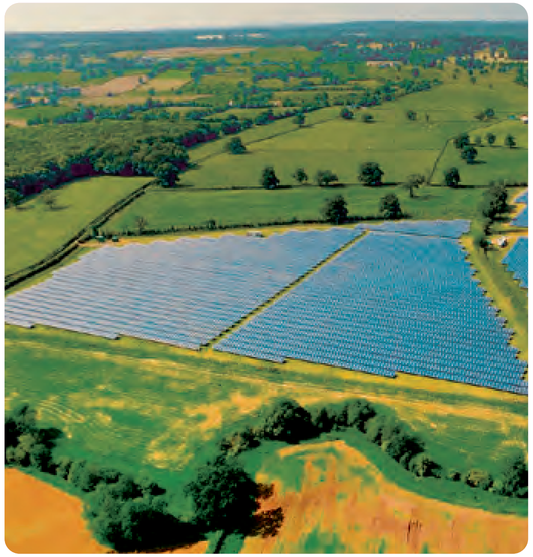
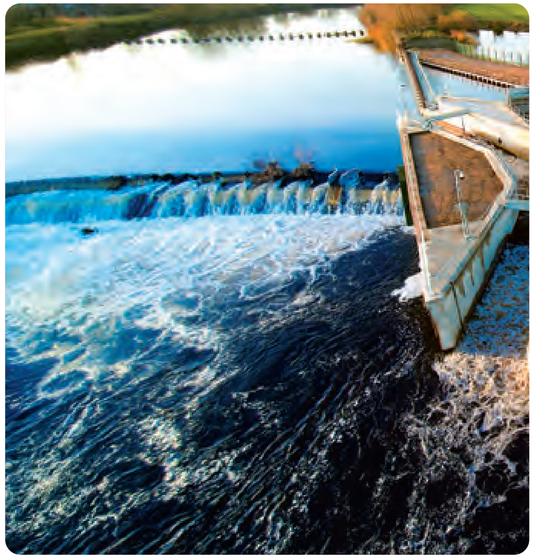
10 year ANNIVERSARY





JLEN

JLEN Environmental Assets Group Limited

Annual Report 2024

ABOUT JLEN

JLEN Environmental Assets Group Limited ("JLEN" or the "Company") is an environmental infrastructure investment fund, investing in a diversified portfolio of assets that support the drive towards decarbonisation, resource efficiency and environmental sustainability. The Company's portfolio comprises 42 assets located across the UK and mainland Europe.

JLEN is Guernsey-incorporated with a premium listing on the London Stock Exchange and is a constituent of the FTSE 250 Index. The Company has an award-winning approach to environmental, social and governance ("ESG").

PREMIUM MAIN MARKET LONDON STOCK EXCHANGE

GREEN ECONOMY LONDON STOCK EXCHANGE

Energy-from-waste plant: Energie Tecnologie Ambiente ("ETA") in Manfredonia, Italy.

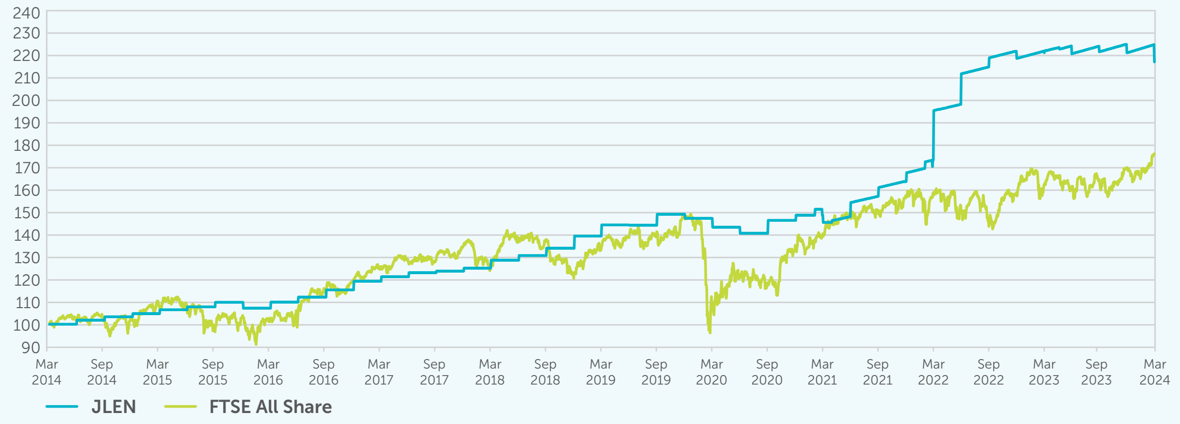
OUR TRACK RECORD

"Despite facing difficult market conditions, we remain optimistic about the prospects for the portfolio. Our business model and robust approach is supported by a dedicated and experienced team. We remain committed to delivering value for all our stakeholders."

Chris Tanner
Investment Manager

Edward Mountney
Investment Manager

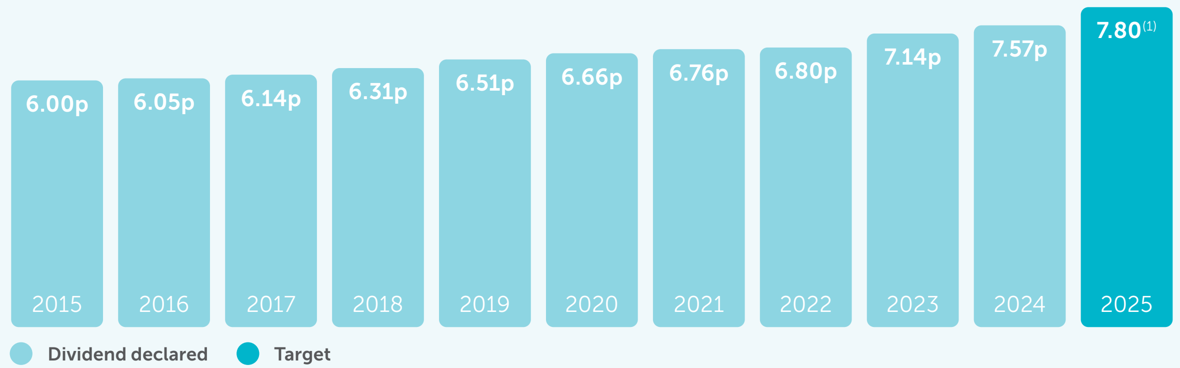
NAV total return since IPO



Source: Morningstar

Note: Past performance cannot be relied on as a guide to future performance.

Dividend progression



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

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Chair's statement

Read more on page 05

Investment Manager's report

Read more on page 15

Sustainability and ESG report

Read more on page 69

View our full year results highlights here:
https://vimeo.com/962147172

www.jlen.com

As part of our ongoing commitment to sustainability, we continue to take a "digital-first" approach, printing only a small number of copies of the report.

PERFORMANCE HIGHLIGHTS

Our results summary for the full year ended 31 March 2024.

Net Asset Value ("NAV")
£751.2m
2023: £814.6m

NAV per share[1]
113.6p
2023: 123.1p

Annualised NAV total return[1]
8.0%
2023: 9.3%

Portfolio value
£891.9m
2023: £898.5m

Gearing
31.2%
2023: 27.3%

Market capitalisation[1]
£619.9m
2023: £791.2m

2024 dividend declared
7.57p (+6% increase)
2023: 7.14p

2025 dividend target[2]
7.80p (+3% increase)
2024: 7.57p

Dividend cover[1,3]
1.30x
2023: 1.51x

Diversified portfolio
42 assets
2023: 42 assets

Renewable energy generated
1,358GWh
2023: 1,325GWh

GHG emissions avoided
212,917 tCO_2e
2023: 212,263 tCO_2e

Tonnes of waste diverted from landfill
680,825
2023: 684,181

Contributed to community funds
£655,076
2023: £432,756

FTE jobs supported
467
2023: 347

(1) The market capitalisation, 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 175 and 176.
(2) This is a target only, there can be no guarantee this target will be met.
(3) On a paid basis.

Resilient earnings and NAV:

- NAV per share of 113.6 pence following payment of dividends to shareholders in line with targets
- Strong annualised NAV total return of 8.0% since IPO
- On course to deliver dividend of 7.57 pence in line with annual target, representing a yield of 8.1% on the closing share price at 31 March 2024

Record cash generation from underlying assets:

- Consecutive year of record distributions received from investments
- 1.30x dividend cover – second highest since IPO
- Prudent balance sheet management maintaining low levels of gearing

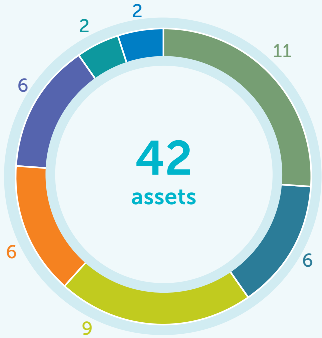
Clear and effective capital allocation strategy:

- Continued progress on development and construction assets – unlocking potential for capital growth
- Progress made on several credible selective asset disposal opportunities
- Sales proceeds will provide flexibility to pay down debt and consider share buybacks where accretive to NAV
- Existing commitments to development and construction-stage assets prioritised, with any new investment activity highly selective

OUR PORTFOLIO AT A GLANCE

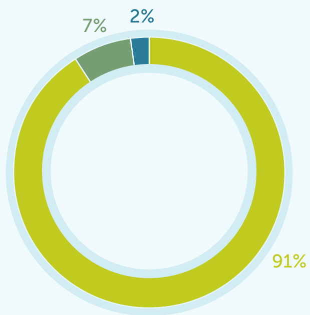
JLEN's portfolio comprises a diversified mix of environmental infrastructure assets.

Total assets
(split by sector)



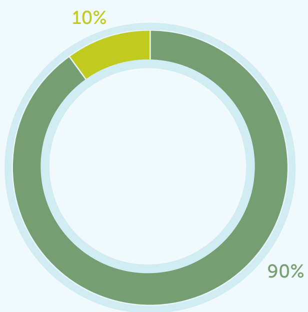
- Wind
- Waste & bioenergy
- Anaerobic digestion
- Solar
- Low carbon & sustainable solutions
- Controlled environment
- Hydro

Portfolio value
(split by operational status)



- Operational
- Construction
- Development

Portfolio value
(split by geography)



- UK
- Rest of Europe

Assets by location:

See more online: https://jlen.com

Does not include investment into FEIP.

CHAIR'S STATEMENT

"The Board is proud of JLEN's performance over the past 10 years and believes strongly in the Company's purpose and prospects."

Ed Warner
Chair

On behalf of the Board, I am pleased to present the audited Annual Report and financial statements for the Company for the year ended 31 March 2024.

We celebrate JLEN's 10th anniversary as a listed company and this year's performance is another demonstration of our resilience, despite it being a challenging year for the listed renewable investment company sector, including JLEN. While short-term interest rates are expected to fall, and with them bond yields, the first official reduction will be later than originally expected by markets and the eventual pace of decline likely to be slower. At the same time, subsiding inflation has reduced the index-linked cash flows from energy generating assets. Add in the uncertainty created by continued geopolitical crises and the net effect has been that shares in all infrastructure companies traded at wide discounts to Net Asset Value ("NAV") throughout the year.

We recognise that the recent returns have been frustrating for investors and we believe that the capital allocation decisions that we are taking, together with the anticipated change in the future rate environment, will see a re-rating of the Company's shares in due course. We also recognise the imperative for our Investment Manager to focus on stewardship of JLEN's existing portfolio, rather than targeting new investments, to ensure that it remains very well placed to deliver strong cash flows and value accretion in the coming years.

Over the 12 months to 31 March 2024, JLEN's NAV per share declined by 7.7% to 113.6 pence. After taking account of the dividend, the NAV total return for the year was marginally negative at -1.6%.

The operational review on page 44 provides detail on the performance of the individual assets within the portfolio, overall this has been satisfactory. The Company has delivered consecutive years of record distributions received from investments, resulting in a dividend cover of 1.30 times – the second highest since IPO. We are particularly pleased with the progress made on construction assets which are already providing capital growth – most recently West Gourdie BESS and the glasshouse became operational. Conversely, overall electricity generation across JLEN's assets was marginally short of budget, 4.1% behind on a MWh basis.

We are pleased to have met our stated target dividend of 7.57 pence per share for the year, up 6% compared to the prior year and still well covered by net cash flows from the Company's diversified portfolio. Despite the difficult operating environment, future cash flows remain robust with comfort provided from near-term fixes, such that the Board has set a dividend target of 7.80 pence per share for the current year, an increase of 3%. This will be paid in quarterly instalments as usual.

Investment activity has remained highly disciplined, with priority given to existing commitments to construction-stage assets and opportunities directly linked to the Company's current portfolio. We have purchased the remaining 30% shareholding in the Bio Collectors anaerobic digestion ("AD") and waste collections business and continued to build JLEN's exposure to German green hydrogen developer, HH2E, where the Investment Manager is excited by the combination of technology and market opportunity. During the year, the Company deployed £69.2 million overall into the portfolio.

Balance sheet strength is especially important at present. To that end, I am pleased that JLEN has successfully refinanced its revolving credit facility ("RCF"), with an enhanced £200 million three-year multi-currency facility and a further uncommitted accordion facility of up to £30 million with an option to extend for another year.

This facility provides the Company with more than sufficient headroom to meet our outstanding commitments and pursue future investment opportunities on a highly selective basis, including planned follow-on investments.

CHAIR'S STATEMENT continued

At the same time, the Board and the Investment Manager have been actively reviewing JLEN's portfolio with a view to undertaking targeted asset sales to generate capital to meet the Company's objectives while also ensuring that we have an optimal mix of technologies, cash flows, asset maturities and growth opportunities.

In that regard, we are currently engaged in several asset sale processes across different sub-sectors of the portfolio. The asset sales processes are at various stages of progression and we expect to complete the first transaction in the coming months.

During the year, the Board set out its asset allocation priorities, making it clear that share buybacks are under constant consideration as a means of deploying any surplus cash within an overall imperative of prudent balance sheet management. We anticipate that any buybacks will be funded from the proceeds of asset sales after ensuring the Company maintains a robust balance sheet and can meet its commitments.

One consequence of the persistent discount that JLEN's shares have traded at is that shareholders will be presented with a discontinuation vote at our Annual General Meeting ("AGM") in September. The trigger for this vote is a discount that has averaged more than 10% in the financial year under review.

The Board very much hopes that JLEN's excellent record of delivering consecutive dividend growth since the Company's launch in 2014, combined with the exciting prospects for the broad range of technologies and assets that it invests in, will encourage all shareholders to vote "against" the discontinuation resolution put forward at the AGM. This will ensure that the Company continues into the future, pursuing opportunities that help create a sustainable world for coming generations.

The Board, conscious of the continuous requirement to ensure that JLEN is as attractive as possible to current and potential shareholders, has identified two initiatives that are intended to achieve this objective. The first is a reduction in the fee paid to our Investment Manager, Foresight Group LLP, as follows:

- A change in the basis of calculating the fee from Adjusted Portfolio Value to NAV;
- A change in the first tier of fee (up to and including £500 million) from 1.0% to 0.95% of net assets;
- The second tier fee of 0.8% now only applies from net assets of £500 million to £1 billion; and
- A third tier fee of 0.75% is introduced for net assets in excess of £1 billion.

The Board believes that this will deliver excellent value for JLEN's shareholders, while continuing to provide a fair reward and incentive for the Investment Manager.

The second, included as a proposed resolution at the AGM, is to change the name of the Company to Foresight Environmental Infrastructure. It is five years now since Foresight acquired the investment management team of John Laing that managed JLEN and which effectively gave the Company its name.

The Board has assessed the benefits available through a closer association with the Investment Manager – including the scale afforded by its broader marketing initiatives and strong market reputation – and believes that there are clear commercial benefits to renaming the Company. The Board encourages shareholders to approve the proposed change of name.

We continue to evolve and progress our sustainability initiatives across the portfolio. This year, we set a decarbonisation target, aiming to achieve net zero greenhouse gas emissions by 2050. This goal will be supported by a Transition Plan, which is under development. At the asset level, biodiversity improvement works have been undertaken in a number of locations to increase the variety of habitats and support birds and mammals across our sites. In addition, we have restructured our ESG and Task Force on Climate-related Financial Disclosures ("TCFD") reports to bring them together with the goal of aligning more closely with emerging standards and regulations.

Further details on our efforts to promote resource efficiency, foster positive community relationships and ensure effective and ethical governance are set out in the consolidated ESG report on page 68.

During the year, the Board has continued to engage actively with all of JLEN's stakeholders. This engagement has taken the form of meetings with major shareholders, dialogue with senior executives at Foresight Group, as well as site visits to the newly constructed glasshouse and adjacent anaerobic digestion plant.

Our longest-serving Director, Hans Joern Rieks, is not seeking re-election at this year's AGM. Hans has been a fantastic contributor to the work of the Board over the past five years, supportive and challenging in equal measure, and on behalf of all shareholders and my colleagues I would like to thank him for his service and wish him well for the future.

Finally, I would like to thank all of JLEN's shareholders for the support you have shown us over the past year. It is greatly appreciated. The Board is proud of JLEN's performance over the past 10 years, believes strongly in the Company's purpose and prospects and hopes that you will continue to share with us in its success in the years to come.

Ed Warner
Chair
20 June 2024

OUR INVESTMENT PROPOSITION

Our purpose

JLEN aims to invest in a diversified portfolio of environmental infrastructure that supports more environmentally friendly approaches to economic activity whilst generating a sustainable financial return.

It seeks to integrate consideration of sustainability and ESG management into its activities, which help to manage risks and identify opportunities.

For more information on how we aim to achieve our objectives, see our investment policy on page 65.

Our objectives

See more online:
https://jlen.com

Financial objectives:

Predictable income growth for shareholders

Provide investors with a progressive dividend.

Preservation of shareholder value

To advance shareholder interests over the long term through the active management of the portfolio and the allocation of cash flows in excess of the dividend to the most beneficial uses, including new asset investment, repayment of debt or share buybacks.

Investment, growth and diversification

To invest in 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.

ESG objectives:

Promote the efficient use of resources

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

Develop positive relationships with communities in which JLEN works

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

Ensure effective, ethical governance across the portfolio

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

OUR INVESTMENT PROPOSITION continued

Our competitive advantage

See more online:
https://jlen.com

1 Sustainable financial returns

- Successive annual dividend growth and 8.0% annualised NAV total return[(1)] since IPO.
- Assets in the portfolio have a high degree of inflation linkage protecting real returns.
- Portfolio revenues offer predictability and predominantly derive from government subsidies or long-term contracts.

Read more on pages 103 to 106.

8.0%
annualised NAV total return[(1)]

2 Diversified portfolio

- Broad environmental infrastructure mandate allows exposure to a wide opportunity set.
- Portfolio diversification across a variety of megatrends, sectors and geographies.
- Diversification reduces dependency on a single market, technology type or set of climatic conditions.

Read more on pages 25 to 31.

42
assets

3 Expert investment management

- Foresight Group LLP, the appointed Alternative Investment Fund Manager ("AIFM"), has a strong track record of generating attractive and accretive investment opportunities for JLEN.
- Experienced investment management team backed by more than 175 infrastructure professionals reviewing over 900 infrastructure investment opportunities a year with the support of finance and sustainability experts.
- Active asset management by an experienced team of portfolio managers with deep industry knowledge.

Read more on pages 18 and 19.

175
infrastructure professionals

4 Award-winning approach to ESG

- ESG considerations are embedded across every aspect of the business.
- Broad range of ESG KPIs demonstrate progress and commitment to ESG objectives.
- Majority of the Company's revenues are derived from products and services that contribute to the global green economy.
- Sustainable Finance Disclosure Regulation ("SFDR") Article 9 fund with climate change mitigation objective supporting the transition to a low-carbon economy.

Read more on pages 69 to 102.

Green Economy – London Stock Exchange

Investment Week – Investment Company of the Year Awards 2023

(1) Calculated at 31 March 2024.

