2]	Development	—	Merchant
6	Oakey 1 BESS	80	Development	—	Merchant
	Operational sub-total	170			
	Development sub-total	122			

	Operational total	969			
	Construction and pre-construction total	75			
	Development total	989			


Longreach, Australia

1. Accounts for the 50% stake the Company holds in the Lorca portfolio (100MW).
2. Accounts for the 48.5% stake the Company holds of Bannerton (110MW) and the development BESS project.

Investment Manager's report continued

Portfolio overview continued

Acquisitions and divestments

Australian portfolio

In October, the Company commenced a process to sell the four operational solar plants totalling 170MW and the two development-stage BESS projects co-located on the Bannerton and Oakey 1 sites with a capacity of 122MWp.

The Investment Manager had to resolve outstanding commercial issues prior to launch and, with advisors, established a favourable time to go to market. This provided the opportunity to progress the development of the co-located battery storage assets using internal resources. All these factors are important in maximising the potential value of the portfolio in a sale.

Increased deal flow during 2024 has resulted in concurrent processes, stretching on-the-ground resources required for technical evaluations and due diligence. As such, inputs from third-party advisors have taken longer than initially envisaged to finalise, although they are important to preserve assets' values. Investor engagement has nonetheless been positive and multiple institutions have requested to review detailed asset information. Over the following months, the Investment Manager will oversee the process with local advisors with the target of agreeing a sale during the third quarter of the year.

Chelion portfolio

The Company agreed a framework with Chelion Iberia in May 2024 to jointly invest in up to 400MWp of development-stage battery storage projects in Spain. The venture nearly doubled FSFL's proprietary pipeline without any upfront capital and is forecast to require less than €2 million to the end of 2026.

Under the arrangement, Foresight Solar commits funding to develop projects it selects for the joint venture.

Once assets reach the ready-to-build stage, the Company has the option to either construct them or sell the rights at a mark-up. If it opts to build them, it will have another opportunity to sell the plants at a potentially material uplift on the invested capital once they become operational, or it can manage and run them for cash yield.

In the second half of 2024, the JV identified more than 10 suitable projects and applied for grid connections. The local regulator is reviewing the applications and decisions are expected in the first half of 2025.

The BESS market is developing rapidly in Spain, with the government finalising a consultation to structure the country's capacity market and provide security of supply to incorporate much-needed storage into the grid. In anticipation, offers from investors have been so strong that new applications are likely to move to a competitive auction process later this year.

Development update

Cuerva portfolio

Muel, the first project from the solar development pipeline in Spain, is expected to reach ready-to-build status by the end of 2025.

Once this milestone is reached, the Board will follow the outlined capital allocation approach, choosing between capitalising immediate returns on the invested capital – assuming a sale at ready-to-build – or improving returns further once the project becomes operational and the site is held for cash yield.

The technical studies for the remaining projects in the Cuerva pipeline are ongoing. The goal is to have applications ready so that, once capacity auctions restart, the Company can bid for connections and move ahead with the sites.

> Unlike purchasing consented rights from developers or having the right of first offer, Foresight Solar is the holder of the rights to its development pipeline. This means the Company can capture the full financial benefit of projects' evolution for its Shareholders.

Pre-construction and construction progress

Clayfords and Lunanhead

Customary pre-construction works continued to meet planning milestones for the two BESS projects and ensure their position in the grid queue. These efforts are important to guarantee the assets maintain their connection dates in light of the Office of Gas and Electricity Markets' (Ofgem) upcoming connections reform.

The Board and the Investment Manager are scrutinising every investment decision in line with the Company's capital allocation policy – based on returning cash to Shareholders and paying down debt. This means they are carefully considering the best options for Clayfords and Lunanhead.

Sandridge BESS

On-site activity to finalise construction of the 50MW, one-hour lithium-ion battery has concluded. After the local distribution network operator (DNO) finishes the necessary infrastructure works, energisation is expected in the second half of 2025, after which the site will begin final commissioning and testing.

Investment Manager's report continued

Q&A with the Fund Managers: Navigating a challenging year for alternative assets investment trusts

Ross Driver
Managing Director, Infrastructure

Toby Virno
Associate Director, Infrastructure

Ross and Toby discuss how a complex macroeconomic environment and uncertain geopolitical events in 2024 reduced investor appeal for listed renewable energy infrastructure.

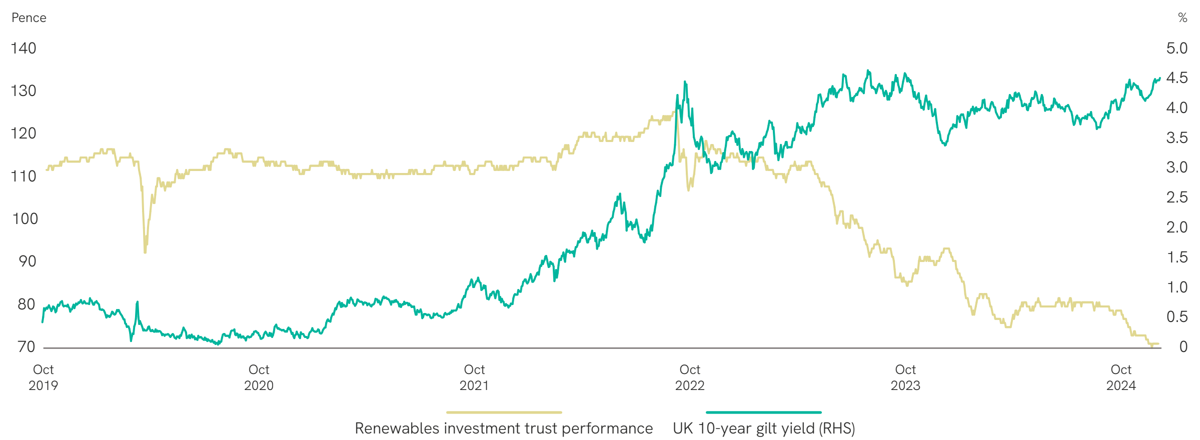
There are, however, positive signs. The two professionals explain how Foresight Solar's Board and Investment Manager have responded, and outline the measures taken to improve performance in 2025.

Interviewer: Share price performance was volatile throughout the 12 months, but it deteriorated in the fourth quarter of 2024. What happened?

Ross Driver: It's hard to attribute the movement to one single development. We believe, however, that yields for UK government bonds creeping up had an outsized negative impact on share prices across the sector – and we were no exception. (10 year UK gilt viewed as a benchmark).

The market was nervous about the state of Britain's finances. There was, and remains, a general feeling that interest rates will have to be higher for longer following the latest Autumn Budget. Renewables trusts have historically appealed to investors because of their relatively high yields and, because of that, their share prices tend to move in the opposite direction to that of gilts. That's a key reason why the whole sector was affected.

Renewable investment trust performance x UK 10-year bond yield



Source: FactSet, Bloomberg. Renewables Investment Trusts: AERI, BSIF, DORE, FSFL, GRID, GRP, GSEO, GSF, JLEN, NESF, ORIT, SEIT, TRIG, UKW, USF

Investment Manager's report continued

Q&A with the Fund Managers: Navigating a challenging year for alternative assets investment trusts continued

Interviewer: What have the Board and the Investment Manager done to address the share price discount relative to Net Asset Value?

Ross Driver: In 2024, we engaged with investors in dozens of meetings and heard that we needed to do more. That's why we're working on measures to unlock capital to return additional cash directly to Shareholders. Last month, in February, the Directors made it clear that they're exploring all options available and we'll continue to keep the market informed. The ultimate goal is to deliver value to investors in an efficient and effective manner.

Tackling the discount is a big part of this. So far, we have attempted to address it in a multi-pronged approach: accelerating the return of capital via buybacks, implementing a divestment process to unlock cash, and paying down our revolving credit facility to minimise interest costs.

During the year, we increased our allocation to share repurchases to up to £50 million, making it one of the largest in the sector relative to NAV. Considering dividends and buybacks, Foresight Solar distributed more than £65 million to Shareholders in 2024.

To release capital, we also started the second phase of our 200MW sale process. The divestment of the Australian portfolio is targeted to close later this year. As project leverage falls off the balance sheet, Foresight Solar's gearing as a proportion of GAV should settle in the low 30% range. Additional proceeds from the disposal of another 75MW of operational solar assets will also be deployed according to the capital allocation strategy.

These initiatives aim to address certain Shareholder requests and send a message to the market that the Board and the Investment Manager have confidence in the Company's valuations and operational and financial prospects.

Looking ahead, we'll continue investing small amounts into development pipelines to recycle capital and improve returns whilst capturing the financial benefit as the projects mature to construction and to operation. This has the potential to deliver additional value for Shareholders over time and is a differentiator for Foresight Solar.

The UK government's pro-renewables stance will also be a driving force for the sector. With the potential for interest rates to moderate in 2025, even if not to levels seen during the 2010s, there should be tailwinds for investors.

Interviewer: What do you mean when you talk about income and growth? Are you referring to cash distributions from the operational portfolio boosted by returns from the development pipeline?

Toby Virno: That's right. In the past, renewable energy investment trusts pitched themselves as "yieldcos". For about a decade, simply relying on cash flows from operations provided mid-single-digit returns to Shareholders.

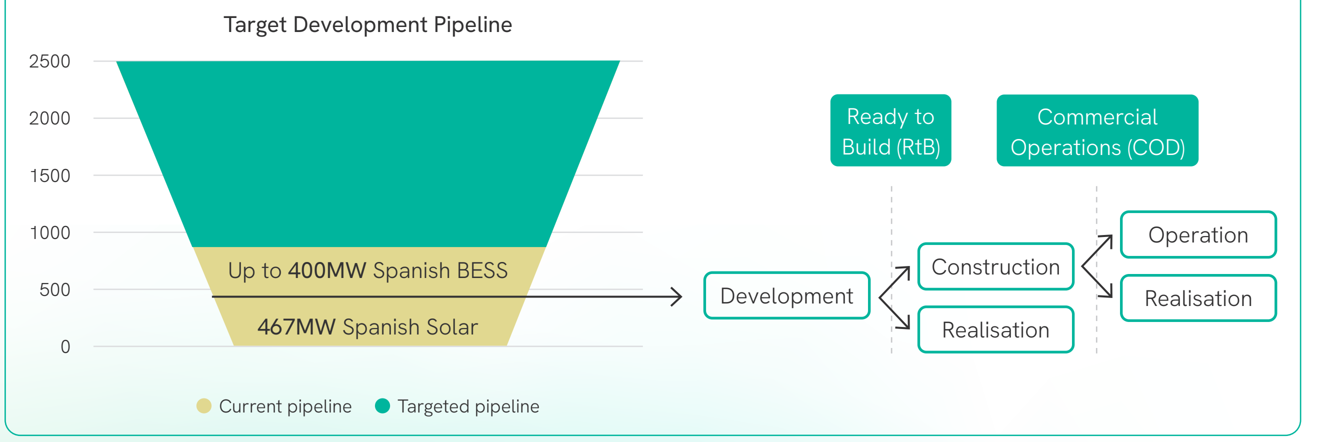
In the low-rate environment of the 2010s, steady cash payouts were an attractive investment proposition.

The current macroeconomic environment, however, is more challenging. With higher interest rates, investors are understandably demanding higher returns.

That's where Foresight Solar's proprietary development pipeline fits in. The operational portfolio will continue to generate revenue, which will be distributed to Shareholders in the form of quarterly dividends. On top of that, as the solar and BESS projects evolve from development to construction and to operation, we'll have the opportunity to either sell them for multiples on the invested capital, and generate extra cash, or commit resources to finance the next phase so that they eventually start producing and selling electricity and growing profits.

The ownership structures of our proprietary pipelines allow Foresight Solar to capture the full value uplift from these development assets for Shareholders.

Proprietary development pipeline



Investment Manager's report continued

Q&A with the Fund Managers: Navigating a challenging year for alternative assets investment trusts continued

Interviewer: The Renewables Obligation (RO) scheme is widely regarded as a cornerstone of the green energy growth in the UK. As the end of the 20-year timeframe for support creeps into view, the reality is subsidies will eventually roll off. What happens to Foresight Solar's portfolio when that happens?

Toby Virno: The weighted average remaining life of our UK subsidies is 10 years, giving us plenty of time to address this point.

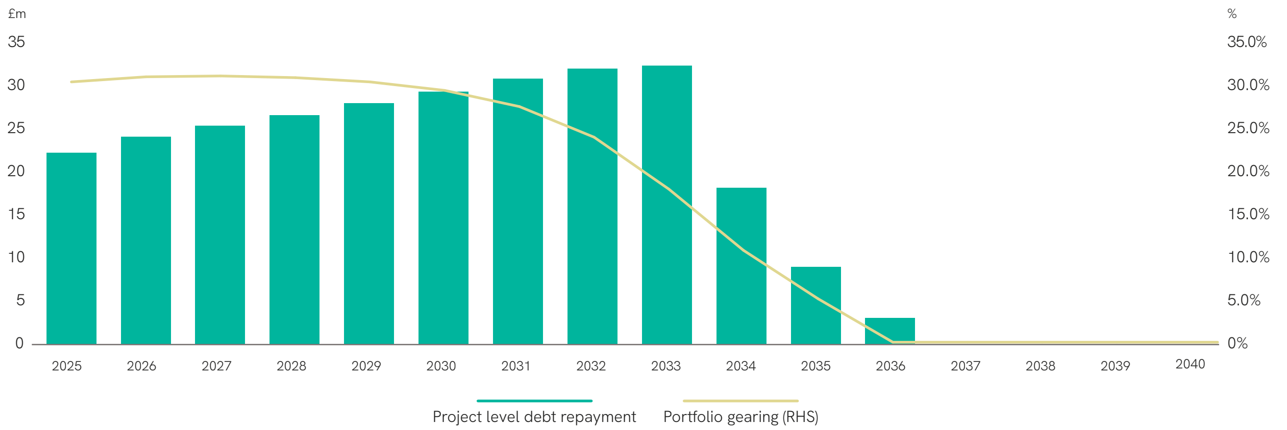
In any case, our portfolio was constructed with that in mind from the beginning. We knew the support from the RO scheme would end at the 20-year mark and have already been planning to avoid a cliff-edge for subsidy revenue.

For starters, all our subsidy-backed assets have project-level debt linked to the term of the government support. That means when the cash from the Renewables Obligation Certificates (ROC) stops coming in, the projects will be entirely debt-free for the remainder of their useful economic lives. At that point, we can refinance to unlock equity or rely on cash flow from operations for income.

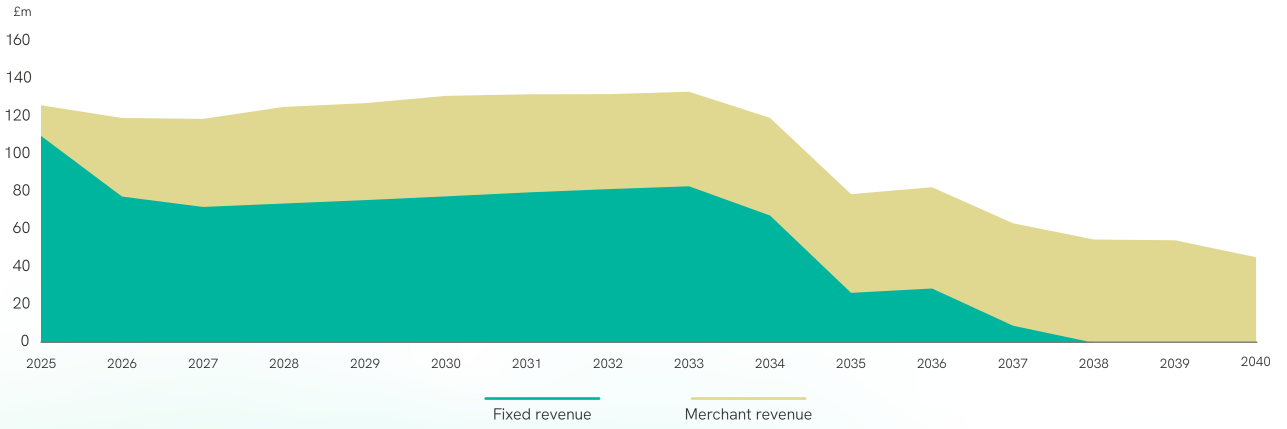
We are also considering what divesting ROC-backed assets would mean for portfolio composition and dividend cover in the longer term. A sale of this sort would free capital to be returned to investors, to pay down debt or to be recycled into new opportunities with similar revenue profiles, like those that can bid into the UK government's Contracts for Difference (CfD) scheme. A rotation into CfD-backed projects would provide revenue visibility similar to that of the ROCs and contribute to Foresight Solar's future.

The Investment Manager and the Board regularly analyse options to maximise Shareholder value.

UK portfolio gearing profile[1]



UK portfolio revenue profile[1]



1. Graphs show assets operating for their entire useful lives with no reinvestment into the portfolio.

Investment Manager's report continued

Market context

United Kingdom

Fears of all-out war in the Middle East did not materialise and, with European countries improving their natural gas storage capacity, electricity prices were relatively stable in 2024, trending towards patterns more similar to those seen before Russia's invasion of Ukraine.

The biggest development of the year was the sweeping election of a Labour government that took office with a strong majority on 5 July 2024 and a desire to ratify its pro-renewables agenda.

In his first fortnight in the role, the Secretary of State for Energy Security and Net Zero approved three nationally significant infrastructure projects, granting consent for 1.3GW of new solar capacity. Later that same month, he raised the budget for Allocation Round 6 (AR6) of the Contracts for Difference scheme by as much as £1.5 billion and, consequently, grew the numbers of projects awarded the subsidy.

The new government has fashioned a pro-growth plan but emphasised that "tough choices" were needed to plug a "fiscal black hole" left by the previous administration. These challenges were laid bare in the Autumn Budget, in which the Chancellor of the Exchequer increased levies on businesses but did not allay fears about more tax rises in the future.

The fall-out was near immediate. The yield on UK government bonds rose to levels not seen since the 2008 financial crisis.

In a bid to placate the market, the Bank of England reiterated its guidance of four interest rate cuts in 2025, potentially lowering its benchmark to 3.75% by the end of the year. Investors, however, remained unconvinced, with mixed views fuelling uncertainty for renewable infrastructure investment trust shares.

The volatility did not dissuade the government and, in December, it unveiled the Clean Power 2030 Action Plan to cement its commitment to an electricity grid at least 95% powered by renewables. According to the projections, solar energy and battery storage capacity will have to triple and quintuple, respectively, if the UK is to meet its lower emission goals.

This was quickly followed by declarations that Auction Round 7 will be the "biggest and most successful" ever held. According to government spokespeople, consultations will start in the first quarter of 2025 ahead of a formal process later in the year. The CfD subsidy auction rounds in 2025 and 2026 will be crucial if the government is to reach its decarbonisation targets.

Rounding off its stimulus list, this March the Planning and Infrastructure Bill was unveiled to facilitate the construction of critical infrastructure including renewable generation. The new legislation, if approved, will change how clean power projects feed into the grid, adopting a "first ready, first connected" process that disincentivises speculative applications and has the potential to accelerate the roll-out of green energy.

In this seemingly positive environment, solar generation capacity continued to expand. Statistics from the Department for Energy Security and Net Zero (DESNZ), relating to October 2024, revealed the UK had 17.2GW of installed panels, a 6.3% year-on-year jump, but still short of what is needed.

One source of uncertainty that continues, however, is the consultation for the Review of Electricity Market Arrangements (REMA), with potentially far-reaching implications for the country's energy system. A decision is expected later in 2025, with investors seeking clarity on the potential impacts.

The Shard, London, UK

Investment Manager's report continued

Market context continued

Spain

In September 2024, the government officially presented its update to the National Integrated Energy and Climate Plan (PNIEC). The document is Spain's local implementation of EU-wide efforts to reduce emissions and outlines how the country intends to reach carbon neutrality by 2050.

The aggressive targets for clean power generation will lead to renewables contributing more than 80% of electricity supply in 2030 and result in an expected 32% reduction in greenhouse gas emissions compared to 1990 levels.

The revised document leans heavily on solar to deliver the decarbonisation targets. According to the estimates, energy from the sun will provide a third of the country's electricity generation. For that to happen, the government set a goal of 76GW of installed solar capacity by 2030, doubling the 39GW expected in the previous PNIEC. However, achieving this will require streamlined permitting processes and grid infrastructure reinforcements to avoid bottlenecks.

The expected storage capacity also grew to 22.5GW from the previous 20GW, reinforcing the belief that BESS is a natural complement to intermittent renewables and that it has the potential to ensure the stability and flexibility of the country's electricity system.

To incentivise the roll-out of more battery storage, in December 2024, the government kicked off a consultation on the new mechanism to create a capacity market for BESS.

The proposals aim to:

- Ensure supply security by compensating storage operators for availability
- Provide investment certainty by introducing predictable revenue streams
- Facilitate the full integration of renewable energy, especially solar, into the grid

The consultation is expected to inform a ministerial order, leading to the first capacity auctions in 2025, and full implementation of the new capacity market by 2026.

Australia

In 2024, Australia's electricity market experienced notable price fluctuations. The moves were influenced by varying fuel costs and the ongoing transition to a more renewable energy-based grid.

East coast wholesale gas prices averaged A$12.50 per gigajoule in the third quarter, up from A$10.41/GJ in the same period in 2023. These elevated figures, driven by increased demand for fossil fuel-fired generation and liquefied natural gas exports, contributed to higher electricity prices, especially during peak demand periods.

The market also contended with extreme weather conditions, which compounded the price volatility. Queensland recorded peak demand during a hot, humid summer, while storm damage affected supply in southern states in the early months of 2024. Unusually cold weather in May, on top of low wind output and a drought in Tasmania, meant higher demand for more expensive gas-powered generation.

Mirroring this complex scenario, LGC prices were equally volatile. Spot prices for the certificates opened the second quarter of 2024 at A$46.75 and were pushed down to A$27.25 in November. The decline was attributed to a regular sell-off as some market participants sought to cover their positions, accelerating the downward momentum.

Investment Manager's report continued

Power prices

Subsidy revenues

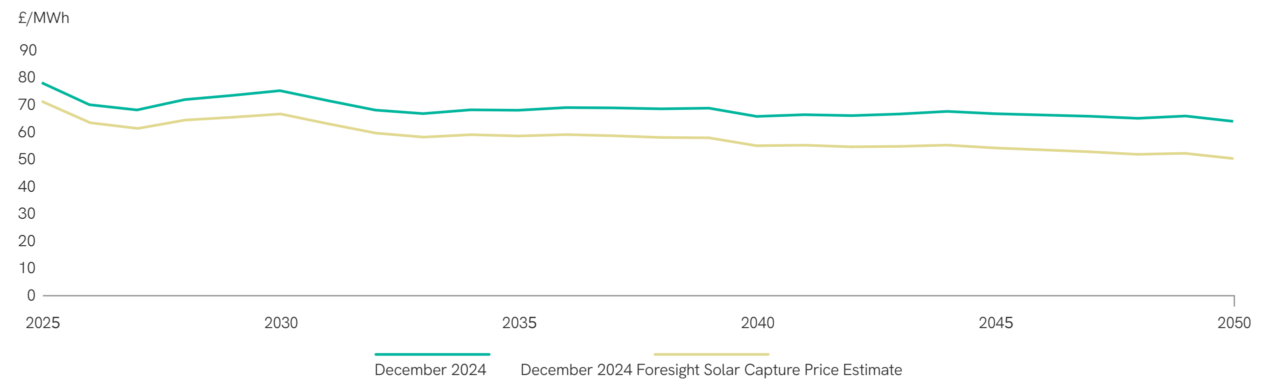
The buy-out price for Renewables Obligation Certificates, the United Kingdom's main support mechanism for large-scale renewable electricity projects, for the 2024/25 annual compliance period increased to £64.73 (2023/24: £59.01). The change reflected the average monthly percentage move in the Retail Price Index (RPI), a common measure of inflation, during 2023. On average, Foresight Solar received 1.40 ROC/MWh across the UK portfolio. Meanwhile, the 2024/25 Feed-in Tariff rate for Yardwall, the only UK asset to which the RO scheme does not apply, was £95.30/MWh (2023/24: £90.60/MWh). The updated ROC and FiT prices for the 2025/26 fiscal year will be confirmed by Ofgem in April.

In Australia, the average Large-Scale Generation Certificate price secured by the portfolio for the full year was A$18.60 per certificate, lower than the A$24.12 registered in 2023. This was due to step-down mechanisms in the contracted price, although, considering the timeline to 2030, they were in line with forecasts.

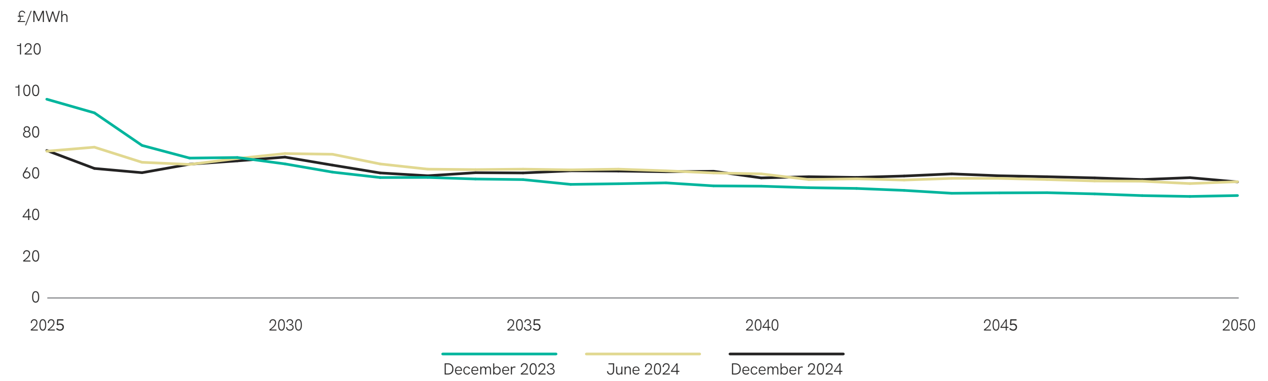
United Kingdom

Wholesale power prices continued to fall in 2024 from highs seen in 2022 and 2023. The day-ahead auction average at N2EX, the exchange-traded marketplace in the UK, closed at £72/MWh across 2024, a 23% decrease on the £94/MWh registered during the previous 12 months. The drop was driven mostly by lower commodity prices, particularly natural gas, which traded above historical averages but well below the levels seen following Russia's invasion of Ukraine.

UK wholesale vs solar capture power price forecasts[1]



UK wholesale power prices forecasts[1]



Source: Foresight Solar Fund Limited.

1. Power price forecasts reflect real 2024 prices.

Investment Manager's report continued

Power prices continued

United Kingdom continued

Throughout the year, Foresight Solar benefited from its active hedging strategy, locking in attractive power prices and securing income to underpin the dividend. Arrangements signed during 2022, for example, fixed prices at higher rates than the spot wholesale market offered during 2024, resulting in price certainty into 2026 for a considerable proportion of assets. As a result, the average realised price across the UK portfolio, including fixed price arrangements and merchant exposure, was £91/MWh – 26% above the N2EX average for 2024.

Price forecasts

The Investment Manager uses forward-looking power price forecasts to measure the portfolio's likely future income for valuation purposes. The UK solar assumptions are composed of a blended average of three independent consultants' forecasts, adjusted by the Investment Manager for the expected capture price discounts for solar generation – the half-hourly market pricing during production periods – as considered appropriate.

For assets with fixed price arrangements in place, the contracted values are used instead of the blended forecast.

For sites with subsidy arrangements in place for a period shorter than the assumed useful economic life, the blended forecast is used for the remaining period.

When the assumed asset life extends beyond 2050, the Investment Manager expects no real growth in forecast power prices.

In the UK, power price forecasts decreased compared to December 2023 estimates due to the fall in natural gas prices. The most significant drop was in the near term, covering the next three years – a period for which the Company has already fixed a large proportion of energy sales, therefore limiting the impact from merchant price volatility.

Over the short to medium term, power prices are expected to fall 1.7% in real terms each year as the market reverts to historical averages by around 2032. From that point, prices are forecast to flatten out, with a 0.3% decline expected per annum as solar capture price discounts become more prominent.

Spain

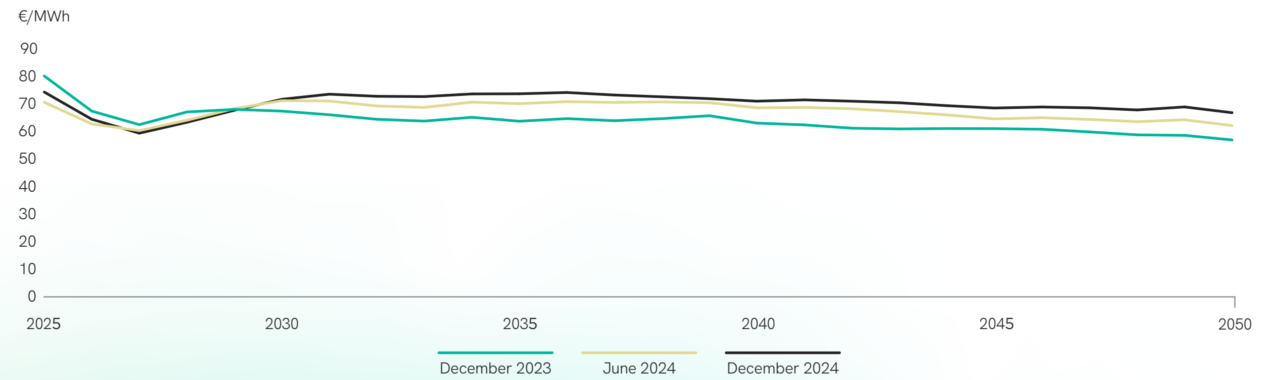
Higher-than-expected hydro reserves pushed down power prices in the first quarter of 2024, forcing them to €20/MWh in April from €75/MWh in January. The trend reversed from May, however, and prices started to increase, reaching €111/MWh in December, contributing to an average of €63/MWh across the 12 months.

Price forecasts

Power price projections decreased in the short to medium term due to changes in forecast natural gas prices. The growth of renewables and the deployment of self-consumption solar capacity continued to add downward pressure.

In the long term, fundamentals in the Spanish energy market remain strong. A significant amount of new renewable energy capacity, particularly utility-scale solar, is expected to connect to the grid in the coming years. This is likely to result in lower power prices, particularly for solar generators, although the expected addition of storage and interconnection capacity should serve to mitigate negative impacts.

Spain wholesale power price forecasts[1]



Source: Foresight Solar Fund Limited.

1. Power price forecasts reflect real 2024 prices

Investment Manager's report continued

Power prices continued

Australia

Power prices diverged in Queensland and Victoria during 2024. In the first half of the year, increased renewable generation and stable demand kept a lid on overall prices.

The picture was different in the final six months, when unplanned coal outages and heatwave-induced demand spikes resulted in average prices touching A$127/MWh in Queensland.

In contrast, Victoria recorded the lowest average price in the National Electricity Market (NEM) at A$45/MWh in the last quarter of 2024, supported by strong renewable output and transmission constraints limiting exports.

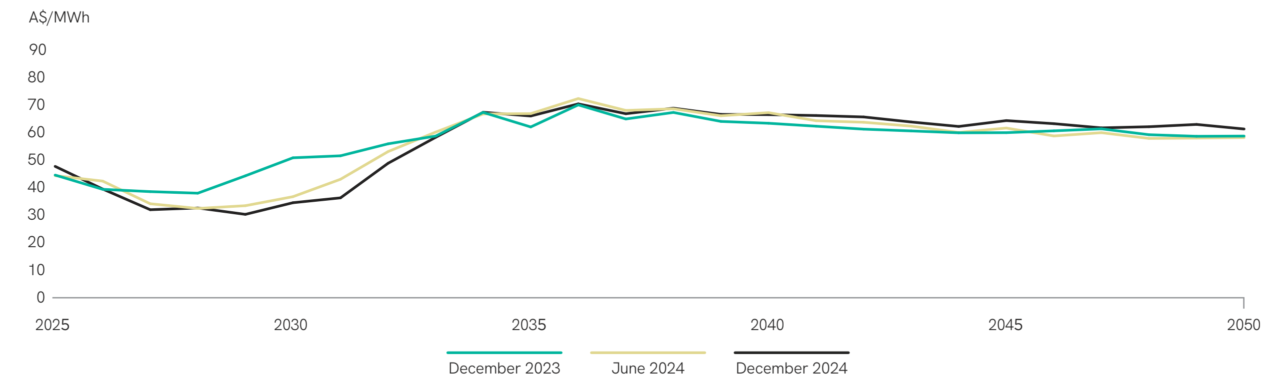
Renewables supplied a record 46% of the market's electricity, with solar generation reaching new highs, underscoring the growing impact of intermittent renewables on "old" dynamics.

Price forecasts

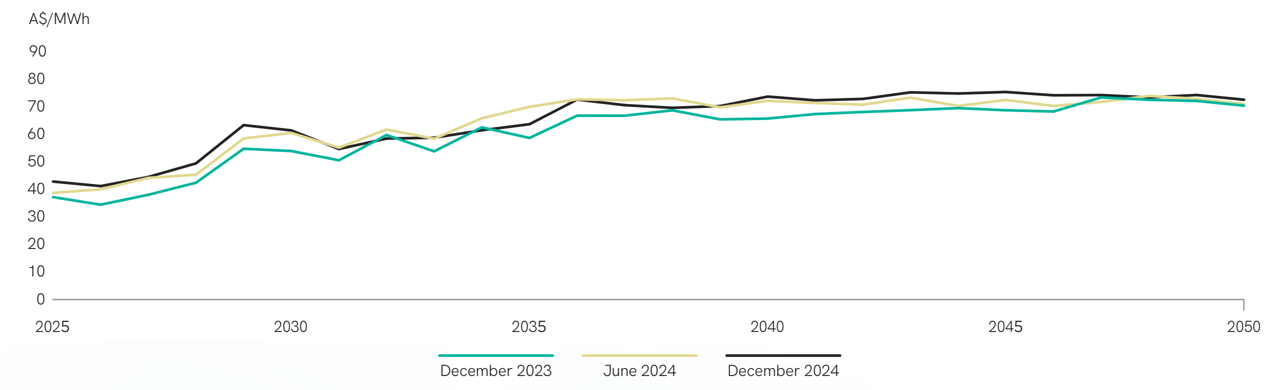
In 2025, electricity prices in the NEM are projected to decline, particularly in Queensland and Victoria. The Australian Energy Market Commission forecasts a 15% decrease in electricity prices for Queensland and a 9% reduction for Victoria. These anticipated declines are attributed to the increasing integration of renewable energy sources and advancements in energy technology.

Several factors support these forecasts. Renewable energy capacity is expected to increase significantly, with more large-scale solar, wind and battery storage projects coming online, reducing reliance on expensive gas plants. Additionally, the completion of network upgrades, including the VNI West and QNI transmission projects, will improve energy flows between Australian states, enhancing grid reliability and reducing price volatility.

Queensland wholesale power price forecasts[1]



Victoria wholesale power price forecasts[1]



Source: Foresight Solar Fund Limited.

1. Power price forecasts reflect real 2024 prices.

Investment Manager's report continued

Operational review

Global portfolio performance

Across Foresight Solar's global portfolio, poor irradiation – 4.5% below base case, contributed to electricity generation being 7.0% lower than expected. There were challenges with poor weather in the UK and curtailment and negative power prices in Australia.

Status of contracted revenues

The Investment Manager monitors opportunities to enter new arrangements to fix and to hedge prices up to five years ahead. The goal of this active power price management strategy is to provide more certainty over future revenue and ensure dividend cover.

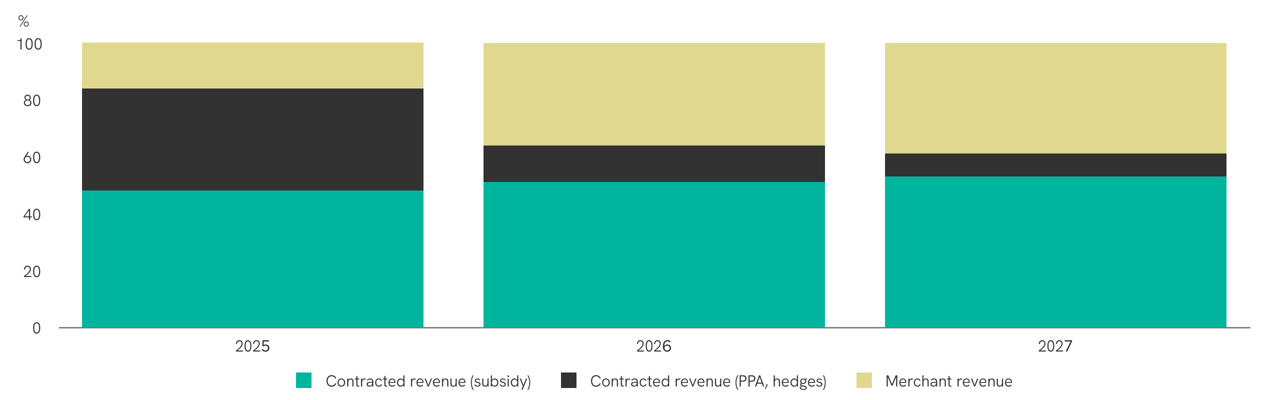
Post period, Foresight Solar secured NAV-accretive hedges for 2025 and 2026, driving total contracted revenues to 88% and 69%, respectively. Of the total now hedged, a portion from 2026 is under fixed volume baseload agreements, with the remainder being pay-as-produced.

As elevated fixes agreed during the pandemic start to roll off, the Company maintains its attractive revenue profile with steady, covered income for Shareholders.

The table below sets out the average hedged price for the UK portfolio in each calendar year so far, and the proportion of global generation that is considered contracted as at the publication of this report.

	2025	2026	2027
Average hedged price for the UK portfolio (£/MWh)	£86	£86	£77
Proportion of contracted revenues for the global portfolio	88%	69%	62%

Revenue profile breakdown



Paddock Wood, UK

Investment Manager's report continued

Operational review continued

United Kingdom portfolio performance

The UK operational assets performed below expectations during the year, with electricity generation 6.0% under base case after adjusting for financial compensation received, reflecting annual irradiation that was 4.7% lower than forecast.

As explained throughout the year, historically low irradiation in the Company's main market posed a challenge for electricity production. Data from the Department for Energy Security and Net Zero shows that 2024 had the lowest amount of sun hours since 2013, leading to the worst period of generation in Foresight Solar's 11 years since IPO. The Company's regular outperformance demonstrates the appropriateness of its budget and yield assumptions.

UK 12-month average daily sun hours	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Average	4.5	4.4	4.2	4.1	4.7	4.5	4.6	4.1	4.9	4.3	**3.8**
Production-weighted average	5.4	5.4	5.0	5.0	5.8	5.4	5.7	5.0	5.9	5.2	**4.7**

Source: Department for Energy Security and Net Zero.

Irradiation and portfolio production against budget	Year ended 31 December 2014	Year ended 31 December 2015	Year ended 31 December 2016	Year ended 31 December 2017	Year ended 31 December 2018	Year ended 31 December 2019	Year ended 31 December 2020	Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2023	**Year ended 31 December 2024**
Irradiation	+1.8%	+0.6%	+0.2%	(2.2)%	+6.4%	+3.8%	+8.5%	+0.6%	+9.4%	+2.1%	**(4.7)%**
Production	+1.4%	+4.5%	(4.0)%	(4.6)%	+4.9%	+3.9%	+8.4%	+1.0%	+8.6%	+0.7%	**(6.0)%**

Source: Foresight Solar Fund Limited.

During the period, no material events occurred, but a few assets were impacted by transformer, switchgear or HV cable failures. In each instance, the Asset Manager proactively dealt with the incidents, drawing on the spare parts inventory to minimise downtime – in line with the Company's established strategy.

As with many in the sector, Foresight Solar continues to deal with supply chain reliability challenges, particularly with certain inverter manufacturers. Following the replacement programme executed in 2023, the Asset Manager rolled out an improved repair service for failing inverters, which is now well established and has resulted in improved availability and better performance for the portfolio.

The Asset Manager works hard to foster good relationships with local distribution network operators, and has regularly negotiated to reduce the number of days required for planned outages or to move them to periods of lower irradiation. Despite this proactive engagement, the country's sites remain at risk from outages and there were stoppages throughout 2024, albeit typically in the lower irradiance months. Excluding these interruptions, production during the year was 5.6% below estimates.

