FGEN

Foresight Environmental Infrastructure Limited

Annual Report 2025

About FGEN

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

The Company's portfolio includes 40 assets located across the UK and mainland Europe. FGEN is a Guernsey-registered company with a premium listing on the London Stock Exchange and is a proud constituent of the FTSE 250 index.

View our annual results highlights here

fgen.com

Contents

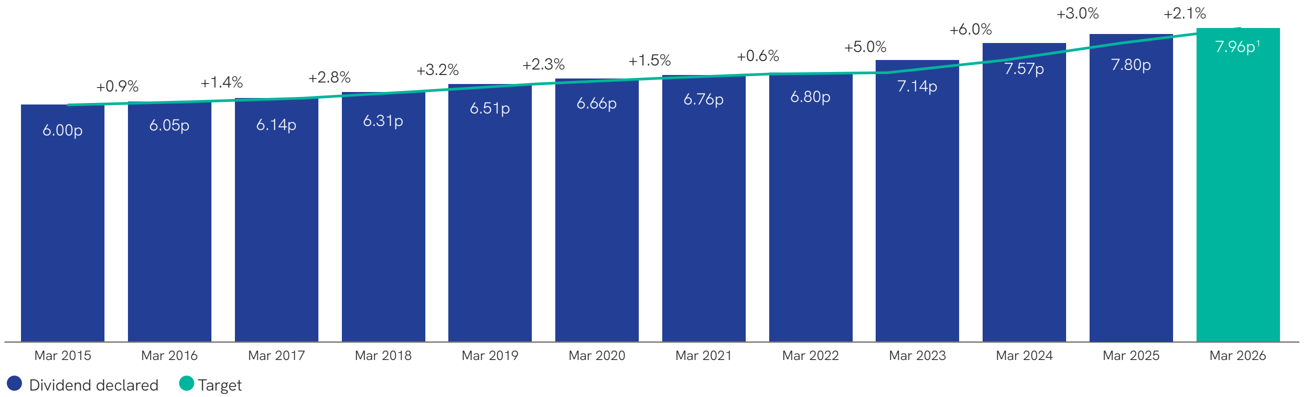
Front cover: Branden solar site, CNG Fuels refuelling station and ELWA waste management facility

Our track record

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

Dividend progression

FGEN has an uninterrupted dividend growth track record since IPO in 2014, underpinned by sustainable dividend coverage.



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

Weighted average discount rate and gearing

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

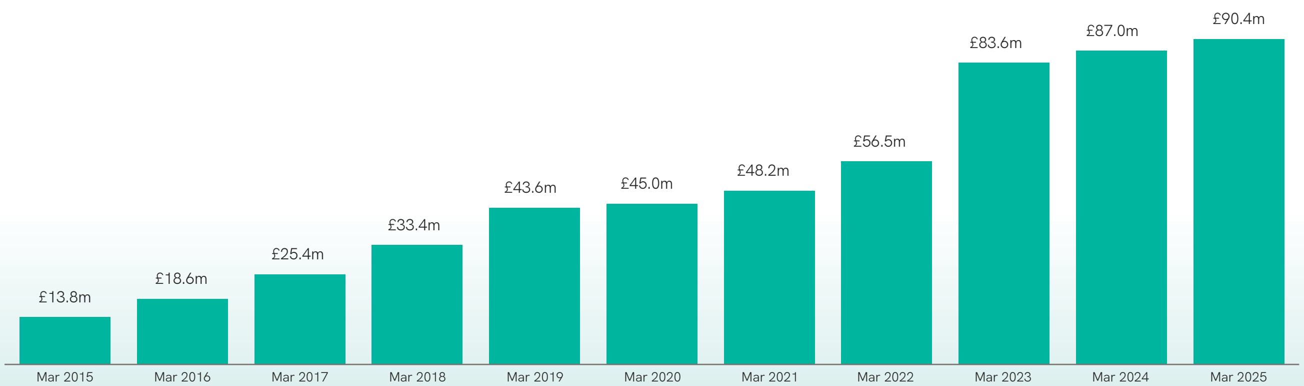
9.7%
Weighted average discount rate

28.7%
Gearing

Gearing is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 182 and 183.

Consistent growth in income generated from investments

FGEN's dividend cover is underpinned by unbroken growth in cash receipts from portfolio assets every year since IPO – a testament to the strength and resilience of our investment strategy.



Our mission statement

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

FGEN invests into private environmental infrastructure to deliver stable returns, long-term predictable income and opportunities for growth. Our approach covers renewable energy generation, such as wind farms, solar parks and anaerobic digestion ("AD") plants, other energy infrastructure such as energy storage, cleaner transportation and heat, and sustainable resource management initiatives across the waste and water sectors. As a result, we're able to offer investors a balanced portfolio that is substantially de-risked from exposure to fluctuations in weather patterns and that contributes to the delivery of essential infrastructure services while also delivering on the financial characteristics of traditional infrastructure funds: long-term stable cash flows, secured revenues and inflation linkage.

We pursue this diversified investment strategy so as to fully participate in the transition to a low-carbon economy which we regard as one of the most compelling investment opportunities of our generation. Our focus is on well-established sectors driven by the need to address climate change and societal demand for sustainability. Our mandate also enables us to leverage sectors within environmental infrastructure, once sufficiently mature, to unlock a broader array of income and growth opportunities across mature environmental infrastructure technologies.

We invest across three key pillars of environmental infrastructure:

Renewable energy generation

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

73%
Share of portfolio value

Other energy infrastructure

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

10%
Share of portfolio value

Sustainable resource management

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

17%
Share of portfolio value

"Our portfolio is thoughtfully diversified across mature environmental infrastructure technologies and geographies. We have constructed a resilient portfolio designed to deliver stable returns and long-term, predictable income, while also offering the potential for capital growth. By providing investors with access to scarce yet highly sought-after assets, we are aligning financial performance with meaningful environmental impact. The Board remains strongly aligned with the Company's purpose and is confident in the strength and long-term potential of our strategy."

Ed Warner
Chair

Egmere Energy AD site

Performance highlights

Our results summary for the full year ended 31 March 2025.

40 assets
Diversified portfolio
FY24: 42 assets

£765.7m
Portfolio value
FY24: £891.9m

£678.7m
Net Asset Value ("NAV")
FY24: £751.2m

106.5p
NAV per share[1]
FY24: 113.6p

7.3%
Annualised NAV total return[1]
FY24: 8.0%

28.7%
Gearing
FY24: 31.2%

1.32x
Dividend cover[1,2]
FY24: 1.30x

7.96p (+2.1% increase)
2026 dividend target[3]
FY25: 7.80p (+3% increase)

1,272GWh
Renewable energy generated
FY24: 1,358GWh

193,663 tCO_2e
GHG emissions avoided
FY24: 212,917 tCO_2e

703,470
Tonnes of waste diverted from landfill
FY24: 680,825

£587,440
Contributed to community funds
FY24: £655,076

1. Annualised NAV total return, Net Asset Value per share and dividend cover are alternative performance measures ("APMs"). The APMs within the Annual Report are defined on pages 182 and 183.
2. On a paid basis.
3. This is a target only, there can be no guarantee this target will be met.
4. Based on an opening portfolio valuation of £891.9 million.
5. Buybacks completed at the time of publication, 23 June 2025.
6. Based on closing share price at the time of publication, 23 June 2025.

Record cash generation from underlying assets:

- Tenth consecutive year of record cash receipts from investments
- 1.32x dividend cover – FGEN's second highest since IPO
- Dividend cover forecast to remain at comfortable levels
- 61% of revenues benefiting from contractual inflation linkage

Clear and effective capital allocation strategy:

- £88.6 million raised from sale of 10% of the portfolio[4]
- 28.7% gearing, one of the lowest across the peer group
- £30 million share buyback programme underway (extended by £10 million in March 2025 from £20 million); of which £24.3 million returned to shareholders to date[5]

Strategic review:

- Selective approach to new investment, prioritising core environmental infrastructure
- Targeting investments offering long-term stable cash flows, secured revenues and inflation linkage, and an attractive balance between income and growth
- Growth assets expected to be divested in the medium term to maximise shareholder value

Earnings and Net Asset Value ("NAV"):

- NAV per share of 106.5 pence following payment of dividends to shareholders in line with targets
- Flat NAV total return of 0.6% in the period
- Annualised NAV total return of 7.3% since IPO
- FY26 dividend target increased to 7.96 pence
- Dividend target represents yield of 10.0% on the closing share price at 23 June 2025[6]

Proposed new adjusted fee structure:

- Proposal for existing tiers to be applied to an equal blend of NAV and market capitalisation

Chair's statement

"Our overriding objective in reviewing FGEN's strategy has been to strike the right balance between the continuing generation of income to support a progressive dividend, and delivering net asset growth in the medium to longer term."

Ed Warner
Chair

I'm pleased to present the Annual Report for FGEN for the year ended 31 March 2025. During the past year, listed environmental infrastructure companies, including FGEN, have continued to face a number of headwinds. Inflation has remained stubbornly high, and interest rates have fallen more slowly than generally anticipated. The shock engendered by US policy pronouncements in recent weeks suggests that these economic conditions are unlikely to be alleviated soon. One consequence is that shares in our sector have continued to trade at wide discounts to NAV, placing even greater scrutiny on capital allocation strategies.

Against this backdrop, I am pleased to be able to report that FGEN has once again displayed strong resilience rooted in the quality of its diverse portfolio of environmental technologies. The total NAV return for the past year was 0.6%, with NAV per share reducing from 113.6 pence to 106.5 pence (-6.3%) being counterbalanced by a total declared dividend of 7.80 pence per share. FGEN's NAV performance during the year reflected several factors, including the write-down of our investment in HH2E in the first half of the year. The dividend reached a record high, prolonging an uninterrupted track record of growth since IPO in 2014, and together with share buybacks resulted in record distributions to shareholders. The dividend was also covered 1.32 times, supported by record cash distributions from the portfolio and providing a firm foundation for the 2.1% uplift in the Board's dividend target to 7.96p per share for the new financial year.

The Investment Manager's report provides detailed commentary on the performance of each of the key assets within FGEN's portfolio. What is clear is the value of our diverse mix of technologies, as well as the overall strengths of environmental infrastructure as an asset class.

Stable, long-term cash flows, often underpinned by government subsidies, have particular appeal in uncertain times, especially when they are propelled by social tailwinds such as growing environmental awareness. FGEN not only provides those stable returns, but does so through diversification that mitigates the risk of exposure to a single weather pattern or regulatory regime.

While the Board is reassured by the quality and resilience of FGEN's investments, we are acutely aware of the wide discount to NAV at which its shares currently trade, nor do we take any comfort from this being the experience of our peers.

In response, the Board has placed significant emphasis on capital discipline, which has been core to the actions undertaken on behalf of shareholders. As previously reported, asset sales, at or above NAV, amounting to approximately 10% of FGEN's overall portfolio, have taken place in the past year. These sales have enabled both a material reduction in outstanding debt and, significantly, an extension to our ongoing £30 million share buyback programme to take advantage of the NAV accretion opportunity that a wide share price discount represents. Where investment has taken place, it has been disciplined and focused on value enhancement projects at core operating assets and the buildout of FGEN's construction-stage investments.

In recent months, with the assistance of independent external advisers and extensive engagement with shareholders, the Board has conducted a rigorous, granular analysis of a wide range of options for FGEN's future strategy. These included a managed wind-down of the Company, targeted disposals, possible mergers and acquisitions, and refinements to the current investment approach.

Chair's statement continued

Our overriding objective in reviewing FGEN's strategy has been to strike the right balance between the continuing generation of income to support a progressive dividend, and delivering net asset growth in the medium to longer term. The Board was unanimous in concluding that shareholders are best served by the proactive management of the existing portfolio, with a refocused investment strategy that reflects the structural changes in macroeconomic conditions in recent years.

FGEN's growth projects have made encouraging progress in the past year. Sales from the Glasshouse are ramping up, Rjukan is approaching its first harvest in July and CNG Fuels is increasing its fuel dispensed within a newly consolidated structure that better positions the business for future growth. The continued development of these operations is a strategic priority for FGEN and represents a material opportunity for medium-term capital appreciation.

Our asset disposal strategy is focused on delivering exits from these growth assets but only at material premiums to current carrying value, when they are sufficiently mature and valued accordingly. While we actively engaged in sales processes to recycle capital earlier this year, the review of strategic options concluded that further material asset disposals in the short term would not be beneficial to shareholders. Instead, through prudent balance sheet management and the continued use of buybacks and dividends to generate returns for shareholders, the Board will focus on successful disposals in the longer term. This will enable the recycling of capital, prioritising core environmental infrastructure assets with long-term stable cash flows delivering predictable income, alongside fresh opportunities for growth via technologies closely adjacent to FGEN's core assets.

The Board has a continuing duty to ensure that FGEN delivers the best possible value for investors. To that end, for the second year running, we have secured a change to the terms of our Investment Management Agreement with Foresight Group. From a proposed date of 1 October 2025, management fees will no longer be based entirely on net assets under management, but instead will be calculated 50% on net assets and the other 50% on market capitalisation – with the whole capped at NAV. The latest proposed amendment to our Investment Management Agreement, when implemented, provides clearer alignment between Foresight and the interests of our shareholders. The Board will continue to explore all possible ways to reduce overall operating costs and ensure fee arrangements are aligned with shareholders' interests.

As a Board, we remain committed to adhering to the highest possible standards of corporate governance. At the forthcoming AGM, shareholders will have the opportunity to vote to discontinue FGEN. This is a special resolution, requiring 75% of those voting for it to pass. The discontinuation vote is being proposed at the AGM because FGEN's shares have traded at a discount of greater than 10% to NAV on average over the past year.

The Board recommends shareholders vote against this resolution so that FGEN is able to deliver on its refocused investment strategy, prioritising a core portfolio of environmental infrastructure assets with long-term stable cash flows delivering predictable income alongside opportunities for growth.

We do, though, acknowledge that a 75% threshold for a vote of this significance is not optimal in terms of ensuring shareholder views are equitably considered. In line with our commitment to meaningful engagement with shareholders and corporate governance best practice, from the 2026 AGM onwards, we will replace the existing discontinuation resolution with a simple ordinary resolution, based on the same triggering mechanism and requiring only 50% of those voting to pass. A resolution at the 2025 AGM will propose amendments to the Company's articles of association to effect this change. The Board recommends shareholders vote in favour of this resolution. Ahead of the AGM in September, I will once again engage with shareholders to ensure they have a clear understanding of our refocused strategy and our plans to deliver returns in the years ahead.

Environmental infrastructure continues to be one of the most significant investment opportunities of this generation. FGEN's strategic mandate ensures it is uniquely placed to capitalise across the full suite of renewable generation, other energy infrastructure and sustainable resource management technologies, delivering continued stable returns with an overlay of exciting growth assets. While the past two years have been challenging, the Board believes the current share price materially undervalues the Company, given its high-income profile and the significant growth opportunity ahead.

I would like to thank all shareholders for your continued support and feedback, which have been invaluable in helping us steward FGEN on your behalf.

Ed Warner
Chair

23 June 2025

Our investment proposition

01.
Delivering stable returns, predictable income and opportunities for growth

02.
Investing across environmental infrastructure, one of the most significant investment megatrends of this generation

03.
Differentiated offering providing diversification across mature environmental infrastructure technologies

04.
A resilient and attractive return profile with 11 years of uninterrupted dividend growth

05.
A high-quality manager with 40 years of investment experience

06.
Robust governance framework, providing strong manager oversight, alignment and accountability


Bilsthorpe wind farm

Our investment proposition continued

01.

Delivering stable returns, predictable income and opportunities for growth

Providing exposure to scarce but highly sought-after private environmental infrastructure assets, targeting projects and businesses characterised by **long-term stable cash flows, secured revenues, inflation linkage** and **delivery of essential infrastructure services**.

Our carefully constructed portfolio is focused primarily on delivering income, alongside the potential for capital growth. We invest across stable and mature European markets, with a primary focus on the UK.

02.

Investing across environmental infrastructure, one of the most significant megatrends of this generation

Investing in decarbonisation presents a rare convergence of financial opportunity and global impact. With over c.£25[1] trillion in capital required for Europe's energy transition by 2030, the sector offers strong long-term return potential, supported by regulatory momentum, technological maturity and growing demand for sustainable solutions.

Our strategy principally targets **high quality, mature assets** that not only deliver **predictable income** alongside **opportunities for growth**, but also contribute meaningfully to climate goals.

03.

Differentiated offering providing diversification across mature environmental infrastructure technologies

The Company is **diversified** across complementary **sectors, technologies and geographies** to deliver **robust and attractive risk-adjusted returns**. It invests across three key pillars of environmental infrastructure: renewable energy generation, other energy infrastructure and sustainable resource management.

The Company's mandate allows it to invest in emerging areas of environmental infrastructure, provided they are sufficiently **mature** and display **strong infrastructure characteristics**.

04.

A resilient and attractive return profile with 11 years of uninterrupted dividend growth

FGEN is targeting an **11th consecutive year of dividend growth**, backed by sustainable coverage. Since IPO, we've returned £370.4[2] million to shareholders through dividends and buybacks. We maintain one of the highest WADRs among peers, the lowest gearing and a strong pipeline of risk-adjusted opportunities across sectors.

Our **income-led strategy** is complemented by **selective growth investments** at both construction and operational stage, supported by **targeted exits** and **capital recycling**.

05.

A high-quality manager with 40 years of investment experience

Foresight Group LLP ("Foresight") is the Investment Manager for the Company. Foresight manages £13.2 billion of assets under management across infrastructure, real assets and private equity. Foresight Infrastructure is **a leading investment management platform with an established track record in** developing investment strategies that support the energy transition.

The infrastructure team of c.190 people across investment, portfolio management and related functions manages 437 assets across the UK, Europe and Australia representing 4.7GW of green technology capacity.

06.

Robust governance framework, providing strong manager oversight, alignment and accountability

Fully **independent Board** providing ongoing oversight of investment strategy and asset management under a simple, **well aligned management and governance framework**. The framework is underpinned by a competitive fee structure, with strong alignment between the Investment Manager and shareholders.

The Company's governance structure includes a discontinuation vote allowing shareholders a clear say on the Company's future.

1. Source: https://www.pwc.com/gx/en/issues/business-model-reinvention/how-we-fuel-and-power/de-risking-the-energy-transition-in-europe.html.
2. Buybacks completed at the time of publication, 23 June 2025.

Our top 10 assets by portfolio value

1. Cramlington
Sector: Renewable energy generation – Biomass
Location: UK
% of portfolio: 10%

2. Rjukan
Sector: Sustainable resource management – Controlled environment
Location: Norway
% of portfolio: 6%

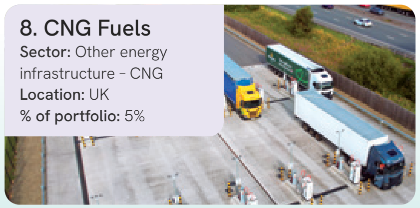
3. Amber
Sector: Renewable energy generation – Solar
Location: UK
% of portfolio: 5%

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

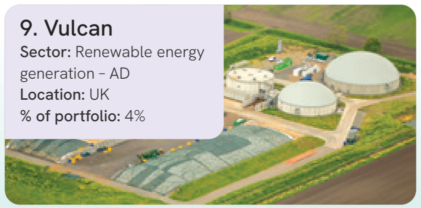
5. Dungavel
Sector: Renewable energy generation – Wind
Location: UK
% of portfolio: 5%

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

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



8. CNG Fuels
Sector: Other energy infrastructure – CNG
Location: UK
% of portfolio: 5%

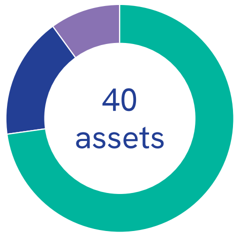


9. Vulcan
Sector: Renewable energy generation – AD
Location: UK
% of portfolio: 4%

10. Bio Collectors
Sector: Renewable energy generation – Waste AD
Location: UK
% of portfolio: 3%

Sector split[1]

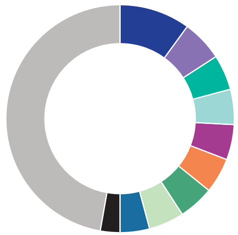
Split by portfolio value



Renewable energy generation	73%
Sustainable resource management	17%
Other energy infrastructure	10%

Asset concentration

Split by portfolio value



Cramlington	10%	Glasshouse	5%
Rjukan	6%	CNG Fuels	5%
Amber	5%	Vulcan	4%
Llynfi	5%	Bio Collectors	3%
Dungavel	5%	Other	47%
ELWA	5%		

1. See pages 23 to 26 for further information on our underlying technologies.

The Investment Manager

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

About Foresight Group

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

1. AUM as per Foresight Group trading update released on 10 April 2025, all other figures as at 30 September 2024.
2. For the period 1 April 2024 – 31 March 2025.

Foresight's platform

£13.2bn[1]
Assets under management

10
Countries across the UK, Europe and Australia

4.7GW
Renewable energy generation

Foresight Group divisions

Infrastructure

81%
of assets under management

437
Infrastructure assets

Private Equity

13%
of assets under management

250+
Portfolio companies

Capital Management

6%
of assets under management

7
Investment vehicles

Foresight's Infrastructure division

1,000+[2]
Investment opportunities reviewed

190+
Infrastructure professionals

16
Year track record

The Infrastructure division manages 437 infrastructure assets with a focus on renewable energy generation (including wind and solar power, bioenergy, hydropower and geothermal energy), energy storage and grid infrastructure, as well as sustainable resource management, social and transport infrastructure projects and sustainable forestry assets.

The Foresight Infrastructure team includes 190 investment, commercial and technical professionals operating from offices in the UK, Italy, Spain and Australia, and collectively speaking over 10 languages.

The Foresight Infrastructure broader strategy is focused on the following:

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

The Investment Manager continued

A team of 190 dedicated professionals, bringing a diverse and comprehensive skillset.

The infrastructure investment team

- The infrastructure investment team consists of 48 professionals with broad sector experience
- The team leverages established UK and international networks to access emerging market opportunities
- Equipped to deploy and manage capital across a wide range of infrastructure sectors and asset life stages
- Bringing extensive investment origination and execution capabilities to FGEN
- Over 1,000 investment opportunities have been reviewed in 2024/25 across all strategies

The portfolio team

- The portfolio team comprises 113 professionals, including engineers, commercial managers and accountants
- Equipped to manage assets across development, construction and operational stages
- The team uses integrated management systems to ensure effective oversight and co-ordination of assets
- Focus on asset management and optimisation, particularly in identifying and delivering value enhancement opportunities

Other support functions

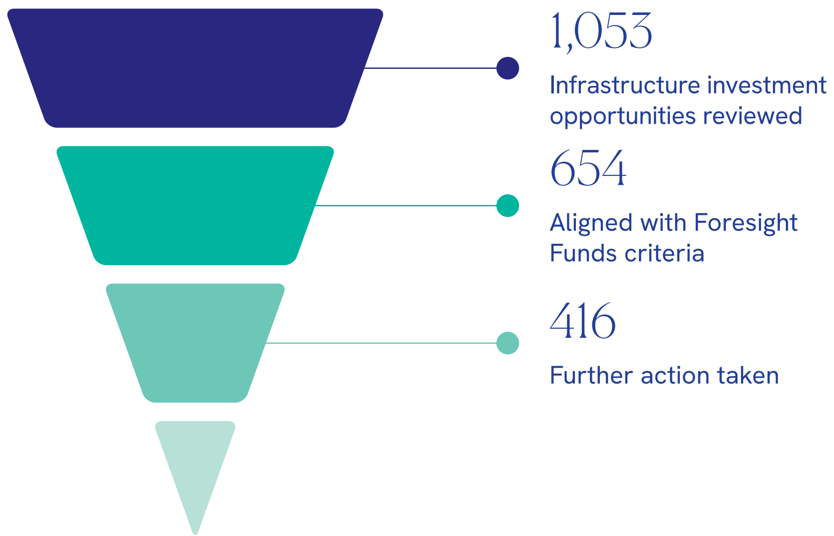
- A team of seven dedicated infrastructure Investor Relations ("IR") professionals managing reporting requirements for institutional investors and overseeing all aspects of communication and engagement with all relevant stakeholders
- A team of five experienced sustainability professionals integrating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

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

Strong origination capabilities

- Size and breadth of team allows for significant deal origination volume
- Bilateral transactions avoid competitive auction processes
- A strong track record of execution enables us to unlock relative value
- Co-ordinated origination strategy ensures optimal pipeline selection

Foresight pipeline analysis



The Investment Manager continued

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

Chris Tanner
Investment Manager

Chris has been an Investment Manager[1] to FGEN since IPO in 2014. He joined Foresight in 2019 as a Partner and has over 25 years of industry experience. Chris is a Member of the Institute of Chartered Accountants in England and Wales and has an MA in Politics, Philosophy and Economics from Oxford University. Chris also serves as Chair of the Finance Forum for The Association of Renewable Energy and Clean Technology ("REA").

Edward Mountney
Investment Manager

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

Charlie Wright
Investment Manager

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

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


The Shard

Markets and opportunities

Overview

Environmental infrastructure assets represent one of the most significant investment opportunities of this generation. The market for environmental infrastructure continues to grow rapidly, both in respect of renewable generation and infrastructure assets with environmental benefits outside of low-carbon electricity.

It is estimated that $47 trillion of new energy investment is required by 2030 to reach net zero, representing a 3x increase in low-carbon investment annually to 2030 over the $1.8 trillion invested in 2023, and also 4.5x required investment in low-carbon energy supply by 2030 for every dollar invested in fossil fuel supply[1]. This is driven by the increased demand for electrification and the cost competitiveness of renewables.

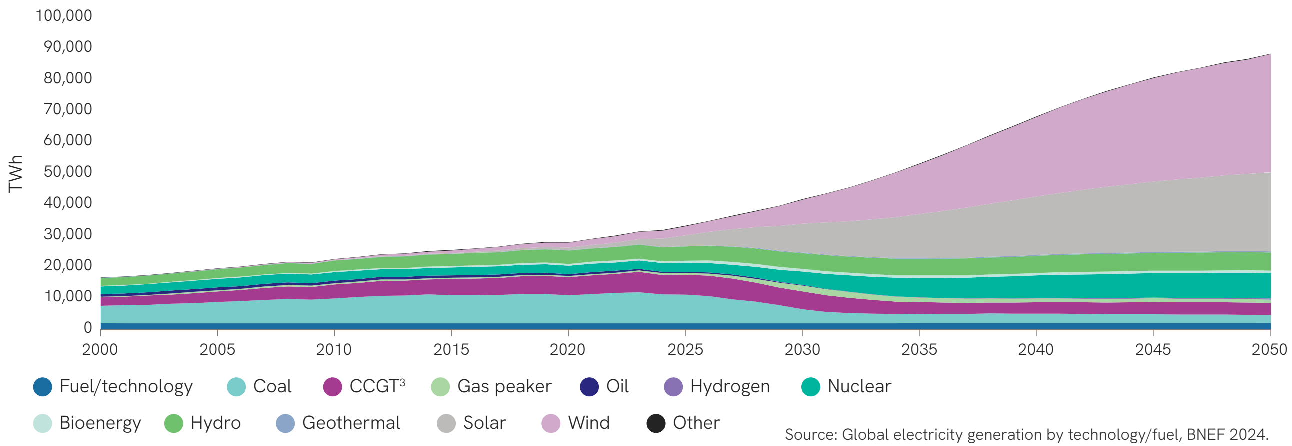
In addition to clean power generation and the supporting infrastructure required to deliver that clean power efficiently, governments are also addressing a wider range of environmental challenges faced by society than just generation of low-carbon electricity. As the charts show, decarbonisation consists of many facets, and the electrification of transport and heat is an integral part of the route to net zero.

And finally, the wider governmental and societal push for more sustainable practices is further resulting in a broad opportunity set across sustainable resource management, for example water and waste.

FGEN's objective is to leverage this massive investment opportunity set by investing across three key themes of environmental infrastructure – renewable energy generation, other energy infrastructure and sustainable resource management – to help address a wider range of environmental challenges faced by society than just generation of low-carbon electricity.

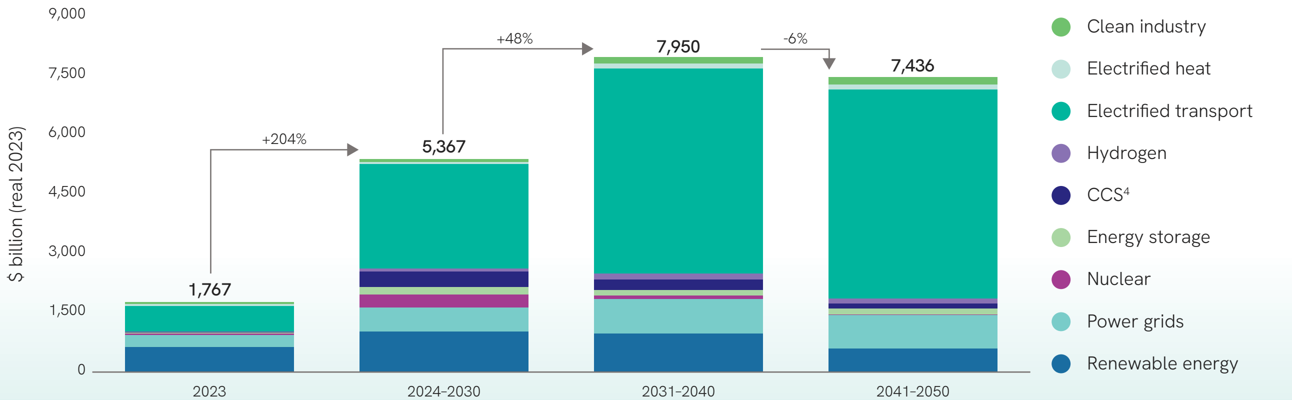
This is strongly supported by market and regulatory tailwinds that are supercharging the transition to net zero and improved sustainable resource management – for example, in the UK, the Energy Act 2023, Simpler Recycling legislation, and Ofwat's Asset Management Period 8 ("AMP 8") with a £104 billion[2] investment requirement between 2025 and 2030, and in the EU, the Net-Zero Industry Act and the REPowerEU Plan.

Global electricity generation by technology



Source: Global electricity generation by technology/fuel, BNEF 2024.

Energy transition investment – actual vs required



Source: Energy transition investment – actuals versus required, BNEF 2024.

1. Source: BNEF New Energy Outlook 2024 and 2025.
2. Source: Ofwat AMP8.
3. Combined Cycle Gas Turbine.
4. Carbon Capture and Storage.

Markets and opportunities continued

Renewable energy generation

FGEN has been investing into renewable generation since its inception in 2014. The portfolio comprised seven assets spanning traditional renewables, then such as wind and solar as well as waste and wastewater management projects. Over time it diversified its scope into other forms of generation including anaerobic digestion, biomass, hydro and energy-from-waste as those technologies matured and offered attractive, risk-adjusted returns that were driven by different dynamics beyond simply wind and solar.

Whilst wind and solar will likely continue to form the backbone of decarbonisation, whether that be providing power directly to grid or to other downstream contributors such as green hydrogen, other forms of generation will play a meaningful role as well and serve as a diversifier of risk away from weather resource and technology-specific power price dynamics.

Renewable energy generation presents a compelling case from an income perspective, characterised by stable, predictable cash flows, inflation linkage and often supported by government subsidies or other regulatory mechanisms given their criticality to the decarbonisation agenda. Whilst European jurisdictions have generally moved away from the feed-in tariff model that drove the buildout of renewables from the early 2000s, this has been replaced in most instances by auction-based systems (such as Contract for Difference ("CfD") in the UK, the Renewable Energy Sources Act ("EEG") in Germany and the SDE++ subsidy scheme in the Netherlands) with secured revenues still a dominant feature.

Renewables also offer the opportunity for meaningful growth via investment into capital hungry development platforms that are looking to build out pipelines of assets supported by strong regulatory tailwinds. This is particularly the case where there is visibility over the long-term revenue case, for example the UK or Germany, and where the regulatory framework underpinning development is appropriately mature. Foresight as a platform has significant experience in funding such development platforms across a range of technologies and jurisdictions, and FGEN can draw on this capability.

In addition to renewable power generation, other forms of energy such as biogas and biomethane will play a critical role in the path to net zero, particularly given challenges in decarbonising heat supply and other hard-to-abate industries. The production of biogas and biomethane via FGEN's anaerobic digestion facilities is an area in which the Company has proven credentials and capability, and it will continue to capitalise on this going forward, not just in the UK but in other mature European markets where the regulatory frameworks and feedstock/demand dynamics are sufficiently robust. The Labour government in the UK has indicated that it is working towards a formal biomethane strategy and the EU has continued to make progress towards its ambition of producing 35 billion cubic metres of biomethane by 2030 under the REPowerEU plan[1].

Asset classes

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

"Between 2023 and 2050, the total installed capacity of solar PV power globally is forecast to rise from 1,559GW to 16,887GW, representing a 983% increase, and the total installed capacity of wind power globally is forecast to increase from 1,044GW to 11,382GW, an increase of 990%."[2]

Grange Farm AD site

1. Source: REPowerEU Plan, May 2022.
2. Source: BNEF New Energy Outlook 2022.

Markets and opportunities continued

Other energy infrastructure

In order to achieve the stated ambitions of UK and European governments across clean energy, economic growth, digital transformation and to maintain the pace of renewable buildout, evolution of wider grid infrastructure is required in order to accommodate the changing nature of power supply from centralised, gigawatt scale power generators to distributed renewable energy generation.

Over the last decade or so, investment in expanding and modernising grids has lagged behind the pace of the renewable energy buildout, with queues to connect new projects growing to record sizes as the deadlines to decarbonise the energy system become ever closer. In 2023, Europe was estimated to have a 600GW[1] backlog of solar and wind projects in grid connection queues across France, Italy, Spain and the UK (with the UK accounting for one-third of this as one of the worst connection queues in Europe), acting as an impediment to the energy transition.

Governments are taking steps to address this, for example the Great Grid Upgrade initiative in England and Wales and the EU Grid Action Plan, requiring significant investment. The UK has been a leading global market for energy storage, with 19GW[2] of cumulative installed capacity expected by 2030, driven by the limited levels of interconnection with Europe. European markets are now catching up and we have seen a large number of opportunities across Italy, Germany, Spain, the Netherlands and the Nordics. Whilst the technological solutions will differ by region, different forms of energy storage and greater interconnection between power markets are critical, with significant investment required, encompassing a range of technologies and sectors such as Battery Energy Storage Systems ("BESS"), pumped hydro storage and interconnectors.

FGEN has invested in BESS assets in the UK, but will likely not make further investments in that sector unless backed by greater certainty of revenue, for example in the form of tolling agreements or capacity payments. Pumped hydro and interconnectors are examples of asset classes within wider grid infrastructure that can offer greater certainty of revenue via participation in Ofgem's cap and floor pricing regime and are sectors within which Foresight is already active.

In addition to grid infrastructure, other forms of low-carbon energy infrastructure such as heat and cleaner transport also present real opportunity, with significant investment required over the coming decades. FGEN has already invested into low-carbon transportation via the CNG Fuels platform, and we see similar opportunities across other European markets as well.

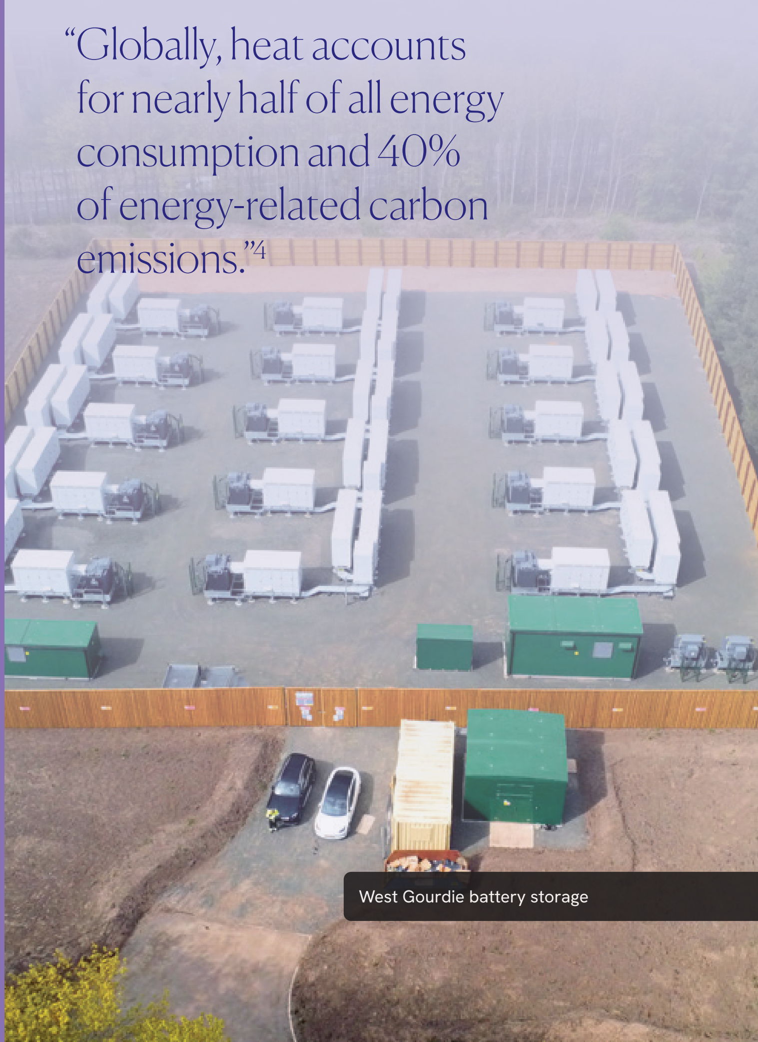
The decarbonisation of residential and commercial heating is an increasing priority in both the UK and the EU, given the current reliance on fossil fuels. Foresight has invested into district heating and heating networks in both the UK and the EU, and we expect to see significant growth in this sector supported by regulatory tailwinds – for example, the UK Government aiming to have district heating provide approximately 20% of the country's heat demand by 2050, and the EU's Energy Efficiency Directive ("EED") requiring municipalities with over 45,000 inhabitants to develop local heating and cooling plans[3].

1. Source: BNEF New Energy Outlook Grids 2023.
2. Source: BNEF 1H 2023 Energy Storage Market Outlook.
3. Source: EU Energy Efficiency Directive 2023.
4. https://www.carbontrust.com/what-we-do/market-transformation/heat-decarbonisation.

Asset classes

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

"Globally, heat accounts for nearly half of all energy consumption and 40% of energy-related carbon emissions."[4]



West Gourdie battery storage

Markets and opportunities continued

Sustainable resource management

Sustainable resource management means managing resources with the future in mind, and it is an area with increasing societal and political tailwinds driving investment opportunities. The primary legislation governing sustainable resource management in the UK is the Environment Act 2021, which sets long-term environmental targets and provides a framework for protecting nature, air and water quality, and waste reduction.

Investments into sustainable resource management will likely be on a more opportunistic basis for FGEN compared to the core themes of renewable generation and other energy infrastructure, but it is an allocation which has the potential to generate attractive returns and diversification away from energy. For FGEN, this would be primarily within water and waste, as mature sectors that typically can benefit from supporting regulatory frameworks, monopolistic positions and long-term security of revenue, with the mid-market particularly representing opportunities for growth and scaling up.

Water scarcity and stress are important challenges being faced by the water sector, illustrated by the recent announcement of Ofwat's AMP8 record-breaking £104 billion investment to improve and modernise the water network, addressing issues like sewage overflows, and enhance water supply resilience, with specific targets for reducing pollution and improving water quality. Whilst at the larger end much of this will be procured via the Direct Procurement for Customers ("DPC") model for major infrastructure upgrades, we are seeing smaller ancillary opportunities across the ecosystem such as last mile delivery, water metering and localised water treatment.

FGEN has a track record in waste management across its portfolio and looking forward we see investment opportunities arising from the need to deal with different types of waste (such as municipal waste, biosolids and hazardous waste) and recycling technologies and other businesses along the value chain which should be driven by the UK's new "Simpler Recycling" regulations, requiring all workplaces in England to separate food waste from other waste streams.

Alternative agriculture and aquaculture are other sectors within the wider sustainable resource management theme that FGEN is currently invested in via the Glasshouse and Rjukan. Whilst there is significant potential in those assets, and we continue to see interesting opportunities within those sectors, FGEN will not make any further investments into such controlled environment assets in the future due to the more disciplined forward looking focus on core renewable and environmental infrastructure.

1. National Audit Office, April 2025.

Asset classes

- Waste collection and processing
- Recycling
- Last mile water
- Wastewater solutions

"A significant increase in investment is needed to enable the water sector to address current and future challenges… almost £290 billion of additional spending will be needed over the next 25 years."[1]

ELWA waste management site

Consistently delivering on our strategic priorities

"Our performance this year was underpinned by disciplined capital allocation, robust income growth and value-accretive asset management. Our tenth consecutive year of record cash distribution and a well-covered dividend reflect the strength and resilience of our portfolio. Looking ahead, we remain focused on sustaining this momentum through a progressive dividend policy, proactive portfolio management and a refocused investment approach. By prioritising long-term, stable and inflation-linked cash flows, we are well positioned to continue delivering attractive returns for our shareholders while supporting the transition to a more sustainable future."

Ed Warner
Chair

Strategic objectives delivered in 2024/25

Deliver income growth for shareholders	Disciplined capital allocation	Complete programme of asset sales
• Target dividend of 7.80 pence per share healthily covered 1.32x • Tenth consecutive year of record cash distribution from the portfolio	• Successfully reduced gearing to maintain our position as one of the lowest-geared investment companies in the sector • Returned £19.2 million to shareholders over the financial year via the Company's share buyback programme	• Value accretive disposals totalling £89.1 million, representing 10% of the portfolio[1] • All disposals completed at, or above, the prevailing valuation

Strategic priorities for 2025/26

Continuation of the progressive dividend	Proactive management of existing portfolio	Disciplined investment focus
• 2026 dividend target increased by 2.1% to 7.96 pence per share[2] • Target dividend represents a yield of 10.0% on the closing share price prior to announcement[3] • Dividend cover forecast to remain at comfortable levels	• Proactive management of operating portfolio, alongside ongoing value enhancement initiatives • Operational and revenue ramp-up across the growth-stage assets to deliver meaningful capital appreciation in the medium term	• Highly selective approach to new investment, prioritising core environmental infrastructure assets and businesses • Targeting investments offering long-term stable cash flows, secured revenues and inflation linkage, and an attractive balance between income and growth

1. Based on an opening portfolio valuation of £891.9 million.
2. This is a target only, there can be no guarantee this target will be met.
3. Based on closing share price at the time of publication, 23 June 2025.

A resilient business model

Our objectives

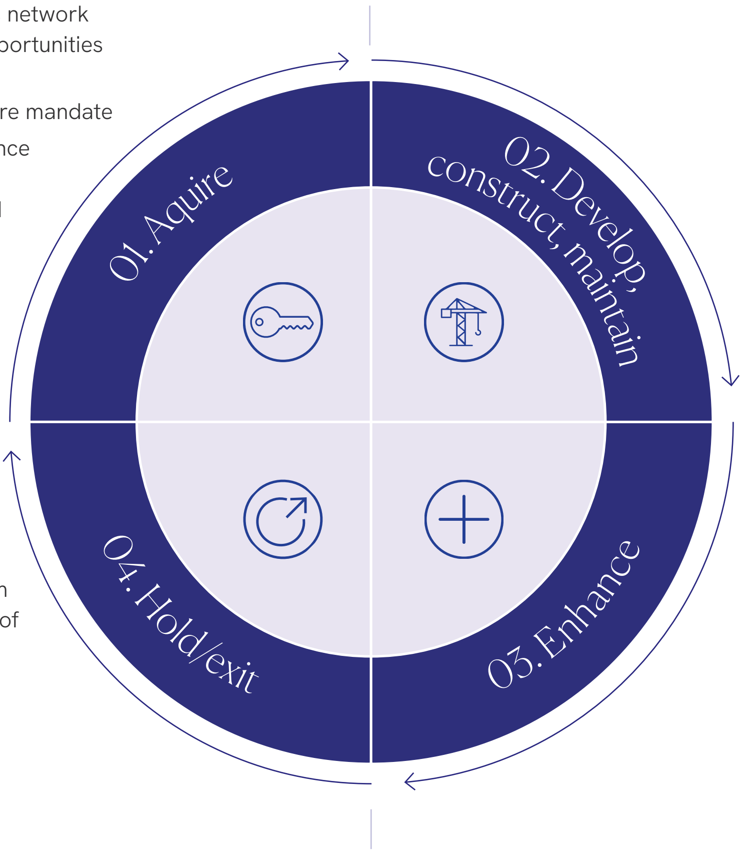
Financial objectives

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

ESG objectives

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

How we deliver on our objectives



01. Aquire

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

02. Develop, construct, maintain

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

03. Enhance

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

04. Hold/exit

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

Underpinned by

Risk management – read more about risk management on pages 53 to 64.

Strong governance – read more about governance on pages 114 to 144.

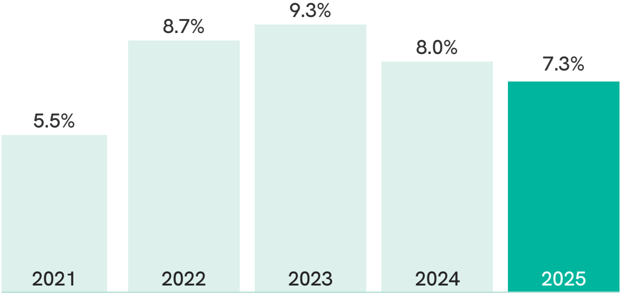
Financial management – read more about financial management on pages 145 to 181.

Key performance indicators

NAV total return

(annualised)

7.3%



Definition and rationale

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

Link to Fund objectives:

KPI performance

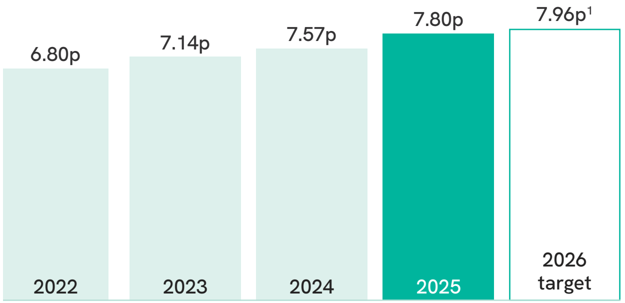
- Annualised NAV total return since IPO of 7.3%. The portfolio continues to show good levels of resilience, with dividend target being comfortably met for the year and underlying assets performing well.

Objectives for 2026

- Continue to apply a disciplined approach to capital allocation, that includes selective investment in opportunities that are accretive to the Company on a risk-adjusted basis.

Dividend

7.80p



Definition and rationale

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

Link to Fund objectives:

KPI performance

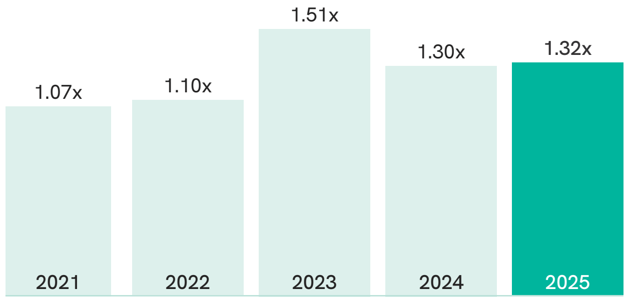
- 7.80 pence dividend declared for the year, in line with the stated target, and comfortably covered by cash received from the portfolio.

Objectives for 2026

- Target dividend for the next financial year of 7.96 pence, up 2.1% from 2025.

Dividend cover

1.32x



Definition and rationale

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

Link to Fund objectives:

KPI performance

- 1.32x dividend cover for the year.