KEY PERFORMANCE INDICATORS

NAV total return (annualised)

8.0%

Link to Fund objectives:

2024	**8.0%**
2023	9.3%
2022	8.7%
2021	5.5%
2020	6.1%

KPI performance

- Annualised NAV total return since IPO of 8.0%, against the backdrop of a depressed market for listed infrastructure

Objectives for 2025

- Invest selectively in opportunities that are accretive to the Company on a risk-adjusted basis
- Consider returns of new investments against portfolio WADR of 9.4% and target returns of 7.5-8.5%, net of fees and expenses

Principal risks

- See risk and risk management on pages 53 to 59. Refer to risks: 2, 3, 5, 6, 7, 9, 10 and 11

NAV per share

113.6p

Link to Fund objectives:

2024	**113.6p**
2023	123.1p
2022	115.3p
2021	92.2p
2020	97.5p

KPI performance

- NAV £751.2 million, down from £814.6 million at 31 March 2023
- NAV per share 113.6 pence, down 7.7% compared to 31 March 2023
- -1.6% NAV total return for the 12 months ended 31 March 2024

Objectives for 2025

- Prioritise progress in development and construction-stage 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

Principal risks

- See risk and risk management on pages 53 to 59. Refer to risks: 2, 3, 5, 6, 7, 9, 10 and 11

Dividend cover

1.30x

Link to Fund objectives:

2024	**1.30x**
2023	1.51x
2022	1.10x
2021	1.07x
2020	1.10x

KPI performance

- 1.30x dividend cover for the year

Objectives for 2025

- Manage cover in light of lower power prices compared to recent years

Principal risks

- See risk and risk management on pages 53 to 59. Refer to risks: 2, 3, 5, 6, 7, 9 and 11

Key to Fund objectives: Predictable income growth for shareholders | Preservation of shareholder value | Investment, growth and diversification

KEY PERFORMANCE INDICATORS continued

Dividend

7.57p

Link to Fund objectives: Predictable income growth for shareholders

2025 target	**7.80p[1]**
2024	**7.57p**
2023	7.14p
2022	6.80p
2021	6.76p

KPI performance

- 7.57 pence dividend declared for the year, in line with target

Objectives for 2025

- Target dividend for the next financial year of 7.80 pence, up 3.0% from 2024

Principal risks

- See risk and risk management on pages 53 to 59. Refer to risks: 2, 3, 5, 6, 7, 9 and 11

Asset concentration (proportion of portfolio value from top 10 assets)

46.0%

Link to Fund objectives: Preservation of shareholder value; Investment, growth and diversification

2024	**46.0%**
2023	49.9%
2022	54.0%
2021	53.6%
2020	56.3%

KPI performance

- The top 10 largest assets now provide 46.0% of the total portfolio value, down from 49.9% at 31 March 2023
- Follow-on investments in the year, combined with ongoing buildout of construction-stage investments, continue to further diversify the portfolio

Objectives for 2025

- Continue to focus on the buildout of the Company's development and construction-stage investments to increase the value of these assets in the portfolio
- Manage new investment activity carefully in line with capital allocation policy

Principal risks

- See risk and risk management on pages 53 to 59. Refer to risks: 1, 4, 10 and 11

Renewable energy generated

1,358GWh

2023: 1,325GWh

GHG emissions avoided

212,917 tCO_2e

2023: 212,263 tCO_2e

Tonnes of waste diverted from landfill

680,825 tonnes

2023: 684,181 tonnes

Contributed to community funds

£655,076

2023: £432,756

FTE jobs supported

467

2023: 347

Number of SDGs[2] the portfolio aligns to

8

2023: 8

(1) This is a target only, there can be no guarantee this target will be met.
(2) Sustainable Development Goals.

Key to Fund objectives: Predictable income growth for shareholders | Preservation of shareholder value | Investment, growth and diversification

BUSINESS MODEL

What we do

JLEN invests in a diversified portfolio of environmental infrastructure assets, projects and asset-backed businesses that support more environmentally friendly approaches to economic activity whilst generating a sustainable financial return.

Investments typically:

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

See more on page 65.

How we do it

01 Acquire

02 Develop, construct, maintain

See more on page 13.

03 Enhance

See more on page 14.

04 Hold/exit

Portfolio sectors:

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

How we create value

Income for shareholders

7.57p

Dividends of 7.57 pence per share declared for the year to 31 March 2024.

Environmental benefits

1,358GWh

of renewable energy produced during the period. Enough to power more than 284,074 UK homes(1).

Social benefits

£655,076

provided to local communities.

Supporting government net zero carbon emissions targets with a portfolio of 42 assets that support environmentally friendly approaches to economic activity.

See more on page 25.

(1) Excludes AD portfolio.

Underpinned by

Risk management – read more about risk management on pages 53 and 88.

Strong governance – read more about governance on pages 71 and 107.

Financial management – read more about financial management on pages 137 to 174.

BUSINESS MODEL continued

Our business model explained.

01 Acquire

The Investment Manager tracks global megatrends around decarbonisation, resource efficiency and environmental sustainability and uses its network of relationships to originate environmental infrastructure opportunities. These are screened for suitability, and potential opportunities are subject to a full due diligence process to assess risks, valuation assumptions and ESG considerations. Investment approval is multi-level and culminates in a decision of the Company's Investment Committee for all material investment decisions.

ESG considerations:
ESG criteria are an integral element of the investment assessment at the acquisition stage. The Investment Manager undertakes a thorough rating analysis against a pre-determined minimum threshold for that asset class.

02 Develop, construct, maintain

Active asset management is employed by the Investment Manager to develop, construct or maintain investment assets depending on their stage of maturity. The Investment Manager applies a strong focus on risk identification and mitigation in order to deliver and maintain assets in line with their investment cases. The Investment Manager seeks development partnerships with experienced partners to secure future pipeline opportunities on a preferred basis. The Investment Manager maintains regular and open communications with the JLEN Board and external asset managers and other operational and corporate counterparties in order to facilitate effective management of the assets.

See case study on page 13.

ESG considerations:
Third-party service providers, sometimes with the assistance of technical advisers, monitor and manage the day-to-day performance of each asset in the JLEN portfolio and these third parties are regularly assessed by Foresight.

03 Enhance

Assets are regularly assessed for enhancement opportunities to increase operational and financial performance and to better meet ESG objectives. Where an opportunity appears feasible, the Investment Manager develops an initiative to capture the value identified to the benefit of shareholders.

See case study on page 14.

ESG considerations:
The Investment Manager continually seeks to improve all areas of ESG across the portfolio and new assets are assessed to see where improvements to ESG matters can be made over the tenure of ownership. ESG KPIs help to monitor progress in this area.

04 Hold/exit

JLEN's strategy is to hold assets in order to receive ongoing cash yield to support JLEN's dividend targets. Assets will be sold on a selective basis in order to crystallise value and recycle capital according to the Company's capital allocation approach.

ESG considerations:
Depending on the Directors' assessment of what is in the interests of shareholders at the time, capital may be allocated to repayment of debt, share buybacks or new investment into assets.

BUSINESS MODEL IN ACTION

Inverter repowering reduces maintenance and mitigates future risk

Develop, construct, maintain

Background
Monksham Solar Farm ("the Site") is a 10.69MW solar farm located in Devon. The Site has been operational since March 2014 and is equipped with eight ABB PVS800-57-1000kW-C central inverters from the inverter manufacturer ABB/Fimer located in four inverter stations.

The challenge
The inverters are in the 10th year of operation and at such an age the failure rates of the various components in the inverters are typically starting to increase. As a consequence, the availability of spare parts and good service levels for inverter repairs are becoming increasingly important factors to manage a site's performance.

The inverter manufacturer, ABB/Fimer, has ceased to provide service in the UK. As a result, the procurement of spare parts has also become more challenging and the Site was affected by inverter outages as a consequence.

The solution
The Investment Manager has assessed potential future prolonged inverter outages to be a key long-term risk for the Site and has worked with the asset management provider and the operations and maintenance ("O&M") provider for the Site to repower one of the inverter stations at the Site with a new inverter solution.

The main objective of the repowering project was to create a sufficient stock of spare parts for the maintenance of the remaining six ABB/Fimer central inverters to mitigate this risk.

It is challenging to maintain a site's expected performance levels when a different inverter type is installed, so at the start of the repowering project an extensive design review was undertaken and several possible repowering options were evaluated. After a detailed review of all options, a repowering of one of the inverter stations with two ABB/Fimer central inverters with 16 Sungrow SG125 string inverters was selected. The selected option allowed for existing string combiner boxes to be replaced by the string inverters without the need for new combiner boxes to be installed, thereby reducing the installation cost of the new solution. Each of the string inverters has 12 maximum power point trackers ("MPPT") which will allow the inverters to maintain their performance over time. In addition, string inverters are generally easier to maintain for O&M providers as support from the inverter manufacturer is rarely required.

The outcome
The repowering project was executed in November 2023 and the new inverters were installed over a four-week period. As part of the repowering project, a tailor-made spare parts container was procured and installed at the Site. The storage container is air-conditioned to ensure the spare parts are safely and adequately stored on site and in accordance with manufacturer requirements. The spare parts from the repowered inverter station were placed in the spare parts container following the completion of the repowering project.

The Investment Manager and the asset management provider have been reviewing the performance of the new inverters over the period from January to March 2024. The new string inverters were performing well given the difficulties of integrating a new inverter type into an operational site.

The Investment Manager will continue to monitor the performance and the spare parts level of the Site very closely. The repowering of further inverter stations at the Site will be implemented when this is deemed to be required.

BUSINESS MODEL IN ACTION continued

Upgrades to AD facility enhance capture of methane emissions

Enhance

Background
Vulcan Renewables, JLEN's largest biomethane injection AD plant, is located outside of Doncaster, Yorkshire. The plant was JLEN's first AD acquisition in 2017 and at the time injected 455 Sm^3/h of enriched biomethane into the gas grid that was produced from the anaerobic digestion of agricultural feedstock. Since then, the plant has undergone two large output increases and is now capable of injecting more than 1,200 Sm^3/h into the grid.

The first major increase took place in 2019 and was facilitated by the installation of a second biogas upgrader that would process around 70% of the raw biogas. This installation highlighted that the existing plant had an elevated percentage of methane in the upgrader's off-gas which is vented into the atmosphere.

The challenge
Methane emissions reduction continues to dominate agendas. In September 2022, the Environment Agency published the appropriate measures for permitted facilities[1] and the Department for Energy Security and net zero included fugitive methane in its recent consultation on the future support for the industry[2]. The proposed changes in regulation, future government incentives, as well as JLEN's own environmental sustainability objectives, provided good reasons to address the methane emissions from the older upgrading unit.

The opportunity
Following consultations with various parties and industry experts, the Investment Manager agreed to proceed with the installation of a lean gas upgrading unit that could process the off-gas before it was vented into the atmosphere. This process would use membrane technology to separate the CH_4 from the off-gas and recycle it back into the system.

This would not only result in significant environmental benefits for the asset, but also provide additional revenue opportunities for the asset owner.

The methane recovery project was commissioned in December 2023 with technology partners, Hitachi Zosen INOVA, and support from the site's asset manager. The project concluded with a seven-day performance test in February 2024 yielding satisfactory results. Since the commissioning of the unit, it has been integrated into the site's data tags and is being continually monitored by the on-site asset management team to ensure it provides maximum financial and environmental benefits for the site.

The outcome
The upgrade resulted in an extra 1,800MWh of unenriched biomethane being recovered each year, contributing a yield of c.£160,000 per annum while significantly reducing methane emissions at the plant.

(1) https://www.gov.uk/guidance/biological-waste-treatment-appropriate-measures-for-permitted-facilities.
(2) https://assets.publishing.service.gov.uk/media/65df46d5f1cab36b60fc4725/biomethane-production-call-for-evidence.pdf.

THE INVESTMENT MANAGER'S REPORT

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CELEBRATING 10 YEARS OF JLEN

> We believe that a diversified investment approach would provide investors with an array of benefits, including a wider set of opportunities and a lower concentration of risk.

Chris Tanner
Investment Manager

View our 10-year anniversary video here:
https://vimeo.com/958324830

Q: What was the philosophy when you set up JLEN and how has it changed in the last 10 years?

A: We started JLEN because we saw that the market for environmental infrastructure was growing rapidly – both in respect of renewable generation and infrastructure assets with environmental benefits outside of low-carbon electricity – and we believed that a diversified investment approach would provide investors with an array of benefits, including a wider set of opportunities and a lower concentration of risk. We set out to prioritise core aspects of infrastructure investing, such as inflation protection and long-term, stable cash flows with a view to offering shareholders an attractive and growing dividend.

As is evidenced by our portfolio evolution, we have continued to believe in a diversified investment approach over the past decade. When we listed in 2014, we had seven assets spanning traditional renewables such as wind and solar, as well as waste and wastewater management projects.

Fast forward 10 years and our portfolio has moved far beyond solar and wind, comprising 42 assets across 10 technology sectors. This reduces our dependency on a single market, technology type or set of climatic conditions.

We have achieved our aim of providing investors with a progressive dividend paid quarterly, and as at 31 March 2024, we had achieved an annualised NAV total return of 8.0%.

So in reality, our philosophy remains true to our roots – delivering predictable income growth for shareholders from a diversified portfolio of environmental infrastructure assets. We are particularly proud that investing in JLEN means helping to address a wider range of environmental challenges faced by society than just generation of low-carbon electricity.

What has changed more dramatically is the context in which we are operating, and we have successfully adapted our business to enable us to seize new opportunities and manage new risks.

Q: Can you provide more colour on how the market and political environment changed during the decade?

A: A key change has been the exponential increase in awareness of sustainability issues. Concerns regarding the energy transition, future transport and managing resource scarcity have risen at all levels of society, now sitting as some of the top agenda items for businesses, governments and investors.

Because of this shift, the environmental infrastructure market has grown significantly to encompass a broader range of technology types and traditional renewable technologies such as wind and solar have matured. We responded to this by updating our investment policy, allowing us to invest in a broader range of asset classes, such as bioenergy, low-carbon transport and low-carbon agriculture.

The macroeconomic conditions have also changed markedly, most recently creating a highly challenging environment within which to capitalise on the increasing demand for environmental infrastructure. Between 2014 and 2022, we were operating in a low interest rates environment, which strengthened the attractiveness of our returns.

CELEBRATING 10 YEARS OF JLEN continued

In turn, we were able to undertake regular fundraising, enabling us and those in our peer group to grow at pace.

However, the market environment over the past 18 months has been a much more difficult one to navigate. Persistent inflation and rising interest rates have caused the large majority of investment trusts to trade at discounts, forcing funds to revise their tactical approaches to raising funds and achieving their strategies.

This has been even more challenging due to the geopolitical tensions we are observing. While our assets are unlikely to be directly impacted, the uncertainties created in environments such as this make it more difficult to plan strategically, particularly given the impact these situations have on the energy price environment.

Q: How have you adapted the Company to manage these changes and the inevitable challenges they create?

A: In terms of managing the Company through the more recent headwinds that we and the wider industry have been facing, we have focused our capital allocation strategy on value enhancement opportunities within our current portfolio.

This means that we are prioritising our available capital on existing commitments, planned follow-on investments and asset enhancements.

Foresight have always adopted active asset management, having completed our first such disposal in January 2022. We are actively pursuing asset sales opportunities which will enable us to recycle capital, reduce drawings on the Company's revolving credit facility and consider buying back shares in the market. Through this all, we are concerned to manage the Company's funding position to maintain a robust balance sheet.

More broadly, as the environmental infrastructure market has expanded and matured, we have reflected this through updates to our investment policy, enabling us to evaluate and invest in a wider range of opportunities, including an increased percentage of development and construction-stage assets, where we see greater potential for capital growth for shareholders.

And of course, we believe that our diversification strategy has created a degree of resilience, which holds us in good stead during a period of increased volatility in terms of the economic markets and the geopolitical arena.

Q: Looking back on the past 10 years, what are you most proud of?

A: The track record of financial returns we have delivered is certainly a highlight. Since JLEN's launch 10 years ago, we have increased our dividend year-on-year, delivered an annualised NAV total return of 8.0% and grown to become a FTSE 250 fund. The fact that we have delivered all of this while producing enough clean energy to power hundreds of thousands of UK homes each year is very satisfying.

As a team, we are really proud of the impact we have had close to home. The majority of our assets are in the UK, with the rest in Europe, which means that we provide investors with a way to help address some of the key environmental and societal challenges we collectively face, whilst our investments have created many job opportunities for UK citizens, including apprenticeships.

Q: Looking ahead, what emerging trends or developments do you foresee shaping the environmental infrastructure sector? How is JLEN positioned to capitalise on them?

A: On the one hand, the extent of renewables deployed on electricity grids will increase significantly as those areas of the economy that can electrify will do so.

This will require significant investment, not just in the generating assets, but also in related infrastructure such as energy storage and the grid itself to support the transition. Governments will need to play a part with subsidy schemes that encourage investment while balancing the cost for taxpayers and consumers.

On the other hand, those areas that cannot electrify easily will need to find alternative routes to decarbonise. This opens up opportunities for technologies such as hydrogen, biomethane and advanced fuels.

The Investment Manager continues to see a steady pipeline of opportunities that could be suitable for JLEN. In the near term however, JLEN will be very selective with any new investment, mindful of the current environment for investment companies and the priorities of shareholders.

As market conditions improve, JLEN is well positioned in the medium term to take advantage of these opportunities. We want to see JLEN continue to adapt as the energy transition progresses, targeting those areas that emerge to offer attractive risk-adjusted returns as markets respond to government incentives to deliver a lower-carbon future.

THE INVESTMENT MANAGER'S REPORT

JLEN 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.

The Investment Manager

Chris Tanner
Investment Manager

Chris has been an Investment Manager[1] to JLEN since IPO in 2014. He joined Foresight in 2019 as a Partner. He has over 24 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 involved with JLEN since 2016, joining the management team in 2022. Prior to that, Edward was Head of Valuations for Foresight Group and John Laing Capital Management before then. He has over 14 years' experience in infrastructure and renewables, is a Member of the Institute of Chartered Accountants in England and Wales and holds a BA (Hons) in Business and Management from Oxford Brookes University.

About Foresight Group

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

Foresight's Infrastructure division

The division manages over 435 infrastructure assets with a focus on renewable energy generation (in particular wind and solar power, but also bioenergy, hydropower and geothermal energy), energy storage, grid infrastructure, as well as energy efficiency management solutions, social and transport infrastructure projects and sustainable forestry assets.

Breadth of expertise

The Foresight infrastructure team comprises 175 investment, commercial and technical professionals across offices in the UK, Italy, Spain, Luxembourg and Australia, bringing extensive investment origination and execution capabilities to JLEN. The team considers close to 900 opportunities a year across all strategies, selecting only those for JLEN which meet its risk appetite and where JLEN has a realistic chance of successfully completing a transaction for further investigation. The breadth of experience within the team suits JLEN's broad environmental infrastructure mandate and this experience has been critical in determining which projects to pursue as JLEN has diversified beyond core renewable energy projects.

£11.9bn[2]
Assets under management

900[4]
Investment opportunities reviewed

8[3]
Countries with operations

435[3]
Infrastructure assets

175[5]
Infrastructure professionals

4.7GW[5]
Renewable energy generation

(1) Prior to January 2022, JLEN engaged Foresight in an investment advisory capacity rather than as the Investment Manager.
(2) Based on Foresight Group Trading Update for financial year ending 31 March 2024 on the LSE.
(3) Foresight Group information as at 31 March 2024.
(4) For the period 1 April 2023 – 31 March 2024.
(5) Foresight Group information as at 30 September 2023.

THE INVESTMENT MANAGER'S REPORT continued

The infrastructure investment team utilise established international networks to access market opportunities as they arise. The team is able to deploy and manage capital across a wide range of infrastructure sectors at various stages of an asset's life, through development, construction and operational stages. Foresight's construction management capabilities are valuable to JLEN as bringing development and construction-stage assets through to operations provides potential for capital appreciation. The team is also experienced in managing exits, having carried out several such transactions in the last 12 months.

Active asset management with a strong sustainability focus

JLEN benefits from a team of portfolio management experts who are focused on operational performance, asset optimisation and commercial management, as well as assessing enhancement opportunities for the Company's portfolio. Sustainability and ESG is fully integrated into JLEN's business model and the portfolio team is supported by a dedicated team of sustainability experts providing a data-driven approach to monitoring, reporting and improving sustainability and ESG performance across JLEN's portfolio.

Co-investment

Given JLEN's broad mandate, its investment activities can overlap with other Foresight-managed funds. Foresight maintains a clear allocation policy that sets out the way in which common interest in an investment across funds shall be managed.

In keeping with this policy, JLEN is currently co-invested in seven projects with other Foresight funds, enabling JLEN to achieve greater diversification with the same level of funds and amplifying Foresight-managed funds' influence on these assets. All co-investments have market-standard shareholder protections and are ultimately subject to the approval of JLEN's Board, which will take independent advice as appropriate.

Diversification

Foresight considers that the benefits of diversification for JLEN are as follows:

- spreading of risks such that no one set of risks associated with a particular technology or set of climactic conditions predominates;
- wider opportunity set provides scope to assess risk-adjusted returns across the range of environmental infrastructure opportunities, avoiding highly competitive markets; and
- ability to construct a portfolio that combines higher returning investments with lower risk investments to provide an attractive mix of sustainable income and capital growth.