Investment Manager's report continued

Operational review continued

United Kingdom portfolio performance continued

Health and safety

Across the portfolio, there were 10 incidents in 2024. The Asset Manager dealt with them promptly and there were no serious injuries or material damage to equipment.

Health and safety services to the SPVs remain in place via an independent consultancy that provides additional support. The Asset Manager regularly monitors incidents and uses the feedback from these occurrences to raise awareness, drive improvements and limit risks.

Security

There were two thefts during the year. One incident caused minor impact on Steventon's performance, whilst the other, at Copley, had no meaningful consequence. The Company has filed insurance claims to seek compensation for any material damage and production losses.

On the digital front, work has continued to upgrade assets and improve cyber resilience, including the replacement of all on-site communication equipment to enhance security provisions at the solar farms.

Asset optimisation

Over the life of the sites, the Asset Manager has added value of some £86 million by executing Foresight Solar's active power price hedging at accretive figures, securing lease extensions, delivering efficiency gains, improvements in operations and maintenance, and renegotiating contracts with favourable terms, among other measures.

The Company commenced reviewing replacement options after it discovered the potential for systemic issues in a specific type of inverter. This process is motivated from an abundance of caution rather than imminent risk since the inverters were only present on sites representing a modest proportion of portfolio capacity. It is, however, a good example of the proactive steps a responsible asset manager should undertake on an established operational portfolio.

Regardless of isolated issues, the Asset Manager pushed forward with technical optimisation to improve performance. This strategy has proven successful, reducing downtime and driving operational efficiency.

Another key ongoing improvement workstream is the effort to extend leases, which has direct, positive financial implications as the longer periods of land use translate to higher asset valuations. The Investment Manager is currently prioritising lease extensions of projects with a total installed capacity of 363MW, roughly half of the UK operational portfolio.

Throughout 2024, the Company signed and completed lease extensions on the equivalent of 8MW of assets, and a further 34MW of capacity are currently in advanced discussions with landlords.

Prudently, the Company does not assume useful asset lives of 40 years until the corresponding lease arrangements are signed.

Asset optimisation: lease extensions	Capacity (MW)	Potential NAV uplift (£m)
Landlord discussions	214	7.3
Offer submitted	149	6.7
Offer accepted	34	0.9
Completed	68	2.3
Total	**465**	**17.2**

Investment Manager's report continued

Operational review continued

Spain portfolio performance

Lower-than-expected irradiation and weather-related challenges affected electricity production at Foresight Solar's Spanish assets. High temperatures during the summer and the Calima, the meteorological phenomenon that brings sand and dust from the Sahara, had direct impact on generation.

In Granada, where the three Lorca assets are located, works to meet the projects' environmental commitments restarted with the planting of vegetation. The biodiversity improvements for the portfolio also include the installation of ponds and the construction of bird nesting houses. This is important for nature recovery and has operational benefits as, for example, too much dust – particularly during the dry season – risks causing panel soiling.

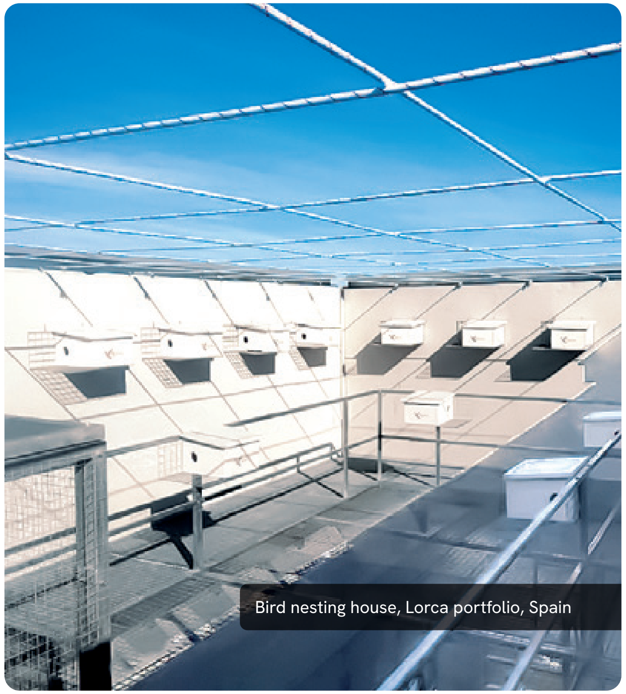
Virgen del Carmen secured its Project Acceptance Certificate, reaching a significant milestone. Despite strong operational availability, the site faced occasional curtailment, when electricity production is suspended, from the country's national grid.

Australia portfolio performance

Periods of high curtailment and transmission constraints resulted in generation from the Australian portfolio ending the year 14.7% below budget. Irradiation was 4.8% under forecasts, also contributing to the underperformance.

The Queensland assets were especially affected in September and October, when Longreach, Oakey 1 and Oakey 2 faced up to 50% curtailment during solar hours. The Investment Manager has been investigating opportunities to improve performance and, in addition to the early-stage batteries being developed in-house, reached an agreement with the Solar 150 offtake operator to allow Oakey 1 and Longreach to continue generating power during negative price periods – with a floor of 75% of LGC prices – which has provided some revenue relief.

Production at Bannerton, in Victoria, meanwhile, fell below budget due to transmission constraints imposed by the Australian Energy Market Operator (AEMO).



Bird nesting house, Lorca portfolio, Spain

Investment Manager's report continued

Net Asset Value

Valuation methodology

The Investment Manager is responsible for providing fair value market estimates of the Company's underlying assets to the Board every quarter. The models incorporate a broad range of assumptions based on long-term forecasts and are generally unaffected by short-term fluctuations, economic gyrations or technical performance. Material changes to long-term expectations typically have a greater impact.

The Investment Manager determines assets' fair value using discounted cash flows (DCF) from the date of acquisition. Assets in development or under construction are valued at the lower of cost or net realisable value until the date of commissioning and start of operations. Revenues and costs accrued during construction or during commissioning do not form part of the DCF calculation when arriving at a fair valuation.

Based on the recommendation of the Investment Manager, the Board reviews and challenges the operating and financial assumptions, including the discount rates, used in the valuation of the portfolio before approval.

This approach adheres to IFRS 13 accounting standards, as well as the International Private Equity and Venture Capital Valuation (IPEV) guidelines. (See page 125 for more details.)

Discount rates for valuation

The Investment Manager regularly reviews the discount rates used to value the portfolio to ensure they remain in line with the Company's risk profile and that they reflect potential market changes.

This analysis is based on valuation information from transactions of comparable assets, reviews of the risk premium above the risk-free rate, and input from independent third parties.

When assessing climate change risk, the Investment Manager benchmarks the discount rate against a similar asset base to ensure the underlying climate risk exposure is factored into considerations.

After evaluating those factors, the weighted average levered discount rate across the Foresight Solar portfolio closed the year at 7.88% compared to 8.03% on 31 December 2023.

The decrease reflects a reduction in the discount rates for the Spanish assets. This was in response to strong transactional data, including the sale of a 50% stake in the Lorca portfolio. Discount rates were lowered by 100bps across assets in the country to 6.25% for Virgen del Carmen and 6.75% for Lorca to reflect the additional risk of leverage.

The discount rate used for UK asset cash flows which have received lease extensions beyond the initial investment period of 25 years is taken to 9.0% for subsequent years, reflecting the merchant risk of the expected inflows beyond the first two and a half decades.

In the Australian portfolio, assets are valued using a discount rate which is dependent on the level of contracted revenues. The weighted average discount rate decreased to 8.29% (31 December 2023: 8.37%).

Asset lives

The expected weighted average life of the UK portfolio at 31 December 2024 was 31.3 years (31 December 2023: 31.1 years) from the date of commissioning. This represents a remaining portfolio useful life of 21.5 years when the historical operational periods are taken into account.

The average useful economic life (UEL) across 41 of the 50 operational UK assets goes beyond 25 years, averaging 32.8 years from the date of commissioning. Cautious operational and lifecycle costs are incorporated into the extended useful life period.

The expected UEL for Spanish assets held steady at 40 years (31 December 2023: 40 years) and at 37 years for the Australian sites (31 December 2023: 37 years).

Inflation

Income from Foresight Solar's portfolio, particularly in the UK, is correlated to inflation both through subsidies and exposure to energy prices.

For valuation purposes, the Company forecasts inflation will be 3.5% in 2025, falling to 3% in the period between 2026 and 2030, and then dropping to 2.25% from 2031.

Investment Manager's report continued

Net Asset Value continued

Movements in NAV

Foresight Solar's NAV per share decreased to 112.3 pence in 2024 from 118.4 pence in the previous year. A breakdown in the movement is shown in the graph.

Dividends paid

The Company paid £44.7 million in dividends during the year to 31 December 2024.

Fund costs

Total costs were £9.4 million, predominantly composed of management fees, financing charges and corporation tax.

Other adjustments

Working capital adjustments released £5.9 million.

Share buybacks

Foresight Solar spent £21.8 million to repurchase 24.4 million shares over the course of 2024. This was accretive to NAV due to the purchase price being below the Company's holding Net Asset Value.

Foreign exchange movements

Fluctuations in exchange rates over the period negatively impacted the GBP valuations of the Australian and Spanish assets by £5.6 million.

Time value

A value uplift of £48.5 million resulted from moving the valuation date forward and, therefore, bringing future cash flows closer to the present (and discounting them less).

Project actuals

Reflects the cash performance of the portfolio compared with the modelled forecast. Low irradiance across markets and curtailment in Australia were the key drivers of the £18.2 million underperformance.

Power price forecasts

The Company uses forward-looking power prices to assess the likely future income of its assets for valuation purposes. The assumptions are based on a blended average of the forecasts provided by third-party consultants every quarter. The £13.0 million valuation decrease during the period includes the impact of the changes to British, Australian and Spanish price forecasts.

Inflation forecasts

The £1.6 million increase relates to an update for actual 2024 inflation and reflects the uplift of increasing the RPI assumption for 2025 to 3.5% from 3.0%.

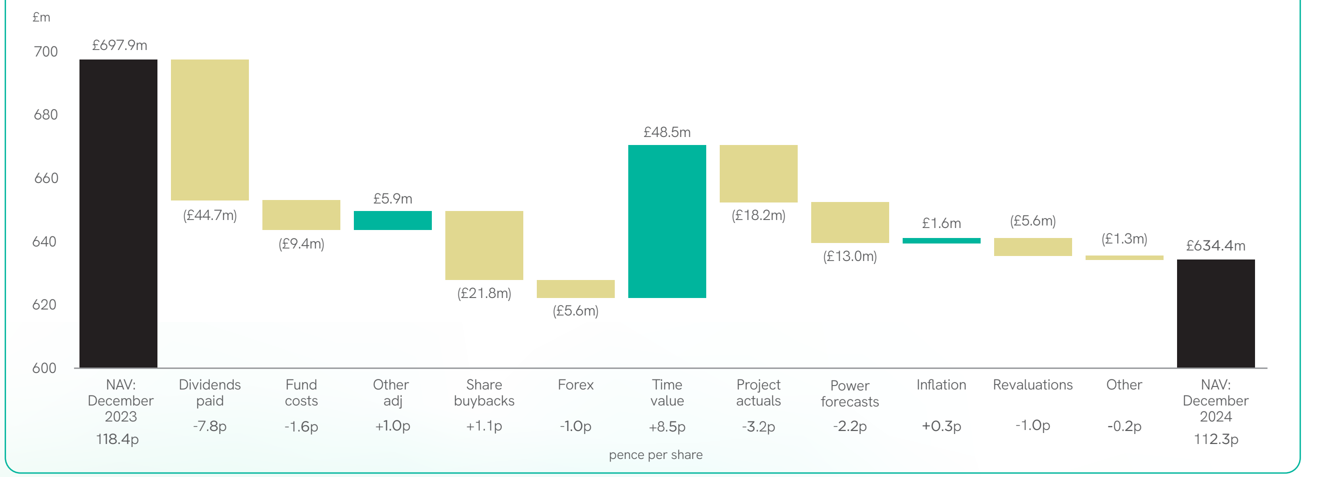
Revaluation of assets

The £5.6 million reduction reflects the write-down of the battery portfolio in the first quarter of 2024 due to a less positive market outlook for BESS. It also includes the revaluation of the Lorca portfolio back to the RCF methodology from the offer value.

Other portfolio valuation adjustments

Operational and financial updates to the portfolio, including lifecycle costs, tax modelling and interest receipts on cash balances, resulted in a £1.3 million downside.

Movements in Net Asset Value



Investment Manager's report continued

Net Asset Value continued

Movements in NAV continued

Valuation sensitivities

Where possible, assumptions are based on observable market and technical data. In many cases, such as forward power prices, independent advisors are used to provide evidenced information, enabling the Investment Manager to adopt a reasonable approach.

The chart on this page shows the impact per share of changes in key valuation assumptions on NAV.

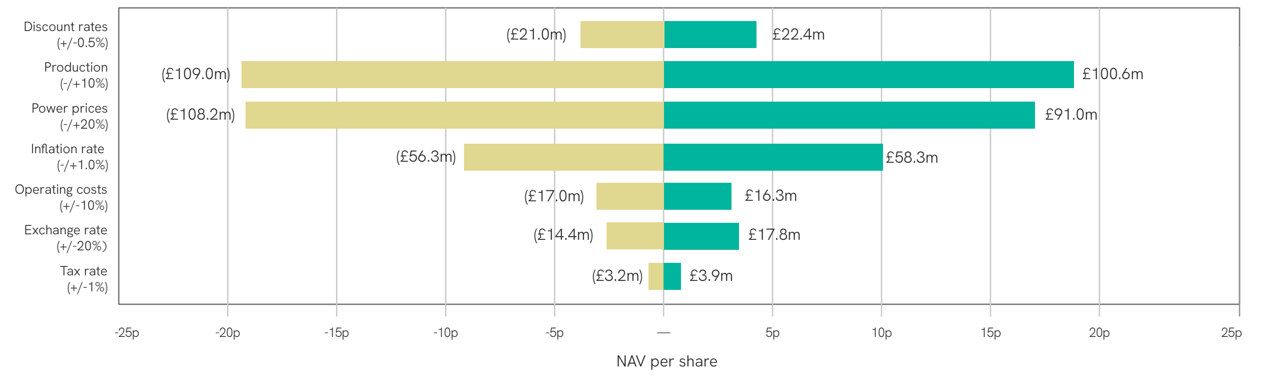
The Investment Manager has set out the inputs which it has ascertained would have a material effect on the NAV in note 16 to the Financial Statements. All sensitivities are calculated independently of each other.

United Kingdom portfolio valuation

The table on this page demonstrates the breakdown of Foresight Solar's UK portfolio valuation in £m/MW over recent periods.

The reduction over the course of 2024 was driven by cash movements from the portfolio and debt repayments, both of which lowered the total enterprise value of the assets.

Impact on NAV and NAV per share



All amounts presented in £million	31 December 2024	30 June 2024	31 December 2023	30 June 2023
Portfolio value	**543.7**	584.2	584.1	620.2
Cash held	**18.9**	25.4	25.4	14.8
Portfolio equity valuation	**524.8**	558.8	558.7	605.4
Debt	**271.7**	283.1	290.7	301.7
Enterprise valuation	**796.5**	841.9	849.5	907.1
Capacity (MWp)	**723.1**	723.1	723.1	723.1
£m/MWp	**1.10**	1.16	1.17	1.25

Sustainability

What's in this section:

"The Company's direct investments into solar energy generation and battery storage support global decarbonisation targets and countries' sustainability agendas."

Shotwick, UK

Sustainability

Foreword from the Chair

Alexander Ohlsson
Chair

1.79kWh/ share
of energy generated from renewable sources

622.2 gCO_2e/ share
avoided compared to country-specific grid intensity

Foresight Solar had another positive year contributing to delivering a lower-carbon economy. In 2024, the global portfolio produced 992.3GWh of clean energy, enough to power the equivalent of 367,500 UK homes for a year.

Operating high-performing assets, however, is not the only way in which the Company plays a fundamental part in the roll-out of solar electricity generation and battery storage. The growing development pipeline demonstrates FSFL's commitment to the future of these technologies – and to capturing higher returns for Shareholders.

Sustainability is an integral part of our business. Environmental, social and governance criteria are fundamental to our investment selection process, to the day-to-day running of our projects and to our overall risk oversight. At every step, the Investment Manager tracks and analyses relevant data to enable the Board to make better-informed decisions that result in improved financial performance for investors and positive outcomes for stakeholders.

This drive is what led us to seek equivalence to the Financial Conduct Authority's (FCA) Sustainability Disclosure Requirements (SDR). This regulation, that came into force at the end of 2024, seeks to improve trust in and transparency of sustainable investment products. Despite Foresight Solar being out of scope because of its Jersey domicile, the Company's inherent sustainability features, its London listing and the characteristics of its Shareholders were reasons to seek equivalence.

Sustainability performance

The strength of our sustainability performance provides comfort as the Investment Manager works to refinance Foresight Solar's sustainability-linked revolving credit facility. The chance to lower our interest costs depending on how well we perform on environmental and social measures is another strong connection between the business and positive outcomes for society. We expect the new facility to be in place by the second half of 2025.

Biodiversity net gain

In 2024, Foresight Solar started a project to register existing qualities and identify potential biodiversity improvements across its UK portfolio. This initiative came on the back of the approval of the Environment Act 2021, which established a market for biodiversity net gain credits in England.

As part of the research, an independent consultancy conducted desktop analysis of the 50 UK projects, prioritising 13 locations for on-site surveys after the initial investigation showed those were the ones with the most potential for financial upside.

The next step is to plan and execute the necessary works. This will be a thorough process, involving landowners, ecological experts and local authorities to secure approvals and implement the initiatives that will allow Foresight Solar to generate tradeable biodiversity units.

Sustainability continued

Foreword from the Chair continued

Regulatory update

The Investment Manager has been closely monitoring the implementation of the UK Sustainability Reporting Standards (UK SRS) and the Company awaits the results of the FCA's consultation and the government's subsequent guidelines to reflect these in its publications.

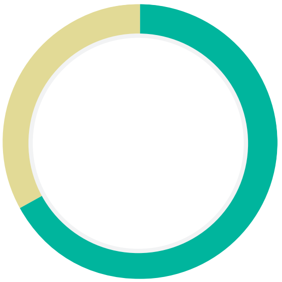
A similar approach is being taken in relation to information needed under the Taskforce on Nature-related Financial Disclosures (TNFD). As the UK regulator formalises its guidance and provides clarity on what is required, Foresight Solar will provide decision-useful data to investors.

Governance

The Board understands the importance of fostering a culture that is diverse and inclusive. Studies have shown the link between workplace diversity and positive financial performance. Since Foresight Solar has no employees, a direct measure of that diversity is Director representation.

As Lynn Cleary, the Chair of the Nomination Committee, outlines in her report (see page 97 for details), one of her role's key responsibilities is to promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths among Board members. We recognise there is work to be done and will continue searching for the most capable and diverse candidates to fill positions as we follow through with our succession plan.

Board gender diversity



67% male

(2023: 40% male)

33% female

(2023: 60% female[1])

1. This is due to increase to 40% once Chris Ambler steps down at the next AGM.

Looking ahead

We are excited to continue learning and implementing measures that lead to improved financial results and positive societal outcomes.

We're content the Investment Manager collaborated with an independent consultant to provide limited assurance of Foresight Solar's sustainability data. This process aims to verify the inputs and outputs of our environmental, social and governance reporting and ensure the information is accurate, reliable, and consistent. Going forward, we plan to do this at full year results, demonstrating our commitment to the highest standards of disclosure.

As part of the initiatives planned for 2025 are a series of lifecycle assessments (LCAs) to better understand the portfolio's carbon footprint from manufacturing and transportation of panels to operations and decommissioning. In conversation with investors, this is something we have heard is a useful exercise and we plan to update you in due course.

In the next pages, you will find sustainability metrics, including KPIs related to the United Nations Sustainable Development Goals (SDGs) and greenhouse gas (GHG) emissions numbers. We also update the disclosures from the interim results, allowing stakeholders to track our progress in developing and operating renewable infrastructure, alongside key data on the Company's environmental and social benefits – including on a per share basis.

The Directors, the Investment Manager and the Company's service providers are focused on achieving Foresight Solar's sustainability commitments and will continue working to do so. We look forward to updating you on how matters have developed in the next Annual Report.

Alexander Ohlsson

Chair

19 March 2025

Sustainability continued

Approach to sustainability

Sustainability and environmental considerations are at the centre of Foresight Solar's strategy, informing its investment process and its asset management activities.

FSFL aims to contribute to climate change mitigation – whilst seeking to identify risks and opportunities for the portfolio. A key component of this is the ability to quantify, measure and enhance the impact of the Company's operations.

To track and evaluate progress, the Investment Manager's Sustainable Infrastructure Investment Strategy is based on:

- Establishing strategies informed by sustainable investment principles and considering climate risks and nature-related opportunities
- Incorporating sustainability into processes using proprietary systems to help assess projects' sustainability credentials and performance
- Ongoing monitoring and management of sustainability performance through the collection and analysis of portfolio metrics, driving optimisation
- Reporting transparently to all relevant stakeholders

Tracking progress

The nature of Foresight Solar's operations means it is well positioned to serve the needs of investors seeking to achieve positive environmental and social outcomes alongside attractive financial returns.

The inherent sustainability features, in addition to the Company's London listing and its Shareholder characteristics, led the Board to seek equivalency to the Sustainability Focus label – even though the Sustainability Disclosure Requirements currently apply only to UK-domiciled funds. FSFL has voluntarily sought to demonstrate alignment as a matter of best practice and has made available pre-contractual and consumer-facing disclosures on its website.

To secure a label, the FCA calls for investment trusts to have clear and measurable KPIs to substantiate assets' contributions to sustainability objectives.

Foresight Solar invests only in solar and battery storage assets, both of which are eligible under the EU Taxonomy for sustainable activities. The Company's alignment with the Taxonomy, reported below, is based on internal assessment after analysing each project against the technical screening criteria, inclusive of the Do No Significant Harm and Minimum Safeguards elements.

At the portfolio level, the metrics quantify Foresight Solar's contribution to a lower-carbon electricity system. The Company aims to grow its operating solar and BESS capacity over time and, as its proprietary development pipeline matures, FSFL will enable more assets that produce green energy on the grid.

In addition to the key performance indicators that show progress against the Company's investment objective, to demonstrate its commitment to achieving environmental and social benefits, Foresight Solar presents quantitative reporting against the UN's Sustainable Development Goals and their underlying targets.

The SDGs are a set of 17 objectives to mobilise the international community to deliver sustainable development by 2030. They represent a key driver of the Company's investment activities.

The tables on this and the following page demonstrate FSFL's performance against the KPIs of its investment objective and the Company's contribution to the relevant SDGs and their underlying targets.

Investment objective KPIs

Company

Maintain a minimum 70% alignment with an authoritative taxonomy which will demonstrate the sustainability of the underlying assets	100%

Portfolio

Operational (total renewable energy capacity added)	United Kingdom	723MW
	Australia	170MW
	Spain	125MW
	Total	**1,018MW**
Developed (total renewable energy capacity enabled)	United Kingdom	—
	Spain	—
	Total	**—**

Sustainability continued

Approach to sustainability continued

Sustainable impact reporting

Foresight Solar's contributions to the SDGs are correlated to the Company's portfolio and the amount of renewable energy generated in any given period. Variations in those factors and inputs will have a direct effect on the KPIs presented below. In other words, higher electricity output translates into higher impact figures and vice-versa.

Good health and well-being

Target: Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.

Contribution: Achieved through the reduction of pollution and emissions by the installation and management of clean energy generation assets.

535,820kg
NOx (nitrous oxide) avoided vs energy generation from gas
(2023: 649,711kg)

9,327kg
PM10 (µm10 particulate matter) avoided
(2023: 11,310kg)

392,935kg
SOx (sulphur dioxide) avoided
(2023: 476,455kg)

4,266kg
PM2.5 (µm2.5 particulate matter) avoided
(2023: 5,174kg)

Affordable and clean energy

Target: Increase the share of renewable energy in the global energy mix.

Contribution: Achieved by reducing reliance on fossil fuels via investment in renewable energy generation.

992.2GWh
renewable energy generated
(2023: 1,088GWh)

367,504
UK homes powered for a year
(2023: 402,754)

Industry, innovation and infrastructure

Target: Develop reliable, sustainable infrastructure to support economic development and human wellbeing, with a focus on affordable and equitable access for all.

Contribution: Achieved by future-proofing energy systems through investment in generation assets using the latest technologies to maximise electrical output.

969MW
of renewable energy capacity connected to the electricity grid
(2023: 969 MW)

Climate action

Target: Improve education, awareness and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

Contribution: Achieved by raising awareness and improving institutional knowledge on climate change mitigation.

351,451 tCO_2e
emissions avoided compared to country-specific grid intensity
(2023: 378,486 tCO_2e)

Life on land

Target: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and protect and prevent the extinction of threatened species.

Contribution: Achieved by preserving the integrity of land through investment in low-polluting technologies, and introducing environmental initiatives through active asset management that improves biodiversity.

85,319 TOE avoided
tonnes of oil equivalent contributing to the avoidance of fossil fuel use
(2023: 103,454 TOE)

Sustainability continued

Environment

In July 2024, diesel reserved for the on-site generator at Yardwall leaked. The Asset Manager quickly took action to blacklist the service provider responsible for the accident; hired a specialist to remediate the soil; and, as is required in these instances, contacted the Environment Agency for awareness. The spill was fully remediated and the site has been operating as expected.

Emissions reporting

Although Foresight Solar's assets make a significant and quantifiable contribution to the energy transition, to decarbonising industry and to enhancing nature recovery, there are still emissions associated with the operation and maintenance of the portfolio.

To minimise its carbon footprint, the Company has continued efforts to limit Scope 1 and Scope 2 emissions, over which it has direct control. The lower Scope 1 emissions contributed to Foresight Solar's reduced carbon footprint.

The numbers would have been more impactful if electricity consumption had been more efficient at Bannerton, which does not rely on a renewable tariff for on-site supply.

Data assurance

The Investment Manager worked with Aardvark Certification to undertake independent, third-party limited assurance of the processes in place to collect sustainability data and analyse the validity of the information being presented in accordance with ISAE 3000.

Key sustainability metrics

GHG emissions

4.56 tCO_2e
Scope 1
(2023: 118.56 tCO_2e)

194.81 tCO_2e
Scope 2
(2023: 164.88 tCO_2e)

102,567.54 tCO_2e
Scope 3[1]
(2023: 122,049 tCO_2e)

Environmental footprint

0.31 tCO_2e /£m invested
Carbon footprint
(2023: 0.41)

1.03 tCO_2e /£m revenue
weighted average carbon intensity (WACI) of investee companies
(2023: 1.51)

Share of non-renewable energy consumption and production

98%
of assets with a renewables tariff for on-site consumption
(2023: 97%)

85%
of overall portfolio consumption from renewable sources
(2023: 94%)

100%
% of energy generated from renewable sources
(2023: 100%)

Sustainability metrics per outstanding share

1.79 kWh/share
(2023: 1.86 kWh/share)

622.2 gCO_2e avoided/share
(2023: 642.3 gCO_2e avoided/share)

1. Data quality is assessed to be Data Quality 4.

Sustainability continued

Case study

Measuring potential for biodiversity units

In 2024, Foresight Solar started a baselining assessment to gauge the potential for creation of biodiversity net gain (BNG) units across its UK projects.

The initiative came on the back of the approval of the Environment Act in England, establishing a strategy to develop land and contribute to the recovery of nature. The legislation mandates new infrastructure needs to deliver a minimum 10% biodiversity net gain. Those that are not able to do so have to buy units to compensate, creating a mechanism like the already established carbon credit market.

The first step of the assessment was a comprehensive desktop study to identify the locations with the highest potential for enhancements and creation of BNG units.

The filter identified 13 sites that were highly suitable for more in-depth analysis. The selected projects then underwent detailed, in-person ecological investigations to determine the feasibility and impact of potential interventions. These reviews focused on existing habitat quality, surrounding ecosystem connectivity, and the capacity for improvements that could be captured as units.

The 13 locations deemed most suitable for on-site surveys are shown on the map on the next page.

With site data to hand, planning can now begin to implement the necessary works across locations at the optimum time of year, maximising chances of success – and subsequent unit creation.

Among the outlined enhancements are:

- Wildflower meadow, hedgerow and woodland buffer creation and restoration to improve biodiversity
- Grassland enhancement, supporting native flora and fauna by seeding a diverse plant mix that appeals to pollinators and wildlife
- Hedgerow and tree planting, strengthening ecological corridors to facilitate wildlife movement
- Native whip planting, introducing species such as field maple, hazel, dogwood, hawthorn, spindle and dog rose to enhance habitat variety
- Woodland creation and scrub enhancement, maintaining habitat diversity to support a range of species
- Diverse scrub species introduction, increasing plant variety to enhance ecological resilience
- Pond and wetland creation, improving water retention and supporting diverse aquatic ecosystems
- Ditch enhancements, improving connectivity and water quality across sites

Foresight Solar's asset management and sustainability teams are already involving key stakeholders, such as landowners, to secure permissions and ensure alignment with land management practices; ecological experts, to validate and refine proposed enhancements; and local authorities to navigate regulatory approvals and compliance requirements.

The planned enhancements, supported by a robust assessment and stakeholder engagement plan, position this baselining project as a model for integrating renewable energy development and operation and nature-positive recovery.

As implementation progresses, regular monitoring and adaptive management will be key to optimising ecological and financial outcomes.

Shotwick, UK

Sustainability continued

Case study continued

Measuring potential for biodiversity units continued

#	Site	Capacity (MW)	Location	Potential BNG units[1]
1	Abergelli	8	West Glamorgan	37
2	Field House	6	Hampshire	7
3	Gedling	6	Nottinghamshire	8
4	Highfields	12	Essex	51
5	High Penn	10	Wiltshire	10
6	Nowhere	8	Lincolnshire	12
7	Pen Y Cae	7	Carmarthenshire	24
8	Playters	9	Devon	10
9	Shotwick	72	Flintshire	28
10	Trehawke	11	Cornwall	20
11	Welbeck	11	Nottinghamshire	13
12	Wymeswold	34	Leicestershire	9
13	Yarburgh	8	Lincolnshire	9

1. Biodiversity units consist of habitat, hedgerow and watercourse units.

Sustainability continued

Local communities

Local impact with community benefits payments

Across geographies, in 2024, Foresight Solar contributed almost £300,000 to local communities. This money is used in myriad ways by regional authorities to improve the lives of residents near the Company's operational sites.

During the year, the cash was invested in infrastructure to combat speeding, enhance local infrastructure, be it of bus shelters or community centres, acquire equipment for new playgrounds and for emergency care, among others.

Verwood Town Council, Dorset

A substantial grant was dedicated towards several infrastructure developments and improvements in the community.

Renovation projects included the replacement of floors at both the Verwood Road Evangelical Church and the Three Legged Cross Village Hall. Additionally, the money contributed to the rehearsal costs and subsequent hosting of a digital sound mixer at the Verwood Pantomime Society.

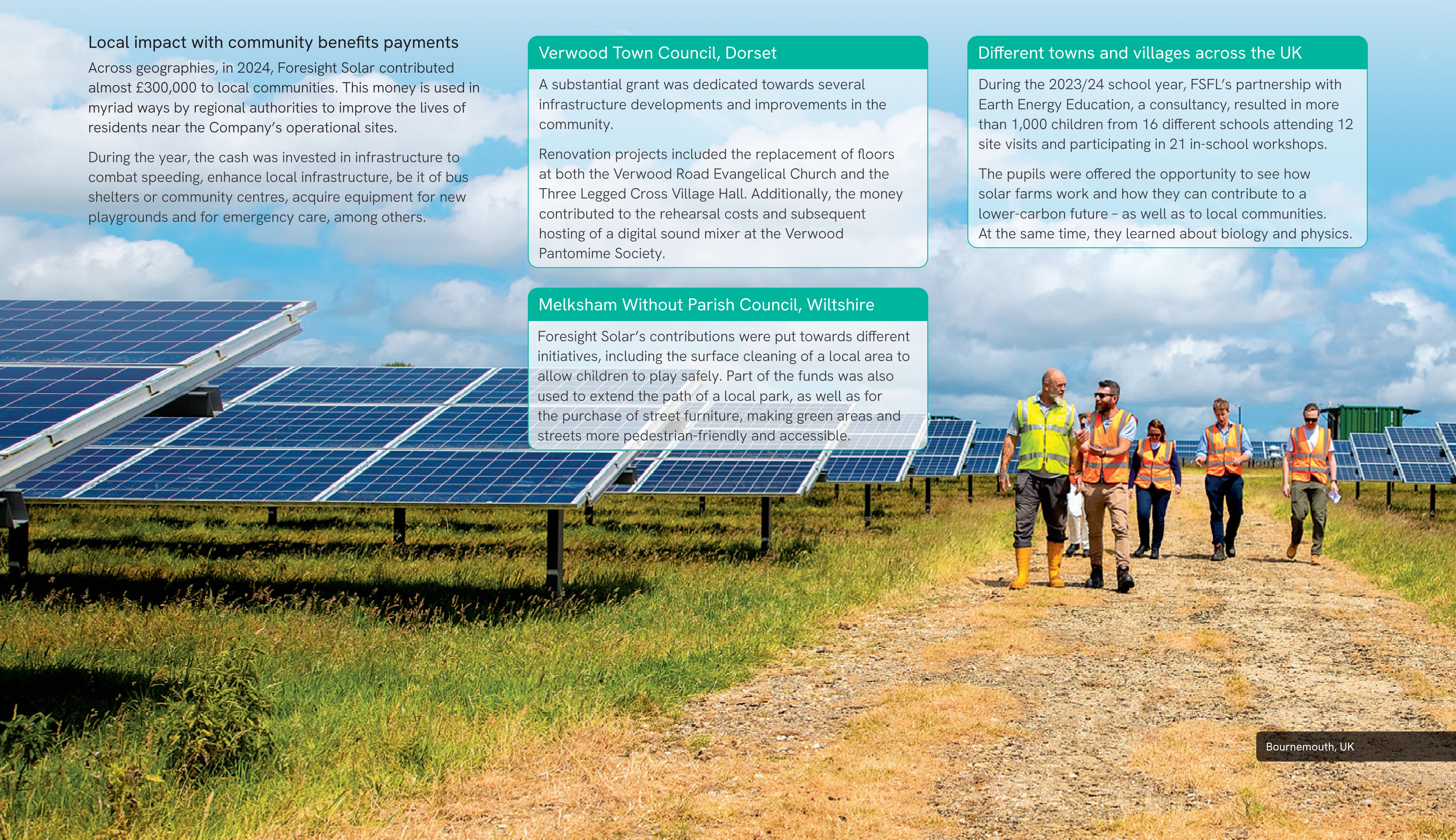
Melksham Without Parish Council, Wiltshire

Foresight Solar's contributions were put towards different initiatives, including the surface cleaning of a local area to allow children to play safely. Part of the funds was also used to extend the path of a local park, as well as for the purchase of street furniture, making green areas and streets more pedestrian-friendly and accessible.

Different towns and villages across the UK

During the 2023/24 school year, FSFL's partnership with Earth Energy Education, a consultancy, resulted in more than 1,000 children from 16 different schools attending 12 site visits and participating in 21 in-school workshops.

The pupils were offered the opportunity to see how solar farms work and how they can contribute to a lower-carbon future – as well as to local communities. At the same time, they learned about biology and physics.



Bournemouth, UK

Sustainability continued

Supply chain

There is no "one-size-fits-all" answer to solving supply chain issues. To try and address the challenge, the Investment Manager takes a layered approach to mitigate sustainability risks. The combination of actions includes:

- **Selected geographies** – Setting investment strategies focused on locations with strong regulatory frameworks
- **Robust internal due diligence** – Interrogating key counterparties and their governance frameworks at the project level
- **Supplier Code of Conduct** – Referencing directly the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, and contractually binding counterparties to uphold the guidelines set out in the document
- **Direct engagement** – Interacting with primary, secondary and tertiary suppliers to interrogate their approaches to risk mitigation within their own supply chains
- **Enhanced due diligenc**e – Using specialist third parties to conduct in-person audits of higher-risk counterparties and their facilities
- **Collaboration** – Working with industry partners and peers to deliver more effective engagement with key suppliers
- **Ethixbase** – Enabling indirect interrogation of suppliers across regulatory and sustainability risk via this specialised service

As an investment trust managed by Foresight Group, the Company's policy and practices in relation to modern slavery and human trafficking are covered by the Investment Manager's Modern Slavery Act statement.

The document sets out Foresight Group's approach to matters such as services and supply chain due diligence, training, recruitment and welfare of employees and can be found on the firm's website.

Click or scan to read the statement

Hunters Race, Chichester

Risk and risk management

Risks are identified according to the Company's investment objectives and existing policies, with the levels of risk tolerance ultimately defined by the Board.

Foresight Solar is exposed to multiple risks that can affect its valuation, reputation and financial or operational performance. The nature and levels of risk are identified according to the investment objectives and existing policies, with the Directors determining the acceptable risk tolerance.

The Investment Manager and the Administrator have a comprehensive risk management framework to reduce the likelihood and the potential impact of principal and emerging risks. The Company relies on the Investment Manager's internal systems and controls and on external providers, such as the Administrator, to effectively manage risk across the portfolio and maintain an up-to-date risk register.

The Company has a detailed risk management framework, which the Audit and Risk Committee reviews regularly along with the risk register and overall risk management practices. Key changes to the register are reported quarterly to the Board and the Directors consider the risk framework at least once per year.

Principal risks

Market sentiment towards the real assets investment trust sector and its implications for the Company's access to capital continue to be the primary concern. With high interest rates and increased appeal of fixed income products, Foresight Solar's shares have been trading at a discount to the Net Asset Value for roughly 24 months. Whilst the Board is comfortable with the underlying portfolio's valuation, the persistent discount indicates investors are demanding higher returns. Elevated interest rates also result in more expensive financing, although this is limited to FSFL's revolving credit facility.

The Directors have sought to mitigate potential impacts through a capital allocation strategy that prioritises returning cash to Shareholders and de-leveraging.

Meanwhile, the prospect of significant government intervention in energy markets also remains a key risk. In 2022, the UK government launched a consultation for the Review of Electricity Market Arrangements, with potentially far-reaching implications for the country's energy system. A second consultation on the transition to Fixed Price Certificates for projects accredited under the Renewables Obligation scheme, which may impact FSFL revenues, was launched in 2023 and is still finalising results.

The regulatory changes may threaten the future of energy markets. The government's decision following REMA is expected in the first half of 2025, with locational pricing seemingly gaining traction based on comments from the Ofgem CEO. A radical transformation of the network has the potential to lower bills for consumers but will come with a long implementation period and at the expense of investors looking to deploy capital in the country. Ofgem has also outlined reforms to streamline the connection queue to the grid. The revised approach would practically eliminate speculative projects from the process, accelerating the roll-out of renewable capacity and benefiting those with capital available to be deployed immediately.

Shotwick, UK

Risk and risk management continued

Principal risks continued

The Board has paid close attention to risks associated with the electricity price outlook as forecasts have been mixed. Whilst the portfolio is well hedged against near-term adverse price movements, the Company continues to proactively hedge its exposure at levels that support dividend cover in years ahead.

The potential impact of supply chain risks, meanwhile, has reduced as construction is completed and the distribution network operator set a date for the energisation of Sandridge BESS. Challenges with the manufacture and delivery of certain inverters, however, persist. As the Investment Manager and the Board consider options for Clayfords and Lunanhead, exposure to construction projects is limited. In any case, some risk to the valuation of the proprietary development pipeline and to the supply of components for lifecycle investments remains, which meant there were no changes to these two risks.

Set out on the next pages are the most relevant principal risks and uncertainties, along with their mitigants.

Access to capital	↑
Regulatory change, including changes to subsidies	—
Near and long-term energy prices	—
Fund performance	—
Portfolio performance	—
Financial gearing	—
Counterparty risk	—
Supply chain	—
Development and construction	—
Changing climate patterns	—

More information on the risks that should be considered before investing in the Company are in the Prospectus, available at: **https://fsfl.foresightgroup.eu/shareholder-centre#KeyDocuments**

Click or scan to read our Prospectus

Emerging risks

Emerging risks have a greater degree of uncertainty. The Board regularly reviews them with the support of the Investment Manager, the Administrator and other relevant advisors.