Objectives for 2026

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

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

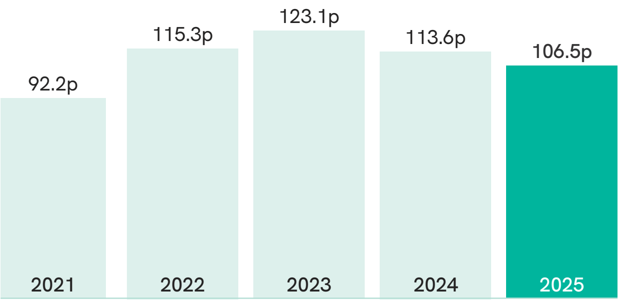
Key to Fund objectives:

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

Key performance indicators continued

NAV per share

106.5p



Definition and rationale

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

Link to Fund objectives:

KPI performance

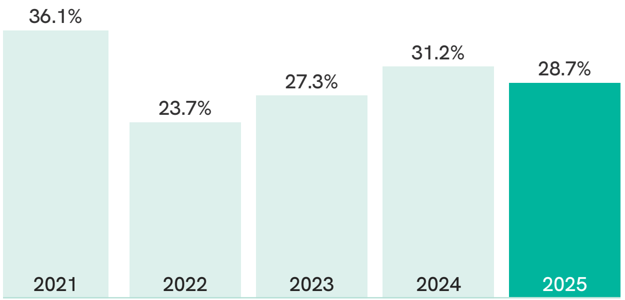
- NAV £678.7 million, down from £751.2 million at 31 March 2024, following dividend, new investment, disposals and share buybacks.
- NAV per share 106.5 pence, down 6.25% compared to 31 March 2024.
- 0.6% NAV total return for the 12 months ended 31 March 2025.

Objectives for 2026

- Prioritise progress in construction-stage and early-stage operational assets to drive NAV growth.
- Continue to progress value-enhancement initiatives.
- Share buybacks considered as NAV accretive option as part of overall capital allocation strategy.

Gearing

28.7%



Definition and rationale

An illustration of the Company's exposure to project and fund-level debt as a proportion of overall gross asset value, allowing investors to ascertain financial risk in the Group's balance sheet.

Link to Fund objectives:

KPI performance

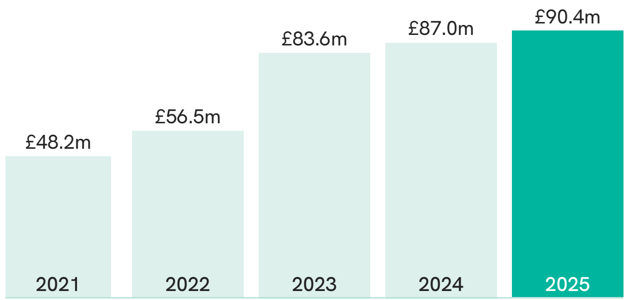
- Managing floating rate debt remains a key priority for the Company, and gearing has been successfully reduced in the year – supported by record levels of cash received from investments and sales of assets.

Objectives for 2026

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

Cash yields

£90.4m



Definition and rationale

A key measure of performance from the underlying portfolio.

Link to Fund objectives:

KPI performance

- Tenth successive year of increasing cash received from investments since IPO, comfortably covering the dividend and funding both repayment of floating rate debt and the Company's share buyback programme.

Objectives for 2026

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

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

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

The Investment Manager's report

In this section:

Amber Fryingdown solar site

The Investment Manager's report

The year in review

Introduction

Throughout the year, FGEN has continued to benefit from the broader strengths of Foresight Group's Infrastructure platform, consisting of 190 people working in investment, portfolio management, finance, valuations, sustainability and investor relations, from offices in the UK, Italy, Spain and Germany.

This breadth, across both capability and geography, meets FGEN's broad environmental infrastructure mandate and is critical in pursuing opportunities that are diversified beyond simply wind and solar. It also stands behind Foresight's proven origination capabilities across Europe, with over 1,000 opportunities reviewed during the year by the wider team with nearly half of those aligned with FGEN's mandate.

Foresight's construction management capabilities are also of great value to FGEN in bringing development and construction-stage assets through to operations and providing the potential for capital appreciation. The team is also experienced in managing exits, having carried out several such transactions in the last 12 months alone.

A large, in-house Portfolio Management team is also something that we believe sets Foresight's platform apart, with 113 people dedicated to managing a total of 437 infrastructure assets, including engineers, commercial managers and accountants.

This structure enables a more proactive approach to asset management with constant and sustained efforts focused on value enhancements, revenue optimisation and cost efficiency.

Strategic direction

As set out by the Chair, during the period the Board has undertaken a rigorous evaluation of a full range of strategic alternatives for the Company. It concluded that the proactive management of the existing portfolio and a refocused investment strategy, reflective of the structural changes in macroeconomic conditions since 2022 characterised by increased levels of market volatility and higher return expectations in an elevated rate environment, is the course of action that best serves long-term shareholder interests. This is a conclusion that the Investment Manager fully supports and which it is committed to delivering.

We will continue to drive as much value as possible from the existing portfolio, with ongoing value enhancement initiatives across the operational portfolio and, importantly, ramp-up across FGEN's three growth assets – Rjukan, CNG and the Glasshouse.

Future investment activity will prioritise core infrastructure assets and businesses that offer long-term stable cash flows, secured revenues and inflation linkage. FGEN will invest across three pillars of environmental infrastructure – renewable energy generation, other energy infrastructure and sustainable resource management across the waste and water sectors, targeting the delivery of an attractive balance of income and growth across development, construction and operational-stage investments.

Similarly, as detailed earlier in the Annual Report, the Investment Manager has simplified the categorisation of its portfolio across those three pillars in order to ensure that the diversification across a range of sectors and technologies is more easily understood.

Diversification and focus

FGEN has always prioritised diversification from its outset, given the benefits of a lower concentration of risk and a wider set of opportunities. We also recognise that some of the most recent investment activity has been into assets that are not as familiar as more traditional renewable and infrastructure sectors, for example the Rjukan aquaculture facility and the Glasshouse project.

Whilst these investments present real opportunity for capital growth within the Fund over the near term as they progress through operational ramp-up, the Board and the Investment Manager recognise that in the changed macroeconomic environment, any new investment should retain a disciplined focus on core infrastructure fundamentals. Therefore, looking forward, whilst diversification across sectors and technologies will remain a central tenet, FGEN will not make any further standalone investments into controlled environment. Indeed, as previously stated, FGEN will look to exit from its growth assets once sufficiently mature and valued as such, expected to be in circa two to three years.

Performance summary

NAV per ordinary share at 31 March 2025 was 106.5 pence (31 March 2024: 113.6 pence). The analysis of the Group's net assets at 31 March 2025 is set out on page 111. The Company's portfolio valuation was £765.7 million (31 March 2024: £891.9 million). Detailed information on the portfolio valuation is available on pages 28 to 37.

We have continued to manage the portfolio prudently, with the aim of generating consistent and predictable cash flows that provide inflation protection to our investors. It has been another record year of cash distributions, with £90.4 million generated across the portfolio which has contributed to a comfortable dividend cover of 1.32x.

The Investment Manager's report continued

The year in review

This is whilst maintaining a position of being one of the lowest geared across the peer group, something that we put great value on given the wider volatility across debt markets.

This performance has been underpinned by the Company's diversification strategy, generating revenues across the sale of power, heat and non-energy output. Whilst the HH2E impairment was an obvious disappointment for the Investment Manager, the Board and, most importantly, shareholders, value enhancements across the portfolio and progress on the growth assets have helped to offset some of this value loss and endorses the diversification strategy.

Investment activity

Investment activity during the period has been disciplined and limited to opportunities with a direct connection to the existing portfolio, for example the ongoing funding of commitments to Rjukan and the Glasshouse, and value enhancement opportunities at Vulcan AD. Including capital to meet existing commitments to construction-stage assets, the Company has deployed £30.7 million into the portfolio during the year.

Given the disciplined focus on capital allocation throughout the year, the Investment Manager has completed two value-accretive asset disposals totalling close to £90m, generating proceeds that have been used to both repay debt and return capital to shareholders. Other investment activity to note includes the restructuring and consolidation of the CNG structure, the HH2E impairment and further investments into FEIP; see pages 44 and 45 for more information.

Outlook

As set out in the markets and opportunities section, environmental infrastructure continues to be one of the most significant investment opportunities of this generation, with FGEN's strategic mandate making it uniquely placed to capitalise across the full suite of renewable generation, other energy infrastructure and sustainable resource management technologies.

Whilst there has been some notable political turbulence over the period, including the Trump Administration's tariff policies and the heightened geopolitical tensions due to the ongoing events in Ukraine and the Middle East, we retain an optimistic outlook for the wider environmental infrastructure opportunity with decarbonisation and the path to net zero underpinned by robust social and economic winds.

Whilst new investment activity has been limited in the listed infrastructure sector over the last few years, Foresight's investment activity across its private funds means that the broader Infrastructure team has continued to deploy and manage capital across a wide range of infrastructure sectors at all stages of the investment lifecycle, including development and platforms, construction and operations. Therefore, the core FGEN investment management team remains close to new investment activity with the Company well placed to leverage on this when the conditions are suitable.

Clearly, any new investment activity during the year will need to be highly selective. However, the Investment Manager, supported by the wider Foresight infrastructure division, is currently monitoring opportunities well aligned with FGEN's mandate with the capacity to deliver attractive, risk-adjusted returns and, subject to Board support and approval, will consider pursuing such opportunities if considered the best use of capital against other allocation options.

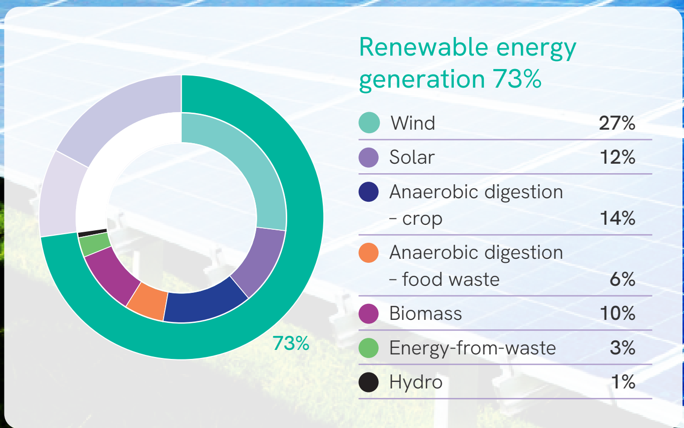
Vulcan Renewables AD site

The Investment Manager's report continued

Our portfolio at a glance

Renewable energy generation

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



Technologies[1]:

Baseload generators:

- Anaerobic digestion
- Biomass
- Energy-from-waste

Intermittent generators:

- Wind
- Solar
- Hydro

Investment attractions:

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

Potential risks:

- Merchant electricity and gas prices
- Wind and solar resource
- Cost and supply of feedstock
- Operational issues
- REMA/regulatory change

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

1. Excludes FEIP. See page 37 for a full list of FEIP assets.

The Investment Manager's report continued

Our portfolio at a glance

Renewable energy generation continued

Asset	Location	Ownership	Capacity (MW)	Commercial operations date
Solar				
Amber	England	100%	9.8	Jul 2012
Branden	England	100%	14.7	Jul 2013
CSGH	England	100%	33.5	Mar 2014 & Mar 2015
Monksham	England	100%	10.7	Mar 2014
Pylle Southern	England	100%	5.0	Dec 2015
Anaerobic digestion: agricultural crop				
Biogas Meden	England	49%	5.0[1]	Mar 2016
Egmere Energy	England	49%	5.0[2]	Nov 2014
Grange Farm	England	49%	5.0[2]	Sep 2014
Icknield Farm	England	53%	5.0[1]	Dec 2014
Merlin Renewables	England	49%	5.0[2]	Dec 2013
Peacehill Farm	Scotland	49%	5.0[3]	Dec 2015
Rainworth Energy	England	100%	5.0[4]	Sep 2016
Vulcan Renewables	England	49%	5.0[2]	Oct 2013
Warren Energy	England	49%	5.0[2]	Dec 2015

Asset	Location	Ownership	Capacity (MW)	Commercial operations date
Anaerobic digestion: food waste				
Codford Biogas waste management	England	100%	3.8[4]	2014
Bio Collectors waste management	England	100%	11.7[5]	Dec 2013
Biomass				
Cramlington biomass combined heat and power	England	100%	32.0[6]	2018
Energy-from-waste				
Energie Tecnologie Ambiente ("ETA")	Italy	45%[7]	16.8	2012
Hydro				
Northern Hydropower	England	100%	2.0[8]	Oct 2011 & Oct 2017
Yorkshire Hydropower	England	100%	1.8[8]	Oct 2015 & Nov 2016
Total			**353.0**	

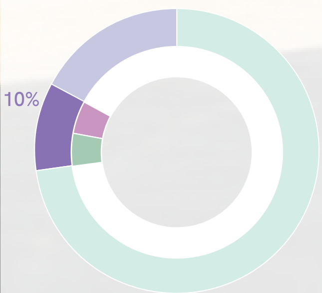
1. MWth (thermal) and an additional 0.4MWe CHP engine for on-site power provision.
2. MWth (thermal) and an additional 0.5MWe CHP engine for on-site power provision.
3. MWth (thermal) and an additional 0.25MWe CHP engine for on-site power provision.
4. Electrical exporting plant measured as MWe.
5. 10MWth and an additional 1.7MWe capacity through two CHP engines.
6. 26MWe (electrical) and 6MWth (thermal).
7. Not including FEIP's 45% ownership. See page 37 for a full list of FEIP investments.
8. Includes a 1.2MW battery storage.

The Investment Manager's report continued

Our portfolio at a glance

Other energy infrastructure

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



Other energy infrastructure 10%

- Battery energy storage 5%
- Low-carbon transport 5%

Technologies[1]:

- Battery Energy Storage Systems ("BESS")
- Low-carbon transport

Investment attractions:

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

Potential risks:

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

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

1. Excludes FEIP. See page 37 for a full list of FEIP assets.
2. FGEN holds 25% of CNG Foresight Holdings Ltd, which owns 60% of the shares in CNG Fuels Ltd and holds £150.15 million in 10% preferred return investments issued by CNG Fuels.

The Investment Manager's report continued

Our portfolio at a glance

Sustainable resource management

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

Sustainable resource management 17%

- Controlled environment 11%
- Waste and wastewater concessions 6%

Technologies[1]:

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

Investment attractions:

- Long-term government contracts from the concession-based projects
- Controlled environment investments in well-established technologies with deep revenue markets
- Potential for capital growth across Rjukan and the Glasshouse
- Diversification of revenue sources away from power generation

Potential risks:

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

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

1. Excludes FEIP. See page 37 for a full list of FEIP assets.
2. 80% of ordinary share capital plus 100% of outstanding loan notes.

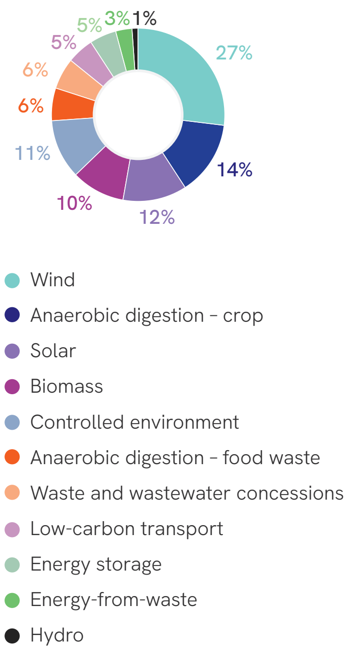
The Investment Manager's report continued

Investment portfolio and valuation

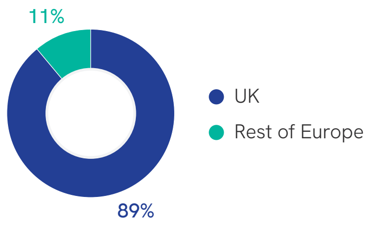
Investment portfolio

Diversification is a key factor for the Company, reducing dependency on a single market, technology type or set of climatic conditions, whilst allowing exposure to a wide opportunity set, as illustrated in the analysis below at 31 March 2025, according to share of portfolio value:

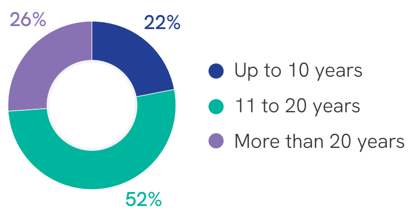
Sector split



Geography

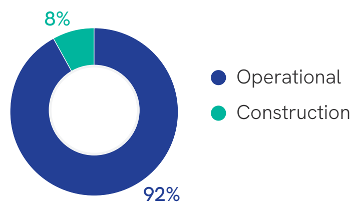


Remaining asset life

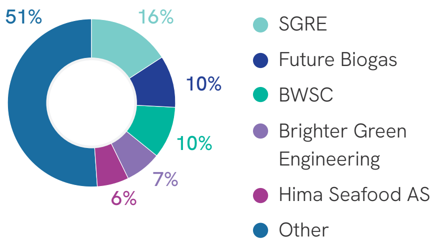


Weighted average remaining asset life of the portfolio is 16.3 years.

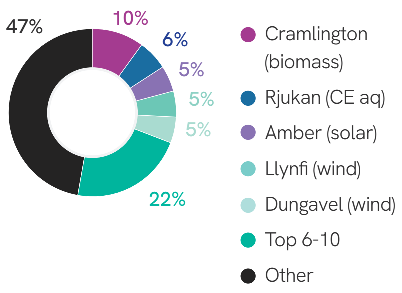
Operational status



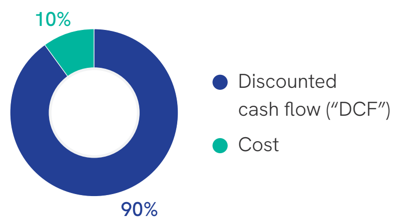
Operator exposure



Asset concentration



Valuation method



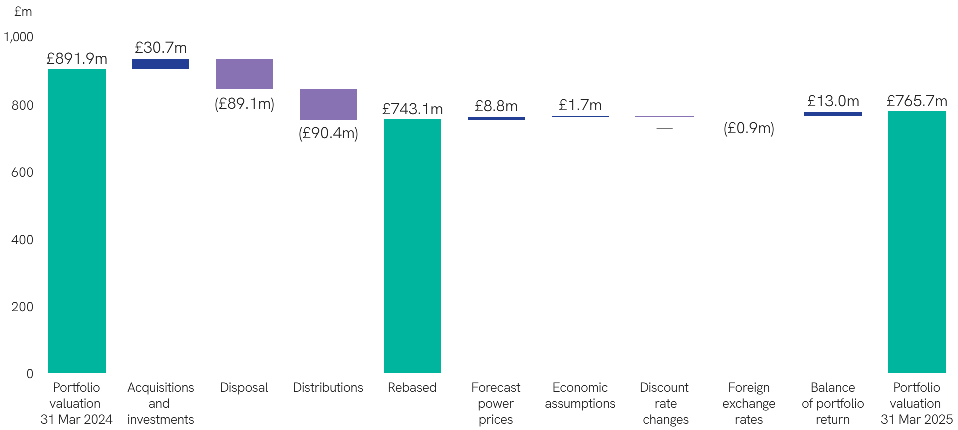
The Investment Manager's report continued

Investment portfolio and valuation

Portfolio valuation

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

The valuation is predominantly based on a discounted cash flow analysis of the future expected equity and loan note cash flows accruing to the Group from each operational portfolio investment. Where assets are under construction or not yet operational, they are valued at cost until such time as the risks associated with construction have substantially passed. For some technologies with more complex construction activities, this will be when the asset reaches the start of commercial operations, while for others this may be during late-stage construction. Following the corporate restructuring of CNG Fuels announced on 20 March 2025 that created a fully integrated biomethane sourcing, station ownership and Renewable Transport Fuel Certificate business, the Investment Manager has included an assumption around a future exit of FGEN's ownership in 2028 within the DCF valuation. The exit proceeds are based on a multiple of EBITDA, informed by transactional evidence and benchmarked against alternative valuation approaches. The amendment to the valuation approach resulted in no meaningful change in valuation.



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

The Directors' valuation of the portfolio at 31 March 2025 was £765.7 million, compared to £891.9 million at 31 March 2024. The decrease of £126.2 million is the net impact of divestments, new acquisitions, cash received from investments, changes in macroeconomic, power price and discount rate assumptions, and underlying growth in the portfolio. A reconciliation of the factors contributing to the change in the portfolio during the period is shown in the chart below.

The movement in value of investments during the year ended 31 March 2025 is shown in the table below:

	2025 £m	2024 £m
Valuation of portfolio at opening balance	**891.9**	898.5
Acquisitions in the year (including follow-on investments)	30.7	69.2
Divestments	(89.1)	—
Cash distributions from portfolio	(90.4)	(87.0)
Rebased opening valuation of portfolio	**743.1**	880.7
Changes in forecast power prices	8.8	(36.0)
Changes in economic assumptions	1.7	8.6
Changes in discount rates	—	(29.0)
Changes in exchange rates	(0.9)	(0.5)
Balance of portfolio return	13.0	68.1
Valuation of portfolio at 31 March	**765.7**	891.9
Fair value of intermediate holding companies	(87.0)	(138.3)
Investments at fair value through profit or loss	**678.7**	753.6

The Investment Manager's report continued

Investment portfolio and valuation

Allowing for investments of £30.7 million (including follow-on investments and payment of deferred consideration), divestments of £89.1 million and cash receipts from investments of £90.4 million, the rebased valuation is £743.1 million. The portfolio valuation at 31 March 2025 is £765.7 million (31 March 2024: £891.9 million), representing an increase over the rebased valuation of 3% during the year.

Valuation assumptions

Each movement between the rebased valuation and the 31 March 2025 valuation is considered below:

Forecast power prices

The project cash flows used in the portfolio valuation at 31 March 2025 reflect contractual fixed price arrangements under PPAs, where they exist, and short-term market forward prices for the next two years where they do not.

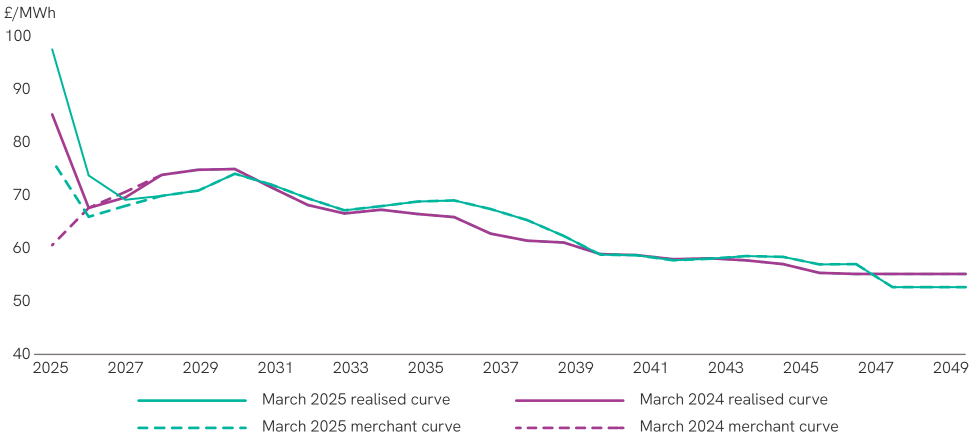
After the initial two year period, the project cash flows assume future electricity and gas prices in line with a blended curve informed by the central forecasts from three established market consultants, adjusted by the Investment Manager for project-specific arrangements and price cannibalisation.

For the Italian investment, project cash flows assume future electricity prices informed by a leading independent market consultant's long-term projections.

The overall change in forecasts for future electricity and gas prices compared to forecasts at 31 March 2024, net of the Electricity Generator Levy ("EGL"), has increased the valuation of the portfolio by £8.8 million.

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

Illustrative blended power price curve



Guarantees of origin certificates

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

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

Year	2025	2026-28	2029+
REGO	**£5/MWh**	£5/MWh	£2/MWh
RGGO	**£9.5/MWh**	£9/MWh	£9/MWh

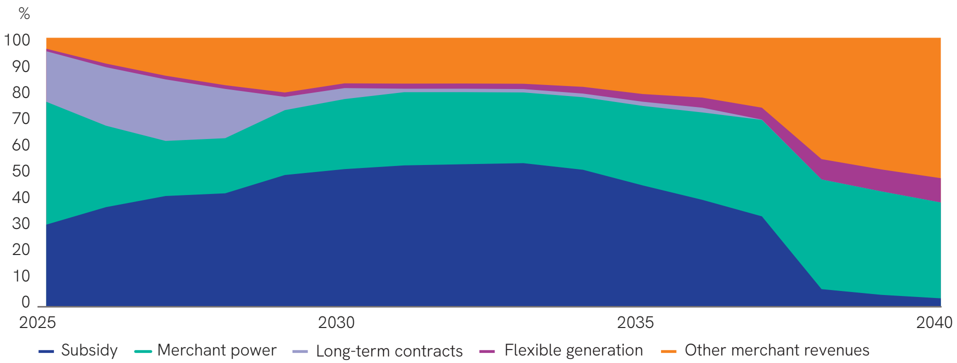
Following a sustained increase in RGGO pricing achieved by the Investment Manager, modelled assumptions have been increased by £2/MWh.

The Investment Manager's report continued

Investment portfolio and valuation

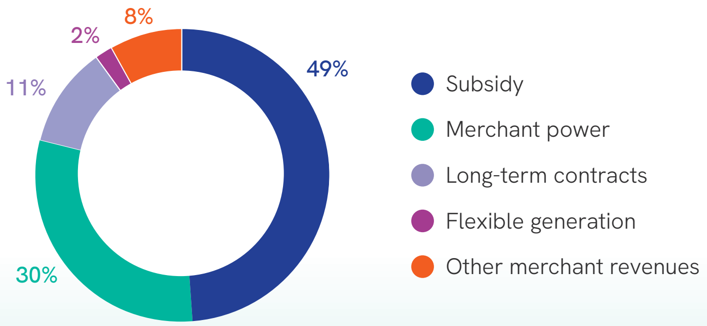
Revenue analysis

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



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

Revenue NPV



Subsidy revenues, long-term contracts and revenues from CNG Fuels that sit within other merchant revenues in the pie chart, all retain contractual inflation linkage, leading to 61% of total revenues featuring contractual inflation linkage.

Renewable generation portfolio

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

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

At 31 March 2025, 53% of the renewable energy portfolio's electricity and gas price exposure was subject to fixed prices for the summer 2025 season and 55% for the winter 2025/26 season. See the power price hedging section in the operational review on page 39 for more detail about the price fixes in place across the portfolio at the year end.

Taking the proportion of merchant revenues hedged under fixed price short-term PPAs, along with subsidy revenues and revenues from long-term contracts outside of the energy generating assets, 68% of total revenues have fixed prices for the financial year to 31 March 2026. This demonstrates that merchant revenue remains a low proportion and reflects the broader diversification of FGEN's portfolio.

Other energy infrastructure

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

The Investment Manager's report continued

Investment portfolio and valuation

Batteries

FGEN's portfolio includes one operational and three c.50MW Battery Energy Storage Systems ("BESS") at varying stages of construction at 31 March 2025.

Whilst the portfolio currently includes only one operational asset, lower revenue projections had previously impacted pricing and valuations across the market for BESS assets at all lifecycle stages. However, revenue performance improved throughout 2024 and into 2025. Independent market analysis continues to support a positive outlook, with strong fundamentals expected to underpin long-term sector growth.

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

While the sector does not currently benefit from long-term contractual inflation linkage, revenues are typically driven by a margin over costs, which is expected to be sustained regardless of inflationary pressures. Notably, recent losses from record high balancing mechanism volumes are being offset by higher wholesale market prices. This rebound in wholesale revenues is anticipated to positively impact asset performance, particularly for West Gourdie.

Low-carbon transport

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

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

Sustainable resource management

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

Waste and wastewater treatment

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

Controlled environment

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

In the case of FGEN's Glasshouse, the investment is primarily built around the debt service on its senior secured shareholder loan, with potential for further uplift from the Company's minority equity investment over time as the business' operations reach maturity. The Glasshouse is co-located with an existing FGEN anaerobic digestion facility, which itself will receive an additional source of revenue via a private wire supplying low-carbon heat and power to the Glasshouse. In the future, wastage from the Glasshouse produce may also be returned to the AD digester, creating a circular ecosystem. For more information on the Glasshouse, see the asset spotlight on page 49.

In the case of CE Rjukan, revenues will primarily be generated from the production and sale of approximately 8,000 tonnes of trout annually, once the site is fully ramped up in 2027. This will be sold to European and international salmonid markets via an offtake agreement with an established Norwegian seafood distribution company with global reach.

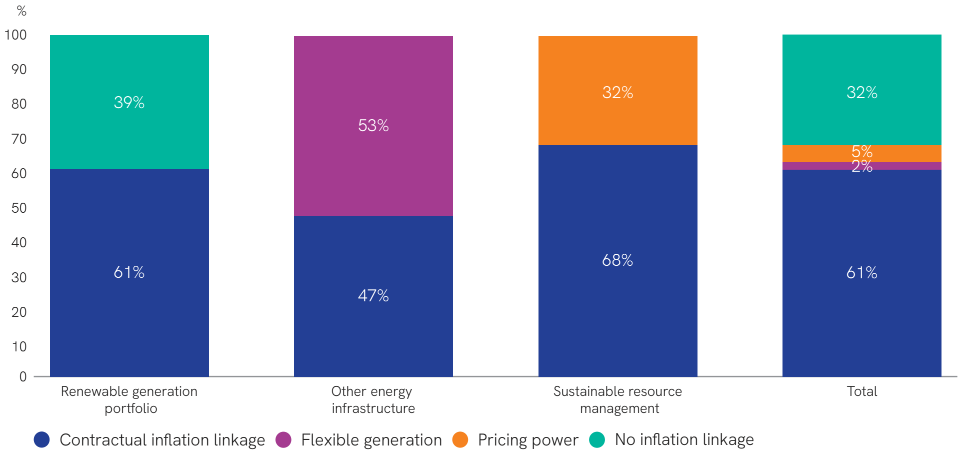
The Rjukan investment case is built on the premise of achieving average historic prices evidenced by the Fish Pool Index; however, our experienced operational partner is targeting sales at levels between c.5% and 50% higher than this; underpinned by the higher quality of fish production at Rjukan versus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

Whilst these investments do not currently have long-term contractual inflation linkage, the projects retain pricing power and are able to increase prices to maintain margins as the underlying cost base inflates. For more information on Rjukan, see the asset spotlight on page 51.

The Investment Manager's report continued

Investment portfolio and valuation

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



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

Useful economic lives

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

In light of growing evidence to suggest AD facilities may be able to successfully operate for longer durations, the Investment Manager has provided a sensitivity on page 35 to illustrate the potential impact on extending the lives of FGEN's AD investments.

Economic assumptions

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

Valuation assumptions for operational assets are set out below:

Economic assumptions used in the portfolio valuation (31 March 2024 figures shown in brackets)

	2025	2026-2030	2031+
UK			
RPI	**3.5%**	3.0%	2.25%
	(3.0%)	(3.0%)	(2.25%)
CPI	**2.75%**	2.25%	2.25%
	(2.25%)	(2.25%)	(2.25%)
Deposit rates	**2.0%**	2.0%	2.0%
	(2.0%)	(2.0%)	(2.0%)
Corporation tax	**25.0%**	25.0%	25.0%
	(25.0%)	(25.0%)	(25.0%)
Italy			
Inflation	**2.0%**	2.0%	2.0%
	(2.0%)	(2.0%)	(2.0%)
Deposit rates	**—%**	—%	—%
	(—%)	(—%)	(—%)
Corporation tax (IRES)	**24.0%**	24.0%	24.0%
	(24.0%)	(24.0%)	(24.0%)
Regional tax (IRAP)	**4.8%**	4.8%	4.8%
	(4.8%)	(4.8%)	(4.8%)

The Investment Manager's report continued

Investment portfolio and valuation

The euro/sterling exchange rate used to value euro-denominated investments was €1.19/£1 and the rate for Norwegian krone-denominated investments was NOK13.55/£1 at 31 March 2025 (€1.17/£1 and NOK13.66/£1 at 31 March 2024).

The total net increase in value resulting from changes to inflation rates, deposit rates and foreign exchange rates in the year is £0.8 million.

Discount rates

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

UK gilt yields have remained at elevated levels consistent to those prevalent at the start of the year and transactional activity continues to indicate support for the Company's valuation assumptions, therefore no changes have been made to discount rates this year.

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

Taking the above into account and including an increase in the value of assets in construction, the overall weighted average discount rate ("WADR") of the portfolio is 9.7% at 31 March 2025 (31 March 2024: 9.4%).

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

	Unlevered discount rate	Levered discount rate	Sector WADRs	Gearing
Wind	8.0%	8.8%	8.7%	36%
Solar	7.2%	8.0%	7.3%	18%
Anaerobic digestion – crop fed	8.6%	—	8.6%	—
Anaerobic digestion – food waste	9.8%	—	9.8%	—
Biomass	10.3%	—	10.3%	—
Energy-from-waste	10.0%	—	10.0%	—
Hydropower	—	8.0%	8.0%	41%
Waste and wastewater concessions	—	8.9%	8.9%	24%
Battery storage	10.3%	—	10.3%	—
Weighted average			**9.7%**	**18.5%**

Sectors in which the Investment Manager retains proprietary information, such as controlled environment and low-carbon transport, are not disclosed in the table above, although discount rates used in these sectors feed into the portfolio WADR of 9.7%.

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

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

The Investment Manager's report continued

Investment portfolio and valuation

Balance of portfolio return

This represents the balance of valuation movements in the year, excluding the factors noted above. The balance of the portfolio return mostly reflects the impact on the rebased portfolio value, all other measures remaining constant, of the effect of the discount rate unwinding and also some additional valuation adjustments from updates to individual project assumptions. The total represents an uplift of £13.0 million.

Of this, the key positive item is the uplift of £60.2 million from discount rate unwind, partially offset by a combination of the £19.3 million write-down to the value of FGEN's investment in HH2E that was already recognised in the 30 September 2024 interim results, along with an £8.1 million reduction in value resulting from the downward revision in wind yield assumptions recognised at the 31 December 2024 valuation. The remaining downward revision in valuation is largely attributable to asset performance across the portfolio – reflecting uncharacteristic period of low wind speeds, low solar irradiance, disruption caused by severe weather events such as Storm Darragh and increases in planned maintenance programme expenditure.

Despite operational challenges across the portfolio, the underlying assets remain highly cash generative – illustrated by the 10th consecutive period of record cash flows received from investments.

Valuation sensitivities

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

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

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

The key assumptions are as follows:

Discount rate

The WADR of the portfolio at 31 March 2025 was 9.7% (31 March 2024: 9.4%). A variance of plus or minus 0.5% is considered to be a reasonable range of alternative assumptions for discount rates.

An increase in the discount rate of 0.5% would result in a downward movement in the portfolio valuation of £17.2 million (2.7 pence per share) compared to an uplift in value of £18.0 million (2.8 pence per share) if discount rates were reduced by the same amount.

Volumes

Base case forecasts for intermittent renewable energy projects assume a "P50" level of electricity output based on reports by technical consultants. The P50 output is the estimated annual amount of electricity generation (in MWh) that has a 50% probability of being exceeded – both in any single year and over the long term – and a 50% probability of being underachieved. Hence the P50 is the expected level of generation over the long term.

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

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

That is to say that the lack of correlation between wind, hydro and solar variability means P10 and P90 sensitivity results should be considered independent. Therefore, whilst the overall P90 sensitivity decreases NAV by 4.8 pence, the impact from wind, solar and hydro separately is 3.4 pence per share, 1.2 pence per share and 0.2 pence per share respectively, as shown in the chart on page 37.

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

The Investment Manager's report continued

Investment portfolio and valuation

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

Electricity and gas prices

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

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

An increase in electricity and gas prices of 10% would result in an uplift in the portfolio valuation of £35.9 million (5.6 pence per share) compared to a downward movement in value of £35.3 million (5.5 pence per share) if prices were reduced by the same amount.

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

Useful economic lives

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

In light of this change, the Investment Manager has provided the following scenarios illustrating a range of possible avenues to extend the lives of its AD portfolio:

- Scenario 1: either an extension to the existing RHI or an equivalent alternative subsidy mechanism on the same terms as the current RHI for a period of five years – capped at the duration of land rights already in place. Such an extension would result in an uplift in the portfolio valuation of £21.3 million (3.3 pence per share).
- Scenario 2: in line with the Investment Manager's understanding that some investors are considering AD facilities to run into perpetuity, due to the scarcity and valuable nature of UK green gas, an alternative scenario has been produced that assumes a permanent new market opens that provides sufficient incentive for asset owners to continue to run their plants. Under this scenario, the Investment Manager would expect revenues to be derived through a combination of corporate offtake, green certificates (such as RTFCs) and potentially a lower level of government support mechanism. On this basis, the Investment Manager considers a realistic result would be to provide a value uplift of c.£10 million (1.6 pence per share) and significantly extend the weighted average life of the Company.

The UK government is currently developing a future policy framework for biomethane production, and these sensitivities will be refined as more information is released.

Uncontracted revenues on non-energy generating portfolio

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

An increase in uncontracted revenues of 10% would result in an upward movement in the portfolio valuation of £23.6 million (3.7 pence per share) compared to a decrease in value of £23.4 million (3.7 pence per share) if those revenues were reduced by the same amount.

The Investment Manager's report continued

Investment portfolio and valuation

Feedstock prices

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

An increase in the feedstock prices of 10% would result in a downward movement in the portfolio valuation of £6.5 million (1.0 pence per share) compared to an uplift in value of £6.8 million (1.1 pence per share) if prices were reduced by the same amount.

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

Inflation

Most projects in the portfolio receive a revenue stream which is either fully or partially inflation-linked. The inflation assumptions are described in the macroeconomic section on page 32. The sensitivity assumes a 0.5% increase or decrease in inflation relative to the base case for each year of the asset life.

An increase in the inflation rates of 0.5% would result in an uplift in the portfolio valuation of £20.6 million (3.2 pence per share) compared to a decrease in value of £20.4 million (3.2 pence per share) if rates were reduced by the same amount.

Euro/sterling and NOK/sterling exchange rates

The proportion of the portfolio assets with cash flows denominated in foreign currency represents 10% of the portfolio value at 31 March 2025. If foreign currency strengthens by 5%, the value uplift will be £3.4 million (0.5 pence per share) compared to a £3.3 million (0.5 pence per share) decrease in value if FX weakens by the same amount.

Corporation tax

The UK corporation tax assumptions applied in the portfolio valuation are outlined in the notes to the accounts on page 172. The sensitivity below assumes a 2% increase or decrease in the rate of UK corporation tax relative to the base case for each year of the asset life.

An increase in the UK corporation tax rate of 2% would result in a downward movement in the portfolio valuation of £11.1 million (1.7 pence per share) compared to an uplift in value of £11.2 million (1.8 pence per share) if rates were reduced by the same amount.

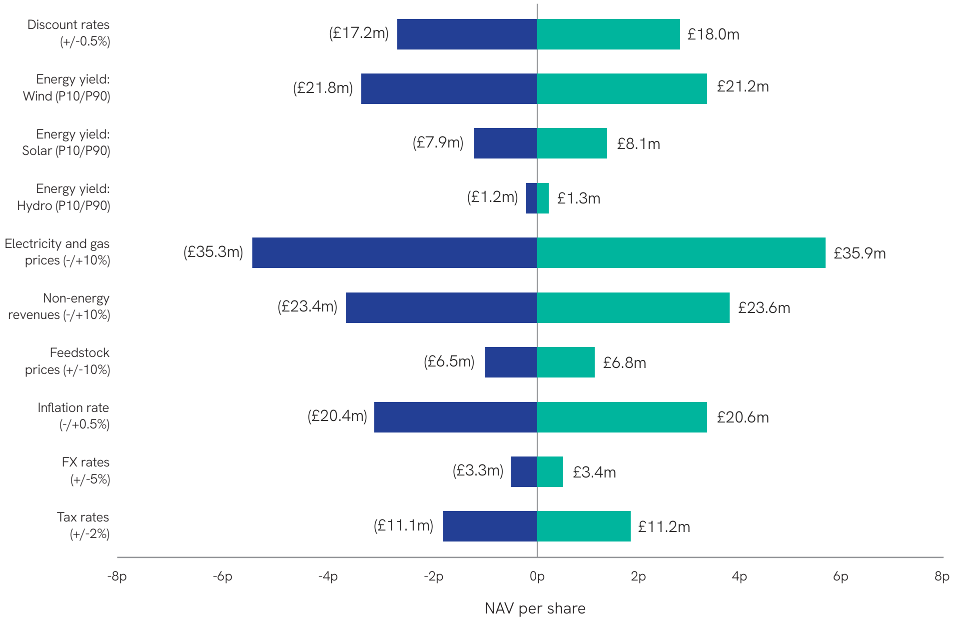
Grange Farm AD site

The Investment Manager's report continued

Investment portfolio and valuation

Sensitivities – impact on NAV at 31 March 2025

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



FEIP investment portfolio

Below is a list of investments into several European opportunities through the Company's co-investment in Foresight Energy Infrastructure Partners ("FEIP").

Asset	Location	Capacity (MW)	Commercial operations date
FEIP: FGEN has committed €25 million to FEIP			
Avalon solar and green hydrogen	Spain	137MWp	Development
Carna pumped storage hydro and co-located wind	Scotland	210MW	Under construction
Consortium solar	Greece	267MW	Under construction
ETA Manfredonia EfW	Italy	16.8MW	2012
Inca pumped storage hydro	Ireland	300MW	Development
Kölvallen wind	Sweden	277MW	Under construction
MaresConnect interconnector	Republic of Ireland	750MW	Development and under construction
Puskakorpi wind	Finland	88MW	Dec 2022
Quartz battery storage	England	106.5MW	Development
Skaftåsen Vindkraft AB wind	Sweden	231MW	June 2023
Torozos wind	Spain	93.5MW	Dec 2019
85 Degrees geothermal heat	Netherlands	53MW	Operational/under construction
Beleolico offshore wind	Italy	30MW	July 2022
Blue Jay battery storage	Scotland	99.3MW	Development and under construction

The Investment Manager's report continued

Operational review

Investment performance

The NAV per share at 31 March 2025 was 106.5 pence, down from 113.6 pence at 31 March 2024.

FGEN has announced an interim dividend of 1.95 pence per share for the quarter ended 31 March 2025, payable on 27 June 2025, in line with the full-year target of 7.80 pence per share for the year ended 31 March 2025.

Financial performance

The Company's operating assets delivered strong cash earnings of £90.4 million (31 March 2024: £87 million), making this another strong period of earnings, driving a dividend cover of 1.32x, up from 1.30x in the prior year.

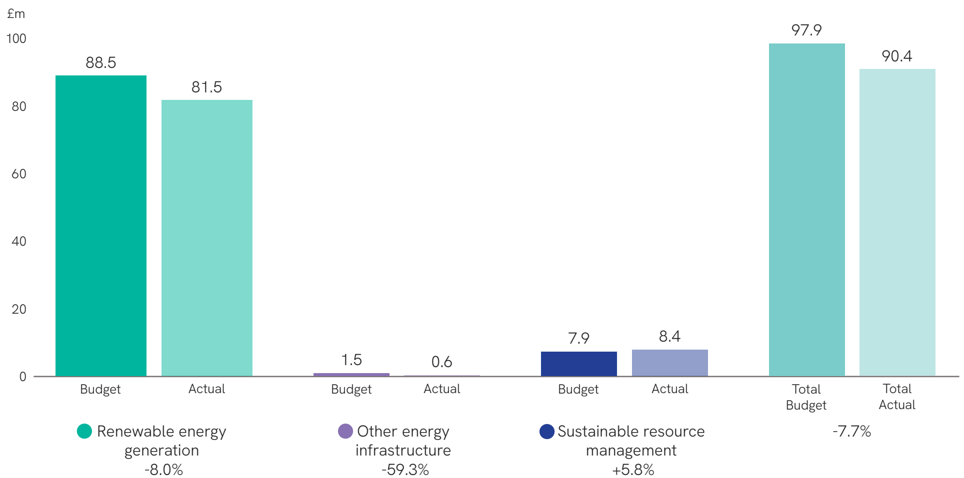
The chart on the right shows the budgeted proportion of cash distributions forecast to be received from underlying investments at the start of the financial year, versus the relative sector-level over or under-performance against this target during the year.

The 7.7% under-performance versus budget is largely attributable to low wind and solar resource, as well as the bringing forward of some capex works on our bioenergy assets.

See overleaf for the equivalent chart showing generation performance of the energy generating assets versus budget.

Across the portfolio companies, total revenue generated was £284.8 million and total EBITDA was £131.6 million. The Company operates a diversified portfolio of assets across multiple sectors which supports diversification of the operating risk profile across the portfolio – with both revenues and corresponding margins varying based on the underlying operations of each. For example, wind and solar assets generate electricity through the use of a free natural resource and therefore typically have a lower cost base than an anaerobic digestion facility, which requires a feedstock as part of its energy generation process. To compensate, these anaerobic digestion facilities will also typically have a higher revenue base – as can be seen by the average all-in energy price table to the right.

Financial performance: budget vs actual project distributions



The average all-in price received by the differing technology classes in the UK for their energy volumes generated in the year ended 31 March 2025 is shown in the table below:

Average all-in energy price	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Wind	**£201per MWhe**	£148 per MWhe
AD electric	**£262 per MWhe**	£317 per MWhe
AD gas-to-grid	**£152 per MWhth**	£148 per MWhth
Biomass	**£184 per MWhe**	£205 per MWhe
Energy-from-waste	**€133 per MWhe**	€109 per MWhe
Solar	**£313 per MWhe**	£217 per MWhe
Hydro	**£295 per MWhe**	£308 per MWhe

The Investment Manager's report continued

Operational review

Operational performance

Overall, the operating performance of the environmental infrastructure portfolio was satisfactory. The renewables segment of the portfolio produced 1,272GWh (2024: 1,358GWh) of green energy, 9.7% below the generational target. While the drop in generation compared to 2024 was partly due to the sale of the rooftop solar portfolio in 2025, the negative deviation against the annual target was primarily due to low wind resource, an unplanned outage at Cramlington in Q1 and a biological issue at Bio Collectors in Q3. When grid outages and compensation (insurance and warranty claims) are taken into consideration, the equivalent portfolio generation was 1,322GWh, 6.1% below the target for the year.

The concession-based projects, other bioenergy assets and agri-AD portfolios performed in line with their respective targets.

Renewable energy generation

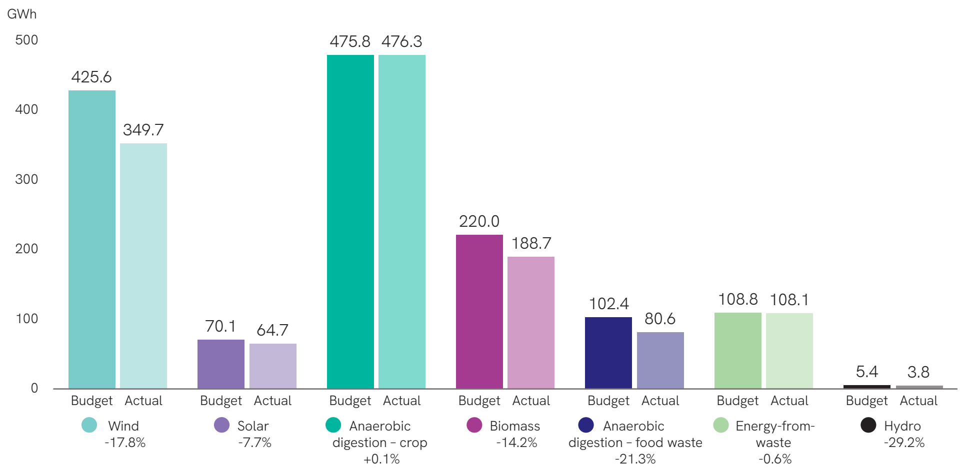
Power price hedging

FGEN's exposure to wholesale power prices is mitigated by the practice of having a substantial proportion of generation for both electricity and gas on fixed price arrangements for durations ranging from six months out to two years. The extent of generation subject to fixes at 31 March 2025 is as follows:

	Summer 2025	Winter 2025	Summer 2026	Winter 2026
Wind	59%	69%	—	—
Solar	54%	54%	7%	7%
Biomass	—	—	—	—
Energy-from-waste	—	—	—	—
AD – electric	100%	96%	—	—
AD – gas	80%	76%	2%	2%
Weighted average	**53%**	**55%**	**1%**	**1%**

The Investment Manager continues to monitor the market beyond March 2026 for opportunities to fix prices to mitigate risk across the portfolio, but presently sees more value in having a higher proportion than usual unfixed as prices stabilise.