Foresight does not advocate diversification for its own sake for JLEN. New investment sectors must comply with the investment policy and present a risk/return profile that compares favourably with investments that are already present within the JLEN portfolio. See the "market and opportunities" section for an assessment of the relative attractiveness of different sectors.

THE INVESTMENT MANAGER'S REPORT continued

Performance summary

NAV per ordinary share at 31 March 2024 was 113.6 pence (31 March 2023: 123.1 pence per share). The details on NAV movements over the annual period are set out on pages 32 to 43. The Company's portfolio valuation was £891.9 million (31 March 2023: £898.5 million). Losses per share for the year were 2.1 pence, (31 March 2023: earnings per share 14.9 pence) driven by the loss on fair value of investments as a result of power price forecast contraction and increase in discount rate during the financial year.

We continued to manage the portfolio prudently with the aim of generating consistent and predictable cash flows with a high degree of inflation linkage. Cash received from the portfolio by way of distributions, which includes interest, loan repayments and dividends, was £87.0 million (31 March 2023: £83.6 million). Net cash inflows from the investment portfolio (after operating and finance costs) cover the cash dividends of £49.4 million paid to shareholders in the 12-month period by 1.30x (31 March 2023: 1.51x).

Despite operating in a challenging macroeconomic and geopolitical environment, our performance benefited from:

- the Company's diversification strategy which ensures the portfolio benefits from a significant proportion of contracted revenues and revenues earned by non-energy generating assets;
- having a substantial portion of generation for both electricity and gas on fixed price arrangements, partially insulating the portfolio from price fluctuations;
- good progress made on development and construction-stage assets – unlocking potential for capital growth as they become operational;
- active asset management of the portfolio identifying value enhancement opportunities to optimise performance across the portfolio; and
- prudent balance sheet management maintaining low levels of gearing relative to sector norms.

Market and opportunities

2024 has been billed as "the year of elections", with national elections (including elections for the European Union) covering a combined population of about 49% of the people of the world[1]. For many of the people voting in the UK and Europe, key markets for JLEN, climate change will be a significant issue[2]. The choice in the US appears to be stark, with Donald Trump signalling intent to unwind key components of President Biden's signature Inflation Reduction Act[3], that aims to incentivise investment in green technology in the US. There appears to be more consensus between the main political parties in the UK and the European Union, but even here there are differences in emphasis and in speed of action. So while the case for environmental infrastructure remains as clear as ever, with the International Energy Agency ("IEA") estimating that full year investments in the energy sector will account for US$2.8 trillion in 2023[4], of which more than 60% will be invested in clean energy technology such as renewables, low-carbon fuels, nuclear, grids and battery storage, there is some uncertainty in the near term due to the political situation, particularly in the European Union[5].

The Company continues to be presented with a substantial opportunity set by virtue of its broad investment policy. However, the Board and the Investment Manager are very aware of the current state of the market for listed renewable infrastructure; the model that applied for most of JLEN's first 10 years, where acquisitions supported by frequent equity raises were the norm, is over. Further additions into the portfolio will require capital to be recycled from existing assets and any acquisitions will need to compare favourably to returns from the existing portfolio and also the implied returns to shareholders from buying back shares at a discount.

As a result, the Investment Manager expects new investment activity in the upcoming year to be limited. The Company will continue to deploy capital to meet its existing commitments to construction assets and will consider opportunities to support value enhancements and follow-on investments within the portfolio on their merits. Beyond this, new investments will be selective, making full use of the investment mandate and the Investment Manager's ability to originate in the UK and Europe to pursue only those opportunities that clearly benefit shareholder returns. This is likely to favour operational assets that make a clear contribution to dividend cover, but may also include short-duration development and construction opportunities where outlay is modest and funds are only deployed for a relatively short period of time before earning a return.

(1) Time Magazine https://time.com/6550920/world-elections-2024/.
(2) https://www.euronews.com/green/2024/03/25/over-half-of-european-voters-think-climate-action-is-a-priority-exclusive-euronews-poll-re; https://www.kcl.ac.uk/.news/britons-more-likely-to-prefer-party-that-takes-strong-action-on-climate-change.
(3) https://www.technologyreview.com/2024/02/26/1088921/trump-wants-to-unravel-bidens-landmark-climate-law-here-is-whats-most-at-risk/.
(4) International Energy Agency ("IEA"), "Clean energy investment is extending its lead over fossil fuels, boosted by energy security strengths," 25 May, 2023.
(5) https://www.climateforesight.eu/articles/eu-elections-climate-policy/.

THE INVESTMENT MANAGER'S REPORT continued

Wind

Market developments:

Wind remains the predominant renewable generation technology in the UK, particularly in the offshore sector with the UK Government targeting deployment of 50GW of capacity by 2030. The onshore wind market continues to face certain challenges from a planning perspective, though steps have been taken to address this via amendments in late 2023 which should have a positive effect on development rates in the medium-to-long term. The UK Government continues to offer support for onshore and offshore wind projects through the Contracts for Difference ("CfD") subsidy mechanism, which has come under scrutiny over the last 12 months due to strike prices that have proven too low to support the buildout of new sites. However, the UK Government has taken positive steps to address this in the latest rounds, and so the regulatory environment remains demonstrably supportive, also via other measures such as the Energy Act 2023.

Wind markets in other European geographies have come under those same cost pressures, which has led to a slowdown in capacity buildout. However, in part driven by energy security concerns, EU targets for onshore and offshore capacity have increased over the last year or so and whilst subsidies in their previous form are no longer available, many countries still provide revenue support via auctions or tender processes. Therefore, whilst the industry has come under pressure over the last 12 months, wind energy remains critical to wider decarbonisation targets and so we expect the slowdown in buildout to be short term only.

JLEN investment outlook:

JLEN has historically invested in operational onshore wind farms, although has not made new investments in this area since 2017. It remains unlikely that JLEN will make new investments into operational onshore wind in the short-to-medium term due to high competition and resultant return levels, but given the impact of interest rates on both target returns and market-wide funding capacity, opportunistic acquisitions of attractively priced assets is a possibility. The Investment Manager estimates that discount rates for UK and European onshore wind are typically in the range of 7-9%, ultimately dependent on project revenue structures, market and the nature of the sale or origination process. A benefit for JLEN is its wide geographic remit and the ability to target markets that might offer better risk-adjusted returns compared to the UK or over-reliance on a single jurisdiction.

The Investment Manager has previous experience in both construction-stage and development-stage wind investments. Therefore, JLEN may consider construction and development-stage wind investments if risk-adjusted returns are considered attractive. JLEN may particularly consider late-stage development investment where the wind developer is credible and has demonstrable pipeline, and where the investment is structured via secured positions with controlled expenditure, to enable JLEN to benefit from development gains and/or secure future wind deployment at favourable rates of return.

Solar

Market developments:

Similar to wind, the UK Government has ambitious targets for solar capacity, targeting a five-fold increase of current capacity to achieve 70GW by 2035, supported in part by the CfD programme which saw c.2GW securing tariffs in 2023. Given increasing cost pressures, strike prices have been increased in the latest round as an indication of the continued regulatory support. A key challenge for solar is securing viable grid connections, with some quoted connection dates as late as 2036. However, National Grid has been tasked with the better management of connection queues to free up capacity for projects that are ready to start operations.

Across Europe, solar capacity targets remain ambitious via legislation such as the REPowerEU plan. Whilst there are similar macro challenges as per the UK across different European solar markets, for example cost pressures and grid availability, there continues to be a high degree of regulatory support across large and mature markets such as Germany, Spain, Netherlands and France.

JLEN investment outlook:

JLEN has historically invested in operational grid-scale solar parks, although has not made new investments in this sector since 2017. It remains unlikely that JLEN will make new investments into operational solar in the short-to-medium term as competition for assets continues to make returns less attractive than other sectors, albeit within a mature and well understood asset class. The Investment Manager estimates that discount rates for UK ground-mounted solar are in the range 6-8%, often with optimistic cash flow assumptions.

As per wind, and given the Investment Manager's experience, in addition to construction-stage opportunities JLEN may consider late-stage development investment where the developer is credible and has demonstrable pipeline, and where the investment is structured via secured positions with controlled expenditure, to enable JLEN to benefit from development gains and/or secure future solar deployment at favourable rates of return.

THE INVESTMENT MANAGER'S REPORT continued

Anaerobic digestion

Market developments:

The UK Government published its "Biomass Strategy" during the year under review. This contained a section on "greening the gas grid", which recognised that biomethane can directly replace natural gas across a range of end uses and has a part to play in increasing energy security. The Strategy indicates that 30-40 TWh of biomethane production would be beneficial in helping the UK to reach net zero in a cost-effective manner, but also notes that this level of production is not supported by current government subsidy regimes and that it is considering future options.

The UK Government's Simpler Recycling consultation stated that the government's "preference is for food waste to be collected for treatment by AD, which presents the best environmental outcome for the treatment of unavoidable food waste". The government intends for all local authorities to implement food waste collections for households by the end of March 2026, with an earlier date of 2025 for firms to make arrangements for food waste collection. This should benefit operators of AD facilities capable of processing food waste, such as the Company's Codford and Bio Collectors assets.

There was also an extension to the deadline for applications for the Green Gas Support Scheme, the main government support scheme for new AD facilities. New AD sites now have until March 2028 (previously November 2025) to qualify for support, which can be seen as working in tandem with the increase in food waste feedstock expected from Simpler Recycling.

The European Union ("EU") has continued to make progress towards its ambition of producing 35bcm of biomethane by 2030 under the REPowerEU plan, setting a record for biomethane production according to the latest figures available to the European Biogas Association[1]. However, while there have been positive signs, investment and support needs to increase further if the target of 35bcm by 2030 is to be met from the most up-to-date assessment of c.4bcm.

JLEN investment outlook:

JLEN has invested in a portfolio of operational gas-to-grid and gas-to-electric AD plants using a range of agricultural and waste feedstocks and remains active in the market. Further investments in UK and European plants are possible across the spectrum of development-stage, ready-to-build and operational assets based on risk-adjusted returns available.

The Investment Manager also notes increased belief in the market of use cases for AD assets beyond the life of their primary subsidy (e.g. the Renewable Heat Incentive). While there is not a clear and defined path to follow, there are a range of options that may be feasible, such as monetisation of captured carbon and corporate gas purchase agreements with companies interested in decarbonising their heat usage. Further investment in existing plants may be attractive to make them more resilient and prepare them for a life beyond subsidy. No value is currently recognised for life extensions of AD assets.

Biomass and energy-from-waste

Market developments:

The UK Biomass Strategy stressed the significant role that biomass can play in decarbonising major sectors of the economy, including heat, transport and electricity. It also emphasised the government's interest in bioenergy with carbon-capture and storage ("BECCS") which can produce negative emissions as well as a source of baseload power, making it a useful tool in reaching net zero. Alongside these benefits, the Strategy recognises the need to build upon the existing arrangements within subsidy arrangements regarding sustainability of feedstocks and states a desire to deal with inconsistencies between them in order to develop an overarching framework including areas such as implementation of a common greenhouse gas ("GHG") emission calculation methodology and accounting for soil carbon changes.

The UK Government also published consultations regarding the expansion of the UK Emissions Trading Scheme ("UK ETS") to the energy-from-waste ("EfW") incineration sector and how to integrate Greenhouse Gas Removals ("GGR") schemes into the UK ETS, including engineering-based solutions like BECCS and nature-based solutions like afforestation.

EU countries are also focused on the sustainability of biomass, with the European Environment Agency publishing a report on the need to prioritise between the various uses of biomass foreseen within the policy ambitions of the European Green Deal given the potential shortage of sustainable biomass in the future given possible impacts of a changing climate.

JLEN investment outlook:

JLEN remains open to new investments in this sector, providing the sustainability credentials of an asset are satisfactory in the light of new, more stringent expectations being flagged by UK and European governments. However, biomass and EfW assets can be large and in the current capital-constrained environment may not be the first priority. The Investment Manager will continue to look for assets in special circumstances, such as the Cramlington biomass facility that was bought out of administration, as these may represent an opportunity for enhanced returns. The Investment Manager will also consider value enhancements and measures to improve resilience for existing bioenergy assets within its portfolio as these can have attractive investment cases and typically involve a lower outlay of capital than purchase of a new asset.

(1) https://www.europeanbiogas.eu/strongnew-record-for-biomethane-production-in-europebrshows-eba-gie-biomethane-map-2022-2023-strong/.

THE INVESTMENT MANAGER'S REPORT continued

Controlled environment ("CE")

Market developments:

Prices for salmonids have increased since the time of JLEN's investment into controlled environment aquaculture, driven by demand as supply from traditional farming methods faces headwinds. Norway introduced a resource rent tax on sea-based aquaculture of 25% during the year in addition to general corporate taxation. This does not apply to fully land-based facilities such as the Company's Rjukan facility and so presents a cost advantage for land-based controlled environment projects. Other factors such as licence costs and maturing technology also favour land-based solutions over traditional sea-based pens.

JLEN investment outlook:

The current focus is on bringing JLEN's existing CE Rjukan and CE Glasshouse projects to steady state production in order to validate the investment case. While the projects have made good progress to date, there is no intention to increase portfolio allocation to controlled environment projects until a full cycle has been observed, including an exit.

Low-carbon transport

Market developments:

Transport remains a key sector for decarbonisation as the second largest emitter of GHG emissions after the power sector(1) and a key plank for driving decarbonisation is the switch from fossil fuel-powered internal combustion engines to electric for smaller vehicles. In the UK, the Zero Emission Vehicle mandate became law during the year, requiring 80% of new cars and 70% of new vans sold to be zero emission by 2030, increasing to 100% by 2035. With this commitment, a substantial expansion of charging infrastructure and other incentives is required, potentially opening up investment opportunities. A similar requirement is in place for EU Member States.

The UK Government also put in place new targets for jet fuel, requiring 10% of all jet fuel for flights taking off from the UK to come from sustainable sources by 2030. The Investment Manager has seen several development-stage opportunities for projects producing sustainable aviation fuel and other biofuels for transport.

JLEN investment outlook:

JLEN continues to see good potential in the sector, as evidenced by the annual growth of 39% in fuel dispensed seen in its investment into CNG refuelling ("CNG"). In keeping with JLEN's wider investment approach in the near term, any further investments in low-carbon transport will be highly selective, focusing on risk profile and quality of cash flows.

(1) https://www.statista.com/statistics/1129656/global-share-of-co2-emissions-from-fossil-fuel-and-cement/.

THE INVESTMENT MANAGER'S REPORT continued

Battery storage

Market developments:

2023 was a challenging year for the battery storage market in the UK. The industry as a whole suffered from weakened revenues driven by factors such as lower power price volatility and the saturation of ancillary services as a result of the rapid buildout of BESS capacity, in stark contrast to the high profits in FY23. The reduction in actual and forecast revenues has impacted JLEN's NAV, but independent market analysis and recent actual revenues suggest that 2023 could be the bottom of the cycle, with sound long-term market fundamentals driven by the continued electrification of heating and transport and greater renewables penetration. The general trend towards long-duration batteries, and other forms of long-duration energy storage ("LDES"), is likely to continue given the finite opportunity of grid services provision. The Investment Manager has experience in other forms of LDES, such as pump-hydro, and so JLEN will continue to monitor developments across other storage technologies.

The Investment Manager has seen an increasing pipeline of grid-scale battery projects in other European markets, notably Germany, Netherlands and the Nordics, and is assessing those markets and their underlying characteristics including power price volatility, arbitrage opportunities and ancillary services.

JLEN investment outlook:

JLEN has four grid-scale battery projects within the portfolio at various stages of development. West Gourdie completed construction during the year and is now fully operational. Sandridge is in construction and expected to connect during FY24/25. The two other investments are still at ready-to-build stage with strategic decisions to be taken shortly on either starting construction during the year or pursuing exits at an opportune time in the future.

Whilst the Investment Manager believes that the long-term outlook for the UK BESS market is positive, JLEN is likely to pause further investment into the sector until there's been further validation of the revenue model and greater clarity around storage capacity and utilisation rates following a period of rapid growth. It will continue to monitor other European markets in order to stay ahead of developments and will consider opportunities where underpinned by supportive frameworks, for example in the form of capacity-based revenue streams.

Hydrogen

Market developments:

Market analysts believe that the global decarbonisation agenda sets a favourable market context for the rise of the low-carbon hydrogen industry. Hydrogen infrastructure represents a significant portion of total investment requirement to reach net zero targets especially where electrification is not a viable solution, research estimates a minimum of €4.6 trillion investments required in the clean hydrogen supply chain to achieve that goal. In that context, researchers have identified an immediate funding gap of €268 billion through 2030 as €295 billion direct investments have been announced in low-carbon hydrogen projects globally through 2030[1], but only €27 billion have passed FID or is in more advanced stages.

JLEN investment outlook:

Green hydrogen production and its derivatives is an area of focus for Foresight Group. The investment management team has access to the wider Foresight efforts in this area and can evaluate pipeline opportunities as they arise. JLEN has an existing position in a development-stage opportunity in Germany through its investment in the developer HH2E and the expectation is that this position will fulfil JLEN's allocation to hydrogen projects for the short-to-medium term.

Germany has a favourable outlook for green hydrogen, with the National Hydrogen Strategy aiming for 10GW of electrolyser capacity by 2030 and legislative and regulatory initiatives in train that should support the investment case for greenfield plants, such as a green gas quota. HH2E has several projects in development and JLEN can increase its investment as projects move into construction should it so wish, depending on funding capacity and risk-adjusted returns available.

(1) Hydrogen Insights 2023, Hydrogen Council.

THE INVESTMENT MANAGER'S REPORT continued

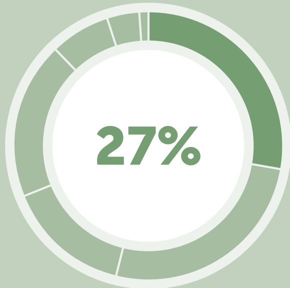
Our portfolio

Wind

"JLEN's wind portfolio contains mature assets with established counterparties. As intermittent generators, we seek to fix a higher proportion of merchant power revenues than for baseload and Renewable Energy Certificates ("ROCs") earned by the wind farms also provide an attractive RPI-linked revenue stream for investors."

11
assets

Share of portfolio value



Joe Hardy
Portfolio Manager

Assets include operating onshore wind farms in the UK.

Investment attractions:

- Government-backed incentives (ROC)
- Index-linked incentives
- Low technology risk
- Readily available input resource

Profile:

- Intermittent energy generation profile

First investment:

- IPO in 2014

Potential risks:

- Merchant electricity prices
- Wind resource risk
- Operational issues

THE INVESTMENT MANAGER'S REPORT continued

Waste & bioenergy

"JLEN's waste and bioenergy assets include baseload generating plants and waste processing concessions. They generate a range of different revenue streams, many of which are fixed price and index-linked. Common to all of them is a need to consider the feedstocks that are going into the plants and to maintain the assets with a long-term mindset."

6
assets

Share of portfolio value

Stefania Trivellato
Portfolio Manager

Assets include municipal waste management, wastewater treatment and biomass projects across the UK and an energy-from-waste project in Southern Italy.

Investment attractions:

- Combination of ROCs, Feed-in Tariffs ("FiT") and Renewable Heat Incentives ("RHI") accreditation or long-term government-backed contracts

Profile:

- Baseload energy generation profile[(1)]
- Range of revenue streams – FiT, RHI, ROC, private wire, concession-based, merchant

First investment:

- IPO in 2014

Potential risks:

- Risks around cost and supply of feedstock
- Operational issues
- Handback risk (ELWA, Tay)

(1) Excludes waste management and wastewater treatment which are non-energy generating.

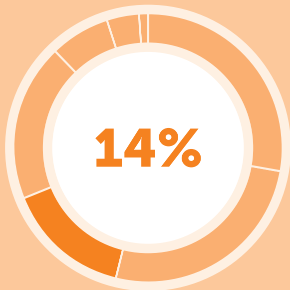
THE INVESTMENT MANAGER'S REPORT continued

Solar

"JLEN's solar portfolio includes older vintage assets with high value subsidy tariffs. These assets provide a high proportion of RPI-linked income and our focus now is on managing the assets as they age to maintain, and where possible enhance, performance."

6
assets

Share of portfolio value



Moritz Ilg
Portfolio Manager

Assets include operational ground-mounted and rooftop solar plants across the UK.