In a fast-changing world, the US election catapulted Donald Trump back to the White House with potentially inflationary policies. His administration's "America first" approach risks heightening geopolitical tensions, taxing global production with trade wars and, consequently, increasing costs for those developing and building renewable energy projects.

The uncertainty caused by Trump's executive orders have aggravated the complex macroeconomic environment in the United Kingdom that affects not only real assets investment trusts, but the entire asset class. In December 2024, an activist hedge fund announced large positions in seven equity-focused investment companies and started agitating for change. Although the campaign was unsuccessful, it was broadly understood to be the first push in a lengthier battle. As steep discounts to NAV afflict the asset class and market volatility remains, the threat from activists is likely to persist.

As the Board continues to integrate climate risk reporting, it has monitored increasingly relevant concerns for the portfolio. Evidence of evolving climate patterns is apparent and these changes may have a direct impact on operational and financial performance. (See the Task Force on Climate-related Financial Disclosures section, from page 56, for more detail on climate-related risks and opportunities.)

Risk and risk management continued

Principal risk outline

Access to capital

Change in the latest period: Increase

Risk summary	Mitigation	Trend and outlook
The risk: The challenging macroeconomic backdrop continued in 2024, with deteriorating investor sentiment leading to further widespread de-rating of the renewable infrastructure investment trust market. Share prices across the sector touched all-time lows and there is no immediate route to narrow the discount in the near term. Investment trusts are effectively locked out from raising new equity. **Why it exists:** Markets experienced the sharpest period of fiscal tightening in a generation between 2021 and 2023 as central banks significantly increased interest rates. This led to a dislocation between fair asset prices and investors' return expectations when compared to the risk-free rate and returns from fixed income options. **Potential impact:** The risk of reduced appetite for its shares is that the Company may struggle to raise capital for new investments and be unable to grow, which would result in long-term NAV decline.	The Company adheres to a disciplined capital allocation approach and has taken a raft of actions aimed at addressing the discount to NAV at which its shares have traded. The Board paused meaningful capital investment into new projects to focus on paying down debt and returning capital to Shareholders via buybacks. The Investment Manager has also implemented a capital recycling programme. Proceeds from the first phase were used to repay the RCF. Cash from future divestments will be used to further pay debt and returned to investors, as per the stated allocation strategy.	Comparable transactions have taken place to confirm asset valuations, but this has not had an impact on the Company's or the sector's ratings. Market sentiment towards listed renewable trusts remains depressed with limited appetite from buyers of shares. The protracted downturn has made this risk acute. Central bank rates remain high and share price discounts to NAVs have persisted. Foresight Solar is sensitive to these external forces and must position itself favourably in relation to peers. Reductions in the UK benchmark interest rates would likely have a positive impact on performance, but the Bank of England will weigh cuts against existing inflationary pressures.

Regulatory change, including changes to subsidies

Change in the latest period: No change

Risk summary	Mitigation	Trend and outlook
The risk: Changes in political support for renewable energy have the potential to adversely impact the subsidies available for renewable generation, whether on a prospective or retrospective basis. **Why it exists:** Whilst subsidies are underwritten by government support, they are open to prevailing political pressures. There are well-known examples when they have been retrospectively reduced, albeit with subsequent legal challenge, as was the case in Spain. The UK government intervened in energy markets in 2022 with the implementation of the Electricity Generator Levy. Since then, longstanding consultations on REMA and a transition of ROC-backed projects to fixed price contracts remain open. **Potential impact:** Any changes with retrospective effects may adversely impact the Company's valuation and its ability to meet return targets.	The Investment Manager monitors relevant regulatory developments and political statements on an ongoing basis across all markets the Company operates in. The Investment Manager's ability to influence political decision-making on its own is limited, and it has, therefore, become a member of investor groups and trade associations which lobby on behalf of the industry. The Investment Manager continues to liaise with industry representatives and peers and takes part in direct discussions with governments to understand the direction of travel for policy and, as far as possible, mitigate downside risk for the Company.	Energy prices remain a key political issue. Progress to Net Zero and energy security are also key themes, with substantial public and private investment required to reach lower emissions goals. The UK government, elected in July 2024, has been supportive of renewable deployment and, to encourage further investment into new clean energy generation, appears less inclined to radically change electricity markets. A challenging economic outlook, however, could pressure leadership to find ways to reduce energy prices, centring on unappealing measures from REMA.

Risk and risk management continued

Principal risk outline continued

Near-term energy prices

Change in the latest period: No change

Risk summary	Mitigation	Trend and outlook
The risk: The price at which a solar plant sells its electricity is determined by market forces. Fluctuations in short-term prices may negatively affect the Company's revenues and dividend payments. **Why it exists:** Electricity prices can be broadly affected by supply-side, demand-side and/or regulatory risks. A decline in market price could adversely affect the value of electricity generated by solar assets and, consequently, the Company's financial position. **Potential impact:** A sudden fall in unhedged power prices could result in Foresight Solar not generating sufficient cash to pay its dividends.	In the short and medium term, the Company manages energy price risk by actively hedging its production. FSFL has adopted a strategy to minimise the impact of power price volatility on future cash flows by entering fixed price arrangements for the sale of the energy it produces and by using financial instruments. The goal is to achieve: • A minimum percentage of fixed revenues representing 60% of expected total annual revenue • A target percentage of annual fixed revenues representing 75% of expected total annual revenue on a two-year rolling basis The Company has fixed more than the minimum 60% target for total annual revenue for a few years ahead and the Board does not perceive there to be significant risk in fixing further amounts at attractive rates.	Forward wholesale electricity prices in the UK have mostly stabilised, settling closer to the long-term average after volatility caused by Russia invading Ukraine. The market is, however, susceptible to external shocks and geopolitical tensions may lead to higher electricity prices.

Long-term energy prices

Change in the latest period: No change

Risk summary	Mitigation	Trend and outlook
The risk: Downward adjustments to long-term power forecasts have the potential to significantly impact NAV and Foresight Solar's ability to meet its future obligations and dividend payments. **Why it exists:** Power curve forecasters generally assume that the mass deployment of renewable energy producers with a low marginal cost of generation will limit real price increases in the long term. The potential for energy market redesign also presents a risk if it results in lower-than-expected long-term power prices. **Potential impact:** A greater reduction in future power curves than currently forecast may have a significant negative downside effect on the Company's NAV in the short term and reduce dividend cover in the medium to long term.	Whilst the Company can readily fix power prices using PPA agreements for up to five years ahead, it becomes more challenging further into the future due to falling liquidity. Financial hedges provide access to deeper, more liquid markets under a variety of structures. There is also a developing corporate PPA market, offering longer-term offtake agreements of up to 15 years. Notwithstanding the above, the risk remains that long-term power curves drop significantly. That would then be reflected on the long-term PPA market as well. FSFL uses a blended rate of three specialist power price forecasters that estimate market prices to 2050.	The long end of the power price curve, which has been mostly stable, has begun to tick up since the second half of 2024. Regardless, long-term power prices remain difficult to predict as they are a function of supply and demand and changes to the market. The outcome of REMA, which could have a profound effect on energy prices, is expected in the first half of 2025. Positive price signals will continue to be required to encourage the scale of renewable energy deployment needed to meet Net Zero targets.

Risk and risk management continued

Principal risk outline continued

Fund performance

Change in the latest period: No change

Risk summary	Mitigation	Trend and outlook
The risk: The Company performs materially below its peer group in terms of its stated investment objective, leading to a loss of confidence from investors. **Why it exists:** Meeting the investment objective in a dynamic and competitive marketplace is a challenge that requires the Investment Manager and the Board to implement good strategic decisions and stay on top of key market developments. Challenging market conditions have made comparisons between funds starker, with increased scrutiny on corporate actions. There are calls for consolidation and heightened takeover risk. **Potential impact:** Risk of reduced appetite for its shares means Foresight Solar may struggle to raise capital for new investments and be unable to grow. This would, in turn, result in long-term NAV decline.	It is the Investment Manager's role to deliver the Company's mandate with oversight from the Board. Foresight Group continuously monitors performance and, with the assistance of the brokers and the Administrator, analyses peers' performance, reporting regularly to the Directors. The Board oversees the Investment Manager's delivery on an ongoing basis and specifically via the Management Engagement Committee. The current challenging macroeconomic environment is affecting the entire asset class. Setting FSFL apart, the Board and the Investment Manager have followed through on a series of proactive measures, demonstrating disciplined capital allocation, delivering on asset disposals, reducing leverage with debt repayments, and returning capital to Shareholders via buybacks.	Investor sentiment towards the asset class has not improved. Share prices touched all-time lows and discounts to NAVs persist with no obvious route to a narrowing in the near term. This situation impacts the entire peer group, with renewable energy investment trusts trading at steep discounts. Investors are demanding more action and activism is gaining prominence. The Directors have extended the divestment programme to sell more than the Australian portfolio and are exploring all options available to provide the best outcome for investors. The Company will face another discontinuation vote at the June AGM after trading at a discount of more than 10% during the 2024 financial year. If Shareholders favour a change in status quo, the Board will have to put forward a proposal for change within three months of the result.

Portfolio performance

Change in the latest period: No change

Risk summary	Mitigation	Trend and outlook
The risk: Foresight Solar's operating portfolio meaningfully underperforms in comparison to budgeted expectations. **Why it exists:** There are multiple factors that could result in asset underperformance, including poor technical operation, network issues, low irradiation or overly optimistic initial assumptions. Issues in specific geographies have the potential to cause an outsized impact. **Potential impact:** Underperformance of a significant proportion of the portfolio or systemic issues resulting in excessive downtime may threaten the Company's ability to meet its obligations to Shareholders and to creditors.	Diversification is a primary mitigant to systematic underperformance. This comes in many forms, including geographical and technological, but also of revenue streams, equipment manufacturers and electricity offtakers. The Company's portfolio is sufficiently diversified that no one single issue should be large enough to threaten Foresight Solar's financial resilience. The Asset Manager also closely monitors O&M contractors' performance to ensure a high quality of service. The portfolio has a variety of providers, and services are periodically re-tendered. The active portfolio management also includes a spare parts strategy and engagement with DNOs to minimise downtime.	As the UK portfolio reaches its second decade, Foresight Solar enters a key phase of lifecycle works when major components like inverters require replacement. A robust lifecycle plan and a credible spare parts strategy act to mitigate the expected downtime from works. Remaining on top of key lifecycle works in an ageing portfolio will continue to require active asset management.

Risk and risk management continued

Principal risk outline continued

Financial gearing

Change in the latest period: No change

Risk summary	Mitigation	Trend and outlook
The risk: Foresight Solar's subsidiaries and its investments have in place third-party debt facilities that can create greater potential for losses if cash is insufficient to meet repayments. The Company may not be able to refinance existing borrowing on equal terms, or at all. **Why it exists:** The yield payable to Shareholders relies partly on banks making project finance facilities available on normal terms. Any change to lender appetite or significant alterations to terms would impact the yield to Shareholders. The significant rise in interest rates in 2022 and 2023 carries the risk of placing greater pressure on FSFL finances due to higher variable payments and/or refinancing risk. The variable interest rate payable on revolving credit facilities linked to SONIA, for example, is unpredictable. Higher discount rates reduces portfolio valuation, which, in turn, increases the level of gearing as a percentage of GAV/NAV. **Potential impact:** A reduction in available cash flow at borrower level can impact the ability to cover debt service obligations on a periodic basis and affect the Company's capacity to pay dividends. There is also the risk that a significant rise in interest rates would make short-term facilities like the RCF materially more expensive at the point of refinancing.	The Investment Manager enters interest rate hedging arrangements for a minimum of 80% of the outstanding debt balances to reduce exposure to benchmark rates and limit the risk of cash flow volatility from interest rate movements. The Company's long-term debt is fully hedged. In respect of short-term, variable rate debt, Foresight Solar extended the term of its RCF to 2026 and is in the process of renegotiating the facility, with a resolution expected in the second quarter of 2025. The Investment Manager carried out a detailed restructuring analysis and concluded that its existing debt terms are favourable. It is unlikely to secure better rates in a higher for longer environment. Once the debt is arranged, the Investment Manager continually monitors the covenants on the various facilities to flag and mitigate risks.	Whilst interest rates began to fall in late 2024, there is no expectation they will return to the record lows seen during the 2010s. The Investment Manager, therefore, reflects this in its assumptions when refinancings fall due.

Risk and risk management continued

Principal risk outline continued

Counterparty risk

Change in the latest period: No change

Risk summary	Mitigation	Trend and outlook
The risk: The Company's main contractual counterparties either fail or perform poorly, resulting in them being unable to fulfil their obligations. **Why it exists:** Foresight Solar outsources key services, such as construction, operations and maintenance, and offtake arrangements, via PPAs, as well as financial hedges to third-party specialists. Elevated interest rates resulted in higher debt payments for many businesses, putting greater strain on balance sheets. It is important to more actively monitor for signs that counterparties on which the Company relies may be struggling. **Potential impact:** If the counterparty fails, without sufficient protections the Company is left with the responsibility of continuing the services and the potential associated additional costs.	Counterparty risk is a key consideration in how the Investment Manager structures its procurement and contracting arrangements on the Company's behalf. When selecting contractors, for example, their credit rating, balance sheet strength and payment record are all taken into consideration. Parent company guarantees or performance bonds are also typically sought to provide downside protection. However, if a contractor failed during construction, it would inevitably lead to delays. The Investment Manager regularly reviews the opportunity to benchmark key providers or tender for services such as O&M and PPA offtakes. Contracts include termination provisions for insolvency or poor performance and will typically not be signed for more than five years without a review point. Replacement risk is relatively well mitigated by a competitive landscape. For example, in the event of a PPA offtaker failing, the Company would be able to quickly replace the agreement in a liquid market. The risk, however, could then be lower prices than those originally contracted. The Company also maintains a diversified pool of suppliers such that it does not become overly reliant on a single counterparty.	The impact of higher borrowing costs will have started to filter through to counterparties as existing debt arrangements expire. Tax rises in the UK, including those on employment, will likely be passed on to consumers via higher prices. The risk will be heightened if interest rates remain higher for longer. In this case, balance sheet weaknesses may only become evident in the next year or two.

Risk and risk management continued

Principal risk outline continued

Supply chain

Change in the latest period: No change

Risk summary	Mitigation	Trend and outlook
The risk: The challenge is essentially two-fold: i) access to key equipment and resources shipped internationally is delayed or becomes increasingly expensive due to supply and demand imbalances; and ii) the Company inadvertently acquires equipment required for a solar park or BESS project that has had input from forced labour or modern slavery. **Why it exists:** Global supply chains have been placed under significant strain following geopolitical developments and international conflicts. The macroeconomic environment has also impacted supply and demand dynamics. In terms of ethical concerns, the solar supply chain has been under increased scrutiny in recent years following articles about the use of forced labour and modern slavery in China. **Potential impact:** Strained supply chains can lead to volatile pricing for components such as solar panels and battery cells. This uncertainty can make investment decisions challenging since these costs make up a significant proportion of project expenditure. As a leading renewables investor, there are serious reputational and share price risks of connection to firms suspected of using forced labour. That's why the Investment Manager is seeking to shed greater light on the supply chain that manufactures the components and provides services used in its projects.	Significant fluctuations in the supply chain resulting in volatile prices and/or shipping delays will happen periodically, typically at times of market stress. The Investment Manager not only maintains strong relationships with head contractors but also key component manufacturers to closely track pricing and supply dynamics. This supports the decision-making when seeking contracts for construction and timing of entry into arrangements. In response to labour market and ethical concerns in the solar and BESS supply chains, the Investment Manager has developed its own strategy, building on UK trade association advice. To understand the existing supply chain, the Investment Manager engaged a consultant for the following services: • Due diligence and ESG reports on suppliers • Analytics that can be split between assets and locations • Ongoing monitoring and remediation service • Modern slavery questionnaire and analytics • Follow-up service on suppliers' questionnaire responses Whilst there are limitations to the consultant's ability to cover the full supply chain, their services improve the Company's capability to identify risks, map suppliers that may require support, and work to ensure processes are more robust.	The Investment Manager continues to observe a positive trend of engagement with the major solar panel and BESS cell manufacturers, which recognise the risk of failing to address concerns over working practices in their own supply chains. Whilst Foresight Solar is not currently procuring new components given the reduction in capital spend, it is continually refining this process.

Risk and risk management continued

Principal risk outline continued

Development and construction

Change in the latest period: No change

Risk summary	Mitigation	Trend and outlook
The risk: Challenges to secure the necessary rights for build-out; delays to construction timetables, which may result in projects not being able to commence generating power and, therefore, revenues; the risk of bad workmanship in constructing plants; and delays in the connection of solar and BESS projects to the grid. **Why it exists:** The Company invests in development and construction-stage projects that are inherently riskier than those already operational. **Potential impact:** Failing to secure permits may deem a development project unviable. Meanwhile, if protracted, delays to generating revenue could negatively impact returns. Projects may also have debt obligations that they are required to service, or a PPA, which could place an investment in financial difficulties.	The Company has deployed limited capital to secure its proprietary development pipeline. The deals are back-dated, contingent on success and cross-collateralised to minimise risks for Shareholders. The Investment Manager has also taken a reasonable approach to how many projects will effectively evolve through the pipeline and does not expect a 100% success rate. The use of third parties for development and construction exposes the Company to risks associated with the delegation of responsibility. This is mitigated through the negotiation of contracts that shift delivery responsibility to the contractor. Contractual risks will typically be mitigated by performance bonds and milestone payments, with funds transferred only once certain conditions are met. Protections do not, however, apply to delays with grid connections, which are the responsibility of the DNO. In addition, the Investment Manager employs experienced in-house construction professionals to oversee processes, with support from independent advisors to ensure milestones are achieved on schedule and in line with specifications. Given the increased focus on development and construction assets for the portfolio, the Investment Manager has strengthened its teams with additional resources.	Governments in the UK and in mainland Europe are supporting renewable energy generation to meet decarbonisation goals. This has led to increased supply of development-stage projects, even if prices have also risen due to higher demand. There has been a notable increase in the number of contractors returning to the UK market given the government's support for new renewable generation. This is welcome competition as deployment increases.

Risk and risk management continued

Principal risk outline continued

Changing climate patterns

Change in the latest period: No change

Risk summary	Mitigation	Trend and outlook
The risk: Unprecedented changes to weather patterns affect the provision of sunlight due to, for example, excessive cloud cover and storms or because of smoke from more regular wildfires. **Why it exists:** A consequence of global warming and climate change appears to be that many regions of the world are experiencing changes to long-established climate patterns. **Potential impact:** These are long-term patterns, and their impacts will be measured over many years. The direct effect, however, is that solar irradiation in certain regions may end up being materially different to that forecast at the time of a project's development. With financial projections based on historic data, if actual sunshine hours are lower than forecast, less revenue will be generated.	The Investment Manager monitors and assesses the impact of climate and weather-related risks on an ongoing basis. Whilst there are limited actions the Company can take to address climatic shifts, there are preventative measures that can be put in place to mitigate their effects. Before any investment decision is made, the Investment Manager maps sustainability risks and opportunities. Asset construction takes into consideration geographical diversity – among other factors – to limit exposure to any one market. If chronic patterns persist, the Investment Manager can update its models and review the Company's presence in problematic areas. The Investment Manager regularly monitors the portfolio's actual generation, comparing it to the base case assumption. If there is a divergence, the Investment Manager investigates the reasons and, if appropriate, updates the forecasts – the change is also reflected in the underlying valuation. Technological advancements are making modules more effective and will help improve productivity. The Investment Manager is monitoring this evolution and factors it into its proposals for repowering and revamping plants.	2024 was a poor year for solar generation in the UK. Despite being one of the hottest years on record, it recorded the lowest amount of daily sun hours since at least 2013. It is hard to foresee exactly what these impacts will be in the long term, but the Company has tried to map the potential financial outcomes and included a climate-related scenario analysis from page 63.

Risk and risk management continued

Task Force on Climate-related Financial Disclosures

Climate change-related risk

Risks traditionally considered non-financial, such as climate change, have the potential to impact long-term returns. Foresight Solar's investments make a meaningful contribution towards decarbonisation efforts, and the Investment Manager is working to assess climate-related risks and opportunities within the portfolio.

The consideration of climate-related matters is embedded throughout FSFL's governance, strategy and risk management processes. The Company has responded to the recommended disclosures for the year to 31 December 2024, whilst also recognising that its reporting will continue to evolve.

The Task Force on Climate-related Financial Disclosures (TCFD) disbanded in January 2024, transferring monitoring responsibilities to the International Sustainability Standards Board (ISSB). This brings certainty to companies and stakeholders, streamlining the sustainability and climate-related disclosures landscape.

With the ISSB's standards already outlined, it is up to local regulators to make the guidance mandatory in their jurisdictions. In the UK, the government is developing the UK Sustainability Reporting Standards. The objective of the new standards is to help companies publish consistent information for the 2025 financial year.

Until the new regulatory framework is fully implemented, it is considered best practice to follow the original TCFD format.

Governance

Board governance

Along with the Investment Manager, the Directors shape Foresight Solar's strategy, review performance and authorise new initiatives. A key aspect of the Board's role is to ensure that sustainability considerations, along with the frameworks to manage them, are incorporated in investment and operational processes.

Ultimately, the Directors have responsibility and accountability for FSFL's climate-related risks and opportunities. They set the risk appetite for new investments and provide oversight for the management of the existing portfolio. Foresight Group's tracking of climate-related risks and opportunities, for example, is part of the Management Engagement Committee's yearly review of the Investment Manager's performance.

Meeting at least once a quarter, the Board and the Investment Manager discuss strategic risks and opportunities, ensuring they are monitored and managed. Specific climate-related risks are incorporated in the Business Risk Assessment, tracked on an ongoing basis, and considered in the Company's strategy, as well as on the day-to-day operations of its assets.

Role of the Investment Manager

In targeting new opportunities, the Investment Manager's Investment Committee (IC) is responsible for considering market, regulatory and physical issues pertaining to climate-related risks, as well as the opportunities open to that investment. The IC will formally consider and review each proposed transaction during a series of meetings that apply increasing scrutiny as a deal progresses towards approval.

It is the Investment Manager's responsibility to track all sustainability and climate change-related issues and empower its deal teams to ensure that material concerns are integrated into the investment, asset management and reporting processes. Foresight Group's in-house sustainability function supports the due diligence process, liaising with third-party consultants to undertake supply chain auditing, and feeding into the final decision.

The Investment Manager assesses material sustainability topics at the asset level for all potential infrastructure investments. Pre-investment due diligence and ongoing requirements for monitoring of sustainability factors are structured around both regulatory requirements and key frameworks.

Risk and risk management continued

Task Force on Climate-related Financial Disclosures continued

Governance continued

Role of the Asset Manager

The asset management team is responsible for monitoring the performance of, and the risks relating to, Foresight Solar's assets. They also review climate-related factors that may present new opportunities or pose threats to long-term project forecasts. This includes regular inspections of the assets and, where specific issues become more frequent, the escalation of potential systemic risk.

The Asset Manager also acts to proactively mitigate risks. On certain sites, for example, it has overseen the installation of cooling systems to transformers in response to changing irradiation patterns and higher average temperatures.

Another responsibility of the asset management team is to collect sustainability performance indicators for the portfolio, including data for Scope 1 and Scope 2 emissions. This tracking enables the Company to monitor aspects of its impact on climate change.

At this stage, more work is required to better understand Scope 3 emissions and the ability to reduce them. Since this type of emissions is created by third-party providers, such as operations and maintenance suppliers, it requires working with partners to measure their carbon footprints and gauge their plans to reduce them. Due to its complexity, Scope 3 emissions in this report have been calculated using the Partnership for Carbon Accounting Financials (PCAF) methodology and the associated sector and geography-specific emissions factors.

Strategy

Impacts of climate-related risks and opportunities

Climate change presents risks and opportunities. Foresight Solar seeks to capitalise on the positives created by the deployment of renewable energy technology and energy efficiency, specifically in the solar and battery storage markets.

The table on the following pages sets out a non-exhaustive list of the strategic climate-related risks and opportunities the Company has identified over the short, medium and long term.

Bournemouth, UK

Risk and risk management continued

Task Force on Climate-related Financial Disclosures continued

Strategy

In the short to medium term, renewable energy is likely to continue benefiting from political and societal support in the drive to transition economies away from fossil fuels. The regulatory and planning environments for solar and battery storage in Foresight Solar's target European markets are expected to continue to develop favourably.

The need to limit emissions and transition to a lower-carbon economy create an environment supportive of potential growth if the Company can continue to source investment opportunities with attractive returns and acceptable risk profiles. Assuming that will be the case, this positive environment should assist FSFL's future growth prospects.

There can, however, be too much renewable generation. Excess deployment of solar and wind can lead to congested networks and curtailment or to price cannibalisation, when increasing penetration of renewables drives down wholesale electricity prices, undermining the profitability of those very technologies. Foresight Solar's active power price hedging strategy can provide some protection, but this is a relevant trend for the future.

Financial planning

Increasing power price volatility is a key example of how climate-related changes and the energy transition present both opportunities and challenges for the Company's finances. A prolonged fall in electricity prices and the associated merchant revenue from the generating solar portfolio is a significant risk. An active power price hedging strategy, however, allows Foresight Solar to manage it. In practice, FSFL secures a significant proportion of income with fixed price agreements up to five years ahead, retaining a level of merchant exposure to make sure it can capture the upside if prices rise.

Significant deployment of renewable energy generation in a short period of time could lead to power price cannibalisation. Forecasters currently estimate a stagnation of real power price growth in the medium to long term, and a significant build-out of renewable generation at marginal cost may push those assumptions below expected levels. However, if this indeed happens, it will likely result in a reduction in the number of new projects, as many would become economically unviable, and thus a re-balancing of development.

The Company has entered a sustainability-linked credit facility which provides the opportunity to achieve savings on margins if specific criteria are met. Enhanced disclosure of sustainability metrics presents an opportunity for clean energy generators to differentiate their offering to current and prospective Shareholders. It is reasonable to assume that investors will increasingly screen opportunities and allocate capital based on sustainable criteria, including compliance with sustainability requirements, and to assume that the companies that score well on those standards will be more successful in attracting capital.

Existing portfolio

The possibility of extreme weather conditions becoming more commonplace poses a risk to Foresight Solar's assets, as well as the markets in which the Company operates.

The UK, for example, has experienced more frequent severe flooding. Severe droughts are expected to affect Spain more often. To stay ahead of this, the Asset Manager continues to carry out flood risk assessments and cautious geolocation analyses across sites as part of its operational due diligence and management.

Regular occurrences of extreme heat will also pose an issue since the efficiency of solar panels falls at high temperatures. Even in more moderate climates, higher temperatures can lead to heat stress on equipment. This reality has already started impacting the Company's sites, and fans have been fitted to cool inverters and transformers at Spriggs Farm and High Fields. The expectation is that heat stress will become more prominent in the future, and the Asset Manager is preparing to adapt other sites.

On the other hand, the retirement of coal and nuclear baseload generation, substituted by intermittent renewable power, will likely lead to more wholesale power price volatility in markets around the globe. These higher peaks and lower lows are beneficial to the arbitrage trading strategies of battery storage projects, and will be an increasingly relevant component of their revenue profile.

Over the longer term, the Company monitors innovations to ensure its core assets are not displaced. Solar is currently well placed, offering one of the most cost-effective, quick-to-deploy sources of energy production, but recognising generating technologies will continue to evolve.

Risk and risk management continued

Task Force on Climate-related Financial Disclosures continued

Climate-related risks			
Risk	**Warmer winters lead to lower power prices and pressure generating assets' revenue streams**	**Desire to meet governmental decarbonisation goals drives competition and increases costs**	**Over-deployment of renewables causes challenges for electricity networks**
Description	• Climate-driven changes in prevailing seasonal temperatures may result in permanent fluctuations in electricity demand for heating, for example, reducing demand across seasons and impacting prices at times of the year. • This could result in less predictable, more volatile market pricing.	• Regulatory environment restricts fossil fuel consumption and fosters the growth of renewables, raising commodity prices and increasing costs to build assets. • More interest from investors and corporates in solar assets leads to greater competition and higher acquisition and construction costs.	• Favourable policy and regulatory support leads to overbuild of renewable capacity, resulting in a backlog of projects waiting for connection to the grid and, later, lower electricity prices. • Low power prices might affect investor appetite because of insufficient returns, limiting capital available to continue the build-out of renewables. • Regulators and policymakers may intervene in markets, changing the established pricing structures due to new dynamics (e.g. REMA in the UK).
Category	Transition – Market	Transition – Market	Transition – Market; Policy and legal
Likelihood	Likely	Likely	Likely
Time period	M L	S M	L
Impact	S F E	S F	S F E
Investment Manager response	• The portfolio's geographic diversification, with a footprint in the UK and Europe, and strategic composition, with two technologies, provides some resilience to changing power prices. • Increased market volatility promotes the case for flexible storage assets, such as batteries, which realise greater trading revenues during periods of heightened volatility.	• Foresight Solar has changed its investment mandate to include a modest level of development exposure, enabling it to minimise the threat of competition by investing in assets at an earlier stage. • The revised investment mandate also enables the Company to take advantage of enhanced risk-adjusted returns by bringing assets from development to ready-to-build to operations.	• The portfolio's composition, which includes battery storage, and its geographic dispersion reflect a diversified set of solar assets by location and points of connection. • Foresight Solar actively participates in regulatory discussions to try to influence policy and minimise potential negative effects.

S Short term (0-3 years) M Medium term (3-10 years) L Long term (10+ years) S Strategy F Financial planning E Existing portfolio

Risk and risk management continued

Task Force on Climate-related Financial Disclosures continued

Climate-related risks

Risk	**More frequent extreme weather events cause damage to assets or negatively impact production**	**Changing climate patterns fundamentally alter the availability of renewable resource**	**Climate change places greater strain on natural resources required for the construction and operation of solar and battery assets**	**Technological developments displace existing renewables assets**
Description	• Climate change is making extreme weather events, such as storms, floods, droughts, bush fires and high heat, more frequent, potentially causing delays to site construction, leading to downtime or resulting in damage that reduces generation at operational plants.	• Unpredictable and unprecedented changes to weather patterns affect the provision of sunlight because of, for example, excessive cloud cover or because of smoke from more wildfires.	• A positive regulatory environment, increased climate focus and popularity of renewables may lead to supply challenges and price pressures on raw materials used in module production and storage components, such as silicon and lithium, respectively. • Scarcity of commodities in case of production or supply disruptions after more frequent natural disasters.	• Government and philanthropic incentives drive breakthrough innovation and cause existing assets to be outdated or displaced because of obsolescence or inefficiency.
Category	Physical – Acute	Physical – Chronic	Transition – Market; Technology	Transition – Technology; Policy and legal; Reputation
Likelihood	Very likely	Likely	Possible	Unlikely
Time period	S M L	S M L	S M	M L
Impact	S F E	S F	S F	S E
Investment Manager response	• The Investment Manager assesses the full range of acute physical weather risks during sustainability-focused due diligence prior to the closing of transactions and during the acquisition process. • Site topography and a location's susceptibility to impacts from weather events are taken into consideration during the investment process to, for example, minimise flood risks and limit the impact from extreme wind.	• Before any investment decision is made, the Investment Manager applies its proprietary methodology to map sustainability risks and opportunities. • Construction decisions take into consideration geographical diversity, which ensures the portfolio's exposure to any one market is limited. If chronic patterns persist, models can be updated and markets can be reviewed.	• The Company procures and stocks spare parts crucial for operations, limiting downtime in case of maintenance and securing savings on procurement. • Foresight Group's global network and its management of other renewables funds provide the Company with scale benefits in procurement and purchases.	• Innovations would take time to deploy at sufficient scale to render the portfolio obsolete. The Investment Manager follows these advances closely and would be able to explore updated opportunities in that period. • New, more efficient renewable generation or storage systems also present an opportunity. The Company has the experience to invest in these technologies once they are market proven.

S Short term (0-3 years) M Medium term (3-10 years) L Long term (10+ years) S Strategy F Financial planning E Existing portfolio

Risk and risk management continued

Task Force on Climate-related Financial Disclosures continued

Climate-related opportunities

Opportunity	**Capital directed to renewable investments continues to grow**	**Continued build-out of renewables leads to mature battery storage markets**	**Carbon tax implementation and/or GHG emissions prices rise**	**Political and societal support for the energy transition intensifies**
Description	• Regulatory support, investor and lender pressure maintain momentum for fossil fuel disinvestment and shift to renewable energy infrastructure, increasing capital flow to solar to meet Net Zero goals.	• Need for infrastructure to help balance the intermittent generation profile of renewables and offer more grid flexibility may drive demand for battery storage systems. • Increased penetration of renewable generation leads to more volatility in electricity markets, resulting in the need for more battery storage to balance and stabilise the grid.	• Carbon prices rise, leading to greater demand for renewables as governments, corporates and individuals look to lower costs and offset environmental footprints. • Emissions reporting obligations create a more transparent market and investors shift more aggressively to low-carbon funds.	• Government policies aimed at facilitating the transition to a Net Zero economy may lead to subsidies for certain technologies to increase uptake or build-out.
Category	Transition – Market	Resource efficiency; Products and services; Markets; Resilience	Markets	Markets; Products and services
Likelihood	Likely	Very likely	Likely	Likely
Time period	S M L	S M	M L	S M
Impact	S F E	S F	S F	S F
Investment Manager response	• Higher flows into the sector are likely to make fundraising easier and potentially reduce Foresight Solar's cost of capital. • Increased competition for assets may drive up prices for the portfolio, increasing benefits from the Company's capital recycling programme. • More demand for solar and battery storage could spark competition among lenders, lowering interest rates.	• More volatile wholesale energy prices may provide additional revenue opportunities via arbitrage trading for BESS. • Growth will result in more established business models and reliable revenues around the globe.	• Foresight Solar operates in markets where solar is an established technology and electricity demand is still growing. • The Company's small environmental footprint may appeal to sustainability-focused investors.	• Government-backed incentives create further opportunities for investment and accelerate the Company's growth.

S Short term (0-3 years) M Medium term (3-10 years) L Long term (10+ years) S Strategy F Financial planning E Existing portfolio

Risk and risk management continued

Task Force on Climate-related Financial Disclosures continued

Climate-related opportunities

Opportunity	**Technological developments complement the existing portfolio**	**UK and European PPA markets mature further**	**Climate emergency sparks more supportive regulatory and planning frameworks**	**Electrification of the economy happens faster than expected**
Description	• Advances in new and existing technologies, both in solar generation and battery storage, improve scale and/or efficiency of current installed capacity.	• Driven by the international communities' focus on climate action, a stronger competitive market for offtakers emerges, offering more opportunities and selection.	• A favourable regulatory environment with lower barriers to building renewable infrastructure may facilitate optimisations and extensions of existing assets and open the door to even more opportunities for new projects.	• Regulatory support and technological developments accelerate the electrification of industrial processes and of residential infrastructure, increasing the demand for renewable electricity.
Category	Energy source; Resource efficiency	Markets; Resilience	Markets; Resilience	Energy source; Markets
Likelihood	Likely	Possible	Possible	Unlikely
Time period	M L	S M	M L	M
Impact	S E	S F E	S E	S E
Investment Manager response	• Innovations may have a direct effect on existing projects, improving revenues, extending asset lives and/or lowering costs. • The Company could also benefit from improvements for future projects, realising better returns for Shareholders.	• The Company would enter new, advantageous PPA contracts to sell its electricity production and capitalise on demand for corporate power purchase agreements – as has been done with the Spanish assets. • Countries are growing their solar capabilities. The Investment Manager has strong presence, deep expertise and extensive networks to help the Company capitalise on these opportunities.	• Initiatives such as BESS co-location, lease extensions and plant updates can lead to NAV growth and lengthen asset life. • Ultimately, making these easier to deliver can provide more resilience, and ensure longevity for the Company.	• A reliable installed portfolio with a strong track record in multiple geographies is a competitive advantage for the Company to capitalise on increased demand. • The Investment Manager's experience with power purchase agreements and other offtake structures is also a positive factor.

S Short term (0-3 years) M Medium term (3-10 years) L Long term (10+ years) S Strategy F Financial planning E Existing portfolio

Risk and risk management continued

Task Force on Climate-related Financial Disclosures continued

Climate-related scenarios and resilience

Overview

Since the 2022 Annual Report, the Company has been working with S&P Global Climanomics to analyse different potential scenarios in the future. The platform offers the most comprehensive analysis across four options, integrating not only physical and transitional risks, but also climate-related opportunities.

The basis for Climanomics' analysis is the Shared Socioeconomic Pathways (SSPs) generated by the Intergovernmental Panel on Climate Change (IPCC). The SSPs represent a range of possible outcomes not only in future anthropogenic greenhouse gas emissions and their effects on atmospheric concentrations of CO_2, but also their potential societal, demographical and economical impacts.

The scenarios are best summarised as:

- **SSP 1** assumes aggressive mitigation and total GHG emissions reducing to Net Zero by 2050, resulting in a global average temperature increase of 1.3°C to 2.4°C by 2100
- **SSP 2** implies aggressive mitigation with total GHG stabilising at current levels until 2050 and then declining to 2100. This results in a global average temperature increase of 2.1°C to 3.5°C by 2100
- **SSP 3** estimates limited mitigation with total GHG emissions doubling by 2100 and global average temperatures increasing by 2.8°C to 4.6°C
- **SSP 4** assumes low mitigation, total GHG emissions tripling by 2075 and global average temperatures increasing by 3.3°C to 5.7°C

Methodology

Climanomics integrates econometric assumptions driven by high resolution geographic, climate, socioeconomic, business and sector-specific data to the SSPs to quantify climate risk. The models assess both the risks and the opportunities associated with each scenario and generate outputs dependent on asset type. These results can then be applied to Foresight Solar's valuation model to estimate the potential financial impact.

In terms of categorisation of risks and opportunities, the Climanomics platform fully aligns with the TCFD framework:

1. **Physical risk** – Analysing atmospheric data related to acute and chronic climate hazards across temperature, precipitation, drought, wildfire, coastal flooding, tropical cyclones, water stress and fluvial-basin flooding to provide a rigorous estimate of risk under various conditions
2. **Transitional risk** – Incorporating modelling of hazards associated with a global transition to a low-carbon economy via litigation, reputational, technology and market risk[1]
3. **Opportunity modelling** – Calculating opportunities derived from resource efficiencies, energy sourcing, changing markets and resilience

Climanomics' methodology estimates direct financial impacts that the hazards are expected to incur on each asset type. Each technology's vulnerability is characterised by the specific ways in which it is likely to be impacted by a given climate-related variable. An asset type's overall "impact function" is comprised of these individual impact pathways. The platform has developed an extensive library of detailed impact functions for a variety of sectors, all of which are based on peer-reviewed and government-published research.

The science of scenario analysis is evolving quickly, and current assessments are made with the most credible existing frameworks and input data available. Given the nature of these estimates, limitations remain. However, the Company is committed to using best-in-class methodologies to accurately estimate its performance under different climate futures and will continue making the necessary adjustments as the methodologies progress.

1. Due to the immaterial emissions associated with the portfolio's business activities (disclosed on page 41), carbon pricing has been excluded.