Renewable energy: 1,272GWh generated, -9.7% below budget



Baseload generators

Anaerobic digestion

The AD portfolio is the largest producer of energy on a GWh basis and generated 37% of the energy produced by the FGEN portfolio. Gas generation (measured in GWh thermal generated) was 476GWh[1], 0.1% ahead of its sector target (2024 variance was 3.6% favourable).

Seven of the nine plants outperformed their generation targets, notably strong performances coming from Grange Farm, Rainworth and Peacehill, which performed >5% above their generation targets. Vulcan's negative variance (-5.6%) against its generational target was due to the commissioning of two different value enhancement projects, while the prolonged ramp-up period following a digester degrit at Merlin Renewables resulted in it finishing the year 11.5% below its target.

1. When FGEN's ownership % is taken into account, the generation by the AD portfolio was 244GWh, 0.4% above the equivalent sector target.

The Investment Manager's report continued

Operational review

All AD plants have had access to sufficient feedstock throughout the year despite a poor rye harvest in July 2024. Maize and rye costs remain stable with no real fluctuations compared to the previous year. The conditions for digestate spreading in early 2025 have been optimal, resulting in reduced storage requirements and therefore cost. Despite this positive year, more clamp extension and additional lagoon projects are being developed to enhance climate change resilience.

Wholesale gas and power prices gradually increased from March 2024, peaking in February 2025. Though political tensions in Europe and the Middle East contributed to this, the impact was mitigated by LNG supplies throughout the year.

The Investment Manager has taken the opportunity to hedge 75%+ of the gas grid capacity for summer and winter 2025, while opportunities to hedge in summer and winter 2026 are being monitored, as seen in the table on page 39.

Waste & bioenergy

The renewable energy generation segment of the waste & bioenergy portfolio is the second largest producer of energy on a GWh basis and generated 30% of the energy produced by the portfolio. The waste & bioenergy portfolio generated 377GWh[1], this was, 12.5% below the sector target; when compensation from insurance claims and liquidated damages are considered, the negative variance is reduced to 4.5%. Despite Cramlington meeting or exceeding its generational target for six months of the year, an outage spanning May and June 2024 to address corrosion issues discovered within the asset's ID fan meant generation was 14% below the annual target. Compensation for this event has been received from the O&M contractor while further improvements to the flue gas treatment line have been made to ensure a long-term solution is in place.

Bio Collectors has unfortunately had a challenging year (28% below the generational target) following consistent gas grid curtailments, technical issues and a digester foaming incident towards the end of 2024. In reaction to this, the Investment Manager has identified an expert in the AD industry to develop and initiate improvement works at Bio Collectors. Improvements are expected to be realised midway through the next financial year; to date, the degritting of both digesters has been initiated and key process upgrades identified, allowing increased generation and availability.

Both Codford Biogas and ETA Manfredonia met their generational targets for the year.

Following the year end, ETA Manfredonia suffered an unplanned outage as a result of a short circuit within the turbine's alternator. Analysis of the work required to repair the turbine indicates a prolonged period of downtime, with a plan being worked through by the site's operator. Conversations are ongoing with loss adjusters, and it is believed that a significant proportion of losses will be recoverable through the site's insurance. Works remain ongoing, and an estimate of the remaining downtime and insurance recoverability has been recognised within the asset's valuation.

Hydro

The hydro portfolio generated 4GWh, which was 29% below target (31 March 2024: 5GWh). This is a very small part of FGEN's portfolio and represents less than 1% of the total energy generation for the year. Though rainfall levels were in line with expectation, mechanical issues at two of the sites brought overall generation below the target for the year.

An insurance claim for one of the mechanical downtime events is ongoing and is expected to ensure the plant is compensated for the loss of revenue.

Intermittent generators

Wind

The wind portfolio generated 350GWh (31 March 2024: 390GWh), representing 27% of the total energy generated by the portfolio. This was 17.8% below the sector target. The negative variance in production was partly the result of low wind resource but also availability issues at various sites.

Although a majority of the assets performed as expected, there were six that experienced significant downtime events which resulted in the gross availability being 4.6% below anticipated levels.

Four of the events will be compensated via the O&M performance mechanism at the conclusion of their respective contractual years. When these estimated compensation payments (insurance and warranty claims) are taken into consideration, the equivalent wind generation for the year was 362GWh, 15% below the target.

The average power price realised for the wind assets was 112% above the average variable price through FY25 due to the high level of fixes in place across the portfolio. 50%+ of the wind generational capacity is now hedged until March 2026, as seen in the table on page 39.

Solar

The solar portfolio generated 65GWh, which was 7.6% below the sector target; this represents 5.1% of the total energy generated by the portfolio. The negative variance was primarily due to irradiation levels across the financial year being 4.2% below expectations.

1. When FGEN's ownership % is taken into account, the generation by the bioenergy portfolio was 371GWh, -14.4% below the equivalent sector target.

The Investment Manager's report continued

Operational review

In addition, inverter issues at the Amber and Branden sites and a number of significant grid constraints at CSGH Shoals Hook also contributed to this. To ensure the inverter issues do not reoccur, increased investment in the necessary spare parts, training and optimisation of the inverter units has been conducted.

A new asset manager has now been appointed at eight of the 10 sites, the remaining two are expected to move over in July 2025.

Over 50% of the solar portfolio capacity is now fixed until March 2026, as seen in the table on page 39.

Other energy infrastructure

CNG Fuels (in construction phase)

The CNG refuelling stations achieved a 21% increase in fuel dispensed year-on-year as customers brought new vehicles into service and new stations became established.

During this financial year, following completion of construction, two sites were commissioned at Aylesford and Doncaster. Construction of a new station in Livingston commenced and became operational in late May. Following the CNG Fuels restructuring, a further operational site, Crewe, is now within the portfolio.

FGEN invested £2.4 million into CNG during the year. As at 31 March 2025, CNG held 16 natural gas refuelling stations, including the site under construction. FGEN invested a total of £27.8 million as at the balance sheet date.

Battery storage assets

West Gourdie, FGEN's operational 50MW battery asset in Dundee, Scotland, has been participating in various services including Dynamic Containment ("DC"), wholesale day-ahead, intraday, balancing mechanism and capacity markets. The primary source of revenue is the DC frequency balancing service, which accounts for over 50% of earnings. The remainder comes from wholesale electricity trading and capacity market services.

The availability across the year was 94%, which was 4% below the O&M contractual target. Many of the downtime events contributing to this are expected to be compensated for via the performance mechanism in the O&M contract. A majority of the incidents related to planned outages for maintenance activities and checks to be conducted.

Based on publicly available data for the last 12 months, the West Gourdie site has ranked first or second among comparable peers in Scotland for one-hour index sites.

Other battery storage assets (in construction phase)

FGEN currently owns three 50MW battery storage assets in the UK. The Sandridge project has made significant progress, with all onsite works related to the battery installation successfully completed. Despite challenges with the distribution network operator ("DNO") causing prolonged delays, these issues have been resolved. Energisation and takeover are now expected in the second half of 2025.

The Investment Manager is actively pursuing the sale of both Lunanhead and Clayfords. Lunanhead remains under exclusivity, with completion targeted for late 2025. Further options are being explored for Clayfords. These assets represent 0.5% of total portfolio value.

Sustainable resource management

Waste and wastewater concessions

The ELWA waste project continues to deliver operational and financial performance in line with expectations. Operational performance targets were again exceeded with diversion from landfill at 99.98%, substantially ahead of the 67% contract target, and recycling at 32.2%, also ahead of the 22% contract target. Waste tonnages delivered remained stable throughout the year and were in line with expectations.

Preparations for the handback of this project to the authority in 2027 have been initiated. All changes and requests following the sale of Renewi's UK business to Biffa have been addressed and no issues are foreseen in the long term.

The Tay wastewater project had another stable year operationally, with no availability or performance deductions in the period.

Controlled environment – Glasshouse project (in ramp-up phase)

The Glasshouse is currently in the operational ramp-up phase with full sales anticipated by 2026/27. Whilst onboarding customers has been slower than expected, prices and margins remain encouraging.

Controlled environment – Rjukan project (in construction phase)

The project is now 30 months into construction and c.90% complete with the first harvest anticipated by July 2025. There are currently over 2 million trout in the facility with the largest fish now over 2.5kg in size.

The Investment Manager's report continued

Operational review

Cramlington case study

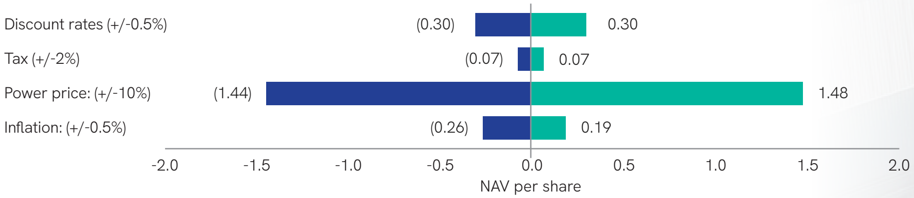
Investment overview

In June 2021, FGEN acquired a 100% stake in Cramlington Renewable Energy Developments Limited ("Cramlington") which owns a biomass plant and its underlying contracts. The plant utilises proven technology to process a diversified biomass fuel mix, creating up to 26MW of electrical power and 6MW of heat.

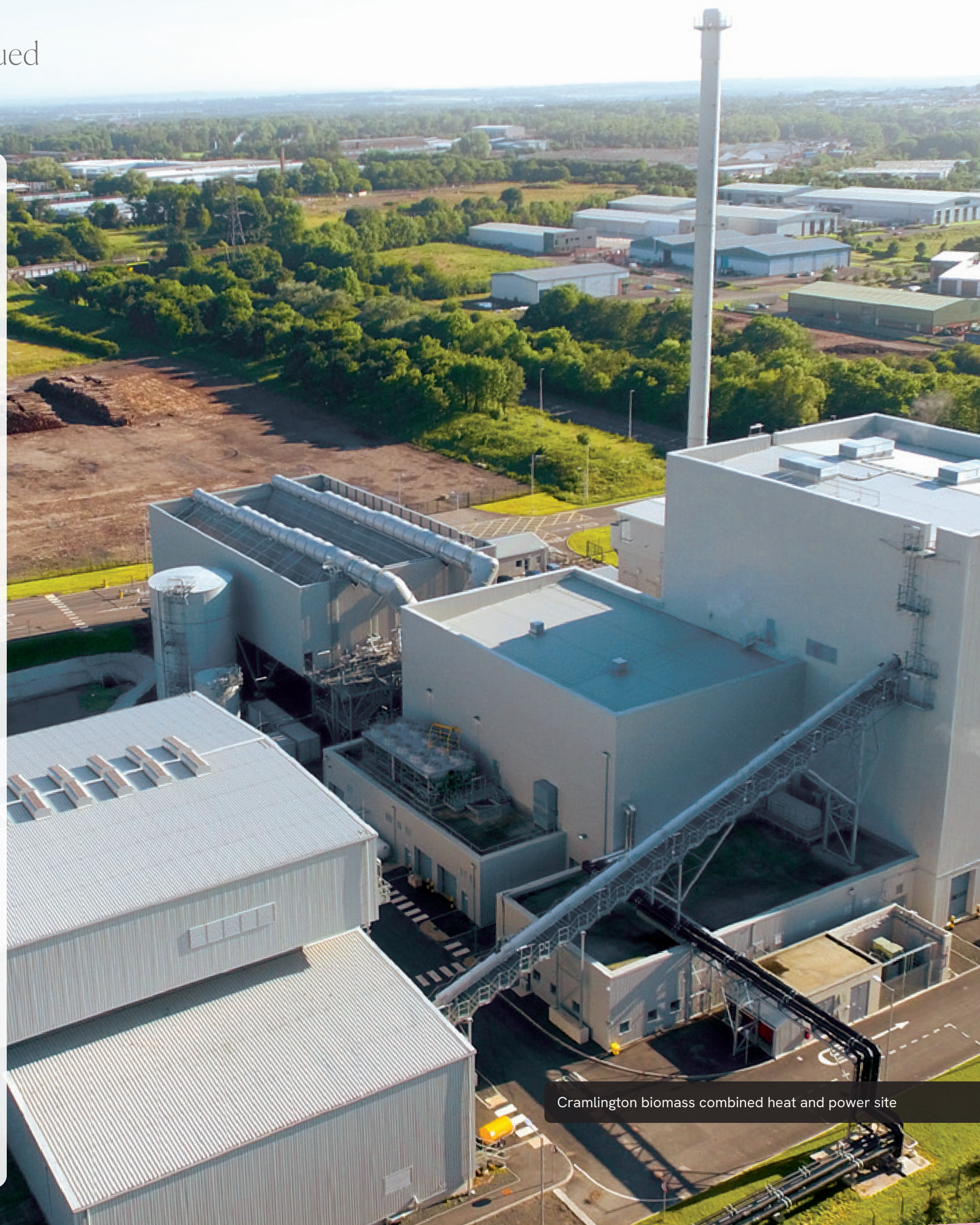
Investment highlights

Sector:	Renewable energy generation – Biomass
Location:	Northumberland, UK
Ownership:	100%
Start of commercial operations:	2018
Operational status:	Operational
Accreditation: ROCs (electricity) RHI subsidy (heat)	 12 years' remaining life 13 years' remaining life
Percentage of portfolio by value:	10%
Invested:	£51.5 million
Basis of FGEN valuation:	Discounted cash flow ("DCF")
FGEN equity value:	£77.1 million
Distributions:	£51.2 million
Implied MOIC[1]:	2.5x
Latest IRR:	25.8%
Payback period:	3.8 years

Cramlington sensitivities on NAV per share



1. Implied MOIC calculated as total cash consideration plus current valuation, divided by cash invested.



Cramlington biomass combined heat and power site

The Investment Manager's report continued

Operational review

Cramlington case study continued

What is biomass combined heat and power ("CHP")?

A CHP plant creates both electricity and heat from its fuel source, which in Cramlington's case is a blend of woody biomass. The fuel is mixed, screened and then fed onto a vibrating grate for combustion. This process produces a hot flue gas which in turn raises water temperature inside a boiler to produce superheated steam. This steam is then used in a turbine to generate electricity and heat. All heat is exported along with some electricity to adjacent industrial customers, with the remaining electricity production exported to the national grid.

Investment attractions

- ROCs and RHI subsidy regimes expire in March 2037 and March 2038 respectively. The base investment case assumes operation until the end of the ROC regime, with freehold rights in place to support potential asset life extensions.
- Exporting both heat and power to two neighbouring private wire customers, with potential to export higher levels to both existing customers and new customers in the surrounding business parks.
- Long-term contracts for PPA, private wire, feedstock and O&M services.

Origination

- The project was acquired out of an administration process that was triggered by external lenders who had funded the previously levered structure. A key priority for FGEN was to de-risk its investment by buying out the lenders, meaning that the project is now ungeared and free of restrictive loan covenants.
- The project also required technical, contractual and feedstock optimisation works, which Foresight/FGEN was uniquely placed to deliver.

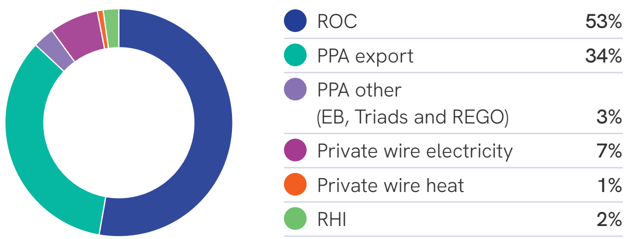
Value creation

- Construction of a fuel processing area to reduce fuel costs and double handling by allowing the supplier to process local forestry and arboriculture residues on site. This area also enables blending of various stocks to control fuel quality and moisture content. As a result, the plant's monthly availability improved from the high 80s to over 95%.
- Prior to FGEN's acquisition, fuel was supplied by a large number of suppliers, resulting in inconsistent quality and exposing the project to market price fluctuations. In 2022, the project streamlined this structure by securing a 12-year single-supplier agreement with Seras, leading to reduced costs, price stability and enhanced fuel quality creating a significant increase in the project's valuation.
- In our first year of ownership, we uncovered the key areas causing downtime. To improve reliability, we implemented upgrades, such as a fuel bypass chute, which allows for manual feeding of the boiler during equipment failures in the fuel hall.
- Implementing strategic power price hedging during volatile periods right after acquiring the project enabled Cramlington to seize the upside. Coupled with enhanced availability, this strategy facilitated significant early-year dividends. We applied the same tactic to REGO certificates, and with our current four-year fix, we are selling certificates at 20 times the current market rate.

Sustainability credentials

- To reduce waste sent to landfill, the project tested and certified its bottom ash as a soil enhancer for local farms. Each year, around 2,500 tonnes of ash provide essential minerals, significantly lowering costs for farmers, while also allowing us to benefit from repurposing waste.

Cramlington revenue forecast split[1]



1. Based on NPV of future forecast revenues over the remaining life of the asset.

The Investment Manager's report continued

Operational review

Sustainable resource management continued

Green hydrogen

As announced on 8 November 2024, the Company's investment in the HH2E hydrogen development was written down following HH2E's decision to file for insolvency as a result of the failure to secure the further funding necessary to meet its ongoing commitments. FGEN invested £19.3 million prior to the write-down and currently considers it unlikely that there will be any recovery, given that FGEN's claim on the company is subordinated to general creditors under German law. Detailed information about the factors leading to the write-down of the project can be found on page 28 of the Half-year Report 2024.

Divestments and restructuring

Disposal of 51% of six AD facilities

In August 2024, the Company announced the sale of 51% of a portfolio of six gas-to-grid AD facilities to Future Biogas for a total consideration of £68.1 million, equal to the NAV of the portfolio. Subsequently, further value has been recognised through delivery of value enhancements and alignment of operating assumptions, including the removal of operator profit sharing that was agreed as part of the transaction which alone resulted in an additional 9% uplift to valuation. FGEN will continue to own 49% of the AD portfolio, which has a combined generating capacity of 38MW, as well as its interests in three further agri-AD assets which are not operated by Future Biogas and not part of the agreement.

The Company is optimistic about the partnership with Future Biogas as it provides a greater alignment of interests between the parties, creating the potential for further asset enhancements and life extensions beyond the current Renewable Heat Incentive ("RHI") subsidy. These initiatives are expected to deliver uplifts to the valuation of the Company's remaining holding in the AD portfolio over time.

Disposal of 100% of rooftop solar portfolio

In December 2024, the Company announced the sale of 100% of a portfolio of operational rooftop solar assets for a total consideration of £21.2 million. This disposal recognised a premium to NAV and facilitated the recycling of capital from a lower returning, non-core part of the portfolio.

A total of £20.5 million was payable upon completion with a further £0.7 million in deferred consideration linked to the satisfaction of certain post-completion obligations which will likely result in a further £0.2 million in FY26.

CNG restructuring

Shortly after the year end, FGEN, together with another Foresight fund, completed on a transaction to combine their investments in the CNG refuelling station assets with the assets of ReFuels N.V. ("ReFuels"), a leading European supplier of Bio-CNG for the decarbonisation of heavy goods vehicles. ReFuels contributed its investments in CNG Fuels Ltd, the developer and operator of the station assets, and 79.2% of a biomethane sourcing company, Renewable Transport Fuel Services Ltd.

The combination creates a fully integrated biomethane sourcing, station ownership and Renewable Transport Fuel Certificate business well placed to build on its market leading position. The current network of stations in operation has the capacity to serve 10,000 HGVs per day and has an annual dispensing capacity of more than 310 million kg of Bio-CNG to customers including Amazon, DHL and Marks & Spencer. The transaction provides a path to further growth via a rollout of a further nine public access Bio-CNG refuelling stations by the end of 2028.


ELWA waste management

The Investment Manager's report continued

Operational review

Other investments

FEIP

FGEN has committed to investing €25 million in Foresight Energy Infrastructure Partners SCSp ("FEIP"), a Luxembourg limited partnership investment vehicle. At 31 March 2025, the Company has invested in 15 projects and is no longer seeking to make new investments.

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

Given construction-stage assets can only represent a small part of the Company's portfolio, the FEIP investment allows a greater level of diversification than would be possible with direct investments, providing for a more attractive risk-adjusted return profile. FGEN is excused from any FEIP investment that is not consistent with FGEN's investment policy. No management fees are payable on the amounts invested by FGEN. FEIP also owns a 45% stake in ETA, the Italian EfW plant, in which FGEN is also an investor. As at 31 March 2025, €22.5 million has been invested in FEIP.

Financing

On 25 April 2025, FGEN announced that it has reduced the size of its multi-currency revolving credit facility ("RCF") from £200 million to £150 million. The downsizing of the RCF will result in an annual cost saving of £367,500. The reduced RCF continues to provide ample headroom to cover outstanding portfolio commitments, including the remaining payments for the Company's well-progressed construction-stage investments.

The £150 million RCF has an uncommitted accordion facility of up to £30 million and an uncommitted option to extend for a further year.

As at 31 March 2025, drawings under the RCF were £99.3 million.

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

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

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

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

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

Project-level gearing at 31 March 2025 across the portfolio was 18.5% (31 March 2024: 16.9%). Taking into account the amount drawn down under the RCF of £99.3 million, the overall fund gearing at 31 March 2025 was 28.7% (31 March 2024: 31.2%).

As at 31 March 2025, the Group, which comprises the Company and the intermediate holding companies, had cash balances of £7.8 million (31 March 2024: £18.1 million).

Financing at 31 March 2025

£99.3m
drawn on RCF

28.7%
gearing[1]

1. Gearing is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 182 and 183.

Asset spotlight

Introduction

The investment policy

FGEN is committed to the substantial majority of investments in the portfolio by value and number being operational, however it also has the ability to invest in earlier-stage investments. Per the terms of the investment policy[1], FGEN will not acquire investment interests in any investment if, as a result of such investment: (i) 5% or more of the NAV is attributable to environmental infrastructure in the development phase (including in developers or development funding structures); or (ii) 25% or more of the NAV is attributable to projects that are either in the development phase (including in developers or development funding structures) or are in construction and are not yet fully operational.

Construction-stage opportunities

Construction-stage opportunities typically offer higher rates of return to compensate for the additional risk associated with construction, such as cost overruns, delays and disputes. FGEN has three assets that are broader environmental infrastructure projects, rather than core wind and solar projects, and these either involve construction risk or have recently completed construction. These assets also face risks associated with ramping-up operations to achieve the expected levels of performance and offtake as necessary to support their investment cases. While returns on these projects have the potential to be higher than for construction-stage wind and solar projects, their risk profiles are different, as highlighted in the case studies on pages 47 to 52.

Foresight's value-add

The Foresight Infrastructure team comprises over 190 investment, commercial and technical professionals across offices in the UK, Italy, Spain, Luxembourg and Australia, bringing extensive investment origination and execution capabilities to FGEN. The team typically considers over 900 opportunities a year across all strategies, selecting only those for FGEN which demonstrate its investment characteristic preferences while also adhering to its risk appetite.

The team has extensive experience across both a wide array of infrastructure sectors and also at various stages of an asset's lifecycle; through development, construction, operations and exit – providing capital appreciation at each stage along the way. The team's skillsets, experience and capabilities meet FGEN's broad environmental infrastructure mandate and this experience has been critical in determining which projects to pursue as FGEN has diversified beyond core renewable energy projects.

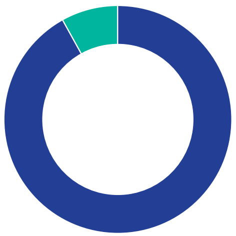
FGEN assets currently under construction

In line with the Company's investment policy allowing for up to 25% of NAV to be in assets under construction, at 31 March 2025 9% of FGEN's NAV (equivalent to 8% of portfolio value) is attributable to assets in their construction phase.

The following pages include spotlights on three FGEN investments which are presently either in, or have recently finished, construction:

- CNG Fuels
- Controlled environment – Glasshouse
- Controlled environment – Rjukan

Operational status



Operational	92%
Construction	8%

1. For the full investment policy see our website: www.fgen.com/about-us/investment-policy.

Asset spotlight continued

CNG Fuels

Nationwide network of low-carbon transportation refuelling hubs

Investment highlights

Acquisition date	December 2020
Ownership	CNG Foresight Holdings is owned 25% by FGEN and 75% by Foresight ITS
FGEN investment to date/total commitment	£27.8 million invested/£13,000 remaining commitment
Operational status	16 operational sites
Timetable to completion	Typical site build time <1 year
Location	Nationwide (see map on page 48)
Basis of FGEN valuation	Operational sites: combination of DCF and cost, with an assumed future exit
FGEN equity value	£36.3 million
Percentage of portfolio value	5%
Gearing	£2.66 million vehicle finance. Typically five-year term with rates between 4-9%
Life of investment	No finite end date. Majority of sites are owned freehold and are well positioned to adapt to evolving technological and market trends
Expected return range	Low to mid-teens
Source of funding	Future station pipeline funded from a mixture of internally generated cash flows and non-recourse debt raised at the Company level

Investment overview

The CNG Foresight investment comprises a portfolio of biomethane refuelling stations for compressed natural gas ("CNG") vehicles in the UK, operating under the brand CNG Fuels.

The transport sector is the largest source of carbon dioxide emissions in the UK, accounting for 34% in 2019. Heavy goods vehicles ("HGVs") produce 17% of road transport emissions and 4.5% of total UK GHGs.

HGVs fuelled by biomethane generated by AD plants are the only commercially available, at-scale solution to substantially reduce these emissions. Therefore, the take-up of CNG offers fleet operators the opportunity to significantly lower their emissions, whilst also providing a cheaper whole-life alternative to comparable diesel vehicles.

Investment attractions

- Revenues are earned from sales of biomethane fuel to customers under contract, which include several of the largest fleet operators in the UK
- The commodity price of gas is passed through to the customer, meaning that FGEN has no exposure to underlying merchant gas prices
- The government has committed to maintaining a clear advantage for gas-powered vehicles until 2032, supporting the UK's target of net zero emissions by 2050
- CNG Fuels is Europe's largest supplier of 100% renewable biomethane to transport
- Attractive combination of predictable and reliable income and potential for capital growth
- Contributes to FGEN portfolio diversification as a net user of electricity rather than a generator
- FGEN investment structured in part via preferred equity instruments with emphasis on downside protection

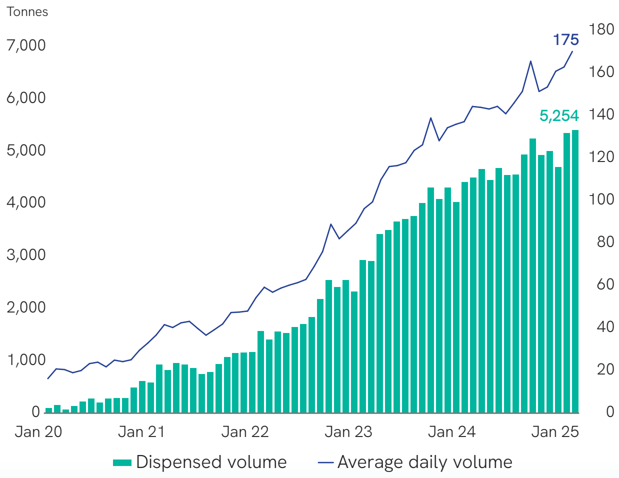
CNG Warrington

Asset spotlight continued

Revenue structure and key cost base

Sources of revenue	Customers enter gas supply agreements that includes recharging of gas costs plus a compression margin
Revenue growth	Ramp-up linked to growth of customer fleets
Inflation linkage	Revenues are linked to CPI
Currency strategy	No currency risk on operational sites. Currency exposure on major equipment purchases from Europe is hedged
Key costs: import power	Models assume wholesale power curves plus retail factor

CNG dispensed fuel since acquisition



Key operational updates in the period

- Reached 5 million kg dispensed per month across the portfolio
- Completed construction of the Doncaster station
- Successfully delivered 19% growth in gas dispensed from April 2024 to March 2025
- Tesco and M&S have invested in Bio-CNG trucks as part of their decarbonisation strategy

Operational focus for the year ahead

- Keep rolling out new stations, aiming to start building two new sites before the end of the operating year
- Demo 6x2 axle trucks for customers to increase the uptake of this larger, long-range vehicle type

Value enhancement opportunities

- Significant opportunity to reach new customers utilising large capacity (6x2) vehicles, which require up to 50% increase in gas per vehicle compared to smaller 4x2 trucks
- Significant reduction in import electricity costs available from moving to a flexible trading tariff across the portfolio

Sustainability credentials

- CNG Fuels supplies renewable Bio-CNG. Bio-CNG (or compressed biomethane) differs from fossil-derived CNG/LNG (liquified natural gas) as it is a bi-product from the decomposition of food and animal waste. It is independently verified and approved according to the Department for Transport's Renewable Transport Fuel Obligation ("RTFO"). As well as lower-carbon emissions, gas-powered vehicles have lower particulate emissions than diesel equivalents
- When switching to biomethane from petrol/diesel, customers can achieve more than an 85% reduction in CO_2 emissions, and when switching from diesel, they can save up to 40% on lifetime fuel costs

Principal risks and mitigants

	Risk	Mitigant
#1	Ramp-up risk with lower-than-forecast vehicle numbers, or insufficient profitability	Customer engagement on sales efforts and vehicle ordering plans, focus on cost control, and matching new stations with confirmed demand
#2	Structural complexity deters future acquirers	Restructuring to simplify the relationship between completed station assets and the operations associated with them
#3	Emergence of competition from either new CNG suppliers, or alternatives such as LNG, hydrogen or batteries	LNG in use but not gaining ground due to lack of network and complex refuelling procedures; hydrogen and battery vehicles currently not cost competitive

CNG Foresight – Bio-CNG station map:

Asset spotlight continued

GLASS PHARMS

The Glasshouse

Controlled environment glasshouse, utilising surplus heat and power from co-located AD facility

Investment highlights

Acquisition date	September 2022
Ownership	Majority of investment through a senior loan to fund construction of the Glasshouse, with a minority equity interest in the growing partner
Investment to date/ total commitment	£26.7 million invested; in line with initial commitment
Operational status	Phase 1 (2.4-hectare facility) construction is complete. Currently in operational ramp-up period
Timetable to completion	Ramp-up expected to be complete by 2027
Location	Co-located with an existing FGEN AD facility
Basis of FGEN valuation	Discounted cash flow (“DCF”)
FGEN equity value	£37.3 million
Percentage of portfolio value	5%
Gearing	No external debt
Life of investment	Land is leased for 25 years
Source of funding	Construction funded from surplus portfolio cash flows and RCF drawings

Investment overview

A 2.4-hectare advanced glasshouse which completed phase 1 of construction in September 2023 and which is co-located with an existing FGEN AD facility that supplies low-carbon heat and power via a private wire.

The advanced glasshouse is capable of growing a wide array of horticultural products, from consumable produce to cut flowers. Its current operator focuses on the lawful cultivation of the heavily regulated tetrahydrocannabinol cannabis flower (“THC”), conforming to tightly monitored licence requirements for secure supply to established UK-based pharmaceutical manufacturers.

Glass Pharms is the first UK commercial grower of high-THC cannabis flower for lawful third parties to produce cannabis-based products for medicinal use in humans (“CBPMs”).

Investment attractions

- Synergies from co-location of facilities, whereby the glasshouse receives renewable heat and electricity via private wires at a discount to market prices it would otherwise pay and the AD facility benefits from receipt of RHI subsidy from the provision of otherwise waste heat as well as selling electricity to the glasshouse at a premium to the price available from exporting to the grid
- Attractive risk-adjusted returns with FGEN benefiting from downside protection via a senior preferred return and opportunity for capital growth via equity interest
- High margin business model, requiring low volumes to achieve breakeven position whilst retaining potential for significant capital growth
- The investment generates new diversified revenue streams for FGEN derived from glasshouses, whilst also increasing revenues from an existing asset


CE Glasshouse exterior

Asset spotlight continued

Revenue structure and key cost base

Sources of revenue	Sales of lawful high-THC cannabis flower for third parties to produce CBPMs
Revenue growth	Increased market penetration
Inflation linkage	No contractual linkage, although the Company retains the ability to pass on underlying cost increases
Margins	65%+
Currency strategy	No currency risk post construction
Key costs	Staff and electricity

Key operational updates in the period

- Phase 1 of construction completed in September 2023, enabling for c.12,000kg of dried flower to be grown per annum
- In October 2024, Glass Pharms signed a landmark multi-million pound deal with Releaf that will see it grow 145kg of cannabis flower per month to supply CBPMs for Releaf's patients
- Further offtake contracts are being negotiated with several of the UK's top clinics

Operational focus for the year ahead

- Principal focus is to continue ramp-up operations, carefully managing costs and attracting new offtake partners which presently rely on imported sources

Value enhancement opportunities

- Longer term, once the facility has reached its current capacity, there is scope to undertake phase 2 of construction – intended to facilitate more than double the current volume capacity. The expansion would be funded from free cash generated by the Glasshouse

Sustainability credentials

- Co-location: other wasted heat from the co-located AD facility is used to both heat and cool the facility, avoiding the emissions usually involved in heating
- Circular water saving: rainwater is harvested from the glasshouse roofs and recycled around the facility
- Advanced glasshouse design using 45% of the energy compared to indoor growing. Patent pending

Principal risks and mitigants

	Risk	Mitigant
#1	Lower than modelled demand leading to failure to reach breakeven cash flows	Short-term shortfalls managed through ability to control production levels to match offtake requirements, minimising wastage. Longer-term shortfalls mitigated through alternative production opportunities
#2	Poor harvest	Reliability of harvests increased through the controlled nature of the growing environment, advanced glasshouse technology and extensive experience of the growing team
#3	Change in regulation	In addition to the existing licence, Glass Pharms is actively engaged with regulators and ministers on the benefits of medical cannabis. Independent research shows that prescribing medical cannabis for chronic pain could save the NHS nearly £4 billion each year by reducing reliance on more expensive alternative treatments

Asset spotlight continued

Rjukan

Land-based recirculating aquaculture facility in Norway

Investment highlights

Acquisition date	July 2022
Ownership	58% Foresight Rjukan HoldCo Limited (FGEN and Foresight ITS) and 42% Hima Seafood
Investment to date/ total commitment	£42.9 million invested/£1.5 million remaining commitment
Operational status	Partial operations: first fish tanks have been constructed with first eggs delivered in January 2024 and subsequent deliveries accepted throughout 2025. Construction now materially complete
Timetable to completion	Q4 2025
Location	Rjukan, Norway
Basis of FGEN valuation	Cost
FGEN equity value	£42.9 million
Percentage of portfolio value	6%
Gearing	External debt (PCP) – 12% during construction, 11% during operations. Debt is to be refinanced in June 2028
Life of investment	34 years
Expected return range	Low double-digit IRR
Source of funding	FGEN and Foresight ITS

Investment overview

Rjukan is a land-based trout farm based on technology that recirculates pure, clean mountain water. The technology is known as a recirculating aquaculture system ("RAS") and is the most sustainable, scalable and environmentally conscious form of aquaculture production available today. The facility is capable of producing c.8,000 tonnes of trout (or 22,000,000 dinners) per year which is to be sold to European and international salmonid markets.

Driven by a growing global population and an expanding middle class, the world faces an increasing demand for quality protein amid limited resources of usable land and water. Fish, including salmonids such as salmon and trout, are considered one of the most efficient sources of high-quality animal protein due to the rate at which fish convert feed into edible mass, its high protein retention and high rate of edible meat per kilogramme, as well as various nutritional benefits.

Investment attractions

- Key environmental infrastructure needed to decarbonise food production and agriculture sectors for a growing population
- Rising global demand for quality, sustainable protein sources from sustainable practices
- Unique location providing access to a high-quality source of fresh water and renewable electricity
- Access to established Norwegian seafood markets
- Favourable regulatory environment presenting tax advantages for fully land-based controlled environment projects
- FGEN investment structured via preferred equity instruments with emphasis on downside protection and alignment of incentives with developer and minority shareholders

CE Rjukan construction

Asset spotlight continued

Revenue structure and key cost base

Sources of revenue	Sales of trout
Revenue growth	First harvest in 2025, reaching steady state of c.7.8kt in 2027
Inflation linkage	Implicit inflation linkage via fish commodity pricing
Margins	c.40%
Key costs	Feed, power and staff
Currency strategy	Construction costs are substantially hedged but revenues are currently exposed to FX risk (NOK/GBP). Can consider income hedge in due course

Key operational updates in the period

- Appointment of new CEO focused solely on management of Rjukan
- Construction progressing to plan with first harvest due in July 2025

Operational focus for the year ahead

- Construction expected to complete in latter part of 2025 with first trout harvest expected at similar timeframe
- Marketing continues to ramp up, including branding exposure at events such as the Barcelona Fish Expo which is attracting interested offtakers

Value enhancement opportunities

- Potential to find efficiencies including increasing fish size before sale and additional batches etc
- Estimated output of 4,500mt organic fertiliser which can be sold to neighbouring industries and farming communities

Sustainability credentials

- Land-based aquaculture can provide a range of benefits compared with alternative methods of aquaculture, such as improved fish mortality rates, less local environmental degradation, a lower use of antibiotics and other chemicals to control disease and parasites, and a controlled environment supporting factors such as temperature, salinity and oxygen levels resulting in optimal growth conditions and consistent fish quality
- RAS is the most sustainable, scalable and environmentally conscious form of aquaculture production available today
- Facility to use close to 100% renewable energy on site and 99.7% of water is being recycled through RAS

Principal risks and mitigants

	Risk	Mitigant
#1	Construction risks such as delays, cost overruns, or failure to meet output specs	Contracts with experienced RAS counterparties for design and construction, with customary liability packages and liquidated damages arrangements
#2	Operational risks including risks that costs are higher than forecast or that the overall production value is lower than forecast	Some contractual protections through EPCs and risk transfer to operational counterparties. Strengthening in-house management team, robust budgeting and benchmarking against established comparable businesses, and internal controls for early identification of any potential issues
#3	Financing risk, including inability to service debt leading to default	Regular forecast updates to monitor loan compliance and coverage, and engagement with lender as required

CE Rjukan aquaculture facility

Risks and risk management

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

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

Pages 54 to 64 of this report detail the principal and emerging risks that the Directors consider are material and which potentially could impact the Company or occur in an environmental infrastructure project such as those invested in by the Company.

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

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

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

Risk identification and monitoring

Three lines of defence

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

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

Third line of Defence ("3LoD"): This provides independent risk assurance to the Board and senior management about the adequacy of the overall risk and control framework, and establishes a mechanism for assessing the effectiveness of the risk management and control activities of the first and second lines. FGEN has a separate Risk Committee, comprising five non-executive Directors, which is responsible for overseeing and advising the Board on the current and potential risk exposures of the Company, with particular focus on the Group's principal risks, being those with the greatest potential to influence shareholders' economic decisions, and the controls in place to mitigate those risks. The Board believes that the FGEN Risk Committee provides effective challenge to the risk and compliance frameworks set in place by the Investment Manager. The Board acknowledges that this is not equivalent to an independent internal audit function but that it provides a sufficient and proportionate approach. The Board feels they have a sufficient level of oversight of the internal controls in place.

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

Risks and risk management continued

Risk management framework

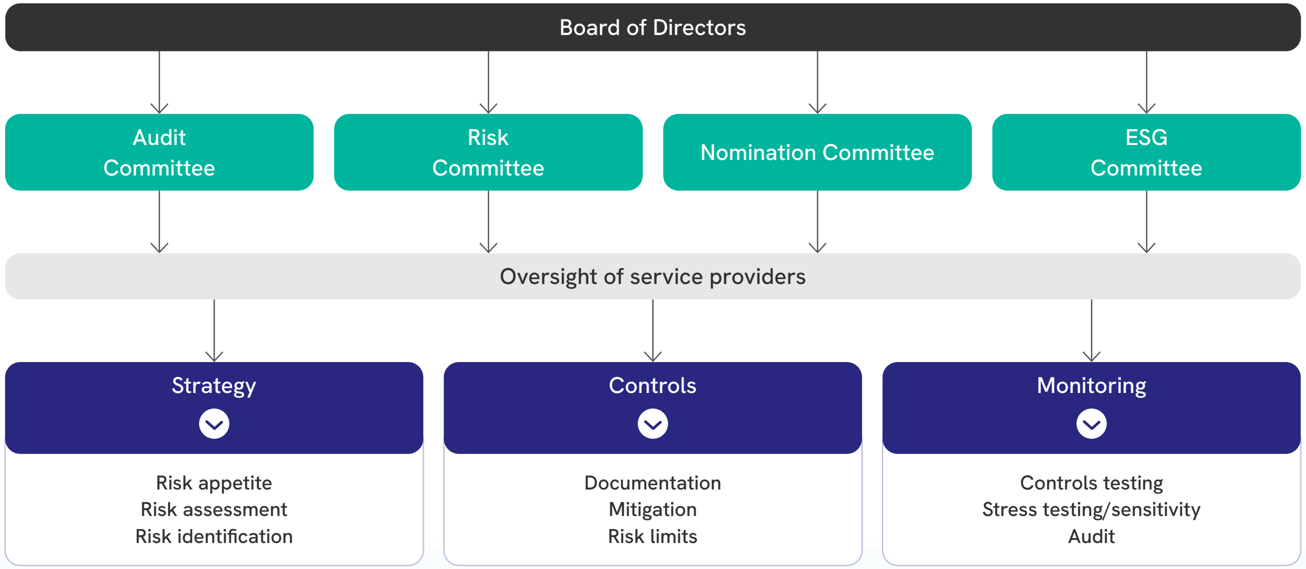
FGEN has a comprehensive risk management framework and risk register that assesses: a) the probability of each identified risk materialising; and b) the impact it may have on FGEN.

Mitigations and, where applicable, controls have been developed with respect to each risk so as first to reduce the likelihood of such risk occurring and secondly to minimise the severity of its impact in the case that it does occur.

The risk register is a "live" document that is reviewed and updated regularly by the Risk Committee as new risks emerge and existing risks change.

The principal risks faced by the Group are formally reviewed by the Risk Committee at each quarterly meeting and the Committee reports to the Board in respect of changes to the general risk environment and material developments in already identified risks.

Each of the underlying projects is overseen by an experienced portfolio manager who reports to their individual project board. The portfolio managers maintain strong relationships between counterparties, contractors, third-party asset managers and other stakeholders. This ensures effective management of potential risks.



Emerging risks

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

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

i) Ongoing uncertainty over energy market reform in the UK, with perhaps the most critical issue being the extent of reform to locational and operational signals in the electricity market, with the most drastic action under consideration being the implementation of zonal pricing across the UK. This is a topic of fairly fierce debate within central government, with further updates from DESNZ expected in mid-2025.

ii) The re-election of the Trump administration and the related global impacts of inflationary policies with the "America First" approach leading to the risk of heightened geopolitical tensions, and inflationary impacts of the trade and tariff wars leading to increasing costs across supply chains.

iii) Whilst not during the period, the most recent escalation of the situation in the Middle East, with direct US involvement in the broader Iran/Israel conflict, has the potential to heighten geopolitical tension further and disrupt both energy pricing and global supply chains, amongst other potential implications.

Risks and risk management continued

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

Key:

1 Interest rates
2 Access to capital
3 Adverse movement in inflation
4 Changes in regulation and government support
5 Reputational
6 Ramp-up risk
7 Asset exposure to weather resource
8 Climate change – physical risk
9 Volume and cost of feedstock resource
10 Cyber risk
11 Exposure to market power prices
12 Construction and development issues
13 Operational risk

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

Strategic, economic and political

Operational, business, processes and resourcing

Financial and taxation

Compliance and legal

Asset specific

ESG

This year we are only detailing the most pertinent principal risks affecting the Company. We have identified 13 risks within two of the above-mentioned categories. These risks are summarised below, followed by a detailed discussion of the mitigating factors.

See more on climate-related risks in our Sustainability and ESG report on pages 83 to 86.