Investment attractions:

- Government-backed incentives (ROC and FiT)
- Index-linked incentives
- Low technology risk
- Readily available input resource

Profile:

- Intermittent energy generation profile

First investment:

- IPO in 2014

Potential risks:

- Merchant electricity prices
- Solar resource risk
- Lifecycle maintenance and component replacements

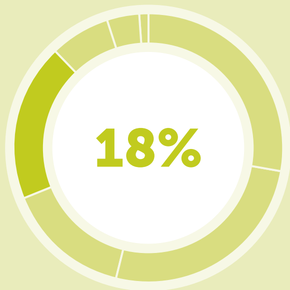
THE INVESTMENT MANAGER'S REPORT continued

Anaerobic digestion

JLEN's AD assets use energy crops and agricultural waste to generate biomethane that replaces fossil gas in the GB gas network. Not only do the assets contribute to the decarbonising of the heat sector, they offer farmers a means to diversify their revenue sources and to use digestate, the by-product from the process, as an alternative to chemical fertilisers.

9
assets

Share of portfolio value



Sam Matthews
Portfolio Manager

The assets consist of operational agricultural anaerobic digestion plants across the UK.

Investment attractions:

- Government-backed incentives (FiT and RHI accreditation)
- Index-linked incentives
- Low technology risk
- Higher returns than solar and wind

Profile:

- Baseload energy generation profile

First investment:

- 2017

Potential risks:

- Risks around cost and supply of feedstock
- Merchant gas and electricity prices
- Operational issues

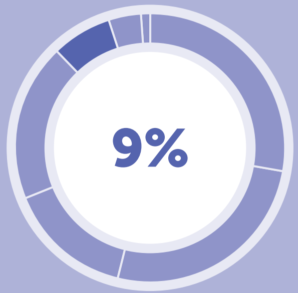
THE INVESTMENT MANAGER'S REPORT continued

Low carbon & sustainable solutions

"Battery assets and other forms of storage are necessary for the energy transition if we are to harness increasing levels of intermittent renewable generation on the system. JLEN's assets are in construction or newly commissioned and so we are focused on bringing them into operations as effectively as possible."

6 assets

Share of portfolio value



Saadat Ullah
Portfolio Manager

Assets provide sustainable approaches to economic activity, and currently include Battery Energy Storage System ("BESS"), low-carbon CNG refuelling stations and green hydrogen development platforms.

Investment attractions:

- Strong cash yield expected from sites once established
- Mainly merchant revenues, although some contracts exist

Profile:

- Non-energy generating environmental infrastructure

First investment:

- 2020

Potential risks:

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

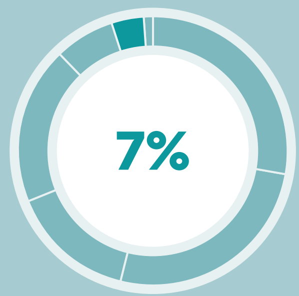
THE INVESTMENT MANAGER'S REPORT continued

Controlled environment

"Construction activities at JLEN's controlled environment projects are progressing well. We aim to build good relationships with our project counterparties to promote a collaborative approach to construction management that should then carry over into the projects' operations."

2
assets

Share of portfolio value



Amit Thakrar
Portfolio Manager

Sustainable solutions to food production and agriculture. Key environmental infrastructure needed to enable populations to live sustainably.

Investment attractions:

- Established technologies with deep revenue markets
- Potential for capital growth

Profile:

- Non-energy generating environmental infrastructure

First investment:

- 2022

Potential risks:

- Merchant revenues
- New markets for the Investment Manager
- Construction risk

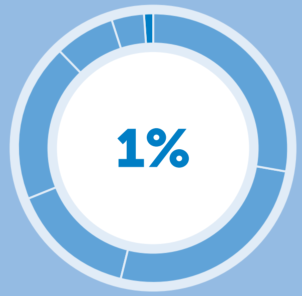
THE INVESTMENT MANAGER'S REPORT continued

Hydro

Hydropower plays a key role in the transition to clean energy, not only through the low-carbon electricity it produces, but also because of its strong capabilities for providing flexibility and storage.

2
assets

Share of portfolio value



Joe Hardy
Portfolio Manager

Operational UK run-of-river hydro assets with two co-located batteries.

Investment attractions:

- FiT accredited

Profile:

- Intermittent energy generation profile

First investment:

- 2019

Potential risks:

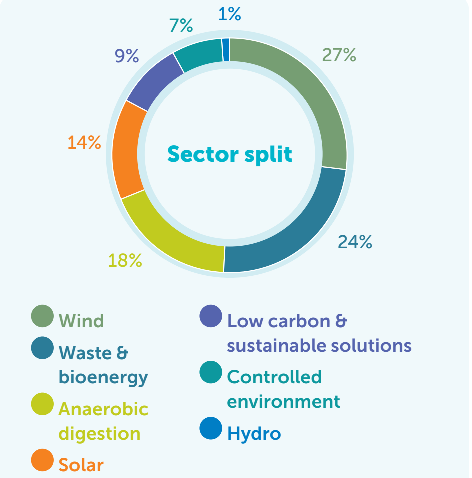
- Resource risk – rainfall
- Merchant electricity revenues
- Operational issues

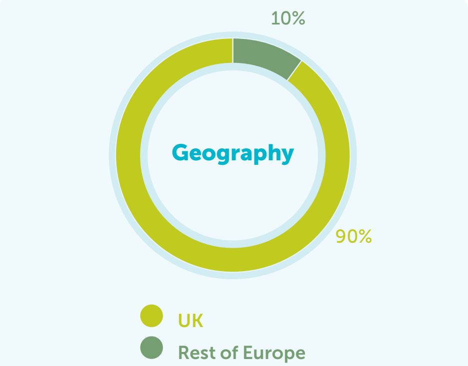
THE INVESTMENT MANAGER'S REPORT continued

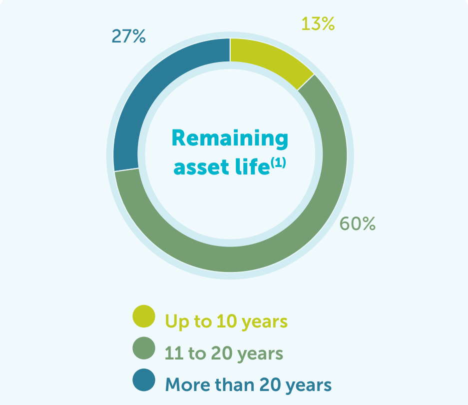
Investment portfolio and valuation

Investment portfolio

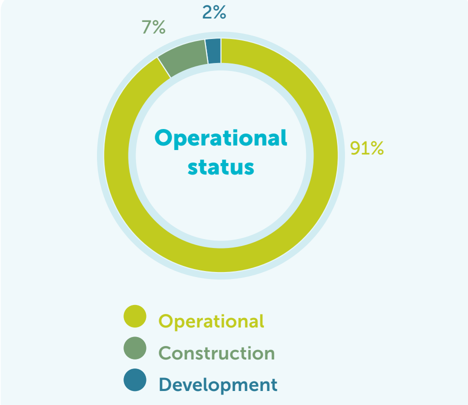
Diversification continues to play a key role for the Company, reducing dependency on a single market, technology type or set of climatic conditions, whilst allowing exposure to a wide opportunity set, as illustrated in the analysis below at 31 March 2024, according to share of portfolio value:

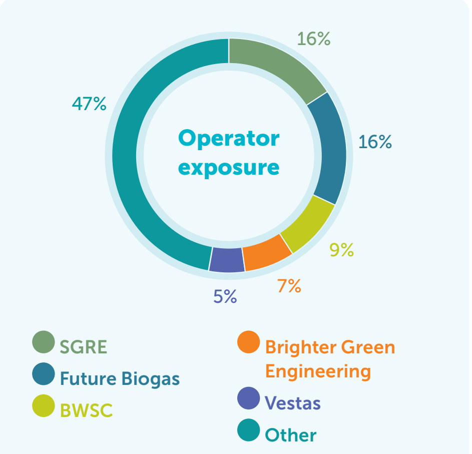


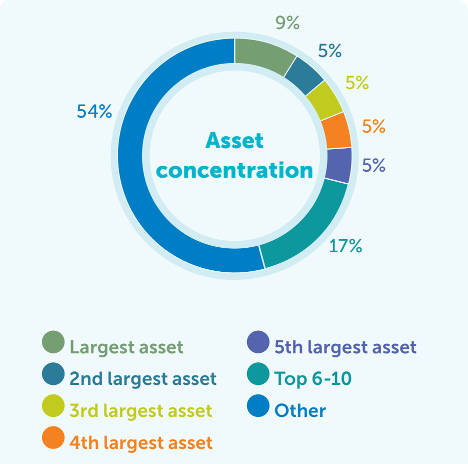


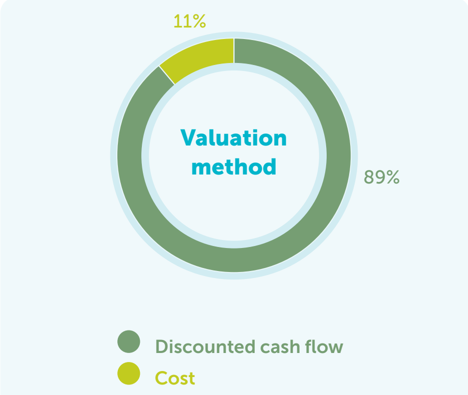


Weighted average remaining asset life(1) of the portfolio is 16.3 years.









(1) Based on project revenues from volumes/generation during the period and assumes project cash flow distributions reflect revenue split at each project.

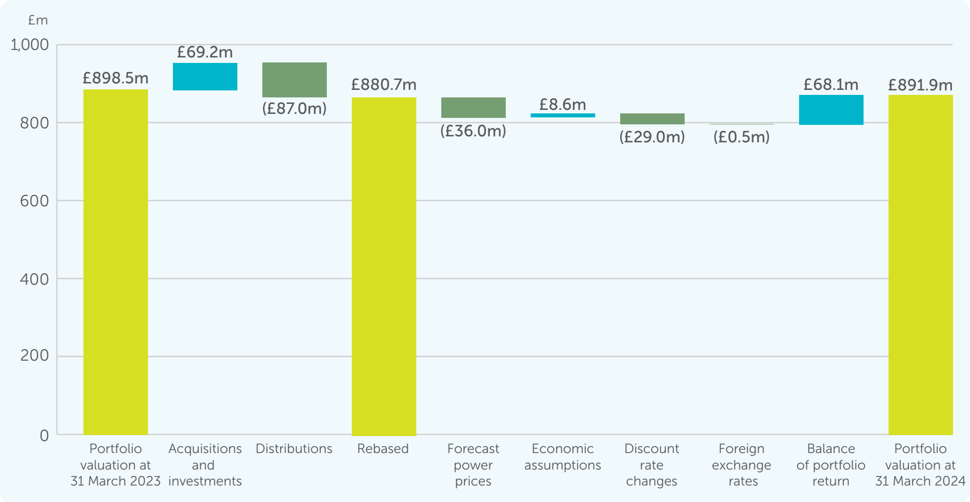
THE INVESTMENT MANAGER'S REPORT continued

Portfolio valuation

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

The valuation is based on a discounted cash flow analysis of the future expected equity and loan note cash flows accruing to the Group from each operational portfolio investment. Assets under construction are valued at cost until such time as the risks associated with construction have substantially passed. For some technologies with more complex construction activities, this will be when the asset reaches the start of commercial operations, while for others this may be during late-stage construction.

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



The Directors' valuation of the portfolio at 31 March 2024 was £891.9 million, compared to £898.5 million at 31 March 2023. The decrease of £6.6 million is the net impact of 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 2024 is shown in the table below:

	2024 £m	2023 £m
Valuation of portfolio at opening balance	**898.5**	795.4
Acquisitions in the year (including deferred consideration)	**69.2**	72.1
Cash distributions from portfolio	**(87.0)**	(83.6)
Rebased opening valuation of portfolio	**880.7**	783.9
Changes in forecast power prices	**(36.0)**	57.7
Changes in economic assumptions	**8.6**	67.7
Changes in discount rates	**(29.0)**	(39.1)
Changes in exchange rates	**(0.5)**	1.0
Balance of portfolio return	**68.1**	27.3
Valuation of portfolio at 31 March	**891.9**	898.5
Fair value of intermediate holding companies	**(138.3)**	(81.7)
Investments at fair value through profit or loss	**753.6**	816.8

Allowing for investments of £69.2 million (including deferred consideration) and cash receipts from investments of £87.0 million, the rebased valuation is £880.7 million. The portfolio valuation at 31 March 2024 is £891.9 million (31 March 2023: £898.5 million), representing an increase over the rebased valuation of 1.3% during the year.

THE INVESTMENT MANAGER'S REPORT continued

Valuation assumptions

Each movement between the rebased valuation and the 31 March 2024 valuation is considered below:

Forecast power prices

The project cash flows used in the portfolio valuation at 31 March 2024 reflect contractual fixed price arrangements under PPAs, where they exist, and short-term market forward prices for the next two years where they do not.

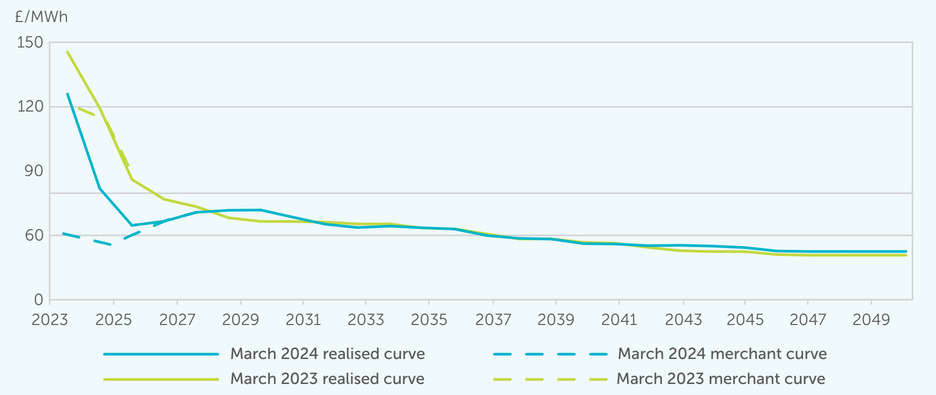
After the initial two-year period, the project cash flows assume future electricity and gas prices in line with a blended curve informed by the central forecasts from three established market consultants, adjusted by the Investment Manager for project-specific arrangements and price cannibalisation.

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

The overall change in forecasts for future electricity and gas prices compared to forecasts at 31 March 2023, net of the EGL, has decreased the valuation of the portfolio by £36.0 million.

The graph on the right-hand side 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, and 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 for each unit of renewable electricity or gas generated, and can be sold as part of, or independently of, the offtake contracts in place for the wholesale electricity and/or gas. The certificates received for UK projects are Renewable Energy Guarantee of Origin ("REGO") and Renewable Gas Guarantee of Origin ("RGGO") for electricity and gas, respectively. Being traded on the open market, the price is variable and subject to typical demand and supply dynamics.

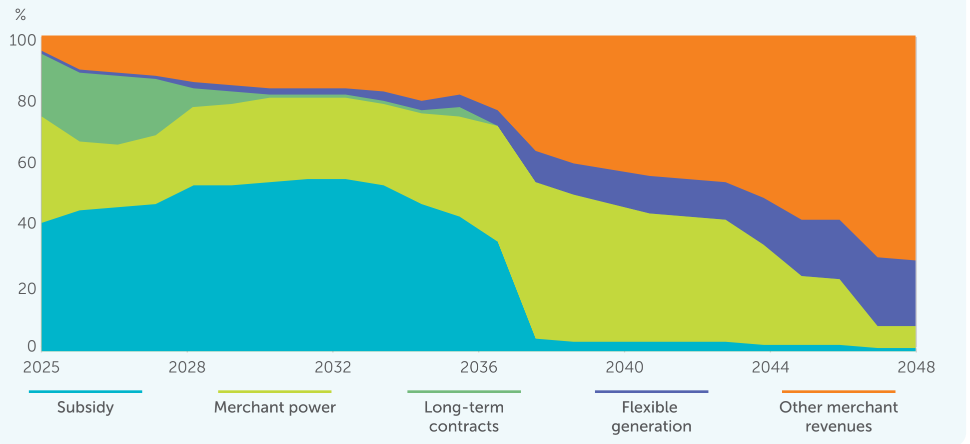
As with forecast power prices, valuations reflect contractual fixed price arrangements where they exist, or the following assumptions informed by forecasts provided from a range of independent market consultants where they do not:

Year	**2024**	2025	2026-28	2029+
REGO	**£5/MWh**	£5/MWh	£5/MWh	£2/MWh
RGGO	**£8.5/MWh**	£7.5/MWh	£7/MWh	£7/MWh

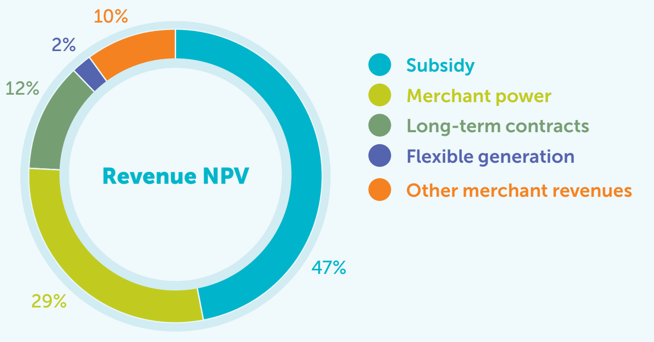
THE INVESTMENT MANAGER'S REPORT continued

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:



Energy generating portfolio

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

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

At 31 March 2024, 61% of the renewable energy portfolio's electricity and gas price exposure was subject to fixed prices for the summer 2024 season and 58% for the winter 2024/25 season. See the power price hedging section in the Operational Review on page 44 for more detail about the latest price fixes in place across the portfolio.

Taking the proportion of merchant revenues hedged under fixed price short term PPAs, along with subsidy revenues and revenues from long term contracts outside of the energy generating assets, 81% of total revenues are subject to a fixed price for the financial year to 31 March 2025. Showing that merchant revenue remains a low proportion and reflects the broader diversification of JLEN's portfolio.

Development-stage investments are not included within the revenue and other analysis in this section due to the nature of their early stage investment lifecycle.

Waste and wastewater treatment concessions

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

THE INVESTMENT MANAGER'S REPORT continued

Other non-energy generating portfolio
The desire to mitigate the effects of climate change stimulate not only opportunities connected to the energy transition, but also in wider environmental infrastructure that has improved sustainability credentials over traditional infrastructure approaches in sectors like transport and food production.

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

Low-carbon transport

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

Per the terms of the fuel supply contracts, the asset reserves the right to revise pricing to reflect changes in the wholesale price of natural gas and fuel duty, and will annually adjust prices (upwards only) in line with CPI inflation.

Batteries

JLEN's portfolio includes one operational and three c.50MW Battery Energy Storage Systems ("BESS") at varying stages of construction at 31 March 2024.

Whilst the portfolio only has one operational asset, lower revenue projections have impacted pricing and valuations in the market for assets at all stages of their lifecycle. Moving into April and the new financial year, revenues have started to rise, and independent market analysis suggests this trend to continue through 2024 and 2025 as well as continued strong fundamentals for the long-term outlook of the sector.

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

Controlled environment

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

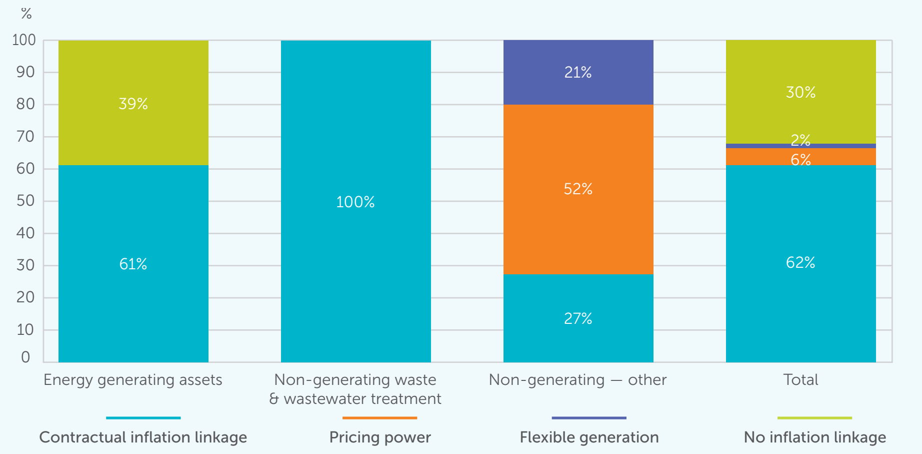
In the case of CE Rjukan, revenues will primarily be generated from the production of approximately 8,000 tonnes of trout annually, once the site is fully ramped up in 2025. This will be sold to European and international salmonid markets via an offtake agreement with an established Norwegian seafood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

THE INVESTMENT MANAGER'S REPORT continued

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

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 40 to illustrate the potential impact on extending the maximum UEL for AD by five years to 25 years.