Risk and risk management continued

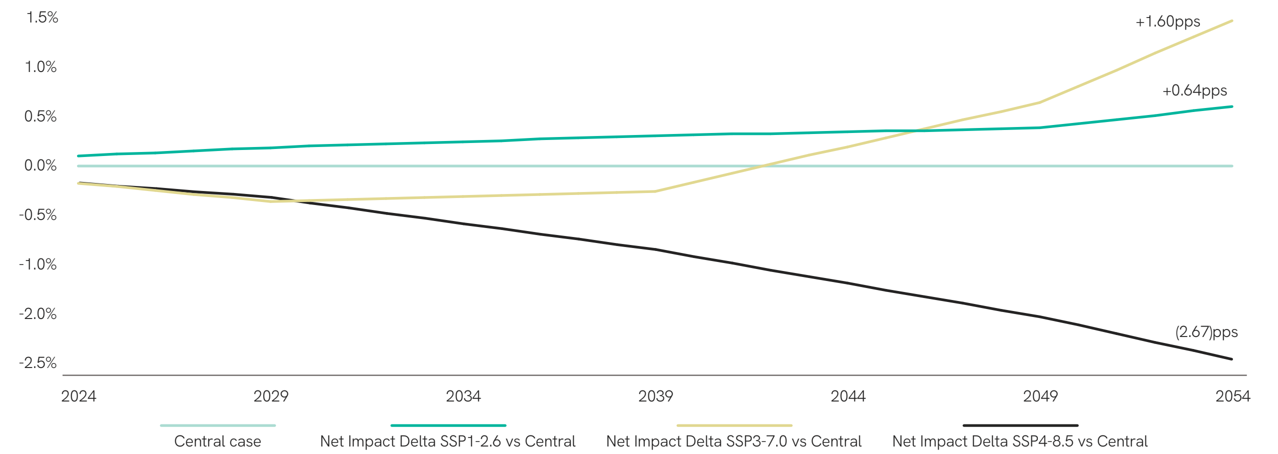
Task Force on Climate-related Financial Disclosures continued

Climate-related scenarios and resilience continued

Estimates

Assuming SSP 2 as the most likely outcome due to the current global emissions trajectory, the chart below shows the assessed central case and the potential financial impact of the variations between the three remaining scenarios[1]:

Projected climate change-related impact on Foresight Solar's portfolio



Source: Foresight Solar Fund Limited.

The central case, SSP 2, assumes global temperatures will rise by more than 2°C by 2100. The consequences, with rising oceans and alternate climate patterns, could be devastating for humanity. In this analysis, however, the risks and the opportunities could lead to a net positive financial impact on the Company's portfolio. A less severe SSP 1 scenario, which now appears unlikely, would result in a positive impact to NAV of 0.64pps. A more drastic SSP 3, in which temperatures rise by almost 3°C by 2100, would initially have a negative impact, but consequences would turn positive with an increase of up to 1.60pps to Net Asset Value. The most critical assumptions, SSP 4 would have strictly negative impacts and could result in a 2.67pps downside.

The analysis for 2024 contrasts with the previous year's results, when the calculated impact was limited to a much narrower band. This latest work shows more pronounced consequences for the portfolio, both to the upside and to the downside, depending on the speed with which global temperatures rise. Climate-related scenario modeling is an evolving discipline and Climanomics recalibrates its platform based on the latest science. A review of asset types led to a reduced estimation in the projected impact of extreme temperatures on solar assets, which resulted in the wider dispersion presented in the study related to the 2024 financial year.

1. The opportunity scenario analysis results tend to be less variable than the risk data results, so using the latest Coupled Model Intercomparison Project 5 information will not have materially influenced estimates.

Risk management

Risk framework

The Investment Manager is responsible for creating and managing the framework that ensures the systematic integration and assessment of climate-related risks and opportunities.

This process is based on a detailed three lines of defence model to ensure that a given asset's resilience is considered from the earliest stages of due diligence:

- **First line:** The Investment Manager's Infrastructure team monitors risks regularly, identifying, assessing and mitigating potential issues through established controls
- **Second line:** Foresight Group's risk function oversees risk management, maintaining the risk taxonomy and register, determining material risks and managing risk events via the Risk Committee
- **Third line:** The Investment Manager is creating an internal audit function, which is expected to become operational in 2025. In the meantime, the existing framework remains effective for identifying, monitoring and reporting risks

Risks are also regularly tracked in the Business Risk Assessment and reviewed by the Company's Audit and Risk Committee.

The relevant physical risks are plotted onto a risk heatmap. A suite of tools can then be employed to assess the severity of an asset's susceptibility to the most material risks and identify mitigation measures to reduce the overall score.

Risk and risk management continued

Task Force on Climate-related Financial Disclosures continued

Risk management continued

Risk framework continued

Transition risks: Related to the transition to a lower-carbon economy	Policy and legal	Technology	Market	Reputation
Description	• Increased pricing of greenhouse gas (GHG) emissions • Enhanced emissions reporting obligations • Mandates on, and regulation of, existing products and services • Exposure to litigation	• Substitution of existing products and services with lower emissions options • Costs to transition to lower emissions technology	• Changing customer behaviour • Uncertainty in market signals • Increased cost of raw materials • Increased competition for solar and battery assets	• Shifts in consumer preferences • Stigmatisation of sector • Increased stakeholder concern or negative stakeholder feedback

Physical risks: Related to the physical impacts of climate change	Temperature related	Wind related	Water related	Solid mass related
Chronic	• Changing temperatures • Heat stress	• Changing wind patterns	• Changing precipitation patterns	• Landslide
Acute	• Heat wave • Wildfire	• Storm	• Heavy precipitation/ flood	

As is industry standard, Foresight Solar's climate-related risks can be categorised in two principal ways:

Probability / Impact	1 Negligible	2 Minor	3 Major	4 Hazardous	5 Catastrophic
5 Almost certain					
4 Likely		Changing precipitation patterns	Changing temperatures Heat wave	Heat stress	
3 Possible		Storm	Changing wind patterns		
2 Unlikely			Heavy precipitation Wildfire	Flood	
1 Rare			Landslide		

Risk and risk management continued

Task Force on Climate-related Financial Disclosures continued

Risk management continued

Managing climate risk

All potential investments are evaluated to ensure they meet the Investment Manager's definition of sustainable infrastructure and that climate-related risks are identified, assessed and managed.

Every solar or battery asset Foresight Solar invests in must be justified as contributing to a set of measurable sustainability goals and must demonstrate how its resilience to climate change-related risk has been assessed.

This was previously done using Foresight Group's proprietary Sustainability Evaluation Tool (SET). From inception, the tool was designed as a means of aggregating different sustainability frameworks, allowing the Investment Manager to interrogate material environmental, social and governance factors across prospective investments and the existing portfolio.

As climate risk analysis matures and the investor and sustainability landscapes start to coalesce around a narrower and more universal set of frameworks, the Company's processes around sustainability continuously evolve. As a result, the SET has been redesigned to act primarily as a portfolio management tool.

Pre-investment due diligence is structured around more robust regulatory requirements and key frameworks, such as the SASB Standards, EU Taxonomy and Paris Agreement.

During the investment stage the Investment Manager establishes an asset's sustainability credentials. Crucially, risks need to be accurately assessed and satisfactorily addressed in the final submission to the Investment Committee, with an accompanying risk re-profiling or mitigation measures, if necessary.

Once the investment has been made, the asset undergoes a comprehensive handover to the asset management team, which takes over the responsibility for identifying, managing and assessing climate-related risks and opportunities.

Metrics and targets

TCFD core metrics

The Company reports its quantitative exposure to climate-related risk using the universally accepted core metrics, including:

- Weighted average carbon intensity
- Total carbon emissions
- Carbon footprint
- Carbon intensity
- Exposure to carbon-related assets

In line with guidance from the Financial Conduct Authority, the calculation of these metrics is performed using Scope 1 and Scope 2 emissions. In using these core metrics, the Company can compare performance amongst its assets and against those of its wider peer group. The full results are available on page 41 of the Sustainability section of this report.

Absolute emissions

The Greenhouse Gas Protocol separates emissions into the following categories:

Scope 1	Scope 2	Scope 3
• All direct emissions from the activities of a company under its control. • Includes fuel combustion on site such as gas boilers, fleet vehicles and air-conditioning leaks.	• Indirect emissions from electricity purchased and used by the Company. • Emissions generated in the production of the energy the Company uses.	• All other indirect emissions, occurring from sources that are not owned or controlled. • Includes purchased goods and services, business travel, employee commuting, waste disposal, use of sold products, transportation, distribution and investments.

Risk and risk management continued

Task Force on Climate-related Financial Disclosures continued

Metrics and targets continued

Absolute emissions continued

The portfolio sustainability metrics, collected quarterly at the asset level, enable accurate calculation of Scope 1 and 2 emissions.

Separately, the Investment Manager continues to develop its relationships with suppliers to gain more granular understanding of its Scope 3 impact. In this report, the PCAF methodology and the associated geographic and sector-specific emissions factors are used to estimate the Company's Scope 3 footprint.

The calculations of Foresight Solar's full Scope 1, 2 and 3 emissions are outlined on page 41.

Sustainable impact reporting

Tracked against the UN SDGs, the sustainable impact reporting metrics – as published on page 40 of this report – demonstrate the positive environmental and social benefits created by Foresight Solar's investments.

The analysis includes the Investment Manager's estimates for the portfolio's decarbonisation benefit, which is aligned to the IFI's Harmonised GHG Accounting methodology. The process also factors in lifecycle emissions intensity figures, drawing on the data presented in the IPCC's Special Report on Renewable Energy[1]. The document uses a variety of peer-reviewed papers to establish median figures for the lifecycle CO_2 intensities of different renewable energy technologies, measured in $kgCO_2e/MWh$.

The Company intends to continue delivering sustainable impact in line with its growth to ensure it is regularly moving the decarbonisation agenda forward.

Targets

Foresight Solar regularly evaluates assets' sustainability performance, tracking changes over time and acting to improve operational factors when needed. This constant analysis helps develop an understanding of the sustainability characteristics of the portfolio.

Short-term targets

In 2024, the Investment Manager had targets to:

- Conduct Scope 3 emissions calculations
- Undertake a full scenario analysis with support from external consultants (the results from this exercise are available on page 63)

Both goals were achieved and the results are being used to better understand Foresight Solar's environmental footprint and the potential climate change impacts on its portfolio. The conclusions are also likely to feed into the development of specific targets aimed at managing climate-related risks and opportunities.

1. Annex III: https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_annex-iii.pdf

Going concern and viability statement

Going concern

The Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for the going concern assessment period and have, therefore, prepared the Financial Statements on a going concern basis. The Directors can also confirm no material uncertainties in relation to going concern exist.

The Directors have considered the discontinuation vote to be proposed at the Company's AGM in June 2025, triggered by the shares trading at an average discount to NAV greater than 10% for the year, in line with the Company's Articles of Association. The Directors have listened to Shareholder feedback and assessed the possible outcomes of the vote and as a result are satisfied with the basis of preparation of the Financial Statements. The Directors continue to actively engage with Shareholders and regardless of the discontinuation vote outcome will continue to engage with Shareholders beyond the AGM in June 2025. The Directors will continue to refine the strategy of the Company to deliver results to Shareholders, while targeting a reduction to the trading discount to NAV.

The Directors have decided the going concern assessment period should extend to 30 June 2026. Due to the nature of the fixed price, subsidised revenues and the long-term debt in place across the portfolio, the Director's believe it is appropriate to evaluate a period longer than the typical requirement of 12 months.

Foresight Solar's business activities, together with the factors likely to affect its future development, performance and position, are set out in this report. The Company's financial position, including its financial performance, cash flows, liquidity and borrowing facilities, are referred to in the Chair's statement (from page 6), Investment Manager's report (starting on page 10) and Notes to the Financial Statements (see page 124). The Financial Statements (from page 120) also include Foresight Solar's objectives, policies and procedures for managing its capital, its financial risk management objectives and its exposure to credit and liquidity risks.

A detailed evaluation of the cash flow impact for the going concern assessment period took into consideration the following individual scenarios:

1) All investments consistently generate a P90 level (90% probability of exceeding expected production over a 10-year period) of electricity output. The Directors deem this is an appropriate, market standard stress test, with a relevant example being historically low irradiation in the UK throughout the year. This is corroborated by data from the Department of Energy Security and Net Zero showing that 2024 had the lowest number of sun hours since the Company's IPO in 2013.

2) Power prices reduce by 20% across the portfolio. This downside scenario represents decreasing merchant power prices and historic oil, gas and electricity price volatility.

3) The PPA provider that the Group is most exposed to fails to settle merchant revenue under the PPA contract. This downside scenario represents the risk of insolvencies of PPA counterparties in response to the high number of energy company insolvencies during the last three years because of the high power price market.

4) The inclusion of the maximum forecast project lifecycle outflows and the associated lost revenues, as a result of the downtime during the lifecycle works.

5) The removal of the sales proceeds from the divestment of the Australia portfolio. This is an unlikely downside scenario in which the Australia portfolio of assets are not sold in the going concern assessment period.

If any of these sensitivities or scenarios were to materialise, the Company could still meet its target dividend per share for 2025 and a progressive dividend for the remaining going concern assessment period. However, the Directors would continue to periodically review whether paying the dividend would be appropriate considering the potential for reduced cash flow.

The sensitised forecasts show that operating costs would still be covered, but the cash balance would fall gradually during the going concern assessment period, albeit without causing any operational issues.

Going concern and viability statement continued

Going concern continued

The Directors have also considered the refinancing of the revolving credit facility which matures in February 2026. The Board are confident the facility will be refinanced ahead of the maturity date.

The evaluation demonstrated that Foresight Solar would be able to meet its liabilities without breaching any debt covenants and could continue to satisfy the dividend target for 2025 and a progressive dividend thereafter during the going concern assessment period.

Viability statement

The Directors confirm that they have a reasonable expectation the Company will be able to continue operating and meet its liabilities as they fall due through 2029. In accordance with the UK Corporate Governance Code, the Board has assessed Foresight Solar's viability over a five-year period to 31 December 2029 on the basis that it has significant long-term fixed and subsidised revenues and long-term debt in place.

This is the period the Directors focused on during the strategic planning process and is considered reasonable for a business of the Company's size and nature. Whilst the Board has no reason to believe the Company will not be viable over a longer period, they believe this presents readers of the Annual Report with a reasonable degree of confidence whilst still providing a longer-term perspective.

The Board considers the Company's ability to raise debt and equity and deploy capital. As part of this process, the Directors have considered the ongoing viability of Foresight Solar's long-term and short-term debt strategies.

As discussed in the going concern assessment on the prior page, the Board have considered the refinancing of the revolving credit facility which matures in February 2026. The Board are confident the facility will be refinanced ahead of the maturity date. The current macroeconomic environment in which the Company operates has challenged the long-term sustainability of the traditional business model. Specifically, high interest rates and access to capital. Due to the Company's shares trading at a discount to NAV, there is an inability to raise capital due to unacceptable dilution of existing Shareholders. As such, it is no longer viable to apply the business model of using the RCF to fund acquisitions and subsequently repay the RCF with raised equity. To address the lack of access to capital, one strategy the Company deploys is a development pipeline to bring projects through to construction or completion, in order to generate cash upon sale. The intention is to use the development portfolio to fund future developments or acquisitions without the reliance on issuing shares and raising debt.

The Directors' have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity. The Directors have considered the emerging and principal risks, identified from page 46, in relation to the Company's resilience over a five-year period. In doing so, the Board believes the key direct principal risks to Foresight Solar's financial viability are: changes to the level of political support for subsidies across the Company's markets, energy prices and the impact of climate and changes to weather patterns.

In addition to these principal risks, the Directors have also specifically reviewed the share price performance of Foresight Solar, which could trigger further discontinuation votes during the five-year period, as well as sustainability-related risks that consider environmental, social and governance factors in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), discussed in detail from page 56.

Going concern and viability statement continued

Viability statement continued

Government-backed subsidy revenue comprises 47% of the portfolio's turnover for the period to 31 December 2029. Whilst this is a considerable proportion, the subsidies are split across two different jurisdictions (United Kingdom and Australia), with the majority coming from the United Kingdom. It is expected the respective governments, in light of considering commitments to tackling the climate emergency and the renewable energy sector's crucial contribution to decarbonisation, will continue to meet their obligations. In terms of prospective regime changes, such as the closure of the Renewables Obligation scheme for projects commissioned after 31 March 2017, these are not expected to affect the viability of the Company. In the UK, the government has been considering more fundamental changes to energy markets with the Department for Energy Security and Net Zero (DESNZ) publishing its consultation on the Review of Electricity Market Arrangements (REMA).

Any potential change will develop over the five-year period, and the outcome remains unclear. However, the Directors do not expect this process or related outcomes to materially weaken the existing subsidy regime as this would significantly undermine investment in the UK renewable energy market. Whilst changes are possible, they are not expected to threaten the viability of the Company.

For the period to 31 December 2029, 66% of the portfolio revenue is contracted through government subsidies or forward electricity sales at a fixed price, leaving 34% of revenues exposed to power price volatility. The Directors believe this risk is sufficiently mitigated through the Company's price fixing strategy, which is reviewed on a regular basis by the Investment Manager.

Foresight Solar owns assets across three international markets and therefore considers short and medium-term changes in localised weather patterns to be a risk. A good example being historically low irradiation in the UK throughout the year. This is corroborated by data from the Department of Energy Security and Net Zero showing that 2024 had the lowest number of sun hours since the Company's IPO in 2013. Whilst very limited action can be taken by the Company to address weather and broader climate shifts, aside from specific, local protective measures at each asset, the Directors and the Investment Manager continue to monitor and assess the potential impacts on an ongoing basis.

In making this statement, the Directors have reviewed Foresight Solar's summary five-year cash projections, including cash balances, dividend cover and debt covenants. Sensitivity analysis covered the potential impact of the Company's principal risks occurring and how those risks would threaten its business model, future performance, solvency or liquidity. A summary of key valuation sensitivities is set out earlier in the Annual Report (see page 35 for full details). These forecasts are based on the Investment Manager's view of future asset performance, income and costs, and are consistent with the methodology applied to produce the valuation of the investments.

Financial review

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

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

Foresight Solar's intermediate holding companies provide services that relate to FSFL's investment activities on behalf of the parent which are incidental to the management of the portfolio.

The Company and its intermediate holding companies (the "Group") hold investments in 61 assets which make distributions in the form of interest on loans and equity dividends, as well as loan repayments and equity redemptions.

For the Company's detailed Financial Statements, including the profit and loss and the cash flow statements, refer to the section from page 120 of this report.

For more information on the basis of accounting and Company structure, please refer to the Notes to the Financial Statements starting on page 124.

Net assets

Net assets at 31 December 2024 decreased 9.1% to £634.4 million from £697.9 million at 31 December 2023. This was primarily due to a reduction in power price forecasts, project actuals, the reduction in cash through the share buyback programme, reducing the NAV by £22.5 million during the year, and foreign exchange movements on the RCF. The NAV movements are detailed in the Investment Manager's report from page 34.

The net assets of £634.4 million comprise the £981.2 million portfolio of UK, Australian and Spanish solar and UK battery storage investments and the Group's cash balance of £68.3 million, offset by £336.9 million long-term debt, £73.4 million of outstanding RCF debt and other net liabilities of £4.8 million.

Analysis of the Group's net assets at 31 December 2024

All amounts presented in £million (except as noted)	Year ended 31 December 2024	Year ended 31 December 2023
Gross portfolio value[1]	981.2	1,061.9
Intermediate holding companies' cash	66.3	79.2
Intermediate holding companies' long-term debt	(336.9)	(367.6)
Intermediate holding companies' revolving credit facility	(73.4)	(75.0)
Intermediate holding companies' other liabilities	(4.6)	(1.7)
Fair value of the Company's investment in portfolio[2]	632.6	696.8
Company's cash	2.0	2.0
Company's other net liabilities	(0.2)	(0.9)
Net Asset Value	634.4	697.9
Ordinary Shares in circulation	564,856,642	589,239,345
Net Asset Value per share	112.3p	118.4p

1. Classified as the gross fair value of the underlying assets in the portfolio.
2. Equal to investments held at fair value through profit or loss and interest receivable as per the statement of financial position on page 121.

Financial review continued

Third-party debt arrangements and gearing position

Total outstanding debt including the RCF was £410.3 million, representing 39.3% of GAV (31 December 2023: £442.6 million or 38.8% of GAV).

The Company's net debt position, after deducting existing cash balances, was £342.0 million, representing 32.7% of GAV (31 December 2023: £361.4 million or 31.7% of GAV).

Long-term facilities

As at 31 December 2024, outstanding long-term debt was £336.9 million, representing 32.3% of GAV (31 December 2023: £367.6 million and 32.2%). Of that total, £84.7 million was linked to inflation (31 December 2023: £88.1 million).

As at 31 December 2024, the average cost of long-term debt was 4.08% per annum, including the inflationary increase of the nominal balances of the indexed-linked facilities (31 December 2023: 4.15%). The cost of these facilities is expected to increase over time assuming the Company's long-term annual Retail Price Index expectations of 3% in the medium term and 2.25% post-2030.

Following the final repayment of the variable-rate loan for FS Holdco in March 2024, the Company's long-term debt is fully hedged against interest rate exposure through interest rate swaps.

Revolving credit facility

As at 31 December 2024, the Company had used £73.4 million of its RCF (31 December 2023: £75.0 million), with £76.6 million remaining undrawn. Of the undrawn balance, £1.3 million was allocated to letters of credit.

The RCF is due to mature in February 2026, but the Board intends to refinance in advance of this date.

During the year, £43.2 million of the RCF facility was repaid and, on the same day, redrawn as €50.3 million. This was completed to reduce the exposure to SONIA and save interest expenditure on the spread between SONIA charged on the GBP tranche of the loan and Euribor charged on the Euro tranche of the loan. The Euro tranche was sized to align with the valuation of the Spanish operational portfolio, and in doing so, a natural hedge was created to offset the currency exposure.

This treasury management initiative lowered the weighted expected cost of the interest payable on the revolving credit facility by 90 basis points and, on a profit or loss basis, has saved approximately £440,000 of interest expense to the end of the year.

Favourable movements in currency exchange rates, led to a £1.1 million reduction of the RCF balance in comparison to 31 December 2023.

At the year end, the weighted average cost of the RCF was 6.56% per annum (31 December 2023: 6.62%), including seven months of savings from the change to drawing in EUR instead of GBP.

Foreign exchange

The Company is exposed to foreign exchange movements in respect of its investments in Australia and Spain. As such, the Company implements a hedging strategy to reduce the possible impact of currency fluctuations and to minimise the volatility of equity returns and cash flow distributions.

Foreign exchange hedging will not be applied to the cost of the equity investments, considering the Company's long-term investment strategy, although a natural hedge is in place with the Euro denominated tranche of the RCF, mitigating FX exposure.

For the Australian assets, the Company has entered a rolling two-year forward contracts strategy for an amount equivalent to approximately 75% of its expected distributable foreign currency cash flows at project level. For the Spanish projects, there are currently no cash flow hedges in place due to the Euro distribution cash flows being available to service Euro RCF interest. The Company reviews its hedging strategy on a regular basis to limit the short-term volatility in sterling-distributable cash flows caused by foreign exchange fluctuations and to optimise the costs of the hedging instruments.

Financial review continued

Debt structure

Foresight Solar Fund Limited (Jersey)

↓

Foresight Solar (UK Hold Co) Limited

↓

RCF Debtco
Includes £150 million RCF

↓

FS Holdco 1
Project Investments

Includes first 16 UK asset acquisitions. Original long-term debt facility of £160 million

FS Holdco 2
Project Investments

Includes 28 assets following refinancing in August 2019. Original long-term debt facility of £170 million at FS Debtco

FS Holdco 3
Project Investments

Includes six assets. Original long-term debt facilities of £45.1 million

FS Holdco 4
Project Investments

Includes Australian and Spanish assets and respective debt at project level

Note: simplified for illustrative purposes. For outstanding debt balances please refer to the table on the following page.

Shotwick, UK

Financial review continued

Debt structure continued

The following table summarises the debt position of the Company as at 31 December 2024.

Borrower	Holding vehicle	Provider	Facility type	Outstanding (m)	Maturity	Interest rate hedge	Applicable rate
FS Holdco	FS Intermediate Holdco	MIDIS	Fixed rate, fully amortising	£49.4	Mar-34	100%	3.78%
		MIDIS	Inflation linked, fully amortising	£60.4[1]	Mar-34	N/A	RPI Index + 1.08%
Total				**£109.8**			
FS Debtco	FS Holdco 2	SMBC/Helaba	Term loan, fully amortising	£134.8	Mar-36	100%	SONIA + 1.30% (margin step to 1.35% in 2029)
Total				**£134.8**[2]			
Second Generation Portfolio 1	FS Holdco 3	MIDIS	Fixed rate, fully amortising	£2.8	Aug-34	100%	4.40%
		MIDIS	Inflation linked, fully amortising	£24.3[1]	Aug-34	N/A	RPI Index + 1.70%
Total				**£27.1**			
Global Solar Energy 27 SL (Lorca)	FS Holdco 4	BayernLB	Term loan	€11.53[3,6]	Dec-31	100%	Double tranche: €9.5m at 1.61% fixed rate, €2.8m at Euribor + 2.10%
Foresight Solar Australia Pty Ltd	FS Holdco 4	CEFC	Term loan	A$35.5[4]	Jun-26	100%	Base rate (0.96375%) + 2.00%
Longreach		ANZ/Deutsche	Term loan	A$18.2	Apr-27	100%	BBSY Base rate + 1.20%
Oakey 1		ANZ/Deutsche	Term loan	A$29.5	Apr-27	100%	BBSY Base rate + 1.20%
Oakey 2 Finco Pty Ltd		CEFC	Term loan	A$29.6	Sep-25	100%	Base rate (4.30%) + 2.25%
Total				**A$112.8**[5]			
Total long-term debt				**£336.9**[3,5]			

Financial review continued

Debt structure continued

Borrower	Holding vehicle	Provider	Facility type	Outstanding (m)	Maturity	Interest rate hedge	Applicable rate
FS RCF Debtco	UK Hold Co	AIB, Barclays, Lloyds, NatWest	Revolving credit	£31.8	Feb-26	0%	SONIA + 1.9%
				€50.3	Feb-26	0%	Euribor + 1.9%
Total short-term debt				**£73.4**			
Total outstanding debt				**£410.3**			

1. Nominal loan balance as at 31 December 2024 with the applicable RPI applied.
2. Interest rate swap for 100% of the outstanding debt.
3. EUR/GBP exchange rate of 0.8265 as at 31 December 2024.
4. Bannerton project debt prorated for Company's share of asset ownership.
5. AUD/GBP exchange rate of 0.4942 as at 31 December 2024.
6. Lorca portfolio debt prorated for Company's share of asset ownership.

The Company has no exposure to benchmark interest rate movements in the UK, Australia or Spain as a result of the interest rate swaps in place for the £336.9 million of long-term debt. The short-term £73.4 million RCF, equivalent to 17.9% of total debt, is subject to interest rate volatility.

The sterling-denominated long-term debt facility priced over SONIA benefits from an interest rate swap hedging 100% of the outstanding debt during the term of the loan.

In Australia, debt facilities with CEFC have no exposure to the Bank Bill Swap Bid Rate (BBSY), as the interest rate was fixed at financial close or upon loan extension. The remaining debt facilities have interest rate swaps in place on a decreasing nominal amount for a notional tenor of 20 years.

In Spain, the debt facility priced over Euribor benefits from interest rate swaps hedging 100% of the outstanding balance during the term of the loan.

Financial review continued

Combined profit and loss of underlying investments

The underlying investments in the UK, Spain and Australia generated an operating profit, a measure of earnings before interest, tax, depreciation and amortisation (EBITDA), of £105.4 million for the year to 31 December 2024. Falling merchant power prices in all markets, combined with below-budget global production, resulted in revenue 9.7% below expectations for the year and total operating profit 10.8% under forecasts.

During the year, on a combined basis, the underlying assets earned £133.0 million of revenues (2023: £162.2 million). UK subsidised revenue was consistent with production. Wholesale revenue was impacted by lower global irradiance in 2024, as well as economic curtailment in Australia.

Operating expenditure of £27.6 million (2023: £26.1 million) was consistent with contractual arrangements, some of which were renegotiated during the year. This resulted in combined operating profit for the year of £105.4 million (2023: £136.1 million).

For the year ended 31 December 2024	Dividend cover reference	UK £m	Australia A$m[1]	Spain €m[2]	Combined £m	2023 Combined £m
Revenue of underlying investments						
Wholesale revenue		57.4	10.8	4.6	66.9	93.5
Subsidised revenue[3]		62.4	1.9	—	63.3	64.1
Other income		2.5	0.4	—	2.8	4.6
Total revenue of underlying investments		**122.3**	**13.1**	**4.6**	**133.0**	**162.2**
Operating expenditure						
O&M fixed		(5.9)	(1.3)	(0.2)	(6.7)	(6.9)
O&M variable		(1.2)	(0.5)	—	(1.5)	(1.4)
Other operating expenditure		(15.2)	(5.7)	(1.5)	(19.4)	(17.8)
Total operating expenditure		**(22.3)**	**(7.5)**	**(1.7)**	**(27.6)**	**(26.1)**
Total operating profit (EBITDA)	A	**100.0**	**5.6**	**2.9**	**105.4**	**136.1**

1. The profit and loss accounts of the Australian assets are combined based on the Company's ownership, using an average AUD/GBP exchange rate of 0.5163.
2. The profit and loss accounts of the Spanish assets are combined based on the Company's ownership, using an average EUR/GBP exchange rate of 0.8465.
3. Subsidised revenue consists of ROCs, ROC recycle, Feed-in Tariff, embedded benefits and LGCs.

Financial review continued

Bridging EBITDA to cash distributions

The table in this section links the **total operating profit (EBITDA)** to the cash distributions paid by the underlying SPVs, by adjusting for cash movements and timings of working capital.

Working capital movements relate to delayed prior year revenue received within the financial reporting year and cash generated in the previous year but not distributed as a result of debt facility requirements for the Australian projects.

Movements in retained cash for lifecycle and capital expenditure are a result of a standalone exercise undertaken at the end of 2023 and in early 2024 to review and subsequently reprofile the portfolio's expected lifecycle requirements and the potential capital expenditure for future years. The new profile was verified by a third-party technical advisor, which signed off on its appropriateness.

As per project debt service, this is tied to principal and interest payments made by SGP1, Lorca and the Australian assets.

It was considered appropriate to release cash previously ringfenced during the year in relation to lifecycle, capital expenditure and working capital. The balance of ringfenced cash is consistent throughout this Annual Report.

	Dividend cover reference	2024 £m	2023 £m
Total operating profit (EBITDA)	A	105.4	136.1
Adjustments:			
Corporation tax		(6.4)	(0.5)
Interest earned		0.8	0.2
Working capital		3.1	6.0
Movement in retained cash for lifecycle and capex		6.5	(4.6)
Other		0.8	(0.3)
Free cash before project debt service		110.1	137.0
Project debt service		(9.4)	(16.6)
Cash distributions from underlying investments	B	100.7	120.4

Financial review continued

Company and intermediate holdings cash flows

It may take up to two months between earning revenue and receiving the cash from the SPVs. Consequently, working capital produces variations between earnings measures and cash measures. In periods of rising prices, these working capital balances are expected to grow, increasing the differences, and vice-versa in periods of falling prices.

During the year to 31 December 2024, the underlying investments paid £100.7 million of distributions to the intermediate holding companies. Distributions were received from entities in the UK and Spain.

Cash received from underlying solar investments covers the long-term debt repayments, financing costs and the operating and administrative expenses of the Company and the intermediate holding companies, as well as the dividends declared to Shareholders.

The £4.1 million acquisition costs relate to the investments in the UK BESS assets in construction and the Spanish Development pipeline.

A total of £4.1 million was paid in early 2024 to reduce the loan principal for Oakey 1 and Longreach in Australia. The payment was needed to support compliance with lender covenants. Economic curtailment and grid outages in late 2023 and early 2024 put pressure on the projects' near-term revenues, requiring the prepayment.

During the year, Foresight Solar also repurchased 24.4 million of its shares through its £50 million buyback programme. The process delivered NAV accretion to the tune of 1.1 pence per share. FSFL has deployed more than £41.7 million of its initial allocation, resulting in a cumulative 2.2 pence per share NAV uplift since the Company began repurchasing its own shares in May 2023. The adjacent table includes £0.7m of cash in relation to shares purchased in 2023.

Cash flows of the Group for the year to 31 December 2024	Dividend cover reference	Year ended 31 December 2024	Year ended 31 December 2023
Cash distributions from underlying investments	B	100.7	120.4
Electricity generator levy		—	(7.8)
Administrative expenses		(2.7)	(2.3)
Directors' fees and expenses		(0.3)	(0.3)
Investment management fees		(6.3)	(7.0)
Financing costs		(10.3)	(13.5)
Repayments of long-term debt facilities		(19.4)	(18.2)
Cash flow from operations	C	61.7	71.3
Acquisition and disposals of assets		(4.1)	13.2
Debt arrangement and refinancing fees		(4.1)	(0.5)
Net drawings and repayments of RCF		—	(40.0)
Share buyback		(22.5)	(19.2)
Other		0.8	(0.4)
Dividends paid in cash to Shareholders	D	(44.7)	(44.4)
Cash movement in the year		(12.9)	(20.0)
Opening Group cash balance		81.2	101.2
Closing Group cash balance		68.3	81.2

Financial review continued

Dividend cover

Total dividends of £44.7 million were paid during the year ended 31 December 2024. Compared with the relevant net cash flows from operations of the Company and underlying investments of £61.7 million, these dividends were covered 1.38 times (31 December 2023: 1.61 times).

Dividend cover	Dividend cover reference	2024 £m	2023 £m
Cash flow from operations	C	61.7	71.3
Dividend paid in cash to Shareholders	D	(44.7)	(44.4)
Dividend cover	C/-D	1.38	1.61

Dividends

The Company has declared dividends of 8.00 pence for the year ended 31 December 2024, representing a 6.0% increase to the dividends paid relative to 2023.

Foresight Solar has met all target dividends since IPO and adopts a progressive dividend policy, aiming to grow its payouts sustainably over time. With the distributions made in 2024, FSFL has paid out £340.6 million to Shareholders since listing on the London Stock Exchange in 2013.

Dividend timetable for the 2024 financial year

Dividend	Amount	Status	Payment date
Interim 1	2.00p	Paid	20 August 2024
Interim 2	2.00p	Paid	18 November 2024
Interim 3	2.00p	Paid	21 February 2025
Interim 4	2.00p	Declared	23 May 2025
Total	**8.00p**		

On 18 February 2025, the Company announced its final interim dividend of 2.00 pence per share.

Dividend timetable – Final	Date
Ex-dividend date	24 April 2025
Record date	25 April 2025
Dividend payment date	23 May 2025

Financial review continued

Ongoing charges

The ongoing charges ratio for the year to 31 December 2024 was 1.17% (31 December 2023: 1.15%). This has been calculated using methodology as recommended by the Association of Investment Companies.

Asset management fees charged by Foresight Group LLP on an arm's length basis at project level are excluded from the ongoing charges ratio.

Ongoing charges	FSFL £'000	UK Hold Co £'000	Total £'000
Investment management fees	6,348	—	6,348
Directors' fees	315	—	315
Administration fees	226	17	243
Audit and tax fees	192	27	219
Other legal and professional fees	244	15	259
Other ongoing expenses	226	—	226
Total			**7,611**
Ongoing charges ratio			**1.17%**

Net Asset Value (NAV)	£m
31 March 2024	665.0
30 June 2024	656.8
30 September 2024	639.9
31 December 2024	634.4
Average	**649.0**

Alternative Performance Measures (APMs)

The Directors assess Foresight Solar's performance using a number of APMs that are not defined under IFRS. The APMs are not always comparable with similar companies, and therefore, the table below signposts to relevant GAAP measures in the Financial Statements, from page 120.

APM	Purpose	Calculation	APM value	Reconciliation to IFRS (where applicable)
Annualised total NAV return since IPO	Annualised measure of financial performance indicating the movement of the value of the Company's assets since IPO and expressed as a percentage	Closing NAV per Ordinary Share as at 31 December 2024 plus all dividends since IPO assumed reinvested, divided by the NAV at IPO, to the power of one over the number of years since IPO	7.4%	The calculation uses the closing NAV per Ordinary Share as per the Statement of Financial Position on page 121
Annualised total Shareholder return since IPO	Annualised measure of financial performance indicating the total return derived from holding the stock since IPO and expressed as a percentage	Closing share price as at 31 December 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	3.8%	The calculation does not have an IFRS equivalent, but uses the closing share price as per the key investment metric table on page 13
Cash distributions from underlying investments	A measure of financial performance from the underlying portfolio	Total cash received from investments in the period	£100.7 million	The calculation uses combined cash flows of the Company and Group entities and, therefore, does not have an IFRS equivalent
Dividend cover	A measure of excess cash generated by the Company after payment of the dividend	Net operating cash flow divided by dividend paid within the period, including potential scrip dividend impact	1.38x	The calculation uses the dividend paid as shown in the Statement of Changes in Equity divided by cash flow from operations. The calculation uses cash flows from of the Company and Group entities and, therefore, does not have an IFRS equivalent
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	A measure to indicate cash flow and business performance, allowing for a comparable figure between businesses	Operating revenue minus operating expenses, with total operating profit as a proxy for EBITDA	£105.4 million	The calculation uses total combined revenue of underlying investments and subtracts total expenditure, as per the Combined Profit and Loss of the Underlying Investments on page 76

Alternative Performance Measures (APMs) continued

APM	Purpose	Calculation	APM value	Reconciliation to IFRS (where applicable)
Enterprise value (EV)	A metric to determine a company's total value, a more comprehensive alternative to market capitalisation	The sum of market capitalisation and total outstanding debt minus cash (and cash equivalents).	£776.9 million	The calculation uses Group entities' debt and Group wide cash balances and, therefore, does not have an IFRS equivalent. The calculation uses market capitalisation from page 13, the total outstanding debt on page 75 and the closing cash balance on page 78
Gearing	A measure of financial risk on the balance sheet of the Company	Total third party debt of the Group entities as shown on page 75 as a percentage of GAV	39.3%	The calculation uses the Net Asset Value as per the Statement of Financial Position on page 121. It also uses the total outstanding debt on page 75, which does not have an IFRS equivalent.
Gross Asset Value (GAV)	A measure of the value of the Company's total assets	The sum of Net Asset Value of the Company as shown on the Statement of Financial Position and the total debt of the Group and underlying investments as shown on page 75	£1,044.7 million	The calculation uses the Net Asset Value as per the Statement of Financial Position on page 121. It also uses the total outstanding debt on page 75, which does not have an IFRS equivalent.
Market capitalisation	Provides an indication of the size of the Company	Closing share price as at 31 December 2024 multiplied by the closing number of Ordinary Shares in circulation	£434.9 million	The calculation uses the closing share price as per the key investment metric table on page 13 and closing number of Ordinary Shares as per note 17 to the Financial Statements on page 146
NAV per Ordinary Share	A measure of the value of one Ordinary Share	The net assets divided by the number of Ordinary Shares	112.3p	As per the closing NAV per Ordinary Share and as per the Statement of Financial Position on page 121

Alternative Performance Measures (APMs) continued

APM	Purpose	Calculation	APM value	Reconciliation to IFRS (where applicable)
Ongoing charges ratio	A measure of the annual reduction in Shareholder returns because of operational expenses based on historical data	Total ongoing expenses including Investment Manager fees, legal and professional fees, administration fees, Directors' fees and audit fees expressed as a percentage of average NAV through the year shown on page 80	1.17%	The calculation does not have an IFRS equivalent. Detailed calculation on page 80
Total NAV return	Measure of financial performance indicating the movement of the value of the value of the Company's assets in the year and expressed as a percentage	Closing NAV per share as at 31 December 2024 plus all dividends in the year assumed reinvested, divided by the NAV at 31 December 2023, expressed as a percentage	(2.7)%	The calculation uses the Net Asset Value as per the Statement of Financial Position on page 121 and the cash dividends paid as per the Statement of Changes in Equity on page 122
Total shareholder return	Annualised measure of financial performance, indicating the total return derived from holding the stock in the year and expressed as a percentage	Closing share price as at 31 December 2024 plus all dividends in the year assumed reinvested, divided by the share price at 31 December 2023, expressed as a percentage	(20.3)%	The calculation uses the closing share price as per the key investment metric table on page 13 and the cash dividends paid as per the Statement of Changes in Equity on page 122

Governance

What's in this section:

Board meeting, St. Helier, Jersey

Board of Directors

The Directors are responsible for determining the Company's investment policy, have overall responsibility for its activities, and oversee performance.

Alexander Ohlsson
Chair

Background
Mr Ohlsson is Group Managing Partner of the international offshore law firm Carey Olsen. He is recognised as a leading expert in corporate and finance law in Jersey and is regularly instructed by financial institutions.

External directorships
GCP Asset Backed Income Fund Limited (public).

Committees
M N

Chris Ambler
Senior Independent Director

Background
Mr Ambler has been the Chief Executive of Jersey Electricity since 1 October 2008. He has extensive experience from several senior positions in the global industrial, energy and materials sectors, where he worked for major corporations.

External directorships
Jersey Electricity plc (public).