Risks and risk management continued

Risk type	Change in year	Potential impact	Mitigations	Controls	Link to Fund objectives	Residual risk
Strategic, economic and political						
1 Interest rates	with interest rates continuing to be at elevated levels	• Interest rate increases may impact on the Fund in several ways: i. Valuation of the portfolio through the discount rate applied to perform the DCF calculations. ii. FGEN cash flows to the extent that interest on borrowings was determined according to floating rates. iii. Interest rates and rates of return from other asset classes impact the relative attractiveness of FGEN returns to investors, which could impact on investor appetite to invest in the Fund.	• Using interest rate swaps and fixed rate loans, finance costs are fixed at the time of the contract being signed, substantially reducing interest rate risk. • Selection of discount rates based on market intelligence. • Detailed cash flow modelling to predict the impact of increasing interest rates.	• Foresight's Valuation Committee meets quarterly to assess the valuation of the Company, as prepared by the finance and valuations teams; which includes assessment of the discount rates. • This valuation is reviewed and signed off by the FGEN Board at quarterly valuation meetings that inform the Company's NAV updates. • An independent verification of the Company's valuation methodology and assumptions is conducted by PwC.		High
2 Access to capital		• The challenging macroeconomic backdrop continued in 2024, with the Company's share price, as per the wider renewable infrastructure investment trust sector, continuing to trade at a material discount to NAV, leading to an inability to raise new equity. • As a result, there is a risk that FGEN is unable to achieve its stated ambition of growing the portfolio by acquiring new assets due to a lack of funding, which could result in long-term NAV decline.	• The Company has maintained a disciplined approach to capital allocation over the period in order to help address the discount, which has focused on paying down debt and returning capital to shareholders via buybacks. • The Investment Manager has announced its medium-term disposal programme, targeting exit from its growth assets once sufficiently mature in order to generate proceeds that can be used under the allocation strategy as decided by the Board in time, whether that be reinvestment into portfolio growth, further debt repayment, return to shareholders, or a combination.	• The FGEN Investment Committee oversees and monitors the discount controls being applied, with constant evaluation of the best use of available capital in line with the capital allocation policy.		Medium

Change in year: Increased Decreased No change

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

Risks and risk management continued

Risk type	Change in year	Potential impact	Mitigations	Controls	Link to Fund objectives	Residual risk
3 Adverse movement in inflation	No change	• The underlying assets in the portfolio, and therefore the returns expected from them, have some exposure to inflation. This ranges from direct exposure, such as subsidies and service contracts that increase in line with RPI annually, to other revenue and cost items where the link to inflation is not contractual and its effect must be estimated. • In the current inflation environment, there is greater uncertainty than previously about the path that inflation will follow. If inflation is materially lower than the assumptions used in valuations, then there is a risk that the portfolio value will fall. FGEN has adopted an assumption of 3.5% RPI inflation for the current year, dropping to 3% until 2030. • Nominal discount rates are used in the discounted cash flow ("DCF") valuation methodology used to value portfolio assets. There is a risk that discount rates increase in a high inflation environment, impacting valuations.	• Monitoring of market forecasts for inflation and input from the Company's independent valuations specialist regarding inflation assumptions seen in the market. Returns from the assets in the portfolio are highly correlated with inflation due to revenues from PFI assets, green benefits for renewable energy assets and most operational costs being directly linked to an inflation index. This results in a "natural hedge", removing the need for the use of derivatives to mitigate inflation risk. • The adoption of a "progressive" dividend policy rather than an explicitly "inflation-linked" one gives the Company additional flexibility to set dividend targets at a sustainable level. Higher inflation rates may mitigate the impact of higher interest rates.	• The Foresight Valuation Committee will approve assumptions used in the valuation and the FGEN Board has ultimate authority over the portfolio valuation. • An external review of valuations and valuation methodology is also undertaken by PwC.	Long-term predictable income growth for shareholders; Potential for capital growth	Medium

Change in year: Increased Decreased No change

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

Risks and risk management continued

Risk type	Change in year	Potential impact	Mitigations	Controls	Link to Fund objectives	Residual risk
4 Changes in regulation and government support	Increased	• Risk that regulatory, legal or contractual change in the general structure of electricity network charging regime or basis of use leads to increased costs for FGEN's renewable energy projects or lower revenues than forecast, negatively impacting cash flow and portfolio valuation (with energy market reform in the UK as the most acute risk at present). • FGEN is required to comply with certain regulations, being a Guernsey company listed on the London Stock Exchange ("LSE"), including those under the Alternative Investment Fund Managers Directive ("AIFMD") and the Foreign Account Tax Compliance Act ("FATCA"). There is a risk that failure to comply with any of the relevant rules could result in a negative reputational or financial impact on the Company. • The newly emerging area of climate-related disclosures is changing rapidly as understanding of what constitutes best practice evolves. There is a risk that FGEN fails to disclose properly against the new requirements or that investors consider disclosures to be insufficient.	• Cultivating links with trade bodies and relevant government departments in order to keep abreast of proposed regulatory changes and lobby for the Fund's interests. • Maintaining a diversified portfolio so no one set of regulatory risks related to a single technology predominates, alongside scenario planning to inform the Risk Committee on potential impact or likelihood changes. • The Investment Manager engages with specialist consultants to assist with developing forecasts reflecting changing network regulations.	• Through Foresight's comprehensive compliance monitoring programme, FGEN ensures that it remains well informed as to the legislation, regulation and guidance relevant to both the Company itself as well as the project entities in which it invests. • The Board monitors compliance information provided by the Administrator, Company Secretary, Investment Manager and legal counsel and monitors ongoing compliance developments relevant to a Guernsey company listed on the LSE.	Long-term predictable income growth for shareholders; Diversification across sectors and geographies for a more robust, risk-adjusted return; Potential for capital growth	Medium

Change in year: Increased Decreased No change

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

Risks and risk management continued

Risk type	Change in year	Potential impact	Mitigations	Controls	Link to Fund objectives	Residual risk
5 Reputational	Increased	• Risk that something occurs that is perceived by investors or other market participants to damage FGEN's reputation, such that they do not wish to do business with FGEN. • FGEN's activities span a range of environmental infrastructure sectors with multiple touchpoints with local stakeholders, regulators, contractual counterparties, local communities and other parties who are active in the areas in which FGEN operates. As FGEN grows and its operations become more complex, the risk that FGEN is considered to have acted improperly increases, leading to reputational damage and investors avoiding the Company's shares. • FGEN aims to conduct its business in accordance with ESG principles and is public in this aim. The ESG landscape is changing rapidly and there is increased scrutiny of businesses' claims in this area. FGEN could suffer reputational damage if it is considered to be "greenwashing" or falling short of ESG standards, leading to investors avoiding the Company's shares.	• FGEN engages its own PR advisers, who would be able to assist in the event of risk to reputation. It will also need to consider the possibility of reputational events occurring that effect the Foresight brand. • The FGEN Investment Committee also has responsibility for approving investments where risk to reputation is a possibility. • On sustainability matters, the Company is advised by the Investment Manager and where appropriate it is advised by external consultants with specific expertise.	• Regular monitoring of news sources is conducted by the Foresight marketing team to identify and address potential issues. • As a regulated entity, the Investment Manager conducts specific training on anti-greenwashing and adherence to the FCA Handbook for its relevant employees.	Long-term predictable income growth for shareholders; Diversification across sectors and geographies for a more robust, risk-adjusted return; Potential for capital growth	High

Change in year: Increased Decreased No change

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

Risks and risk management continued

Risk type	Change in year	Potential impact	Mitigations	Controls	Link to Fund objectives	Residual risk
Operational, business, processes and resourcing						
6 Ramp-up risk	Increased	• The three growth assets in the FGEN portfolio, i.e. Rjukan, CNG and the Glasshouse, are all in various stages of ramp-up, with Rjukan targeting first harvest in the summer, CNG further station rollouts and higher volumes of dispensed gas, and the Glasshouse further sales and market penetration. • There is a risk that the operational and sales ramp-up across the assets does not progress as envisaged due to issues such as delays in timing, technical issues, production volumes being lower than forecast, infection risk, pricing and sales volumes.	• Use of suitably experienced contractors. • Conservative modelling assumptions with respect to pricing and ramp-up periods, including short-term liquidity monitoring. • Regular monitoring and oversight of management team for early identification of issues.	• The approval of project directors is required for all activities, meaning that there is constant oversight and early flagging of any potential risks. • The Foresight Portfolio Oversight Committee and the FGEN Risk Committee are kept appraised of all such potential risks, and ensure that the appropriate processes are in place for comprehensive monitoring, and application of mitigations.	Long-term predictable income growth for shareholders; Diversification across sectors and geographies for a more robust, risk-adjusted return; Potential for capital growth	Medium

Risks and risk management continued

Risk type	Change in year	Potential impact	Mitigations	Controls	Link to Fund objectives	Residual risk
7 Asset exposure to weather resource	Increased	• By the very nature of wind, solar and water-related environmental infrastructure projects, their financial performance is dependent on the volume of weather resource available over time, whether measured through wind speeds, irradiance or millimetres of rainfall. These are factors outside the control of FGEN or the projects themselves, with the risk of a significant effect on performance if the outcome is significantly different from the assumptions made in forecasting revenue and costs and hence returns to FGEN.	• For renewable energy projects there is a degree of protection from this variability in weather resource from portfolio diversification, as solar is more productive in the summer and wind more productive in the winter, with the absolute level of resource being weakly negatively correlated. • On all projects, technical consultants are employed to advise on the assumptions which should be made regarding volume and its impact on performance for each individual asset. • Risks in this area diminish over time as operational track record provides a stronger base for forecasts than consultants' estimates. • The Investment Manager periodically reviews the performance of the asset and adjusts assumptions where necessary.	• Foresight's Valuation Committee meets quarterly to assess the valuation of the Company, as prepared by the finance and valuations teams, which includes assessment of the discount rates. • This valuation is then reviewed and signed off by the FGEN Board at quarterly valuation meetings that inform the Company's NAV updates, as well as an annual review by PwC. • Foresight Investment Committee (for project financing approach); FGEN Investment Committee.	Long-term predictable income growth for shareholders; Diversification across sectors and geographies for a more robust, risk-adjusted return; Potential for capital growth	High
8 Climate change – physical risk	No change	• Climate-related physical risks are related to the potential physical impacts of both acute (extreme) weather events and chronic changes to climate patterns. • This risk has the potential to impact FGEN's assets, which could impact portfolio returns.	• The risk is mitigated in part by owning a portfolio that is diversified by location, technology, resource use and revenue make-up. • Further information on mitigants is provided in the Sustainability and ESG report on page 87.	• Climate-related risks are monitored by the Investment Manager and reported to the ESG Committee and Risk Committee. • Disaster recovery planning is in place for loss of systems in the event of severe physical risks occurring.	Long-term predictable income growth for shareholders; Diversification across sectors and geographies for a more robust, risk-adjusted return; Potential for capital growth	Medium

Change in year: Increased Decreased No change

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

Risks and risk management continued

Risk type	Change in year	Potential impact	Mitigations	Controls	Link to Fund objectives	Residual risk
9 Volume and cost of feedstock resource	No change	• For environmental infrastructure assets that need to source feedstock or analogous resources, there are risks associated with the volume of feedstock available and the costs or revenues associated with it. If sufficient feedstock is not available for an asset to operate at its optimum level, or feedstock is only available at a cost that is more expensive than the investment case, then FGEN's returns can be materially affected.	• The feedstock assumptions used for valuations are based on recent experience and the views of dedicated staff who are active in those markets. • The assets in FGEN's portfolio that rely on supplies of feedstock benefit from dedicated staff (whether employed by service providers or directly by the asset) who work to source suitable feedstock at the best price available. • For agri-anaerobic digestion sites, it is common to agree feedstock contracts that adjust for the dry matter content in the biomaterial and relate pricing to that energy content and volume which is delivered. Should a shortfall of a particular feedstock be likely, for instance due to a poor harvest, substitute feedstocks are widely available.	• The Foresight Valuation Committee will approve assumptions used in the valuation and the FGEN Board has ultimate authority over the portfolio valuation. PwC also independently reviews.	Long-term predictable income growth for shareholders; Potential for capital growth	Medium
10 Cyber risk	Increased	• There exists a threat of cyber attack in which a hacker or computer virus may attempt to access the IT systems of Foresight Group, the Investment Manager, the Administrator or one of the project companies and attempt to destroy or use the data for malicious purposes. While FGEN considers that it is unlikely to be the deliberate target of a cyber attack, there is the possibility that it could be targeted as part of a random or general act.	• FGEN and the project SPVs' information technology providers have procedures in place to mitigate cyber attacks and data is separately stored on multiple servers which is backed up regularly. • A service provider has been engaged to provide enhanced cyber security for the wind portfolio including monitoring of all internet traffic into the wind sites. This is now being rolled out to the rest of the portfolio.	• FGEN has no dedicated IT systems and it relies on those of its service providers, principally the Investment Manager and Administrator, which have procedures in place to mitigate cyber attacks and have robust business continuity plans in place. • Project SPV providers have in place business continuity plans.	Long-term predictable income growth for shareholders	Medium

Change in year: Increased | Decreased | No change

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

Risks and risk management continued

Risk type	Change in year	Potential impact	Mitigations	Controls	Link to Fund objectives	Residual risk
11 Exposure to market power prices	No change	• The revenues of the renewable energy-generating assets are dependent to some extent on the market price of electricity and natural gas, which is out of the control of FGEN. There is a risk that the actual prices received vary significantly from the model assumptions, leading to a shortfall in anticipated revenues to FGEN. • The Company has introduced battery storage assets into the portfolio. These assets also earn revenues that are determined by electricity markets, although the business model is more complex than for generators such as wind and solar assets.	• The risk of exposure to variations in electricity and gas prices from assumptions made is mitigated by FGEN in the following ways: i) short-term PPAs are used to fix electricity and gas prices for between one and three years ahead depending on market conditions and many have floor prices; ii) forward prices based on market rates are used for the first two years where no fix is in place; and iii) quarterly reports from independent established market consultants are used to inform the electricity prices over the longer term used in the financial models. FGEN blends forecasts from three consultants to reduce volatility in assumed prices from period to period. • FGEN invests in a diversified portfolio of environmental infrastructure assets that earn revenues that do not depend on merchant power sales. At the year end, 72% of the portfolio's underlying lifetime revenues, on an NPV basis, were not related to sales of merchant power.	• Foresight's Valuation Committee meets quarterly to assess the valuation of the Company, as prepared by the finance and valuations teams, which includes assessment of the power price assumptions. This valuation is then reviewed and signed off by the FGEN Board at quarterly valuation meetings that inform the Company's NAV updates, and independently reviewed by PwC.	Long-term predictable income growth for shareholders; Diversification across sectors and geographies for a more robust, risk-adjusted return; Potential for capital growth	Very high
12 Construction and development issues	Decreased	• Projects in the pre-construction or construction stages are subject to risks associated with the underestimation of the time or costs involved in bringing the project to operations. Projects may also not operate as well in practice as was assumed in the investment case. • Given the progression of the construction-stage assets in the portfolio, this risk is now decreased compared to the previous period, but it continues to be monitored. There are no development-stage assets currently in the portfolio.	• The Investment Manager conducts due diligence by suitable external consultants on material aspects of the project, including, but not limited to, market, regulatory environment, land and permits, and construction programme. • Portfolio diversification: at the year end, only 8% of the portfolio was invested in construction and development-stage assets.	• The Foresight Investment Committee and the FGEN Investment Committee assess the opportunity, including the findings from and the adequacy of the due diligence programme, prior to committing funds. • Ongoing monitoring of the project by the Investment Manager, including potential delays and cost overruns as part of its Portfolio Oversight Committee.	Long-term predictable income growth for shareholders; Potential for capital growth	Medium

Change in year: Increased Decreased No change

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

Risks and risk management continued

Risk type	Change in year	Potential impact	Mitigations	Controls	Link to Fund objectives	Residual risk
13 Operational risks	No change	• There is a risk that a health and safety event at an FGEN-owned site could lead to increased costs to prevent further occurrences and loss in revenue. FGEN's reputation could be adversely affected by publicity generated by a health and safety event. • There is a risk that poor performance by sub-contractors, or in the event of having to replace a sub-contractor, that a replacement may only be found at a higher cost, could adversely affect project cash flows. • In the event of a single project suffering from a material issue, distributions to the Fund could possibly be impacted absolutely or for a period of time whilst the issue is resolved. This includes grid outages and constraints resulting in a project being unable to export power and earn associated revenues. • The concession-based assets are approaching handback, with the risk of unbudgeted costs needed to meet the required standards of the third party.	• Assets are monitored by the Investment Manager to address risks as they are identified. • The use of a diverse range of service providers supplying management, operational and maintenance services ensures any failure of a single service provider has a minimal impact. This risk is mitigated in part by the diversification represented by FGEN's portfolio of assets. • The portfolio has material damage and business interruption insurance policies in place to cover against potential losses, although these do not typically cover grid outages. Asset managers mitigate the impact of this by maintaining a dialogue with network operators and influencing them as to when such outages occur.	• The Board has a regime in place overseen by the Audit Committee, which provides the necessary comfort that the internal control systems at the Investment Manager, the Administrator and the operating companies are effective. • Each project asset has health and safety policies overseen by its board of directors, with health and safety a standing agenda item. RIDDOR reports are reviewed at every board meeting, and independent specialists conduct regular audits. • Foresight's Valuation Committee meets quarterly to assess the valuation of the Company, as prepared by the finance and valuations teams; which includes assessment of the valuation impact of a component failure. This valuation is then reviewed and signed off by the FGEN Board at quarterly valuation meetings that inform the Company's NAV updates, with independent review from PwC.	Long-term predictable income growth for shareholders; Diversification across sectors and geographies for a more robust, risk-adjusted return; Potential for capital growth	Low

Change in year: Increased Decreased No change

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

Stakeholder engagement

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

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

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

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

FGEN's principal stakeholders comprise of shareholders, the Investment Manager, commercial service providers, asset-level counterparties, local communities and debt providers. Pages 67 to 69 explain why and how the Company engages with these stakeholders and the actions taken by it to ensure their interests are understood and considered in the Board's strategic decision-making. These relationships are considered fundamental to the Company's sustainability and are monitored carefully by the Board.

FGEN recognises that community engagement at our sites is an ongoing process and that at times problems can arise before we can address them; however, it is our stated objective to develop positive relationships with the communities in which we operate.

Continually improving our communications, complaints handling processes and access to relevant information for local residents is a priority. These goals have formed part of our ESG metrics. More information can be found on page 102.

Section 172

The considerations and activities undertaken by the Directors in complying with Section 172(1), (a) to (f), the stakeholder groups concerned and how the Directors have formed their opinion are set out below.

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

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

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

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

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

Stakeholder engagement continued

Section 172	Commentary
Long-term decisions	The Board considers the likely long-term consequences on all stakeholders as a routine part of its decision-making process. In addition, learning gained over the life of the Company provides evidence on which the effectiveness of past decisions can be assessed and is considered as part of the annual strategy day. Please see page 17 for the investment objectives and business model.
Interests of employees	As an investment company, at a corporate level, the Company does not have any direct employees. However, certain underlying projects of the Company do have employees and their interests are managed at Board level by the respective project company and by third-party asset-level counterparties. Please see page 102 – governance KPIs.
Fostering relationships with suppliers, customers and others	The Board believes that building effective business relationships with suppliers, customers and other key counterparties is crucial to preserving long-term shareholder value. Excluding the Investment Manager, at the corporate level, these stakeholders include the Administrator and Company Secretary, corporate broker, legal counsel, public relations agency, the auditor and tax advisers and banks. At the operational level, this includes asset-level counterparties, local communities and debt providers. Please see page 68 – stakeholder engagement.
Acting fairly between Company members	Each decision taken by the Board considers the interests of shareholders as a whole and safeguards are in place to manage conflicts of interest appropriately when they arise. Please see page 67 – stakeholder engagement, and page 124 – relations with shareholders.
Impact on the community and environment	This topic is extensively covered in the Company's Sustainability and ESG report released annually. Please see page 69 – stakeholder engagement, and pages 75 to 109 – sustainability and ESG.
Maintaining high standards of business conduct	The Board strives to meet or exceed the standards expected of a public company owning and investing in renewable infrastructure assets. Examples include the development of the Company's ESG KPIs, implementing an ESG-linked revolving credit facility and adopting the formation of a dedicated ESG Committee and reporting against the TCFD requirements. Please see pages 75 to 109 – sustainability and ESG.

Stakeholder engagement continued

Shareholders

Providers of equity finance and recipients of income distributions.

63
meetings attended with institutional shareholders

Key stakeholders

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

How has FGEN communicated and engaged?

- AGM, investor roadshows and conferences arranged
- 1:1 meetings with the Investment Manager, Chair and Senior Independent Director
- The Investment Manager arranged a site visit for investors, analysts and debt providers to FGEN's Glasshouse agriculture facility in March 2025 – see case study on page 70
- Responding to investors' queries on financial, strategic and ESG topics and completion of due diligence documentation
- Quarterly financial updates, Annual Report, Sustainability and ESG report, RNS announcements and quarterly factsheets
- Dedicated FGEN website
- Views and feedback sought from institutional shareholders via corporate broker
- Investor research notes produced by QuotedData and frequent articles across traditional print and social media

Key strategic decisions impacting stakeholder group during period

- Dividend target increased by 2.1% to 7.96 pence per share for the financial year to 31 March 2026, in line with investment objective
- Successfully disposed of 10%[1] of the portfolio; proceeds were used to reduce gearing to below 30%
- Active discount control through the share buyback programme – £19.2 million returned to shareholders from 30 August 2024 to 31 March 2025

1. Asset sales of £89.1 million completed during the year, compared to an opening portfolio valuation of £891.9 million.

Investment Manager

Key counterparty responsible for delivering the Board's strategy.

81
site visits by the Investment Manager

Key stakeholders

- Foresight Group
- Foresight Group employees

How has FGEN communicated and engaged?

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

Key strategic decisions impacting stakeholder group during period

- Determination that the Investment Manager maintains a robust internal control environment
- Confirming the continued appropriateness of the Investment Manager's delegated authority to take investment decisions
- Proposed reduction in investment management fee, calculated 50% based on NAV and 50% on market capitalisation, which will result in an annual cost saving of over £800,000
- Effectively managed the renaming and rebranding of the Company following shareholder approval at the 2024 AGM

Stakeholder engagement continued

Commercial service providers

Providers of essential business support services.

11
average years of service

Key stakeholders

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

How has FGEN communicated and engaged?

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

Key strategic decisions impacting stakeholder group during period

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

Asset-level counterparties

Asset-level technical and operational management service providers.

32
number of O&M and MSA providers

Key stakeholders

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

How has FGEN communicated and engaged?

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

Key strategic decisions impacting stakeholder group during period

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

Stakeholder engagement continued

Local communities

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

£587,440

community contributions made

Key stakeholders

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

How has FGEN communicated and engaged?

- Frequent engagement with local authorities and other regulators to ensure safe and compliant operation of our assets
- Actively engaged with local authorities on construction planning and obtaining necessary planning permissions
- Regular interaction between the owners of land on which our assets operate and the Investment Manager's asset management team
- Several community outreach programmes took place during the year to support and educate stakeholder groups. See the case studies in the Sustainability and ESG report on pages 91 and 109 for more information

Key strategic decisions impacting stakeholder group during period

- FGEN donated £587,440 to local community funds over the period, helping to address local needs and promote long-term sustainable and prosperous communities

Debt providers

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

14

number of lenders to the Company and portfolio SPVs

Key stakeholders

- Banks
- Lenders
- RCF agent

How has FGEN communicated and engaged?

- Regular updates provided on covenant compliance and current positioning
- A number of debt providers, together with investors and analysts, attended a site visit to FGEN's Glasshouse agriculture facility learn more about the asset's operations and future performance expectations
- FGEN regularly engages with its lenders on sustainability targets and, as such, the RCF has achieved Sustainability Linked Loan status under the Loan Market Association sustainability provisions

Key strategic decisions impacting stakeholder group during period

- Debt remained a key component of the funding strategy. In line with the Company's stated approach to capital allocation, FGEN continues to maintain one of the lowest levels of gearing in the sector
- As at 31 March 2025 total gearing was 28.7%, with the size of the Company's revolving credit facility ("RCF") reduced from £200 million to £150 million, providing annual cost savings of £0.4 million

Stakeholder engagement continued

Case study

Glasshouse site visit

Stakeholders considered: Shareholders Asset-level counterparties Debt providers

In March 2025, a select group of investors, analysts and debt providers were invited to visit FGEN's state-of-the-art, carbon-negative glasshouse investment, an innovative partnership with Glass Pharms, a UK-based licensed cultivator of cannabis exclusively for the medical supply chain.

The facility's journey began as a unique co-location opportunity to capture and monetise otherwise wasted heat and power generated by one of FGEN's bioenergy assets, and only 13 months after shovels hit the ground, the first plants were in place and growing fast.

Since then, the controlled environment glasshouse facility has continued to flourish and has become an important standalone investment in its own right, becoming the UK's first commercial grower of the heavily regulated tetrahydrocannabinol ("THC") flower for medical use under strict Home Office licence provisions.

The site visit aimed to introduce delegates to medicinal cannabis cultivation, offering insight into the operations, sustainability initiatives, whilst also exploring the broader UK medicinal cannabis industry and future growth prospects of the asset.

Following a presentation by the Glass Pharms management team, delegates were taken on a guided walkabout tour of the facility where they were introduced to the talented growing team. The team showcased the advanced cultivation techniques, including the use of AI systems that continuously optimise growing conditions. This continuous cultivation system uses automation to take the plants on a 12-week journey through various climate chambers to create an accelerated simulation of a growing year. This innovative environment uses about 40% of the power compared to traditional indoor growing facilities and is powered by off-grid green energy from the adjacent bioenergy facility, making the Glasshouse one of the most energy-efficient horticultural facilities in the UK.

The site visit offered delegates a unique opportunity to gain a deeper, more nuanced understanding of the asset and its potential. It provided valuable insight into the expertise of the management team, the quality of the operations and the sustainability benefits.

The Investment Manager and the Board believe that as global demand for cannabis-based medicines grows, the investment is well positioned to generate both revenue and capital growth in FGEN's portfolio.

Glasshouse site visit

Investment policy

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

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

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

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

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

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

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

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

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

Investment restrictions

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

- the substantial majority of investments in the portfolio by value and number will be operational. The Company will not acquire investment interests in any investment if, as a result of such investment: (i) 5% or more of the NAV is attributable to environmental infrastructure in the development phase (including in developers or development funding structures); or (ii) 25% or more of the NAV is attributable to projects that are either in the development phase (including in developers or development funding structures) or are in construction and are not yet fully operational;
- at least 50% of the portfolio (by value) will be based in the UK and the Company will only invest in environmental infrastructure located in the UK, member states of the European Union or OECD countries and, accordingly, the Company will not make any investment if, as a result of such investment, more than 50% of the NAV immediately post-acquisition would be attributable to investments that are not based in the UK; and
- it is intended that interests in any single investment acquired will not have an acquisition price (aggregated with the value of any existing investment in the relevant project, asset or business if relevant) greater than 25% of the NAV immediately post-acquisition. In no circumstances will a new acquisition exceed a maximum limit of 30% of the NAV immediately post-acquisition.

Investment policy continued

Borrowing and gearing

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

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

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

Hedging

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

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

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

Cash balances

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

Origination of further investments

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

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

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

Investment policy continued

Potential disposal of investments

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

Amendments to and compliance with the investment policy

Material changes to the investment policy of the Company may only be made in accordance with the approval of the shareholders by way of ordinary resolution and (for so long as the ordinary shares are listed on the official list maintained by the Financial Conduct Authority) in accordance with the Listing Rules. Minor changes to the investment policy must be approved by the Directors.

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

ELWA waste management site

Sustainability and ESG

In this section:

Bilsthorpe wind farm

Sustainability and ESG

ESG Committee Chair's foreword

"This year we are proud to report strong progress across several key areas of our ESG agenda."

Jo Harrison
Chair, ESG Committee

This year has marked a significant step forward in our environmental, social and governance ("ESG") journey. We recognise the value of transparent, credible and decision-useful sustainability reporting for our stakeholders and continue to evolve our disclosures with that goal in mind. We are proud to report strong progress across several key areas of our ESG agenda.

This year's reporting has started our process of aligning with the International Sustainability Standards Board ("ISSB") Disclosure Standards, IFRS S1 and S2, which will be central to global sustainability-related financial disclosures going forward. In parallel, we have developed a set of voluntary disclosures under the UK's Sustainability Disclosure Requirements ("SDR"), in keeping with our approach of being an early adopter of ESG standards.

In a key milestone for the year, we published our first transition plan in line with the Transition Plan Taskforce ("TPT") Disclosure Framework. This plan is a critical part of our long-term net-zero strategy and underscores both our leadership and our willingness to contribute to the development of global best practice. Additionally, the transition plan is able to be expanded in future to cover other strategic targets, including biodiversity.

In partnership with environmental geospatial consultancy Frontierra and supported by a grant from the UK Space Agency, our Investment Manager developed a nature and climate reporting platform. FGEN's portfolio was used to inform development of the platform, which has been integrated across all of FGEN's assets. The platform provides real-time, location-specific insights into physical climate risks and nature-related factors, strengthening investment decisions and supporting long-term value creation. The insights produced have particular value during due diligence processes by identifying assets most exposed to physical risks such as flooding, drought or soil erosion, thereby supporting proactive mitigation strategies and effective budget setting.

To enhance the credibility of our ESG data, we have also commissioned third-party assurance of our core non-financial metrics, verified to the ISAE 3000 standard, as part of this reporting cycle. This reflects our commitment to high-quality, reliable disclosures that support stakeholder trust and informed decision-making.

Looking ahead, our ambition remains focused and has been clarified by this year's transition planning process. Our strategy is being shaped by our long-term Strategic Ambition: to be net zero by 2050, to be resilient to the changing climate and to contribute towards a more sustainable future. We are confident that the work undertaken this year lays a strong foundation for further progress and continued leadership in the years to come.

Jo Harrison
Chair, ESG Committee

23 June 2025

Sustainability and ESG continued

At a glance

Publication of FGEN's transition plan

In FY24/25, FGEN voluntarily published its first transition plan, prepared in line with the Transition Plan Taskforce ("TPT") Disclosure Framework. This transition plan sets out FGEN's approach to the low-carbon transition and achieving its net-zero target. Further information on the process followed is set out on page 81. In particular, the transition plan formalises two key areas:

FGEN's Strategic Ambition

FGEN's activities are aligned with the transition to a low-carbon economy by way of investing in a diversified portfolio of environmental infrastructure, including infrastructure assets, projects and asset-backed businesses that utilise natural or waste resources or support more environmentally sustainable approaches to economic activity. The TPT Disclosure Framework requires entities to state their Strategic Ambition and describe how their activities align with, or promote, that Ambition. The Board of Directors considers FGEN's Strategic Ambition to be a complementary driver to delivering on its investment objectives in an evidenced and effective manner.

The Company's Strategic Ambition states:

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

Operational targets

The transition plan formalised a series of operational targets to facilitate further integration of GHG considerations into investment and portfolio decision-making. The short-term targets are shown in the table on page 99, with the full set of targets set out in the transition plan document, available on the Company's website[1], at pages 19 and 20.

Voluntary publication of SDR disclosures

Although FGEN, as a Guernsey company, does not fall within the scope of the UK Sustainability Disclosure Requirements ("SDR") and investment labels, the Board made the decision to voluntarily determine an SDR equivalent label and publish associated disclosure documents. In FY24/25, FGEN finalised and published the documents that offer equivalence to the Sustainability Focus label. These disclosures are available on the Fund's website[1]. Further information is set out on page 81.

Data assurance for ESG metrics

This year, FGEN has obtained third-party assurance to verify a suite of key sustainability metrics in accordance with ISAE 3000. In the future, FGEN intends to undertake this third-party assurance each year to align with best practice in sustainability disclosure. Further information on FGEN's data assurance for FY24/25 is set out on page 104. All metrics marked with an asterisk from pages 77, 101 to 102 and 106 to 108 have been included in the assessment for limited assurance.

Developing understanding of nature-related risks and opportunities

Funded by a grant from the UK Space Agency, the Investment Manager has worked with a third party, Frontierra, to develop a platform to understand the portfolio's interface with nature, helping to better understand nature-related risks and opportunities across the portfolio. Further information is set out on page 95.

1. https://www.fgen.com/investors/reports-and-publications.

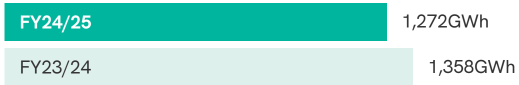
Sustainability and ESG continued

At a glance

Sustainability metrics

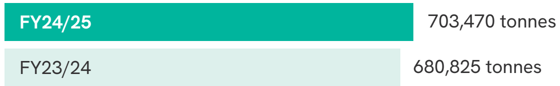
Renewable energy generated

1,272* GWh



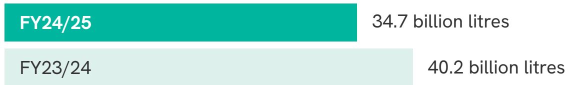
Waste diverted from landfill

703,470* tonnes



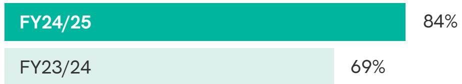
Wastewater treated

34.7* billion litres



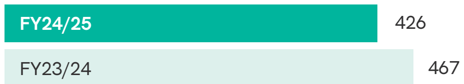
Percentage of fully owned operational UK sites with a biodiversity management plan in place

84%*



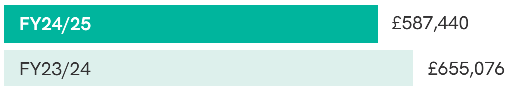
Full-time equivalent jobs supported

426



Contributed to community funds

£587,440*



* Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out on page 104.

Awards

FGEN has been shortlisted for a number of awards this past year:

edie Awards 2024
Sustainability Reporting and Communications

IR Magazine Europe 2024
Best ESG Reporting (small cap)

IR Society Best Practice Awards 2024
Best Communication of Sustainability (mid cap)

Investment Week – Sustainable Investment Awards 2024
Best Sustainable Specialist Fund

2024 Investment Company of the Year Awards
Renewables and Energy Infrastructure

AIC Shareholder Communication Awards 2024
Best ESG Communication

Sustainability and ESG continued

Governance

FGEN's governance of ESG and climate-related risks and opportunities is formalised through clear communication and information flows between its Board of Directors, ESG Committee and Investment Manager. Summaries of these information flows are set out below.

FGEN Board

FGEN's Board holds overall responsibility for decision-making in relation to ESG, including topics such as climate-related risks and opportunities, transition planning and the Company's Strategic Ambition. Information on FGEN's Board of Directors can be found on pages 116 and 117 and on FGEN's website[1]. The Board meets quarterly and is advised by the Chairpersons of both the ESG Committee and Risk Committee at each meeting. Among its other responsibilities, the Board conducts an annual review of the performance of the Company's Investment Manager, as well as other service providers and professional advisers.

ESG Committee

The Board delegates the detail of its ESG oversight to the ESG Committee, which holds responsibility for a range of ESG-related duties in its mandate including, but not limited to:

- Guiding, supervising and supporting the Investment Manager in the drafting and periodic review of the Sustainability and ESG strategy.
- Overseeing the Company's ESG strategy and Strategic Ambition, including key objectives and key performance indicators ("KPIs"), and working with the Audit Committee to monitor progress against KPIs.
- Assessing and prioritising ESG risks and opportunities, including climate change risks, and liaising with the Risk Committee to integrate relevant material risks into the Company's risk register.
- Overseeing the selection of any external service providers to audit the Company's ESG-related performance.

The ESG Committee Chair is responsible for formally reporting to the Board after each meeting on all matters within its duties, including any area where action or improvement is required. Information on the committee membership can be found on FGEN's website[1].

The FGEN ESG Committee is held as a minimum twice a year, with the Investment Manager presenting an ESG Committee paper for their review and consideration. The Committee and the FGEN Board review performance against the Fund's ESG objectives, the stipulated KPIs and other sustainability and ESG metrics.

Decisions made by the ESG Committee and the Board in relation to ESG strategy are communicated to the Investment Manager, which integrates these decisions into its management of the Fund, including transaction decisions and risk management.

Investment Manager

FGEN does not have any direct employees and, instead, actively engages with its Investment Manager, Foresight Group, to deliver on its ESG commitments. The investment management team is responsible for overall oversight of the FGEN portfolio.

The Investment Manager role includes a mandate to progress the sustainability and ESG objectives of the Fund, including the Strategic Ambition, as well as to identify, assess and manage ESG and climate-related risks and opportunities. The Investment Manager's Portfolio Lead for the Company is responsible for both ensuring that appropriate governance and policies are in place across the portfolio of assets, and for tracking the ESG KPIs, which include carbon metrics. Further information on the Investment Manager's skills and experience can be found on pages 9 to 11.

The Investment Manager's management team works directly with, and is advised by, Foresight Group's sustainability team, which comprises sustainability professionals who hold responsibility for ESG and sustainability across Foresight Group. Further information on the sustainability team can be found on Foresight's website[2].

The Investment Manager's management team, Portfolio Lead and members of the Sustainability team attend the ESG Committee meetings to report on progress against FGEN's stated ESG objectives (including the Strategic Ambition). Any initiatives to better the performance and responsible management of assets are agreed in those committee meetings.

1. https://www.fgen.com/about-us/people.
2. https://www.foresight.group/about-us/people.

Sustainability and ESG continued

Governance

Investment Manager PRI scores

Robust integration of ESG into the investment lifecycle: Foresight Group is a signatory to the Principles for Responsible Investment ("PRI"), a set of voluntary guidelines that help companies to address social, ethical, environmental and corporate governance issues as part of the investment process. The scorecard for Foresight Group's latest annual assessment is available via the PRI's assessment portal and on Foresight Group's website. In summary, the Investment Manager achieved 5 star ratings as shown below:

Category	Module score	Star score
Policy Governance and Strategy – Group	92	★★★★★
Direct – Infrastructure	96	★★★★★
Confidence Building Measures	100	★★★★★

The latest assessment transparency report is available on Foresight Group's website[1].

PRI Principles for Responsible Investment

★★★★★

Skills and training

Through the governance approach described above, FGEN's Board of Directors is supported and advised by a broad team of people with significant experience across the environmental infrastructure and wider sustainability landscape.

In order to ensure continuous improvement in FGEN's ESG and climate-related processes, the Board is provided with training on a range of relevant topics. Training is provided periodically and the topic is informed by current and future activities.

1. https://www.foresight.group/news/foresight-receives-top-pri-scores.

Training could include updates and information on subjects such as regulation and policy changes, climate science and developments in specific sectors. In FY24/25, the focus was on transition planning and the Board of Directors received training on the TPT Disclosure Requirements to launch the development of FGEN's transition plan.

Sustainability-linked objectives

Entity	Sustainability-linked objectives
FGEN Board of Directors	FGEN's primary objective is to attain its goals by investing in a diversified portfolio of environmental infrastructure projects that support more environmentally friendly approaches to economic activity whilst generating a sustainable financial return. FGEN's Board of Directors is mandated to ensure that the Company achieves its primary objective. Directors receive a fixed fee per annum based on their role and responsibility within the Company and the time commitment required. It is not considered appropriate that Directors' remuneration should be performance related.
Investment Manager	Foresight is required by FGEN to help the Company achieve its primary objective. All Foresight employees are obliged to incorporate one or more sustainability-related objective(s) as part of their annual appraisal. Failure to achieve those objectives will result in an impact to the overall performance grade of the individual. This commitment by Foresight Group ensures that there is a mechanism in place for inclusion of specific climate-related performance targets in future.

Policies

Investment policy

FGEN's investment policy is grounded in ESG principles and prioritises environmental, social and governance considerations. Its primary objective is to attain its goals by investing in a diversified portfolio of environmental infrastructure. Environmental infrastructure, as defined by FGEN, encompasses infrastructure assets, projects and asset-backed businesses that leverage natural or waste resources, promote environmentally friendly economic activities, facilitate the transition to a low-carbon economy or mitigate the impacts of climate change.

Strategic Ambition

The Strategic Ambition was developed and agreed by the Board of Directors as part of the transition planning process. This ambition incorporates FGEN's net zero commitment as well as its core ESG principles from the investment policy and states:

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

Sustainability and ESG continued

Governance

Modern slavery and human trafficking

FGEN does not provide goods or services in the normal course of business and has no customers, employees or turnover. As a result, FGEN does not fall within the scope of the UK Modern Slavery Act 2015 (the "Modern Slavery Act"). However, the Directors recognise the critical importance of preventing modern slavery and have chosen to develop a voluntary statement as part of the Company's ongoing commitment to high standards of business conduct and in recognition of the importance of the issues which the Modern Slavery Act seeks to address. This statement is published on the Company's website[1].

The Board specifically notes the Investment Manager's Modern Slavery Act statement which sets out the Investment Manager's approach to matters such as services and supply chain due diligence and training of employees, recruitment and welfare. The Investment Manager's policy and practices in relation to modern slavery and human trafficking are included in the Foresight Group's Modern Slavery Act statement[2].

Investment Manager policies

The Board acknowledges that, as non-executive Directors of an externally managed investment company, their influence is necessarily limited and will be significantly informed by the approach and policies of the Investment Manager. Foresight, as FGEN's Investment Manager, applies a series of policies in the management of the Company's assets. These policies include:

- Human Rights policy and approach;
- Sustainability and ESG policy;
- Modern Slavery policy;
- Approach to diversity, equity and inclusion;
- Anti-bribery and corruption policy;
- Anti-money laundering policy;
- Anti-tax evasion policy; and
- Whistleblowing policy.

ESG objectives

FGEN applies the following ESG objectives to its investment and portfolio management activities.

Promote the efficient use of resources	Develop positive relationships with the communities in which FGEN operates	Ensure effective and ethical governance across the portfolio
To invest in projects that manage the availability of natural resources, whether through utilisation of renewable resources, increasing resource or energy efficiency, or reusing or recovering waste.	To encourage positive relationship-building between portfolio assets and the communities in which they sit.	To manage portfolio assets in a way that promotes ethical, effective governance.
Example criteria: • Resource management • Life on land/below water • Climate change and resilience	**Example criteria:** • Health and wellbeing • Local economic impact – job creation • Local social impact • Community engagement and benefit	**Example criteria:** • Anti-bribery and corruption • Modern slavery • Audit and tax practices • Environmental impact • Health and safety practices • Board composition

1. https://www.fgen.com/sustainability.
2. https://www.foresight.group/modern-slavery-statement.

Sustainability and ESG continued

Governance | Case study

Voluntary disclosures

Development of FGEN's first transition plan

The TPT's voluntary Disclosure Framework was published in October 2023 and has been designed to integrate with and build from the approach to transition plans found in both the UK regulations and FCA rules that implement the TCFD recommendations, as well as the ISSB Standards and guidance from the Glasgow Financial Alliance for Net Zero ("GFANZ") on transition plans.

During the reporting period, FGEN developed and published its first transition plan, marking a key milestone in its sustainability journey. The development process was collaborative and iterative and included a series of internal workshops designed to gather input from, and align expectations across, the Investment Manager's teams.

This approach formed a central component of the plan's development and included in-depth discussions focused on identifying opportunities for improvement, and aligning on realistic and measurable operational targets.

The draft plan and its proposed targets were reviewed with the Board of Directors, who provided strategic input and formally approved the final approach in March 2025. The plan has been designed as a live document, with updates planned from time to time in line with the recommendations of the TPT Disclosure Framework.

A key challenge in the process was ensuring the plan integrated effectively with existing governance and risk management frameworks. This focus was essential to avoid setting targets that were unachievable or disconnected from operational realities, and to ensure long-term credibility and impact. Development of the transition plan provided a formal space within which to have those detailed discussions, and to set pragmatic operational targets that will allow FGEN to progress its long-term net-zero target going forward.

Voluntary disclosure against the UK Sustainability Disclosure Requirements ("SDR")

In November 2023, the FCA published the final rules on Sustainability Disclosure Requirements ("SDR") and investment labels, with the first requirement, the FCA's anti-greenwashing rule, taking effect from May 2024. The SDR enables in-scope UK domiciled funds to apply the FCA's sustainability investment labels from 31 July 2024. At present, the SDR and investment labels only apply to UK domiciled funds; however, the UK Government is considering how the regime can be extended to apply to overseas-domiciled funds.

Although FGEN, as a Guernsey-domiciled company, does not fall within the scope of the SDR and investment labels, the Board and the Investment Manager believe that the nature of FGEN's business and strategy is intrinsically aligned to the goal of a greener and less carbon-intensive future.

FGEN is already positioned under Article 9 of the EU's SFDR, as a Company that has sustainable investment as an objective, and the Board and Investment Manager consider that the FCA's SDR is a key step to enable UK investors to have greater confidence with respect to sustainable investment products. As a result, in FY24/25 FGEN voluntarily disclosed consumer-facing and pre-contractual disclosures to demonstrate alignment with the SDR's "Sustainability Focus" investment label and in accordance with the requirements and timeframes under the SDR.

The Investment Manager continues to monitor the development and implementation of the SDR and investment labels, including the government's consultation on overseas funds.

Amber Fryingdown solar site

Sustainability and ESG continued

Strategy

By virtue of its investment policy, FGEN aims to make a significant contribution to reducing global GHG emissions and mitigating climate change. This goal is embedded into horizon-scanning activities that the Investment Manager undertakes on behalf of the FGEN Board of Directors – seeking to identify risks and opportunities for the portfolio. The results of these activities feed into regular communications with the Board of Directors and informs strategic decision-making including, for example, target investment sectors and budget planning.

As part of this horizon scanning, the Investment Manager applies and maintains a risk management framework, as set out in the risks and risk management section on pages 53 to 64. This section provides additional detail to expand on the risks and risk management section and is intended to be read in conjunction with the principal risk register.

Climate-related risks and opportunities

The tables on the following pages identify the top climate-related risks and opportunities and FGEN's response to them, demonstrating the impact that the risks and opportunities identified have on FGEN's business, strategy and financial planning. Each of these risks inform FGEN's principal risk register and, where direct linkages exist, those have been cross-referenced in this section.

Broadly, climate-related risks and opportunities are split into two categories:

Transition	Physical
These are risks related to the transition to a net-zero or low-carbon future. These risks fall into four categories: • Policy and legal • Technological • Market • Reputational	These are risks associated with physical impacts of weather and climate on asset operations and performance. These fall into two core categories: • Acute: extreme weather events • Chronic: changes to climate patterns over time

Timescales

In last year's Annual Report, FGEN piloted assessing climate-related risks over a longer time horizon than that used in the main risk register, to reflect extended objectives such as net-zero targets. During the development of the transition plan, this misalignment was identified as a potential source of confusion when assessing risks. Consequently, the Board of Directors approved realigning the timeframes with the organisation's overall risk management framework. Climate-related risks continue to be assessed using the same impact and probability definitions as those applied across the broader risk register.

Climate-related risks and opportunities are assessed against the following timescales:

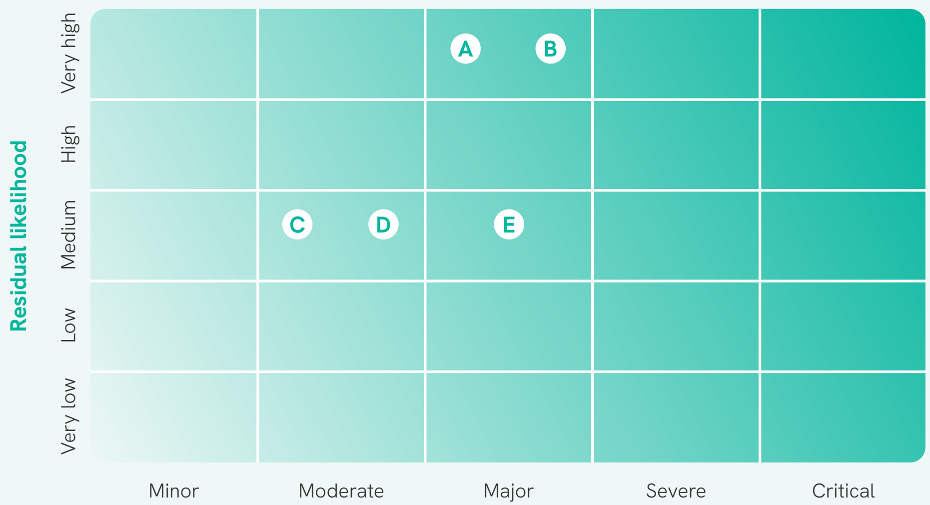
Category	Period	Justification
Short term	0-3 years	Aligns with business planning and the recommendations of the Transition Plan Taskforce Disclosure Framework
Medium term	4-10 years	Encompasses a period of significant transition risk resulting from decarbonisation targets
Long term	10+ years	A period typically longer than the FGEN investment lifecycle, this encompasses the typical design life of environmental infrastructure assets as well as 2050, a key date for delivering net-zero carbon emissions

Sustainability and ESG continued

Strategy

Portfolio-level climate-related risks

Sector and portfolio-level risks are considered by the Investment Manager and mitigation options are discussed as part of FGEN's comprehensive risk management framework. A detailed account of the material climate-related risks that have been identified, as well as their impacts and mitigation, can be found in the table below.