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 2023 figures shown in brackets)

	2024	2025-2030	2031+
UK			
RPI	**3.5%**	3.0%	2.25%
	(3.0%)	(3.0%)	(2.25%)
CPI	**2.50%**	2.25%	2.25%
	(2.25%)	(2.25%)	(2.25%)
Deposit rates	**2.0%**	2.0%	2.0%
	(1.5%)	(1.5%)	(1.5%)
Corporation tax	**25.0%**	25.0%	25.0%
	(25.0%)	(25.0%)	(25.0%)
Italy			
Inflation	**2.0%**	2.0%	2.0%
	(2.9%)	(1.8%-2.2%)(1)	(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%)

(1) 2025 to 2027 Italian inflation assumptions at 31 March 2023 ranged between 1.8% to 2.2%, before reverting to a long term assumption of 2.0%.

THE INVESTMENT MANAGER'S REPORT continued

The euro/sterling exchange rate used to value euro-denominated investments was €1.17/£1 at 31 March 2024 (€1.14/£1 at 31 March 2023).

The overall uplift in value resulting from changes to economic assumptions in the year is £8.6 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.

Reflecting the sustained increase in UK gilt yields since the start of the year, discount rates have been increased by an average of 0.75% since 31 March 2023 – of which 0.50% was applied at the 30 June 2023 valuation and a further 0.25% at the 30 September 2023 valuation date. No changes to discount rates were made in December 2023 or March 2024 in relation to the macroeconomic backdrop.

In addition to gilt-driven changes, the weighted average discount rate has also increased as a result of continued investment into JLEN's ongoing development and construction projects, with discount rates in excess of the portfolio weighted average.

Mitigating these movements is a reduction in the discount rate applied to JLEN's controlled environment glasshouse investment, reflecting successful delivery of key construction milestones as the project nears full operational status. The impact of the change is an uplift in value of £4.8 million (0.7 pence per share). Additionally, an uplift of £1.8 million (0.3 pence per share) has been recognised for further project-specific adjustments to discount rates across three assets, Warren Energy, Bio Collectors and West Gourdie. These relate to operational performance, transactional data and wider sector benchmarking, respectively.

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.

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 9.4% at 31 March 2024 (31 March 2023: 8.4%).

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

	Sector WADRs	Gearing
Wind	8.7%	36%
Waste & bioenergy	9.8%	10%
Anaerobic digestion	8.6%	–
Solar	7.6%	10%
Batteries	10.0%	–
Hydropower	8.0%	40%
Weighted average	**9.4%**	**16.9%**

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 9.4%.

The overall decrease in value resulting from changes to discount rates in the year is £29.0 million.

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 £68.1 million.

Of this, the key valuation adjustments include an uplift of £11.5 million (1.7 pence per share) arising from a review of green certificate price forecasts on the renewables portfolio (REGOs and RGGOs), offset by an £18.7 million (2.8 pence per share) reduction in value attributable to the Company's investments in Battery Energy Storage Systems ("BESS"), reflecting the lower revenue outlook for operational projects and a review of the ready-to-build projects (Lunanhead and Clayfords).

In addition to this, the Company has recognised a number of other lower-value cost adjustments and other commercial assumptions following the normal course of ongoing reassessment throughout the period.

THE INVESTMENT MANAGER'S REPORT continued

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

The sensitivities below include the impact of the EGL.

The key assumptions are as follows:

Discount rate

The WADR of the portfolio at 31 March 2024 was 9.4% (31 March 2023: 8.4%). 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 £19.8 million (3.0 pence per share) compared to an uplift in value of £20.7 million (3.1 pence per share) if discount rates were reduced by the same amount.

Volumes

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

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

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

That is to say that the lack of correlation between wind, hydro and solar variability means P10 and P90 sensitivity results should be considered independent. Therefore, whilst the overall P90 sensitivity decreases NAV by 5.9 pence, the impact from wind, hydro and solar separately is only 4.3 pence per share, 1.4 pence per share and 0.2 pence per share respectively, as shown in the chart on page 41.

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

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

Electricity and gas prices

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

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

THE INVESTMENT MANAGER'S REPORT continued

An increase in electricity and gas prices of 10% would result in an uplift in the portfolio valuation of £37.0 million (5.6 pence per share) compared to a downward movement in value of £37.4 million (5.7 pence per share) if prices were reduced by the same amount.

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

Useful economic lives

In line with JLEN'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 months, 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 once again provided a sensitivity extending the useful economic lives of its AD portfolio by up to five years – capped at the duration of land rights already in place. Such an extension would result in an uplift in the portfolio valuation of £21.9 million (3.3 pence per share).

Uncontracted revenues on non-energy generating portfolio

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 £17.9 million (2.7 pence per share) compared to a decrease in value of £20.2 million (3.0 pence per share) if those revenues were reduced by the same amount.

Feedstock prices

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

An increase in the feedstock prices of 10% would result in a downward movement in the portfolio valuation of £8.9 million (1.3 pence per share) compared to an uplift in value of £8.7 million (1.3 pence per share) if prices were reduced by the same amount.

No such sensitivity is applicable to JLEN'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 37. 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 £19.3 million (2.9 pence per share) compared to a decrease in value of £18.9 million (2.9 pence per share) if rates were reduced by the same amount.

Euro/sterling exchange rates

As the proportion of the portfolio assets with cash flows denominated in euros represents a small proportion of the portfolio value at 31 March 2024, the Directors consider the sensitivity to changes in euro/sterling exchange rates to be insignificant.

Corporation tax

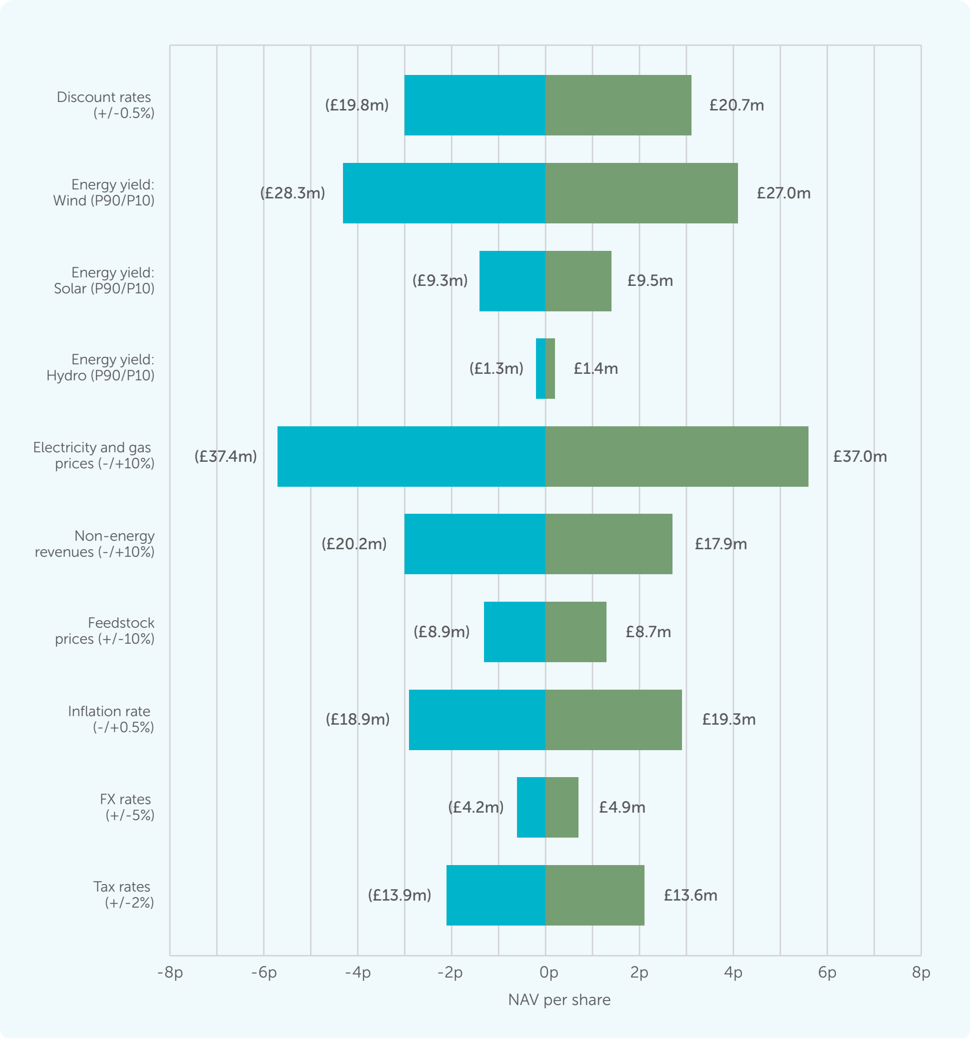
The UK corporation tax assumptions applied in the portfolio valuation are outlined in the notes to the accounts on page 167. The sensitivity below assumes a 2% increase or decrease in the rate of UK corporation tax relative to the base case for each year of the asset life.

An increase in the UK corporation tax rate of 2% would result in a downward movement in the portfolio valuation of £13.9 million (2.1 pence per share) compared to an uplift in value of £13.6 million (2.1 pence per share) if rates were reduced by the same amount.

THE INVESTMENT MANAGER'S REPORT continued

Sensitivities – impact on NAV at 31 March 2024

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.



THE INVESTMENT MANAGER'S REPORT continued

Investment portfolio

At 31 March 2024, the Group's investment portfolio comprised interests in 42 projects and investments into several European opportunities through its investment in FEIP.

Type	Asset	Location	Ownership	Capacity (MW)	Commercial operations date
	Bilsthorpe	England	100%	10.2	Mar 2013
	Burton Wold Extension	England	100%	14.4	Sep 2014
	Carscreugh	Scotland	100%	15.3	Jun 2014
	Castle Pill	Wales	100%	3.2	Oct 2009
	Dungavel	Scotland	100%	26.0	Oct 2015
	Ferndale	Wales	100%	6.4	Sep 2011
	Hall Farm	England	100%	24.6	Apr 2013
	Llynfi Afan	Wales	100%	24.0	Mar 2017
	Moel Moelogan	Wales	100%	14.3	Jan 2003 & Sep 2008
	New Albion	England	100%	14.4	Jan 2016
	Wear Point	Wales	100%	8.2	Jun 2014
			Total	**161.0**	
	Bio Collectors waste management	England	100%	11.7[1]	Dec 2013
	Codford Biogas waste management	England	100%	3.8[2]	2014
	ELWA waste management	England	80%	n/a	2006
	Cramlington biomass combined heat and power	England	100%	32.0[3]	2018
	Energie Tecnologie Ambiente ("ETA") energy-from-waste	Italy	45%[4]	16.8	2012
	Tay wastewater treatment	Scotland	33%	n/a	Nov 2001
			Total	**64.3**	

Type	Asset	Location	Ownership	Capacity (MW)	Commercial operations date
	Biogas Meden	England	100%	5.0[5]	Mar 2016
	Egmere Energy	England	100%	5.0[6]	Nov 2014
	Grange Farm	England	100%	5.0[6]	Sep 2014
	Icknield Farm	England	53%	5.0[5]	Dec 2014
	Merlin Renewables	England	100%	5.0[6]	Dec 2013
	Peacehill Farm	Scotland	49%	5.0[7]	Dec 2015
	Rainworth Energy	England	100%	2.2[2]	Sep 2016
	Vulcan Renewables	England	100%	13.0[6]	Oct 2013
	Warren Energy	England	100%	5.0[6]	Dec 2015
			Total	**50.2**	
	Amber	England	100%	9.8	Jul 2012
	Branden	England	100%	14.7	Jul 2013
	CSGH	England	100%	33.5	Mar 2014 & Mar 2015
	Monksham	England	100%	10.7	Mar 2014
	Panther	England	100%	6.5	2011-2014
	Pylle Southern	England	100%	5.0	Dec 2015
			Total	**80.2**	
	West Gourdie battery storage	Scotland	100%	n/a	May 2023
	Claytords battery storage	Scotland	50%	n/a	Ready to build
	Lunanhead battery storage	Scotland	50%	n/a	Ready to build
	Sandridge battery storage	England	50%	n/a	Under construction
	CNG Foresight low-carbon transport	England	25%[8]	n/a	Various
	HH2E green hydrogen	Germany	n/a	n/a	Development phase
			Total	**n/a**	

THE INVESTMENT MANAGER'S REPORT continued

Type	Asset	Location	Ownership	Capacity (MW)	Commercial operations date
	Glasshouse	England	Minority stake	n/a	Partially operating
	Rjukan aquaculture system	Norway	Minority stake	n/a	Under construction
			Total	**n/a**	
	Northern Hydropower	England	100%	2.0[9]	Oct 2011 & Oct 2017
	Yorkshire Hydropower	England	100%	1.8[9]	Oct 2015 & Nov 2016
			Total	**3.8**	
FEIP[10] JLEN has committed €25 million to FEIP	Avalon solar and green hydrogen	Spain	n/a	n/a	Development
	Carna pumped storage hydro and co-located wind	Scotland	n/a	n/a	Under construction
	Inca pumped storage hydro	Ireland	n/a	n/a	Development
	Kölvallen wind	Sweden	n/a	n/a	Under construction
	MaresConnect interconnector	Republic of Ireland	n/a	n/a	Development and under construction
	Puskakorpi wind	Finland	n/a	n/a	Dec 2022
	Quartz battery storage	England	n/a	n/a	Development
	Skaftåsen Vindkraft AB wind	Sweden	n/a	n/a	June 2023
	Torozos wind	Spain	n/a	n/a	Dec 2019
	85 Degrees geothermal heat	Netherlands	n/a	n/a	Operational/ under construction
	Beleolico	Italy	n/a	n/a	July 2022
	Blue Jay	Scotland	n/a	n/a	Development and under construction
			Total	**n/a**	
Total portfolio			**Total**	**359.5**	

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

THE INVESTMENT MANAGER'S REPORT continued

Operational review

Investment performance

The NAV per share at 31 March 2024 was 113.6 pence, down from 123.1 pence last year.

JLEN has announced an interim dividend of 1.89 pence per share for the quarter ended 31 March 2024, meeting its full-year target of 7.57 pence per share.

Despite ending the year below budget, the Fund has delivered consecutive years of record distributions received from investments, resulting in a dividend cover of 1.30x.

Financial performance

The financial performance chart to 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 over or under-performance during the year under review.

The main differences from budget relate to the waste & bioenergy portfolio (9.4%) – although a large part of this is due to timing of payments and will be recovered next year, and the wind portfolio (3.6%), which experienced lower-than-expected wind speeds.

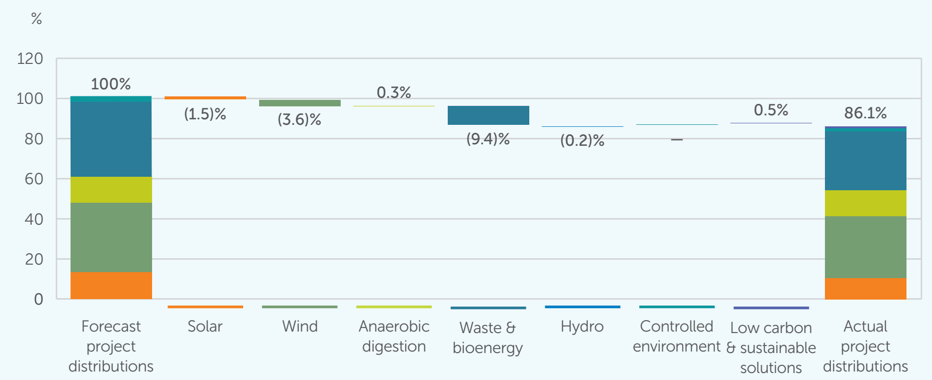
Operational performance

The operational performance chart to the right shows the forecast generation target expected to be achieved at the start of the financial year, versus the relative sector-level over or under-performance against this target during the year.

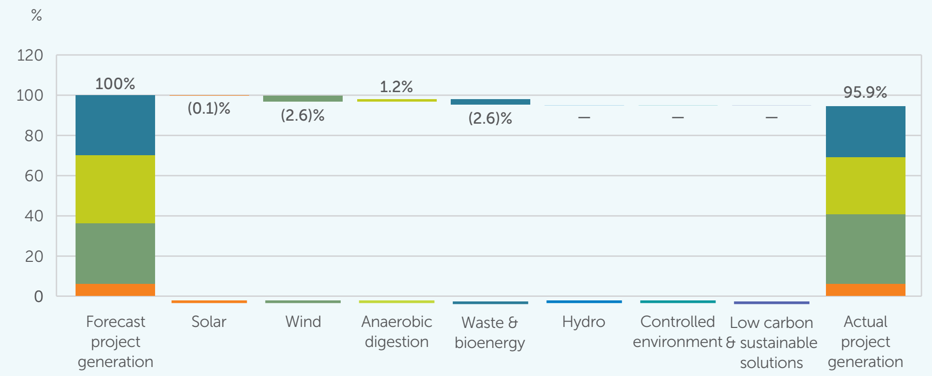
Overall operating performance of the environmental infrastructure portfolio was satisfactory. The renewables segment of the portfolio produced 1,358GWh (2023: 1,325GWh) of green energy, an uplift of 3% over the previous year but 4.1% below budget. The main factors causing the negative deviation were low wind speeds during Q1 and Q3. along with a prolonged outage at Cramlington for planned maintenance works, although the agri- and food waste AD portfolio, the largest part of the portfolio by generation, performed 1.2% above budget.

The concession-based projects, hydros, controlled environment and low carbon and sustainable solutions portfolios performed in line with their respective targets.

Financial performance: budget project distributions vs actual project distributions



Operational performance: forecast portfolio generation vs actual portfolio generation



THE INVESTMENT MANAGER'S REPORT continued

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 2024 is shown in the table below:

Average all-in energy price	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Wind	**£148 per MWhe**	£383 per MWhe
AD electric	**£317 per MWhe**	£198 per MWhe
AD gas-to-grid	**£148 per MWhth**	£129 per MWhth
Biomass	**£205 per MWhe**	£307 per MWhe
Energy-from-waste	**€109 per MWhe**	€129 per MWhe
Solar	**£217 per MWhe**	£242 per MWhe
Hydro	**£308 per MWhe**	£286 per MWhe

Power price hedging

JLEN'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 2024 is as follows:

	Summer 2024	Winter 2024	Summer 2025	Winter 2025
Wind	81%	74%	38%	6%
Solar	100%	80%	–	–
Biomass	–	–	–	–
Energy-from-waste	70%	41%	–	–
AD – electric	100%	100%	32%	32%
AD – gas	71%	74%	53%	50%
Weighted average	61%	58%	32%	20%

The Investment Manager continues to monitor the market beyond March 2025 for opportunities to fix prices to mitigate risk across the portfolio.

THE INVESTMENT MANAGER'S REPORT continued

Renewable energy-generating assets

1,358GWh
renewable energy produced

Anaerobic digestion
The AD portfolio is the largest producer of energy on a GWh basis and generated 37% of the energy produced by the JLEN portfolio. Gas generation (measured in GWh thermal generated) was 496GWh, 3.6% ahead of its sector target (2023 variance was 1.5% favourable).

Eight of the nine plants outperformed or reached their generation targets, notably strong performances came from Icknield and Peacehill, which both performed >15% above their generation targets. Biogas Meden struggled in the latter half of the year (5% below generation target) as a result of issues with its chiller units, the operator has invested in a duty-standby system to ensure the problem does not continue.

The poor maize harvest in 2022 resulted in widespread feedstock shortages and increased competition for tonnages across the UK agri-AD sector, this in combination with the residual impacts of the Ukraine war meant feedstock costs were inflated in the financial year ended 31 March 2024.

Conversely, the maize harvest in 2023 produced good yields, leaving the portfolio in a more stable position.

The high rainfall experienced during the winter months prevented digestate application for prolonged periods, resulting in increased storage costs. Though investment in greater digestate storage capacity has been carried out, the extreme weather conditions still had a negative impact on the portfolio. Further investment in projects like clamp extensions and digestate storage tanks will take place to promote greater climate change resilience.

Wholesale gas and power prices stabilised during the first six months of the financial year, while a further drop was observed in the latter half due to the mild winter and resulting high gas storage volumes across Europe. The Investment Manager has taken the opportunity to hedge 70%+ of the gas grid capacity for summer and winter 2024, while 50%+ is hedged for summer and winter 2025, as seen in the table on page 45.

THE INVESTMENT MANAGER'S REPORT continued

Renewable energy-generating assets

Wind

The wind portfolio generated 390GWh (31 March 2023: 383GWh), representing 29% of the total energy generated by the portfolio. This was 8% below the sector target. The negative variance in production was primarily the result of low wind resource.