Committees
A M N R

Ann Markey
Non-Executive Director

Background
Ms Markey is an experienced business leader and NED. She has more than 25 years as a senior executive and a strong financial background. She has deep expertise in the electricity industry, particularly in thermal and renewable generation.

External directorships
Land Development Agency, Sustainable Energy Authority of Ireland.

Committees
A M N

Lynn Cleary
Non-Executive Director

Background
Ms Cleary is an experienced senior executive with vast financial knowledge. The former CFO of the Royal Bank of Scotland International, she is an influential member of the Channel Islands' business community.

External directorships
Treasury Advisory Panel for the Government of Jersey, Board of the Ports of Jersey.

Committees
A M N R

Paul Masterton
Non-Executive Director

Background
Mr Masterton has nearly 20 years' experience as a non-executive director and chair covering finance, infrastructure, property development and insurance, including a decade with 3i Infrastructure.

External directorships
Insurance Corporation of the Channel Islands.

Committees
A R

Anthony (Tony) Roper
Non-Executive Director

Background
Mr Roper has 30 years of experience making and managing infrastructure investments. He was part of the team that created InfraRed Capital Partners and oversaw the launch of TRIG on the London Stock Exchange.

External directorships
abrdn European Logistics Income plc, (public), SDCL Energy Efficiency Income Trust plc (public).

Committees
M

Click or scan to read the full Board biographies

A Audit and Risk Committee
M Management Engagement Committee
N Nomination Committee
R Remuneration Committee
◯ Chair

Corporate Governance report

Board leadership and company purpose

"A successful company is led by an effective board. Foresight Solar's Directors promote its long-term sustainable success, generating value for Shareholders and contributing to society."

Alexander Ohlsson
Chair

On behalf of the Board, I am pleased to introduce Foresight Solar's Corporate Governance Statement for the reporting year ended 31 December 2024.

Board leadership

The Board has overall responsibility for the management of the Company's affairs and is responsible for its long-term sustainable success.

FSFL's Board is made up of six Independent Non-Executive Directors. (Their profiles are set out on page 85). The Nomination Committee has considered the Board's independence in detail and is confident of its autonomy. More detail on this analysis can be found from page 97.

The Board evaluates its effectiveness annually and, as part of that analysis, the Directors have confirmed they have adequate time to commit to their roles and responsibilities. Further details of this assessment are set out in the Nomination Committee report from page 97.

The Directors believe that they have an appropriate balance of skills, experience and knowledge to oversee Foresight Solar's affairs and act in the best interest of its stakeholders. Diversity of experience and approach amongst members is important, and it is the Company's policy to considerer Board representation and diversity when making new appointments. (Details of the succession plan and recruitment initiatives are set out in the Nomination Committee report from page 97.)

Board operation

The Board is responsible to Shareholders for the effective management of the Company. Meetings are held at least quarterly, with further ad hoc sessions scheduled as required. In the year under review, eight ad hoc meetings were held in addition to the usual four quarterly sessions.

As part of its responsibilities, at each meeting, the Board monitors Foresight Solar's investment performance in comparison to its objectives. The Directors also review FSFL's activities since the previous gathering to ensure the Investment Manager adheres to the agreed investment policy and to the approved investment guidelines and, if necessary, approves changes to such policy and guidelines.

At the Company's quarterly Board meetings, the Directors typically consider the following business:

- Update from the Investment Manager, including:
  - Market commentary
  - Company portfolio overview
  - Portfolio performance reports
  - Independent power price forecasts
  - Financial performance review, including cash flow analysis and dividend cover forecasts
  - Pipeline, acquisitions and disposals
  - Health and safety
  - Gearing and debt compliance
  - Shareholder and analyst feedback and reports
  - Sustainability reporting
  - Changes to the risk register

Corporate Governance report continued

Board leadership and company purpose continued

Board operation continued

- Commentary from the Company's brokers, including:
  - Market update
  - Share price performance against peers
  - Sales and trading report
- Contribution from the Compliance Officer and Company Secretary, including:
  - Compliance monitoring
  - Regulatory and governance updates

The Investment Management Agreement between Foresight Solar and Foresight Group sets out the matters over which the Investment Manager has authority, such as monitoring and managing the existing investment portfolio and the limits above which Board approval must be sought.

Full details of the Directors' duties and obligations are provided at the time of appointment and supplemented by further details as requirements change.

A formal induction programme for all new appointees is in place. The Board has also implemented an ongoing annual training programme for Directors on topics relevant to the business.

Purpose and culture

Foresight Solar's purpose is to provide investors with a sustainable, progressive quarterly dividend and enhanced capital value whilst facilitating climate change mitigation and the transition to a lower-carbon economy.

To achieve this, the Company's culture fosters openness, integrity and transparency in all business relationships, creating an environment of proactive engagement between Directors and stakeholders, a place for constructive challenge of the Investment Manager, and holding key service providers accountable.

The Board has sustainability responsibilities and aims, with the support of the Investment Manager, to continually improve the Company's ability to deliver attractive financial returns to investors alongside strong environmental and social benefits.

Governance

The Board's governance framework continues to improve. The Directors work closely with the Company Secretary to review and refresh policies and procedures, ensuring they remain up to date and fit for purpose.

Statement of compliance with the AIC Code

Foresight Solar is a member of the Association of Investment Companies (AIC) and the Board has considered the principles and provisions of the AIC Corporate Governance Code.

The AIC Code addresses the relevant requirements set out in the UK Corporate Governance Code (UK Code), as well as setting out additional provisions on issues of specific relevance to investment trusts, such as Foresight Solar.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the Financial Reporting Council and is supported by the Jersey Financial Services Commission, provides more relevant information to Shareholders than if the Company applied the UK Code.

Therefore, FSFL has applied the principles and complied with the provisions of the AIC Code, available on **www.theaic.co.uk/aic-code-of-corporate-governance**

AIFM Directive

The Company is categorised as a self-managed non-EEA AIF for the purposes of the Alternative Investment Fund Managers Regulation 2013 and the AIFM Directive. As such, neither it nor the Investment Manager are required to seek authorisation under the AIFM Directive. The Board retains responsibility for most of the Company's risk management and portfolio management functions and performs various management functions through its various committees.

Corporate Governance report continued

Board leadership and company purpose continued

Foresight Solar's governance structure supports its purpose and creates a framework to bolster its culture and sustainability initiatives.

Governance framework:

The role of the Board and division of responsibilities

Foresight Solar's Board of Directors oversees the Investment Manager in delivering the Company's purpose, engages with key stakeholders to understand how it can best represent their interests, and works closely with the main service providers to maintain strong operational performance.

Whilst meeting their statutory responsibilities, Directors seek to balance scrutiny, challenge and support of the Investment Manager to deliver exceptional performance.

Board roles	Role overview
Chair	Leads the Board and is responsible for its overall effectiveness.
Senior Independent Director (SID)	Provides a sounding board for the Chair and serves as an intermediary for the other Directors and Shareholders.
Non-Executive Director (NED)	Offers constructive challenge and strategic guidance, as well as delivering specialist advice and holding service providers to account.
Company Secretary	Supports the Board and ensures the Company has the policies, processes, information, time and resources needed to function effectively and efficiently.

Board meeting, St. Helier, Jersey

Corporate Governance report continued

Board leadership and company purpose continued

Board committees

The Board has four standing committees: Audit and Risk, Management Engagement, Remuneration, and Nomination. Each committee has adopted formal terms of reference, which dictate how to make recommendations to the Board. (Individuals interested in viewing these terms can request a copy by writing to the Company Secretary at Foresight Solar's registered office.)

The role of each committee, along with its membership, is set out below:

Audit and Risk

Ensures Foresight Solar maintains the highest standards of integrity, financial reporting, internal and risk management systems, sustainability and corporate governance.

Composition:
Ann Markey (Chair)
Chris Ambler
Lynn Cleary
Paul Masterton

Management Engagement

Reviews the performance of the Investment Manager, as well as evaluating other key service providers.

Composition:
Alexander Ohlsson (Chair)
Ann Markey
Chris Ambler
Tony Roper
Lynn Cleary

Nomination

Leads the process for appointments, evaluation, succession planning, and ensuring a diverse candidate pipeline.

Composition:
Lynn Cleary (Chair)
Alexander Ohlsson
Ann Markey
Chris Ambler

Remuneration

Develops remuneration policies and practices that support the Company's strategy and promote its long-term success.

Composition:
Paul Masterton (Chair)
Chris Ambler
Lynn Cleary

Reports from the Company's committees are available from page 95.

Directors' attendance at Board and committee meetings:

	Board	Audit and Risk	Management Engagement	Remuneration	Nomination
Alexander Ohlsson	4/4	—	2/2	—	4/4
Ann Markey	4/4	5/5	2/2	—	4/4
Lynn Cleary	4/4	5/5	1/2[1]	1/1	4/4[2]
Paul Masterton[3]	1/1	—	—	—	—
Tony Roper[4]	1/1	—	—	—	—
Monique O'Keefe[5]	3/4	3/5	1/2	1/1	4/4
Chris Ambler[6]	4/4	5/5	2/2	1/1	4/4

1. Lynn Cleary was appointed to the Management Engagement Committee on 29 February 2024, after the year's first meeting.
2. Although not a member of the Committee in 2024, Lynn Cleary attended every meeting as a Director.
3. Paul Masterton was appointed to the Board with effect from 21 November 2024. He became the Chair of the Remuneration Committee following the resignation of Monique O'Keefe, and joined the Audit and Risk Committee.
4. Tony Roper was appointed to the Board with effect from 21 November 2024 and joined the Management Engagement Committee.
5. Monique O'Keefe stepped down from the Board on 21 November 2024.
6. Chris Ambler will step down from the Board on 17 June 2025.

Corporate Governance report continued

Board leadership and company purpose continued

The Board seeks to encourage a culture that promotes integrity and openness, that values diversity, and that is responsive to the views of the Company's stakeholders.

Stakeholders

Directors are required to act in good faith and to behave in a way that promotes Foresight Solar's long-term success for the benefit of all its stakeholders. Fostering healthy and constructive relationships with the Company's different audiences and taking their interests into consideration as part of the decision-making process should result in increased Shareholder value over the long term.

Whilst Foresight Solar is an investment company with no employees, the Board has identified its key stakeholders and dedicated resources to interact with them, collect and process their views before making relevant decisions.

It does so by relying on the Investment Manager, the joint brokers and the Company Secretary as the main points of contact. They are tasked with interacting with the different stakeholders, gathering input, communicating concerns and, ultimately, delivering the Directors' decisions to achieve the best possible outcomes.

As part of its regular course of business, the Board receives updates on matters relevant to stakeholders and discusses those topics in depth during meetings and throughout the year, taking into consideration:

- The likely consequences of any decision in the long term
- The need to act fairly towards and ensure equal treatment of Shareholders
- The need to foster and retain business relationships with suppliers, customers and other stakeholders
- The impact of the Company's operations on local communities and the wider environment
- The importance of maintaining a reputation for high standards of business conduct

A description of Foresight Solar's main stakeholder groups, their interests and how the Directors have taken these into account when making determinations is set out on the following pages.

Engaging with Shareholders

Shareholders are the Company's primary stakeholders, and Board decisions are carefully considered with their long-term interests in mind. With the support of its Investment Manager and brokers, Foresight Solar maintains regular communication with them and always welcomes their views.

During the year, the Board, the Investment Manager and the brokers held multiple sessions with existing Shareholders representing at least 40% of the Company's issued share capital, as well as prospective investors.

The main topics of interest were the complex macroeconomic environment, its effects on the business, and the actions being taken to reduce the share price discount to the Net Asset Value. Shareholders were concerned about FSFL's business model in a higher interest rate environment, especially as the discount has widened in the past 24 months. This led to thorough explanations of the Company's phased divestment plan, with the sale of Australia progressing and its expanded buyback programme, one of the largest in the sector.

Company representatives also touched on the approach to capital recycling to position Foresight Solar for growth once equity markets reopen, and the diversification provided by its international footprint.

Post period, the Board also announced a revised Investment management fee structure, better aligning the Investment Manager's remuneration with Shareholder interests.

The average share price discount of more than 10% during the 2023 financial year triggered the Company's first discontinuation vote at the following Annual General Meeting. The results made clear the dissatisfaction of some Shareholders who demand the Board find a faster solution to return capital. The Directors have since intensified the analysis of their options and plan to have more details for the market soon.

In addition to asking for and collecting feedback in every meeting, in 2024 Foresight Solar once again engaged an independent consultant to gather investors' views in a perception audit. Questions covered a range of topics, from performance to governance and brand to sustainability. The Board believes these studies are an important planning tool because they offer an unbiased channel for Shareholders to provide views and opinions, resulting in improved communication with the market and an impartial measure of the understanding of the Company's investment proposition. The survey's conclusions will be used to inform decision-making and strategy development.

Corporate Governance report continued

Board leadership and company purpose continued

Stakeholders continued

Stakeholder group	Engagement and communication	Results and decisions
Shareholders • Institutional and retail Shareholders. 40 meetings with institutional investors Foresight Solar's first capital markets event 3 group events dedicated to retail investors	• Hosted the Annual General Meeting. • Held regular conversations, attended ad hoc investor meetings and conducted roadshows. • Addressed current and prospective retail investors with exclusive meetings and ad hoc messages. • Responded to queries on financial, strategic and sustainability topics. • Organised the first capital markets event to update investors on Foresight Solar's strategy. • Commissioned an independent investor survey to assess opinions of current and prospective Shareholders. • Presented financial updates, including Annual and Interim Reports and factsheets. • Published announcements via RNS. • Updated the dedicated Foresight Solar website. • Maintained the Company's LinkedIn page to foster two-way, digital communication.	• Declared dividend target of 8.00pps for 2024. • Expanded a share buyback programme of up to £50 million. • Announced a new asset management fee structure, delivering significant savings for investors and more closely aligning interests with Shareholders. • Returned £67 million to Shareholders between dividends and stock repurchases. • Continued to analyse options to address Shareholder concerns, return capital and improve liquidity. • Progressed the phased divestment programme of more than 200MW of solar and BESS projects. • Doubled the development-stage pipeline with a framework agreement for BESS in Spain and in-house conception of co-located BESS in Australia.
Lenders • Banks. 11 debt providers to the Company and its SPVs	• Updated regularly on covenant compliance and cash flow positioning.	• Started negotiations to refinance and reduce the size of the sustainability-linked revolving credit facility. • Delivered positively on the existing RCF's sustainability metrics.

Corporate Governance report continued

Board leadership and company purpose continued

Stakeholders continued

Stakeholder group	Engagement and communication	Results and decisions
Investment Manager • Foresight Group. 11-year partnership with the Investment Manager	• Communicated the need for a revised fee agreement to reflect market conditions and further align interests with Shareholders. • Assessed the Investment Manager's contractual relationship and its performance. • Monitored the effectiveness of the parameters for delegated authority to make investment decisions. • Oversaw internal controls arrangements. • Held regular and ad hoc meetings to discuss Company business. • Hosted a Strategy Day to discuss and agree Foresight Solar's position and measures to further its competitiveness. • Debated the potential impacts of government measures, such as the Review of Electricity Market Arrangements and the proposed new planning approval process.	• Post period, agreed a revised fee arrangement to lower costs for Shareholders. • Established the Investment Manager maintains robust internal controls. • Confirmed the continued appropriateness of the Investment Manager's delegated authority to make investment decisions. • Determined the continued appointment of Foresight Group was in the best interest of Shareholders.
Commercial service providers • Administrator and Company Secretary. • Joint corporate brokers. • Legal advisors. • Public relations agency. • Tax advisors. 5 service provider reviews	• Held regular meetings, calls and interactions on strategic actions. • Consulted on regulatory, governance, accounting and taxation matters. • Monitored the internal controls of the Administrator and of the Company Secretary. • Engaged with journalists, built brand awareness and enhanced Foresight Solar's reputation. • Highlighted the Company's resilient operational and financial performance to incentivise investors to buy shares. • Conducted annual service provider performance reviews.	• Retained services of all key service providers.

Corporate Governance report continued

Board leadership and company purpose continued

Stakeholders continued

Stakeholder group	Engagement and communication	Results and decisions
Regulators • Jersey Financial Services Commission. 24 interactions with the JFSC	• Oversaw service providers to ensure successful operations and regulatory reporting. • Interacted with the JFSC to ensure legal and financial compliance.	• Took appropriate measures and guaranteed compliance.
Asset-level counterparties • Supply chain counterparties. • Landowners. • O&M contractors. • PPA counterparties. 60+ different providers	• Focused engagement on value enhancement opportunities, including rationalisation of service provision for cost savings and/or improved services. • Hosted calls with O&M providers to ensure adequate oversight of portfolio operations. • Maintained regular contact with the owners of the land on which Foresight Solar's assets operate. • Kept emphasis on internal control frameworks to ensure they are robust and effective. • Maintained scrutiny of, and resources allocated to, emerging risks.	• Re-evaluated contracts to improve service levels and reduce costs. • Implemented value enhancement projects to improve portfolio operations. • Engaged with select landowners to extend asset leases. • Grew commercial relationships through new acquisitions and development opportunities.

Corporate Governance report continued

Board leadership and company purpose continued

Stakeholders continued

Stakeholder group	Engagement and communication	Results and decisions
Local communities • Local authorities and agencies. • Area residents. £286,671 contributions made to local communities	• Interacted with local authorities to ensure safe and compliant asset operations. • Conducted educational site visits for schools and colleges.	• Contributed £286,671 to local community funds.

Alexander Ohlsson
Chair
19 March 2025

Management Engagement Committee report

"The Committee is responsible for reviewing the performance of key service providers, especially the Investment Manager, to ensure the Company is effectively supported."

Alexander Ohlsson

Chair of the Management Engagement Committee

Membership:

Alexander Ohlsson
Ann Markey
Chris Ambler
Tony Roper
Lynn Cleary

Roles and responsibilities:

- Review the terms of appointment and fees paid to the Investment Manager
- Oversee the performance of and hold the Investment Manager accountable for its service delivery
- Review the terms of appointment and fees paid to key service providers, including the Company Secretary, Administrator, registrar, legal and public relations advisors, and brokers
- Oversee the performance of and hold key service providers accountable for their work

Introduction

Meeting at least once per year, the Management Engagement Committee's main responsibility is to assess the Investment Manager's performance in the context of the Investment Management Agreement with Foresight Group.

The Directors evaluate the Investment Manager's ability to provide income and growth, deliver financial performance for the desired risk profile, manage the Company's assets effectively, and distribute a sustainable, progressive dividend.

In addition to its main task, the Committee is also charged with analysing the delivery of key service providers' work.

Performance of the Investment Manager

To analyse the Investment Manager's overall performance, the Committee investigates:

The Company's results relative to its peers

The Investment Manager's remuneration for services rendered for the period

Foresight Group's ability to support the Board in delivering Foresight Solar's purpose

The Committee conducted a detailed review and concluded that whilst the Board should continue to challenge the Investment Manager, the ongoing retention of Foresight Group remained in the Company's best interest.

Given the challenging macroeconomic environment, however, the Committee believed it was crucial to review the Investment Manager's fees, particularly as they pertain to aligning stakeholder interests and helping deliver Shareholder value. The Directors had discussions with Foresight Group about the appropriateness of the remuneration structure and, post period, agreed a new arrangement effective from 1 March 2025. The revised management fee will be applied to an equal weighting of market capitalisation and NAV.

Management Engagement Committee report continued

Performance of the Investment Manager continued

During its meetings with investors in 2024, the Board heard Shareholders' demands for the Company to exit Australia and re-focus operations in the UK and Europe. The sale of that part of the portfolio was always a key component of the announced 200MW divestment process. The target is to agree a sale by the third quarter of 2025 and proceeds will be used in accordance with the capital allocation approach.

The Directors are acutely aware of some investors' desire for further returns of capital and, in response, have announced the start of at least another 75MW of asset disposals. Proceeds from these sales, once complete, are intended to provide enhanced liquidity for those Shareholders seeking it.

Another crucial topic for investors is the persistent share price discount to Net Asset Value. Consulting with the Investment Manager and its other advisors, the Board has announced several measures to return capital to Shareholders, pay down debt and pave the way to potential future growth. The Directors understand, however, that these initiatives have not been enough to attract investors reacting to a complex macroeconomic environment. So, the Investment Manager and the brokers continue to develop other ideas as the Board considers all options available to reduce the share price discount.

Performance of key service providers

The Committee also conducted a review of other key service providers, including the Company Secretary and Administrator, brokers, legal and public relations advisors, and registrar. It concluded that it would continue to work with them to address potential performance concerns and to ensure that the fees paid remained in line with the stipulated budget and the contractual agreements.

Overall, the Committee was comfortable that the dues paid were broadly in line with market rates for comparable services.

Conclusion

Following these reviews, the Committee determined that it was in the Company's and its Shareholders' best interests for the Investment Manager's appointment to continue, and the Board has since ratified this decision.

Alexander Ohlsson

Chair of the Management Engagement Committee

19 March 2025

Bournemouth, UK

Nomination Committee report

Composition, succession and evaluation

"The Committee is responsible for ensuring rigorous and transparent procedures, along with objective selection criteria for Board appointments and succession plans."

Lynn Cleary
Chair of the Nomination Committee

Membership:

Lynn Cleary
Alexander Ohlsson
Ann Markey
Chris Ambler

Roles and responsibilities:

- Lead the process for new Board appointments
- Ensure plans are in place for orderly succession
- Oversee the development of a diverse candidate pipeline
- Lead annual Board effectiveness review

Introduction

The Nomination Committee is responsible for ensuring Foresight Solar sets formal, rigorous and transparent procedures to select new Directors. The succession pipeline is fostered using objective selection criteria to promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

To ensure overall balance, the Board reviews its effectiveness and its combination of skills, experience and knowledge at least once per year.

Appointments and succession planning

Monique O'Keefe decided to step down in November 2024 after more than five years as a NED. In that time, she made a significant contribution to the Company's oversight and to its strategy. We wish her all the best in her endeavours.

As part of the Board's phased succession plan, we welcomed Paul Masterton and Tony Roper as Non-Executive Directors. Following a detailed process, which included reviews of long and short lists, as well as interviews with Directors and with the Investment Manager, the two were recognised as strong candidates with complementary skills and experience. Longwater Partners, an independent advisory and search firm, supported in their selection.

Messrs Masterton and Roper bring a wealth of investment trust knowledge and infrastructure expertise that will be invaluable to oversee the execution of Foresight Solar's income and growth approach and to support its development over time. In the short term, their input will be invaluable as FSFL navigates a complex environment.

The Committee proceeded to make its recommendation and the two were appointed with effect from 21 November 2024. They were also named to the Remuneration and Audit and Risk, and Management Engagement committees, respectively. They will stand for election by Shareholders at the next Annual General Meeting in June 2025.

Another step in the Board's orderly succession is Chris Ambler deciding not to stand for re-election at the AGM. He will, therefore, be resigning his roles as Independent Non-Executive Director and Senior Independent Director. Mr Ambler has been a member of the Board since the Company's IPO in 2013 and has added enormous value with his energy markets experience and executive knowledge. Mr Masterton will be appointed SID with effect from Mr Ambler's resignation.

Nomination Committee report continued

Composition, succession and evaluation continued

Appointments and succession planning continued

Having also been in his position since listing, Alexander Ohlsson's independence and performance was scrutinised and the Committee is satisfied that he remains independent and continues to perform well. The Board also has checks in place to ensure the highest standards of governance, such as having a new Senior Independent Director from 2025 and conducting an annual review of the Chair's performance. As outlined in an announcement to the market in February, Mr Ohlsson intends to retire in September 2025, when Mr Roper is expected to take over as Chair. Mr Ohlsson's retention in the meantime is beneficial to support this phased rotation and to ensure an orderly handover to new members and to the future Chair.

The Committee will re-engage Longwater Partners to select another NED, but not before the third quarter of 2025, and will make an announcement in due course.

Board and committee composition

The Committee reviewed the composition of the current Board and concluded that the Directors work effectively together and possess the desired balance of skills, experience and expertise. The Committee will continue to pursue the Company's succession plan with due regard to maintaining the current effective working dynamic.

Directors' and Investment Manager's skills matrix

	Skills and expertise									
	Strategy	Listed investment companies	Capital markets and corporate finance	Renewable energy industry	Infrastructure transactions and investments	Development and construction	Risk management	Health and safety	Sustainability	Stakeholder engagement
Alexander Ohlsson	Expertise	Expertise	Expertise	Experience	Expertise	Experience	Expertise	Experience	Experience	Expertise
Ann Markey	Expertise	Experience	Experience	Expertise	Expertise	Experience	Experience	Experience	Experience	Expertise
Lynn Cleary	Expertise	Experience	Experience	Experience	Limited experience	Limited experience	Expertise	Experience	Experience	Expertise
Paul Masterton	Expertise	Experience	Expertise	Experience	Expertise	Limited experience	Expertise	Experience	Experience	Expertise
Tony Roper	Expertise	Expertise	Expertise	Expertise	Expertise	Experience	Experience	Expertise	Experience	Expertise
Chris Ambler	Expertise	Experience	Experience	Expertise	Expertise	Expertise	Experience	Expertise	Experience	Experience
Foresight Group	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise

● Expertise ● Experience ○ Limited experience

The composition of the Company's committees was also analysed and the Committee recommended that Lynn Cleary be a member and, following Monique O'Keefe's resignation, become the Chair of the Nomination Committee. It was also recommended that Paul Masterton be a member and Chair of the Remuneration Committee and a member of the Audit and Risk Committee, and that Tony Roper be a member of the Management Engagement Committee. The committees' needs will continue to be reviewed against the skills, experience and workload of the Directors to ensure they remain appropriately supported.

Nomination Committee report continued

Composition, succession and evaluation continued

Board performance review

The Board undertakes an annual review of its own performance and of its committees through a questionnaire. The Chair then discusses the results with the Board and its committees and takes appropriate action to address any potential issue.

The Board conducted an internally facilitated evaluation in 2024. The analysis was managed by the Company Secretary and involved every Director completing a questionnaire based on the actions from the internal Board performance review held in 2023.

The key development points identified during the 2023 review were met:

- Continued implementation and evolution of the Company's succession plan to ensure appropriate Board rotation
- Ongoing training and support on the evolving Anti-Money Laundering and Counter Financing of Terrorism regulations in Jersey
- Development of the Board's review of the Company's risk management framework and internal controls, in line with corporate governance requirements

There were no major development points identified in 2024. The Directors' conclusions were centred on the favourable completion of the succession plan, with the appointment of a new NED in 2025, and a stronger focus on training to further enhance the Board's skills and expertise.

The Committee will continue to support the implementation and review of these actions, and the Board will consider conducting another externally facilitated performance review in 2025, when the new members have had time to settle into their roles.

Overall, the Board, the Chair, the Directors and the committees have performed well during the year. The Board continues to work well with the Investment Manager in developing Foresight Solar's income and growth strategy and promoting its long-term success.

Directors' professional development

Directors are provided with full details of duties and obligations at the time of appointment and receive additional information as requirements evolve. The Board is advised of changes affecting Directors' responsibilities as they arise.

A formal induction programme for new appointees is in place, helping bring them up to speed on Company developments and accelerate competency-building. In any case, Directors are provided with key information on Foresight Solar's policies, regulatory and statutory requirements, and internal controls on a regular basis.

Directors also attend industry seminars, as well as participating in an ongoing annual training programme on topics relevant to Company business. This helps augment necessary skills and creates opportunities for exchanges of experience between Board members.

Further, as Directors of a Regulated Fund in Jersey, the members of the Board are required to undertake a minimum of 25 hours' continuous professional development per year. Most Directors met this requirement in 2024. Due to his appointment in November, Tony Roper did not have able time to complete the entire prerequisite. A former asset management senior executive with extensive real assets experience, Mr Roper has had extensive industry-relevant training and will dedicate himself to completing the full allocation in 2025.

Nomination Committee report continued

Composition, succession and evaluation continued

Diversity

The Board adopted a Diversity Policy to support Foresight Solar's commitment to improve representation. This policy is reviewed by the Nomination Committee each year to ensure it remains fit for purpose. Diversity among Board members is taken into consideration and the Chair of the Audit and Risk Committee, a senior position, is held by a female Director.

With the resignation of Ms O'Keefe and appointment of Messrs Masterton and Roper, the Company had 33% female representation – due to increase to 40% from June as Mr Ambler steps down – but had no ethnic diversity. The Committee is aware of this imbalance and, subject to availability of qualified candidates, will seek to address it in the next recruitment window.

For the first phases of the succession plan, the Committee considered candidates primarily from the UK and Europe. For the next round, it will look to secure a Jersey resident to support JFSC Code of Practice requirements. In this subsequent step, and despite a more limited group of potential candidates, the Board is committed to run a process targeted at attracting the most qualified, most diverse applicant pool possible.

Board member diversity

	Number of Board members	Percentage of the Board	Number of senior positions[1]
Male	4	66%	2
Female	2	33%[2]	1

	Number of Board members	Percentage of the Board	Number of senior positions[1]
White British or other White (including minority-white groups)	6	100%	3

1. Chair, Senior Independent Director and Chair of the Audit and Risk Committee.
2. This is due to increase to 40% once Chris Ambler steps down at the next AGM.

Conflicts of interest

The Directors are obligated to notify the Company Secretary as soon as they become aware of any actual or potential new conflict of interest. Only Directors who have no material interest in the matter being considered will be able to participate in the Board approval process.

Other business relationships, including those that conflict or may potentially conflict with the Company's interests, are considered when appointing Directors and are monitored on a regular basis. The terms of each NED's appointment letter require that they seek prior approval from the Board before taking other external positions.

The Board acknowledges Directors' holdings of Ordinary Shares in the Company, details of which are set out on page 106. The Board considers these interests at each scheduled meeting and remains satisfied that they do not affect members' objectivity or their ability to exercise independent judgement.

Re-election of Directors

Mr Ohlsson and Ms Markey were reappointed and Ms Cleary was elected at the Annual General Meeting held on 12 June 2024. The Committee was pleased to see strong Shareholder support, with each of them receiving more than 95% of votes in favour.

Votes for the re-election of Mr Ambler and Ms O'Keefe were lower than those for the other Directors. Although Ms O'Keefe is no longer a member of the Board and Mr Ambler will step down at the next AGM, the Committee acknowledges the reasons that led some Shareholders to vote against their reappointments. Both at the Board and at the Committee level we will continue working to address investor feedback related to Board composition and succession.

Messrs Masterton and Roper, who were appointed to the Board in November 2024, will stand for election at the AGM in June 2025. All other Directors, except for Mr Ambler, will offer themselves for re-election at the same meeting.

Lynn Cleary
Chair of the Nomination Committee

19 March 2025

Audit and Risk Committee report

Audit, risk and internal control

"The Committee ensures Foresight Solar maintains the highest standards of integrity, financial reporting, internal and risk management systems, and corporate governance."

Ann Markey
Chair of the Audit and Risk Committee

Membership:

Ann Markey
Chris Ambler
Lynn Cleary
Paul Masterton

Roles and responsibilities:

- Monitor the integrity of the Financial Statements and recommend their approval
- Review Foresight Solar's internal control and risk management systems
- Recommend the appointment of an external Auditor to the Board
- Oversee the external Auditor and its performance and monitor its independence
- Implement and review the policy on the engagement of the external Auditor to supply non-audit services
- Review the Company's sustainability practices and reporting

Introduction

The Audit and Risk Committee operates within clearly defined terms of reference approved by the Board. These parameters are reviewed annually and updated for changes in the UK Corporate Governance and AIC Codes, as appropriate. The Committee Chair is a Chartered Accountant and the Board is satisfied that she has recent and relevant financial experience.

All members are independent and none of them have any involvement in the preparation of the Company's Financial Statements.

Meetings are scheduled to coincide with Foresight Solar's reporting cycle. The Committee met five times during 2024. Regular attendees at meetings include non-Committee Board members, representatives of the Investment Manager, the external auditor and the Administrator.

The Committee reports directly to the Board, which retains ultimate responsibility for the Annual and Interim Financial Statements.

During the year, the Committee enhanced its framework on risk management and internal controls. As part of a continual improvement process, the Committee is considering the impact from the recent changes to the UK Corporate Governance and AIC Codes and is working with the Investment Manager, Administrator and Compliance Officer to advance reporting and assurance on risks and controls.

The Committee is charged with maintaining an open and effective relationship with the Company's Auditor. The Chair of the Committee maintains regular contact with the Auditor during the audit process and the Auditor attends meetings in which the Annual Financial Statements are considered.

KPMG LLP (KPMG) has completed the Company's external audit for 2024. It has not performed any non-audit services during the year. JTC (Jersey) Limited (JTC) prepares all necessary tax returns following approval of the Financial Statements.

Significant issues considered

The Committee has identified and considered the following principal key risk in relation to Foresight Solar's activities and to the Annual Financial Statements:

Valuation of unquoted investments. This issue was discussed with the Investment Manager and the Auditor at the planning and conclusion of the audit of the Annual Financial Statements. (It is also considered by the Committee in relation to the Interim Financial Statements.)

Audit and Risk Committee report continued

Audit, risk and internal control continued

Significant issues considered continued

As in previous years, it also considered the Going Concern basis for preparation of the Financial Statements, as well as the Viability Statement.

Valuation of unquoted investments

The unquoted investment is a 100% controlling interest in Foresight Solar (UK Hold Co) Limited, a non-consolidated subsidiary company which is measured at fair value. The majority of UK Hold Co's total assets (by value) are in companies in which no quoted market price is readily available.

The total controlling interests of the Company's assets are held through its subsidiary, Foresight Solar (UK Hold Co) Limited: FS Top Holdco 1 Limited (FS Topco 1), FS Top Holdco 2 Limited (FS Topco 2), FS Holdco 3 Limited (FS Holdco 3) (through RCF Debtco Limited), FS Holdco 4 Limited (FS Holdco 4) and 50% interest in Foresight Battery Storage Holdings Limited (FBSHL). (See note 1 to the Financial Statements on page 124 for details.)

FS Topco 1, in turn, holds an indirect 100% controlling interest in FS Holdco Limited (FS Holdco), FS Topco 2 has an indirect 100% controlling interest investment in FS Debtco Limited (FS Debtco) and FS Holdco 3 has an indirect 100% controlling interest in Second Generation Portfolio 1 Limited (SGP1).

These are all non-consolidated subsidiary companies which are also measured at fair value, established by using the fair value of their net assets.

The assets of FS Holdco, FS Debtco, SGP 1 and FS Holdco 4 are held in investments in which no quoted market price is available and are valued by using discounted cash flow models. FBSHL's investments in construction are held at cost as they are not yet operational, and the pre-construction investments are held at the lower of cost or net realisable value.

The valuations of underlying investments are an area of inherent risk and judgement. There is also a potential risk of the Investment Manager unfairly valuing the assets due to its fee being linked to Foresight Solar's Net Asset Value. There is now better alignment between the Investment Manager and Shareholders following a change to the investment management fee. With effect from 1 March 2025, the calculation is based on an equal weighting of market capitalisation and NAV. The fee was previously based entirely on Net Asset Value.

During the valuation process, the Board, the Committee and the Investment Manager follow the valuation methodologies for unlisted investments as set out in the International Private Equity and Venture Capital Valuation Guidelines, as well as appropriate industry benchmarks. These policies are set out in note 2 to the Financial Statements, from page 125.

The Committee reviews the Investment Manager's valuations, including the determination of and changes in assumptions. The Investment Manager employs three independent energy consultants to provide forward-looking power price forecasts, which are a key input into portfolio valuations. The Investment Manager confirmed the underlying valuations had been calculated on a consistent basis throughout the year and in accordance with industry guidelines, taking account of the latest available information about investee companies and current market data. The Investment Manager also held discussions regarding the investment valuations with the Auditor.

The Investment Manager has agreed the valuation assumptions with the Committee. Key assumptions used in the valuation forecasts are detailed in note 16 to the Financial Statements. The Investment Manager has provided sensitivities around those assumptions, which are also detailed in note 16.

Annual Financial Statements

The Investment Manager confirmed to the Committee that it was not aware of any material misstatements in the Company's financial reporting.

Having reviewed the reports from the Investment Manager and from the Auditor, the Committee is satisfied that the key areas of risk and judgement have been addressed appropriately in the Annual Financial Statements and that the significant assumptions used in determining the value of assets and liabilities have been properly appraised and are sufficiently robust.

The Committee reviewed the Annual Report, including the use of Alternative Performance Measures, with the objective of improving presentation for greater ease of understanding.

The Committee has concluded that the Annual Report and Financial Statements are fair, balanced and understandable, and that they provide the information necessary for Shareholders to assess Foresight Solar's position, performance, business model and strategy.

Audit and Risk Committee report continued

Audit, risk and internal control continued

External Auditor

During the year, the Committee judged the effectiveness of the current external audit process by assessing and discussing specific documentation presented to it in accordance with the relevant guidance. It discussed the key issues the Auditor identified in the planning phase in detail, examined what work they planned to carry out on these focus areas during the audit and debated the level of challenge on these matters, as well as considering the outcome of their work.

The Committee also assessed the quality and effectiveness of the engagement between the Auditor, the Investment Manager and the Administrator. It concluded the interactions were professional, constructive and appropriate to deliver an efficient and effective audit.

The Committee considered the performance of the Auditor and agreed that KPMG provided a high level of service and maintained a good knowledge of the market, ensuring audit quality. Overall, KPMG has carried out its duties in a diligent and professional manner.

The Committee also conducted a review of KPMG's independence and objectivity, which included an analysis of the firm's own objectivity and independence assessment, and was satisfied that it was objective and independent. The Committee also noted that KPMG did not provide non-audit services to any other entities in the Group.

The Board, on the Committee's recommendation, will recommend the reappointment of KPMG as the Company's Auditor at the Annual General Meeting in June 2025.

Audit partner rotation

During 2024, the Company was informed that Fang Fang Zhou would not continue as KPMG's audit partner due to a conflict with another mandate. Ms Zhou had supported Foresight Solar's audit since overseeing the process for the Annual Financial Statements relating to the year ended 31 December 2020. On behalf of the Committee and the Board, I would like to thank Ms Zhou for her work on the last four audits.

Rahim Butt, the audit partner for the 2024 audit, replaced Ms Zhou before the start of the audit planning process.

The Investment Manager's finance team and the Committee Chair spent time with both Ms Zhou and Mr Butt to ensure there was a smooth handover, continuity of service and consistent quality. Mr Butt confirmed there would be minimal change to the key members of the audit team to facilitate the seamless transition, reassuring the Committee of its quality.

Internal control and risk management

The Directors have responsibility for Foresight Solar's internal controls and for the review of their effectiveness. The internal controls system is designed to manage, rather than eliminate, the risks of failure to achieve business objectives. The system is designed to meet the Company's needs and its risks. By its nature, however, it can provide reasonable but not absolute assurance against misstatement or loss.

The Board has appointed JTC as Accountant and Administrator, effectively delegating the Company's financial management. There is an established system of controls in place to ensure proper records are maintained and financial information is accurate and reliable, and that Foresight Solar's assets are safeguarded.

Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring compliance with procedures and applicable rules and regulations.

Pursuant to the terms of its appointment, the Investment Manager provides the Board with a pipeline of potential investment opportunities for it to consider and has physical custody of documents of title relating to the equity investments involved.

Audit and Risk Committee report continued

Audit, risk and internal control continued

Internal control and risk management continued

The Investment Manager confirmed that there is a continuous process for identifying, evaluating and managing the Company's risks. This has been in place for the year under review and up to the date of approval of the Annual Report and Financial Statements. This process is also regularly reviewed by the Audit and Risk Committee and the Board.

The risk management process uses a risk-based approach to internal control whereby a Business Risk Assessment is maintained with a risk matrix that identifies the key functions carried out by the Investment Manager and by other service providers; the individual activities undertaken within those functions; the risks associated with each activity; and the controls employed to minimise those risks.

The Board receives regular reports highlighting all material changes to the risk ratings and confirming the actions that have been or are being taken. This process covers Foresight Solar's key strategic, business, operational, compliance and financial risks, and includes consideration of the risks associated with its arrangements with professional advisors. It also considers emerging risks and the potential for mitigation.

The Audit and Risk Committee reviewed the effectiveness of the system of internal controls, along with a review of the operational and compliance controls and risk management.