Key:

Residual impact

- **A** Changes to power prices as a result of climate change
- **B** Extreme weather-related events
- **C** Changes to sustainable investment criteria
- **D** Changes in regulation and government support for sustainable infrastructure
- **E** Displacement of existing assets with new or other technologies

Grange Farm AD site

Sustainability and ESG continued

Strategy

Risk type	Description	Time period	Financial impact	Investment Manager's response	Area of impact	Main risk register reference
A Changes to power prices as a result of climate change						
Transition (market)	Power price volatility will continue to be a feature of energy systems as they transition. Risks include: • lower-than-forecast power prices driven by increased renewables deployment; • power price cannibalisation; • climatic changes resulting in demand dynamic changes; • higher-than-forecast power prices driven by short-term shocks such as decreased supply from lower-than-anticipated renewables resource; and • higher-than-forecast power prices driven by longer-term impacts such as government reviews of energy pricing.	S, M, L	££	• Many of the assets in the portfolio earn revenues that are not dependent on merchant power sales and various mechanisms are in place to help mitigate the risk of lower power prices (see principal risks on pages 55 to 64). • FGEN employs contractual mechanisms such as PPAs which provide price certainty and limit exposure to power price volatility. • FGEN's portfolio of assets is diversified across sectors and geographies as a means of limiting exposure to power price variation.	Strategy, financial planning, Company's investments	5 6 7 9
B Extreme weather-related events						
Physical	Weather-related catastrophic events have the capacity to negatively impact assets and their operational effectiveness. These events can be either: • chronic (e.g. changing wind patterns, heat stress, rising sea levels); or • acute (e.g. storms, heat wave, drought, floods). Weather events have the potential to cause disruption to the Fund's business model by negatively impacting the production output of operational assets or delaying construction timelines (e.g. weather events disrupting global supply chains or making sites inaccessible).	S, M, L	££	• Physical risks to the portfolio are largely localised to individual assets and the impact of a single event or limited set of events is deemed to have a negligible impact on the overall portfolio; nevertheless, this is an area kept under close review by the Investment Manager. • Portfolio assets are subject to climate risk analysis and stress testing under different climate scenarios. As such, the Investment Manager has confidence in the portfolio's resilience to changing weather patterns.	Strategy, financial planning, Company's investments	5 6 7 8

Timescales: S Short term (0-3 years) M Medium term (4-10 years) L Long term (10+ years)

Financial impact: £ Moderate financial impact ££ Major financial impact £££ Severe financial impact

Risk register key: 4 Changes in regulation and government support 5 Reputational 7 Asset exposure to weather resource 8 Climate change – physical risk 9 Volume and cost of feedstock resource 11 Exposure to market power prices

Sustainability and ESG continued

Strategy

Risk type	Description	Time period	Financial impact	Investment Manager's response	Area of impact	Main risk register reference
C Changes to sustainable investment criteria						
Transition (regulation, market)	• As the energy transition proceeds, and scientific knowledge regarding the consequences of particular courses of action increases, there is a risk that activities and assets that were once classified as "sustainable" become reclassified as "unsustainable" with consequences for FGEN's ownership of such assets. • Risk if the EU and financial institutions continue to turn away from the energy-from-waste ("EfW") sector and policy developments penalise EfW assets. This could limit future deployment and impact lifecycle emissions for EfW assets in FGEN's portfolio.	M, L	£	• FGEN invests in assets that contribute to the acceleration of the energy and sustainability transition and have strong transition characteristics. The Investment Manager assumes an active role in policy discussions and remains abreast of sustainable investment changes and reviews its strategy accordingly. • The diversified nature of FGEN's portfolio protects the Company against overexposure to any one sector. If deemed appropriate in the future, FGEN would review portfolio construction to further address these issues.	Strategy, Company's investments	4 5
D Changes in regulation and government support for sustainable infrastructure						
Transition (market, regulation, reputation)	• Changes in regulation of sectors in which FGEN is already invested, e.g. EfW not meeting criteria to be considered aligned to the EU Taxonomy. • Changes in farming regulation which impact the agri-AD portfolio. • Government support for short-term energy solutions that negatively impact the transition to a low-carbon future, e.g. support of coal.	S, M	£	• Given the diversified nature of the assets, the impact is likely to be limited to a single asset or small part of the portfolio. • The risk over the long term is considered negligible as other avenues or solutions would be found for the asset or technology affected, such as selling an asset or finding alternative sources of feedstock.	Strategy, financial planning	4 5 9

Timescales: S Short term (0-3 years) M Medium term (4-10 years) L Long term (10+ years)

Financial impact: £ Moderate financial impact ££ Major financial impact £££ Severe financial impact

Risk register key: 4 Changes in regulation and government support 5 Reputational 7 Asset exposure to weather resource 8 Climate change – physical risk 9 Volume and cost of feedstock resource 11 Exposure to market power prices

Sustainability and ESG continued

Strategy

Risk type	Description	Time period	Financial impact	Investment Manager's response	Area of impact	Main risk register reference
E Displacement of existing assets with new or other technologies						
Transition (technology)	• As more resource and scientific-backed research is dedicated to achieving net-zero goals, technologies could be developed that make current clean energy infrastructure technologies obsolete, resulting in lower profitability within the existing portfolio.	M, L	£	• It is considered likely that new technologies will be developed and FGEN is well positioned to invest in new energy solutions once they become proven at scale. It is unlikely that a single solution would be found for all the energy needs, but if it were, this would necessitate considerable buildout beyond the lifetime of FGEN's current portfolio.	Strategy, financial planning	n/a

Timescales: S Short term (0-3 years) M Medium term (4-10 years) L Long term (10+ years)

Financial impact: £ Moderate financial impact ££ Major financial impact £££ Severe financial impact

Risk register key: 4 Changes in regulation and government support 5 Reputational 7 Asset exposure to weather resource 8 Climate change – physical risk 9 Volume and cost of feedstock resource 11 Exposure to market power prices

Sustainability and ESG continued

Strategy

Disaggregating physical climate impacts

FGEN's portfolio is influenced by physical climate risks, as noted in the risk table above (extreme weather events). The Investment Manager has been working to disaggregate those key risks, and associated mitigants, by sector and geography. This year, the asset-class analysis undertaken in FY23/24 has been mapped against FGEN's three key pillars of environmental infrastructure (see page 2 for more information). Information on the top physical risks to each of FGEN's investment sectors is set out in the table below. The Investment Manager continues to work to further FGEN's understanding of the materiality of these risks and the relevant time horizons.

Physical risks	Impact	Renewable energy generation	Other energy infrastructure	Sustainable resource management	Mitigation
Temperature extremes	Increased technology and equipment degradation	✓		✓	Ongoing assessment of equipment degradation
	Exceedance of threshold for safe operating conditions	✓	✓	✓	• Ongoing assessment of technology-specific thresholds for safe operating temperatures • Apply mitigation measures e.g. retrofit cooling mechanisms
Drought/water stress	Impact on performance due to lack of water e.g. to generate steam for turbines or grow crops	✓			Assessment of: • Ability to hold additional water reserves • Water recycling opportunities • Ability to store additional feedstock
Fluvial and pluvial flooding	Reduced performance due to water damage		✓		Review flood risk management plans
Inconsistent water availability (flood and drought)	Volatile generation profile driven by excess rainfall and/or drought conditions	✓		✓	Minimal mitigation available – the Investment Manager can consider climate risk in forecasting and annual budgets

Sustainability and ESG continued

Strategy

Climate-related opportunities

In addition to its risk management activities, the Investment Manager, on behalf of FGEN, applies climate-related scenarios to identify opportunities for the Company. The primary climate-related opportunities identified for the Company are set out below.

Opportunity	Opportunity type	Description	Time period	Level of opportunity	Investment Manager's response	Area of impact
Increased demand for environmental infrastructure and businesses which support the transition to a low-carbon economy	Transition (market)	• Increased demand for infrastructure which helps to balance the intermittent generation profile of renewables – e.g. battery storage. • Increased demand for shorter-term solutions to reach net zero by 2050, e.g. CNG refuelling stations and synthetic low-carbon fuels as a low-carbon transport option, while other solutions are further developed.	S, M, L	★★★	• FGEN is already well positioned to invest in environmental infrastructure sectors that support the transition to a low-carbon economy, as can be demonstrated in the market and opportunities section on pages 12 to 15.	Strategy, financial planning
Changes to energy pricing and market pricing of GHGs	Transition (regulation, market)	• The market pricing of GHG emissions begins to increase, which in turn drives the competitiveness of renewables. • Future changes to energy prices spurred by a clampdown on fossil fuels. Longer-term view on building out clean energy generation capacity when markets are supportive of renewables and prices are competitive.	S, M, L	★★★	• FGEN is positioned to benefit from future increases in carbon pricing and cost competitiveness of renewables. • FGEN is positioned to benefit from future increases in energy pricing and the increased buildout of renewables capacity.	Strategy, financial planning
Increased governmental support for environmental infrastructure projects	Transition (policy and legal)	• Government policies aimed at facilitating the transition to a net-zero carbon economy may subsidise certain technologies to increase their uptake or buildout, creating further opportunities for investment by FGEN. • Government policies aimed to help the transition to reduce the impact on natural resources, e.g. Norway's resource rent tax rate in sea aquaculture.	S, M, L	★★	• Government support of emerging sectors will change the risk profile and may open up areas that would otherwise be insufficiently attractive for FGEN investment.	Strategy, financial planning

Timescales: S Short term (0-3 years) M Medium term (4-10 years) L Long term (10+ years) **Level of opportunity:** ★ Low opportunity ★★ Medium opportunity ★★★ High opportunity

Sustainability and ESG continued

Strategy

Opportunity	Opportunity type	Description	Time period	Level of opportunity	Investment Manager's response	Area of impact
Technological developments and buildouts in environmental infrastructure	Transition (technology)	• As new technologies become better developed, the Company is well positioned to invest in a diversified range of projects. • Examples of new technologies may include environmental or sustainable infrastructure related to fuels, controlled environment or energy production.	S, M	★★	• FGEN is ideally positioned to invest in a diversified range of projects and to benefit from such advances in environmental or sustainable infrastructure related to fuels, controlled environment or energy production in the future.	Strategy, financial planning
Changes in weather patterns leading to buildout of certain types of environmental infrastructure or business	Physical	• Changes in weather patterns could lead to opportunities for new types of infrastructure or further investment into existing categories. An example of this could be flood defence infrastructure in response to increased rainfall or sea level rise or controlled environment agriculture facilities in response to higher temperatures.	M, L	★★★	• The Investment Manager reviews over 1,000 deals a year in the environmental infrastructure sector, which allows it to take advantage of these opportunities as they arise.	Strategy, financial planning, Company's investments

Strategic resilience

FGEN's primary approach to resilience is focused on owning a portfolio of assets that is diversified by geography, technology, resource use and revenue composition. The Investment Manager engages with a range of specialists across different areas of expertise and levels of the business to help drive and maintain a resilient portfolio. Risks and opportunities are also assessed within the framework discussed on pages 92 and 93 and on an ad hoc, day-to-day basis.

As new investment opportunities such as emerging sectors evolve, FGEN will consider these as part of its investment strategy. Likewise, if new risks emerge for existing investment sectors, or if the impact of existing risks increases, FGEN will consider this at the Risk Committee, ESG Committee and Board level and identify opportunities for mitigation or, if necessary, disposal of assets.

Timescales: S Short term (0-3 years) M Medium term (4-10 years) L Long term (10+ years) **Level of opportunity:** ★ Low opportunity ★★ Medium opportunity ★★★ High opportunity

Sustainability and ESG continued

Strategy

Company-level resilience

Overview

The Investment Manager works with third-party service providers to analyse the FGEN portfolio across the climate scenarios published in the Intergovernmental Panel on Climate Change's ("IPCC") sixth Assessment Report. The Shared Socioeconomic Pathways ("SSPs") are an evolution of the earlier Representative Concentration Pathways ("RCPs") and represent a range of possible outcomes including future anthropogenic greenhouse gas emissions, their effects on atmospheric concentrations of CO_2 and their potential societal, demographical and economic impacts.

The consequences of the SSP2, SSP3 and SSP5 scenarios set out below, with rising oceans and alternate climate patterns, could be devastating for humanity. FGEN currently analyses the potential impacts of these scenarios on portfolio value using the Climanomics platform, and the results are set out below.

The scenarios are best summarised as:

- **SSP 1 — 2.6** assumes aggressive mitigation and total GHG emissions reducing to net zero by 2050, resulting in a global average temperature increase of 1.3°C to 2.4°C by 2100.
- **BASE CASE: SSP 2 — 4.5** implies aggressive mitigation with total GHG stabilising at current levels until 2050 and then declining to 2100. This results in a global average temperature increase of 2.1°C to 3.5°C by 2100.
- **SSP 3 — 7.0** estimates limited mitigation with total GHG emissions doubling by 2100 and global average temperatures increasing by 2.8°C to 4.6°C.
- **SSP 5 — 8.5** assumes low mitigation, total GHG emissions tripling by 2075 and global average temperatures increasing by 3.3°C to 5.7°C.

Methodology

In analysing the SSPs, the following risks and opportunities are applied:

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

An estimate of direct financial impacts for each asset type is calculated based on the hazards identified. Each technology's vulnerability is characterised by the specific ways in which it is likely to be impacted by a given climate-related variable. An asset type's overall "impact function" comprises these individual impact pathways.

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

Scenario analysis results

	NAV per share	Difference (p)	% Difference
Base case SSP 2 — 4.5	106.50	0	0
SSP 1 — 2.6	107.15	0.65	0.61
SSP 3 — 7.0	106.84	0.34	0.32
SSP 5 — 8.5	105.28	-1.22	-1.16

Based on the analysis produced by the Climanomics platform, the portfolio continues to show a good level of resilience across a wide variety of climate scenarios and resultant impacts, with this years analysis showing a slight narrowing of the perceived impacts across all scenarios.

- Under the base case, SSP 2-4.5, the portfolio is assessed to maintain resilience when considering both more and less severe climate futures.
- A less severe SSP 1-2.6 scenario, which now appears unlikely to be achieved, would result in a positive impact on NAV of 0.61% by 2054 when compared with the central case.
- SSP 3-7.0 follows the same trajectory, with a net positive impact on NAV of 0.34% by 2054.
- Under the most severe scenario of SSP 5-8.5, one which is also currently assessed to also be unrealistic given current estimates, the analysis indicates a negative impact on NAV of 1.16% by 2054 when compared with the central case.

Climate-related scenario modelling continues to be an evolving discipline and the Investment Manager continues to evaluate the landscape of service providers in this space.

Sustainability and ESG continued

Strategy | Case study

Inspiring the next generation of workers

One of FGEN's ESG objectives is to foster positive relationships between its portfolio assets and the surrounding communities. As part of this, FGEN aims to inspire the next generation to join the renewable energy sector and help to address the industry's growing workforce requirements. To achieve this, FGEN has partnered with Earth Energy Education ("EEE"), which empowers and educates young people about the energy transition and encourages careers in renewable energy. FGEN's Investment Manager has collaborated with EEE across its UK portfolio since 2018.

This year, FGEN planned five local group visits to their solar sites and five in-school workshops. To date, FGEN and EEE have facilitated three school groups from within three miles of FGEN assets to visit their local renewable energy site. In total, over 75 children aged seven to ten and nine teaching staff attended. Attendees also participated in an in-school workshop that explored the site's impact, the workings of solar energy, and the biodiversity present on solar farms. The remaining visits are scheduled for later in the year.

Nine sessions have been delivered so far, including two sessions at each site visit – the EEE "Solar Farm Challenge"; and "Biodiversity Study"; and three additional in-school sessions covering "Solar Power Investigations"; "Wind Turbine Investigations"; and the EEE "Power Your School" investigation.

This initiative not only sparks students' interest but also boosts teaching staff's confidence as climate change solutions become increasingly important in the schools curriculum.

Earth Energy Education solar site visit

Sustainability and ESG continued

Risk management

FGEN applies a series of measures to identify, assess, prioritise and monitor risks and opportunities. Assessment of ESG and climate-related risks is incorporated into FGEN's comprehensive risk management framework and risk register, which assesses:

- a measure of the probability of each identified risk materialising; and
- the potential impact the risk event may have on the asset and, ultimately, its impact on the Company.

For each risk, mitigation actions are developed to reduce the likelihood of it occurring and to minimise the severity of its impact in the event that it does occur.

More information about FGEN's approach to risks and risk management is set out in pages 53 to 64.

ESG considerations, including analysis of climate-related risks and opportunities, are embedded throughout the Investment Manager's investment and asset management processes, from initial investment screening through due diligence and into ongoing monitoring and reporting. Where material risks are identified, they are considered by the Risk Committee. Mitigation options are discussed and the Committee will determine whether the risk is acceptable under the FGEN risk management framework. The Risk Committee will advise the FGEN Board on the results of their findings.

FGEN approaches management of ESG and climate-related risks and opportunities via the following principles:

Assess

The Investment Manager undertakes due diligence on each of its asset acquisitions, including assessing a range of ESG criteria.

Previously, the Investment Manager has structured its due diligence processes around use of its proprietary Sustainability Evaluation Tool ("SET"). From inception, the tool was designed as a means of aggregating the wide array of differing sustainability frameworks, allowing Foresight to interrogate material sustainability and ESG factors across both its existing portfolio and prospective investments, in alignment with differing investor preferences.

Foresight's Infrastructure division is enhancing its approach to climate risk and sustainability by increasing its alignment with the narrower and more universal set of frameworks that the investor, sustainability and regulatory landscapes are starting to coalesce around.

Where appropriate, alignment with these frameworks may require the engagement of third-party service providers. As an example, as of FY26, climate-related due diligence and monitoring will be conducted using a third party that applies advanced climate models and datasets to assess both acute and chronic physical risks in alignment with the EU Taxonomy's Climate Risk and Vulnerability Assessment ("CRVA")

Monitor

Third-party service providers, with the help of technical advisers, monitor and manage the performance of each asset in the FGEN portfolio, reporting periodically to the Investment Manager. The Investment Manager conducts site visits to ensure assets are operating as expected and third-party audits maintain visibility over ESG performance.

ESG updates are provided biannually to the ESG Committee, informing FGEN's risk management and strategy evolution.

The primary tool for monitoring, improving and reporting on sustainability and ESG is Foresight Infrastructure's Portfolio Sustainability Metrics, managed within the Sennen data platform. These metrics, collected monthly and reported quarterly, allow for detailed performance comparisons and accurate reporting on Foresight's investments.

The SET has been redesigned to integrate data from Sennen, facilitating asset and fund-level analysis and supporting decision-making to enhance performance and mitigate risks.

Engage

Stakeholder engagement is an important part of FGEN's approach. Engagement with stakeholders occurs through a combination of formal (e.g. contractual obligations or industry events) and informal channels (e.g. ongoing meetings and discussions). Further information on stakeholder engagement can be found on pages 65 to 70.

Reporting is an essential part of FGEN's stakeholder communication and the Investment Manager works to ensure its ESG reporting is continually improving and meeting the highest standards to support that.

Sustainability and ESG continued

Risk management

Portfolio-level risk management activities

Horizon scanning

The Investment Manager, on behalf of FGEN, undertakes continuous market research and horizon scanning to identify risks and opportunities for the portfolio.

Stakeholder engagement

In addition to horizon scanning activities, the Investment Manager undertakes stakeholder engagement to understand stakeholder needs and the options for responding to those needs.

Information on different stakeholder types, how the Company has engaged and the key strategic decisions impacting the various stakeholder groups in the year, is set out on pages 65 to 70. Further information on FGEN's approach to engaging with stakeholders on its net-zero target and the low-carbon transition is set out on pages 12 to 15 of the transition plan[1].

Materiality assessment

Foresight Group's materiality assessment was reported on in last year's Annual Report.

In FY24/25, the Investment Manager has integrated the results of the double materiality assessment into its Enterprise Risk Management Framework and is focused on progressing solutions and processes around the material risks identified. This includes:

- establishing a series of Group-level working groups;
- publication of five policies which address the material topics (Sustainability; Environmental; Human rights; Responsible investment; and Sustainable sourcing);
- ensuring alignment of the sustainability strategy with the material risk topics; and
- integration of the material risk topics into Foresight Group's annual Sustainability Report.

Early adopter

The Investment Manager maintains a watching brief on forthcoming disclosures frameworks and seeks to be an early adopter of core elements of those frameworks where possible, including voluntarily disclosing information such as through its voluntary TCFD reporting. In FY24/25 FGEN voluntarily published two disclosures in addition to its TCFD report:

- documents that offer equivalence to the Sustainability Focus label under the UK Sustainability Disclosure Requirements ("SDR"); and
- its first transition plan, developed in alignment with the Transition Plan Taskforce Disclosure Framework.

Both of these disclosure documents are available on the Fund's website[1].

Monitoring future disclosures

The Investment Manager proactively monitors and engages on a series of evolving disclosures standards. This approach helps FGEN and its Investment Manager to develop its strategy in line with emerging regulations and standards, helping to reduce risks but also helping to identify opportunities for the Company to improve its stakeholder communication and approach to investment management.

International Financial Reporting Standards Foundation's International Sustainability Standards Board

In FY23/24 the International Sustainability Standards Board ("ISSB") issued its inaugural standards – IFRS S1 and IFRS S2 – with the aim of helping to improve trust and confidence in company disclosures about sustainability to inform investment decisions.

The standards create a common language for disclosing the effect of climate-related risks and opportunities on a company's prospects. IFRS S1 provides a set of disclosure requirements designed to enable companies to communicate to investors about the sustainability-related risks and opportunities they face over the short, medium and long term. IFRS S2 sets out specific climate-related disclosures and is designed to be used with IFRS S1. Both fully incorporate the TCFD recommendations.

Monitoring responsibilities for TCFD transferred to ISSB in FY23/24. With the ISSB's standards already outlined, it is now up to jurisdictional authorities to make the guidance mandatory and in the UK the mechanism will be through the UK Sustainability Reporting Standards. It is still considered best practice to follow the TCFD format until the new regulatory framework is implemented.

1. https://www.fgen.com/investors/reports-and-publications.

Sustainability and ESG continued

Risk management

UK Sustainability Reporting Standards (“UK SRS”)

The UK Government’s framework to create a UK-based mechanism that endorses and governs the global corporate reporting baseline of IFRS Sustainability Disclosure Standards (IFRS S1 and S2). Development of the standards is ongoing.

The Taskforce on Nature-related Financial Disclosures (“TNFD”)

The TNFD has developed a set of disclosure recommendations and guidance that encourage and enable business and finance to assess, report and act on their nature-related dependencies, impacts, risks and opportunities. The recommendations and guidance are designed to enable businesses and finance to integrate nature into decision-making.

It is anticipated that TNFD will be integrated as ”Standard 3” (IFRS S3) under the ISSB framework, although specific timelines for this incorporation have not been confirmed.

Draft guidance has been released by TNFD on nature transition plans, which closely mirrors the structure and content of the TPT Disclosure Framework. The Investment Manager continues to closely monitor developments in this space and anticipates being able to expand its transition plan in future to incorporate nature-related actions and activities.

UK Green Taxonomy

In its 2023 Green Finance Strategy, the UK Government reiterated its commitment to developing a UK Green Taxonomy. Between November 2024 and February 2025, the UK Government issued a consultation to gather views on the value case for a UK Green Taxonomy as part of the UK’s wider sustainable finance framework.

The reasoning behind this consultation was that ”taxonomies can be complex in practice, and feedback on their value is mixed. This consultation is therefore seeking views on whether a UK Green Taxonomy would be additional and complementary to existing sustainable finance policies.”

The Investment Manager, alongside peers and working groups, broadly supports the development of a UK Taxonomy and has provided feedback to that effect via the UK Sustainable Investment and Finance Association. In the absence of a UK specific framework, the EU Taxonomy continues to serve as the de facto authoritative Taxonomy for sustainable finance in the UK.

The Investment Manager continues to monitor progress in this area, and any implications it may have on the FGEN portfolio of assets.

Developing European regulations

The Investment Manager monitors other recently implemented and developing ESG frameworks closely, such as the European Sustainability Reporting Standards (“ESRS”) drafted by the European Financial Reporting Advisory Group (“EFRAG”) as part of the Corporate Sustainability Reporting Directive (“CSRD”). In February 2025, the EU published an Omnibus of proposed changes to CSRD as well as two other sustainability-related regulations. The Investment Manager continues to monitor progress in this space.


CNG Corby

Sustainability and ESG continued

Risk management | Case study

Evolving nature and climate-related risk assessments

In partnership with environmental geospatial consultancy Frontierra, the Investment Manager has developed an integrated nature and climate reporting platform designed to enhance investment due diligence, portfolio management and disclosure across its activities. The project, supported by the UK Space Agency's Unlocking Space for Business grant programme, ran for nine months and concluded in March 2025, building on an earlier pilot focused on selected assets.

Project overview

The platform leverages satellite data, geospatial analysis, climate modelling and proprietary algorithms to evaluate nature and climate-related risks and opportunities at both asset and portfolio levels. It delivers decision-ready insights aligned with disclosure frameworks such as the Task Force on Climate-related Financial Disclosures ("TCFD") and the Taskforce on Nature-related Financial Disclosures ("TNFD").

Key features

- Geospatial risk analysis: Incorporates diverse satellite and environmental datasets.
- Automated assessment: Site and portfolio-level evaluations delivered in real time.
- Standard-aligned metrics: Outputs structured to meet recognised reporting standards.
- Asset-level insights: Tailored risk reports identify site-specific hazards and opportunities.
- Long-term planning: Climate scenario modelling up to 2100.

Integration and impact

All of the Investment Manager's infrastructure assets, including the FGEN portfolio, are now integrated into the platform. The insights produced will inform investment decisions going forward and have particular value during due diligence processes. For example, the platform identifies assets most exposed to physical risks such as flooding, drought or soil erosion, supporting proactive mitigation strategies and effective budget setting.

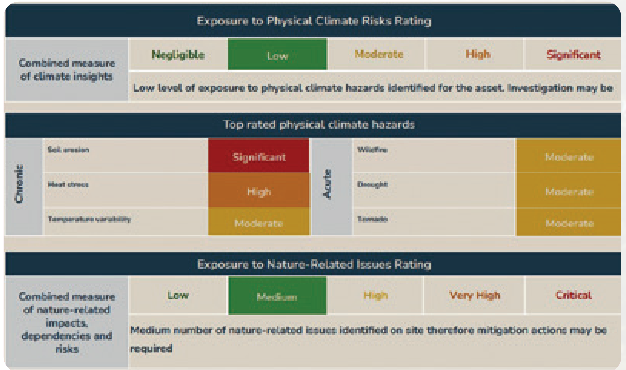
Risk categories assessed

- Physical climate hazards, including water stress, temperature extremes, wildfire and storm events.
- Nature-related aspects, such as protected areas, biodiversity hotspots and habitat connectivity.

Portfolio and asset-level outputs

The platform generates fund-level reports ranking assets by exposure and identifying the top five most at-risk sites. These insights guide portfolio-level risk management. At the asset level, reports highlight climate and nature-related risks, nature-positive opportunities, and key mitigation needs. A mapping function further visualises land use, ecological features and biodiversity indicators.

This platform provides a robust, location-based approach to identifying and managing environmental risks, enabling the Investment Manager to protect and enhance long-term asset value while supporting improved climate and nature-related reporting.



Exposure to Physical Climate Risks Rating					
Combined measure of climate insights	Negligible	Low	Moderate	High	Significant
	Low level of exposure to physical climate hazards identified for the asset. Investigation may be				

Top rated physical climate hazards					
Chronic	Soil erosion	Significant	Acute	Wildfire	Moderate
	Heat stress	High		Drought	Moderate
	Temperature variability	Moderate		Tornado	Moderate

Exposure to Nature-Related Issues Rating					
Combined measure of nature-related impacts, dependencies and risks	Low	Medium	High	Very High	Critical
	Medium number of nature-related issues identified on site therefore mitigation actions may be required				

Example analysis for Amber Five Oaks solar site from the Frontierra platform.

Sustainability and ESG continued

Risk management

Asset-level risk management activities

The Investment Manager applies the following risk management process to its investment and portfolio management activities:

Investment due diligence

- Assets assessed using sustainability frameworks
- Conclusions and recommendations integrated into Investment Committee documents

↓

Asset management

- ESG is a mandatory agenda item for asset-level SPV board meetings
- ESG KPIs include ongoing monitoring and improvement of asset-level ESG performance

Investment due diligence

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

Previously, the Investment Manager structured its due diligence processes around use of its proprietary Sustainability Evaluation Tool ("SET"). From inception, the tool was designed as a means of aggregating the wide array of differing sustainability frameworks, allowing Foresight to interrogate material sustainability and ESG factors across both its existing portfolio and prospective investments, in alignment with differing investor preferences.

As both the investor and sustainability landscapes start to coalesce around a narrower and more universal set of frameworks, the Fund Manager's processes around sustainability are continuously being evolved to reflect this. As a result, the SET has been redesigned to act primarily as a portfolio management tool. Pre-investment due diligence and ongoing requirements for monitoring of sustainability and ESG factors will move towards being structured around both regulatory requirements and three key frameworks. An example of these frameworks includes the EU Taxonomy eligibility – interrogating the investments against the stringent screening criteria to highlight an investment's substantial contribution to climate change mitigation and driving focus on the minimising of adverse impacts.

Where appropriate, alignment with these frameworks may require the engagement of third-party service providers. As an example, as of FY25/26, climate-related due diligence and monitoring will be conducted using a third party that is in alignment with the Climate Risk and Vulnerability Assessment ("CRVA") guidance outlined in Annex A of the EU Taxonomy. This new process involves engaging third-party service providers to apply advanced climate models and datasets to assess both acute and chronic physical risks at the asset level, in alignment with the CRVA. These assessments are intended to form the basis for long-term climate risk monitoring once implemented.

Processes for assessing and managing climate-related risks and opportunities

Climate-related risks

While the Board of Directors holds ultimate responsibility for risk management activities, the identification, assessment and management of risks are integral aspects of the Investment Manager's work in both managing the existing portfolio on a day-to-day basis and pursuing new investment opportunities.

The Investment Manager has established internal controls to manage risks and the management team reviews and considers the Company's key risks with the Risk Committee, on a quarterly basis. This includes consideration of climate-related risks and will cover new risks arising as well as changes in the likelihood or impact of any particular risk. Further information on the approach to managing climate-related risks can be seen on pages 83 to 87.

Emerging transition risks are also considered by the Investment Manager's valuation team and, if they present a material financial risk, are escalated to the Company's risk register and the Board. Further details of Foresight's approach to sustainability and how this is carried through practically to assessing climate-related risks and opportunities are set out in the risks and risk management section of this report on pages 53 to 64.

The Investment Manager considers those physical risks identified by the EU Taxonomy, and incorporates processes for identifying and assessing climate-related risk as part of its standard due diligence and portfolio management practices.

Sustainability and ESG continued

Risk management

Climate-related opportunities

There are two key opportunities that the Investment Manager considers:

Sector opportunities – the Investment Manager frequently evaluates opportunities for infrastructure investments that generate lower GHG emissions than earlier infrastructure or that support the transition to a low-carbon economy. These opportunities are discussed with, and considered by, the FGEN Board.

Value-enhancing opportunities – the Investment Manager assesses existing portfolio assets for opportunities to enhance climate-related performance and discusses assessment findings with the FGEN Board where appropriate, which holds responsibility for authorising significant proposed enhancements.

At investment level, consideration of the sustainability credentials of environmental infrastructure and their resilience to climate-related physical risks is undertaken.

Management of environmental and health and safety risks and incidents

FGEN takes its environmental and health and safety ("EHS") responsibilities very seriously, and seeks to ensure effective management of these issues in both its own operations and in its investment portfolio. FGEN aims to manage risks and incidents in a fair and transparent manner with appropriate action to reduce risk wherever practicable.

Third-party asset managers are responsible for the day-to-day management of EHS issues and are required to report incidents to the Investment Manager, which are recorded through their portfolio management software.

The software can deliver either a high degree of granularity on individual assets or an aggregated snapshot of the portfolio's performance as a whole. This allows the Investment Manager to monitor and report individual asset performance as well as sector and portfolio-level performance to a range of internal stakeholders.

The Investment Manager periodically contracts third parties to conduct comprehensive health and safety audits of each site. This serves both to encourage best possible working practices and acts as a means of highlighting areas for development. The Investment Manager's team also performs spot auditing and reporting functions on selected assets on an ongoing basis. Any recommendations from the audits are allocated to the Investment Manager's asset management team, which then becomes responsible for ensuring the recommendations are actioned as necessary. These tasks are tracked through the Investment Manager's portfolio management software and monitored to ensure they have been resolved in a timely manner. All audit results, shortfalls and recommendations are included on the agenda of the asset's board meetings.

Human rights processes

FGEN is aware that the renewable energy value chain carries the risk of significant impacts on human rights, as discussed in a recent report by the Business and Human Rights Resource Centre.

Following the OECD Guidelines for Multinational Enterprises, and the EU Taxonomy's Minimum Social Safeguards requirements, the Investment Manager takes a multi-layered approach to mitigating supply chain risk as follows:

Internal activities

- The Company specifically targets investment opportunities in European countries with strong regulatory frameworks around human rights and labour standards. This approach means that there are no investment activities in any countries named in the Conflict Affected and High-risk Areas list[1].
- Key counterparties' governance frameworks are assessed during due diligence.
- The Investment Manager's Supplier Code of Conduct references the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.
- The Investment Manager also undertakes direct engagement with suppliers where there are specific areas of concern.

External activities

- In 2022, the Investment Manager engaged the Ethixbase platform to undertake a supply chain interrogation across regulatory and ESG risk criteria. This included an assessment of a supplier's capacity to scrutinise aspects such as Modern Slavery risk. Detail on this review was reported in FGEN's 2023 Annual Report.
- Enhanced due diligence, using specialist third parties, to conduct in-person audits of higher-risk counterparties and their facilities.
- Collaboration with industry partners (e.g. Solar Power Europe) and peers to deliver more effective engagement with key suppliers.

1. Conflict Affected and High-risk Areas list – https://www.cahraslist.net/.

Sustainability and ESG continued

Risk management

Supplier Code of Conduct

FGEN began implementing its Supplier Code of Conduct in FY22/23 with the aim of further embedding ESG considerations into procurement practices. The Code was well received by both existing and potential suppliers, fostering greater engagement on sustainability issues.

Where a supplier identifies a requirement they cannot meet, this is reviewed in consultation with the Investment Manager's sustainability team. Any deviations deemed to fall within acceptable risk tolerances are clearly documented in the supplier contract, ensuring transparency and consistency in ESG risk management across the supply chain. If the deviations exceed acceptable risk tolerances, further discussions are held with the supplier to reach a suitable solution. The Investment Manager assesses the risk of these deviations in accordance with the contract scope.

Cyber security

The Board of Directors is highly aware of the risks posed by cyber attacks and has been working with the Investment Manager to develop and implement a cyber security strategy for the portfolio.

The Investment Manager has partnered with a third party, a specialist in securing critical renewable energy infrastructure against evolving cyber threats, to conduct a comprehensive assessment of all portfolio assets for potential vulnerabilities. To date, the majority of assets in FGEN's portfolio have undergone an assessment. Implementation of the tailored recommendations from these assessments is underway across the portfolio including adding bespoke network monitoring tools managed by a third party to assess network threats. Alongside this work, the asset-level cyber security policies are being updated to incorporate the insights and requirements identified through the assessment process. This dual-track approach ensures a more robust, consistent and proactive cyber risk management framework across the entire portfolio.

Yorkshire Hydropower site

Sustainability and ESG continued

Metrics and targets

The ESG targets currently applied to the portfolio are set out in the table below. Performance against all targets is reviewed at least annually by the ESG Committee and by the FGEN Board. The associated KPIs, as well as additional metrics collected in relation to the portfolio, are set out in the subsequent table on page 101. The Investment Manager continues to consider additional targets across the ESG metrics. The timescales against which targets are set are aligned with the risk management timescales set out on page 82.

Category	Target	Target timescale	Progress in FY24/25	Overall progress
Governance: data	*New* Data assurance for ESG metrics	Short term	In FY24/25 FGEN obtained third-party assurance to verify a suite of key sustainability metrics	Complete
Governance: supply chain	Roll out Ethixbase due diligence checks across the FGEN supply chain	Short term	FGEN's Investment Manager undertakes Ethixbase screening and due diligence against tier 1 suppliers	Complete
Governance: cyber security	Produce and roll out cyber security policy across the portfolio in FY24/25	Short term	An SPV-level cyber policy has been drafted and is undergoing revisions to better align with regulatory requirements and recommendations from a third-party specialist. The updated policy is on track to be published in 2025	Minor delay
Environmental: biodiversity	100% of fully owned, UK-based operating assets to have biodiversity management plans in place[1]	Medium term	84% of fully owned operational UK sites now have a biodiversity management plan in place, up from 69% in FY23/24. An ecological consultancy has been instructed to undertake biodiversity assessments for the Fund's hydro assets and one further asset.	On track
Environmental: biodiversity	Implement biodiversity enhancement at FGEN's anaerobic digestion sites	Medium term	Planting was carried out on four AD sites during this period, taking the total number of AD assets with biodiversity enhancement to six out of nine (66%). Further enhancement work is planned for the upcoming period	On track
Environmental: transition	Review requirements for completion of a transition plan in line with the Transition Plan Taskforce Disclosure Framework	Short term	FGEN's first transition plan was published in March 2025	Complete
Environmental: transition	*New* Integrate transition plan reporting into Board papers	Short term	Progress to be reported in 2026	Early stage
Environmental: GHG	*New* Integrate carbon intensity benchmarking into annual target review process	Short term	Progress to be reported in 2026	Early stage

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

Sustainability and ESG continued

Metrics and targets

Category	Target	Target timescale	Progress in FY24/25	Overall progress
Environmental: GHG	*New* Embed forecast asset acquisitions into FGEN's carbon forecast model	Short term	Progress to be reported in 2026	Early stage
Environmental: GHG	*New* Integrate carbon forecast model into investment proposals	Short term	Progress to be reported in 2026	Early stage
Environmental: GHG	*New* Review Scope 1 emissions sources and identify sector or portfolio-wide opportunities for improvement	Short term	Progress to be reported in 2026	Early stage
Environmental: GHG	*New* Develop short and medium-term targets for emissions reduction	Short term	Progress to be reported in 2026	Early stage
Environmental: GHG	*New* Engage with relevant portfolio companies to implement Scope 1 reductions	Short term	Progress to be reported in 2026	Early stage
Environmental: GHG	Achieve net-zero Scope 1, 2 and 3 emissions by 2050	Long term	FGEN's first transition plan was published in March 2025, identifying a series of short-term operational and data targets to help facilitate and accelerate carbon reduction measures	Early stage
Environmental: GHG	95% of assets to purchase energy from renewable tariffs	Medium term	This target is not material to FGEN's GHG emissions and is no longer being prioritised. Further information can be found in FGEN's transition plan at page 17. Energy purchased from renewable sources will continue to be monitored as part of Scope 2 GHG data collection processes, and assets will be strongly encouraged to purchase energy from renewable tariffs	Removed

Sustainability and ESG continued

Metrics and targets

Consolidated baseline

FGEN began calculating and reporting GHG and other ESG data in FY21/22 and previously applied a split baseline, between FY21/22 and FY22/23, for its reporting activities. This reflected the evolving maturity of data collection and reporting. In order to drive clear progress, FGEN's baseline year has been consolidated and is set as FY22/23, when a full set of ESG data was collated and calculated for the first time. Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out on page 104. FGEN's ESG key performance indicators are highlighted in bold text in the tables below.

Aspect	Metric	Measurement	FY24/25	FY23/24	FY22/23 (revised baseline)
Environmental	Scope 1 emissions[1]	Tonnes carbon dioxide equivalent (tCO_2e)	80,651*	77,017[2]	82,314
	Scope 2 emissions	Tonnes carbon dioxide equivalent (tCO_2e)	4,104*	3,490[3]	9,338
	Scope 3 emissions	Tonnes carbon dioxide equivalent (tCO_2e)	81,993*	63,100	117,843
	Total emissions	**Tonnes carbon dioxide equivalent (tCO_2e)**	**166,748***	**143,607[3,4]**	**209,495**
	Renewable energy generated	Megawatt-hours (MWh) renewable energy generated[5]	1,272,038*	1,357,805	1,325,132
	GHG emissions avoided	Tonnes carbon dioxide equivalent (tCO_2e) avoided	193,663*	212,917	212,263
	Waste treatment	Tonnes waste diverted from landfill (t)	703,470*	680,825	684,181
	Water treatment	Wastewater treated (l)	34,656,822,800*	40,213,501,000[6]	35,586,057,000
	Environmental incidents	Reportable environmental incidents[7]	5*	2	3
	Purchased energy originating from renewable sources	% of total purchased energy[8] in the portfolio originating from renewable sources	39*	39	21
		% of assets sourcing purchased energy from renewable energy tariffs[9]	76*	77	45
	Management of biodiversity	**% of assets with biodiversity plans[10]**	**84***	**69**	**42**

1. GHG emissions are calculated in line with the GHG Protocol.
2. Biomass waste emission factors was updated from 588 to 1,093 $kgCO_2e$/tonne to align with the Institute for Environmental Protection and Research ("ISPRA") factors.
3. Scope 2 emissions revised upwards following a time lag in data availability.
4. Ownership was incorporated into the emissions calculations.
5. For assets which have a dual generation profile of both electricity and heat, energy is converted and measured in the energy profile that is predominant.
6. The increased water treated in FY23/24 was due to significantly increased rainfall in that year compared with the previous year.
7. More information on environmental incidents is set out on page 103.
8. Purchased energy refers to the fact that all assets have their own energy requirements and where these requirements are not met in full by an asset's own generation, energy is purchased from energy suppliers for delivery via the grid.
9. Excludes development and construction assets.
10. This figure includes only fully owned operational sites within the UK. The metric used to establish the baseline is currently applicable solely to UK sites. Assets in the construction and development phases will have distinct requirements for habitat management plans to fulfil planning obligations.

Sustainability and ESG continued

Metrics and targets

Aspect	Metric	Measurement	FY24/25	FY23/24	FY22/23 (revised baseline)
Social	**Health and safety incidents**	**RIDDOR reportable accidents**[1]	**10 ***	**4**	**3**
		Other material accidents	3	0	1
	Jobs supported	Number of "full-time equivalent" ("FTE") jobs supported[2]	426	467	347
	Community funding	**£ provided to community projects**	**587,440***	**655,076**	**432,756**
	Community engagement procedures	% of assets with a clear, easily accessible complaints handling mechanism in place	84*	76[3]	81
	Accessibility of community fund documents	% of community funds that are easily accessible and signposted for local communities[4]	84	84	83
Governance	Diversity of SPV directors	% of assets with at least one female board member	6*	n/a	7
	Portfolio audits of health and safety practices	% of assets audited[5]	96*	89	84
	Portfolio audits of tax and financial practices	% of assets audited	96*	87[6]	89
	Cyber security	**% of assets with cyber security policy in place**	**57**	**n/a – new KPI**	**n/a – new KPI**

1. More information on health and safety incidents is set out on page 103.
2. FTE jobs are calculated using total hours worked over the course of the year.
3. Decrease in performance was attributed to new construction assets in the portfolio.
4. Metric excludes development and construction phase assets.
5. Excludes development assets.
6. Number decreased as four of the audits fell into the first week of April.

Caveats to the data

- Where it has not been possible to collect specific data, assumptions have been made using appropriate proxy technologies, sites and time periods.
- During this reporting period, several AD sites have begun disclosing their fugitive emissions. To enhance the completeness of emissions reporting across the portfolio, the emissions factor derived from these sites has been applied to the remaining AD sites.
- Partnership for Carbon Accounting Financials ("PCAF") emission factors have been used to calculate Scope 3 emissions. This is calculated from asset revenue data.

Sustainability and ESG continued

Metrics and targets

Reportable environmental and health and safety incidents

The following RIDDOR reportable and environmental incidents were recorded for FGEN's portfolio during FY24/25. In each case, the incidents were investigated swiftly and repairs or retrofits undertaken where the incident was caused by mechanical or equipment failure. Where the incident was caused by human error, additional training and protocols were implemented to reduce the risk of a repeat event.

Asset class	Reportable health and safety incidents	Reportable environmental incidents
Anaerobic digestion	• Foaming incident resulted in a roof tear and the uncontrolled release of >500kg biogas into the atmosphere. No injuries occurred. Also reported as an environmental incident. • Driver twisted his ankle while unloading a trailer.	• Foaming incident resulted in a roof tear and the uncontrolled release of >500kg biogas into the atmosphere. Although no injuries occurred, this was also reported as a RIDDOR incident.
Waste processing and recycling	• Member of the public was struck by a reversing vehicle on site (driven by another member of the public), causing them to fall and resulting in a head injury.	• Leachate spill resulted in the escape of some leachate down a surface water drain. A third-party contractor transported the leachate offsite by tanker and undertook maintenance and repair of the pump and associated infrastructure. • Moped vehicles were incorrectly delivered to a recycling facility without the operator's knowledge. The vehicles tipped, resulting in a fuel spill. The vehicles were recovered and stored safely until they could be removed to a different site and discussions have been undertaken with the client to ensure no vehicles are delivered to the site again.
Wind	• Technician fractured two fingers when his hand was trapped between two hatches. The hatches have been retrofitted to prevent such an incident occurring again.	
CNG	• Driver trapped their finger in a vehicle door, resulting in dislocation. • Technician received two broken fingers when unloading a vehicle.	
Aquaculture	• Sub-contractor's knife broke and struck him in the eye, resulting in a need for surgery. • Sub-contractor slipped on ice caused by a leak from a nearby water hose and fractured his ankle. • Worker fractured his finger when a pallet fell on his hand. • Sub-contractor sustained a broken finger when a pipe fell on his hand.	
Water		• Sewer transfer main burst and the pumping station was shut down during repairs, resulting in screened, settled sewage being discharged to storm outfall pumps in compliance with the environmental licence. The Scottish Environment Protection Agency ("SEPA") was notified.
Energy-from-waste		• Half-hourly limit for total organic carbon emissions was breached and exceeded the half-hourly limit for carbon monoxide. The Italian Environment Agency was notified in line with regulation, despite not being material.

Sustainability and ESG continued

Metrics and targets

Internal controls and collection and verification of data

The following steps have been taken to validate the data presented in this Sustainability and ESG report, which is accurate to the best of the Investment Manager's knowledge.

In order to generate the metrics reported here, the Investment Manager receives data from two primary sources:

- front-line site managers and asset operators; and
- independent sustainability advisers (principally for climate-related disclosures).

Whilst some reliance is placed on externally generated data, the Investment Manager performs the following steps to assess its validity:

- following submission, data is reviewed for completeness by the Foresight portfolio management team prior to upload onto the Investment Manager's custom-built data management platform, Sennen;
- the data is then processed and analysed by the Foresight sustainability team, including assessment of anomalies and outliers; and
- material metrics, such as those associated with FGEN's sustainability-linked loan facility, are further subject to third-party assurance.

ESG performance is also presented and discussed with the FGEN ESG Committee on a bi-annual basis.

Despite best intentions to design a robust internal control framework, there remains scope for error in collation of underlying data and therefore the Investment Manager is committed to continuous enhancement of data collection and validation processes. FGEN recognises that methodologies for collection and reporting of data evolve over time and, therefore, data may not always be comparable year-on-year.

Data assurance

In FY24/25, the Investment Manager, on behalf of FGEN, 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. All metrics marked with an asterisk from pages 77, 101 to 102 and 106 to 108 have been included in the assessment for limited assurance.

This process aims to verify the inputs and outputs of FGEN's environmental, social and governance reporting and ensure the information is accurate, reliable and consistent. Going forward, FGEN plans to undertake this process each year to align with best practice guidance for sustainability disclosures.

Task Force on Climate-related Financial Disclosures

Although FGEN, as an investment company, is not required to include a full TCFD disclosure under the Listing Rules of the FCA, the Board and the Investment Manager believe that the nature of FGEN's business and strategy is intrinsically aligned to the goal of a greener and less carbon-intensive future and consider TCFD to be a positive step in driving that direction.

As a result, FGEN has again voluntarily included climate-related financial disclosures in these financial statements. This year's report is more closely integrated with the wider ESG report and has made steps towards aligning with the IFRS S1 and S2 disclosure protocols and this process will be continued next year.

Limitations of the disclosure

Both the Investment Manager and the Board of FGEN are fully supportive of the TCFD's goals in bringing climate change considerations into mainstream reporting. However, analytical frameworks for evaluating the complex impacts that climate change will have on the markets in which FGEN operates are still in their infancy. As a result, there is currently no standardised way of assessing climate change risks and opportunities and how these are managed by the Company.

The disclosures in this report comply with the TCFD recommendations. Further information on where each disclosure can be located is set out in the following table. FGEN continues to work on developing its approach to climate-related issues and this will be reflected in future disclosures.

TCFD disclosures table

The table overleaf sets out the TCFD recommendations, a summary of activities in FY24/25 and a reference to where the information can be found in this report.