Although a majority of the assets performed as expected, there were five downtime events across the wind portfolio which resulted in the overall availability being 0.4% below anticipated levels (1.5% below target for year ended 31 March 2023).

Three of the events will be compensated for via the O&M performance mechanism at the conclusion of their respective contractual years. The remaining two have been raised with the asset's insurers and discussions with loss adjusters are ongoing.

The average power price realised for the wind assets was 49% above the average variable price through FY24 due to the high level of fixes in place across the portfolio. 70%+ of the wind generational capacity is now hedged until March 2025, as seen in the table on page 45.

Value enhancements were ongoing over the year and the Investment Manager undertook a market tender process to renew its O&M contract at one of the sites under management. The renegotiated contract has resulted in a significant cost saving which will be realised over the remaining life of the asset. This tender process also served to validate the Investment Manager's pricing assumptions for O&M services beyond existing contracts.

Another value enhancement realised this financial year is attributed to a business rates appeal for 10 of the wind assets, the resulting revision has generated material cost savings and increased the asset value.

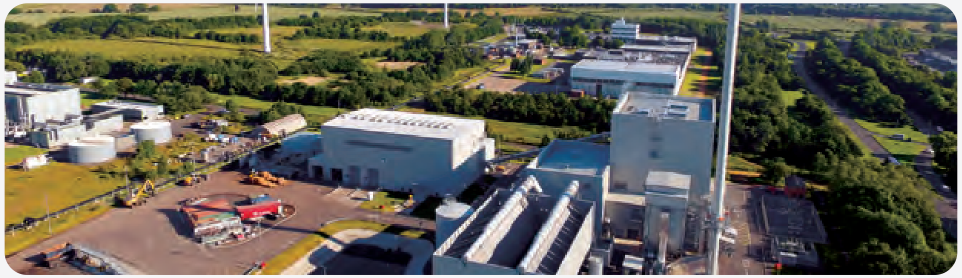
Waste & bioenergy

The renewable energy-generating segment of the waste & bioenergy portfolio is the second largest producer of energy on a GWh basis and generated 29% of the energy produced by the portfolio. The waste & bioenergy portfolio generated 394GWh (31 March 2023: 334GWh), representing a 9% uplift over the prior year, though this was 8% below the sector target.

For three quarters of the financial year, Cramlington exceeded its generational target, unfortunately following the discovery of corrosion within the flue gas treatment system, the operator was forced to conduct a six-week outage from mid-February to late March 2024. The asset finished the year 10.9% below the target, the downtime is expected to be compensated for via the O&M agreement's performance mechanism.

Though the performance at Bio Collectors showed a marked improvement for the first half of the financial year, digestate storage issues in December 2023, along with a critical failure of the biogas upgrading unit in February 2024, resulted in the asset finishing the year 15% below the generation target. The Investment Manager is working alongside the site operations team to improve digestate offtake provisions and review site maintenance contracts.

The private wire and heat network linking Codford Biogas with an adjacent glasshouse has now been installed and is providing renewable power and heat to the sustainable farming operation at a rate that benefits both businesses.



THE INVESTMENT MANAGER'S REPORT continued

Renewable energy-generating assets

Solar

The solar portfolio generated 73GWh (31 March 2023: 76GWh), which was 3% below the sector target; this represents 5.4% of the total energy generated by the portfolio. Irradiation levels across the financial year were 0.6% below expectation. The generation from most of the sites was at or above the target during the year, the Amber and Branden sites experienced some lost generation due to distribution network operators ("DNO") works and technical issues at the inverters. Unfortunately, the lost revenue is not recoverable under the O&M contract; the sites have however invested in a number of spare parts and additional training for the O&M contractor to ensure the technical issues experienced are addressed more effectively going forward.

Value enhancements were ongoing throughout the year, one of which involved a tender for the solar portfolio asset management services. Following the review and analysis of a number of proposals, a new contractor was appointed on four of the solar sites in April 2024, with a further four solar sites transitioning to the new contractor in July 2024.

The agreement with the new contractor includes an improvement plan for each of the sites and the change is expected to enhance the overall profitability and performance of the portfolio.

In late 2023 repowering works were carried out at Monksham, see the case study on page 13 for more information on this value enhancement.

PPA prices at most of the solar sites are now fixed until March 2025, as seen in the table on page 45.

Hydro

The hydro portfolio generated 5GWh, which was 10% below target (31 March 2023: 4GWh). This is a very small part of JLEN'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.

THE INVESTMENT MANAGER'S REPORT continued

Assets which support the transition to a lower-carbon economy

40.2 billion
litres of wastewater treated

680,825
waste diverted from landfill (tonnes)

Waste & bioenergy concessions

The ELWA waste project continues to deliver operational and financial performance which is 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 30.75%, 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, in addition the Investment Manager continues to monitor the operator in light of a proposed change in ownership between Renewi and Biffa that was announced post the year end.

The Tay wastewater project had another stable year operationally, with cash flows substantially in line with expectation and as a result, distributions from the project were in line with expected budgets.

Low carbon & sustainable solutions

Low-carbon transport

The CNG refuelling stations achieved a 39% increase in fuel dispensed year-on-year as customers brought new vehicles into service and new stations became established. Truck deliveries have significantly improved over FY24, and reported sales going into FY25 are strong.

During this financial year, three construction assets were commissioned at Newton Aycliffe, Corby and Bangor, additionally, one existing operational asset, Newark, was acquired. There are currently two assets under construction located at Doncaster and Aylesford.

JLEN invested £8.4 million into CNG during the year. As at 31 March 2024, the portfolio held 14 natural gas refuelling stations, including the sites in construction phase. JLEN invested a total of £25.3 million as at the balance sheet date.

Battery storage assets

Operational assets

West Gourdie is JLEN's recently constructed 50MW battery asset located in Dundee, Scotland. In May 2023, the Take Over certificate was issued to the EPC contractor and the site went into the operational phase. The asset has been participating in various services such as: Dynamic Containment (DC), Moderation (DM), Regulation (DR), day-ahead (DA), intraday, and capacity market. The open balancing platform launched by the National Grid in December 2023 allowed the site to start earning revenues in the balancing mechanism market.

The availability across the year was 93%, which was 5% below the O&M contractual target, the downtime events contributing to this are expected to be compensated for via the performance mechanism in the O&M contract.

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

THE INVESTMENT MANAGER'S REPORT continued

Construction and development-stage projects

Battery storage assets
JLEN owns three construction-stage 50MW battery storage assets in the UK. The Sandridge project has progressed well with on-site works largely complete in anticipation of the distribution network operators ("DNO") energisation in FY25. Take over is expected soon after. The Investment Manager has not started construction at Lunanhead and Clayfords due to volatility in the level of expected revenues for battery assets and lower forecast returns. The Investment Manager is considering options for these assets.

Controlled environment

Glasshouse project

Construction of the Glasshouse was achieved in September 2023, with the first plants being delivered soon after. The operation will continue to ramp-up in FY25 as offtake contracts are negotiated and finalised.

Rjukan project

The CE Rjukan project reached a significant milestone at the beginning of 2024 with the successful introduction of its first fish into the facility and continues to achieve its section handover milestones. Progressing according to schedule, the project is expected to be fully completed in FY26.

Green hydrogen

HH2E development platform

JLEN's first investment into the green hydrogen sector is expected to reach the Final Investment Decision in the coming months.

THE INVESTMENT MANAGER'S REPORT continued

Other investments

FEIP

JLEN has committed to investing €25 million to Foresight Energy Infrastructure Partners SCSp ("FEIP"), a Luxembourg limited partnership investment vehicle. At 31 March 2024, the Fund has invested in nine projects and is no longer seeking to make new investments. The investment in FEIP allows JLEN 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. JLEN is excused from any FEIP investment that is not consistent with JLEN's investment policy. No management fees are payable on the amounts invested by JLEN. FEIP also owns a 45% stake in ETA, the Italian EfW plant, in which JLEN is also an investor. As at 31 March 2024, €16.9 million has been invested in the vehicle.

Acquisitions

Lubmin green hydrogen investment

In July 2023, the Company announced its second green hydrogen development opportunity alongside a consortium including other Foresight-managed funds and its development partner HH2E, a specialist in developing green hydrogen projects to decarbonise the industry. The production site is located in Lubmin, Germany. The consortium of investors has approved the Preliminary Investment Decision and the initial investment of up to €9.2 million is being utilised for detailed engineering designs and the procurement of long lead items. The Final Investment Decision is expected in the coming months.

Bio Collectors Holdings Limited

In December 2023, the Company acquired the remaining 30% shareholding in Bio Collectors Holdings Limited ("BCH"). BCH, through its subsidiary companies, holds the rights and operational assets that make up an anaerobic digestion ("AD") plant and the Bio Collectors waste collections business. JLEN acquired a 70% interest in BCH in December 2019, at which time, a mechanism was agreed for the acquisition of the remaining 30% following the expiry of an initial holding period.

The acquisition increases JLEN's exposure to an investment that is expected to deliver attractive returns for shareholders and of which it has direct operational knowledge and expertise. It also allows JLEN to consolidate its control of BCH, creating the potential for JLEN to deliver operational synergies across its portfolio of food waste AD plants.

THE INVESTMENT MANAGER'S REPORT continued

Financing

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

The RCF provides an increased source of flexible funding 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 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 JLEN incurring a 5 bps premium or discount to its margin based on performance against defined targets. Those targets include:

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

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

In addition to the RCF, several of the projects have underlying project-level debt. There is an additional gearing limit in respect of such debt of 85% of the aggregate gross project value (being the fair market value of such portfolio companies increased by the amount of any financing held within the projects) for PFI/PPP projects and 65% for renewable energy generation projects.

As at 31 March 2024, drawings under the RCF were £159.3 million. Under its investment policy, JLEN may borrow up to 30% of its NAV.

The project-level gearing at 31 March 2024 across the portfolio was 16.9% (31 March 2023: 18.3%). Taking into account the amount drawn down under the RCF of £159.3 million, the overall fund gearing at 31 March 2024 was 31.2% (31 March 2023: 27.3%).

As at 31 March 2024, the Group, which comprises the Company and the intermediate holding companies, had cash balances of £18.1 million (31 March 2023: £18.0 million).

Financing at 31 March 2024

£159.3m
drawn on RCF

31.2%
fund gearing(1)

(1) Gearing is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 175 and 176.

RISKS AND RISK MANAGEMENT

JLEN 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 55 to 59 of this report detail the principal risks that the Directors consider are material 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 considers 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 JLEN'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 JLEN is adequately prepared to deal with risks so as to minimise their effect should they materialise.

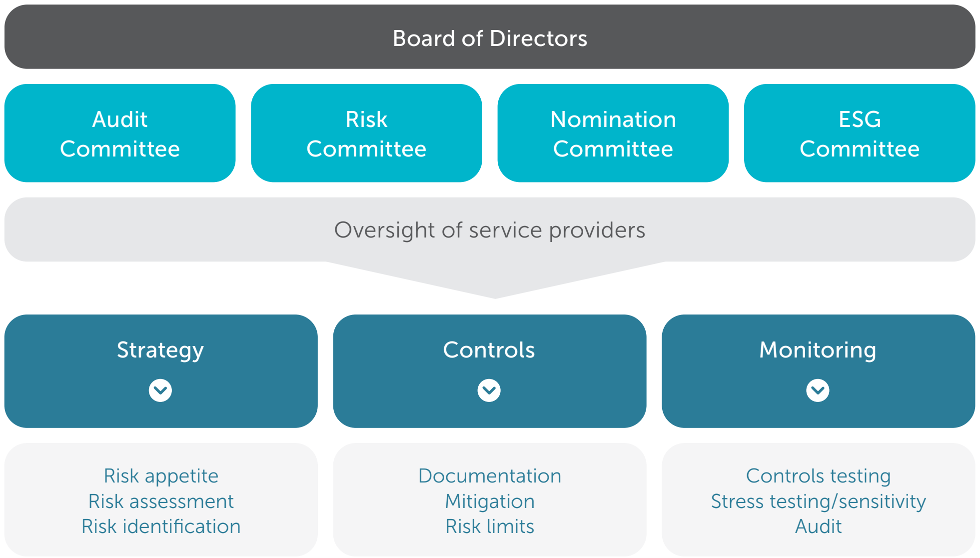
Risk identification and monitoring

JLEN has a separate Risk Committee, comprising six 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 identification, assessment and management of risk are integral aspects of the Investment Manager's and Administrator's work in both managing the existing portfolio on a day-to-day basis and pursuing new investment opportunities (though the Board has ultimate responsibility for the risk management activities of the Group).

The Investment Manager and Administrator have established internal controls to manage these risks and they review and consider the Group's key risks with the Risk Committee on a quarterly basis, including new risks arising and/or changes in the likelihood of, or impact from, any particular risk occurring. 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.

Risk management framework



RISKS AND RISK MANAGEMENT continued

The Board reviews the performance of the Investment Manager and Administrator, as well as other key service providers, annually.

JLEN 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 JLEN.

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 and risks relevant to the year under review

Power prices

Exposure to market power prices continues to be assessed as the most impactful risk faced by the Company. While the Company is less exposed to this risk than some peers in the renewable infrastructure sector due to its diversified portfolio which has a relatively high proportion of fixed revenues and many assets whose revenues are not exposed to wholesale energy prices at all, the year under review demonstrates that this risk can still impact the portfolio valuation.

Changes to power price assumptions used in valuing the portfolio has reduced the portfolio valuation by £36.0 million/5.4 pence during the year. Even though the last months of the previous year had already seen electricity prices fall precipitously from the highs seen during the energy crisis in 2022, electricity prices have continued to fall further and faster than anticipated. In the year under review, power prices have reduced by a further £40/MWh – equivalent to approximately 40%.

The Investment Manager monitors prices regularly and seeks to enter into fixed price arrangements in order to limit short-term exposure, although there is no certainty that the Company will maintain a similar level of price fixes as currently in place as this depends on pricing available in the market.

Risks associated with development or construction-stage assets

In recent years, the Company has increased its exposure to assets in the development or construction stages, on the basis that such assets can offer higher returns than similar ones acquired at the operational stage. There is also potential for capital growth as these assets achieve milestones that denote the reduction of development and construction-related risks and are re-rated, typically through the reduction of the discount rate used for valuation.

At the year end, the Company had 9% of the portfolio across 42 assets, either in construction or development stages; an decrease of 1% from 2023. This decrease is due to the JLEN's glasshouse investment commencing partial operations during the year, offset by further deployment into other ongoing construction and development-stage assets during the year in the normal course. In light of the continued allocation to construction or development assets, the Directors have raised risks associated with such projects, including cost overruns or failure to achieve key milestones, as principal risks faced by the Company.

Risks associated with interest rates and changes to tax legislation and rates

In the 2023 Annual Report, risks associated with interest rates and changes to tax legislation and rates were included as being among the Company's principal risks. These are not assessed as being principal risks at the current time.

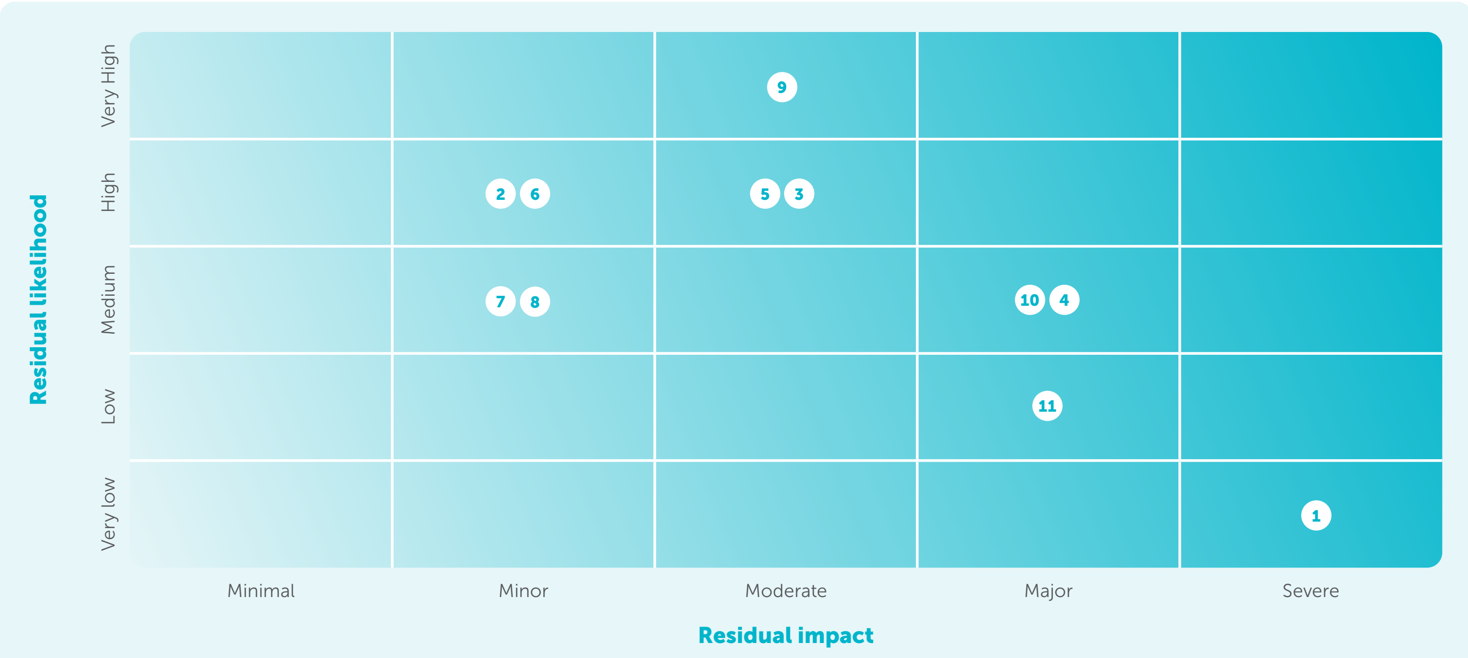
While infrastructure assets such as those in the Company's portfolio are long-term assets, and they are very likely to experience further periods of higher perceived risk due to interest rates and tax, the Directors consider that these risks have receded when looking over the 12-18-month horizon for this report. Interest rates are expected to decrease modestly over the period, which should be positive for the valuation of the Company's portfolio. Following the introduction of the Energy Generator Levy, the Directors are not aware of any further changes to taxes that are proposed, either by the current government or by an incoming Labour government, that would negatively impact the portfolio materially.

Discontinuation vote

In common with several peers, the Company faces a discontinuation vote at the upcoming AGM in September 2024 as a result of the share price trading at a discount to NAV of greater than 10% on average for the year under review. While the Directors are confident in their view that the Company offers investors an attractive dividend and access to otherwise hard-to-access opportunities in environmental infrastructure and that shareholders should reject the discontinuation motion as not being in their best interests, the vote creates a risk that the Company will be required to change strategy and seek to sell assets at a sub-optimal time, such as construction and development-stage assets.

RISKS AND RISK MANAGEMENT continued

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



Residual risk

Strategic, economic and political

1. Funding commitments
2. Adverse movement in inflation
3. Changes in regulation and government support
4. Reputational

Operational, business, processes and resourcing

5. Asset exposure to weather resource
6. Climate change – physical risk
7. Volume and cost of feedstock resource
8. Cyber risk
9. Exposure to market power prices
10. Construction and development issues
11. Operational risks

JLEN'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

See more on climate-related risks in our Sustainability and ESG report on pages 81 to 84.

This year we are only detailing the most pertinent principal risks affecting the Company. We have identified 11 risks within two of the above-mentioned categories. These risks are summarised below, followed by a detailed discussion of the mitigating factors.

RISKS AND RISK MANAGEMENT continued

Strategic, economic and political

1 Funding commitments

Potential impact:

- Unable to meet commitments as they fall due, leading to the loss of value in unfunded portfolio assets and loss of investor confidence.

Mitigation and controls:

- The Investment Manager carries out detailed forecasting of Fund cash position and RCF headroom.
- The Investment Manager is progressed in several asset sales processes, the final approval relating to asset sales sits with the JLEN Board.
- Where necessary, the Investment Manager will renegotiate contractual commitments and timeframes to reschedule the injection of cash.
- New investment will be highly selective until the Company is able to raise new capital or recycle capital from existing assets.

Link to Fund objectives:

Residual risk: Medium

2 Adverse movement in inflation

Potential impact:

- 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. JLEN 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.

Mitigation and controls:

- 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 JLEN Board has ultimate authority over the portfolio valuation.

Link to Fund objectives:

Residual risk: Medium

3 Changes in regulation and government support

Potential impact:

- Risk that regulatory, legal or contractual change in general structure of electricity network charging regime or basis of use leads to increased costs for JLEN's renewable energy projects or lower revenues than forecast, negatively impacting cash flow and portfolio valuation.
- JLEN 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 JLEN fails to disclose properly against the new requirements or that investors consider disclosures to be insufficient.