The Committee reported its conclusions to the Board, which was satisfied with the overall outcome and with the quality of the internal controls. As part of its workplan for 2025 the Committee is engaging with the Investment Manager, the Administrator and the Compliance Officer to further enhance reporting and assurance on risks and controls.

The Audit and Risk Committee also analysed the need for an internal audit function and decided that the systems and procedures employed by the Investment Manager, the Accountant and Administrator, the Audit and Risk Committee and other third-party advisors provide sufficient assurance to safeguard Shareholders' investment and the Company's assets.

Other matters

In 2023, the Committee investigated the benefit of having the Company's Interim Report and Financial Statements reviewed by the external Auditor and concluded that, on balance, there was limited advantage. The position was reconsidered in 2024 and it was again concluded that a review was unnecessary. The decision will be revisited annually to ensure it remains appropriate.

Ann Markey
Chair of the Audit and Risk Committee

19 March 2025

Board meeting, St. Helier, Jersey

Directors' Remuneration report

Remuneration

"The Committee has responsibility for reviewing and establishing Directors' remuneration, specifically reflecting the responsibilities and time commitment of their roles."

Paul Masterton

Chair of the Remuneration Committee

Membership:

Paul Masterton
Chris Ambler
Lynn Cleary

Roles and responsibilities:

Set remuneration policies and practices to support strategy

Determine the remuneration policy

Decide compensation for the Directors

Introduction

The Board has prepared this report in line with the AIC Code. An ordinary resolution to approve it will be put to Shareholders at the forthcoming Annual General Meeting in June 2025.

Remuneration policy

Remuneration for Non-Executive Directors should be transparent, reflect the complexity of the Company's operations, and be proportionate to the time spent, as well as the responsibilities borne for the Company's affairs. It should also be sufficient to enable the recruitment of high calibre candidates that, at a minimum, maintain the Board's high standards .

It is the Remuneration Committee's responsibility to recommend to the Board a policy for NED remuneration, to monitor its implementation and to ensure that all payments to Non-Executive Directors are made in accordance with the agreed policy.

It is considered appropriate that no aspect of Director remuneration should include share options or should be performance-related due to their non-executive status.

Directors' annual fees are set in accordance with Foresight Solar's Articles of Association, which establishes a limit of £400,000 in aggregate. The Company also holds liability insurance for Directors.

The Company pays Directors personally, every quarter, in arrears.

None of the Directors have a service contract but, under their individual letters of appointment, may resign at any time by mutual consent. No compensation is payable to Directors leaving office. As they are not appointed for a fixed length of time, there is no unexpired term to their appointment. The Directors are also entitled to be reimbursed for their reasonable expenses incurred whilst engaged on Company business.

Foresight Solar's remuneration approach is that smaller, incremental increases to fees are preferable to larger, more infrequent raises. In considering any changes, the Committee takes into account the macroeconomic environment, inflation and impacts of an increasingly complex regulatory landscape, together with benchmarks on Director remuneration for FTSE 250 firms and, especially, other investment trusts.

Shareholders approved the previous remuneration policy at the Annual General Meeting held on 12 June 2024 for the financial year to 31 December 2024. The Committee has reviewed and proposed minor updates to the remuneration policy to ensure it is wholly transparent and aligned with the updated AIC Code. This new remuneration policy will be tabled for approval at the 2025 AGM to apply to subsequent years.

Directors' Remuneration report continued

Remuneration continued

Remuneration considerations

The Committee considers the Board's fees at least once per year, undertaking external comparisons to ensure remuneration is in line with industry standards and market practice. During 2024, the Committee considered seeking guidance from an independent consultant but concluded that, due to peer information analysis provided by the Investment Manager and the extensive availability of appropriate benchmark data, a third-party report was not required.

The Committee considered the benchmark data, which indicates that the level of Board fees is at, or close to, the mid-point for the peer group. The Committee further considered wider sectorial challenges, Shareholder returns and fee discussions, together with the challenging macroeconomic environment. Following these deliberations, the Committee recommended to the Board that fees should remain unchanged for 2025.

Individual Directors' fees

Director fees for the year and those forecast for 2025 are shown below. No other remuneration was paid or payable during the period.

	Anticipated fees for the year ending 31 December 2025 (Unaudited)	**Fees for the year ended 31 December 2024 (Audited)**	Fees for the year ended 31 December 2023 (Audited)
Alexander Ohlsson (Chair)	£82,992	**£82,992**	£79,800
Ann Markey	£65,520	**£65,520**	£63,000
Lynn Cleary	£53,508	**£53,508**	£14,801
Paul Masterton[1]	£53,508	**£5,966**	—
Tony Roper[2]	£53,508	**£5,966**	—
Chris Ambler[3]	£26,754	**£53,508**	£51,450
Monique O'Keefe[4]	—	**£47,692**	£51,450
Peter Dicks[5]	—	**—**	£23,322
Total	£335,790	**£315,152**	£283,823

1. Paul Masterton was appointed to the Board with effect from 21 November 2024. He became the Chair of the Remuneration Committee following the resignation of Monique O'Keefe, and joined the Audit and Risk Committee.
2. Tony Roper was appointed to the Board with effect from 21 November 2024 and joined the Management Engagement Committee.
3. Chris Ambler will step down from the Board on 17 June 2025.
4. Monique O'Keefe stepped down from the Board on 21 November 2024.
5. Peter Dicks stepped down from the Board on 14 June 2023.

Company interest

Directors who had interests in the shares of the Company on 31 December 2024 are shown below. As previously noted, they do not have any options over shares as part of their roles.

	Shares held on 31 December 2024	Shares held on 31 December 2023
Alexander Ohlsson (Chair)[1]	**275,000**	75,000
Ann Markey	**10,000**	10,000
Lynn Cleary	**15,000**	—
Paul Masterton	**—**	—
Tony Roper[2]	**49,725**	—
Chris Ambler	**92,910**	51,691

1. Shares legally and beneficially owned by a personal pension company.
2. 15,000 shares held directly, and 34,725 shares held via a family investment company. While Mr Roper controls the decision-making of the latter shares, the economic benefit is solely for his children.

Approval of report

The Board will propose a resolution at the forthcoming AGM that this Remuneration Report be approved, including the Directors' fees for the year to 31 December 2025.

Paul Masterton
Chair of the Remuneration Committee

19 March 2025

Directors' report

The Directors present their report and the audited Financial Statements of the Company for the year ended 31 December 2024.

The Company

Foresight Solar Fund Limited is a closed-end company with an indefinite life. It was incorporated in Jersey under the Companies (Jersey) Law 1991, as amended on 13 August 2013, with registration number 113721. The Company is a collective investment fund under the Collective Investment Funds (Jersey) Law 1988, and, as such, is regulated as a Jersey listed fund in accordance with the JFSC's Listed Fund Guide.

The registered office's address is: 28 Esplanade, St. Helier, Jersey, JE4 2QP.

Share capital and voting rights

The Company's capital structure and details of share movements during the year are shown in note 17 to the Financial Statements.

As at 19 March 2025 there were 609,958,720 Ordinary Shares in issue of nil par value.

The shares are quoted on the Main Market of the London Stock Exchange.

Investment objective

The Company's objective is to provide investors with a sustainable, progressive quarterly dividend and enhanced capital value, whilst facilitating climate change mitigation and the transition to a lower-carbon economy.

Investment policy

The Company pursues its investment objective by investing in a diversified portfolio of ground-based, solar power plants and utility-scale battery energy storage systems (BESS) predominantly located in the UK, contributing to the growth of renewable energy generation capacity available and the production of more clean power over the long term.

The Company is permitted to invest in BESS up to a limit of 10% of the GAV of the Company and its subsidiaries, calculated at the time of investment, supporting the transition to low-carbon electricity networks.

The Company will invest in operational ground-based solar power plants and BESS but will also be able to invest in pre-operational assets which are either in the development stage or the construction stage of their lifecycle, enabling the Company to contribute to the deployment of new renewable energy generation capacity and flexible electricity storage over time whilst supporting its financial objectives.

Investments in assets which are in the development stage of their lifecycle, which have not yet secured all necessary project rights for construction and operation but have a delivery plan and have established reasonable viability to secure such necessary project rights, will be limited to 5% of the GAV of the Company and subsidiaries, calculated at the time of investment.

Investments outside the UK and in assets which are, when acquired, still under construction, will be limited to 25% respectively of the GAV of the Company and subsidiaries, calculated at the time of investment.

The Company will seek to acquire majority or minority stakes in individual ground-based solar assets. When investing in a stake of less than 100% in a solar power plant special purpose vehicle (SPV), the Company will secure its shareholder rights through shareholders' agreements and other legal transaction documents.

Power purchase agreements (PPAs) will be entered into between each of the individual solar power plant SPVs in the portfolio and creditworthy offtakers. Under the PPAs, the SPVs will sell solar-generated electricity and, if applicable, green benefits to the designated offtaker. The Company may retain exposure to power prices through PPAs that do not include mechanisms such as fixed prices or price floors.

Investment may be made in equity, debt or intermediate instruments but not in instruments traded on any investment exchange.

The Company is permitted to invest cash held for working capital purposes and awaiting investment in cash deposits, gilts and money market funds.

In order to spread risk and diversify its portfolio, at the time of investment, no single asset shall exceed 30% of the Company's GAV post-acquisition.

Directors' report continued

Investment policy continued

If the investment is an additional stake in an existing investment, the combined value of both the existing stake and the additional stake acquired should also not exceed 30%. The GAV of the Company will be calculated based on the last published gross investment valuation of the Company's portfolio, including cash, plus acquisitions made since the date of such valuation at their cost of acquisition. The Company's portfolio will provide diversified exposure through the inclusion of not less than five individual solar power plants and the Company will also seek to diversify risk by ensuring that a significant proportion of its expected income stream is derived from regulatory support (which will consist of, for example, without limitation, ROCs and FiTs for UK assets). Diversification will also be achieved by the Company using a number of different third-party providers such as developers, engineering, procurement and construction (EPC) contractors, operations and maintenance (O&M) contractors, panel manufacturers, landlords and distribution network operators.

The Articles provide that gearing, calculated as Group borrowing (including any asset-level gearing) as a percentage of the Company's GAV, will not exceed 50% at the time of drawdown. It is the Board's current intention that long-term gearing (including long-term, asset-level gearing), calculated as Group borrowings (excluding intra-group borrowings (i.e. borrowings between members of the Group) and revolving credit facilities) as a percentage of the Company's GAV will not exceed 40% at the time of drawdown.

Significant Shareholders

The Company's Shareholders include a mix of institutional and retail investors. Those with a holding of more than 5% as at 31 December 2024 were:

Investor	% shareholding as at 28 February 2025	% shareholding as at 31 December 2024
BlackRock	8.88%	**10.75%**
Gravis Capital Management	6.09%	**6.05%**
Schroder Investment Management	5.76%	**5.50%**
Hargreaves Lansdown	5.27%	**4.97%**
Charles Stanley	4.88%	**5.01%**
Total	30.88%	**32.28%**

Allotment of shares

The Shareholders have authorised Directors to issue new shares equivalent to up to 10% of Foresight Solar's share capital. It is the Directors' intention to seek the renewal of this authority by Shareholder resolution, which will be set out in the notice of the forthcoming AGM.

The Shareholders also authorised Directors to allot shares without application of the pre-emption rights, as set out in Article 10.2 of the Company's Articles of Association and in the Financial Conduct Authority's Listing Rules under Part VI of the Financial Services and Markets Act 2000 (as amended), equivalent to 10% of the Company's issued share capital until the conclusion of the forthcoming AGM. The Directors will also seek to renew this authority by proposing a special resolution be passed at the Annual General Meeting.

No shares were allotted under this authority during the year.

Purchase of own shares

The Company has been authorised to make market purchases of its own Ordinary Shares of up to 14.99% of its issued Ordinary Share capital immediately prior to the passing of the resolution (excluding treasury shares) on such terms and in such manner as the Directors shall from time to time determine, subject always to the terms of any class rights in the Articles and provided that:

a. The maximum aggregate number of Ordinary Shares hereby authorised to be purchased shall be such number as represents 14.99% of the aggregate number of Ordinary Shares in issue as at 24 May 2024, equivalent to 86,060,637

b. The minimum price which may be paid for an Ordinary Share shall be £0.01

c. The maximum price, exclusive of any expenses, which may be paid for an Ordinary Share is an amount equal to the higher of (i) 14.99% of the average of the middle market quotations for an Ordinary Share (as derived from the Daily Official List of the London Stock Exchange plc) for the five business days immediately preceding the date on which such Ordinary Share is contracted to be purchased; and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue on which the purchase is carried out

d. The authority hereby conferred is in addition to all and any authorities in place in respect of market purchases by the Company and shall expire at the conclusion of the Company's next Annual General Meeting or on the date falling 18 months from the date of the passing of this resolution, whichever is earlier, unless previously revoked, varied or renewed by the Company in general meeting

Directors' report continued

Purchase of own shares continued

e. The Company may at any time prior to the expiry of such authority make a contract or contracts to purchase Ordinary Shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts

f. The Directors of the Company provide a statement of solvency in accordance with Articles 55 and 57 of the Law

Any repurchase of Ordinary Shares will only be made through the market for cash at prices below the estimated prevailing Net Asset Value per Ordinary Share. These transactions will only happen in the instances in which the Directors believe such purchases will result in an increase in the NAV per Ordinary Share and where the Board believes such purchases are in Shareholders' interests because they are addressing an imbalance in the demand and supply of shares available in the market.

On 4 May 2023, the Company announced a £10 million share buyback programme to address the disconnect between asset values inferred by the share price and the asset pricing supported by third-party transactions. The programme was extended twice to a total of up to £40 million. On 8 August 2024, the Directors increased the allocation to up to £50 million. The Board will keep buybacks under review to ensure its continuation remains in Shareholders' best interests.

As at the date of this report, 50,205,813 Ordinary Shares had been repurchased under this authority, which will expire on the earlier of 4 September 2025 or the Company's next AGM.

Treasury shares

Jersey Company Law allows companies to hold shares acquired in the market as treasury shares, rather than having to cancel them.

Up to 10% of the issued shares may be held in treasury and may be subsequently cancelled or sold for cash in the market. This gives Foresight Solar the ability to reissue shares quickly and cost efficiently, improving liquidity and providing additional flexibility in the management of its capital base.

As at the date of this report, 50,205,813 shares were held in treasury.

Dividends

Under the Articles, the Board is authorised to sign off the payment of interim dividends without the need for Shareholder approval. However, having regard to best practice, the Company seeks permission from Shareholders, at each Annual General Meeting, for its dividend policy to pay four interim dividends per year. This authority was duly approved at the AGM on 12 June 2024.

Scrip dividend option

At the Company's Annual General Meeting held on 25 June 2019, Shareholders granted approval for Directors to offer Shareholders the opportunity to take dividends in the form of new Ordinary Shares rather than cash. Foresight Solar was also authorised to offer an ongoing Scrip Dividend Scheme for a period of three years. This authority was renewed for another three years at the AGM held on 15 June 2022.

To date, approximately 6.1 million new Ordinary Shares have been allotted to existing Shareholders under the Scrip Dividend Scheme, and this has resulted in a cash saving, net of admission fees, of £5.9 million.

Whilst the Scrip Dividend Scheme has been suspended, the Directors keep it under review with the objective of reinstating it as soon as it is appropriate to do so.

Share dealing code, policy and manual

In accordance with the UK Market Abuse Regulations, Foresight Solar has adopted a share dealing code, policy and manual to ensure compliance when Directors, being Persons Discharging Managerial Responsibilities, deal in its shares.

Financial risk management

Information about the Company's financial risk management objectives and policies is set out in note 19 to the Financial Statements.

Bribery Act 2010

Foresight Solar is committed to carrying out business fairly, honestly and openly. The Investment Manager has established policies and procedures to prevent bribery within its organisation.

Directors' report continued

Criminal Finances Act 2017

The Company has committed to conduct all its business in an honest and ethical manner. FSFL takes a zero-tolerance approach to facilitation of tax evasion, whether under UK law or under the law of any foreign country.

It is committed to acting professionally, fairly and with integrity in all its business dealings and relationships, wherever it operates, and implementing and enforcing effective systems to counter tax evasion facilitation.

Foresight Solar will uphold all laws relevant to countering tax evasion, including the Criminal Finances Act 2017, in all the jurisdictions in which it operates.

Requirements of the Listing Rules

Listing Rule 6.6.4 requires the Company to include specified information in a single identifiable section of the Annual Report or a cross-reference table indicating where the information is set out. The Directors confirm that there are no disclosures required in relation to Listing Rule 6.6.4.

Directors' indemnity

The Company has procured a directors' and officers' liability insurance policy on behalf of Directors, indemnifying them in case of certain liabilities which may be incurred in connection with its business activities. This policy, however, does not provide cover for fraudulent or dishonest actions.

Articles of Association

Foresight Solar's Articles of Association are available upon request from the Company Secretary and at the AGM.

Website publication

The Board is responsible for publishing the Company's audited Annual Report and Financial Statements on the website, in accordance with applicable legislation governing their preparation and dissemination.

The Directors are responsible for the maintenance and integrity of the website, as well as the information published therein, including the Financial Statements.

Legislation in Jersey governing the preparation and dissemination of financial statements may differ from that in other jurisdictions.

Post balance sheet events

Further details on these events can be found in note 25 to the Financial Statements.

Annual General Meeting

The AGM is expected to be held on 17 June 2025 at the Company's registered office at 28 Esplanade, St. Helier, Jersey, JE2 3QA.

Further details on how Shareholders can participate will be set out in the Notice of Annual General Meeting that will be published in due course.

By order of the Board.

Alexander Ohlsson
Chair

For and on behalf of
Foresight Solar Fund Limited

19 March 2025

Statement of Directors' responsibilities

In respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the Financial Statements in accordance with applicable law and regulations.

Jersey Company Law requires directors to prepare financial statements that give a true and fair view of a company's affairs and of its profit or loss for each financial year. Under that law, and as permitted by UK Disclosure Guidance and Transparency Rules, these Financial Statements have been prepared in accordance with standards issued by the International Accounting Standards Board and applicable law.

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

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable, relevant and reliable
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements
- Assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- Use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so
- The Directors are responsible for keeping sufficient accounting records that disclose the Company's financial position with reasonable accuracy at any time, and to enable them to ensure that the Financial Statements comply with the Companies (Jersey) Law 1991

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard assets and to prevent and detect irregularities.

The maintenance and integrity of the corporate and financial information included on Foresight Solar's website is the Directors' responsibility; the Auditor's work carried out does not involve consideration of these matters and, accordingly, KPMG LLP accepts no responsibility for any changes that may have occurred to the Financial Statements or its audit report since 19 March 2025. KPMG LLP has carried out no procedures of any nature subsequent to 19 March 2024 which in any way extends this date.

Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Directors shall remain responsible for establishing and controlling the process for doing so, and for ensuring that the Financial Statements are complete and unaltered.

The Board has voluntarily decided to prepare a Directors' Remuneration Report in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, made under the UK Companies Act 2006, as if those requirements applied to Foresight Solar.

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- The Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company
- The Annual Report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties they face
- We consider the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess Foresight Solar's position and performance, business model and strategy

Alexander Ohlsson
Chair

For and on behalf of
Foresight Solar Fund Limited

19 March 2025

Financial Statements

What's in this section:

Paddock Wood, UK

Independent Auditor's report

To the members of Foresight Solar Fund Limited

1. Our opinion is unmodified

We have audited the financial statements of Foresight Solar Fund Limited ("the Company") for the year ended 31 December 2024, which comprise the Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union, of the state of the Company's affairs as at 31 December 2024, and of its profit and cash flows for the year then ended; and
- have been properly prepared in accordance with the Companies (Jersey) Law, 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matter (unchanged from 2023), in arriving at our audit opinion above, together with our key audit procedures to address that matter and our findings from those procedures in order that the Company's members, as a body, may better understand the process by which we arrived at our audit opinion. This matter was addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

Independent Auditor's report continued

To the members of Foresight Solar Fund Limited

<table>
<tr><th>Valuation of unquoted investments</th><th>Subjective valuation:</th><th>Our procedures included:</th></tr>
<tr><td>(£632.3million; 2023: £683.1 million)

Refer to page 101 (Audit and Risk Committee Report), page 125 (accounting policy) and page 120 (financial disclosures).

Risk level remains unchanged from prior year.</td><td>As at 31 December 2024, 99% (December 2023: 98%) of the Company's total assets (by value) were held in investments where no quoted market price is available.

The unquoted investment held at fair value through profit or loss represents a 100% holding in Foresight Solar (UK Holdco) Ltd. This entity in turn makes its investments through intermediate holding companies and underlying Special Purpose Vehicles.

As these investments are unquoted and illiquid, in order to determine the fair value, the Company has made a number of assumptions which are unobservable in the market.

These included:
Significant assumptions: The discount rate and power price curve assumptions have a high degree of complexity and subjectivity.

Non-significant assumptions and data points: We do not consider other assumptions and data points to be at a significant risk of material misstatement due to lower complexity and subjectivity. However, these assumptions are important as they can have a material impact on the overall valuation.
• Useful economic life assumption
• Inflation assumption
• Production and operating costs data

The effect of these matters is that, as part of our risk assessment, we determined that the valuation of unquoted investments has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 16) disclose the sensitivity estimated by the Company.</td><td>We performed the procedures below rather than seeking to rely on any of the Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Our procedures included:
Involvement of our valuation specialists:
• With the assistance of our valuation specialists, we critically evaluated and challenged significant assumptions affecting the valuation of the underlying assets, specifically discount rates and power price curves (including the capture discount curve) and non-significant assumptions (useful economic life and inflation rates)

Our procedures for significant assumptions included:
Benchmarking assumptions:
• We assessed whether the discount rates and power price curves are within a reasonable range based on relevant market data
• We agreed the subsidy and wholesale power price to agreements in place, such as Power Purchase Agreements

Our procedures in respect of the non-significant assumptions and data points included:
Test of detail:
• We agreed production data to due diligence reports prepared by third-party engineers. We evaluated the competence, objectivity and independence of the third-party engineers
• We assessed the reasonableness of forecast operating costs with reference to historic actual operating costs and, where possible, underlying agreements for leases, asset management and operations and maintenance contracts
• We evaluated the appropriateness of the useful economic life for individual assets, taking into consideration factors such as the life cycle of the asset and length of the leases
• We compared the inflation rates assumption to relevant external forecasts

Historical comparison:
• We compared actual to previously budgeted production and considered this in our challenge of future production forecasts

Assessing transparency:
• We considered the appropriateness, in accordance with relevant accounting standards, of the disclosures in respect of unquoted investments and the effect of changing one or more inputs to reasonably possible alternative valuation assumptions

Our findings:
We found the Company's valuation of unquoted investments to be mildly optimistic (2023: balanced).</td></tr>
</table>

Independent Auditor's report continued

To the members of Foresight Solar Fund Limited

3. Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £6.5 million (2023: £6.9 million), determined with reference to a benchmark of net assets (2023: total assets), of which it represents 1% (2023: 1% of total assets). The benchmark in the previous year was total assets. We selected Company net assets as the benchmark in the current year owing to the focus of the users of the financial statements on the net assets as a measure of performance of the underlying renewable energy infrastructure assets.

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2023: 75%) of materiality for the financial statements as a whole, which equates to £4.87million (2023: £5.10m). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £0.32 million (2023: £0.35 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality and performance materiality levels specified above and was performed by a single audit team.

Impact of controls on our audit

As disclosed within the Audit and Risk Committee Report on page 101, administrative and accounting operations of the Company are provided by JTC (Jersey) Limited (the 'Administrator'). We therefore identified that the financial reporting system operated by the Company's Administrator to be the main IT system relevant to our audit. We obtained and read the Administrator's type two service organisation controls report to assist us in evaluating the design of the general IT controls of the main finance system.

Consistent with our approach noted within the key audit matter in section 2 of our report, we did not plan to rely on any of the Company's controls in relation to any areas of our audit. This is because the nature of the majority of the Company's balances (including cash and cash equivalents, interest income and receivable and management fees) is such that we would expect to obtain audit evidence primarily from external confirmations (for cash and cash equivalents) and independent recalculations based on the contractual arrangements (for interest income and receivable and management fees). This is considered more efficient and therefore the scope of the audit work performed was fully substantive in all aspects of the audit for the year ending 31 December 2024.

4. The impact of climate change on our audit

In planning our audit, we have considered the potential impacts of climate change on the Company's business and its financial statements.

Climate change impacts the Company principally through the valuation of investments and through potential reputational risk associated with the Company's strategy. The Company's exposure to climate change is primarily through its indirect investment in the underlying renewable energy infrastructure assets, as the key valuation assumptions and estimates could be impacted by climate risks, for example where a new legislation on solar farms is introduced and have an impact on the forecast cash flows.

Given the nature of the current investment portfolio, the impact of climate change is inherently built in the valuations of the solar farms of the Company. We have performed a risk assessment of how the impact of climate change may affect the financial statements and our audit, in particular over the valuation of unquoted investments and our related key audit matter in section 2 above.

We have read the disclosure of climate related information in the front half of the Annual Report and considered consistency with the Financial Statements and our audit knowledge.

Independent Auditor's report continued

To the members of Foresight Solar Fund Limited

5. Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources, metrics relevant to debt covenants and its ability to operate over this period were:

- The discontinuation vote at the Annual General Meeting in June 2025, which is triggered by the level of discount between the Company's Net Asset Value and its share price
- The impact of a significant reduction in the valuation of the assets in the portfolio, driven predominately by decreases in revenue and production, which impacts the Company and its subsidiaries' ability to meet the covenants in place; and
- The Revolving Credit Facility reaching maturity in February 2026, with the refinancing agreement currently being negotiated, which will impact the Company and its subsidiaries' ability to meet their liabilities as they fall due.

In relation to the discontinuation vote, we considered the likely outcome of the discontinuation vote with reference to the following information:

- The outcome of the recent survey of investors commissioned by the Company and conducted by an independent third party;
- The performance of the Company, with reference to the performance of the underlying assets considering the current macroeconomic conditions and compared to comparable asset funds in the same sector;
- The voting history in the Company's Annual General Meetings;
- The profile of the Shareholders; and
- Our knowledge of the industry and market the Company operates in.

In relation to the valuation of the assets and the liquidity of the investment portfolio, we considered whether these risks could plausibly affect the liquidity and covenant compliance of the Company and its subsidiaries in the going concern period by comparing severe but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Company's financial forecasts.

We assessed the likelihood of the execution of the new revolving credit facility (currently due in February 2026) based our inquiry of Company and the status of their discussions with lenders and inspection of draft term sheets being negotiated.

We considered whether the going concern disclosure in note 2.2 to the Financial Statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and related sensitivities.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the Directors' statement in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period, and we found the going concern disclosure in note 2 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Independent Auditor's report continued

To the members of Foresight Solar Fund Limited

6. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Directors and Administrator as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Directors, the Administrator and the Company's Investment Manager; and
- Reading Board minutes and Audit & Risk Committee minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular to the risk that management may be in a position to make inappropriate accounting entries. We evaluated the design of the controls over journal entries and other adjustments and made inquiries of the Administrator as to whether they were aware of any inappropriate or unusual activity relating to the processing of journal entries and other adjustments.

Based on these risk assessment procedures, we assessed the opportunities for management override of controls in the context of this Company. We compared all material post-closing entries and, to incorporate an element of unpredictability, a haphazard selection of other entries to supporting documentation. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue, which in this context is interest income, is non-judgemental and straightforward, with limited opportunity for manipulation. We did not identify any additional fraud risks.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related Companies legislation) and distributable profits legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery, data protection, anti-money laundering, market abuse regulations and certain aspects of Company legislation recognising the financial and regulated nature of the Company's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Independent Auditor's report continued

To the members of Foresight Solar Fund Limited

7. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Directors' remuneration report

In addition to our audit of the financial statements, the Directors have engaged us to audit the information in the Directors' Remuneration Report that is described as having been audited, which the Directors have decided to prepare as if the Company were required to comply with the requirements of Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008 No. 410) made under the UK Companies Act 2006.

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the UK Companies Act 2006, as if those requirements applied to the Company.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the viability statement on page 69 that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal and Emerging risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the Directors' explanation in the viability statement of how they have assessed the prospects of the Company, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the Directors' statement that they consider that the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable, and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy;
- the section of the Annual Report describing the work of the Audit and Risk Committee, including the significant issues that the Audit and Risk Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the Annual Report that describes the review of the effectiveness of the Company's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in this respect.

Independent Auditor's report continued

To the members of Foresight Solar Fund Limited

8. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- proper accounting records have not been kept by the company, or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 111, the Directors are responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at: **www.frc.org.uk/auditorsresponsibilities**.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991 and the terms of our engagement by the Company. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Company, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Rahim Butt

for and on behalf of KPMG LLP
Chartered Accountants and Recognised Auditor

15 Canada Square
Canary Wharf
London
E14 5GL

19 March 2025

Statement of profit and loss and other comprehensive income

For the year ended 31 December 2024

	Notes	31 December 2024 £'000	31 December 2023 £'000
Revenue			
Interest earned on cash in bank		60	54
Interest income	4	31,368	31,820
Loss on investments held at fair value through profit or loss	14	(20,311)	(32,838)
Total revenue		11,117	(964)
Expenditure			
Administration fees	6	(251)	(208)
Directors' fees	7	(315)	(284)
Management fees	5	(6,348)	(7,037)
Other expenses	8	(1,197)	(791)
Total expenditure		(8,111)	(8,320)
Profit/(loss) before tax for the year		3,006	(9,284)
Taxation	2.7	—	—
Profit/(loss) for the year		3,006	(9,284)
Other comprehensive income		—	—
Profit/(loss) and other comprehensive income for the year		3,006	(9,284)
Earnings/(loss) per Ordinary Share (pence per share)	9	0.52	(1.54)

All items above arise from continuing operations, there have been no discontinued operations during the year.

The accompanying notes on pages 124 to 156 form an integral part of these Financial Statements.

Statement of financial position

As at 31 December 2024

	Notes	31 December 2024 £'000	31 December 2023 £'000
Assets			
Non-current assets			
Investments	14	**632,329**	683,104
Total non-current assets		**632,329**	683,104
Current assets			
Interest receivable	10	**197**	13,651
Trade and other receivables	11	**304**	290
Cash and cash equivalents	12	**2,018**	2,041
Total current assets		**2,519**	15,982
Total assets		**634,848**	699,086

	Notes	31 December 2024 £'000	31 December 2023 £'000
Equity			
Retained earnings		**4,470**	67,997
Ordinary Share capital and treasury shares	17	**629,892**	629,892
Total equity		**634,362**	697,889
Liabilities			
Current liabilities			
Trade and other payables	13	**486**	1,197
Total current liabilities		**486**	1,197
Total liabilities		**486**	1,197
Total equity and liabilities		**634,848**	699,086
Net Asset Value per Ordinary Share	18	**112.3**	118.4

The Financial Statements on pages 120 to 123 were approved by the Board of Directors and signed on its behalf on 19 March 2025 by:

Alexander Ohlsson

Chair

The accompanying notes on pages 124 to 156 form an integral part of these Financial Statements.

Statement of changes in equity

For the year ended 31 December 2024

	Notes	Issued Ordinary Shares[1] £'000	Treasury shares[2] £'000	Retained earnings £'000	Total £'000
Balance as at 1 January 2024		**609,983**	**19,909**	**67,997**	**697,889**
Total comprehensive profit for the year:					
Profit for the year		—	—	3,006	3,006
Transactions with owners, recognised directly in equity:					
Dividends paid in the year	21	—	—	(44,734)	(44,734)
Purchase of treasury shares[2]	17	(21,799)	21,799	(21,799)	(21,799)
Balance as at 31 December 2024		**588,184**	**41,708**	**4,470**	**634,362**

For the year ended 31 December 2023

	Notes	Issued Ordinary Shares[1] £'000	Treasury shares[2] £'000	Retained earnings £'000	Total £'000
Balance as at 1 January 2023		629,892	—	141,575	771,467
Total comprehensive loss for the year:					
Loss for the year		—	—	(9,284)	(9,284)
Transactions with owners, recognised directly in equity:					
Dividends paid in the year	21	—	—	(44,385)	(44,385)
Purchase of treasury shares[2]	17	(19,909)	19,909	(19,909)	(19,909)
Balance as at 31 December 2023		609,983	19,909	67,997	697,889

1. The stated capital of the Company comprises of issued Ordinary Shares, share premium and treasury shares.
2. Represents the cash payments made to Jefferies International Limited during the year.

The accompanying notes on pages 124 to 156 form an integral part of these Financial Statements.

Statement of cash flows

For the year ended 31 December 2024

	Notes	31 December 2024 £'000	31 December 2023 £'000
Profit/(loss) for the year after tax		**3,006**	(9,284)
Adjustments for:			
Unrealised loss on investments	14	**20,311**	32,838
Operating cash flows before changes in working capital		**23,317**	23,554
Decrease in interest receivables	10	**13,454**	31,080
Increase in trade and other receivables	11	**(14)**	(11)
(Decrease)/increase in trade and other payables	13	**(711)**	660
Net cash inflow from operating activities		**36,046**	55,283
Investing activities			
Repayment of Shareholder loan		**30,464**	—
Net cash inflow from investing activities		**30,464**	—
Financing activities			
Purchase of treasury shares		**(21,799)**	(19,909)
Dividends paid	21	**(44,734)**	(44,385)
Net cash outflow from financing activities		**(66,533)**	(64,294)
Net decrease in cash and cash equivalents		**(23)**	(9,011)
Cash and cash equivalents at the beginning of the year		**2,041**	11,052
Cash and cash equivalents at the end of the year	12	**2,018**	2,041

The accompanying notes on pages 124 to 156 form an integral part of these Financial Statements.

Notes to the Financial Statements

For the year ended 31 December 2024

1. Company information

Foresight Solar Fund Limited (the "Company") is a closed-ended public company with an indefinite life and was incorporated in Jersey under the Companies Law (Jersey) 1991, as amended, on 13 August 2013, with registered number 113721. The address of the registered office is: 28 Esplanade, St Helier, Jersey, JE4 2QP.

The Company has one investment, Foresight Solar (UK Hold Co) Limited ("UK Hold Co"). The principal activity of the Company through its direct and indirect subsidiaries, as per the structure chart, is investing in operational and development-stage ground-based solar power plants and battery storage systems in the UK, Australia and Spain.

UK Hold Co has three investments: FS RCF Debtco Limited ("RCF Debtco"), FS Holdco 4 Limited ("FS Holdco 4") and Foresight Battery Storage Holding Limited ("FBSHL").

RCF Debtco has three investments: FS Top Holdco 1 Limited ("FS Topco 1"), FS Top Holdco 2 Limited ("FS Topco 2") and FS Holdco 3 Limited ("FS Holdco 3").

FS Topco 1 has one investment in FS Intermediate Holdco Limited ("FIHC"). FIHC in turn has one investment in FS Holdco Limited ("FS Holdco").

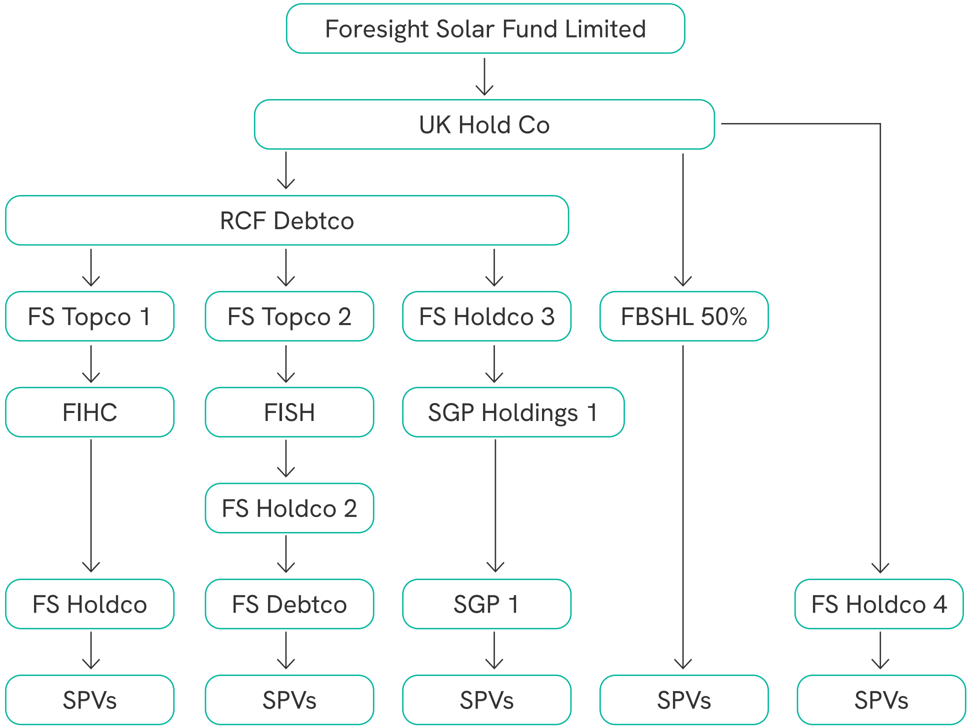
FS Topco 2 has one investment in Foresight Intermediate Solar Holdings Limited ("FISH"). In turn, FISH has one investment in FS Holdco 2 Limited ("FS Holdco 2") which has one investment in FS Debtco Limited ("FS Debtco").

FS Holdco 3 has one investment in Second Generation Portfolio 1 Holdings Limited ("SGP Holdings 1"). SGP Holdings 1 in turn invests in Second Generation Portfolio 1 ("SGP 1") which invests directly into underlying solar investments.

FS Holdco, FS Debtco and FS Holdco 4 invest in further holding companies (the "SPVs") which then invest in the underlying solar and battery storage investments.

Structure chart

The following chart shows the Group structure as at 31 December 2024:



Notes to the Financial Statements continued

For the year ended 31 December 2024

2. Summary of significant accounting policies

2.1 Basis of presentation

The Financial Statements for the year ended 31 December 2024 (the “Financial Statements”) have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) which comprise standards and interpretations issued by the International Accounting Standards Board (IASB). The Financial Statements have been prepared on the historical cost convention as modified for the measurement of certain financial instruments at fair value through profit or loss and in accordance with the provisions of the Companies (Jersey) Law 1991. The investment in UK Hold Co is held at Net Asset Value on the statement of financial position in line with the International Private Equity and Venture Capital 2022 (IPEV) Valuation Guidelines.

2.2 Going concern

Discontinuation vote:

As set out in the Company’s Articles of Association, as the Company’s share price traded at more than a 10% discount to NAV during 2023, Shareholders had the opportunity to vote on a special resolution at the AGM of the Company on whether the Company should cease to continue in its present form. The Company’s shares traded at a 16% discount to NAV, on average during 2023. Despite actively addressing the discount to NAV during 2024, wider macroeconomic and geopolitical factors have continued to impact the entire renewable infrastructure sector, causing the Company to trade at an average discount of approximately 24% during the year to 31 December 2024.

Shareholders will have the opportunity to vote once more at the June 2025 AGM of the Company on whether the Company should cease to continue in its present form. The Directors acknowledge that the discount to NAV is wider now than it was at the same time last year and this has emphasised the need to further engage with Shareholders.

Recent interactions with Shareholders have not indicated that the special resolution in respect to discontinuation will pass. During December 2024 and January 2025, the Investment Manager commissioned an independent specialist consultancy to survey Shareholders representing 37% of Ordinary Shares outstanding. The objective was to understand views on the Company, covering many topics, including the views on the upcoming vote.

The poll was conducted through meetings and direct conversations. The results showed that a minority of individual respondents indicated they intend to vote for the discontinuation of the Company. A minority of individual respondents would not openly share their intentions, but suggested that, if Foresight Solar delivered on its stated goals, they saw clear reasons for continuance. The Board is comfortable that the 75% vote required for discontinuation will not succeed. Events after year end, such as Investment Manager fee restructuring and the results of planned divestments, have the potential to affect Shareholder sentiments.

The Board continues to actively engage with Shareholders and is considering a range of strategic options while continuing to deliver on the Company’s near-term objectives. The Directors are focused on balancing the objectives expressed by Shareholders in order to deliver value to Shareholders in an efficient and effective manner by exploring all options available. Actions taken to date have responded promptly to the market environment and further strategic action will be taken to reduce the trading discount to NAV. The Directors are keen to engage further with Shareholders up until the AGM and beyond.