Sustainability and ESG continued

Metrics and targets

Recommended disclosure	Page reference	Activities in FY24/25
Governance a. Describe the Board's oversight of climate-related risks and opportunities	78	FGEN voluntarily published its first transition plan, including a series of operational targets to further integrate carbon reduction planning into its activities.
b. Describe management's role in assessing and managing climate-related risks and opportunities	78	
Strategy a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	83 to 91	During the year the Investment Manager identified the level of financial impact that each climate-related risk might have on the portfolio. FGEN voluntarily published its first transition plan and the Board of Directors agreed a Strategic Ambition which explicitly refers to the resilience of FGEN's portfolio of investments: "FGEN's portfolio of investments will be net zero by 2050 in line with the 1.5°C Paris Agreement objective, be resilient to the changing climate and contribute towards a more sustainable future."
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	83 to 89	
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	90	
Risk management a. Describe the organisation's processes for identifying and assessing climate-related risks	92 to 98	Climate risk is embedded in FGEN's risk management framework and climate-risk analysis is included within due diligence process. During the year, the Investment Manager worked with an environmental geospatial consultancy to develop a platform for assessing nature-related and physical climate risks across infrastructure assets, using FGEN's portfolio as a pilot.
b. Describe the organisation's processes for managing climate-related risks	92 to 98	
c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	92 to 98	
Metrics and targets a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	99, 101	FGEN voluntarily published its first transition plan, including a series of short-term operational targets to facilitate the development of specific Scope 1 and Scope 3 emissions reduction targets in future. Scope 2 emissions are not material to FGEN's total emissions and the target for assets to purchase energy from renewable sources is no longer a key performance indicator. The data will continue to be collected as part of Scope 2 calculations and FGEN will continue to encourage assets to purchase energy from renewable sources.
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions and the related risks	101, 106	
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	99, 100	

Sustainability and ESG continued

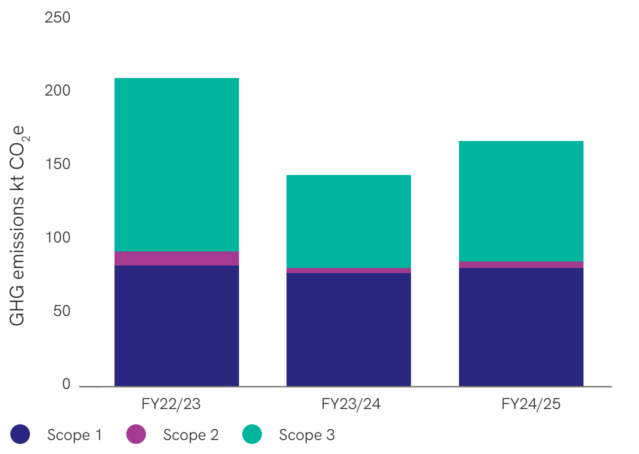
Metrics and targets

TCFD core metrics

Metric	Description	Expressed as	FY24/25	FY23/24	FY22/23 (revised baseline)
Weighted average carbon intensity[1]	Portfolio's exposure to carbon-intensive assets	tCO_2e/£m revenue	**146.06***	231.6	339.9
Total carbon emissions[2]	The absolute greenhouse gas emissions associated with the portfolio	tCO_2e	**84,754.9***	79,637	91,653
Carbon footprint	Total carbon emissions for a portfolio normalised by the market value of the portfolio	tCO_2e/£m invested	**124.9***	106.0	112.5
Carbon intensity[1]	Volume of carbon emissions per million pounds of revenue	tCO_2e/£m revenue	**216.9***	280.7	349.9
Exposure to carbon-related assets	The amount or percentage of carbon-related assets in the portfolio	%	**14%***	14.6%	17%

1. The Investment Manager is committed to working with third-party MSA providers to continually improve data quality.
2. In accordance with TCFD methodology, these calculations are undertaken using Scope 1 and Scope 2 emissions only.
* Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out on page 104.

Performance to date



FY24/25 saw an increase in Scope 1 emissions as fugitive emissions from AD sites was brought into the calculations for the first time. Increased activity across the CNG portfolio also resulted in an increase in biomethane usage. Conversely, there has been a reduction in diesel, petrol, and natural gas consumption across the portfolio.

Scope 2 emissions have decreased across the portfolio as a higher percentage of assets purchase electricity from renewable sources. Despite the increase in renewable tariff adoption, overall Scope 2 emissions have been affected by higher energy consumption at sites not yet transitioned to renewable sources. It's also important to note that the Scope 2 emissions figure for FY23/24 has been revised upward to 3.49ktCO_2e due to a time lag in data availability.

Scope 3 emissions are calculated using the PCAF methodology, which is based on asset revenues. In FY24/25, portfolio revenues increased compared to FY23/24, and several PCAF emissions factors also rose. The combination of these two factors has resulted in a higher Scope 3 emissions figure for FY24/25.

Overall, FGEN's total GHG emissions have reduced from the baseline, which is largely driven by a change in calculation methodology. GHG emissions are now calculated by applying ownership percentages to FGEN's assets, allowing for a more accurate overview of the emissions directly attributable to the Company.

Sustainability and ESG continued

Metrics and targets

Portfolio electricity and carbon avoidance

A summary of the greenhouse gas benefits delivered by the portfolio is provided in the table below. As FGEN invests into broader environmental infrastructure technologies, the Company anticipates that the GHG emissions avoided will reduce as some assets are net emitters. Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out on page 104.

Asset portfolio by sector	FY24/25 GHG emissions avoided (tCO_2e)	FY23/24 GHG emissions avoided (tCO_2e)	FY22/23 GHG emissions avoided (tCO_2e)
Wind	**107,949***	120,321	118,385
Solar (including rooftop)	**17,588***	19,983	20,725
AD	**70,216***	74,481	74,918
Hydro	**747***	987	752
Biomass	**-2,157***	-2,167	-1,859
Energy-from-waste	**-680***	-688	-659
Total	**193,663***	**212,917**	**212,263**

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

Sustainable Finance Disclosure Regulation

The Sustainable Finance Disclosure Regulation ("SFDR") is a European regulation introduced to improve transparency in the market for sustainable investment products, to prevent greenwashing and to increase transparency around sustainability claims made by financial market participants.

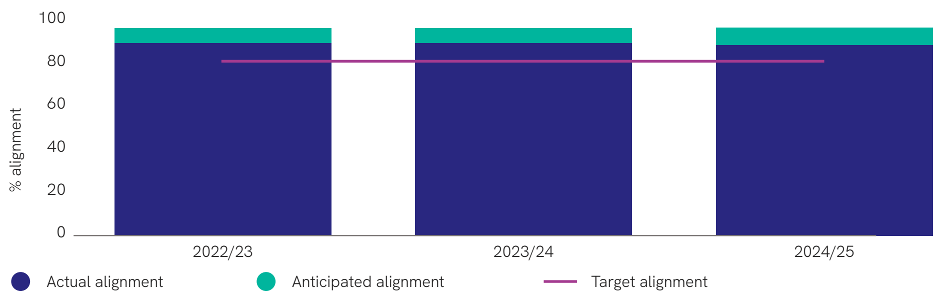
FGEN discloses under Article 9 of the SFDR, defined as "a fund that has sustainable investment as its objective". Pursuant to Article 11 of the SFDR, certain disclosures relating to the overall sustainability-related impact of the Company are set out in the disclosures below, and summarised here:

Sustainable investment objective of the Company

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

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

Alignment with EU Taxonomy (internal assessment)



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

Sustainability and ESG continued

Metrics and targets

Performance of sustainability indicators

FGEN discloses under Article 9 of the SFDR. The impact element of FGEN's SFDR reporting aligns against the UN Sustainable Development Goals ("UN SDGs").

The SDGs are a set of 17 goals for sustainable development. To be achieved by 2030, they recognise that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection and job opportunities, while tackling climate change and environmental protection. The Investment Manager has mapped FGEN's portfolio against the SDGs and the table below records performance against the selected SDGs over the past three years. Metrics marked with an asterisk have been included in the assessment for limited assurance. Further detail on the process is set out on page 104.

Contribution to the Sustainable Development Goals

SDG	Target	Metric	FY24/25	FY23/24	FY22/23
6	**6.3** Improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	Billion litres of wastewater treated	**34.7***	40.2	35.6
7	**7.2** Increase substantially the share of renewable energy in the global energy mix.	GWh renewable energy produced	**1,272***	1,358	1,325
		Number of homes powered by renewable energy per year (excludes AD portfolio)	**264,844***	284,167	252,025
8	**8.5** Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	FTE jobs supported by FGEN portfolio	**426**	467	347
9	**9.1** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all.	Total MW generation capacity	**409***	422.4	359.5
12	**12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Tonnes waste diverted from landfill	**703,470***	680,825	684,181
13	**13.3** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	Greenhouse gas emissions avoided (tCO_2e)	**193,663***	212,917	212,263
15	**15.5** Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.	Annual avoidance of fossil fuels (tonnes oil equivalent ("TOE"))	**109,376***	116,771	113,941
		Active biodiversity management plans in place (%)	**84***	69	42

Sustainability and ESG continued

Metrics and targets

Principal Adverse Impact reporting

FGEN's Principal Adverse Impact reporting for SFDR is set out in the Annex V disclosure document which is available on the Company's website[1].

SFDR RTS Website Disclosure, Annex III and Annex V

FGEN's Annex III Pre-Contractual Disclosure is available on the Company website[1], as is the RTS Website Disclosure[1].

FGEN's Article V Periodic Disclosure is available on the Company's website[1].

1. https://www.fgen.com/sustainability.

Case study

Cancer screening

In November 2024, the ETA Manfredonia site hosted a successful event in collaboration with Susan G. Komen Italia, an organisation dedicated to the fight against breast cancer. The event offered two types of cancer screenings for employees, with a total of 65 appointments available. The services were divided as follows:

- 35 endocrinological screenings
- 30 dermatological screenings

This event follows a previous collaboration in 2023, where breast cancer screenings were offered to women in the Manfredonia city centre, all sponsored by the site. The initiative aims to promote health awareness and provide much-needed support to the community.

Susan G. Komen Italia was established in 2000 in Rome as the first European affiliate of the Susan G. Komen organisation from Dallas, USA.

Susan G. Komen Italia focuses on effective breast cancer prevention, emphasising early diagnosis to reduce mortality rates. As a volunteer-based organisation, it has been working since 2000 to protect women's health by offering free screening activities (such as mammograms and ultrasounds) through the "Carovana della Prevenzione" programme.

This National Traveling Program for the Promotion of Women's Health utilises special mobile units equipped with the latest diagnostic equipment and the expertise of medical specialists. The primary objective is to provide free cancer prevention opportunities (e.g. mammograms, specialist visits, gynaecological ultrasounds) to women from disadvantaged socio-economic backgrounds who do not qualify for the free screening programmes offered by the National Health System (SSN).

Financial review

Analysis of financial results

The financial statements of the Company for the year ended 31 March 2025 are set out on pages 152 to 181.

The Company prepared the financial statements for the year ended 31 March 2025 in accordance with UK-adopted international accounting standards as applicable to companies reporting under those standards. In order to continue providing useful and relevant information to its investors, the financial statements also refer to the "Group", which comprises the Company, its wholly owned subsidiary Foresight Environmental Assets Group (UK) Limited ("UK HoldCo") and the indirectly held wholly owned subsidiary HWT Limited (which holds the investment interest in the Tay project).

Basis of accounting

The Company applies IFRS 10 and Investment Entities: Amendments to IFRS 10, IFRS 12 and IAS 28, which states that investment entities should measure all their subsidiaries that are themselves investment entities at fair value. The Company accounts for its interest in its wholly owned direct subsidiary Foresight Environmental Assets Group (UK) 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 cash balances, the working capital balances and borrowings in the intermediate holding companies are presented as part of the Company's fair value of investments.

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

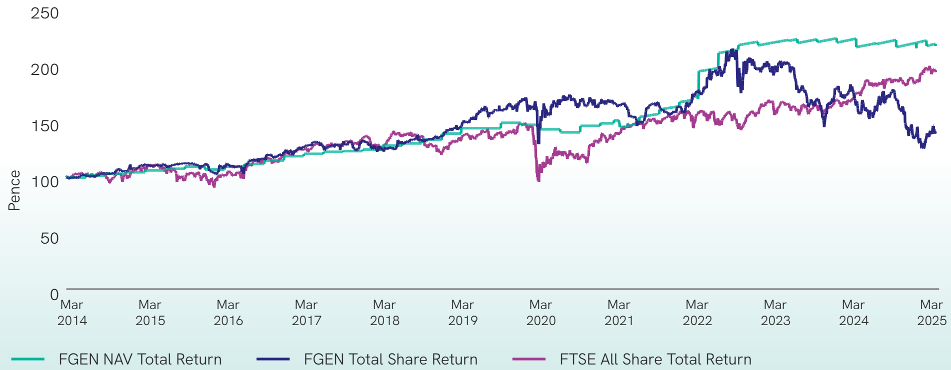
The Group holds investments in the 40 portfolio assets which make distributions comprising returns on investments (interest on loans and dividends on equity) together with repayments of investments (loan repayments and equity redemptions).

Key investment metrics

All amounts presented in £million (except as noted)	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Net assets[1]	**678.7**	751.2
Portfolio value[2]	**765.7**	891.9
Operating income and loss on fair value of investments	**6.0**	(3.8)
Net Asset Value per share[3]	**106.5p**	113.6p
Distributions, repayments and fees from portfolio	**90.4**	87.0
Loss before tax	**(2.8)**	(13.9)
Gross asset value[3]	**951.3**	1,091.8
Market capitalisation[3]	**457.0**	619.9
Share price[3]	**71.7p**	93.7p
Total shareholder return since inception[3]	**41.0%**	68.4%
Annualised total shareholder return[3]	**3.2%**	5.4%

1. Also referred to as "NAV".
2. Classified as investments at fair value through profit or loss in the statement of financial position.
3. Net Asset Value per share, share price, market capitalisation, gross asset value, total shareholder return and annualised total shareholder return are alternative performance measures ("APMs"). The APMs within the accounts are defined on pages 182 and 183.

FGEN total return since IPO



Financial review continued

Net assets

Net assets decreased from £751.2 million at 31 March 2024 to £678.7 million at 31 March 2025. The decrease was primarily driven by lower power prices, cash received from investments and the disposal of two portfolios: 100% of the rooftop solar assets and a 51% stake in six anaerobic digestion assets.

The net assets of £678.7 million comprise £765.7 million portfolio value of environmental infrastructure investments and the Company's cash balances of £2.6 million, partially offset by £87.5 million of intermediate holding companies' net liabilities and other net liabilities of £2.1 million.

The intermediate holding companies' net liabilities of £87.5 million comprises a £99.3 million credit facility loan, partially offset by cash balances of £5.1 million and other net assets of £6.7 million.

Analysis of the Group's net assets at 31 March 2025

All amounts presented in £million (except as noted)	At 31 Mar 2025	At 31 Mar 2024
Portfolio value	765.7	891.9
Intermediate holding companies' cash	5.1	17.8
Intermediate holding companies' revolving credit facility	(99.3)	(159.3)
Intermediate holding companies' other assets	6.7	3.1
Fair value of the Company's investment in UK HoldCo	678.2	753.5
Company's cash	2.6	0.3
Company's other liabilities	(2.1)	(2.6)
Net Asset Value at 31 March	678.7	751.2
Number of shares	637,443,058	661,531,229
Net Asset Value per share[1]	106.5p	113.6p

1. Net Asset Value per share is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 182 and 183.

At 31 March 2025, the Group (the Company plus intermediate holding companies) had a total cash balance of £7.8 million (31 March 2024: £18.0 million). This included £2.6 million held on the Company's balance sheet (31 March 2024: £0.3 million) and £5.1 million held by the intermediate holding companies (31 March 2024: £17.8 million). The latter is included in the Company's balance sheet under "investments at fair value through profit or loss".

At 31 March 2025, UK HoldCo had drawn £99.3 million of its RCF (31 March 2024: £159.3 million), which is included in the Company's balance sheet within "investments at fair value through profit or loss".

The movement in the portfolio value from 31 March 2024 to 31 March 2025 is summarised as follows:

All amounts presented in £million (except as noted)	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Portfolio value at start of the year	891.9	898.5
Acquisitions and further investment	30.7	69.2
Asset disposals	(89.1)	—
Distributions received from investments	(90.4)	(87.0)
Growth in value of portfolio	22.6	11.2
Portfolio value at 31 March	765.7	891.9

Further details on the portfolio valuation and an analysis of movements during the year are provided in the investment portfolio and valuation section on pages 27 to 37.

Financial review continued

Income

The Company's loss before tax for the year ended 31 March 2025 was £2.8 million, a loss of 0.4 pence per share (year ended 31 March 2024: loss of 2.1 pence per share), driven by the loss on fair value of investments as a result of power price forecast contraction, future cash flows and changes in macroeconomic conditions.

All amounts presented in £million (except as noted)	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Interest received on UK HoldCo loan notes	31.1	31.4
Dividend received from UK HoldCo	32.3	28.0
Net loss on investments at fair value	(57.4)	(63.2)
Operating income and losses on fair value of investments	6.0	(3.8)
Operating expenses	(8.8)	(10.1)
Loss before tax	(2.8)	(13.9)
Loss per share	(0.4)p	(2.1)p

In the year to 31 March 2025, the operating income on fair value of investments was £6.0 million, including the receipt of £31.1 million of interest on the UK HoldCo loan notes, £32.3 million of dividends also received from UK HoldCo and net losses on investments at fair value of £57.4 million.

The operating expenses included in the income statement for the year were £8.8 million, in line with expectations. These comprise £7.2 million Investment Manager fees and £1.6 million operating expenses. The details on how the Investment Manager fees are charged are set out in note 15 to the financial statements.

Ongoing charges

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

The ongoing charges percentage for the year to 31 March 2025 was 1.24% (year ended 31 March 2024: 1.24%).

The ongoing charges have been calculated, in accordance with AIC guidance, as annualised ongoing charges (i.e. excluding acquisition costs and other non-recurring items) divided by the average published undiluted Net Asset Value in the period. The ongoing charges percentage has been calculated on the consolidated basis and therefore takes into consideration the expenses of UK HoldCo as well as the Company. Adjusting for the impact of the drawn down amount under the RCF, the ongoing charges ratio would have been 1.06% (31 March 2024: 1.06%). Foresight believes this to be competitive for the market in which FGEN operates and the stage of development and size of the Fund, demonstrating that management of the Fund is efficient with minimal expenses incurred in its ordinary operation.

Cash flow

The Company had a total cash balance at 31 March 2025 of £2.6 million (31 March 2024: £0.3 million).

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

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

	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Cash balance at 1 April	0.3	0.1
Loan repayment from subsidiary	18.0	—
Purchase of treasury shares	(19.2)	—
Interest on loan notes received from UK HoldCo	31.1	31.4
Dividends received from UK HoldCo	32.3	28.0
Directors' fees and expenses	(0.3)	(0.3)
Investment Manager fees	(7.8)	(8.4)
Administrative expenses	(1.3)	(1.1)
Dividends paid in cash to shareholders	(50.5)	(49.4)
Company cash balance at 31 March	2.6	0.3

The Group had a total cash balance at 31 March 2025 of £7.8 million (31 March 2024: £18.1 million) and borrowings under the revolving credit facility of £99.3 million (31 March 2024: £159.3 million).

1. The ongoing charges ratio is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 182 and 183.

Financial review continued

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

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

	Year ended 31 Mar 2025	Year ended 31 Mar 2024
Cash distributions from environmental infrastructure investments	**90.4**	87.0
Administrative expenses	**(1.6)**	(1.3)
Directors' fees and expenses	**(0.3)**	(0.3)
Investment Manager fees	**(7.8)**	(8.4)
Financing costs (net of interest income)	**(10.5)**	(7.3)
Electricity Generator Levy	**(3.3)**	(5.5)
Cash flow from operations[1]	**66.9**	64.2
Debt arrangement fee cost	**(2.3)**	(1.0)
Acquisition of investment assets and further investment	**(30.7)**	(69.2)
Disposal of assets	**88.6**	—
Acquisition costs (including stamp duty)	**(1.6)**	(0.4)
Short-term project debtors	**(2.6)**	(0.9)
Purchase of treasury shares	**(19.2)**	—
(Repayment)/drawdown under the revolving credit facility	**(58.9)**	56.8
Dividends paid in cash to shareholders	**(50.5)**	(49.4)
Cash movement in the year	**(10.3)**	0.1
Opening cash balance	**18.1**	18.0
Group cash balance at 31 March	**7.8**	18.1

During the year, the Group received cash distributions of £90.4 million from its environmental infrastructure investments, an increase of 3.9% compared to 2024.

Cash received from investments in the year covers the operating and administrative expenses and financing costs, as well as the dividends declared to shareholders in respect of the year ended 31 March 2025. Cash flow from operations of the Group of £66.9 million covers dividends paid in the year to 31 March 2025 of £50.5 million by 1.32x.

The Group anticipates that future revenues from its environmental infrastructure investments will continue to be in line with expectations and therefore will continue to cover fully future costs as well as planned dividends payable to its shareholders[2].

Dividends

During the year, the Company paid a final dividend of 1.89 pence per share in June 2024 (£12.5 million) in respect of the quarter to 31 March 2024.

Interim dividends of 1.95 pence per share were paid in September 2024 (£12.9 million) in respect of the quarter to 30 June 2024, of 1.95 pence per share in December 2024 (£12.7 million) in respect of the quarter to 30 September 2024, and of 1.95 pence per share in March 2025 (£12.5 million) in respect of the quarter to 31 December 2024. On 29 May 2025, the Company declared a final dividend of 1.95 pence per share in respect of the quarter ended 31 March 2025 (£12.3 million), which is payable on 27 June 2025.

The target dividend for the year to 31 March 2026 is 7.96 pence per share, a 2.1% increase from the dividend of 7.8 pence per share declared in respect of the year to 31 March 2025[2].

1. Cash flow from operations is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 182 and 183.
2. These are targets only and not profit forecasts. There can be no assurance that these targets will be met.

Governance

In this section:

Bilsthorpe wind farm

Chair's introduction

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

Introduction

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

The related Code of Corporate Governance (the "AIC Code"), issued by the Association of Investment Companies ("AIC"), provides specific corporate governance guidelines to investment companies. The AIC issued their revised code for member companies in February 2019 and this applies to accounting periods beginning on or after 1 January 2019.

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

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

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

Statement of compliance with the AIC Code and Guide

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

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

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

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

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

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

Board of Directors

Ed Warner
Board Chair

Appointed
2 August 2022

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

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

Stephanie Coxon
Senior Independent Director

Appointed
11 June 2020

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

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

Alan Bates
Director

Appointed
10 June 2021

Alan has over 33 years' experience in the energy and infrastructure sectors, including electricity, gas and water utilities. He has developed a broad understanding of the dynamics behind the energy transition and has assisted the Government of Guernsey in developing its energy policy.

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

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

Audit Committee | Nomination Committee | Risk Committee | ESG Committee | Ⓒ Chair

Board of Directors continued

Jo Harrison

Director

Appointed

10 June 2021

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

Past experience

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

Nadia Sood

Director

Appointed

10 February 2023

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

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

Past experience

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

Board experience matrix

Board skills					
Governance	Experienced	Experienced	Experienced	Some experience	Some experience
Financial & accounting	Experienced	Experienced	Some experience	Some experience	Some experience
Risk	Experienced	Experienced	Experienced	Experienced	Experienced
Fund structure/management	Experienced	Experienced	Experienced	Some experience	Some experience
Tax & legal	Experienced	Some experience	Some experience	Limited experience	Limited experience
ESG	Experienced	Experienced	Experienced	Some experience	Some experience
Thematic experience relevant to FGEN	Experienced	Experienced	Some experience	Some experience	Some experience

Experienced   Some experience   Limited experience

Audit Committee   Nomination Committee   Risk Committee   ESG Committee   Ⓒ Chair

Governance at a glance

The corporate governance and Board structure is outlined below.

Corporate governance framework

Chair
Ed Warner

Directors
Alan Bates
Stephanie Coxon
Jo Harrison
Nadia Sood

Investment Manager
Foresight Group led by Edward Mountney, Charlie Wright and Chris Tanner as Investment Managers

Audit Committee
Stephanie Coxon (Chair)
Alan Bates
Jo Harrison
Nadia Sood

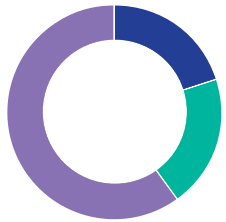
Risk Committee
Alan Bates (Chair)
Ed Warner
Stephanie Coxon
Jo Harrison
Nadia Sood

ESG Committee
Jo Harrison (Chair)
Ed Warner
Stephanie Coxon
Alan Bates
Nadia Sood

Nomination Committee
Ed Warner (Chair)
Alan Bates
Stephanie Coxon
Jo Harrison
Nadia Sood

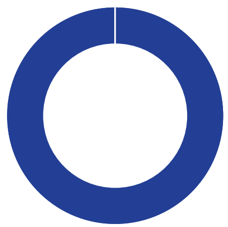
Board structure as at 31 March 2025

Board composition



Chair	1
Senior Independent Director	1
Directors	3

Board tenure



0-5 years	5
6-8 years	0

Gender diversity

Male	2
Female	3

Governance at a glance continued

Board activities in 2024/25

Strategy

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

In May, the Board attended a strategy day and site visit to FGEN's 2.4-hectare Glasshouse facility. Directors were taken on a tour of the facility and attended a presentation by the operators of the facility, Glass Pharms, discussing the future prospects of the business.

Review of strategic options

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

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

Management fees

Last year, the basis for calculation of investment management fees was changed to Net Asset Value, and the fee rate charged was also reduced. In June 2025, it was announced that the basis of calculating fees is being proposed to be further adjusted to better align the interests of the Investment Manager, Foresight, with those of shareholders.

From a proposed date of 1 October 2025, fees will be calculated 50% based on Net Asset Value and 50% on market capitalisation (the latter element capped at Net Asset Value).

Governance

The Company appointed KPMG Channel Islands Limited ("KPMG") as its external auditor following approval of its appointment at the 2023 AGM. KPMG undertook its first audit of the Company for the year ended 31 March 2024.

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

In order to ensure continuous improvement in FGEN's ESG and climate-related processes, the Board received training and approved the introduction of the Transition Plan Taskforce Disclosure Framework. Board members were invited to engage with the ongoing development of FGEN's transition plan and feed into key commitments, helping to develop the Strategic Ambition for the plan.

Risk management

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

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

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

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

Board leadership and Company purpose

Duties and responsibilities

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

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

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

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

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

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

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

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

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

Board operation

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

Shareholders authorised the renewal of the Board's authority to allot ordinary shares at the 2024 AGM and, subject to certain terms and conditions, to repurchase ordinary shares on behalf of the Company. Similar authorities are being sought at the forthcoming AGM and details will be set out in the notice of AGM.

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

Board leadership and Company purpose continued

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

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

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

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

Committees of the Board

The Board has not deemed it necessary to appoint a separate remuneration committee as, being comprised of five non-executive Directors, it considers that such matters may be considered by the Board as a whole. At the launch of the Company, the remuneration of the Board was fixed after consultation with independent external advisers and in subsequent years the Board has reviewed the remuneration levels for the Company and received industry comparison information from advisers in respect of Directors' remuneration. The Company's remuneration policy was last subject to a full independent review in May 2023. As noted in the Directors' remuneration report on pages 137 and 138, an internal review of remuneration levels was undertaken during March 2025, and recommendations for fee levels to apply from the financial year commencing April 2025 will be proposed to shareholders as part of the remuneration policy at the 2025 AGM.

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

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

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

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

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

- the terms of engagement remain fair and reasonable in the context of the Company and the market;
- their objectives remain aligned with those of the Company;
- they have not been subject to any adverse event which may present additional risk to the Company;
- they remain appropriately incentivised to perform their duties to a high standard; and
- their continued engagement remains in the best interests of the Company as a whole.

Board leadership and Company purpose continued

The Board notes the supporting guidance provided under provision 17 of the 2019 edition of the AIC Code on means by which investment companies may assess the relationship with the Manager. During the 2024/25 financial year, the Board reviewed the Company's position against each of the suggested considerations and concluded that the relationship was operating effectively, that the duties of the Investment Manager remained aligned with the objectives of the Company and that the continued retention of the Investment Manager's services remained in the best interests of the Company.

Audit Committee

The Company has established an Audit Committee, chaired by Stephanie Coxon, which operates within clearly defined terms of reference and comprises four non-executive Directors: Stephanie Coxon, Alan Bates, Jo Harrison and Nadia Sood, whose qualifications and experience are noted on pages 116 and 117. All members of the Audit Committee are independent Directors and have no connections with the serving external auditor. The Audit Committee meets at least three times a year, at times appropriate to the financial reporting calendar.

Further details of the membership and activities of the Audit Committee are described in this report on pages 131 and 134.

Audit Committee performance evaluation

For the financial year ended 31 March 2025, the Board is undertaking an internal evaluation of the performance of the Audit Committee. The evaluation process will include feedback from all Committee members on the Committee's discharge of the duties delegated under its terms of reference, and on the performance and effectiveness of the Audit Committee Chair.

External audit

The 2024 financial year was the first annual audit completed by the Company's second external auditor since IPO, KPMG Channel Islands Limited ("KPMG"). KPMG undertook its first interim review for the period ended 30 September 2023 ahead of their first audit of the Company. In line with the recommendation of the UK Code and the AIC Code that the role of the external auditor is retendered every 10 years, the Company decided to launch a formal tender of its audit following the 2023 financial year audit. The original external auditor since inception had been Deloitte LLP.

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

Risk Committee

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

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

Nomination Committee

The Nomination Committee, chaired by Ed Warner, comprises all non-executive Directors on the Board: Ed Warner, Stephanie Coxon, Nadia Sood, Alan Bates and Jo Harrison. The Nomination Committee's main function is to regularly review the structure, size and composition of the Board and to consider succession planning for Directors. The Nomination Committee meets at least twice per year.

ESG Committee

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

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

Separate reports from the Audit, Risk and Nomination Committees on their activities for the year are set out on pages 127 to 136. The terms of reference for each of the Committees are available on the Company's website or upon request from the Company Secretary.

Board leadership and Company purpose continued

Directors' attendance

The attendance record of Directors for the year to 31 March 2025 is set out below:

	Board meeting	Audit Committee	Risk Committee	Nomination Committee	ESG Committee
Number of meetings	4	6	4	4	3
Ed Warner	4	—	4	4	3
Alan Bates	4	6	4	4	3
Stephanie Coxon	4	6	4	4	3
Jo Harrison	4	6	3	3	3
Nadia Sood	4	6	4	4	3
Hans Joern Rieks (resigned effective 13 September 2024)	1	2	—	—	—

A total of 10 other unscheduled Board meetings were held during the year for specific purposes, which were attended by some, but not all, of the Directors.

Relations with shareholders

Dialogue with shareholders

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

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

Investor publications

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

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

Company website

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

Stakeholders, business relationships and socially responsible investment

Section 172 statement

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

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

Additionally, the Board promotes the success of the Company for the benefit of the Company's members as a whole as well as a broad range of stakeholders that the Board recognises as material to the long-term success of the business. We set out the detail of how the Board has considered the duty under Section 172 on pages 65 and 66.

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

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

Further information on how the Company engages with stakeholders can be found on pages 65 to 70.

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

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

Division of responsibilities

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

Chair

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

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

Senior Independent Director

Stephanie Coxon was the Senior Independent Director during the financial year ended 31 March 2025, and provided support to the Chair on matters of Board effectiveness, governance, and acting as an intermediary for the Directors, shareholders and other key stakeholders. The Senior Independent Director also provides an additional channel of communication through which stakeholders may voice concerns, works annually with the other Directors on reviewing the performance of the Chair, and is responsible for leading the succession planning arrangements for the Chair.

Non-executive Directors

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

The Company Secretary

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

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

Market Abuse Regulation

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

AIFM Directive

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

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

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

AIFM Directive disclosures

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

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

Division of responsibilities continued

AIFM remuneration

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

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

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

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

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

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

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

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

The Company does not have any employees. The services in this regard are provided by staff members of the Investment Manager in its role as AIFM.

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

Non-mainstream pooled investments

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

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

Significant voting rights

Details of shareholders with notifiable interests in the voting rights of the Company can be found on page 142.

Share repurchase

Subject to the provisions of the law and the Company's Articles of Incorporation, the Company may purchase all or any of its shares of any class, including any redeemable shares, and may hold such shares as treasury shares or cancel them. During August 2024, a share buyback programme was introduced to allow the purchase of up to £20 million of the Company's shares back into treasury by 31 March 2025. The buyback allowance was then extended by a further £10 million in March 2025.

Amendment to the Company's Articles of Incorporation

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

Nomination Committee report

Composition, succession and evaluation

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

Ed Warner
Chair of the Nomination Committee

Committee members

Ed Warner
Chair of the Nomination Committee

Alan Bates
Director

Stephanie Coxon
Senior Independent Director

Jo Harrison
Director

Nadia Sood
Director

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

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

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

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

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

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

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

Nomination Committee report continued

Composition, succession and evaluation

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

Board composition timeline 2025

31 March 2025

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

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

Board independence and composition

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

The Board considers all of the Directors, including the Chair, to be independent. The Directors' details are contained on pages 116 and 117 and set out the range of investment, financial and business skills and experience represented. Ed Warner has been appointed Chair and Stephanie Coxon as Senior Independent Director.

The Board believes that the Directors provide the appropriate balance of skills, knowledge and diversity necessary to manage the affairs of the Company and to operate effectively as a Board. Biographical details of the Directors are provided on pages 116 and 117. The composition of the Board is formally reviewed annually by the Nomination Committee with the objective of ensuring that it meets the current and expected future leadership needs of the Company. The Board's formal performance evaluation also provides feedback from the Directors on aspects of the Board's operation where greater effectiveness may be achieved.

Tenure, succession planning and induction

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

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

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

As part of this succession planning, Hans Joern Rieks did not seek re-election and therefore retired from the Board at the AGM on 13 September 2024.

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

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

Board diversity

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

Nomination Committee report continued

Composition, succession and evaluation

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

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

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

Statement on Board diversity

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

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

The Board has determined its financial year end, 31 March 2025, as the reference date for the data.

The following tables set out the required information as at 31 March 2025 in accordance with the requirements of the Listing Rules. All the targets were met at the reporting date.

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

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

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

Conflicts of interest

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

Other business relationships, including those that conflict or may potentially conflict with the interests of the Company, are taken into account when appointing Board members and are monitored on a regular basis. The terms of each Director's appointment letter with the Company require that they seek prior approval from the Board before taking up any additional external appointments. The Board recognises the holdings of ordinary shares in the Company held by each of Ed Warner, Stephanie Coxon, Jo Harrison and Alan Bates, details of which are set out on page 142.

The Board considers these interests at each scheduled meeting and remains satisfied that they do not affect the ability of the Directors to exercise independent judgement or their objectivity.

Nomination Committee report continued

Composition, succession and evaluation

Performance and evaluation

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

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

For the financial year ended 31 March 2025, the Directors undertook an internal evaluation of the Board. The evaluation process covered the composition of the Board and meeting process, Board information, training and development, Board dynamics, accountability and effectiveness.

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

- maintaining the diversity of the Board and continuing to implement a remuneration policy which reflects market practice and the time commitment and demands placed on the Directors; and
- continuing to ensure that the composition of the Board reflects the requirements of the Company, noting the retirement of Hans Joern Rieks in September 2024 dropped the size of the Board down to five Directors and that if a new Director is appointed, they should have significant technical experience in new technologies.

Audit Committee report

Audit, risk and internal control

"I am pleased to present the Audit Committee report for the year ended 31 March 2025 detailing the activities undertaken this year to fulfil its responsibilities."

Stephanie Coxon
Chair of the Audit Committee

Committee members

Stephanie Coxon
Chair of the Audit Committee

Alan Bates
Director

Jo Harrison
Director

Nadia Sood
Director

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

Summary of the roles and responsibilities of the Audit Committee

The main roles and responsibilities of the Audit Committee are:

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

Audit Committee report continued

Audit, risk and internal control

- reviewing the adequacy and security of the Company's arrangements for regulatory compliance, whistleblowing and fraud, recognising that responsibilities for whistleblowing arrangements reside with the Board as a whole;
- assessing annually the effectiveness of the audit process and the external auditor's independence and objectivity, taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services and the effectiveness of the audit process;
- overseeing the external audit tender process;
- overseeing and liaising with the external valuer; and
- making recommendations to the Board to be put to shareholders for approval at the AGM, in relation to the appointment, reappointment and removal of the Company's external auditor.

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

Meetings

The Audit Committee meets at least three times a year and at such other times as the Audit Committee Chair shall require.

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

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

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

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

AGM

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

Significant issues

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

Valuation of investments

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

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

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

Audit Committee report continued

Audit, risk and internal control

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

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

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

Internal audit

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

External audit

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

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

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

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

As part of our annual review of the objectivity and effectiveness of the audit, the Audit Committee conducted an evaluation in 2025 of the auditor's performance and the Audit Committee was satisfied in this regard. This evaluation was completed by the Audit Committee and senior finance personnel of the Investment Manager, considering the audit quality, technical competence and level of professional scepticism applied during the audit. In accordance with the relevant Corporate Governance Code principles, the Committee will continue to review the effectiveness of the external auditor in line with best practice.

Audit Committee report continued

Audit, risk and internal control

Non-audit services

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

The Company paid £48,904 during the year for non-audit services to KPMG, in relation to the Half-year Report.

Internal control

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

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

The Audit Committee works in close co-operation with the Risk Committee, with the prime responsibility of the Audit Committee being the review of internal financial controls and processes, and of the Risk Committee being the principal risks and uncertainties facing the Company. A separate report on the activities of the Risk Committee is set out on pages 135 and 136.

Activities of the Audit Committee

The Audit Committee met on six occasions during the year ended 31 March 2025. Matters considered at these meetings included, but were not limited to:

- reviewing the independent internal controls assurance process put in place by the Investment Manager;
- meeting with the independent valuation provider and with the external auditor without representatives of the Investment Manager present to receive their views in relation to the half-year and year-end valuation and the appropriateness and implementation of the Company's asset valuation methodology;
- monitoring the ongoing appropriateness of the Company's blended power price curve and capture price discounts;
- reviewing the reappointment of the external auditor;
- reviewing the effectiveness of the external auditor and the external audit process;
- considering the short and long-term implications to asset valuations and cash flows from the significant dislocation in energy markets, rising inflation and interest rates;
- reviewing the long-term viability and going concern statements, including the underlying documentation;
- approving the external audit fees;
- considering and agreeing the terms of reference of the Audit Committee for approval by the Board;
- reviewing the proposed accounting policies and format of the financial statements;
- reviewing the audit plan and timetable for the preparation of the Annual Report and financial statements;
- reviewing the Company's asset valuation methodology;
- reviewing the independent valuation report; and
- reviewing the 2025 Annual Report and financial statements and the 2024 Half-year Report to ensure they are fair, balanced and understandable.

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

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

Approval

On behalf of the Audit Committee:

Stephanie Coxon
Chair of the Audit Committee

23 June 2025

Risk Committee report

Audit, risk and internal control

"I am pleased to present the Risk Committee report for the year ended 31 March 2025."

Alan Bates
Chair of the Risk Committee

Committee members

Alan Bates
Chair of the Risk Committee

Stephanie Coxon
Director

Jo Harrison
Director

Nadia Sood
Director

Ed Warner
Director

The Board of Directors has established a Risk Committee from the non-executive Directors of the Company. The Risk Committee, chaired by Alan Bates, operates within clearly defined terms of reference and works closely with the Audit Committee in monitoring the internal controls and risk management of the Company.

The terms of reference are considered at least annually by the Risk Committee and are then referred to the Board for approval. A copy of the terms of reference is available on the Company's website or upon request from the Company Secretary.

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

- when requested to do so, advise the Board on the overall risk appetite, tolerance and strategy of the Company, taking account of the extent to which the risk profile of the Company corresponds to the size, structure and objectives of the Company, in addition to the current and prospective macroeconomic, financial and regulatory environment, including relevant stakeholder issues;
- oversee and advise the Board on the current risk exposures of the Company with particular focus on the Company's principal risks, being those which could influence shareholders' economic decisions, and the controls in place to mitigate those risks;
- keep under review the Company's overall risk identification and assessment processes and, in conjunction with the Audit Committee, review the adequacy and effectiveness of the internal control and risk management systems;
- in conjunction with the Audit Committee, ensure that a framework of strong corporate governance and best practice is in place, which enables the Company to comply with the main requirements of the Guernsey Code, UK Code or the AIC Code where considered appropriate;
- in conjunction with the ESG Committee, ensure the effective integration of climate risk into the Company's risk management framework;
- when requested to do so, advise the Board on proposed strategic transactions including acquisitions or disposals, ensuring that a due diligence appraisal of the proposition is undertaken, focusing in particular on risk aspects and implications for the risk appetite and tolerance of the Fund, and taking independent external advice where appropriate and available; and
- oversee the remit of the risk management function, its resources, access to information and independence.

Risk Committee report continued

Audit, risk and internal control

The Risk Committee reports formally to the Board on its proceedings on all matters within its duties and responsibilities and how it has discharged its responsibilities. The Committee must meet at least four times a year and at such other times as the Risk Committee Chair shall require. Other Directors and third parties may be invited by the Risk Committee to attend meetings as and when appropriate. The Risk Committee met four times in the year.

In order to assist in fulfilling its role on behalf of the Board, the Committee has established, in conjunction with the Investment Manager, an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed. This is a risk-based approach through the maintenance of a register which identifies the key risk areas faced by the Company and the controls employed to minimise and mitigate those risks. Scoring based on a traffic light system for likelihood and impact is used to assess the significance to the Company of each individual risk. The register is updated quarterly and the Committee considers all material changes to the risk ratings and the action which has been, or is being, taken. By their nature, these procedures will provide a reasonable, but not absolute, assurance against material misstatement or loss.

Activities of the Risk Committee

The Risk Committee met on four occasions during the year ended 31 March 2025. Matters considered at these meetings included, but were not limited to:

- challenging the Investment Manager's views on risk movements during the period;
- considering and agreeing the Company's principal risks;
- monitoring developments with the Company's major counterparty exposures;
- considering changes to the risk profile of the portfolio arising from proposed investments in new asset classes or geographies;
- monitoring the development of emerging risks and assessing their impact on the Company; and
- reviewing the effectiveness of the risk management function.

Directors' remuneration report

Remuneration

Introduction

The Board has established separate Risk, Audit, ESG and Nomination Committees to effectively oversee the activities of the Group.

The Board has not deemed it necessary to appoint a remuneration committee as, being comprised of five Directors, it considers that such matters may be considered by the whole Board, provided that no Director is involved in deciding their own remuneration.

The Board determines and agrees the policy for the remuneration of the Directors of the Company, including the approval of any ad hoc payments in respect of exceptional work required. No Director is involved in determining his or her own remuneration.

As all Directors of the Company are non-executive, they receive an annual fee appropriate for their responsibilities and time commitment, but no other incentive programmes or performance-related emoluments.

At IPO, the remuneration of the Board was fixed after consultation with independent external advisers. The remuneration policy is reviewed annually by the Directors to ensure it remains appropriate in the context of the activities of the Company, that the practices continue to support strategy and promote the Company's long-term sustainable success, and that they reflect the time commitment and responsibility of the role.

In 2022 an external review of the Company's remuneration policy was carried out by Trust Associates and their recommendations were considered by the Board as a whole prior to determining the policy to apply for the financial year commencing 1 April 2022. Internal remuneration policy reviews are undertaken annually by the Directors for each year intervening an externally facilitated review of remuneration.

The external remuneration review included a desktop benchmarking exercise, comparing the Company's remuneration practices against the broader listed investment company sector, companies based in the Channel Islands, in addition to a selected peer group comparison. Account was taken for the time, complexity and level of risk involved for Directors, which was assessed based on the findings of questionnaires and calls held with each Director, in addition to comments received from the Investment Manager, corporate brokers and the Company Secretary.

The findings confirmed that the Board continued to be highly responsive to Company demands, demonstrated by the attendance record at scheduled and ad hoc meetings held during the financial year. It was also acknowledged that the Board had adopted a conservative approach to reviewing its own remuneration by applying an inflationary increase in the 2019/20 financial year, then retaining those fee levels for 2020/21 in light of the ongoing uncertainty and market volatility caused by the Covid-19 pandemic.

The Directors are mindful of maintaining remuneration levels at a level broadly consistent with market expectations to avoid fees being a limiting factor by prospective Board candidates, whilst also taking account of the time requirement expected for each Board position and any additional responsibilities. In considering the findings of the external remuneration review, relevant factors included the Company remaining competitive against peers, the additional scrutiny placed on FTSE 250 constituents, and to avoid the need for substantial fee increases over future years as inflation levels remain high. Having considered the recommendations of the external review, the Board agreed to adopt each recommendation, without variation, which were ratified by shareholders at the 2024 AGM. The proposed remuneration policy applicable for the financial year ended 31 March 2025 is set out on the following page.

During March 2025, the Board undertook an internal evaluation of its remuneration levels. The internal review of the remuneration policy undertaken during 2025 benchmarked the Company's position against listed peer funds in the renewable energy infrastructure sector. The time commitment of the Directors during the year under review and additional responsibilities placed on certain Board members were considered. The review identified certain aspects of the Company's policy where changes would be suitable.

Accordingly, and with effect from 1 April 2025, the Board is recommending that shareholders approve the remuneration levels proposed in the comparative table set out on page 138.

Remuneration policy

Each Director receives a fixed fee per annum based on their role and responsibility within the Company and the time commitment required. It is not considered appropriate that Directors' remuneration should be performance related and none of the Directors are eligible for pension benefits, share options, long-term incentive schemes or other benefits in respect of their services as non-executive Directors of the Company. Shares held by the Directors are disclosed in the report of the Directors. The total remuneration of non-executive Directors has not exceeded the £400,000 per annum limit approved by shareholders at the EGM of the Company held on 8 March 2021.

The Company's Articles of Incorporation empower the Board to award additional remuneration where any Director has been engaged in exceptional work on a time spent basis to compensate for the additional time spent over their expected time commitment.

Directors' remuneration report continued

Remuneration

All of the Directors have been provided with letters of appointment which stipulate that their initial term shall be for three years, subject to annual re-election. The Articles of Incorporation provide that Directors retire and offer themselves for re-election at the first AGM after their appointment and at least every three years thereafter. Pursuant to the AIC Code, each Director retires and offers themselves for re-election at each AGM. A Director's appointment may at any time be terminated by, and at the discretion of, either party upon three months' written notice.

A Director's appointment will automatically end without any right to compensation whatsoever if they are not re-elected by the shareholders. A Director's appointment may also be terminated with immediate effect and without compensation in certain other circumstances.

The terms and conditions of appointment of non-executive Directors are available for inspection at the Company's registered office.

Details of individual remuneration

For comparative purposes, the table below sets out the Directors' remuneration approved and actually paid for the year to 31 March 2025, as well as that proposed for the year ending 31 March 2026.

Director	Role	Annual base proposed for 2025/26	Paid 2024/25
Ed Warner	Chair and Nomination Committee Chair	£83,000	£81,500
Stephanie Coxon	Senior Independent Director and Audit Committee Chair	£63,750	£62,500
Alan Bates	Risk Committee Chair	£54,000	£53,000
Jo Harrison	ESG Committee Chair	£54,000	£53,000
Nadia Sood	Director	£51,500	£50,500
Hans Joern Rieks (resigned effective 13 September 2024)	Director	—	£22,835
Total		**£306,250**	**£323,335**

Where the Company requires Directors to work on specific corporate actions, an additional fee may be appropriately determined. No additional fees were paid to the Directors for the year ended 31 March 2025.

Directors are entitled to claim reasonable expenses which they incur attending meetings or otherwise in performance of their duties relating to the Company.