Mitigation and controls:

- Cultivate 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.
- The Investment Manager engages with specialist consultants to assist with developing forecasts reflecting changing network regulations.
- Through a comprehensive compliance monitoring programme, JLEN 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.

Link to Fund objectives:

Residual risk: Medium

Key to Fund objectives: Predictable income growth for shareholders | Preservation of shareholder value | Investment, growth and diversification

Change in year: Increased | Unchanged | Decreased

RISKS AND RISK MANAGEMENT continued

Strategic, economic and political continued

4 Reputational

Potential impact:

- Risk that something occurs that is perceived by investors or other market participants to damage JLEN's reputation, such that they do not wish to do business with JLEN.
- JLEN'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 JLEN operates. As JLEN grows and its operations become more complex, the risk that JLEN is considered to have acted improperly increases, leading to reputational damage and investors avoiding the Company's shares.
- JLEN 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. JLEN could suffer reputational damage if it is considered to be "greenwashing", leading to investors avoiding the Company's shares.
- Risk that JLEN falls short of ESG standards, whether those that it sets itself, those set by regulation or those that are expected by wider society or influential groups within society. The consequences could include loss of reputation, direct action by interested groups or investors determining that JLEN does not fit their own ESG criteria

Mitigation and controls:

- Primary mitigation is that risks to reputation are controlled and monitored through the Risk Committee. JLEN 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 JLEN 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.

Link to Fund objectives:

Residual risk: Medium

Operational, business, processes and resourcing

5 Asset exposure to weather resource

Potential impact:

- 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 JLEN 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 JLEN.

Mitigation and controls:

- 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.

Link to Fund objectives:

Residual risk: Medium

6 Climate change – physical risk

Potential impact:

- 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 JLEN's assets which could impact portfolio returns.

Mitigation and controls:

- Climate-related risks are monitored by the Investment Manager and reported to the ESG Committee and Risk Committee.
- The risk is mitigated in part by owning a portfolio that is diversified by location, technology, resource use and revenue make-up.
- The portfolio has been subject to independent scenario analysis this year, helping to inform the strategy going forward.
- Further information on mitigants is provided in the Sustainability and ESG report on page 76.

Link to Fund objectives:

Residual risk: Medium

Key to Fund objectives: Predictable income growth for shareholders | Preservation of shareholder value | Investment, growth and diversification

Change in year: Increased | Unchanged | Decreased

RISKS AND RISK MANAGEMENT continued

Operational, business, processes and resourcing continued

7 Volume and cost of feedstock resource

Potential impact:

- 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 JLEN's returns can be materially affected.

Mitigation and controls:

- 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 JLEN'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 JLEN Board has ultimate authority over the portfolio valuation.

Link to Fund objectives:

Residual risk: Medium

8 Cyber risk

Potential impact:

- There exists a threat of cyber attack in which a hacker or computer virus may attempt to access the IT systems of the Group, the Investment Manager, the Administrator or one of the project companies and attempt to destroy or use the data for malicious purposes. While JLEN 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.

Mitigation and controls:

- JLEN 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.
- Renewables assets are also susceptible to cyber attack, for example if the control systems of wind turbines are targeted, and the Investment Manager is working to understand weaknesses in this area better in order to continue to improve controls to increase security.
- JLEN and the project SPVs information technology providers have procedures in place to mitigate cyber attacks, they also have in place business continuity plans 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.
- See the "Improving cyber resilience across the portfolio" case study on page 92 of the report.

Link to Fund objectives:

Residual risk: Low

9 Exposure to market power prices

Potential impact:

- 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 JLEN. There is a risk that the actual prices received vary significantly from the model assumptions, leading to a shortfall in anticipated revenues to JLEN.
- The Company has introduced battery storage assets into the portfolio, the first of which has become operational post year end. 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.

Mitigation and controls:

- The risk of exposure to variations in electricity and gas prices from assumptions made is mitigated by JLEN 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. JLEN blends forecasts from three consultants to reduce volatility in assumed prices from period to period.
- JLEN invests in a diversified portfolio of environmental infrastructure assets that earn revenues that do not depend on merchant power sales. At the year end, 71% of the portfolio's underlying lifetime revenues, on an NPV basis, were not related to sales of merchant power.

Link to Fund objectives:

Residual risk: Very high

Key to Fund objectives: Predictable income growth for shareholders; Preservation of shareholder value; Investment, growth and diversification

Change in year: Increased; Unchanged; Decreased

RISKS AND RISK MANAGEMENT continued

Operational, business, processes and resourcing continued

10 Construction and development issues

Potential impact:

- 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.
- Projects in the development stage face additional risks associated with bringing the project to ready-to-build, including permit risk and risk of failure to secure key contracts on acceptable terms.

Mitigation and controls:

- 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.
- The Foresight Investment Committee and the JLEN 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.

Link to Fund objectives:

Residual risk:
Very high

11 Operational risks

Potential impact:

- There is a risk that a health and safety event at a JLEN-owned site could lead to increased costs to prevent further occurrences and loss in revenue. JLEN'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.

Mitigation and controls:

- 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 JLEN'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 when such outages occur.
- The Board has in place a regime, 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 of the project assets has health and safety policies that are adopted and monitored by the project board of directors. Health and safety is a standing item on board agendas, and Reporting of Injuries, Diseases and Dangerous Occurrences Regulations ("RIDDORs") is received at every board meeting. Regular health and safety audits on the projects are carried out by independent specialists.

Link to Fund objectives:

Residual risk:
Low

Key to Fund objectives: Predictable income growth for shareholders | Preservation of shareholder value | Investment, growth and diversification

Change in year: Increased | Unchanged | Decreased

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.

JLEN's principal stakeholders comprise of shareholders, the Investment Manager, commercial service providers, asset-level counterparties, local communities and debt providers. Pages 60 to 64 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.

JLEN 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 work.

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 KPIs. More information can be found on page 95.

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)-(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 7 – investment objectives, and pages 11 and 12 – 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 95 – 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 63 – 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 62 – stakeholder engagement, and page 117 – 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 64 – stakeholder engagement, and pages 79 to 102 – 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 68 to 102 – sustainability and ESG.

STAKEHOLDER ENGAGEMENT continued

Shareholders

63
meetings attended with institutional shareholders

Providers of equity finance and recipients of income distributions.

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

How has JLEN communicated and engaged?
- AGM
- 1:1 meetings with the Investment Manager, Chair of the Board and Chair of the ESG Committee, roadshows, conferences, site visits
- Responding to investors' queries on financial, strategic and ESG topics
- Quarterly financial updates, Annual Report, Sustainability and ESG report, RNS announcements and quarterly factsheets
- Dedicated JLEN 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
- Declared an increased dividend target of 7.80 pence per share for the financial year to 31 March 2025, in line with investment objective, continuing to position JLEN as an attractive proposition for investors seeking income
- Made a further investment into the hydrogen sector, unlocking future opportunities for capital growth

Investment Manager

49
site visits by the Investment Manager

Key counterparty responsible for delivering the Board's strategy.

Key stakeholders
- Foresight Group
- Foresight Group employees

How has JLEN 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 JLEN'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
- Arranged a site visit for the Board to inspect the Glasshouse agriculture facility and to meet with the management team in charge of operations

Key strategic decisions impacting stakeholder group during period
- Determination that the Investment Manager maintains a robust internal control environment, and that the continued appointment of the Investment Manager is in the best interests of shareholders as a whole
- Confirming the continued appropriateness of the Investment Manager's delegated authority to take investment decisions

STAKEHOLDER ENGAGEMENT continued

Commercial service providers

10

average years of service

Providers of essential business support services.

Key stakeholders

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

How has JLEN 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 to identify opportunities to engage with media, build brand awareness and enhance JLEN'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
- Following a comprehensive assessment process, KPMG Channel Islands (Limited) was appointed to the position of external auditor to the Company at the 2023 AGM

Asset-level counterparties

33

number of O&M and MSA providers

Asset-level technical and operational management service providers.

Key stakeholders

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

How has JLEN 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

- New O&M contractor appointed at four solar sites following a tender process
- A market tender process to renew the O&M contract on one of the wind assets was conducted. While the incumbent contractor was selected, this exercise served to validate the Investment Manager's pricing assumptions beyond existing contracts

STAKEHOLDER ENGAGEMENT continued

Local communities

£655,076

community contributions made

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.

Key stakeholders

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

How has JLEN 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
- Conducted educational site visits for local community schools and colleges

Key strategic decisions impacting stakeholder group during period

- JLEN donated £659,874 to local community funds over the period, helping to address local needs and promote long-term sustainable and prosperous communities

Debt providers

19

number of lenders to the Company and portfolio SPVs

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.

Key stakeholders

- Banks
- Lenders
- RCF agent

How has JLEN communicated and engaged?

- Regular updates provided on covenant compliance and current positioning
- On 13 June 2024, JLEN completed the refinancing of its fund level debt facility - securing a committed multi-currency RCF of £200 million with an uncommitted accordion facility of up to £30 million and an uncommitted option to extend for a further year
- JLEN 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 funding strategy during the period and the portfolio has utilised revolving debt facilities throughout

INVESTMENT POLICY

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

JLEN 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

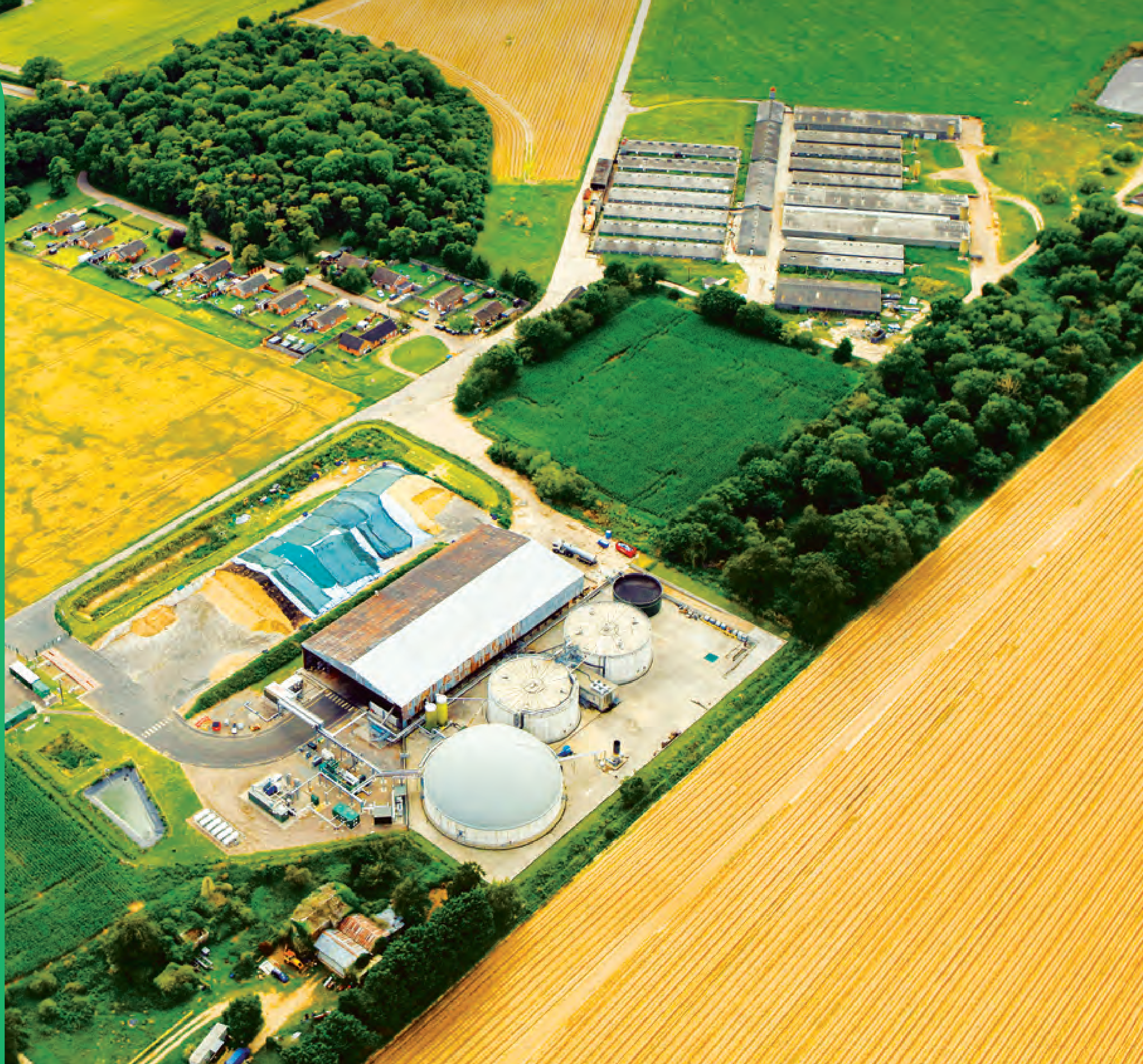
Whilst the Investment Manager may elect to retain investment interests in the portfolio of investments that the Company acquires, and any other further investments made by the Company over the long term, the Investment Manager will regularly monitor the valuations of such investments and any secondary 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.

SUSTAINABILITY AND ESG



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SUSTAINABILITY AND ESG

ESG COMMITTEE CHAIR'S FOREWORD

"In order to appropriately manage and communicate our approach to ESG and climate-related risks and opportunities, we continually seek to evolve and reflect changing best practice."

Jo Harrison
Chair, ESG Committee

In FY23/24, JLEN progressed four key ESG workstreams. The first was to set a target to be net zero by 2050, covering Scope 1, 2 and 3 emissions. This target is to be supported and informed by a Transition Plan, developed in line with the Transition Plan Taskforce Disclosure Framework, with associated interim targets currently under development. The Transition Plan is due for publication later in the year and will help to inform our sustainability-related disclosures in the future, for example disclosures against the Standards set by the International Sustainability Standards Board.

The second key workstream was a full review of our ESG KPIs. The review sought to identify those indicators against which we could set meaningful targets, as well as those indicators that were no longer as valuable in improving our understanding of our portfolio. The result is a streamlined set of ESG KPIs with targets set against some of the core indicators, against which we will be reporting going forwards.

The third workstream sought to progress biodiversity enhancement and understanding across JLEN's assets. This took the form of habitat enhancement at individual assets, as well as a pilot project to review nature-related risks using the Taskforce on Nature-related Financial Disclosures ("TNFD") methodology.

Finally, JLEN improved its cyber resilience in FY23/24, prioritising those assets that were shown to have vulnerabilities during the review undertaken in FY22/23. This work has been completed and has paved the way for further work to be undertaken to boost the cyber resilience of the entire JLEN portfolio.

In order to appropriately manage and communicate our approach to ESG and climate-related risks and opportunities, we continually seek to evolve and reflect changing best practice. Our Investment Manager maintains a proactive approach to emerging ESG regulations and standards. JLEN seeks to be an early adopter of these standards, often taking a voluntary approach to reporting and alignment, as with our Task Force on Climate-related Financial Disclosures ("TCFD") report. This year's focus has been on the UK Sustainability Disclosure Requirements and its implications across multiple teams and activities.

JLEN's ESG reporting naturally needs to evolve to reflect our ongoing development of processes. This year's report combines our TCFD and ESG disclosures into one document, allowing JLEN's reporting to be more closely integrated and to better respond to changing best practice and new regulations as they enter into force.

Our ESG reporting is a key part of our offering and JLEN is proud to have been named "Best Sustainable Alternative Asset Fund" in the 2023 Investment Week Sustainable Investment Awards.

Jo Harrison
Chair, ESG Committee
20 June 2024

SUSTAINABILITY AND ESG

AT A GLANCE

Net zero by 2050

This year, JLEN's Board of Directors set a decarbonisation target. JLEN's objective is to achieve net zero greenhouse gas emissions across Scope 1, 2 and 3 by 2050. This target is being informed and progressed by the development of a Transition Plan, which is due for publication later in the year. Interim targets to support the net zero target are currently under development.

Developing a Transition Plan

In FY23/24, JLEN has been working with an external consultant to develop a Transition Plan for the Company, which aims to progress JLEN's net zero target. The plan is being developed in line with the recently finalised Transition Plan Taskforce Disclosure Framework. JLEN's first transition plan is due for publication towards the end of FY24/25.

Focusing the KPIs

Following three years of data collection, JLEN and the Investment Manager have worked to focus its KPIs on those that it can set meaningful targets against. More information on the focused list of KPIs is set out on pages 93 to 95.

Proactive approach to evolving regulations

The Investment Manager has developed a working group to track the implications of the Sustainability Disclosure Requirements ("SDR") across the whole of its activities. The working group's remit is to identify the teams that will be most impacted by SDR and ensure that the requirements are being integrated into the business's ways of working. JLEN's Board of Directors are working closely with the Investment Manager to voluntarily integrate SDR considerations into the Company's reporting.

Awards

JLEN is proud to have been named "Best Sustainable Alternative Asset Fund" in the 2023 Investment Week Sustainable Investment Awards. The awards recognise fund providers, research and ratings teams, service providers and individuals who have a key part to play in the evolution of sustainable investing.

Progress against planned initiatives

The following initiatives were identified in JLEN's 2023 TCFD report. Progress against each initiative during FY23/24 is set out below.

Planned initiative	Progress in FY23/24
Produce and roll out cyber security policy across the portfolio	Cyber resilience testing has been completed and improvements have been rolled out to all of JLEN's wind assets. A new cyber security policy is in development and is due for publication in 2025.
Roll out Ethixbase due diligence checks across the JLEN supply chain	The Investment Manager expanded the programme to undertake due diligence on new primary (tier 1) suppliers.
Review requirements for completion of a Transition Plan in line with the Transition Plan Taskforce Disclosure Framework	An external consultant has been commissioned to work with the Investment Manager to develop a Transition Plan that is aligned with the TPT Disclosure Framework.
Continue to refine and embed assessment of climate risks into the portfolio risk management framework	This action is being considered as part of the development of the Transition Plan.
Continue to work with the supply chain to calculate scope 3 emissions more accurately	The Investment Manager has reviewed this action and considers the use of PCAF[1] emissions factors to be in line with good industry practice.
All assets to have a habitat management plan in place	69% of assets now have a habitat management plan in place. This is a significant increase from FY22/23 as the Investment Manager continued to roll out commissioned biodiversity baseline works.
Implement biodiversity enhancement at JLEN's anaerobic digestion sites	Habitat improvements were implemented at two of JLEN's nine AD sites. New habitats were planted, and shelters and nesting boxes provided for birds and hedgehogs. Habitat improvement works were also undertaken at one of JLEN's solar sites.

(1) Partnership for Carbon Accounting Financials: https://carbonaccountingfinancials.com/about.