The Directors have considered the comfortable result against discontinuation in June 2024 and the Board’s and the Investment Manager’s efforts to address the discount to NAV the shares trade at through a disciplined capital allocation strategy. Furthermore, from 1 March 2025, a revised investment management fee was agreed, delivering cost savings to Shareholders.

Based on the most recent assessment of the Shareholders’ sentiment, the Directors are confident of a successful result against discontinuation.

Background:

The Company’s exposure to wholesale energy prices is reduced in the medium term by maintaining a significant proportion of electricity generation on fixed price arrangements in the going concern assessment period. This provides protection if merchant power prices continue to decline. As the Company’s power purchase agreements are all contracted across a pool of five UK, five Australian and two Spanish energy suppliers. Recent insolvencies of UK energy suppliers that provide PPAs to renewable energy generators are a key risk for the Company due to the high proportion of revenues that are contracted with these energy suppliers. Accordingly, the Investment Manager periodically monitors the counterparty risk on the Company’s energy suppliers and will consider new PPAs if the counterparty risk of existing energy suppliers is of concern.

Notes to the Financial Statements continued

For the year ended 31 December 2024

2. Summary of significant accounting policies continued

2.2 Going concern continued

In December 2024, the UK government provided an update in relation to the ongoing Review of Electricity Market Arrangements scheme. They advised no decision has been made on whether to use reformed national pricing or zonal pricing when considering wholesale market reform, but has clarified details in relation to each option. It was confirmed that the policy development phase of REMA is due to be finalised by mid-2025, but amendments to the Contracts for Difference scheme will not be implemented until 2027 at the earliest.

Despite more clarity on the REMA initiative, the changes required to the UK wholesale power market are still uncertain in terms of timing and impact on corporate power price agreements. The Investment Manager expects any market changes will take years to implement and will therefore fall outside of the going concern assessment period.

Cash flow analysis:

Cash flow analysis was prepared for the going concern assessment period. The going concern assessment period contemplated for these accounts is until 30 June 2026.

An evaluation of going concern was prepared by the Company's Investment Manager, then approved by the Audit and Risk Committee and subsequently by the Board.

Cash flow analysis was completed to consider the following individual downside scenarios:

1. All investments consistently generate a P90 level (90% probability of exceeding expected production over a 10 year period) of electricity output. The Directors deem this is an appropriate, market standard stress test, with a relevant example being historically low irradiation in the UK throughout the year. This is corroborated by data from the Department of Energy Security and Net Zero showing that 2024 had the lowest number of sun hours since the Company's IPO in 2013.

2. Power prices were reduced by 20% across the portfolio. This downside scenario represents decreasing merchant power prices and historic oil and electricity price volatility.

3. The PPA provider that the Group is most exposed to fails to settle revenue under the PPA contract. This downside scenario represents the risk of insolvencies of PPA counterparties in response to the high number of energy company insolvencies during the last three years because of the high power price market.

4. The inclusion of the maximum forecasted project lifecycle outflows and the associated lost revenues, as a result of the downtime during the lifecycle works.

5. The removal of the sales proceeds from the divestment of the Australia portfolio.

Severe but plausible cash flow analysis was also completed to consider the following scenarios:

1. The three highest yielding project companies in the portfolio simultaneously have operational restrictions and reduced capacity and pay reduced distributions (12% less than base case) in the going concern assessment period

2. A combination of individual scenarios 1, 2, 4 and 5 occur simultaneously

If any of the scenarios described above were to materialise, the Company could still settle all liabilities falling due and there would be no instances of non-compliance of debt covenants, during the going concern assessment period.

The Board would continue to review on a periodic basis whether the dividend paid per share is appropriate considering the reduced cash flow. The cash flow forecasts show that operating costs would be settled as they fall due, but the cash balance would reduce gradually during the going concern assessment period.

RCF refinancing:

Further qualitative analysis in relation to going concern has been undertaken on the risk of the Company's ability to refinance the revolving credit facility which is due to expire in February 2026. The RCF was £73.4m drawn as at 31 December 2024. The Investment Manager is in advanced discussions with potential lenders and the refinanced RCF term-sheet was discussed in March 2025. The Directors are satisfied the facility will be refinanced.

Covenant compliance:

Three Group subsidiaries, FS Holdco, FS Debtco and RCF Debtco, are all required to complete semi-annual debt compliance reporting. The covenants that FS Holdco and FS Debtco are required to report on are the look-back debt service cover ratio, the look-forward debt service cover ratio and the loan life cover ratio. The debt service cover ratio (DSCR), calculated at investment entity subsidiaries level, is a measure of how each portfolio can use its generated cash to repay its debt obligations in any given six-month calculation period. It is calculated as the cash generated from operations and available to pay debt service divided by the debt principal and interest in any given six-month period.

Notes to the Financial Statements continued

For the year ended 31 December 2024

2. Summary of significant accounting policies continued

2.2 Going concern continued

RCF Debtco is required to report an interest cover ratio (ICR) and a Loan to Value (LtV) ratio. These must be compliant semi-annually to permit the movement of UK project company distributions to UK Hold Co and FSFL. Without these project distributions, FSFL would be unlikely be able to pay quarterly dividends to investors at the current dividend per share.

1) A breach at RCF Debtco would restrict more cash moving up the structure than a breach at either FS Holdco or FS Debtco. While the Investment Manager considers non-compliance of the RCF covenants as unlikely, it was considered prudent to investigate this via two reverse stress tests:

The base case SONIA and Euribor interest rates were gradually increased until the increased finance costs caused the ICR threshold to be breached. Variable interest rates would have to increase approximately 10-times by June 2026 to lead to a breach of the ICR, which is deemed highly unlikely.

2) The valuation of the RCF Debtco qualifying portfolio was gradually decreased until the LtV covenant was breached. This investigation has been deemed necessary considering falling merchant energy prices, rising discount rates and associated falling project valuations. UK project valuations would need to fall by 86% to lead to a breach of the LtV ratio, which represents a severe decrease deemed highly unlikely.

The Directors are pleased to confirm that there were no instances of non-compliance of debt covenants throughout the going concern assessment period in any of the scenarios.

Basis of Preparation:

The Directors and the Investment Manager do not consider the prospects of the discontinuation vote or refinancing of the RCF will impact the Company's ability to continue as a going concern or give rise to a material uncertainty.

Consequently, the Directors are confident that the cash flows have been appropriately challenged and therefore the Company will have sufficient funds to continue to meet its liabilities as they fall due for the going concern assessment period and has therefore prepared the Financial Statements on a going concern basis.

2.3 Changes in accounting policies and disclosures

New and revised IFRSs adopted by the Company

The accounting policies adopted are consistent with those of the previous financial year. Management have assessed all new standards and amendments to standards and interpretations that are effective for annual periods after 1 January 2024 and considered none to be applicable to the Company.

The following standards have been issued but are not effective for this accounting period and have not been adopted early:

- **IAS 21 (amended) Lack of Exchangeability** – These amendments clarify when a currency is exchangeable into another currency and how a company estimates a spot rate when a currency lacks exchangeability – effective from 1 January 2025
- **Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments** – The amendments clarify the timing for recognising and derecognising certain financial assets and liabilities, introduce additional guidance for the solely payments of principal and interest (SPPI) criterion, add new disclosure requirements for instruments with cash flow changes linked to ESG targets, and update disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI) – effective 1 January 2026
- **IFRS 18 Presentation and Disclosure in Financial Statements** – The new standard introduces updates to the presentation and disclosure in financial statements, particularly focusing on the statement of profit or loss. Key concepts include restructuring the statement of profit or loss, mandatory disclosures for management-defined performance measures reported outside the financial statements, and enhanced principles for aggregation and disaggregation in primary financial statements and notes – effective from 1 January 2027

There are no standards, amendments or interpretations in issue at the reporting date which are effective and not yet adopted that are deemed to have a material impact on the Financial Statements.

Notes to the Financial Statements continued

For the year ended 31 December 2024

2. Summary of significant accounting policies continued

2.4 Consolidation

Subsidiaries

Subsidiaries are entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Associates

Associates are entities over which the Company has significant influence, being the power to participate in the financial and operating policy decisions of the investee (but not control or joint control).

Investment entity exemption

Qualifying entities that meet the definition of an investment entity are not required to produce a consolidated set of financial statements and instead account for subsidiaries, joint ventures and associates at fair value through profit or loss.

Under the definition of an investment entity, the entity should satisfy all three of the following tests:

- Obtains funds from one or more investors for the purpose of providing those investors with investment management services
- Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both (including having an exit strategy for investments)
- Measures and evaluates the performance of substantially all its investments on a fair value basis

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

- The Company is an investment company that invests funds obtained from multiple investors in a diversified portfolio of solar energy infrastructure assets and related infrastructure assets and has appointed the Investment Manager to manage the Company's investments
- The Company's purpose is to invest funds for investment income and potential capital appreciation and will exit its investments at the end of their economic lives or when their planning permissions or leasehold land interests expire (unless it has repowered their sites) and may also exit investments earlier for reasons of portfolio balance or profit
- The Board evaluates the performance of the Company's investments on a fair value basis as part of the quarterly management accounts review. The Company values its investments on a fair value basis twice a year for inclusion in its Annual and Interim Financial Statements with the movement in the valuations taken to the income statement and, therefore, is measured within its earnings

Taking these factors into account, the Directors are of the opinion that the Company has all the typical characteristics of an investment entity and meets the definition set out in IFRS 10.

The Directors believe the treatment outlined above provides the most relevant information to investors.

As UK Hold Co is not consolidated, its subsidiaries – plus their underlying investments – are not separately presented at fair value through profit or loss in the Company's accounts. The Directors have evaluated whether the subsidiaries are investment entities and have concluded that they meet the definition set out in IFRS 10. Should subsidiaries fail to meet the definition of an investment entity, the Company would have to consolidate its subsidiaries.

2.5 Revenue

Revenue comprises interest income (loan interest) and income in the form of realised and/or unrealised gains on investments held at fair value through profit or loss. Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Loan interest income is recognised on an accruals basis by reference to the principal outstanding and at the effective interest rate applicable.

Bank interest income on cash deposits is recognised on an accruals basis using the effective interest rate method. Unrealised gains arising from changes in the fair value of the investments held at fair value through profit or loss are recognised in the period in which they arise.

Notes to the Financial Statements continued

For the year ended 31 December 2024

2. Summary of significant accounting policies continued

2.6 Expenses

Operating expenses are the Company's costs incurred in connection with the ongoing management of the Company's investments and administrative costs. Operating expenses are accounted for on an accruals basis.

The Company's operating expenses are charged through the statement of profit and loss and other comprehensive income.

Acquisition costs of assets are capitalised on purchase of assets. Costs directly relating to the issue of Ordinary Shares are charged to the Company's share capital and share premium reserve.

2.7 Taxation

The Company is currently registered in Jersey. The Company is taxed at 0%, which is the general rate of corporation tax in Jersey. No tax has been charged in the current year (2023: £nil).

2.8 Treasury shares

The Company recognises the purchase of its own equity instruments in treasury shares, which are deducted from retained earnings. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.9 Functional and presentational currency

The Directors consider the Company's functional currency to be pounds sterling (GBP) as this is the currency in which the majority of the Company's assets and liabilities and significant transactions are denominated. The Directors have selected GBP as the Company's presentation currency.

Indirect subsidiaries of the Company may have assets and liabilities relating to foreign operations which will impact the investment value on the Company's balance sheet. The assets and liabilities relating to these foreign operations, including fair value adjustments arising on investments, are translated into GBP at the exchange rates at the reporting date. The income and expenses relating to foreign operations are translated into GBP at the exchange rates at the dates of the transactions.

2.10 Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Investments held at fair value through profit or loss

The investments held at fair value through profit or loss consist of one investment in UK Hold Co. The asset in this category is classified as non-current.

Fair value is defined as the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

The fair value of UK Hold Co is made up of the fair value of its net assets, which are in turn determined by the fair value of its underlying assets. The subsidiaries of UK Hold Co are disclosed in note 1 Company information. FS Holdco and FS Debtco are fair valued using their Net Asset Value as reported at year end, with adjustments to their long-term external debt to reflect the fact that the carrying value at amortised cost is not considered to be the best approximation of its fair value. FS Holdco 3, FS Holdco 4, FS Topco 2, FISH, FS Holdco 2, FS Topco 1, FIHC, FBSHL and RCF Debtco are fair valued using their Net Asset Value as reported at year end.

The fair values of the underlying investments held by the Company's subsidiaries, which impact the value of the Company's subsidiaries, are determined by using valuation techniques. The Directors calculate the fair value of the investments based on information received from the Investment Manager. In accordance with IFRS 13 the Investment Manager's assessment of fair value of investments is determined in accordance with the International Private Equity and Venture Capital 2022 (IPEV) Valuation Guidelines, using a discounted cash flow valuation methodology.

Notes to the Financial Statements continued

For the year ended 31 December 2024

2. Summary of significant accounting policies continued

2.10 Financial instruments continued

Classification and subsequent measurement continued

The Board and the Investment Manager consider that the discounted cash flow valuation methodology used in deriving a fair value of the underlying assets is in accordance with the fair value requirements of IFRS 9. Investments not yet operational are measured at cost less any impairment as this is considered the best approximation of fair value. Gains or losses arising from changes in the fair value of the "investments held at fair value through profit or loss" are presented in the statement of profit and loss and other comprehensive income within "gains/(losses) on investments held at fair value through profit or loss" in the period in which they arise.

Other financial instruments at amortised cost

The financial instruments at amortised cost are non-derivative financial assets and liabilities with fixed or determinable payments that are not quoted in an active market. They comprise trade and other receivables, interest receivable, cash and cash equivalents and trade and other payables.

Trade and other receivables are rights to receive compensation for goods or services that have been provided in the ordinary course of business to customers. Accounts receivable are classified as current assets if receipt is due within one year or less. If not, they are presented as non-current assets.

Interest receivable is the right to receive payments at fixed or variable interest rates on loans issued by the Company. Interest receivable is classified as current if the receipt is due within one year or less. If not, it is presented as a non-current asset.

Cash and cash equivalents comprise cash on hand.

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire. The Company also derecognises a financial asset when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

Lastly, the Company also derecognises the financial asset when it neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows or the modified liability are subsequently different, in which case a new financial liability based on the modified terms is recognised at fair value. Any gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

The Company applies the simplified approach to measuring expected credit losses, as permitted by IFRS 9, which uses a 12-month expected loss allowance for all trade receivables and interest receivable.

2.11 Share capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new Ordinary Shares are shown in equity as a deduction, net of tax, from the proceeds. Ordinary Shares have a nil par value.

2.12 Dividend distribution

Dividend distributions to the Company's Shareholders are recognised through equity in the Company's Financial Statements in the period in which the dividends are approved by the Company's Shareholders.

Under Jersey law, the Company can pay dividends in excess of its retained earnings provided it satisfies the solvency test prescribed under the Companies Law (Jersey) 1991. The solvency test considers whether the Company is able to pay its debts when they fall due, and whether the value of the Company's assets is greater than its liabilities. The Company satisfied the solvency test in respect of all dividends declared or paid in the year.

Notes to the Financial Statements continued

For the year ended 31 December 2024

3. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The Board considers that the only areas where management make critical estimates that may have a significant effect on the Financial Statements are in relation to the valuation of investments held at fair value through profit and loss; the most significant judgement is related to the determination that the Company meets the definition of an investment entity.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and underlying assumptions are reviewed on an ongoing basis.

Key judgements

The Board considers that the determination that the Company meets the definition of an investment entity involves significant judgement. The Board has concluded that the Company continues to meet the definition of an investment entity, as its strategic objective of investing in portfolio investments and providing investment management services to investors for the purpose of generating returns in the form of investment income and capital appreciation remains unchanged.

Key source of estimation uncertainty: Investments at fair value through profit or loss

The Company recognises its investment in UK Hold Co at fair value, which requires the determination of fair value of the underlying investments. The Board considers that determining the fair value of the underlying investments not quoted in an active market involves critical accounting estimates. The discount rate, power price curve, inflation and useful economical life of assets are considered the most significant unobservable inputs through which an increase or decrease would have a material impact on the fair value of the investments at fair value through profit or loss.

The discount rates are subjective and therefore it is feasible that a reasonable alternative assumption may be used, resulting in a different value. The discount rates applied to the cash flow are reviewed by the Investment Manager and approved by the Board on a quarterly basis, taking into consideration market transactions with similar nature.

Independent advisors are used to provide forward power price curves and therefore it is feasible that a reasonable alternative assumption may be used, resulting in a different value. The power price curves are reviewed by the Investment Manager and approved by the Board on a quarterly basis. Inflation forecasts, such as that of the Office for Budget Responsibility, are used alongside in-house views of the Investment Manager to determine this assumption and therefore it is feasible that a reasonable alternative assumption may be used, resulting in a different value. The inflation assumptions are reviewed by the Investment Manager and approved by the Board on a quarterly basis.

Useful economic lives (UELs) of assets are based on the Investment Manager's estimates of the period over which the assets will generate revenue, which are periodically reviewed for continued appropriateness. The UELs of the assets are based on the underlying lease contract of the individual assets. The Investment Manager fully expects to be able to renew any lease contracts of the underlying investments. The expected weighted average life of the UK portfolio as at 31 December 2024 is 31 years from the date of commissioning. The UEL of the Australian portfolio is 36 years. The UEL of the Spanish portfolio is 40 years.

These key assumptions used in determining the fair value of underlying investment and the associated sensitivities are disclosed in note 16.

4. Interest income

	31 December 2024 £'000	31 December 2023 £'000
Interest on loan notes	**25,430**	25,649
Interest on Shareholder loans	**5,938**	6,171
	31,368	31,820

Loan notes were issued by the Company to UK Hold Co for the purchase of investments. Interest accrues at 9% per annum in arrears on each Interest Payment Date (28/29 February and 31 August each year).

Notes to the Financial Statements continued

For the year ended 31 December 2024

4. Interest income continued

Where interest is not paid on the payment date, it will compound and future interest shall accrue at 11% per annum from the due date up to the date of actual payment, compounding on each Interest Payment Date. The loan notes balance at year end on which interest is charged is £250,000,000 (2023: £250,000,000), due to be repaid on 1 November 2038. These loans form part of the fair value of the investments as per note 14. On 7 March 2024, UK Hold Co had unpaid interest which therefore compounded and changed the interest rate to 11%. On 31 August 2024, all outstanding interest up to date was paid resulting in no compounding interest. Subsequently, the interest rate was changed back to 9%.

A Shareholder loan is created when the total amount paid by the Company on behalf of UK Hold Co to acquire the underlying investments is more than the total loan notes issued by the Company to UK Hold Co. Interest accrues at 2% per annum and is repayable on demand. The Shareholder loan balance at year end is £273,852,906 (2023: £304,316,450). These loans form part of the fair value of the investments as per note 14.

5. Management fees

The Investment Manager of Foresight Solar is Foresight Group LLP.

The Investment Manager of the Company receives an annual fee of 1% of the Net Asset Value (NAV) of the Company up to £500 million - NAV in excess of this is charged at 0.9% per annum. This is payable quarterly in arrears and is calculated based on the published quarterly NAV. For the year ended 31 December 2024, the Investment Manager was entitled to a management fee of £6,347,915 (2023: £7,036,782) of which £69,094 was outstanding as at 31 December 2024 (2023: £nil).

6. Administration fees

Under an Administration Agreement, the Administrator of the Company, JTC (Jersey) Limited, is entitled to receive minimum annual administration and accountancy fees of £200,000 (2023: £182,000) payable quarterly in arrears. For the year ended 31 December 2024, total administration and accountancy fees, including disbursements, were £251,363 (2023: £207,526) of which £50,000 was outstanding as at 31 December 2024 (2023: £45,000).

7. Staff costs and Directors' fees

No members of staff were employed during the year (2023: nil).

Total Directors' fees were £315,152 (2023: £283,823).

8. Other expenses

	31 December 2024 £'000	31 December 2023 £'000
Legal and professional fees	793	626
Other expenses	404	165
	1,197	791

Included within legal and professional fees is £192,250 (2023: £173,189) relating to the accrual of the 2024 audit fees. Audit fees paid to KPMG LLP in relation to the audit of the Group are £375,765 for the year ended 31 December 2024 (2023: £338,943). There were no other fees paid to the Auditor for non-audit services during the year (2023: £nil).

9. Earnings/(loss) per Ordinary Share — basic and diluted

The basic and diluted profit per Ordinary Share for the Company is 0.52 pence per share (2023: basic loss of 1.54 per share). This is based on the profit for the year of £3,005,954 (2023: £9,284,495 loss) and on 573,946,152 (2023: 603,598,450) Ordinary Shares, being the weighted average number of shares in issue during the year, excluding treasury shares.

10. Interest receivable

	31 December 2024 £'000	31 December 2023 £'000
Interest receivable on loan notes	197	10,973
Interest receivable on Shareholder loans	—	2,678
	197	13,651

Information about the Company's exposure to credit and market risk and impairment losses for interest receivable is included in note 19.

Notes to the Financial Statements continued

For the year ended 31 December 2024

11. Trade and other receivables

	31 December 2024 £'000	31 December 2023 £'000
Prepaid expenses	47	35
Other receivables	257	255
	304	290

Information about the Company's exposure to credit and market risk and impairment losses for trade and other receivables is included in note 19.

12. Cash and cash equivalents

	31 December 2024 £'000	31 December 2023 £'000
Cash at bank	2,018	2,041
	2,018	2,041

Information about the Company's exposure to credit and market risk and impairment losses for cash and cash equivalents is included in note 19.

13. Trade and other payables

	31 December 2024 £'000	31 December 2023 £'000
Accrued expenses	211	238
Amounts due to subsidiaries[1]	187	187
Unsettled treasury shares	88	772
	486	1,197

1. Amounts due to subsidiaries are unsecured, interest free and repayable on demand.

14. Investments held at fair value through profit or loss

The following table presents the Company's investments held at fair value through profit or loss:

	31 December 2024 £'000			31 December 2023 £'000		
	Equity	Loan	Total Investment	Equity	Loan	Total Investment
Opening balance	128,789	554,315	683,104	161,627	554,315	715,942
Additions	—	—	—	—	—	—
Repayments	—	(30,464)	(30,464)	—	—	—
Loss on investments held at fair value through profit or loss	(20,311)	—	(20,311)	(32,828)	—	(32,838)
Investments held at fair value through profit or loss	108,478	523,851	632,329	128,789	554,315	683,104

The Company measures its investment in UK Hold Co at fair value through profit or loss. This investment consists of both debt and equity and is not quoted in an active market.

The fair value of the Company's interests in UK Hold Co is derived from the net assets of UK Hold Co which holds the underlying investments at fair value. The debt portion of the investment is measured at principal plus accrued interest (as these approximate the fair value of the debt). The full terms of the debt are included in note 4. The fair value of the equity portion is based on the net assets of UK Hold Co and reflects the fair value of underlying solar assets plus working capital less the borrowings in the structure. The underlying investments are valued using a discounted cash flow methodology used, if operational. Assets in construction are valued at cost or cost less impairment.

The accrued interest on the debt at the year ended of £197k (2023: £13.6m), is shown separately as a current asset on the balance sheet as it reflects earnt interest that will be recovered in the next 12 months.

Notes to the Financial Statements continued

For the year ended 31 December 2024

14. Investments held at fair value through profit or loss continued

In turn, UK Hold Co has three investments in RCF Debtco, FS Holdco 4 and FBSHL. RCF Debtco has three investments in FS Topco 1, FS Topco 2 and FS Holdco 3. FS Topco 1 has one investment in FIHC. FIHC has one investment in FS Holdco. FS Topco 2 has one investment in FISH. FISH has one investment in FS Holdco 2. FS Holdco 2 has one investment in FS Debtco. FS Holdco 3 has one investment in SGP Holdings 1 which in turn has one investment in Second Generation Portfolio 1 ("SGP 1"). These investments also consist of both debt and equity and are not quoted in an active market. FS Holdco and FS Debtco are fair valued using their Net Asset Value as reported at year end, with adjustments to their long-term external debt to reflect the fact that the carrying value at amortised cost is not considered to be the best approximation of their fair value. FS Topco 1, FS Topco 2, FS Holdco 4, FIHC, FS Holdco 3 and FISH are fair valued using their net assets.

FS Holdco, FS Debtco, SGP Holdings 1 and FS Holdco 3's investment portfolios consist of unquoted investments in solar projects, the valuations of which are based on a discounted cash flow methodology (as set out in note 16) for solar projects that are operational. FS Holdco 4 consists of operational Australian and Spanish assets, the valuations of which are also based on a discounted cash flow methodology, and also a development pipeline of Spanish solar and BESS projects, which are held at cost less impairment to reflect current fair value based on market pricing.

FBSHL is held at cost less impairment to reflect current fair value based on market pricing.

Fair value hierarchy

IFRS 13 Fair Value Measurement requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement.

Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. The following table shows investments recognised at fair value, categorised between those whose fair value is based on:

(a) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(b) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(c) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

All investments held at fair value through profit or loss are classified as level 3 within the fair value hierarchy.

As UK Hold Co's Net Asset Value is not considered observable market data, the investment in UK Hold Co has been classified as level 3. There were no movements between levels during the year, categorised between those whose fair value is based on:

As at 31 December 2024:

	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Investments held at fair value through profit or loss	—	—	632,329	632,329
	—	—	632,329	632,329

As at 31 December 2023:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments held at fair value through profit or loss	—	—	683,104	683,104
	—	—	683,104	683,104

Sensitivity analysis

Due to the nature of the Group structure and the underlying valuation basis of UK Hold Co, RCF Debtco, FS Topco 1, FIHC, FS Holdco, FS Topco 2, FS Debtco, FS Holdco 3, FS Holdco 4 and the underlying solar project investments, the valuation of the Company's investment at fair value through profit or loss is directly linked to the valuation of the underlying solar and battery storage investments. Therefore, the unobservable inputs driving the valuation of the Company's investments in UK Hold Co are directly attributable to the valuation of the unquoted investments in FS Holdco, FS Debtco, FS Holdco 3 and FS Holdco 4, which are discussed further in note 16.

Notes to the Financial Statements continued

For the year ended 31 December 2024

15. Subsidiaries and associates

Investments in subsidiaries

Name	Direct or indirect holding	Country of incorporation	Principal activity	Proportion of shares and voting rights held
Foresight Solar (UK Hold Co) Limited (UK Hold Co)	Direct	UK	Holding Company	100%
FS Holdco Limited (FS Holdco)	Indirect	UK	Holding Company	100%
FS Top Holdco 2 Limited (FS Topco 2)	Indirect	UK	Holding Company	100%
Foresight Intermediate Solar Holdings Limited (FISH)	Indirect	UK	Holding Company	100%
FS Holdco 2 Limited (FS Holdco 2)	Indirect	UK	Holding Company	100%
FS Debtco Limited (FS Debtco)	Indirect	UK	Holding Company	100%
FS Holdco 3 Limited (FS Holdco 3)	Indirect	UK	Holding Company	100%
FS Holdco 4 Limited (FS Holdco 4)	Indirect	UK	Holding Company	100%
FS RCF Debtco Limited (RCF Debtco)	Indirect	UK	Holding Company	100%
FS Top Holdco 1 Limited (FS Topco 1)	Indirect	UK	Holding Company	100%
FS Intermediate Holdco Limited (FIHC)	Indirect	UK	Holding Company	100%
FS Wymeswold Limited	Indirect	UK	SPV Holding Company	100%
FS Castle Eaton Limited	Indirect	UK	SPV Holding Company	100%
FS Pitworthy Limited	Indirect	UK	SPV Holding Company	100%
Foresight Solar Germany Holding GmbH	Indirect	Germany	SPV Holding Company	100%
FS Highfields Limited	Indirect	UK	SPV Holding Company	100%
FS High Penn Limited	Indirect	UK	SPV Holding Company	100%
FS Hunter’s Race Limited	Indirect	UK	SPV Holding Company	100%
FS Spriggs Limited	Indirect	UK	SPV Holding Company	100%
FS Bournemouth Limited	Indirect	UK	SPV Holding Company	100%

Notes to the Financial Statements continued

For the year ended 31 December 2024

15. Subsidiaries and associates continued

Investments in subsidiaries continued

Name	Direct or indirect holding	Country of incorporation	Principal activity	Proportion of shares and voting rights held
FS Landmead Limited	Indirect	UK	SPV Holding Company	100%
FS Kencot Limited	Indirect	UK	SPV Holding Company	100%
FS Copley Limited	Indirect	UK	SPV Holding Company	100%
FS Port Farms Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Membury Limited	Indirect	UK	SPV Holding Company	100%
FS Southam Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Atherstone Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Paddock Wood Solar Farm Limited	Indirect	UK	SPV Holding Company	100%
Southam Holdco Limited	Indirect	UK	SPV Holding Company	100%
Atherstone Holdco Limited	Indirect	UK	SPV Holding Company	100%
Paddock Wood Holdco Limited	Indirect	UK	SPV Holding Company	100%
FS Shotwick Limited	Indirect	UK	SPV Holding Company	100%
FS Sandridge Limited	Indirect	UK	SPV Holding Company	100%
FS Wally Corner Limited	Indirect	UK	SPV Holding Company	100%
FS Holdco 5 Limited	Indirect	UK	SPV Holding Company	100%
FS Welbeck Limited	Indirect	UK	SPV Holding Company	100%
FS Trehawke Limited	Indirect	UK	SPV Holding Company	100%
FS Homeland Limited	Indirect	UK	SPV Holding Company	100%
FS Marsh Farm Limited	Indirect	UK	SPV Holding Company	100%
FS Steventon Limited	Indirect	UK	SPV Holding Company	100%

Notes to the Financial Statements continued

For the year ended 31 December 2024

15. Subsidiaries and associates continued

Investments in subsidiaries continued

Name	Direct or indirect holding	Country of incorporation	Principal activity	Proportion of shares and voting rights held
FS Fields Farm Limited	Indirect	UK	SPV Holding Company	100%
FS Gedling Limited	Indirect	UK	SPV Holding Company	100%
FS Sheepbridge Limited	Indirect	UK	SPV Holding Company	100%
FS Cuckoo Limited	Indirect	UK	SPV Holding Company	100%
FS Field House Limited	Indirect	UK	SPV Holding Company	100%
FS Upper Huntingford Limited	Indirect	UK	SPV Holding Company	100%
FS Abergelli Limited	Indirect	UK	SPV Holding Company	100%
FS Crow Trees Limited	Indirect	UK	SPV Holding Company	100%
FS Yarburgh Limited	Indirect	UK	SPV Holding Company	100%
FS Nowhere Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Bilsthorpe Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Bulls Head Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Roskrow Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Abbeyfields Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Lindridge Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Misson Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Playters Solar Limited	Indirect	UK	SPV Holding Company	100%
FS PS Manor Farm Solar Limited	Indirect	UK	SPV Holding Company	100%
FS SV Ash Solar Park Limited	Indirect	UK	SPV Holding Company	100%
FS Pen Y Cae Solar Limited	Indirect	UK	SPV Holding Company	100%

Notes to the Financial Statements continued

For the year ended 31 December 2024

15. Subsidiaries and associates continued

Investments in subsidiaries continued

Name	Direct or indirect holding	Country of incorporation	Principal activity	Proportion of shares and voting rights held
Second Generation Portfolio Holdings 1 (SGP Holdings 1)	Indirect	UK	SPV Holding Company	100%
Second Generation Portfolio 1 (SGP 1)	Indirect	UK	SPV Holding Company	100%
Foresight Solar Spain Holding S.L (FSSH)	Indirect	Spain	SPV Holding Company	100%
Wymeswold Solar Farm Limited (Wymeswold)	Indirect	UK	Investment	100%
Castle Eaton Solar Farm Limited (Castle Eaton)	Indirect	UK	Investment	100%
Pitworthy Solar Limited (Pitworthy)	Indirect	UK	Investment	100%
Highfields Solar Limited (Highfields)	Indirect	UK	Investment	100%
High Penn Solar Limited (High Penn)	Indirect	UK	Investment	100%
Hunter's Race Solar Limited (Hunter's Race)	Indirect	UK	Investment	100%
Spriggs Solar Limited (Spriggs Farm)	Indirect	UK	Investment	100%
Bournemouth Solar Limited (Bournemouth)	Indirect	UK	Investment	100%
Landmead Solar Farm Limited (Landmead)	Indirect	UK	Investment	100%
Kencot Hill Solar Farm Limited (Kencot)	Indirect	UK	Investment	100%
Copley Solar Limited (Copley)	Indirect	UK	Investment	100%
Port Farms Solar Limited (Port Farms)	Indirect	UK	Investment	100%
Membury Solar Limited (Membury)	Indirect	UK	Investment	100%
Atherstone Solar Farm Limited (Atherstone)	Indirect	UK	Investment	100%
Southam Solar Farm Limited (Southam)	Indirect	UK	Investment	100%
Paddock Wood Solar Farm Limited (Paddock Wood)	Indirect	UK	Investment	100%
Shotwick Solar Limited (Shotwick)	Indirect	UK	Investment	100%

Notes to the Financial Statements continued

For the year ended 31 December 2024

15. Subsidiaries and associates continued

Investments in subsidiaries continued

Name	Direct or indirect holding	Country of incorporation	Principal activity	Proportion of shares and voting rights held
Sandridge Solar Power Limited (Sandridge)	Indirect	UK	Investment	100%
Wally Corner Solar Limited (Wally Corner)	Indirect	UK	Investment	100%
Second Generation Yardwall Limited (Yardwall)	Indirect	UK	Investment	100%
Second Generation Verwood Limited (Verwood)	Indirect	UK	Investment	100%
Second Generation Park Farm Limited (Park Farm)	Indirect	UK	Investment	100%
Second Generation Coombeshead Limited (Coombeshead)	Indirect	UK	Investment	100%
Second Generation Sawmills Limited (Sawmills)	Indirect	UK	Investment	100%
Welbeck Solar Limited (Welbeck)	Indirect	UK	Investment	100%
Trehawke Solar Limited (Trehawke)	Indirect	UK	Investment	100%
Homeland Solar Limited (Homeland)	Indirect	UK	Investment	100%
Marsh Farm Solar Limited (Marsh Farm)	Indirect	UK	Investment	100%
Steventon Solar Limited (Steventon)	Indirect	UK	Investment	100%
Fields Farm Solar Limited (Fields Farm)	Indirect	UK	Investment	100%
Gedling Solar Limited (Gedling)	Indirect	UK	Investment	100%
Sheepbridge Solar Limited (Sheepbridge)	Indirect	UK	Investment	100%
Tengore Solar Limited (Tengore)	Indirect	UK	Investment	100%
Cuckoo Solar Limited (Cuckoo)	Indirect	UK	Investment	100%
Field House Solar Limited (Field House)	Indirect	UK	Investment	100%
Upper Huntingford Solar Limited (Upper Huntingford)	Indirect	UK	Investment	100%
Abergelli Solar Limited (Abergelli)	Indirect	UK	Investment	100%

Notes to the Financial Statements continued

For the year ended 31 December 2024

15. Subsidiaries and associates continued

Investments in subsidiaries continued

Name	Direct or indirect holding	Country of incorporation	Principal activity	Proportion of shares and voting rights held
Crow Trees Solar Farm Limited (Crow Trees)	Indirect	UK	Investment	100%
Yarburgh Solar Limited (Yarburgh)	Indirect	UK	Investment	100%
Nowhere Solar Limited (Nowhere)	Indirect	UK	Investment	100%
Bilsthorpe Solar Limited (Bilsthorpe)	Indirect	UK	Investment	100%
Bulls Head Solar Limited (Bulls Head)	Indirect	UK	Investment	100%
Roskrow Solar Limited (Roskrow)	Indirect	UK	Investment	100%
Lindridge Solar Limited (Lindridge)	Indirect	UK	Investment	100%
Misson Solar Limited (Misson)	Indirect	UK	Investment	100%
Playters Solar Limited (Playters)	Indirect	UK	Investment	100%
PS Manor Farm Solar Limited (PS Manor Farm)	Indirect	UK	Investment	100%
SV Ash Solar Park Limited (SV Ash)	Indirect	UK	Investment	100%
Pen Y Cae Solar Limited (Pen Y Cae)	Indirect	UK	Investment	100%
Bailey Solar Limited	Indirect	UK	Investment	100%
True Blue Solar Limited	Indirect	UK	Investment	100%
Shotton Grid Company Limited	Indirect	UK	Investment	100%
Abbeyfields Solar Limited (Abbeyfields)	Indirect	UK	Investment	100%
Virgen del Carmen Solar S.L (Virgen del Carmen)	Indirect	Spain	Investment	100%
Foresight Energy Storage Spain 1 S.L.U	Indirect	Spain	Investment	100%
Foresight Energy Storage Spain 2 S.L.U	Indirect	Spain	Investment	100%
Foresight Energy Storage Spain 3 S.L.U	Indirect	Spain	Investment	100%

Notes to the Financial Statements continued

For the year ended 31 December 2024

15. Subsidiaries and associates continued

Investments in subsidiaries continued

Name	Direct or indirect holding	Country of incorporation	Principal activity	Proportion of shares and voting rights held
Foresight Energy Storage Spain 4 S.L.U	Indirect	Spain	Investment	100%
Foresight Energy Storage Spain 5 S.L.U	Indirect	Spain	Investment	100%
Foresight Energy Storage Spain 6 S.L.U	Indirect	Spain	Investment	100%
San Isidro Solar 10 S.L	Indirect	Spain	Investment	100%
Longreach New Holdco Pty Limited	Indirect	Australia	SPV Holding Company	100%
Oakey 1 New Holdco Pty Limited	Indirect	Australia	SPV Holding Company	100%
FS Oakey 2 Pty Limited	Indirect	Australia	SPV Holding Company	100%
RE Oakey Pty Limited	Indirect	Australia	Investment	100%
Oakey Networks Pty Limited	Indirect	Australia	SPV Holding Company	100%
Longreach Asset Company Pty Limited	Indirect	Australia	SPV Holding Company	100%
RE Oakey Pty Limited	Indirect	Australia	SPV Holding Company	100%
Oakey Networks Pty Limited	Indirect	Australia	SPV Holding Company	100%
Oakey 1 Hold Company Pty Limited	Indirect	Australia	SPV Holding Company	100%
Longreach Hold Company Pty Limited	Indirect	Australia	SPV Holding Company	100%
Oakey 1 Asset Company Pty Limited	Indirect	Australia	SPV Holding Company	100%
Oakey 1 FinCo Pty Limited	Indirect	Australia	SPV Holding Company	100%
Oakey 1 Op Hold Company Pty Limited	Indirect	Australia	SPV Holding Company	100%
Oakey 1 Op Company Pty Ltd	Indirect	Australia	Investment	100%
Longreach FinCo Pty Limited	Indirect	Australia	SPV Holding Company	100%
Longreach Op Hold Company Pty Limited	Indirect	Australia	SPV Holding Company	100%

Notes to the Financial Statements continued

For the year ended 31 December 2024

15. Subsidiaries and associates continued

Investments in subsidiaries continued

Name	Direct or indirect holding	Country of incorporation	Principal activity	Proportion of shares and voting rights held
Longreach Op Company Pty Ltd	Indirect	Australia	Investment	100%
Kiamco Hanwha Foresight Bannerton Pty Limited	Indirect	Australia	SPV Holding Company	48.50%
Foresight Solar Australia Pty Limited	Indirect	Australia	Investment	48.5%
Lunanhead Energy Storage Limited	Indirect	UK	SPV Holding Company	50%
Claylfords Energy Storage Limited	Indirect	UK	SPV Holding Company	50%
Sandridge Battery Storage Limited	Indirect	UK	SPV Holding Company	50%
Global Solar Energy Veintisiete, S.L	Indirect	Spain	Investment	50%
Solar de la Contraviesa 5 S.L.U	Indirect	Spain	Investment	50%
Solar de la Contraviesa 6 S.L.U	Indirect	Spain	Investment	50%
Solar de la Contraviesa 7 S.L.U	Indirect	Spain	Investment	50%
Foresight Battery Storage Holding Limited (FBSHL)	Indirect	UK	Holding Company	50%

16. Fair value of the investments in unconsolidated entities

Valuation process

Valuations are the responsibility of the Board of Directors. The Investment Manager is responsible for submitting fair market valuations of Group assets to the Directors. The Directors review and approve these valuations following appropriate challenge and examination. Valuations are carried out quarterly. The current portfolio consists of non-market traded investments and valuations are based on a discounted cash flow methodology. The Investment Manager's assessment of fair value of investments is determined in accordance with the revised International Private Equity and Venture Capital 2022 (IPEV) Valuation Guidelines, using levered and unlevered discounted cash flow principles. The Investment Manager and Directors consider that the discounted cash flow methodology used in deriving a fair value is in accordance with the fair value requirements of IFRS 13. The assets in construction were valued at cost or cost less impairment at 31 December 2024 and have therefore been omitted from the sensitivity analysis on the following pages.