The total amount of Directors' expenses paid for the year ended 31 March 2025 was £3,780 (31 March 2024: £8,495).

Approval of report

The Board will seek approval at the AGM on 18 September 2025 for both the remuneration policy and the annual Directors' fees for routine business for the year ended 31 March 2025, as set out above.

Report of the Directors

The Directors are pleased to submit their report and the audited financial statements of the Company for the year ended 31 March 2025.

Principal activities

Foresight Environmental Infrastructure Limited is a company incorporated and registered in Guernsey under the Companies (Guernsey) Law, 2008. The Company was incorporated on 12 December 2013 with the Company registered number 57682.

At 31 March 2025, the total number of ordinary shares of the Company in issue was 637,443,058.

The Company is a registered fund under the Registered Collective Investment Scheme Rules and Guidance, 2021, and is regulated by the Guernsey Financial Services Commission and, during the year, its principal activity was as an investor in environmental infrastructure that utilises natural or waste resources or supports more environmentally friendly approaches to economic activity.

Business review

The Company is required to present a fair review of its business during the year ended 31 March 2025, its position at the year end and a description of the principal and emerging risks and uncertainties it faces.

This information is contained within the strategic report on pages 4 to 113.

Disclosure of information under Listing Rule 9.8.4

The Company is required to disclose information on any contract of significance subsisting during the period under review:

- to which the Company, or one of its subsidiary undertakings, is a party and in which a Director of the Company is or was materially interested; and
- between the Company, or one of its subsidiary undertakings, and a controlling shareholder.

Details can be found in note 15 to the financial statements.

The Directors note that no shareholder has waived or agreed to waive any dividends.

Results and dividends

The results for the year are set out in the financial statements on pages 145 to 181. On 29 May 2025, the Directors declared a dividend in respect of the period 1 January 2025 to 31 March 2025 of 1.95 pence per share to shareholders on the register as at the close of business on 6 June 2025, payable on 27 June 2025.

Going concern

The Directors, in their consideration of going concern, have reviewed comprehensive cash flow forecasts prepared by the Company's Investment Manager, Foresight Group, which are based on prudent market data and a reasonable worst case scenario and believe, based on those forecasts and an assessment of the Company's subsidiary's banking facilities, that it is appropriate to prepare the financial statements of the Company on the going concern basis.

In arriving at their conclusion, the Directors assessed the risks of the volatility of energy prices, the potential impact of the principal risks (documented in the strategic report) and the triggering of the discontinuation vote.

In addition to the risks outlined above, the Directors have also considered the sustainability-related risks covering environmental, social and governance factors, including climate change (in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), which is integrated throughout the Sustainability and ESG report found on pages 75 to 109). The Investment Manager has reviewed the portfolio's exposure to these risks in the period under review and has concluded that it is currently not material to the Fund, although it continues to monitor the market attentively.

The Board considers the going concern assessment period of 18 months to 30 September 2026 to be appropriate. A longer period than the typical requirement of 12 months has been adopted to factor in the full payment of the March 2026 dividend.

The Directors also considered that the Company has adequate financial resources, and were mindful that the Group had unrestricted cash of £7.8 million (including £2.6 million in the Company) as at 31 March 2025 and a revolving credit and accordion facility (available for investment in new or existing projects and working capital) of £200 million. As at 31 March 2025, the Company's wholly owned subsidiary UK HoldCo had borrowed £99.3 million under the facility. All key financial covenants under this facility are forecast to continue to be complied with for the duration of the going concern assessment period.

On 25 April 2025, FGEN announced that it has reduced the size of its multi-currency revolving credit facility ("RCF") from £200 million to £150 million. The downsizing of the RCF will result in an annual cost saving of £367,500.

Report of the Directors continued

The reduced RCF, currently drawn at £99.3 million, continues to provide ample headroom to cover outstanding portfolio commitments, including the remaining payments for the Company's well-progressed construction-stage investments. The £150 million RCF has an uncommitted accordion facility of up to £30 million. All other terms of the RCF announced on 13 June 2024 remain unchanged.

The RCF provides the flexibility for the Fund to continue meeting existing funding commitments to portfolio assets. The Company also has sufficient headroom in its revolving credit facility to finance its hard commitments relating to construction assets held within the portfolio.

The revolving credit facility covenants have been tested on downside risk scenarios, with the assumption of 10% lower power price projections compared to the base case, reduced generation levels assuming a P90, a proportion of the portfolio not yielding and a combination of these scenarios. In all scenarios run, including the combined downside case, the Company remained compliant with its key covenants.

The shareholders will be presented with a discontinuation vote at the AGM in September. The trigger for this vote is the share price has traded, on average, at a discount in excess of 10% to the Net Asset Value per share in the financial year under review.

The Directors have made the following considerations surrounding the discontinuation vote:

- Recent interactions with shareholders, whilst assessing their indications of intent.
- Macroeconomic factors prevalent in the entire renewables sector. Notwithstanding the average share price discount to NAV, which has triggered the discontinuation vote, the presence of discounts is a market-wide event and the tighter rating for FGEN reflects the relative strong demand for its shares. The Investment Manager and the Directors are confident that FGEN's discount to NAV and associated triggering of the discontinuation vote is not due to the individual performance of FGEN, its Investment Manager or its Board of Directors.

Based on the considerations outlined above, the Investment Manager and the Directors have no reason to believe that the special resolution (75% of the total voting members) will be passed by the shareholders.

Based on the above, the Directors are satisfied that the Company has sufficient resources to continue to operate for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparation of these financial statements.

Long-term viability statement

The Directors have assessed the viability of the Group over the three-year period to June 2028, taking account of the Group's current position and the potential impact of the principal risks documented in the strategic report.

In addition to these risks, the Directors have also considered the sustainability-related risks covering environmental, social and governance factors, including climate change (in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), which is integrated throughout the Sustainability and ESG report found on pages 75 to 109).

Sensitivity analysis has been undertaken to consider the potential impacts of the principal risks on the business model, future performance, solvency and liquidity over the period.

In particular, this analysis has considered the achievement of budgeted energy yields, the level of future power prices in a volatile market, continued government support for renewable energy subsidy payments and the impact of a proportion of the portfolio not yielding.

The Directors have determined that a three-year look forward to June 2028 is an appropriate period over which to provide its viability statement. This is consistent with the outlook period used in economic and other medium-term forecasts regularly prepared for the Board by the Investment Manager and the discussion of any new strategies undertaken by the Board in its normal course of business. These reviews consider both the market opportunity and the associated risks, principally the ability to raise third-party funds and invest capital, or mitigating actions which could be taken if required, such as a reduction of dividends paid to shareholders or utilisation of additional borrowings available under the RCF.

The Group's risk management processes (as outlined on pages 56 to 64) set out the key risks, which include:

- exposure to market power prices;
- construction and development issues; and
- asset exposure to weather resource.

Whilst these risks are deemed significant to the Group's ability to operate its projects, generate revenue and to the value of the Company's investments, the Directors believe that this has had limited impact on the business to date.

Risk mitigating activities (as outlined on pages 56 to 64) have aided in the reduction of the impact.

Report of the Directors continued

The risk of exposure to variations in electricity and gas prices from assumptions made is mitigated by FGEN in the following ways: i) short-term PPAs are used to fix electricity and gas prices for between one and three years ahead depending on market conditions and many have floor prices; ii) forward prices based on market rates are used for the first two years where no fix is in place; and iii) quarterly reports from independent established market consultants are used to inform the electricity prices over the longer term used in the financial models. FGEN blends forecasts from three consultants to reduce volatility in assumed prices from period to period.

FGEN invests in a diversified portfolio of environmental infrastructure assets that earn revenues that do not depend on merchant power sales.

FGEN's exposure to wholesale power prices is mitigated by the practice of having a substantial proportion of generation for both electricity and gas on fixed price arrangements for durations ranging from six months out to two years.

Latest power prices are fixed for 53% of generation for the current summer season and 55% for the upcoming winter 2025 season.

The Managers have run downside risk scenarios, with the assumption of 10% lower power price projections compared to the base case, reduced generation levels assuming a P90, a proportion of the portfolio not yielding and a combination of these scenarios. In all scenarios run, including the combined downside case, the Company remained solvent, compliant with its key covenants and could continue to pay dividends to the shareholders.

The Company utilises the investments' cash flows from operations and has historically used proceeds from equity fund raises to repay the RCF.

FGEN aims to provide investors with a sustainable, progressive dividend, paid quarterly, and to preserve the capital value of its portfolio over the long term on a real basis. As such, the dividend is increased when the Board considers it is prudent to do so. The Board considers forecasted cash flows and dividend cover, in conjunction with inflation, electricity prices and the current operational performance of the Company's portfolio in making decisions surrounding dividends. Dividends are declared quarterly and are discretionary in nature. The Managers prepare robust scenario analysis when the target dividend for the next financial year is set. The Directors consider the anticipated cash flows under these scenarios and will assess the sustainability of the proposed dividend during the forecasted period. When considering this analysis, the Directors are comfortable that the cash dividend cover projections remain healthy over the look-forward period.

The shareholders will be presented with a discontinuation vote at the AGM in September. The trigger for this vote is the share price has traded, on average, at a discount in excess of 10% to the Net Asset Value per share in the financial year under review.

Upon assessing recent interactions with shareholders, macroeconomic factors prevalent in the entire renewables sector and considering the tighter rating of FGEN relative to peers, the Investment Manager and the Directors have no reason to believe that the special resolution (75% of the total voting members) will be passed by the shareholders.

Based on this robust assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to June 2028.

In making this statement, the Directors have considered and challenged the reports of the Investment Manager in relation to the resilience of the Group, taking into account its current position, the principal risks facing it in reasonable downside scenarios, the effectiveness of any mitigating actions and the Group's risk appetite.

Internal controls review

Taking into account the information on principal risks and uncertainties provided on pages 55 to 64 of the strategic report and the ongoing work of the Audit and Risk Committees in monitoring the risk management and internal control systems on behalf of the Board, the Directors:

- are satisfied that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity; and
- have reviewed the effectiveness of the risk management and internal control systems and no significant failings or weaknesses were identified.

Share capital

The Company has one class of ordinary shares which carry no rights to fixed income. On a show of hands, each member present in person or by proxy has the right to one vote at general meetings. On a poll, each member is entitled to one vote for every share held.

The issued nominal value of the ordinary shares represents 100% of the total issued nominal value of all share capital.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Incorporation and prevailing legislation.

Report of the Directors continued

The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

The Company's Memorandum and Articles of Incorporation contain details relating to the rules that the Company has about the appointment and removal of Directors or amendment to the Company's Articles of Incorporation, which are incorporated into this report by reference.

Authority to purchase own shares

A resolution to provide the Company with authority to purchase its own shares will be tabled at the AGM on 18 September 2025. This shareholder authority was last renewed at the 2024 AGM.

Major interests in shares and voting rights

As at 31 March 2025, the Company had been notified, in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules, of the following interests in 5% or more of the voting rights as a shareholder in the Company.

Shareholder	Percentage of voting rights and issued share capital	Number of ordinary shares
Gravis Capital Management	6.98%	44,495,619
Hargreaves Lansdown, stockbrokers (EO)	6.74%	42,949,434
Evelyn Partners (Retail)	4.99%	31,787,632

Board of Directors

The Board members that served during the year and up until the date of this report, all of whom are non-executive Directors and independent of the Investment Manager, are listed below. Their biographical details are shown on pages 116 and 117.

Name	Function
Ed Warner	Chair
Stephanie Coxon	Senior Independent Director
Alan Bates	Director
Jo Harrison	Director
Hans Joern Rieks (resigned effective 13 September 2024)	Director
Nadia Sood	Director

Re-election of Directors

In compliance with the provisions of the AIC Code of Corporate Governance, all of the Directors will stand for re-election at each AGM. The Directors are satisfied that the Board continues to perform effectively, and that each Director continues to demonstrate commitment to their roles. Each of the Directors has a letter of appointment rather than a service contract.

Directors' interests

Directors who held office and had interests in the shares of the Company as at 31 March 2025 were:

Name	**Ordinary shares of no par value each held at 31 Mar 2025**	Ordinary shares of no par value each held at 31 Mar 2024
Ed Warner	**75,000**	60,000
Stephanie Coxon	**45,000**	15,000
Alan Bates	**25,000**	12,500
Jo Harrison	**8,066**	8,066
Nadia Sood	**—**	—

There have been no changes in the Directors' interests from 31 March 2025 to the date of this report.

Report of the Directors continued

AGM

The Company's AGM will be held at 10.00am on 18 September 2025 at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, Channel Islands. Details of the business to be conducted will be confirmed in the notice of AGM.

Appointment of the Investment Manager

On 1 July 2019, the Company changed Investment Adviser from John Laing Capital Management Limited to Foresight Group LLP. The existing team that had been providing investment advice since FGEN's launch in 2014 transferred to Foresight to continue working with the Company. In January 2022, the former Investment Advisory Agreement was terminated and the Company entered into a new Investment Management Agreement with Foresight. Save for the addition of certain additional regulatory obligations in connection with Foresight's role as Alternative Investment Fund Manager and the delegation of discretionary decision-making authority in relation to routine investment transactions, the material terms and provisions of the Investment Management Agreement with Foresight Group remained the same as the previous Investment Advisory Agreement.

With effect from 1 October 2024, the investment management fee was amended to be calculated as a percentage of the Net Asset Value of the Company (previously this was calculated as a percentage of the Adjusted Portfolio Value). In June 2025 it was announced that the Company intends to implement a new investment management fee structure which is proposed to take effect from 1 October 2025. The new structure will see fees calculated 50% based on NAV and 50% on market capitalisation (the latter element being capped at NAV). It is felt that this new fee structure will better align the interests of Foresight Group LLP with those of the Company's shareholders. It is the Directors' opinion that the continuing appointment of Foresight Group LLP on the agreed terms is in the best interests of shareholders as a whole.

Auditor

The Board has appointed KPMG as the external auditor to the Company.

On behalf of the Board

Ed Warner
Chair

23 June 2025

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and applicable law.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, and for the preparation and dissemination of financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors who hold office at the date of approval of this Directors' report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and that each Director has taken all the steps they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings taken as a whole, together with a description of the principal risks and uncertainties that it faces; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

On behalf of the Board

Ed Warner
Chair

23 June 2025

Financial statements

In this section:

CNG Castleford

Independent auditor's report

to the members of Foresight Environmental Infrastructure Limited (formerly JLEN Environmental Assets Group Limited)

Our opinion is unmodified

We have audited the financial statements of Foresight Environmental Infrastructure Limited (formerly JLEN Environmental Assets Group Limited) (the "Company"), which comprise the statement of financial position as at 31 March 2025, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 31 March 2025, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in accordance with UK-adopted international accounting standards; and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below.

We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as required by the Crown Dependencies' Audit Rules and Guidance. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Key audit matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional 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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2024):

The risk	Our response
Investments at fair value through profit and loss **£678,157,000 (2024: £753,572,000); Refer to Audit Committee report (pages 132 and 133), note 2 (f) accounting policy and note 9 disclosures**	
Basis The Company's investment in its immediate subsidiary (the "UK HoldCo") is carried at fair value through profit or loss and represents a significant proportion of the Company's net assets. The UK HoldCo in turn owns investments in intermediate holding companies and environmental infrastructure projects. The fair value of the investment in the UK HoldCo, which is reflective of its net asset value, predominantly comprises of the fair value of underlying environmental infrastructure projects. The fair value of the underlying environmental infrastructure projects has been primarily determined using the income approach discounting the future cash flows to be received from the underlying projects (the "Valuations"), for which there is no active market. The Valuations incorporate certain assumptions including generation output assumptions, discount rates, power price forecasts, inflation rates and other macroeconomic assumptions. Management engages an independent valuation specialist to review the Valuations and form an opinion on the appropriateness of the Valuations.	Our audit procedures included: **Internal Controls:** We have obtained an understanding of the valuation process and tested the design and implementation of the valuation process control. We performed the procedures below rather than seeking to rely on the control as the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. **Managements independent valuation specialist valuation report:** • We assessed the objectivity, capabilities and competence of management's independent valuation specialist; • We assessed the scope of management's independent valuation specialist review of the Valuations and read their valuation report and the investment valuation memoranda produced by the Investment Manager; and • We held discussions with management's independent valuation specialist to understand the nature of the procedures performed by them in arriving at their opinion on the appropriateness of the Valuations.

Independent auditor's report continued

to the members of Foresight Environmental Infrastructure Limited (formerly JLEN Environmental Assets Group Limited)

The risk continued	**Our response** continued
Investments at fair value through profit and loss **£678,157,000 (2024: £753,572,000); Refer to Audit Committee report (pages 132 and 133), note 2 (f) accounting policy and note 9 disclosures**	
Risk: The Valuations represent both a risk of fraud and error associated with estimating the timing and amounts of long-term forecasted cash flows alongside the selection, and application, of appropriate assumptions. Changes to long-term forecasted cash flows and/or the selection and application of different assumptions may result in a materially different valuation of investments held at fair value through profit or loss. We therefore have determined that the Valuations have a high degree of estimation uncertainty giving rise to a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.	**Challenging managements' assumptions and inputs including use of KPMG valuation specialists** With the support of KPMG valuation specialists we challenged the appropriateness of the Company's valuation methodology and key assumptions such as discount rates, power price forecasts, inflation rates, and other macroeconomic assumptions applied, by: i) assessing the appropriateness of the valuation methodology applied; ii) benchmarking the discount rates applied against independent market data and relevant peer group companies; iii) assessing the reasonableness of the power price forecasts used by reference to power price curves supplied to management by external consultants; iv) challenging inflation rates and other macroeconomic assumptions used, by reference to observable market data and market forecasts; v) agreeing significant additions of operational and non-operational environmental infrastructure projects to supporting documentation; vi) comparing, where appropriate, the valuation of the underlying environmental infrastructure projects to the price of recent transactions and to any indicative non-binding offers received by management; and vii) using our KPMG valuation specialists' experience in valuing similar investments. For a risk based sample of the cash flow valuation models: • we tested their mathematical accuracy including, but not limited to, material formulae errors; • we challenged the generation output assumptions, by reference to due diligence reports prepared by third-party engineers or historical performance, where available; • we agreed other key inputs, such as contracted revenue to supporting documentation; • we assessed the appropriateness of changes to operational assumptions and cash flows in the underlying models, with reference to third-party support and historical experience where required; and • in order to assess the reliability of management's forecasts, we assessed the historical accuracy of the cash flow forecasts against actual results and project disposals in the year. **Assessing disclosures:** We considered the appropriateness and adequacy of the disclosures made in the financial statements (see notes 2(f), 9 and 16) in relation to the use of estimates and judgements regarding the fair value of investments, the valuation estimation techniques inherent therein and fair value disclosures for compliance with UK-adopted international accounting policies.

Independent auditor's report continued

to the members of Foresight Environmental Infrastructure Limited (formerly JLEN Environmental Assets Group Limited)

Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £14.4 million, determined with reference to a benchmark of net assets of £678.7 million, of which it represents approximately 2% (2024: 2%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Company was set at 75% (2024: 65%) of materiality for the financial statements as a whole, which equates to £10.8 million. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.72 million, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

The risks that we considered most likely to affect the Company's financial resources or ability to continue operations over this period were:

- availability of capital to meet operating costs and other financial commitments; and
- the outcome of the upcoming discontinuation vote.

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Company's financial forecasts.

We also considered the risk that the outcome of the discontinuation vote could affect the Company over the going concern period, by considering the outcome of previous votes held by the Company, inspecting summaries of discussions held with the broker, and considering key financial metrics including the discount of the Company's share price against its reported net asset value per share, in comparison to its peers over the last 12 months.

We considered whether the going concern disclosure in note 2 (b) to the financial statements gives a full and accurate description of the Directors' assessment of going concern.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the Directors' statement in the notes to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period, and that statement is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Independent auditor's report continued

to the members of Foresight Environmental Infrastructure Limited (formerly JLEN Environmental Assets Group Limited)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, and taking into account possible incentives or pressures to misstate performance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates such as valuation of unquoted investments. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation;
- incorporating an element of unpredictability in our audit procedures; and
- assessing significant accounting estimates for bias.

Further detail in respect of valuation of unquoted investments is set out in the key audit matter section of this report.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement.

We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Independent auditor’s report continued

to the members of Foresight Environmental Infrastructure Limited (formerly JLEN Environmental Assets Group Limited)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Disclosures of emerging and principal risks and longer term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors’ disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge. We have nothing material to add or draw attention to in relation to:

- the Directors’ confirmation within the long-term viability statement (pages 140 and 141) that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the emerging and principal risks disclosures describing these risks and explaining how they are being managed or mitigated; and
- the Directors’ explanation in the long-term viability statement (pages 140 and 141) as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the long-term viability statement, set out on pages 140 and 141 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors’ corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the Directors’ statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company’s position and performance, business model and strategy;
- the section of the Annual Report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the Annual Report that describes the review of the effectiveness of the Company’s risk management and internal control systems.

We are required to review the part of Corporate Governance Statement relating to the Company’s compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

We have nothing to report on other matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

Independent auditor's report continued

to the members of Foresight Environmental Infrastructure Limited (formerly JLEN Environmental Assets Group Limited)

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 144, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at **www.frc.org.uk/auditorsresponsibilities**.

The purpose of this report and restrictions on its use by persons other than the Company's members as a body

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Barry Ryan

For and on behalf of KPMG Channel Islands Limited

Chartered Accountants and Recognised Auditors
Guernsey

23 June 2025

Income statement

for the year ended 31 March 2025

	Notes	2025 £'000s	2024 £'000s
Operating income and loss on fair value of investments	4	5,958	(3,827)
Operating expenses	5	(8,793)	(10,110)
Operating loss		(2,835)	(13,937)
Loss before tax		(2,835)	(13,937)
Loss for the year		(2,835)	(13,937)
Loss per share			
Basic and diluted (pence)	8	(0.4)	(2.1)

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

All results are derived from continuing operations.

There is no other comprehensive income in either the current year or the preceding year, other than the loss for the year, and therefore no separate statement of comprehensive income has been presented.

Statement of financial position

as at 31 March 2025

	Notes	2025 £'000s	2024 £'000s
Non-current assets			
Investments at fair value through profit or loss	9	**678,157**	753,572
Total non-current assets		**678,157**	753,572
Current assets			
Trade and other receivables	10	**21**	25
Cash and cash equivalents		**2,617**	271
Total current assets		**2,638**	296
Total assets		**680,795**	753,868
Current liabilities			
Trade and other payables	11	**(2,094)**	(2,654)
Total current liabilities		**(2,094)**	(2,654)
Total liabilities		**(2,094)**	(2,654)
Net assets		**678,701**	751,214

	Notes	2025 £'000s	2024 £'000s
Equity			
Share capital account	13	**664,401**	664,401
Treasury shares	13	**(19,156)**	—
Retained earnings	14	**33,456**	86,813
Equity attributable to owners of the Company		**678,701**	751,214
Net assets per share (pence per share)		**106.5**	113.6

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

The financial statements were approved by the Board of Directors and authorised for issue on 23 June 2025.

They were signed on its behalf by:

Ed Warner
Chair

Stephanie Coxon
Director

Statement of changes in equity

for the year ended 31 March 2025

	Notes	Year ended 31 March 2025 Share capital account £'000s	Treasury shares £'000s	Retained earnings £'000s	Total £'000s
Balance at 1 April 2024		664,401	—	86,813	751,214
Loss for the year		—	—	(2,835)	(2,835)
Loss and total comprehensive income/(expense) for the year		—	—	(2,835)	(2,835)
Treasury shares purchased	13	—	(19,156)	—	(19,156)
Dividends paid	7	—	—	(50,522)	(50,522)
Balance at 31 March 2025		664,401	(19,156)	33,456	678,701

	Notes	Year ended 31 March 2024 Share capital account £'000s	Treasury shares £'000s	Retained earnings £'000s	Total £'000s
Balance at 1 April 2023		664,401	—	150,167	814,568
Loss for the year		—	—	(13,937)	(13,937)
Loss and total comprehensive income/(expense) for the year		—	—	(13,937)	(13,937)
Dividends paid	7	—	—	(49,417)	(49,417)
Balance at 31 March 2024		664,401	—	86,813	751,214

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

Cash flow statement

for the year ended 31 March 2025

	Notes	2025 £'000s	2024 £'000s
Cash flows from operating activities			
Loss from operations		(2,835)	(13,937)
Adjustments for:			
Investment interest		(31,073)	(31,401)
Dividends received		(32,300)	(28,000)
Net loss on investments at fair value through profit or loss		57,415	63,228
Operating cash flows before movements in working capital		(8,793)	(10,110)
Decrease in receivables		4	118
(Decrease)/increase in payables		(560)	136
Net cash outflow used in operating activities		(9,349)	(9,856)
Investing activities			
Loan repayment from subsidiary		18,000	—
Investment interest		31,073	31,401
Dividends received		32,300	28,000
Net cash from investing activities		81,373	59,401

	Notes	2025 £'000s	2024 £'000s
Financing activities			
Purchase of treasury shares		(19,156)	—
Dividends paid	7	(50,522)	(49,417)
Net cash used in financing activities		(69,678)	(49,417)
Net increase in cash and cash equivalents		2,346	128
Cash and cash equivalents at beginning of the year		271	143
Cash and cash equivalents at end of the year		2,617	271

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

Notes to the financial statements

for the year ended 31 March 2025

1. General information

Foresight Environmental Infrastructure Limited (the "Company" or "FGEN", formerly known as JLEN Environmental Assets Group Limited, "JLEN") is a closed-ended investment company domiciled and incorporated in Guernsey, Channel Islands, under Section 20 of the Companies (Guernsey) Law, 2008. The shares are publicly traded on the London Stock Exchange under a premium listing. The audited financial statements of the Company are for the year ended 31 March 2025 and have been prepared on the basis of the accounting policies set out below. The financial statements comprise only the results of the Company as its investment in Foresight Environmental Infrastructure (UK) Limited ("UK HoldCo", formerly known as JLEN Environmental Assets Group (UK) Limited) is measured at fair value as detailed in the significant accounting policies below. The Company and its subsidiaries invest in environmental infrastructure that utilises natural or waste resources or supports more environmentally friendly approaches to economic activity.

2. Accounting policies

(a) Basis of preparation

The financial statements, which give a true and fair view, were approved and authorised for issue by the Board of Directors on 23 June 2025. The set of financial statements included in this financial report has been prepared in accordance with UK-adopted international accounting standards as applicable to companies reporting under those standards and complies with the Companies (Guernsey) Law, 2008.

As a result of adopting the amendments to IFRS 10, IFRS 12 and IAS 28 first adopted in the Company's Annual Report to 31 March 2015, the Company is required to hold its subsidiaries that provide investment services at fair value, in accordance with IFRS 9 Financial Instruments Recognition and Measurement, and IFRS 13 Fair Value Measurement. The Company accounts for its investment in its wholly owned direct subsidiary UK HoldCo at fair value. The Company, together with its wholly owned direct subsidiary UK HoldCo and the intermediate holding subsidiary HWT Limited, comprise the Group (the "Group") investing in environmental infrastructure assets.

The net assets of the intermediate holding companies (comprising UK HoldCo and HWT Limited), which at 31 March 2025 principally comprise working capital balances, the revolving credit facility ("RCF") and investments in projects, are required to be included at fair value in the carrying value of investments.

Consequently, the Company does not consolidate its subsidiaries or apply IFRS 3 Business Combinations when it obtains control of another entity as it is considered to be an investment entity under UK-adopted international accounting standards. Instead, the Company measures its investment in its subsidiary at fair value through profit or loss.

The financial statements incorporate the financial statements of the Company only.

UK HoldCo is itself an investment entity. Consequently, the Company need not have an exit strategy for its investment in UK HoldCo.

Each investment indirectly held has a finite life. For the PPP assets, the shareholder debt will mature towards the end of the concession, and at the end of the concession the investment will be dissolved. In the case of renewable energy assets, the life of the project is based on the expected asset life and the land lease term, after which the investment will also be dissolved. The exit strategy is that investments will normally be held to the end of the concession, unless the Company sees an opportunity in the market to dispose of investments. Foresight Group, the Company's Investment Manager, and the Company's Board regularly consider whether any disposals should be made.

The Directors continue to consider that the Company demonstrates the characteristics and meets the requirements to be considered as an investment entity.

The following relevant standards which have not been applied in these financial statements were in issue but not yet effective:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (applicable for annual periods beginning on or after 1 January 2026);
- Annual Improvements to IFRS Accounting Standards (applicable for annual periods beginning on or after 1 January 2026) – Amendments to:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash flows;
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7; and
- IFRS 18 Presentation and Disclosure in Financial Statements (applicable for annual periods beginning on or after 1 January 2027).

Notes to the financial statements continued

for the year ended 31 March 2025

2. Accounting policies continued

The Company is currently assessing the impact of IFRS 18 on its financial statements. Particular focus is being given to potential changes in the structure of the income statement, the statement of cash flows, and the enhanced disclosure requirements related to management performance measures ("MPMs"). The assessment also includes a review of how information is grouped and presented within the financial statements.

The following relevant standards became effective during the year and did not have a material impact on the Company's reported results:

- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases (applicable for annual periods beginning on or after 1 January 2024);
- Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 Presentation of Financial Statements (applicable for annual periods beginning on or after 1 January 2024);
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements (applicable for annual periods beginning on or after 1 January 2024); and
- Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (applicable for annual periods beginning on or after 1 January 2025).

(b) Going concern

The Directors, in their consideration of going concern, have reviewed comprehensive cash flow forecasts prepared by the Company's Investment Manager, Foresight Group, which are based on prudent market data and a reasonable worst case scenario, and believe, based on those forecasts and an assessment of the Company's subsidiary's banking facilities, that it is appropriate to prepare the financial statements of the Company on the going concern basis.

In reaching their decision, the Directors considered several key risks, including the volatility of energy prices and the potential impact of the principal risks (as documented in the strategic report).

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

The Board considers the going concern assessment period of 18 months to 30 September 2026 to be appropriate. A longer period than the typical requirement of 12 months has been adopted to factor in the full payment of the declared dividend in year 2025/26.

The Directors also considered that the Company has adequate financial resources, and were mindful that the Group had unrestricted cash of £7.8 million as at 31 March 2025. Additionally, the Group had an RCF and uncommitted accordion facility in total of £180 million, available until June 2027 with an uncommitted option to extend for a further year, for investment in new or existing projects and working capital. As at 31 March 2025, the Company's wholly owned subsidiary UK HoldCo had borrowed £99.3 million under the facility, leaving £50.7 million undrawn under the current committed amount. All key financial covenants under this facility are forecast to continue to be complied with for the duration of the going concern assessment period.

The RCF provides the Fund with the flexibility to meet its existing funding commitments to portfolio assets. Additionally, the Company has sufficient headroom in its RCF to finance its hard commitments related to construction assets within the portfolio.

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

At the Annual General Meeting ("AGM") in September 2024, shareholders were presented with a discontinuation vote, triggered by the Company's shares trading at an average discount of more than 10% to the Net Asset Value ("NAV") per share during the financial year under review. The Directors are pleased with the overwhelming support from shareholders, who voted against the proposed discontinuation of the Company.

The Company will face another discontinuation vote at the September 2025 AGM after trading at a discount of more than 10% during the 2024/25 financial year. There have been no indications of concern from shareholders that the vote will pass and the Investment Manager and the Directors have no reason to believe that the special resolution (75% of the total voting members) will be passed by the shareholders.

Notes to the financial statements continued

for the year ended 31 March 2025

2. Accounting policies continued

Following the September 2024 vote, both the Investment Manager and the Directors are confident that FGEN's discount to NAV is not attributable to the individual performance of FGEN, its Investment Manager, or its Board of Directors.

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

(c) Revenue recognition – Operating income and loss on fair value of investments

Operating income and loss on fair value of investments in the income statement represents gains or losses that arise from the movement in the fair value of the Company's investment in UK HoldCo, dividend income and interest received from UK HoldCo. Dividends from UK HoldCo are recognised when the Company's right to receive payment has been established. Interest income is accrued by reference to the loan principal outstanding, applicable interest rate and in accordance with the loan note agreement. Refer to note 9 for details.

(d) Taxation

Under the current system of taxation in Guernsey, the Company itself is exempt from paying taxes on income, profits or capital gains. Dividend income and interest income received by the Company may be subject to withholding tax imposed in the country of origin of such income. The underlying intermediate holding companies and project companies in which the Company invests provide for and pay taxation at the appropriate rates in the countries in which they operate. This is taken into account when assessing the fair value of the Company's investments.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, deposits held on call with banks and other short-term highly liquid deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purpose of the cash flow statements. Deposits held with original maturities of greater than three months are included in other financial assets.

(f) Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred and the transfer qualifies for derecognition in accordance with IFRS 9 Financial Instruments.

I) Financial assets

The Company classifies its financial assets as either investments at fair value through profit or loss or financial assets at amortised cost. The classification depends on the results of the "solely payments of principal and interest" and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how management are compensated. Monitoring is part of the Company's continuous assessment of whether the business model, for which the remaining financial assets are held, continues to be appropriate and, if it is not appropriate, whether there has been a change in business model and so a prospective change to the classification of those assets.

i) Investments at fair value through profit or loss

Investments at fair value through profit or loss are recognised upon initial recognition as financial assets at fair value through profit or loss in accordance with IFRS 10. In these financial statements, investments at fair value through profit or loss is the fair value of the Company's subsidiary, UK HoldCo, which comprises the fair value of UK HoldCo and HWT Limited and the environmental infrastructure investments.

The intermediate holding companies' net assets (UK HoldCo and HWT Limited) are mainly composed of cash, working capital balances and borrowings under the Company's wholly owned direct subsidiary's RCF, and are recognised at fair value, which is equivalent to their net assets. Although the working capital and the RCF outstanding balance are measured at amortised cost, their fair values do not materially differ from their amortised costs.

The Company's investment in UK HoldCo comprises both equity and loan notes. Both elements are exposed to the same primary risk, being performance risk. This performance risk is taken into consideration when determining the discount rate applied to the forecast cash flows.

Notes to the financial statements continued

for the year ended 31 March 2025

2. Accounting policies continued

In determining fair value, the Board considered observable market transactions and has measured fair value using assumptions that market participants would use when pricing the asset, including assumptions regarding risk. The loan notes and equity are considered to have the same risk characteristics. As such, the debt and equity form a single class of financial instrument for the purposes of disclosure. The Company measures its investment as a single class of financial asset at fair value in accordance with IFRS 13 Fair Value Measurement.

ii) Financial assets at amortised cost

Trade receivables, loans and other receivables that are non-derivative financial assets and that have fixed or determinable payments that are not quoted in an active market are classified as "loans and other receivables". Loans and other receivables are measured at amortised cost using the effective interest method, less any impairment. They are included in current assets, except where maturities are greater than 12 months after the reporting date, in which case they are classified as non-current assets. The Company's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the statement of financial position.

The loan notes issued by the Company's wholly owned subsidiary UK HoldCo are held at fair value, which is included in the balance of the investments at fair value through profit or loss in the statement of financial position.

II) Financial liabilities and equity

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

i) Equity instruments

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares that would otherwise have been avoided are written off against the balance of the share capital account as permitted by Companies (Guernsey) Law, 2008.

ii) Financial liabilities

Financial liabilities are classified as other financial liabilities, comprising:

- loans and borrowings which are recognised initially at the fair value of the consideration received, less transaction costs. Subsequent to initial recognition, loans and borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis; and
- other non-derivative financial instruments, including trade and other payables, which are measured at amortised cost using the effective interest method less any impairment losses.

In accordance with IFRS 9, financial guarantee contracts are recognised as a financial liability. The liability is measured at fair value and subsequently in accordance with the expected credit loss model under IFRS 9.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between contracted payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

III) Effective interest method

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the relevant asset's carrying amount.

IV) Fair value estimation for investments at fair value

The Company's investments at fair value are not traded in active markets.

Fair value is calculated by discounting at an appropriate discount rate future cash flows expected to be received by the Company's intermediate holdings, from investments in both equity (dividends and equity redemptions), shareholder and inter-company loans (interest and repayments). The discount rates used in the valuation exercise represent the Investment Manager's and the Board's assessment of the rate of return in the market for assets with similar characteristics and risk profile. The discount rates are reviewed on a regular basis and updated, where appropriate, to reflect changes in the market and in the project risk characteristics. The discount rates that have been applied to the financial assets at 31 March 2025 were in the range of 7.0% to 18.4% (31 March 2024: 7.0% to 17.7%). Refer to note 9 for details of the areas of estimation in the calculation of the fair value.

For subsidiaries which provide management/investment-related services, the fair value is estimated to be the net assets of the relevant companies, which principally comprise cash, loans and working capital balances.

(g) Segmental reporting

The Board is of the opinion that the Company is engaged in a single segment of business, being investment in environmental infrastructure to generate investment returns while preserving capital. The financial information used by the Board to allocate resources and manage the Company presents the business as a single segment comprising a homogeneous portfolio.

Notes to the financial statements continued

for the year ended 31 March 2025

2. Accounting policies continued

(h) Statement of compliance

Pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020, the Company is a registered closed-ended investment scheme. As a registered scheme, the Company is subject to certain ongoing obligations to the Guernsey Financial Services Commission, and is governed by the Companies (Guernsey) Law, 2008, as amended.

(i) Seasonality

Neither operating income nor profit are impacted significantly by seasonality. While meteorological conditions resulting in fluctuation in the levels of wind and sunlight can affect revenues of the Company's environmental infrastructure projects, due to the diversified mix of projects, these fluctuations do not materially affect the Company's operating income or profit.

3. Critical accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the fair value of assets and liabilities that affect reported amounts. Actual results may differ from these estimates.

Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Investments at fair value through profit or loss

The fair value of environmental infrastructure investments is calculated by discounting at an appropriate discount rate future cash flows expected to be received by the Company's intermediate holdings, from investments in both equity (dividends and equity redemptions), shareholder and inter-company loans (interest and repayments). Estimates such as the cash flows are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the fair value of assets not readily available from other sources. Actual results may differ from these estimates.

The project cash flows used in the portfolio valuation at 31 March 2025 reflect contractual fixed price arrangements under PPAs, where they exist, and short-term market forward prices for the next two years where they do not.

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

For the Italian investment, project cash flows assume future electricity prices informed by a leading independent market consultant's long-term projections.

The power price assumptions, including the discount to the near-term power price assumptions, are a key source of estimation and uncertainty. Information on the sensitivity of the portfolio to movement in power price is disclosed in note 16.

Discount rates used in the valuation represent the Investment Manager's and the Board's assessment of the rate of return in the market for assets with similar characteristics and risk profile. The discount rate is deemed to be one of the most significant unobservable inputs and any change could have a material impact on the fair value of investments. Underlying assumptions and discount rates are disclosed in note 9 and sensitivity analysis is disclosed in note 16.

Due to the current economic environment, the Investment Manager and the Board believe that the rate of inflation should also be considered a key source of estimation uncertainty. Information on the sensitivity of the portfolio valuation to movements in inflation rates is disclosed in note 16.

Critical accounting judgements

Equity and debt investment in UK HoldCo

In applying their judgement, the Directors have satisfied themselves that the equity and debt investments in UK HoldCo share the same investment characteristics and, as such, constitute a single asset class for IFRS 7 disclosure purposes. Please refer to the accounting policies in note 2 for further detail.

Investment entities

The Directors consider that the Company demonstrates the characteristics and meets the requirements to be considered as an investment entity. Please refer to the accounting policies in note 2 for further detail.

Notes to the financial statements continued

for the year ended 31 March 2025

4. Operating income and loss on fair value of investments

	Year ended 31 Mar 2025 £'000s	Year ended 31 Mar 2024 £'000s
Interest income	**31,073**	31,401
Dividend income	**32,300**	28,000
Net loss on investments at fair value through profit or loss	**(57,415)**	(63,228)
	5,958	(3,827)

5. Operating expenses

	Year ended 31 Mar 2025 £'000s	Year ended 31 Mar 2024 £'000s
Investment management fee	**7,208**	8,468
Directors' fees and expenses	**327**	343
Administration fee	**124**	104
Other expenses	**1,134**	1,195
	8,793	10,110

The Company had no employees during the year (31 March 2024: nil). There was no Directors' remuneration for the year other than Directors' fees as detailed in note 15 (31 March 2024: £nil).

Included within other expenses is an amount of £197,000 to KPMG Channel Islands Limited for the audit of the Company for the year ended 31 March 2025 (year ended 31 March 2024: £170,775).

The Company paid £48,904 during the year for non-audit services to KPMG Channel Islands Limited, all in relation to the Half-year Report (year ended 31 March 2024: £54,532).

6. Tax

Income tax expense

The Company has obtained exempt status from income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. FGEN is charged an annual exemption fee of £1,600 (year ended March 2024: £1,600).

The income from its investments is therefore not subject to any further tax in Guernsey, although the investments provide for and pay taxation at the appropriate rates in the countries in which they operate. The underlying tax within the subsidiaries and environmental infrastructure assets, which are held as investments at fair value through profit or loss, is included in the estimate of the fair value of these investments.

7. Dividends

	Year ended 31 Mar 2025 £'000s	Year ended 31 Mar 2024 £'000s
Amounts recognised as distributions to equity holders during the year (pence per share):		
Final dividend for the year ended 31 March 2024 of 1.89 (31 March 2023: 1.79)	**12,503**	11,841
Interim dividend for the quarter ended 30 June 2024 of 1.95 (30 June 2023: 1.89)	**12,858**	12,503
Interim dividend for the quarter ended 30 September 2024 of 1.95 (30 September 2023: 1.89)	**12,667**	12,503
Interim dividend for the quarter ended 31 December 2024 of 1.95 (31 December 2023: 1.90)	**12,494**	12,569
	50,522	49,417[1]

1. Total may not cast due to rounding.

A dividend for the quarter ended 31 March 2025 of 1.95 pence per share was approved by the Board on 29 May 2025 and is payable on 27 June 2025.

Notes to the financial statements continued

for the year ended 31 March 2025

8. (Loss)/earnings per share

Earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the time weighted average number of ordinary shares in issue during the year:

	Year ended 31 Mar 2025 £'000s	Year ended 31 Mar 2024 £'000s
(Loss)/earnings		
(Loss)/earnings for the purposes of basic and diluted earnings per share, being net profit attributable to owners of the Company	(2,835)	(13,937)
Number of shares		
Time weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	653,841,890	661,531,229

The denominator for the purposes of calculating both basic and diluted earnings per share is the same, as the Company has not issued any share options or other instruments that would cause dilution. Shares held in treasury are excluded from the calculation.

	Pence	Pence
Basic and diluted (loss)/earnings per share	(0.4)	(2.1)

9. Investments at fair value through profit or loss

As set out in note 2, the Company accounts for its interest in its 100% owned subsidiary UK HoldCo as an investment at fair value through profit or loss. UK HoldCo in turn owns investments in intermediate holding companies and environmental infrastructure projects.

The table below shows the movement in the Company's investment in UK HoldCo as recorded on the Company's statement of financial position:

	31 Mar 2025 £'000s	31 Mar 2024 £'000s
Fair value of environmental infrastructure investments	765,674	891,927
Fair value of intermediate holding companies	(87,517)	(138,355)
Total fair value of investments	**678,157**	753,572

Notes to the financial statements continued
for the year ended 31 March 2025

9. Investments at fair value through profit or loss continued

Reconciliation of movement in fair value of portfolio of assets

The table below shows the movement in the fair value of the Company's portfolio of environmental infrastructure assets. These assets are held through other intermediate holding companies. The table also presents a reconciliation of the fair value of the asset portfolio to the Company's statement of financial position as at 31 March 2025, by incorporating the fair value of these intermediate holding companies.

	Portfolio value 31 Mar 2025 £'000s	Cash, working capital and debt in intermediate holdings 31 Mar 2025 £'000s	Total 31 Mar 2025 £'000s	Portfolio value 31 Mar 2024 £'000s	Cash, working capital and debt in intermediate holdings 31 Mar 2024 £'000s	Total 31 Mar 2024 £'000s
Opening balance	891,927	(138,355)	753,572	898,539	(81,739)	816,800
Acquisitions						
Portfolio of assets acquired	30,722	—	30,722	69,221	—	69,221
Disposal of assets	(89,137)	—	(89,137)	—	—	—
	(58,415)	—	(58,415)	69,221	—	69,221
Growth in portfolio[1]	22,585	—	22,585	11,181	—	11,181
Yields from portfolio to intermediate holding companies	(90,423)	90,423	—	(87,014)	87,014	—
Yields from intermediate holding companies						
Interest on loan notes[1]	—	(31,073)	(31,073)	—	(31,401)	(31,401)
Dividend payments from UK HoldCo to the Company[1]	—	(32,300)	(32,300)	—	(28,000)	(28,000)
	—	(63,373)	(63,373)	—	(59,401)	(59,401)
Other movements						
Movement in working capital in UK HoldCo	—	(19,512)	(19,512)	—	(13,425)	(13,425)
Expenses borne by intermediate holding companies[1]	—	(16,626)	(16,626)	—	(15,008)	(15,008)
Repayment/(drawdown) of UK HoldCo revolving credit facility borrowings	—	59,926	59,926	—	(55,796)	(55,796)
Fair value of the Company's investment in UK HoldCo	765,674	(87,517)	678,157	891,927	(138,355)	753,572

1. The net loss on investments at fair value through profit or loss for the year ended 31 March 2025 is £57,415,000 (31 March 2024: net loss of £63,228,000). This, together with interest received on loan notes of £31,073,000 (31 March 2024: £31,401,000) and dividend income of £32,300,000 (31 March 2024: £28,000,000) comprises operating income and gains/(losses) on fair value of investments in the income statement.

Notes to the financial statements continued

for the year ended 31 March 2025

9. Investments at fair value through profit or loss continued

The balances in the table on the previous page represent the total net movement in the fair value of the Company's investment. The "cash, working capital and debt in intermediate holdings" balances reflect investment in, distributions from or movements in working capital and are not value generating.

Fair value of portfolio of assets

The Investment Manager has carried out fair market valuations of the investments as at 31 March 2025. The Directors have satisfied themselves as to the methodology used and the discount rates applied for the valuation. Investments are all investments in environmental infrastructure projects and are valued using a discounted cash flow methodology, being the most relevant and most commonly used method in the market to value similar assets to the Company's. The Company's holding of its investment in UK HoldCo represents its interest in both the equity and debt instruments. The equity and debt instruments are valued as a whole using a blended discount rate and the value attributed to the equity instruments represents the fair value of future dividends and equity redemptions in addition to any value enhancements arising from the timing of loan principal and interest receipts from the debt instruments, while the value attributed to the debt instruments represents the principal outstanding and interest due on the loan at the valuation date.

The valuation techniques and methodologies have been applied consistently with the valuations performed since the launch of the Fund in March 2014.

Discount rates applied to the portfolio of assets range from 7.0% to 18.4% (31 March 2024: 7.0% to 17.7%). The weighted average discount rate of the portfolio at 31 March 2025 is 9.7% (31 March 2024: 9.4%).

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

	31 Mar 2025	31 Mar 2024
UK – inflation rates	**3.5% for 2025, decreasing to 3% until 2030, decreasing to 2.25% from 2031**	3.5% for 2024, decreasing to 3% until 2030, decreasing to 2.25% from 2031
Italy – inflation rates	**2.0% from 2025 onwards**	2.0% from 2024 onwards
UK – deposit interest rates	**2.0% from 2025 onwards**	2.0% from 2024 onwards
Italy – deposit rates	**0%**	0%
UK – corporation tax rates	**25% from April 2025 onwards**	25% from April 2024 onwards
Italy – corporation tax rates	**National rate of 24%, plus applicable regional premiums**	National rate of 24%, plus applicable regional premiums
Euro/sterling exchange rate	**1.19**	1.17

Refer to note 16 for details of the sensitivity of the portfolio to movements in the discount rate and economic assumptions.

The assets in the intermediate holding companies substantially comprise working capital, cash balances and the outstanding RCF debt; therefore, the Directors consider the fair value to be equal to the amortised cost.

Notes to the financial statements continued

for the year ended 31 March 2025

9. Investments at fair value through profit or loss continued

Details of environmental infrastructure project investments are as follows:

	% holding at 31 Mar 2025		% holding at 31 Mar 2024	
Project name	Equity	Shareholder loan	Equity	Shareholder loan
Amber	100%	100%	100%	100%
Bilsthorpe	100%	100%	100%	100%
Bio Collectors	100%	100%	100%	100%
Biogas Meden	49%	49%	100%	100%
Branden	100%	100%	100%	100%
Burton Wold Extension	100%	100%	100%	100%
Carscreugh	100%	100%	100%	100%
Castle Pill	100%	100%	100%	100%
Clayfords	50%	50%	50%	50%
CNG Foresight	25%	25%	25%	25%
Codford	100%	100%	100%	100%
Cramlington	100%	100%	100%	100%
CSGH	100%	100%	100%	100%
Dungavel	100%	100%	100%	100%
Egmere Energy	49%	49%	100%	100%
ELWA	80%	80%	80%	80%
ETA Manfredonia	45%	45%	45%	45%
Ferndale	100%	100%	100%	100%
Glasshouse	10%	100%	10%	100%
Grange Farm	49%	49%	100%	100%
Hall Farm	100%	100%	100%	100%
Icknield	53%	100%	53%	100%
Llynfi	100%	100%	100%	100%
Lunanhead	50%	50%	50%	50%
Merlin Renewables	49%	49%	100%	100%
Moel Moelogan	100%	100%	100%	100%
Monksham	100%	100%	100%	100%
New Albion Wind Farm	100%	100%	100%	100%
Northern Hydro	100%	n/a	100%	n/a
Panther	—	—	100%	100%
Peacehill	49%	100%	49%	100%
Pylle Southern	100%	100%	100%	100%
Rainworth	100%	100%	100%	100%
Rjukan	25%	33%	25%	33%
Sandridge	50%	50%	50%	50%
Tay	33%	33%	33%	33%
Thierbach	36%	25%	36%	25%
Lubmin	30%	5%	30%	5%
Vulcan	49%	49%	100%	100%
Warren	49%	49%	100%	100%
Wear Point	100%	100%	100%	100%
West Gourdie	100%	100%	100%	100%
Yorkshire Hydro	100%	n/a	100%	n/a

Notes to the financial statements continued

for the year ended 31 March 2025

9. Investments at fair value through profit or loss continued

Additionally, the fair value of the portfolio of assets includes the Fund's investment into FEIP, details of which can be found on page 45 of this report.

Details of investments made during the year

During the year, £2.4 million was injected into CNG Foresight Limited. As at 31 March 2025, the portfolio held 16 natural gas refuelling stations, including the sites in construction phase.

The Group funded a capital call of €5.3 million to Foresight Energy Infrastructure Partners SCSp ("FEIP"), in line with its existing commitment to the fund.

The Group also invested £14.2 million into Rjukan Holdings Limited, £2.9 million into Cramlington, £2.3 million into Sandridge Battery Storage, £1.1 million into Vulcan Renewables Limited, £0.9 million into the Glasshouse project, and £2.5 million to various other projects.

10. Trade and other receivables

	31 Mar 2025 £'000	31 Mar 2024 £'000
Prepayments	19	25
Other debtors	2	—
Balance at 31 March	**21**	25

11. Trade and other payables

	31 Mar 2025 £'000	31 Mar 2024 £'000
Accruals	2,094	2,654
Balance at 31 March	**2,094**	2,654

12. Loans and borrowings

The Company had no outstanding loans or borrowings at 31 March 2025 (31 March 2024: £nil), as shown in the Company's statement of financial position.

As at 31 March 2025, the Company held loan notes of £330.9 million which were issued by UK HoldCo (31 March 2024: outstanding amount of £348.9 million).

As at 31 March 2025, UK HoldCo had an outstanding balance of £99.3 million under a revolving credit facility (31 March 2024: £159.3 million). The loan bears interest of SONIA + 205 to 215 bps.

There were no other outstanding loans and borrowings in either the Company, UK HoldCo or HWT at 31 March 2025.

13. Share capital account

	Number of shares	31 Mar 2025 £'000	31 Mar 2024 £'000
Opening balance at 1 April	661,531,229	664,401	664,401
Treasury shares	(24,088,171)	(19,156)	—
Balance at 31 March	637,443,058	**645,245**	664,401

The number of voting shares at 31 March 2025 was 637,443,058 and 24,088,171 shares were kept in treasury as a result of the share buyback programme that started on 30 August 2024.

14. Retained earnings

	31 Mar 2025 £'000	31 Mar 2024 £'000
Opening balance	86,813	150,167
Loss for the year	(2,835)	(13,937)
Dividends paid	(50,522)	(49,417)
Balance at 31 March	**33,456**	86,813

Notes to the financial statements continued

for the year ended 31 March 2025

15. Transactions with the Investment Manager and related parties

Transactions between the Company and its subsidiaries, which are related parties of the Company, are fair valued and are disclosed within note 9. Details of transactions between the Company and related parties are disclosed below. This note also details the terms of the Company's engagement with Foresight Group as Investment Manager.

Transactions with the Investment Manager

Foresight Group ("Foresight") is the Company's Investment Manager. Foresight's appointment as Investment Manager is governed by an Investment Management Agreement.

For the first half of the financial year Foresight was entitled to a base fee equal to:

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

The Board approved a reduction in the management fee payable to Foresight Group LLP by changing the basis of calculating the fee from adjusted NAV to NAV.

With effect from 1 October 2024, the management fee was calculated as follows:

a) 0.95% per annum of the portfolio Net Asset Value of the Fund[2] up to and including £500 million;
b) 0.80% per annum of the portfolio Net Asset Value of the Fund on the balance above £500 million up to and including £1 billion; and
c) 0.75% per annum of the portfolio Net Asset Value of the Fund in excess of £1 billion.

The total Investment Manager fee charged to the income statement for the year ended 31 March 2025 was £7,208,000 (31 March 2024: £8,468,000), of which £1,530,000 remained payable as at 31 March 2025 (31 March 2024: £2,147,000). In addition, the Investment Manager charged a fee of £125,000 in respect of additional management obligations, of which £62,500 remained payable as at 31 March 2025 (31 March 2024: £nil).

1. "Adjusted Portfolio Value" is defined in the Investment Management Agreement as:
   a. the fair value of the investment portfolio; plus
   b. any cash owned by or held to the order of the Fund; plus
   c. the aggregate amount of payments made to shareholders by way of dividend in the quarterly period ending on the relevant valuation day, less:
      i. any other liabilities of the Fund (excluding borrowings); and
      ii. any uninvested cash.
2. "Fund" means the Company and Foresight Environmental Infrastructure (UK) Limited together with their wholly owned subsidiaries or subsidiary undertakings (including companies or other entities wholly owned by them together, individually or in any combination, as appropriate) but excluding project entities.

Transactions with related parties

During the year, the Directors of the Company, who are considered to be key management, received fees of £323,335 (31 March 2024: £334,500) for their services. The Directors of the Company were also paid £3,780 of expenses (31 March 2024: £8,495).

The Directors held the following shares:

	Ordinary shares of no par value each held at 31 Mar 2025	Ordinary shares of no par value each held at 31 Mar 2024
Ed Warner	**75,000**	60,000
Alan Bates	**25,000**	12,500
Stephanie Coxon	**45,000**	15,000
Jo Harrison	**8,066**	8,066
Hans Joern Rieks	**—**	95,000
Nadia Sood	**—**	—

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

The Directors were paid dividends in the year of £8,811 (31 March 2024: £14,235).

Notes to the financial statements continued

for the year ended 31 March 2025

16. Financial instruments

Financial instruments by category

The Company held the following financial instruments at 31 March 2025. There have been no transfers of financial instruments between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

	31 Mar 2025				
	Cash and bank balances £'000s	Financial assets held at amortised cost £'000s	Financial assets at fair value through profit or loss £'000s	Financial liabilities at amortised cost £'000s	Total £'000s
Non-current assets					
Investments at fair value through profit or loss (Level 3)	—	—	678,157	—	678,157
Current assets					
Trade and other receivables	—	21	—	—	21
Cash and cash equivalents	2,617	—	—	—	2,617
Total financial assets	2,617	21	678,157	—	680,795
Current liabilities					
Trade and other payables	—	—	—	(2,094)	(2,094)
Total financial liabilities	—	—	—	(2,094)	(2,094)
Net financial instruments	2,617	21	678,157	(2,094)	678,701

Notes to the financial statements continued

for the year ended 31 March 2025

16. Financial instruments continued

	31 Mar 2024				
	Cash and bank balances £'000s	Financial assets held at amortised cost £'000s	Financial assets at fair value through profit or loss £'000s	Financial liabilities at amortised cost £'000s	Total £'000s
Non-current assets					
Investments at fair value through profit or loss (Level 3)	—	—	753,572	—	753,572
Current assets					
Trade and other receivables	—	25	—	—	25
Cash and cash equivalents	271	—	—	—	271
Total financial assets	271	25	753,572	—	753,868
Current liabilities					
Trade and other payables	—	—	—	(2,654)	(2,654)
Total financial liabilities	—	—	—	(2,654)	(2,654)
Net financial instruments	271	25	753,572	(2,654)	751,214

The Company's investments at fair value through profit or loss are classified at Level 3 within the IFRS fair value hierarchy.

The Level 3 fair value measurements derive from valuation techniques that include inputs to the asset or liability that are not based on observable market data (unobservable inputs).

In the tables above, financial instruments are held at carrying value as an approximation to fair value unless stated otherwise.

Reconciliation of Level 3 fair value measurement of financial assets and liabilities

An analysis of the movement between opening and closing balances of the investments at fair value through profit or loss is given in note 9.

The fair value of the investments at fair value through profit or loss includes the use of Level 3 inputs. Please refer to note 9 for details of the valuation methodology.

Notes to the financial statements continued

for the year ended 31 March 2025

16. Financial instruments continued

Sensitivity analysis of the portfolio

The sensitivities below include the impact of the EGL.

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

31 March 2025

Discount rate	Minus 0.5%	Base 9.7%	Plus 0.5%
Change in portfolio valuation	Increases £18.0m	£765.7m	Decreases £17.2m
Change in NAV per share	Increases 2.8p	106.5p	Decreases 2.7p

31 March 2024

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

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

31 March 2025

Inflation rates	Minus 0.5%	Base 3.5% (2025), then 3% to 2030, then 2.25%	Plus 0.5%
Change in portfolio valuation	Decreases £20.4m	£765.7m	Increases £20.6m
Change in NAV per share	Decreases 3.2p	106.5p	Increases 3.2p

31 March 2024

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

The fair value of the investments is based on a "P50" level of electricity generation for the renewable energy assets, being the expected level of generation over the long term.

Wind, solar and hydro assets are subject to electricity generation risks.

The sensitivity of the portfolio to movements in energy yields based on an assumed "P90" level of electricity generation (i.e. a level of generation that is below the "P50", with a 90% probability of being exceeded) and an assumed "P10" level of electricity generation (i.e. a level of generation that is above the "P50", with a 10% probability of being achieved) is as follows:

31 March 2025

Energy yield: wind	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £21.8m	£765.7m	Increases £21.2m
Change in NAV per share	Decreases 3.4p	106.5p	Increases 3.3p
Energy yield: solar	**P90 (10 year)**	**Base P50**	**P10 (10 year)**
Change in portfolio valuation	Decreases £7.9m	£765.7m	Increases £8.1m
Change in NAV per share	Decreases 1.2p	106.5p	Increases 1.3p
Energy yield: hydro	**P90 (10 year)**	**Base P50**	**P10 (10 year)**
Change in portfolio valuation	Decreases £1.2m	£765.7m	Increases £1.3m
Change in NAV per share	Decreases 0.2p	106.5p	Increases 0.2p

Notes to the financial statements continued

for the year ended 31 March 2025

16. Financial instruments continued

31 March 2024

Energy yield: wind	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £28.3m	£891.9m	Increases £27.0m
Change in NAV per share	Decreases 4.3p	113.6p	Increases 4.1p

Energy yield: solar	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £9.3m	£891.9m	Increases £9.5m
Change in NAV per share	Decreases 1.4p	113.6p	Increases 1.4p

Energy yield: hydro	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £1.3m	£891.9m	Increases £1.4m
Change in NAV per share	Decreases 0.2p	113.6p	Increases 0.2p

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

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

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

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

The sensitivity of the portfolio to movements in electricity and gas prices is as follows:

31 March 2025

Energy prices	**Minus 10%**	**Base**	**Plus 10%**
Change in portfolio valuation	**Decreases £35.3m**	**£765.7m**	**Increases £35.9m**
Change in NAV per share	**Decreases 5.5p**	**106.5p**	**Increases 5.6p**

31 March 2024

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

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

Notes to the financial statements continued

for the year ended 31 March 2025

16. Financial instruments continued

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

31 March 2025

Feedstock prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Increases £6.8m	£765.7m	Decreases £6.5m
Change in NAV per share	Increases 1.1p	106.5p	Decreases 1.0p

31 March 2024

Feedstock prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Increases £8.7m	£891.9m	Decreases £8.9m
Change in NAV per share	Increases 1.3p	113.6p	Decreases 1.3p

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

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

31 March 2025

Corporation tax	Minus 2%	Base 25%	Plus 2%
Change in portfolio valuation	Increases £11.4m	£765.7m	Decreases £11.3m
Change in NAV per share	Increases 1.8p	106.5p	Decreases 1.8p

31 March 2024

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

Euro/sterling exchange rate sensitivity

As the proportion of the portfolio assets with cash flows denominated in euros represents a small proportion of the portfolio value at 31 March 2025, the Directors consider the sensitivity to changes in euro/sterling exchange rates to be insignificant.

The Directors consider that the carrying value amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements are approximately equal to their fair values.

Uncontracted revenues on non-energy generating portfolio sensitivity

Non-energy generating assets, such as batteries and controlled environment agriculture and aquaculture, make up a growing proportion of the portfolio. These assets are not materially affected by either scarcity of natural resource nor power price markets. Therefore the Investment Manager has presented a sensitivity illustrating an assumed 10% increase or decrease on all uncontracted revenues for each year of the asset lives.

An increase in uncontracted revenues of 10% would result in an upward movement in the portfolio valuation of £23.6 million (3.7 pence per share) (2024: £17.9 million, 2.7 pence per share) compared to a decrease in value of £23.4 million (3.7 pence per share) (2024: £20.2 million, 3.0 pence per share) if those revenues were reduced by the same amount.

Capital risk management

Capital management

The Group, which comprises the Company and its non-consolidated subsidiaries, manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The capital structure of the Group principally consists of the share capital account and retained earnings as detailed in notes 13 and 14, and debt as detailed in note 12. The Group aims to deliver its objective by investing available cash and using leverage whilst maintaining sufficient liquidity to meet ongoing expenses and dividend payments.

Notes to the financial statements continued

for the year ended 31 March 2025

16. Financial instruments continued

Gearing ratio

The Company's Investment Manager reviews the capital structure of the Company and the Group on a semi-annual basis. The Company and its subsidiaries intend to make prudent use of leverage for financing acquisitions of investments and working capital purposes. Under the Company's Articles, and in accordance with the Company's investment policy, the Company's outstanding borrowings, excluding the debts of underlying assets, will be limited to 30% of the Company's Net Asset Value ("NAV").

As at 31 March 2025, the Company had no outstanding debt. However, as set out in note 12, as at 31 March 2025, the Company's subsidiary UK HoldCo had an outstanding balance of £99.3 million under a revolving credit facility (31 March 2024: £159.3 million).

Financial risk management

The Group's activities expose it to a variety of financial risks: capital risk, liquidity risk, market risk (including interest rate risk, inflation risk and power price risk) and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

For the Company and the intermediate holding companies, financial risks are managed by the Investment Manager, which operates within the Board-approved policies. For the environmental infrastructure investments, due to the nature of the investments, certain financial risks (typically interest rate and inflation risks) are hedged at the inception of a project. All risks continue to be managed by the Investment Manager. The various types of financial risk are managed as follows:

Financial risk management – Company only

The Company accounts for its investments in its subsidiaries at fair value. Accordingly, to the extent there are changes as a result of the risks set out below, these may impact the fair value of the Company's investments.

Capital risk

The Company has implemented an efficient financing structure that enables it to manage its capital effectively. The Company's capital structure comprises equity only (refer to the statement of changes in equity). As at 31 March 2025, the Company had no recourse debt, although as set out in note 17, the Company is a guarantor for the RCF of UK HoldCo.

Liquidity risk

The Directors monitor the Company's liquidity requirements to ensure there is sufficient cash to meet the Company's operating needs.

The Company's liquidity management policy involves projecting cash flows and forecasting the level of liquid assets necessary to meet these. Due to the nature of its investments, the timing of cash outflows is reasonably predictable and, therefore, is not a major risk to the Company.

The Company was in a net cash position and had no outstanding debt at the balance sheet date. At the balance sheet date, the Group had debt of £99.3 million, being the amount drawn on the RCF.

Market risk – foreign currency exchange rate risk

As the proportion of the portfolio assets with cash flows denominated in euros represents a small proportion of the portfolio value at 31 March 2025, the Directors consider the sensitivity to changes in the euro/sterling exchange rate to be insignificant.

Where investments are made in currencies other than pounds sterling, the Company will consider whether to hedge currency risk in accordance with the Company's currency and hedging policy as determined from time to time by the Directors. A portion of the Company's underlying investments may be denominated in currencies other than pounds sterling. However, any dividends or distributions in respect of the ordinary shares will be made in pounds sterling and the market prices and NAV of the ordinary shares will be reported in pounds sterling.

Currency hedging may be carried out to seek to provide some protection for the level of pounds sterling dividends and other distributions that the Company aims to pay on the ordinary shares, and in order to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure. Such currency hedging may include the use of foreign currency borrowings to finance foreign currency assets and forward foreign exchange contracts.

Financial risk management – Company and non-consolidated subsidiaries

The following risks impact the Company's subsidiaries and in turn may impact the fair value of investments held by the Company.

Notes to the financial statements continued

for the year ended 31 March 2025

16. Financial instruments continued

Market risk – interest rate risk

Interest rate risk arises in the Company's subsidiaries on the RCF borrowings and floating rate deposits. Borrowings issued at variable rates expose those entities to variability of interest payment cash flows. Interest rate hedging may be carried out to seek to provide protection against increasing costs of servicing debt drawn down by UK HoldCo as part of its RCF. This may involve the use of interest rate derivatives and similar derivative instruments.

Each infrastructure investment hedges their interest rate risk at the inception of a project. This will either be done by issuing fixed rate debt or variable rate debt which will be swapped into fixed rate by the use of interest rate swaps.

Market risk – inflation risk

Some of the Company's investments will have part of their revenue and some of their costs linked to a specific inflation index at inception of the project. In most cases this creates a natural hedge, meaning a derivative does not need to be entered into in order to mitigate inflation risk.

Market risk – power price risk

The wholesale market price of electricity and gas is volatile and is affected by a variety of factors, including market demand for electricity and gas, the generation mix of power plants, government support for various forms of power generation, as well as fluctuations in the market prices of commodities and foreign exchange. Whilst some of the Company's renewable energy projects benefit from fixed prices, others have revenue which is in part based on wholesale electricity and gas prices.

A decrease and/or prolonged deterioration in economic activity in the UK, for any reason, could result in a decrease in demand for electricity and gas in the market. Short-term and seasonal fluctuations in electricity and gas demand will also impact the price at which the investments can sell electricity and gas. The supply of electricity and gas also impacts wholesale electricity and gas prices. Supply of electricity and gas can be affected by new entrants to the wholesale power market, the generation mix of power plants in the UK, government support for various generation technologies, as well as the market price for fuel commodities.

Volume risk – electricity generation risk

Meteorological conditions poorer than forecast can result in generation of lower electricity volumes and lower revenues than anticipated.

Credit risk

Credit risk is the risk that a counterparty of the Company or its subsidiaries will default on its contractual obligations it entered into with the Company or its subsidiaries. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers. The Company and its subsidiaries mitigate their risk on cash investments and derivative transactions by only transacting with major international financial institutions with high credit ratings assigned by international credit rating agencies.

The Company's infrastructure investments receive regular, long-term, partly or wholly index-linked revenue from government departments, local authorities or clients under the Renewables Obligation Certificates and Feed-in Tariff regimes. The Directors believe that the Group is not significantly exposed to the risk that the customers of its investments do not fulfil their regular payment obligations because of the Company's policy to invest in jurisdictions with satisfactory credit ratings.

Given the above factors, the Board does not consider it appropriate to present a detailed analysis of credit risk.

The Company's maximum exposure to credit risk is the £330.9 million owed by HoldCo, detailed in note 12.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group adopts a prudent approach to liquidity management by ensuring it maintains adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Directors monitor the Company's liquidity requirements to ensure there is sufficient cash to meet the Company's operating needs.

The Company's liquidity management policy involves projecting cash flows and forecasting the level of liquid assets required to meet its obligations. Due to the nature of its investments, the timing of cash outflows is reasonably predictable and, therefore, is not a major risk to the Group.

Debt raised by asset investments from third parties is without recourse to the Group.

Notes to the financial statements continued

for the year ended 31 March 2025

17. Guarantees and other commitments

As at 31 March 2025, the Company provided a guarantee over the Company's wholly owned subsidiary UK HoldCo's obligations under the £200 million RCF.

On 13 June 2024, UK HoldCo refinanced the £200 million revolving credit facility with a three-year agreement with ING, HSBC, National Australia Bank, Royal Bank of Scotland International and Clydesdale Bank. The contract includes an uncommitted accordion facility of up to £30 million and an uncommitted option to extend for a further year. Subsequently, the committed facility of £200 million was voluntarily reduced to £150 million with effect from 25 April 2025 with no change on the accordion facility.

As at 31 March 2025, the Group has the following future investment obligations over a 12-month horizon: £2.1 million to Cramlington, £1.6 million to Sandridge battery storage, €1.2 million (equivalent to £1.0 million) to FEIP, 12.7 million NOK (equivalent to £0.9 million) to the Rjukan project and £0.5 million in other projects. The Company had no other commitments or guarantees.

18. Subsidiaries and associates

The following subsidiaries and associates have not been consolidated in these financial statements as a result of applying the requirements of "Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 27)":

Name	Category	Place of business	Registered office	Ownership interest	Voting rights
Foresight Environmental Infrastructure (UK) Limited[1]	Intermediate holding	UK	A	100%	100%
HWT Limited	Intermediate holding	UK	B	100%	100%
Easton PV Limited	Project holding company	UK	A	100%	100%
Pylle Solar Limited	Project holding company	UK	A	100%	100%
Second Energy Limited	Operating subsidiary	UK	A	100%	100%
JLEAG Wind Holdings Limited	Project holding company	UK	A	100%	100%
JLEAG Wind Limited	Project holding company	UK	A	100%	100%
Amber Solar Parks (Holdings) Limited	Project holding company	UK	C	100%	100%
Amber Solar Park Limited	Operating subsidiary	UK	C	100%	100%
Bilsthorpe Wind Farm Limited	Operating subsidiary	UK	D	100%	100%
Ferndale Wind Limited	Project holding company	UK	K	100%	100%
Castle Pill Wind Limited	Project holding company	UK	K	100%	100%
Wind Assets LLP	Operating subsidiary	UK	D	100%	100%

1. Foresight Environmental Infrastructure (UK) Limited ("UK HoldCo", formerly known as JLEN Environmental Assets Group (UK) Limited).

Notes to the financial statements continued

for the year ended 31 March 2025

18. Subsidiaries and associates continued

Name	Category	Place of business	Registered office	Ownership interest	Voting rights
Hall Farm Wind Farm Limited	Operating subsidiary	UK	D	100%	100%
Branden Solar Parks (Holdings) Limited	Project holding company	UK	A	100%	100%
Branden Solar Parks Limited	Operating subsidiary	UK	A	100%	100%
KS SPV 3 Limited	Operating subsidiary	UK	A	100%	100%
KS SPV 4 Limited	Operating subsidiary	UK	A	100%	100%
Carscreugh Renewable Energy Park Limited	Operating subsidiary	UK	D	100%	100%
Wear Point Wind Limited	Operating subsidiary	UK	D	100%	100%
Monksham Power Ltd	Project holding company	UK	A	100%	100%
Frome Solar Limited	Operating subsidiary	UK	A	100%	100%
BL Wind Limited	Operating subsidiary	UK	D	100%	100%
New Albion Wind Limited	Operating subsidiary	UK	D	100%	100%
Dreachmhor Wind Farm Limited	Operating subsidiary	UK	D	100%	100%
France Wind GP Germany GmbH[2]	Project holding company	DE	E	100%	100%
France Wind Germany GmbH & Co. KG[2]	Project holding company	DE	E	100%	100%
CSGH Solar Limited	Project holding company (dormant)	UK	A	100%	100%
CSGH Solar (1) Limited	Project holding company (dormant)	UK	A	100%	100%
sPower Holdco 1 (UK) Limited	Project holding company (dormant)	UK	C	100%	100%
sPower Finco 1 (UK) Limited	Project holding company (dormant)	UK	C	100%	100%
Higher Tregarne Solar (UK) Limited	Operating subsidiary	UK	A	100%	100%
Crug Mawr Solar Farm Limited	Operating subsidiary	UK	A	100%	100%
Golden Hill Solar (UK) Limited	Project holding company (dormant)	UK	C	100%	100%

2. Underlying French wind assets were disposed of in January 2022.

Notes to the financial statements continued

for the year ended 31 March 2025

18. Subsidiaries and associates continued

Name	Category	Place of business	Registered office	Ownership interest	Voting rights
Golden Hill Solar Limited	Operating subsidiary	UK	A	100%	100%
Shoals Hook Solar (UK) Limited	Operating subsidiary	UK	A	100%	100%
CGT Investment Limited	Project holding company	UK	F	100%	100%
CWMNI GWYNT TEG CYF	Operating subsidiary	UK	F	100%	100%
Moelogan 2 (Holdings) Cyfyngedig	Project holding company	UK	F	100%	100%
Moelogan 2 C.C.C.	Operating subsidiary	UK	F	100%	100%
Llynfi Afan Renewable Energy Park Limited	Operating subsidiary	UK	D	100%	100%
Bio Collectors Holdings Limited	Project holding company	UK	I	100%	100%
Bio Collectors Limited	Operating subsidiary	UK	I	100%	100%
Riverside Bio Limited	Operating subsidiary	UK	I	100%	100%
Riverside AD Limited	Operating subsidiary	UK	I	100%	100%
Yorkshire Hydropower Holdings Limited	Project holding company	UK	D	100%	100%
Yorkshire Hydropower Limited	Operating subsidiary	UK	D	100%	100%
Northern Hydropower Holdings Limited	Project holding company	UK	D	100%	100%
Northern Hydropower Limited	Operating subsidiary	UK	D	100%	100%
Codford Biogas Limited	Operating subsidiary	UK	L	100%	100%
Rainworth Energy Limited	Operating subsidiary	UK	J	100%	100%
FS West Gourdie Limited	Operating subsidiary	UK	A	100%	100%
Spruce Bioenergy Limited	Project holding company	UK	A	100%	100%
Cramlington Renewable Energy Developments Limited	Operating subsidiary	UK	K	100%	100%
Fryingdown Solar Park Limited	Non-trading entity	UK	C	100%	100%
Five Oaks Solar Parks Limited	Non-trading entity	UK	U	100%	100%

Notes to the financial statements continued

for the year ended 31 March 2025

18. Subsidiaries and associates continued

Name	Category	Place of business	Registered office	Ownership interest	Voting rights
Warren Power Limited	Project holding company	UK	G	100%	100%
ELWA Holdings Limited	Project holding company	UK	K	80%	80%
ELWA Limited[3]	Operating subsidiary	UK	K	80%	81%
Green Gas Oxon Limited	Project holding company	UK	H	52.6%	52.6%
Icknield Gas Limited	Operating subsidiary	UK	H	52.6%	52.6%
Foresight Biomass Holding Italy S.r.l.	Project holding company	IT	M	45%	45%
Energie Tecnologie Ambiente S.r.l.	Operating associate	IT	M	45%	45%
Foresight Rjukan Holding Limited	Project holding company	UK	A	43%	43%
Catchment Tay Holdings Limited	Project holding company	UK	N	33.3%	33.3%
Catchment Tay Limited	Operating associate	UK	N	33.3%	33.3%
Foresight Hydrogen HoldCo GmbH	Project holding company	DE	O	40.1%	40.1%
Hima Seafood Rjukan AS	Operating associate	NO	P	25%	25%
HH2E Werk Thierbach GmbH	Operating associate	DE	Q	23%	23%
HH2E Werk Lubmin GmbH	Operating associate	DE	Q	23%	23%
HH2E AG	Project holding company	DE	Q	23%	23%
Foresight Battery Storage Holding Limited	Project holding company	UK	A	50%	50%
Sandridge Battery Storage Limited	Operating associate	UK	A	50%	50%
Clayfords Energy Storage Limited	Operating associate	UK	R	50%	50%
AD Holdco 1 Limited	Project holding company	UK	G	49%	49%
Egmere Energy Limited	Operating associate	UK	G	49%	49%
Warren Energy Limited	Operating associate	UK	G	49%	49%

3. ELWA Holdings Limited holds 81% of the voting rights and a 100% share of the economic benefits in ELWA Limited.

Notes to the financial statements continued

for the year ended 31 March 2025

18. Subsidiaries and associates continued

Name	Category	Place of business	Registered office	Ownership interest	Voting rights
Vulcan Renewables Limited	Operating associate	UK	G	49%	49%
Grange Farm Energy Limited	Operating associate	UK	G	49%	49%
Merlin Renewables Limited	Operating associate	UK	G	49%	49%
Biogas Meden Limited	Operating associate	UK	G	49%	49%
Foresight Battery Storage Holdings Limited	Project holding company	UK	A	50%	50%
Lunanhead Energy Storage Limited	Operating associate	UK	A	50%	50%
JLEAG AD Limited	Project holding company	UK	A	49%	49%
Peacehill Gas Limited	Operating associate	UK	S	49%	49%
CNG Foresight Holdings Limited	Project holding company	UK	A	25%	25%
CNG Foresight Limited	Operating associate	UK	T	25%	25%
CNG Newton Aycliffe Limited	Operating associate	UK	T	25%	25%
CNG Eurocentral Limited	Operating associate	UK	T	25%	25%
CNG Avonmouth North Limited	Operating associate	UK	T	25%	25%
CNG Corby Limited	Operating associate	UK	T	25%	25%
CNG Doncaster Limited	Operating associate	UK	T	25%	25%
CNG Bracknell Limited	Operating associate	UK	T	25%	25%
CNG Bangor Limited	Operating associate	UK	T	25%	25%
CNG Aylesford Limited	Operating associate	UK	T	25%	25%
CNG Station Holdings Limited	Operating associate	UK	T	25%	25%
CNG Leyland Limited	Operating associate	UK	T	25%	25%
CNG Knowsley Limited	Operating associate	UK	T	25%	25%
CNG Castleford Limited	Operating associate	UK	T	25%	25%

Notes to the financial statements continued

for the year ended 31 March 2025

18. Subsidiaries and associates continued

Name	Category	Place of business	Registered office	Ownership interest	Voting rights
Lavant Down Northampton Limited	Operating associate	UK	T	25%	25%
Oxford Erdington Limited	Operating associate	UK	T	25%	25%
Hams Warrington Limited	Operating associate	UK	T	25%	25%
Nexus Newark Limited	Operating associate	UK	T	25%	25%

Registered offices

A) The Shard, 32 London Bridge Street, London SE1 9SG
B) 50 Lothian Road, Festival Square, Edinburgh, Midlothian EH3 9WJ
C) Long Barn, Manor Farm, Stratton-On-The-Fosse, Radstock, England, BA3 4QF
D) C/O RES White Limited, Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire, England, WD4 8LR
E) Steinweg 3-5, Frankfurt Am Main, 60313, Germany
F) Cae Sgubor Ffordd Pennant, Eglwysbach, Colwyn Bay, Conwy LL28 5UN
G) 10-12 Frederick Sanger Road, Guildford, Surrey GU2 7YD
H) Friars Ford, Manor Road, Goring, Reading RG8 9EL
I) 10 Osier Way, Mitcham, Surrey CR4 4NF
J) C/O Material Change, The Amphenol Building 46-50 Rutherford Drive, Park Farm Industrial Estate, Wellingborough, England, NN8 6AX
K) 8 White Oak Square, London Road, Swanley, England, BR8 7AG
L) 20 Central Avenue, St Andrews Business Park, Norwich, England, NR7 0HR
M) Piazza Barberini 52, 00187, Rome, Italy
N) C/O Infrastructure Managers Limited, 2nd Floor Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh, United Kingdom, EH1 2EN
O) C/O Intertrust (Deutschland) GmbH Eschersheimer Landstraße 14, 60322 Frankfurt am Main
P) Skriugata 26, 3660, Rjukan
Q) Kaiser-Wilhelm-Straße 93, 20355 Hamburg
R) Foresight Group LLP, Clarence House, 133 George Street, Edinburgh, Scotland, EH2 4JS
S) Peacehill Farm, Wormit, Fife, Scotland, Scotland, DD6 8PJ
T) C/O FLB Accountants LLP, 1010 Eskdale Road, Winnersh Triangle, Wokingham, United Kingdom, RG41 5TS
U) 2 Fitzroy Place, 8 Mortimer Street, London, England, W1T 3JJ

Notes to the financial statements continued

for the year ended 31 March 2025

19. Events after balance sheet date

A dividend for the quarter ended 31 March 2025 of 1.95 pence per share, amounting to £12.3 million, was approved by the Board on 29 May 2025 for payment on 27 June 2025.

On 25 April 2025, FGEN announced that it had reduced the size of its multi-currency revolving credit facility ("RCF") from £200 million to £150 million.

On 3 June 2025, FGEN announced an update to the Investment Manager fee structure. From 1 October 2025, investment management fees will be calculated 50% based on Net Asset Value and 50% on market capitalisation (the latter element capped at Net Asset Value).

Alternative performance measures ("APMs")

APM	Purpose	Calculation	APM value	Reconciliation to IFRS
Total shareholder return (since IPO and annualised)	Measure of financial performance, indicating the amount an investor reaps from investing since IPO and expressed as a percentage (annualised or total since IPO of the Fund)	Since IPO: closing share price as at 31 March 2025 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, expressed as a percentage	41.0%	Calculation for total shareholder return since IPO: closing share price as at 31 March 2025, as per key investment metrics on page 110 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, expressed as a percentage
		Annualised: closing share price as at 31 March 2025 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, to the power of one over the number of years since IPO, expressed as a percentage	3.2% annualised	Calculation for annualised total shareholder return: closing share price as at 31 March 2025 as per key investment metrics on page 110 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, to the power of one over the number of years since IPO, expressed as a percentage
Net Asset Value per share	Allows investors to gauge whether shares are trading at a premium or a discount by comparing the Net Asset Value per share with the share price	The net assets divided by the number of ordinary shares in issuance	106.5 pence	The calculation divides the net assets as per the statement of financial position on page 153 by the closing number of ordinary shares in issue as per note 13 on page 166. Shares held in treasury are excluded from the calculation
Market capitalisation	Provides an indication of the size of the Company	Closing share price as at 31 March 2025 multiplied by closing number of ordinary shares in issuance	£457.0 million	The calculation uses the closing share price as at 31 March 2025 as per the key investment metric table on page 110 and closing number of ordinary shares as per note 13 of the financial statements on page 166. Shares held in treasury are excluded from the calculation
Gross Asset Value ("GAV")	A measure of the value of the Company's total assets Gross Asset Value on investment basis including debt held at SPV level	The sum of total assets of the Company as shown on the statement of financial position and the total debt of the Group and underlying investments	£951.3 million	This is the total debt (RCF drawn: £99.3 million plus project-level debt: £173.3 million) plus the Net Asset Value as per the statement of financial position on page 153
Gearing	Ascertain financial risk in the Group's balance sheet	Total debt of the Group and underlying investments as a percentage of GAV	28.7%	The calculation uses the total debt (RCF drawn: £99.3 million plus project-level debt: £173.3 million) and shows this as a percentage of the GAV

Alternative performance measures ("APMs") continued

APM	Purpose	Calculation	APM value	Reconciliation to IFRS
Distributions, repayments and fees from portfolio	A measure of performance from the underlying portfolio	Total cash received from investments in the period	£90.4 million	As per "Cash flows of the Group for the year", also titled "Cash distributions from environmental infrastructure investments" on page 113
Cash flow from operations of the Group	Gauge operating revenues and expenses of the Group	As per the "Cash flows of the Group for the year" table on page 113, the calculation takes the cash distributions from environmental infrastructure investments and subtracts the following: administrative expenses, Directors' fees and expenses, Investment Manager's fees, financing costs (net of interest income), Electricity Generator Levy	£66.9 million	Detailed breakdown as per page 113 in the "Cash flows of the Group for the year"
Cash dividend cover	Investors can gauge the ability of the Group to generate cash surplus after payment of dividend	Cash flow from operations of the Group divided by dividend paid within the reporting period	1.32x	The calculation uses the cash flows from operations as per "Cash flows of the Group for the year" on page 113 and the dividends paid in cash to shareholders as per the cash flow statement on page 155
Ongoing charges ratio	A measure of the annual reduction in shareholder returns due to operational expenses, based on historical data	The ongoing charges have been calculated, in accordance with AIC guidance, as annualised ongoing charges (i.e. excluding acquisition costs and other non-recurring items) divided by the average published undiluted Net Asset Value in the period. Total annualised ongoing charges include Investment Manager fees, legal and professional fees, administration fees, Directors' fees	1.24%	Annualised ongoing charges for the year ended 31 March 2025 have been calculated as £8.8 million. The ongoing charges ratio divides this by the published average Net Asset Value over the last four quarters (including 31 March 2025)
Annualised NAV total return since IPO	Measure of financial performance (annualised), which indicates the movement of the value of the Company since IPO	Closing NAV per ordinary share as at 31 March 2025 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	7.3%	Calculated using the closing NAV per ordinary share as per the statement of financial position on page 153

Glossary of key terms

AD	anaerobic digestion
AGM	Annual General Meeting
AIFM	Alternative Investment Fund Manager
AIFM Directive or AIFMD	the EU Alternative Investment Fund Managers Directive (No. 2011/61/EU)
APMs	alternative performance measures are financial measures that are not currently defined or specified in the applicable financial reporting framework
BESS	Battery Energy Storage System
bps	basis points
CBPMs	cannabis-based products for medicinal use in humans
CE	controlled environment
CfD	Contracts for Difference
CHP	combined heat and power
CNG	compressed natural gas
the Company or FGEN or the Fund	Foresight Environmental Infrastructure Limited
CPI	Consumer Price Index
DCF	discounted cash flow
Defra	Department for Environment, Food and Rural Affairs
Discontinuation vote	As part of the Company's discount management policies, the Board intends to propose a discontinuation vote if the ordinary shares trade at a significant discount to Net Asset Value per share for a prolonged period of time. If, in any financial year, the ordinary shares have traded, on average, at a discount in excess of 10% to the Net Asset Value per share, the Board will propose a special resolution at the Company's next AGM that the Company ceases to continue in its present form. If such vote is passed, the Board will be required to formulate proposals to be put to shareholders within four months to wind up or otherwise reconstruct the Company, bearing in mind the illiquid nature of the Company's underlying assets. The discount prevailing on each business day will be determined by reference to the closing market price of ordinary shares on that day and the Net Asset Value per share
DNO	distribution network operator
DPC	Direct Procurement for Customers
EED	the EU Energy Efficiency Directive is a pan-European mandatory compliance scheme obligating large EU final customer organisations to complete mandatory independent energy audits and reporting at least every four years
EEG	the EEG, or Renewable Energy Sources Act (Erneuerbare Energien Gesetz), is a German law designed to promote renewable energy sources
EfW	energy-from-waste
EGL	Electricity Generator Levy
ESG	environmental, social and governance
ETA	Energie Tecnologie Ambiente
EU	European Union
FATCA	Foreign Account Tax Compliance Act
FEIP	Foresight Energy Infrastructure Partners
FIT	Feed in Tariff
Foresight Group or Foresight	Foresight Group LLP
FTE	full-time equivalent
GAV	Gross Asset Value
GFSC	Guernsey Financial Services Commission
GHG	greenhouse gas
green hydrogen	hydrogen produced by splitting water by electrolysis using renewable or low-carbon electricity
gross project value	the fair market value of the investment interests held in a project as increased by the amount of any financing in the relevant project entity
Group	Foresight Environmental Infrastructure Limited and its intermediate holding companies UK HoldCo and HWT Limited
GWh	gigawatt hour

Glossary of key terms continued

HGVs	heavy goods vehicles
intermediate holding companies	companies within the Group which are used as pass-through vehicles to invest in underlying environmental infrastructure assets, namely UK HoldCo and HWT Limited
Investment Manager	Foresight Group LLP
IPO	Initial Public Offering
IR	Investor Relations
IRR	internal rate of return
ISSB	International Sustainability Standards Board
KPIs	key performance indicators
MOIC	money on invested capital
MSA	external management services
MWe	megawatt electric
MWh	megawatt hour
MWth	megawatt thermal
NAV	Net Asset Value
NPV	net present value
O&M	operations and maintenance
PCAF	Partnership for Carbon Accounting Financials
portfolio	the 40 assets in which FGEN had a shareholding as at 31 March 2025

portfolio valuation	the sum of all the individual investment values
PPAs	Power Purchase Agreements
PPP/PFI	the Public Private Partnership procurement model
PRI	Principles for Responsible Investment
price cannibalisation	the depressive influence on the wholesale power price at timings of high output from intermittent weather-driven generation such as solar and wind
PV	photovoltaic
RAS	recirculating aquaculture system
RCF	revolving credit facility
REGO	Renewable Energy Guarantee of Origin
REMA	Review of Electricity Market Arrangements
REPowerEU	a European Commission plan to end reliance on Russian fossil fuels before 2030 in response to the 2022 Russian invasion of Ukraine
RGGO	Renewable Gas Guarantee of Origin
RHI	Renewable Heat Incentive
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
ROC	Renewables Obligation Certificate
RPI	Retail Price Index
RTFCs	Renewable Transport Fuel Certificates

SDE++	a Netherlands government subsidy scheme initiative that stimulates sustainable energy production and CO_2 reduction
SDR	Sustainability Disclosure Requirements
SET	Sustainability Evaluation Tool
SFDR	Sustainable Finance Disclosure Regulation
SID	Senior Independent Director
SONIA	Sterling Overnight Index Average
SPV	special purpose vehicle
TCFD	Task Force on Climate-related Financial Disclosures
THC	tetrahydrocannabinol
TNFD	Taskforce on Nature-related Financial Disclosures
total shareholder return	total shareholder return combines the share price movement and dividends since IPO expressed as an annualised percentage
TPT	Transition Plan Taskforce
UK HoldCo	Foresight Environmental Infrastructure (UK) Limited, wholly owned subsidiary of Foresight Environmental Infrastructure Limited
WADR	weighted average discount rate

Company summary

Below are the Company key facts, advisers and other information.

Company information	Foresight Environmental Infrastructure Limited is a Guernsey-registered closed-ended investment company (registered number 57682) with a premium listing on the London Stock Exchange
Registered address	1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL
Ticker/SEDOL	FGEN/BJL5FH8
Company year end	31 March
Dividend payments	Quarterly in March, June, September and December
Investment Manager	Foresight Group LLP, No. OC300878, registered in England and Wales and authorised and regulated by the Financial Conduct Authority
Company Secretary and Administrator	Apex Fund and Corporate Services (Guernsey) Limited, a company incorporated in Guernsey on 13 April 2005 (registered number 43046)
Market capitalisation	£457.0 million at 31 March 2025
Investment Manager fees	0.95% per annum of portfolio NAV up to £0.5 billion, 0.80% on balance between £0.5 billion and £1 billion and 0.75% on the balance in excess of £1 billion. No performance or acquisition fees[1]
Investment Manager term	Rolling one-year notice

1. From a proposed date of 1 October 2025, investment management fees will be calculated 50% based on Net Asset Value and 50% on market capitalisation (the latter element capped at Net Asset Value).

ISA, PEP and SIPP status	The ordinary shares are eligible for inclusion in PEPs and ISAs (subject to applicable subscription limits) provided that they have been acquired in the market, and they are permissible assets for SIPPs
AIFMD status	The Company is classed as an externally managed Alternative Investment Fund under the Alternative Investment Fund Managers Regulations 2013 and the AIFM Directive. The Investment Manager acts as the Company's AIFM
Non-mainstream pooled investment status	The Board conducts the Company's affairs, and intends to continue to conduct the Company's affairs, such that the Company would qualify for approval as an investment trust if it were resident in the United Kingdom. It is the Board's intention that the Company will continue to conduct its affairs in such a manner and that independent financial advisers should therefore be able to recommend its ordinary shares to ordinary retail investors in accordance with the FCA's rules relating to non-mainstream investment products
FATCA	The Company has registered for FATCA and has a GIIN number 2BN95W.99999.SL.831
Investment policy	The Company's investment policy is set out on pages 71 to 73 of the 2025 Annual Report
Website	www.fgen.com

Directors and advisers

Directors
Ed Warner (Chair)
Stephanie Coxon (Senior Independent Director)
Alan Bates
Jo Harrison
Nadia Sood

Administrator to the Company, Company Secretary and registered office
Apex Fund and Corporate Services (Guernsey) Limited formerly known as Sanne Fund Services (Guernsey) Limited

1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey
GY1 2HL

Registrar
Link Registrars (Guernsey) Limited

Mont Crevelt House
Bulwer Avenue
St Sampson
Guernsey GY2 4LH
Channel Islands

UK transfer agent
Link Asset Services

The Registry
34 Beckenham Road
Beckenham
Kent B43 4TU
United Kingdom

Auditor
KPMG Channel Islands Limited

Glategny Court
Glategny Esplanade
St Peter Port
Guernsey GY1 1WR
Channel Islands

Investment Manager
Foresight Group LLP

The Shard
32 London Bridge Street
London SE1 9SG
United Kingdom

Public relations
SEC Newgate

14 Greville Street
London EC1N 8SB
United Kingdom

Corporate broker
Winterflood Securities Limited

The Atrium Building
Cannon Bridge House
25 Dowgate Hill
London EC4R 2GA
United Kingdom

Corporate bankers
HSBC

PO Box 31
St Peter Port
Guernsey GY1 3AT
Channel Islands

Cautionary statement

Pages 1 to 113 of the Annual Report, including about FGEN, our track record, mission statement, performance highlights, Chair's statement, investment proposition, top ten assets, markets and opportunities, strategic priorities, the business model, the KPIs, the Investment Manager's report, the portfolio at a glance, the portfolio and valuation, operational review, sustainability and ESG and the financial review (together, the review section) have been prepared solely to provide additional information to shareholders to assess FGEN's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

The review section may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "forecasts", "projects", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology.

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

These forward-looking statements reflect current expectations regarding future events and performance and speak only as at the date of this report. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not guarantees of future performance or results and will not necessarily be accurate indications of whether or not or the times at or by which such performance or results will be achieved. The Company's actual investment performance, results of operations, financial condition, liquidity, prospects, opportunities, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this report.

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

In addition, the review section may include target figures for future financial periods. Any such figures are targets only and are not forecasts.

This Annual Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Foresight Environmental Infrastructure Limited and its subsidiary undertakings when viewed as a whole.

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Foresight Environmental Infrastructure Limited
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey GY1 2HL
Channel Islands

fgen.com