Notes to the Financial Statements continued

For the year ended 31 December 2024

16. Fair value of the investments in unconsolidated entities continued

Sensitivity analysis of significant changes in unobservable inputs within level hierarchy of underlying investments

The majority of the Company's underlying investments (indirectly held through its unconsolidated subsidiaries FS Holdco, FS Debtco, FS Holdco 3 and FS Holdco 4) are valued with reference to the discounted value of future cash flows. The Directors consider the valuation methodology used, including the key assumptions and discount rate applied, to be appropriate. The Board reviews, at least annually, the valuation inputs and, where possible, makes use of observable market data to ensure valuations reflect the fair value of the investments. A broad range of assumptions are used in the valuation models. These assumptions are based on long-term forecasts and are not affected by short-term fluctuations in inputs, be it economic or technical. The Investment Manager has adjusted the sensitivities calculation methodology from an asset-level cash flows only basis to a calculation based on asset-level cash flow less holding company level debt cash outflows. This has resulted mainly in a reduction of the discount rate sensitivity disclosed below.

The base valuation of £603.6 million represents the levered discounted value of future cash flows of the underlying operational assets with assets under construction held at cost, less the discounted cash flows of the long-term debt held at holding company level. The valuation of the Australian assets is net of debt. The base valuation of £603.6 million is equal to the NAV of £634.4 million adjusted by items deemed not subject to the sensitivities applied.

Investment in associates

	31 December 2024 £m
Base case for sensitivities	603.6
Items not subject to sensitivities:	
Cash in underlying assets	21.9
Assets in construction valued at cost or net realisable value	19.0
Company and intermediate holding companies' cash	68.3
RCF outstanding	(73.4)
Company and intermediate holding companies' net liabilities	(4.8)
Net Asset Value at 31 December 2024	**634.4**

The Directors consider the following to be the most significant inputs to the discounted cash flows (DCF) calculation.

Discount rate

The weighted average discount rate used is 7.88% (2023: 8.03%). The Directors do not expect to see a significant change in the discount rates applied within the solar infrastructure sector. Therefore, a variance of +/-0.5% is considered reasonable factored into the analysis. In terms of the climate change risk, the discount rate is benchmarked against a similar asset base to ensure the underlying climate risk exposure is factored into the analysis.

	-0.50%	-0.25%	Base	+0.25%	+0.50%
Portfolio valuation (£m)	625.9	614.6	603.6	592.9	582.5
Change in portfolio valuation (£m)	22.4	11.0	—	(10.7)	(21.0)
NAV per share change (pence)	4.0	2.0	112.3	(1.9)	(3.7)

Notes to the Financial Statements continued

For the year ended 31 December 2024

16. Fair value of the investments in unconsolidated entities continued

Power price

Power price DCF models assume power prices that are consistent with the power purchase agreements currently in place. At the PPA end date, the model reverts to the power price forecast. The power price forecasts are updated quarterly and based on power price forecasts from relevant independent sources, adjusted by the Investment Manager for the expected capture price discounts for solar generation as considered appropriate.

The forecast assumes an average annual decrease in adjusted power prices in real terms of approximately 0.7% (2023: decrease of 2.1%). During the period, c.47% of the investments' operational revenues came from regulatory support mechanisms. The remaining c.53% of revenue is derived from electricity sales which are partially subject to power price movements. On a net present value basis, future electricity sales which are subject to price movements represent c.52% of total revenues.

	-20.0%	-10.0%	Base	+10.0%	+20.0%
Portfolio valuation (£m)	495.3	549.0	603.6	647.4	694.6
Change in portfolio valuation (£m)	(108.2)	(54.5)	—	43.9	91.0
NAV per share change (pence)	(19.2)	(9.7)	112.3	7.8	16.1

Inflation

A variable of 0.5% to 1.0% is considered reasonable given the long-term inflation rate of 3.00% for 2024, 3.00% from 2025 to 2030, after which it is 2.25% (2022: 3.00% and 2.25%, respectively).

	-1.0%	-0.5%	Base	+0.5%	+1.0%
Portfolio valuation (£m)	547.3	575.5	603.6	632.1	661.8
Change in portfolio valuation (£m)	(56.3)	(28.1)	—	28.5	58.2
NAV per share change (pence)	(10.0)	(5.0)	112.3	5.0	10.2

Useful economic lives (UELs)

The valuation of the Company's investments is determined based on the discounted value of future cash flows of those investments over their UELs. The UEL of individual assets is determined by reference to a fixed contractual lease term. However, the Board notes that if extended contractual lease terms were negotiated for individual assets, this would increase the value of those assets. Similarly, if the assets did not operate for the duration of the fixed contractual period, this would reduce the value of those assets.

	-1 year	Base	+1 year
Portfolio valuation (£m)	598.1	603.6	607.9
Change in portfolio valuation (£m)	(5.5)	—	4.4
NAV per share change (pence)	(1.0)	112.3	0.8

The Directors also consider the following to be important inputs to the discounted cash flows calculation.

Production

Base case production is a function of a number of separate assumptions including irradiation levels, availability of the sites and technical performance of the equipment. A sensitivity of +/-10% is considered reasonable given historic stable levels of irradiation, contractual availability guarantees and understanding of future performance levels of the equipment.

	-10.0%	Base	+10.0%
Portfolio valuation (£m)	494.6	603.6	704.1
Change in portfolio valuation (£m)	(109.0)	—	100.5
NAV per share change (pence)	(19.3)	112.3	17.8

Operating costs (investment level)

Operating costs include operations and maintenance (O&M), insurance and lease costs. Other costs are fixed and are therefore not considered to be sensitive to changes in unobservable inputs. Base case costs are based on current commercial agreements. The Directors would not expect these costs to fluctuate widely over the life of the assets and are comfortable that the base case is appropriate. A variance of +/-5.0% is considered reasonable, a variable of 10.0% is shown for information purposes.

Notes to the Financial Statements continued

For the year ended 31 December 2024

16. Fair value of the investments in unconsolidated entities continued

	-10.0%	-5.0%	Base	+5.0%	+10.0%
Portfolio valuation (£m)	619.9	611.8	603.6	595.1	586.6
Change in portfolio valuation (£m)	16.3	8.2	—	(8.5)	(17.0)
NAV per share change (pence)	2.9	1.5	112.3	(1.5)	(3.0)

Tax rate

From 1 April 2023, the UK corporation tax rate increased from 19% to 25%. The impact of this change is reflected in the current year and prior year valuations. On that basis, a variable of 1.0% is considered reasonable given historic information.

	-1.0%	Base	+1.0%
Portfolio valuation (£m)	607.4	603.6	600.3
Change in portfolio valuation (£m)	3.9	—	(3.2)
NAV per share change (pence)	0.7	112.3	(0.6)

Exchange rate

The Company's investments are directly exposed to fluctuations in foreign currency due to its investments in Australian dollar and euro denominated assets. Whilst the Group mitigates its exposure to fluctuations in Australian dollars through the use of forward contracts, and in euros through the natural hedge of Spanish distributions offsetting with the euro debt service, the valuations of these assets will be directly impacted.

The DCF valuations of the Spanish assets may vary as a result of exchange rates, however, this is offset by the exchange rate movements in the equivalent balance of the euro denominated RCF loan, as shown on page 75. The EUR/GBP table below does not consider the offsetting exchange rate movements on the RCF.

Whilst the Directors would not expect to see fluctuations quite this large, a variable of 20% is considered appropriate.

AUD/GBP	-20.0%	-10.0%	Base	+10.0%	+20.0%
Portfolio valuation (£m)	596.0	599.8	603.6	607.4	611.1
Change in portfolio valuation (£m)	(7.6)	(3.8)	—	3.8	7.5
NAV per share change (pence)	(1.3)	(0.7)	112.3	0.7	1.3

EUR/GBP	-20.0%	-10.0%	Base	+10.0%	+20.0%
Portfolio valuation (£m)	596.7	599.8	603.6	608.1	613.8
Change in portfolio valuation (£m)	(6.9)	(3.8)	—	4.5	10.2
NAV per share change (pence)	(1.2)	(0.7)	112.3	0.8	1.8

Interest rate

The Group's interest rate received on UK bank deposits is subject to reassessment in respect of fluctuations in the Bank of England base rate. The valuations of the assets will be directly impacted by any changes to the UK bank deposit rate. Whilst the Directors would not expect to see fluctuations quite this large, a variable of 1% is considered appropriate.

	-1.0%	-0.5%	Base	+0.5%	+1.0%
Portfolio valuation (£m)	602.7	603.1	603.6	604.0	604.4
Change in portfolio valuation (£m)	(0.8)	(0.4)	—	0.4	0.8
NAV per share change (pence)	(0.1)	(0.1)	112.3	0.1	0.1

Notes to the Financial Statements continued

For the year ended 31 December 2024

17. Stated capital and share premium

The Company issued shares of nil par value and therefore the stated capital relates only to share premium. The stated capital of the Company consists of Ordinary Shares and treasury shares. At any General Meeting of the Company each Shareholder will have, on a show of hands, one vote and on a poll one vote in respect of each Ordinary Share held. As at the year end the total number of voting rights in the Company is 564,856,642 which excludes 45,102,078 Ordinary Shares held in treasury.

Stated capital is the net proceeds received from the issue of Ordinary Shares (net of issue costs capitalised). The holders of the Ordinary Shares are entitled to receive dividends from time to time.

Authorised Ordinary Shares

	31 December 2024 Shares	31 December 2023 Shares
Ordinary Shares – nil par value	**Unlimited**	Unlimited

Ordinary Shares in circulation

	31 December 2024		31 December 2023
	Ordinary Shares	Treasury shares	Ordinary Shares
Opening balance	**589,239,345**	**20,719,375**	609,958,720
Purchase of treasury shares	**(24,382,703)**	**24,382,703**	(20,719,375)
Closing balance	**564,856,642**	**45,102,078**	589,239,345

Issued Ordinary Share capital and treasury shares

	31 December 2024		31 December 2023
	Ordinary Shares £'000	Treasury shares £'000	Ordinary Shares £'000
Opening balance	**609,983**	**19,909**	629,892
Less: Purchase of treasury shares[1]	**(21,799)**	**21,799**	(19,909)
Closing balance	**588,184**	**41,708**	609,983

1. This figure represents the cash payments made to Jefferies International Limited during the year.

On 4 May 2023, the Company announced a share buyback programme and allocated an initial £10,000,000 from its available cash reserves to the programme. On 16 November 2023, the Company announced that this allocation of available cash would be increased to a potential £40 million. On 8 August 2024, the Company announced that this allocation of available cash would further be increased to a potential £50 million. There is no certainty that the full buyback allocation will be utilised.

Share buybacks under the engagement will be made pursuant to the authority granted to the Company at its General Meeting held on 12 June 2024 which limits purchases of Ordinary Shares by the Company in the market to up to 14.99% of its issued capital.

18. NAV per Ordinary Share

The Net Asset Value (NAV) per redeemable Ordinary Share for the Company is 112.3 (2023: 118.4) pence per Ordinary Share. This is based on the Net Asset Value at the reporting date of £634,362,015 (2023: £697,888,983) and on 564,856,642 (2023: 589,239,345) redeemable Ordinary Shares, being the number of Ordinary Shares in issue at 31 December 2024 excluding Ordinary Shares held in treasury.

Notes to the Financial Statements continued

For the year ended 31 December 2024

19. Financial instruments and risk profile

The Company holds cash and liquid resources as well as having receivables and payables that arise directly from its operations. The underlying investments of the Company's investment activities indirectly expose it to various types of risk associated with solar power. The main risks arising from the Company's financial instruments are market risk, liquidity risk, credit risk and interest rate risk.

The Directors regularly review and agree policies for managing each of these risks and these are summarised below:

19.1 Market risk

(a) Foreign currency risk

Foreign currency risk, as defined in IFRS 7, arises as the values of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. Transactions in foreign currency are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to GBP at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in income.

The Company has no direct exposure to foreign currency risk, however through its underlying investment in FS Holdco 4 and RCF Debtco it has indirect exposure.

FS Holdco 4 is directly exposed to fluctuations in foreign currency due to its investments in assets and cash denominated in EUR and AUD. The relevant holding companies mitigate the exposure to fluctuations in foreign currency through the use of forward exchange contracts.

The carrying amount of FS Holdco 4's foreign currency exposure at the reporting date is as follows:

		31 December 2024 £'000	31 December 2023 £'000
AUD	Investments	**40,677**	47,898
EUR	Investments	**44,333**	46,577
AUD	Cash	**1**	44
EUR	Cash	**2,099**	2,027

The RCF Euro denominated tranche of €50,320,596 was chosen to align with the valuation of the operational Spanish portfolio of projects. The distributions of these operational projects act as a hedge to offset the currency exposure of the EUR RCF debt service.

The carrying amount of RCF Debtco's foreign currency exposure at the reporting date is as follows:

		31 December 2024 £'000	31 December 2023 £'000
EUR	Loan	**41,591**	—
EUR	Cash	**57**	—

The FX rate applied at 31 December 2024 was AUD/GBP 0.4942 (2023: 0.5353) and EUR/GBP 0.8265 (2023: 0.8666).

The sensitivities linked to the assets denominated in AUD and EUR are set out in note 16 as these assets are held in the underlying investment.

Notes to the Financial Statements continued

For the year ended 31 December 2024

19. Financial instruments and risk profile continued

19.1 Market risk continued

(b) Price risk

The Company's investments are susceptible to market price risk arising from uncertainties about future values of the instruments. The Investment Manager provides the Company with investment recommendations. The Investment Manager's recommendations are reviewed and approved by the Board before the investment decisions are implemented. To manage the market price risk, the Investment Manager reviews the performance of the investments on a regular basis and is in regular contact with the management of the non-current investments for business and operational matters.

Price risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. At 31 December 2024, the Company's only investment was valued at net assets excluding the outstanding loans issued by the Company. Were this value to increase or decrease by 10%, the increase or decrease in net assets attributable to Shareholders for the year would be £63,232,907 (2023: £68,310,349). The impact of changes in unobservable inputs to the underlying investment is considered in note 16.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term borrowing to its subsidiary. At the year end the Company had no long-term borrowings with third parties (2023: £nil).

	Total portfolio 31 December 2024 £'000	Weighted average interest rate 31 December 2024 %	Weighted average time for which rate is fixed 31 December 2024 Days
Loan notes	250,000	9.00	2,238
Shareholder loans	273,853	2.00	3,470
Cash	2,018	0.05	—
	525,871		

	Total portfolio 31 December 2023 £'000	Weighted average interest rate 31 December 2023 %	Weighted average time for which rate is fixed 31 December 2023 Days
Loan notes	250,000	10.03	1,872
Shareholder loans	304,315	2.00	3,104
Cash	2,041	0.05	—
	556,356		

Notes to the Financial Statements continued

For the year ended 31 December 2024

19. Financial instruments and risk profile continued

19.1 Market risk continued

(c) Interest rate risk continued

The Company is also indirectly exposed to interest rate risk through its investment in UK Hold Co. Details of the indirect interest rate risk exposure are as follows:

	Total indirect exposure 2024 £'000	Weighted average interest rate 2024 %	Weighted average time for which rate is fixed 2024 Days
Investments – RCF Debtco[1]	642,105	7.09	1,096
Investments – FS Holdco 4[1]	93,401	5.64	3,147
Cash and cash equivalents	4,446	0.05	—
Total indirect exposure interest rate risk	739,952		

	Total indirect exposure 2023 £'000	Weighted average interest rate 2023 %	Weighted average time for which rate is fixed 2023 Days
Investments – RCF Debtco[1]	642,105	7.09	730
Investments – FS Holdco 4[1]	93,401	5.64	2,781
Cash and cash equivalents	21,584	0.05	—
Total indirect exposure interest rate risk	757,090		

1. Although interest is charged on the loan portion of the investments, the risk is low as the loans are inter-group and therefore not subject to significant fluctuations. These loans do not have a repayment date and are repayable on demand. However, the Directors do not intend to demand repayment within at least 12 months after year end.

19.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due as a result of the maturity of assets and liabilities not matching. An unmatched position potentially enhances profitability but can also increase the risk of losses. Liquidity could be impaired by an inability to access secured and/or unsecured sources of financing to meet financial commitments. The Board monitors the Company's liquidity requirements to ensure there is sufficient cash to meet the Company's operating needs.

The following are the expected maturities of the financial assets and liabilities at the year end based on contractual undiscounted payments:

31 December 2024	Carrying amount £'000	Contractual total £'000	Less than 6 months £'000	6 to 12 months £'000	Greater than 12 months £'000
Financial assets					
Investments	632,329	632,329	—	—	632,329
Trade and other receivables	304	304	17	65	222
Interest receivable	197	197	—	197	—
Cash and cash equivalents	2,018	2,018	2,018	—	—
Total financial assets	634,848	634,848	2,035	262	632,551
Financial liabilities					
Trade and other payables	486	486	269	—	217
Total financial liabilities	486	486	269	—	217
Net position	634,362	634,362	1,766	262	632,334

Notes to the Financial Statements continued

For the year ended 31 December 2024

19. Financial instruments and risk profile continued

19.2 Liquidity risk continued

31 December 2023	Carrying amount £'000	Contractual total £'000	Less than 6 months £'000	6 to 12 months £'000	Greater than 12 months £'000
Financial assets					
Investments	683,104	683,104	—	—	683,104
Trade and other receivables	290	290	—	290	—
Interest receivable	13,651	13,651	—	13,651	—
Cash and cash equivalents	2,041	2,041	2,041	—	—
Total financial assets	699,086	699,086	2,041	13,941	683,104
Financial liabilities					
Trade and other payables	1,197	1,197	1,197	—	—
Total financial liabilities	1,197	1,197	1,197	—	—
Net position	697,889	697,889	844	13,941	683,104

19.3 Credit risk

(a) Exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company places cash with authorised deposit takers and is therefore potentially at risk from the failure of such institutions.

In respect of credit risk arising from other financial assets and liabilities, which mainly comprise of cash and cash equivalents, exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments. In order to mitigate such risks, cash is maintained with major international financial institutions. During the year and at the reporting date, the Company maintained relationships with the following financial institutions:

	Moody's credit rating	31 December 2024 £'000
Cash in bank:		
Royal Bank of Scotland International Limited	P2	2,018
Total cash and cash equivalents		**2,018**

	Moody's credit rating	31 December 2023 £'000
Cash in bank:		
Royal Bank of Scotland International Limited	P2	2,041
Total cash and cash equivalents		2,041

Notes to the Financial Statements continued

For the year ended 31 December 2024

19. Financial instruments and risk profile continued

19.3 Credit risk continued

(a) Exposure to credit risk continued

The Company is also indirectly exposed to credit risk through its investment in UK Hold Co. The Board of UK Hold Co has determined that the maximum exposure to credit risk in relation to investments is £735,506,149 (2023: £765,269,357), being the portion of UK Hold Co investments that are made up of loans as at 31 December 2024. Included within this are the related party loans as disclosed within note 22 as well as debt facilities entered into by FS Holdco, FS Debtco and RCF Debtco with Santander UK plc, NatWest Group plc, Allied Irish Banks plc, Lloyds Bank plc, Macquarie Group Limited, Landesbank Hessen-Thuringen Girozentrale, Sumitomo Mitsui Banking Corporation, London Branch and Barclays plc respectively. The balance of the external debt facilities as at year end amounted to £297,759,940 (2023: £317,419,968).

As per the debt structure in the Financial review section, the RCF Debtco RCF is due to mature in February 2026.

The Group's ability to meet the debt covenants described in note 2.2 is directly impacted by power prices. If the debt covenants were not met, the Company may not be able to repatriate cash through the structure. On the debt calculation date before the date of this report, the DSCR for FS Holdco was 3.12:1 and for FS Debtco it was 3.98:1. The ratios must higher than 1.20:1 and 1.10:1, respectively, to be compliant.

On the debt calculation date for RCF Debtco, the interest cover ratio was 25.61:1. This ratio must remain higher than 3.00:1 to be compliant.

(b) Expected credit loss assessment

Investments held at fair value through profit or loss are not subject to IFRS 9 impairment requirements.

The Company applies the simplified approach to measuring expected credit losses, as permitted by IFRS 9, which uses a lifetime expected credit loss allowance for all trade receivables. The expected credit loss on trade receivables and the balance at year end was deemed by management to be not material and therefore no impairment adjustments were accounted for.

19.4 Other risks

The value of Ordinary Shares may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, taxation or interest rates, currency repatriation and other political and economic developments in law or regulations and, in particular, the risk of expropriation, nationalisation, and confiscation of assets and changes in legislation relating to the level of foreign ownership.

Governmental authorities are actively involved in the promulgation and enforcement of regulations relating to taxation, land use and zoning, planning restrictions, environmental protection, safety and other matters. The introduction and enforcement of such regulations could have the effect of increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Company's assets.

Specific risks to the value of Ordinary Shares, as per the Risk and Risk Management section of this report are set out below:

Regulatory change, including changes to subsidies

In 2022, the UK government started the REMA consultation process on the future of the electricity market. Changes required to the UK wholesale power market are still uncertain in terms of timing and impact on corporate power price agreements.

In 2023, the UK government launched a consultation into the Renewables Obligation Certificate (ROC) scheme which is seeking views on introducing Fixed Price Certificates (FPCs) to help provide price stability as the ROC scheme came to an end. This was envisaged in the latter years of the ROC scheme. The Investment Manager is engaging with the process and responding via industry representatives to minimise any perceived risks for the sector.

Changes to the level of political support for renewable energy generation may result in adjustments to the levels of subsidy and incentives, whether on a prospective or retrospective basis. The Directors continue to monitor and review this risk under the risk management framework.

Notes to the Financial Statements continued

For the year ended 31 December 2024

19. Financial instruments and risk profile continued

19.4 Other risks continued

Access to capital

Due to a period of fiscal tightening, the real assets investment market experienced wide discounts to NAV and were unable to raise equity. There is a risk of reduced appetite for the Company's shares as it may struggle to raise additional capital for new investments and be unable to grow, which would result in a long-term decline in NAV.

To address this risk, the Company adheres to a disciplined capital allocation approach and continues actions to address the discount to NAV that its shares have traded at.

Energy prices

Power curve forecasters generally assume that the mass deployment of renewable energy producers with a low marginal cost of generation will limit power price increases. Downward adjustments to power forecasts have the potential to significantly impact NAV and the ability to meet its future obligations and dividend payments.

The Investment Manager addresses this risk by fixing power prices under its current PPA agreements and by actively hedging electricity prices.

Fund performance

In challenging market conditions, the Company's performance, investment objectives and the strategic decisions of the Board, in respect of the Company's mandate, are closely scrutinised against its peer group.

Should performance be below that of peers, investor confidence may be lost leading to a reduction in appetite for shares and long term NAV decline, in addition to a greater takeover risk.

The Directors oversee the Investment Manager's delivery of the Company's mandate by closely monitoring performance on an ongoing basis.

Portfolio performance

There is a risk of the operating portfolio underperforming due to operational, technical or economic factors. These can lead to downtime and threaten the ability for the Company to meet obligations to creditors or Shareholders.

Diversification is a mitigant to the risk of systematic underperformance by reducing the effect of any individual issue on the financial resilience of Foresight Solar.

Financial gearing

Rises in interest rates have meant third party debt facilities with variable interest rate exposure have the potential to cause cash flow restrictions and pose a risk that refinancings will not be achieved at equal terms. Furthermore, increasing discount rates could reduce portfolio valuations, increasing the gearing percentage and threatening Investment Policy gearing thresholds.

The Investment Manager enters interest rate hedges and closely monitors debt covenant compliance to mitigate this risk. Restructuring analysis is also carried out to give options to reduce gearing pressure.

Counterparty risk

The high interest environment has put pressure on counterparties with debt arrangements. This could have various financial impacts on the Company, if the counterparty cannot fulfil their obligations. This is especially important with key services such as financial hedging, construction, operations and maintenance and PPA offtake arrangements.

The Investment Manager periodically benchmarks key counterparties and performs credit rating checks to mitigate the risks of counterparty defaults.

Supply chains

Due to geopolitical developments and international conflicts, supply chains have been strained. There is a risk that resources shipped internationally are delayed or become increasingly expensive due to supply and demand imbalances. Additionally, there are ethical concerns in relation to forced labour and modern slavery in the supply chain.

To mitigate this risk, the Investment Manager maintains strong relationships with key contractors and engages consultants who conduct due diligence on the supply chain.

Notes to the Financial Statements continued

For the year ended 31 December 2024

19. Financial instruments and risk profile continued

19.4 Other risks continued

Development and construction

Delays to construction in the development pipeline could push back connection of projects to the grid and therefore pose a risk to future revenues and project distributions. This could also lead to difficulties in servicing debt.

This is mitigated through the negotiation of contracts with third parties that shift delivery responsibility to the contractor. Contractual risks will typically be mitigated by performance bonds and milestone payments, with funds transferred only once certain conditions are met.

In addition, the Investment Manager conducts due diligence on third parties and employs an experienced in-house construction management team to oversee the development process.

Changing climate patterns

Global warming and climate change pose a risk to electricity generation due to changes in weather patterns, which affect the provision of sunlight. Long-term reductions to solar irradiation may change forecasts, reducing long-term revenues and the underlying valuation of the portfolio.

The Investment Manager regularly monitors the portfolio's actual generation and updates the forecasts for the asset where necessary.

In the Investment process, the Investment Manager monitors and assesses the impact of climate and weather-related risks on an ongoing basis.

20. Capital management

The Company's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares (up to its authorised number of shares) or sell assets to reduce debt. The Company is permitted to purchase up to 14.99% of its own issued share capital.

21. Dividends

	2024		2023	
	£'000	**Pence/Ordinary Share**	£'000	Pence/Ordinary Share
Quarter 1	**11,027**	**1.880**	10,857	1.780
Quarter 2	**10,942**	**1.895**	10,857	1.780
Quarter 3	**11,412**	**2.000**	11,367	1.880
Quarter 4	**11,353**	**2.000**	11,304	1.895
	44,734		44,385	

On 22 November 2024, the Company announced the third interim dividend, in respect of the period 1 July 2024 to 30 September 2024, of 2.000 pence per Ordinary Share. The shares went ex-dividend on 23 January 2025 and the dividend was paid on 21 February 2025 to Shareholders on the register as at the close of business on 24 January 2025.

No shares were issued in lieu of cash dividends during the year.

Notes to the Financial Statements continued

For the year ended 31 December 2024

22. Related party disclosures

For the purposes of these Financial Statements, a related party is an entity or entities who are able to exercise significant influence directly or indirectly on the Company's operations.

As noted in note 2, the Company does not consolidate its subsidiaries. However, the Company and its subsidiaries (direct and indirect) are a Group and, therefore, are considered to be related parties.

Transactions with UK Hold Co

For the year ended 31 December 2024:

	Opening balance as at 1 January 2024 £'000	Movements during the year £'000	Closing balance as at 31 December 2024 £'000
Interest bearing loans and outstanding interest	567,966	(44,113)	523,853
Non-interest bearing loans	187	—	187

For the year ended 31 December 2023:

	Opening balance as at 1 January 2023 £'000	Movements during the year £'000	Closing balance as at 31 December 2023 £'000
Interest bearing loans and outstanding interest	599,050	31,084	567,966
Non-interest bearing loans	187	—	187

Transactions between UK Hold Co and its underlying subsidiaries

There were no transactions between UK Hold Co, FISH, FS Topco 1, FIHC and SGP Holdings 1 during the current or prior year.

Transactions with RCF Debtco

For the year ended 31 December 2024:

	Opening balance as at 1 January 2024 £'000	Movements during the year £'000	Closing balance as at 31 December 2024 £'000
Interest bearing loans and outstanding interest	638,828	1,689	640,517
Non-interest bearing loans	(306,279)	45,278	(261,001)

For the year ended 31 December 2023:

	Opening balance as at 1 January 2023 £'000	Movements during the year £'000	Closing balance as at 31 December 2023 £'000
Interest bearing loans and outstanding interest	589,262	49,566	638,828
Non-interest bearing loans	(300,459)	(5,820)	(306,279)

Notes to the Financial Statements continued

For the year ended 31 December 2024

22. Related party disclosures continued

Transactions between UK Hold Co and its underlying subsidiaries continued

Transactions with FS Holdco

For the year ended 31 December 2024:

There were no transactions between UK Hold Co and FS Holdco during the year.

For the year ended 31 December 2023:

There were no transactions between UK Hold Co and FS Holdco during the year.

Transactions with FS Topco 2

For the year ended 31 December 2024:

There were no transactions between UK Hold Co and FS Topco 2 during the year.

For the year ended 31 December 2023:

There were no transactions between UK Hold Co and FS Topco 2 during the year.

Transactions with FS Debtco

For the year ended 31 December 2024:

There were no transactions between UK Hold Co and FS Debtco during the year.

For the year ended 31 December 2023:

There were no transactions between UK Hold Co and FS Debtco during the year.

Transactions with FS Holdco 3

For the year ended 31 December 2024:

There were no transactions between UK Hold Co and FS Holdco 3 during the year.

For the year ended 31 December 2023:

There were no transactions between UK Hold Co and FS Holdco 3 during the year.

Transactions with FS Holdco 4

For the year ended 31 December 2024:

	Opening balance as at 1 January 2024 £'000	Movements during the year £'000	Closing balance as at 31 December 2024 £'000
Interest bearing loans and outstanding interest	147,778	(24,023)	123,755
Non-interest bearing loan	(15,152)	38,384	23,232

For the year ended 31 December 2023:

	Opening balance as at 1 January 2023 £'000	Movements during the year £'000	Closing balance as at 31 December 2023 £'000
Interest bearing loans and outstanding interest	147,725	53	147,778
Non-interest bearing loan	(9,665)	(5,487)	(15,152)

Transactions with FBSHL

For the year ended 31 December 2024:

	Opening balance as at 1 January 2024 £'000	Movements during the year £'000	Closing balance as at 31 December 2024 £'000
Interest bearing loans and outstanding interest	8,040	7,630	15,670

Notes to the Financial Statements continued

For the year ended 31 December 2024

22. Related party disclosures continued

Transactions between UK Hold Co and its underlying subsidiaries continued

Transactions with FBSHL continued

For the year ended 31 December 2023:

	Opening balance as at 1 January 2023 £'000	Movements during the year £'000	Closing balance as at 31 December 2023 £'000
Interest bearing loans and outstanding interest	2,699	5,341	8,040

Transactions between FS Holdco, FS Debtco, FS Holdco 3, FS Holdco 4 and their SPVs

All of the SPVs are cash-generating solar farms (except for the non-operational Spanish investments). On occasion, revenues are received and expenses are paid on their behalf by FS Holdco, FS Holdco 2, FS Debtco, FS Holdco 3 and FS Holdco 4. All of these transactions are related party transactions.

For the year ended 31 December 2024:

	Opening balance receivable/ (payable) as at 1 January 2024 £'000	Amounts paid on behalf of SPV 2024 £'000	Amounts received from SPV 2024 £'000	Net amount (payable)/ receivable as at 31 December 2024 £'000
FS Holdco and its SPVs	(68,508)	11	(48,428)	(116,925)
FS Debtco and its SPVs	(80,776)	26	(47,973)	(128,723)

For the year ended 31 December 2023:

	Opening balance receivable/ (payable) as at 1 January 2023 £'000	Amounts paid on behalf of SPV 2023 £'000	Amounts received from SPV 2023 £'000	Net amount (payable)/ receivable as at 31 December 2023 £'000
FS Holdco and its SPVs	(50,577)	10,467	(28,398)	(68,508)
FS Debtco and its SPVs	(48,927)	—	(31,849)	(80,776)

Transactions with the Investment Manager

The Investment Manager of Foresight Solar is Foresight Group LLP.

During the year the year the Investment Manager charged marketing service fees of £15,000 (2023: £nil) to the Company. The Investment Manager, through its asset management subsidiary, Foresight Asset Management Limited, charged asset management fees to the underlying projects of £2,923,000 during the year (2023: £2,662,700). The Investment Manager also charged asset management fees of €167,400 through its Spanish subsidiary Foresight Group Iberia, S.L (2023: €136,900).

23. Commitments and contingent liabilities

There are no commitments or contingent liabilities (2023: £nil).

24. Controlling party

In the opinion of the Directors, there is no controlling party as no one party has the ability to direct the financial and operating policies of the Company with a view to gaining economic benefits from its direction.

25. Post balance sheet events

There were no post balance sheet events requiring disclosure.

AIFMD disclosures (unaudited)

Overview of investment activities

The Company's investment activities during the year are disclosed in full in the Investment Manager's Report from page 10.

The performance of Foresight Solar's portfolio during the year is also disclosed in full in the Operational Review from page 29.

Meanwhile, a list of FSFL's portfolio investments is included from page 17.

Leverage and borrowing

Leverage is defined as any method by which the Company increases its exposure through debt, borrowed capital or the use of derivatives.

The Company and its subsidiaries' leverage position and third-party debt arrangements are disclosed in full in the Financial Review from page 71.

"Exposure" is defined in two ways – "gross method" and "commitment method" – and the Company must not exceed maximum exposures under both methods.

The Directors are required to calculate and monitor Foresight Solar's leverage, expressed as a ratio between the exposure of the Company and its Net Asset Value (Exposure/NAV), under both the gross method and the commitment method.

"Gross method" exposure is calculated as the sum of all Company positions (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes.

"Commitment method" exposure is also calculated as the sum of all Company positions (both positive and negative), but after netting off derivative and security positions as specified by the Directive.

For the "gross method", the following has been excluded:

- The value of any cash and cash equivalents which are highly liquid investments held in the Company's local currency that are readily convertible to a known amount of cash, subject to an insignificant risk of changes in value and which provide a return no greater than the rate of the three-month high quality government bond
- Cash borrowings that remain in cash or cash equivalents as defined above and where the amounts of that payable are known

The total amount of leverage calculated as at 31 December 2024 is:

- Gross method: 33%
- Commitment method: 43%

Liquidity

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due because of the maturity of assets and liabilities not matching. An unmatched position potentially enhances profitability but can also increase the risk of losses. Liquidity could be impaired by an inability to access secured and/or unsecured sources of financing to meet financial commitments. The Board monitors Foresight Solar's liquidity requirements to ensure there is sufficient cash to meet operating needs.

The Company's financial position, its cash flows, liquidity position and borrowing facilities are referred to in the Chair's Statement (see page 6), Strategic Report (see page 1) and Notes to the Financial Statements (see page 124). In addition, the Financial Statements (see page 120) include the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, and its exposures to credit risk and liquidity risk.

Foresight Solar has sufficient financial resources together with investments and income generated. Consequently, the Directors believe it is able to manage its business risks.

Risk management policy note

Please refer to the principal risks section from page 46.

Remuneration

As an AIFM, the Company is subject to a remuneration code which is consistent with the requirements of the Financial Conduct Authority. The remuneration policy is designed to ensure that any relevant conflicts of interest can be always managed appropriately and that the remuneration of the Directors and of senior management are in line with the risk policies and objectives of the funds managed by the AIFM.

The Company does not directly employ any staff members. These services are provided by Foresight Group LLP employees.

In accordance with the AIFMD, information in relation to the remuneration of the Company's AIFM is required to be made available to investors. In accordance with the Directive, the AIFM's remuneration policy and the numerical remuneration disclosures in respect of the AIFM's relevant reporting period (year ended December 2024) are available from the AIFM on request.

Advisors

Administrator & Company Secretary
JTC (Jersey) Limited
JTC House
28 Esplanade
St. Helier
Jersey JE4 2QP

Corporate Brokers
Jefferies
100 Bishopsgate
London EC2N 4JL

Singer Capital Markets
1 Bartholomew Lane
London EC2N 2AX

Independent Auditor
KPMG LLP
15 Canada Square
London E14 5GL

Investment Manager
Foresight Group LLP
The Shard
32 London Bridge Street
London SE1 9SG

Legal Advisors to the Company as to the acquisition of solar assets
Osborne Clarke
One London Wall
London EC2Y 5EB

Legal Advisors to the Company as to English Law
Dickson Minto W.S.
Broadgate Tower
20 Primrose Street
London EC2A 2EW

Legal Advisors to the Company as to Jersey Law
Ogier
Ogier House
The Esplanade
St. Helier
Jersey JE4 9WG

Public Relations
Sodali & Co
122 Leadenhall Street
London
EC3V 4AB

Registrar
Computershare Investor Services (Jersey)
Queensway House
Hilgrove Street
St. Helier
Jersey JE1 1ES

Glossary of terms

AEMO	Australian Energy Market Operator
AGM	Annual General Meeting
AIC	The Association of Investment Companies
AIC Code	The Association of Investment Companies Code of Corporate Governance
AIFs	Alternative Investment Funds
AIFMs	Alternative Investment Fund Managers
AIFMD	The Alternative Investment Fund Managers Directive
APMs	Alternative Performance Measures
Asset Manager	The Company's underlying investments have appointed Foresight Group LLP, a subsidiary of Foresight Group CI, to act as Asset Manager
BBSY	Bank Bill Swap Bid Rate
BESS	Battery energy storage system
CEFC	The Clean Energy Finance Corporation
CfD	Contracts for Difference
Company	Foresight Solar Fund Limited
CPI	Consumer Price Index
DCF	Discounted cash flow
DESNZ	Department for Energy Security and Net Zero
DNO	Distribution network operator
DSCR	Debt service cover ratio
EBITDA	Earnings before interest, taxes, depreciation, and amortisation, a measure of business performance
EEA	European Economic Area
EGL	Electricity Generator Levy
EPC	Engineering, Procurement and Construction
EV	Enterprise Value
ESG	Environmental, Social and Governance
FCA	Financial Conduct Authority
FiT	Feed-in Tariff. The Feed-in Tariff scheme is the financial mechanism introduced on 1 April 2010 by which the UK government incentivises the deployment of renewable and low-carbon electricity generation of up to 5MW of installed capacity
GAV	Gross Asset Value on investment basis including debt held at SPV level
GHG	Greenhouse gas
Group borrowing	Group borrowing refers to all third-party debt by the Company and its subsidiaries
GWh	Gigawatt hour
IAS	International Accounting Standard
IC	IC Investment Committee
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Board
Investment Manager	Foresight Group LLP
IPCC	Intergovernmental Panel on Climate Change

Glossary of terms continued

IPEV	International Private Equity and Venture Capital
IPO	Initial Public Offering
ISSB	International Sustainability Standards Board
KPI	Key performance indicator
KPMG LLP	KPMG is the Company's Auditor
LGC	Large-Scale Generation Certificate
Listing Rules	The set of FCA rules which must be followed by all companies listed in the UK
Main Market	The main securities market of the London Stock Exchange
MIDIS	Macquarie Infrastructure Debt Investment Solutions
MWh	Megawatt hour
NAV	Net Asset Value
NEM	National Electricity Market
NSW	New South Wales
Official List	The Premium Segment of the UK Listing Authority's Official List
O&M	Operation and maintenance
P90	90% probability of exceeding expected production over a ten-year period
PCAF	Partnership for Carbon Accounting Financials
PNIEC	Plan Nacional Integrado de Energía y Clima
PPA	Power purchase agreement
PV	Photovoltaic
QLD	Queensland
RCF	Revolving credit facility
RCPs	Representative Concentration Pathways
REMA	Review of Electricity Market Arrangements
ROC	Renewables Obligation Certificates
RPI	The Retail Price Index
SDGs	Sustainable Development Goals
SDR	Sustainability Disclosure Requirements
Solar capture price discount	The half-hourly market pricing during periods of solar generation
SPVs	The Special Purpose Vehicles which hold the Company's investment portfolio of underlying operating assets
SSPs	Shared Socioeconomic Pathways
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
UEL	Useful economic life
UK	The United Kingdom of Great Britain and Northern Ireland
VIC	Victoria

Foresight Solar

Foresight Solar Fund Limited
The Shard
32 London Bridge Street
London
SE1 9SG

fsfl.foresightgroup.eu