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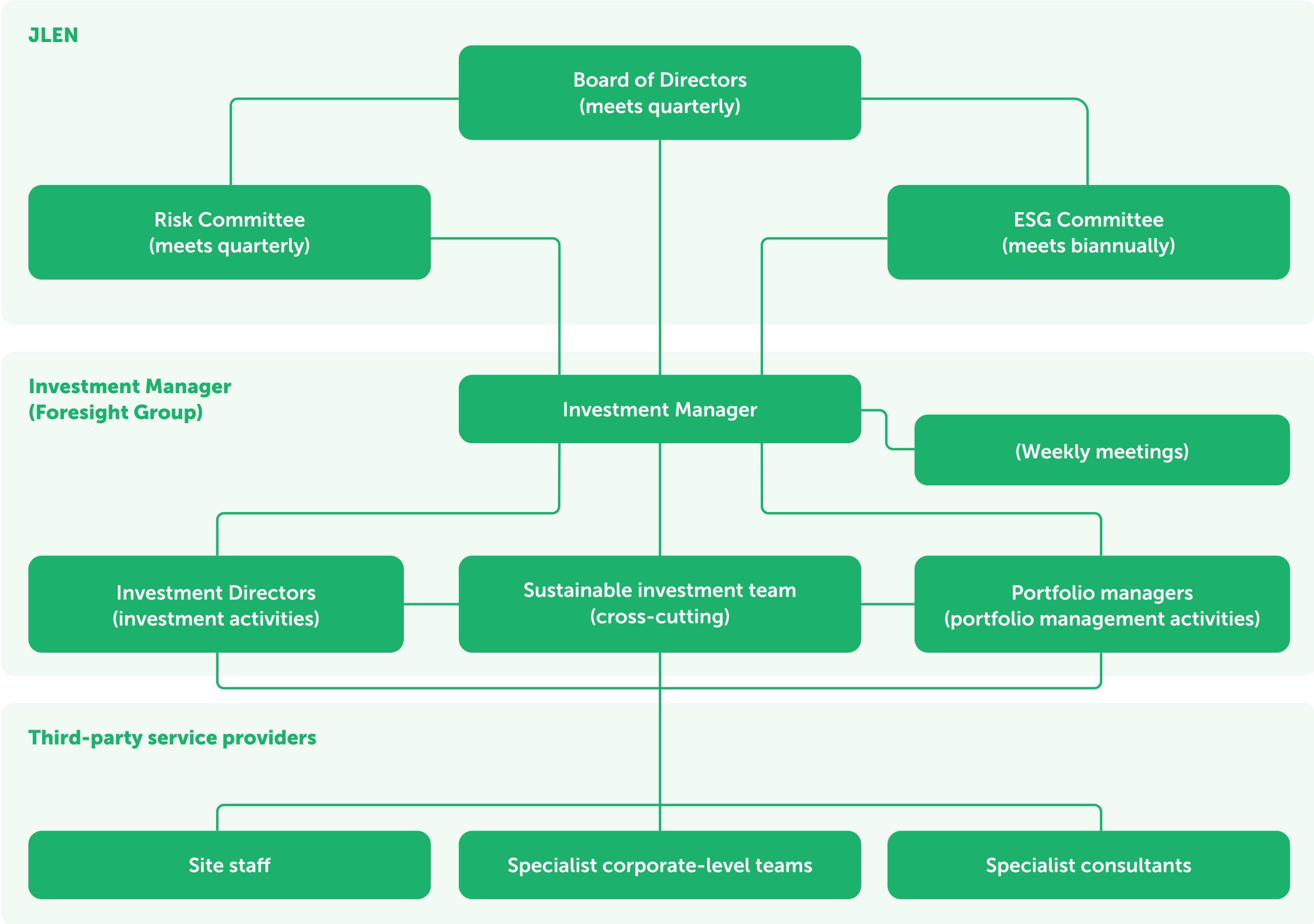
Overall responsibility for ESG resides with the Board of JLEN, with analysis and reporting against ESG criteria provided by JLEN's Investment Manager. JLEN's approach to ESG is based on three core principles: Assess, Monitor and Engage. Since the publication of the Company's first ESG report, JLEN has been focused on progressing each of these principles in order to maintain a robust ESG framework. Implementation of the core principles is underpinned by having the right people, policies and processes in place.

People

JLEN does not have any direct employees and, instead, actively engages with its Investment Manager, Foresight Group, to deliver on its ESG commitments. In order to achieve this, JLEN has a clear governance structure in place to ensure that management and monitoring of ESG and climate-related risks and opportunities are embedded into the decision-making processes of the Company, including its investment and portfolio management activities. The mechanisms by which ESG and climate-related risks and opportunities are managed helps to inform JLEN's strategy. Through this governance approach, JLEN's Board of Directors are supported and advised by a broad team of people with significant experience across the environmental infrastructure and wider sustainability landscape.



SUSTAINABILITY AND ESG

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JLEN Board

JLEN's Board holds overall responsibility for decision making around ESG, including climate-related risks and opportunities. The Board of Directors has significant combined experience across the environmental infrastructure landscape, including risks and opportunities related to ESG and climate change. More information on the Directors can be found on pages 109 and 110 and on JLEN's website[1]. JLEN's Board of Directors 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.

Risk Committee

- Oversees JLEN's comprehensive risk management framework
- Comprises independent non-executive Directors
- Meets quarterly
- Responsible for identifying, measuring, managing and monitoring – appropriately and regularly – all risks relevant to the Company's investment strategy and to which the Company is, or may be, exposed. This covers ESG risk management, including climate-related risks.
- Advises the Board each quarter on the current and potential risk exposures of the portfolio, with particular focus on the Company's principal risks (those with the greatest potential to influence shareholders' economic decisions) and the controls in place to mitigate those risks
- Climate-related physical risk is a principal risk on the Group's risk register
- Other transition risks are specifically identified in the risk register, such as changing power prices and the extent of government support

ESG Committee

- Oversees ESG matters for JLEN
- All JLEN Directors also serve on the ESG Committee
- Meets biannually
- Responsible for JLEN's ESG strategy, ESG objectives and KPIs, and monitoring ESG progress
- Assesses and prioritises ESG risks and opportunities for the Company, including climate change risks under the TCFD framework and with relevant input from the Risk Committee
- Oversees the ESG and annual regulatory reporting
- Identifies relevant ESG training and opportunities
- Where risks are identified by the Committee, these will be referred to the Risk Committee for further consideration and inclusion in the risk register
- Receives a formal report from the Investment Manager biannually

Investment Manager

The investment management team is responsible for overall oversight of the JLEN portfolio and for ensuring that appropriate governance and policies are in place across the portfolio of assets.

In addition to discussing individual assets at the Investment Committee and other related meetings, the team holds responsibility for overseeing sustainability and ESG across JLEN's activities on behalf of the Board of Directors. Further information on the Investment Managers' skills and experience can be found on page 18.

The 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].

Portfolio-level ESG and climate-related risks and opportunities are given a regular platform for discussion in weekly ESG and sustainability meetings, as well as further reporting and engagement with the JLEN Board and wider Foresight Group teams.

The team also works closely with the portfolio managers in order to understand and manage ESG and climate-related risks and opportunities and KPIs, as well as to progress the wider ESG objectives set by JLEN's Board.

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 but, in summary, the Investment Manager achieved:

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[3] and on the UN PRI website[4].

PRI Principles for Responsible Investment

★★★★★

(1) https://jlen.com/about/board-of-directors/.
(2) https://www.foresightgroup.eu/about-us/people.
(3) https://media.umbraco.io/foresight/1xxlcbb5/private-full-transparency-report-foresight-group-holdings-ltd.pdf.
(4) https://ctp.unpri.org/dataportalv2/transparency.

SUSTAINABILITY AND ESG

GOVERNANCE continued

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Training

In order to ensure continuous improvement in JLEN's ESG and climate-related processes, training is provided on a range of relevant topics. In 2023/24, the JLEN Board was provided with a detailed update on the Transition Plan Taskforce Disclosure Framework. Board members were invited to engage with the ongoing development of JLEN's Transition Plan and feed into key commitments, helping to develop the Strategic Ambition for the plan.

Sustainability-linked objectives

Entity	Sustainability-linked objectives
JLEN Board of Directors	JLEN'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. JLEN'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 JLEN 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

JLEN's investment policy is grounded in ESG principles, prioritising 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 JLEN, 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.

To support the investment policy, JLEN has established three ESG objectives:

Promote the efficient use of resources	Develop positive relationships with the communities in which JLEN 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

SUSTAINABILITY AND ESG

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Modern Slavery and Human Trafficking
JLEN does not provide goods or services in the normal course of business and has no customers, employees or turnover. As a result, JLEN 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 has been drafted and will be made available on the Company's website at the time of publication of this report.

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 which is available at **https://www.foresightgroup.eu/modern-slavery-statement.**

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 JLEN'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.

Processes
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.

JLEN approaches ESG via the following principles:

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

Each asset is evaluated in accordance with Foresight's Sustainability Evaluation Tool ("SET"). Further information on the SET and its underlying criteria is set out on page 89. The assets are scored against the criteria, providing an overall picture of ESG performance. Foresight has minimum thresholds for ESG performance, ensuring that, where necessary, post-investment improvement plans are implemented.

Monitor
Third-party service providers, sometimes with the assistance of technical advisers, monitor and manage the ongoing performance of each asset in the JLEN portfolio and report periodically to the Investment Manager. Site visits are undertaken by the Investment Manager to ensure that the asset's day-to-day running and ESG performance is as expected, and there are a range of audits undertaken by third parties to maintain visibility over ESG performance in the portfolio.

ESG updates are provided to the ESG Committee on a biannual basis, these updates help to inform JLEN's risk management process and the ongoing evolution of JLEN's strategy.

Engage
Stakeholder engagement is an important part of JLEN'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 60 to 64.

Reporting is an essential part of JLEN'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

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ESG monitoring and engagement at asset level

In order to ensure that ESG is being considered at all levels, in 2021/22 JLEN mandated that all board agendas for asset-level SPVs routinely include discussions around ESG matters. This formal mechanism is used to help roll out decisions made by the ESG Committee across all assets and to gather asset-specific ESG information. The mechanism provides consistency of approach and ESG engagement across JLEN's portfolio.

Processes for assessing and managing climate-related risks and opportunities

Climate-related risks

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 (though the Board has ultimate responsibility for the risk management activities of the Group).

The Investment Manager has established internal controls to manage risks and the management team reviews and considers the Group'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 88 to 90.

Climate-related opportunities

There are two key opportunities that the management team considers:

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

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

At an investment level, consideration of the sustainability credentials of environmental infrastructure and their resilience to climate-related physical risks is undertaken in accordance with a set of sector-specific assessment parameters underlying the five key areas of Foresight's proprietary Sustainability Evaluation Tool.

Emerging transition risks are considered by the Investment Manager's valuation team and these risks are then escalated to the Company's risk register and the Board, if appropriate. 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 88 to 90.

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Developing strategic approaches to biodiversity risk

Assessment and monitoring of biodiversity impacts is routinely undertaken at the asset level. Emerging frameworks, such as the Taskforce on Nature-related Financial Disclosures ("TNFD"), require portfolio-level monitoring of nature-related risks and opportunities. This requires consideration of available tools under development, which would not replace asset-level surveys and monitoring, but will provide portfolio-level overviews and tiered risk assessments. The approach is designed to feed directly into governance processes, as well as strategic decision making.

In FY23/24, Foresight Group partnered with Frontierra, an environmental geospatial consultancy specialising in the evaluation of nature-related risks, to undertake a TNFD pilot project.

The project assessed the associated nature-related impacts, dependencies, risks and opportunities of a number of assets across several funds, including 22 of JLEN's solar, onshore wind and energy-from-waste assets.

Funded by the UK Space Agency, the project evaluated each asset against the following key nature-related aspects:

- **Biomes**
- **Biodiversity hotspots**
- **Critical habitat**
- **Protected areas**
- **Indigenous areas**
- **Deforestation**
- **Ecosystem integrity**
- **Water stress**

The mapping exercise also considered material nature-related dependencies and impacts of each of the asset types.

Following the assessment, JLEN representatives attended an interactive workshop to discuss the findings and results of the assessment in order to determine and discuss the associated nature-related risks and opportunities at each asset. This involved detailed consideration of the processes and procedures already in place at each asset, and the identification of additional processes required to strengthen the governance and management of nature-related risks. Importantly, the workshop also identified methods to capitalise on nature-related opportunities.

The tool will assist in developing JLEN's disclosures against TNFD in the future. Additionally, the Investment Manager is identifying opportunities for using this tool across a wider selection of the portfolios that it manages and has partnered with Frontierra to apply for a further grant from the UK Space Agency in order to expand and customise the platform's capabilities. This expansion is expected to enhance decision-making opportunities through improved identification of nature-related risks and mitigants.

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By virtue of its investment policy, JLEN 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 JLEN Board of Directors – seeking to identify risks and opportunities for the portfolio.

In addition to horizon-scanning activities, the Investment Manager undertakes stakeholder engagement to understand stakeholder needs and the options for responding to those needs. The Investment Manager also maintains a watching brief on forthcoming disclosures frameworks and seeks to be an early adopter of core elements of those frameworks where possible.

Stakeholder engagement

JLEN's strategy is informed and driven by stakeholder engagement, aligning with JLEN's core principle: Engage. 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 60 to 64.

Materiality assessment

This year, Foresight Group undertook a double materiality assessment which is intended to inform the various activities that the Investment Manager undertakes.

The assessment examined both the impact of operations on the environment and society (impact materiality) and how environmental and social factors affect financial performance and reputation (financial materiality). The analysis was designed to align with the requirements of the European Sustainability Reporting Standards. The methodology involved mapping the value chain, engaging stakeholders, and assessing ESG impacts and financial implications.

The assessment identified key environmental impacts, such as the energy-intensive production of renewable technologies, and social concerns such as health and safety, gender inequality and human rights issues. Strong corporate governance was emphasised to mitigate risks such as corruption and unethical behaviour. It also highlighted financial risks and opportunities, such as the impact of volatile energy prices and the reliance on high climate-impact raw materials. Social risks, including human rights concerns in raw material sourcing and high employee turnover, were noted. Transparency in financial products and avoiding greenwashing were identified as crucial to maintaining investor trust.

Further analysis is ongoing, and the results of this assessment will help the Investment Manager to inform JLEN's strategy and its management of ESG and climate-related risks and opportunities going forward.

Monitoring future disclosures

The Investment Manager proactively monitors and engages on a series of evolving disclosures standards. JLEN seeks to be an early adopter of standards where possible, including voluntarily disclosing information such as through its voluntary TCFD reporting. This approach helps JLEN 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.

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.

International Financial Reporting Standards Foundation's International Sustainability Standards Board ("ISSB")

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 recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

JLEN expects to adopt the ISSB reporting standards as and when the UK Sustainability Reporting Standards ("SRS") have been finalised and formally endorsed. Endorsement of the ISSB Standards is anticipated to take place in Q1 2025, with clarity over the expected timeline of adoption to be published thereafter. More information overleaf.

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UK Sustainability Reporting Standards ("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). The government is anticipated to make the UK-endorsed ISSB standards available in Q1 2025.

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 will only apply to UK-domiciled funds; however, the UK Government has confirmed its intention to consult on how the regime can be extended to apply to overseas-domiciled funds in Q3 2024.

Although JLEN, as a Guernsey company, does not fall within the scope of the SDR and investment labels, the Board and the Investment Manager believe that the nature of JLEN's business and strategy is intrinsically aligned to the goal of a greener and less carbon-intensive future. JLEN is already positioned under Article 9 of the EU's SFDR, as a fund 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 better confidence with respect to sustainable investment products. As a result, JLEN is voluntarily seeking to demonstrate alignment with the SDR's "Sustainability Focus" investment label as a matter of best practice, and will make available consumer-facing and pre-contractual disclosures later this year in accordance with the requirements and timeframes under the SDR.

The Investment Manager will continue to monitor the development and implementation of the SDR and investment labels, including the government's consultation on overseas funds later this year.

UK Green Taxonomy
In its 2023 Green Finance Strategy, the UK Government reiterated its commitment to developing a UK Green Taxonomy. As an Article 9 Fund under SFDR, the JLEN portfolio aligns with published sustainable investment criteria. A change to those criteria is identified as a climate-related risk on page 83. The Investment Manager continues to monitor progress in this area, and any implications it may have on the JLEN portfolio of assets.

Transition Plan Taskforce
In April 2022, the UK Government launched the Transition Plan Taskforce ("TPT") to develop a framework to help companies communicate their plan to achieve net zero to shareholders and other stakeholders.

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 Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, as well as the ISSB Standards and guidance from the Glasgow Financial Alliance for Net Zero ("GFANZ") on transition plans.

JLEN has commissioned the development of a Transition Plan in line with the TPT Disclosure Framework, the first iteration of which is due to be published by the end of FY24/25.

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").

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Climate-related risks and opportunities

The tables on the following pages identify the top climate-related risks and opportunities and JLEN's response to them, demonstrating the impact that the risks and opportunities identified have on JLEN's business, strategy and financial planning. Each of these risks inform JLEN's principal risk register, and where direct linkages exist, those have been cross-referenced in this section. Further information on how the business responds to risk can be seen in the risks and risk management section of this report on pages 53 to 59.

This year, JLEN worked to further integrate climate-related risks with its overall risk management process overseen by the Risk Committee. This includes ensuring that climate-related risks are measured against the same impact and probability category definitions as the wider risk register, although the assessment is over a longer time period, as defined to the right of the page. Additionally, the Investment Manager is working to better integrate consideration of financial impacts into its climate-risk analysis.

The result is that climate-related risks are now integrated into JLEN's principal risk register, principal risks are set out on pages 55 to 59. The risks set out in this section are those underlying transition and physical risks that have helped to inform the principal risk register.

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

Timescale	Period	Justification
Short term	0-3 years	Aligns with the recommendations of the Transition Plan Taskforce Disclosure Framework
Medium term	4-15 years	This timescale encompasses 2030 to 2040, which is subject to significant levels of transition risk resulting from decarbonisation targets
Long term	16-30 years	Relates to the typical design life of environmental infrastructure assets and encompasses 2050, a key date for delivering net zero carbon emissions

JLEN's Investment Manager routinely analyses emerging environmental technologies and identifies whether they fit within JLEN's investment appetite, maintaining a watching brief on those technologies over time. More information on this can be found in the Investment Manager's report on pages 15 to 52.

Sector-level resilience

In order to further understand the top physical risks for each sector that JLEN invests in, the Investment Manager has worked to disaggregate the climanomics analysis further. Information on the top physical risks to each sector is set out in the table overleaf.

This work will be expanded on to understand the materiality associated with each of these risks, as well as associated timescales.

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Sector-level risks

Sector	Share of portfolio value	Geographies	Top physical risks	Impact	Mitigation
	27%	UK	Temperature extremes	Increased technology and equipment degradation	Ongoing assessment of equipment degradation and technology-specific thresholds for safe operating temperatures Flexibility in fund mandate to invest in new technology types
	24%	Italy	Temperature extremes	Exceedance of threshold for safe operating conditions	Ongoing assessment of equipment degradation and technology-specific thresholds for safe operating temperatures
			Drought/water stress	Impact on performance due to lack of water to generate steam for the turbines	Assessment of ability to hold additional water reserves or ability for water recycling
		UK	Temperature extremes	Exceedance of threshold for safe operating conditions	Ongoing assessment of equipment degradation and technology-specific thresholds for safe operating temperatures
	14%	UK	Temperature extremes	Exceedance of threshold for safe operating conditions	Ongoing assessment of equipment degradation and technology-specific thresholds for safe operating temperatures Apply mitigation measures, e.g. retrofit cooling mechanisms
	18%	UK	Drought/water stress	Reduced performance due to localised water stress. This is mainly related to the impact of water stress and drought on crop growth	Analyse whether larger clamps are required in order to store more feedstock Flexibility in fund mandate to invest in new technology types
	9%	UK	Fluvial and pluvial flooding	Reduced performance due to water damage	Undertake a review of flood risk management plans
	7%	Norway	Temperature extremes	Increased technology and equipment degradation Exceedance of threshold for safe operating conditions	Ongoing assessment of equipment degradation and technology-specific thresholds for safe operating temperatures Apply mitigation measures, e.g. retrofit cooling mechanisms
	1%	UK	Inconsistent water availability (flooding and drought)	Volatile generation profile driven by excess rainfall and/or drought conditions	There is minimal mitigation available for this. The Investment Manager can consider climate risk in forecasting and annual budgets

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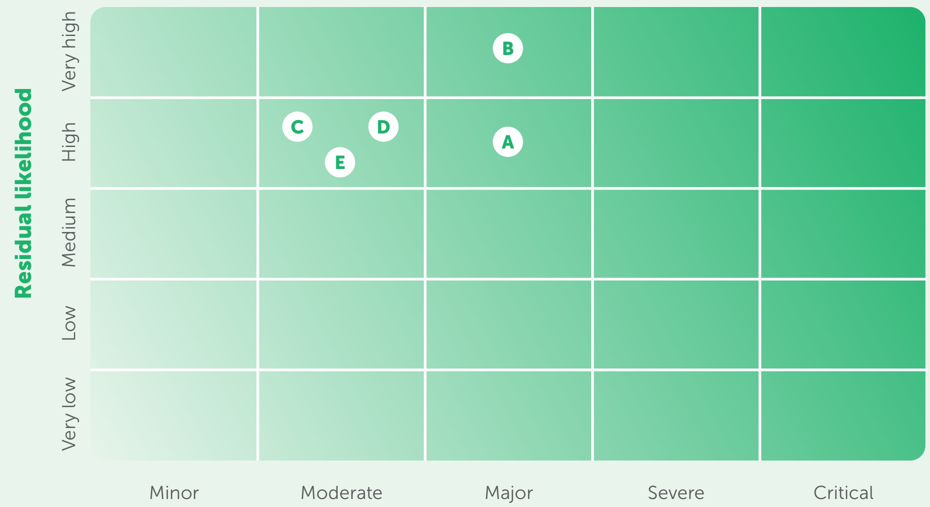
Portfolio-level risks



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

STRATEGY continued

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Risk type	Description	Time period	Financial impact	Investment Manager's response	Area of impact	Main risk register reference
A Changes to power prices						
Transition (market)	• Lower than forecast power prices due to warmer winters or increased renewables deployment • Increased power prices due to short-term shocks/decreased energy supplies from low wind resource or problems in the gas network could lead to governments turning to less sustainable ways of generating energy that are available in the shorter term – e.g. coal	S, M, L	££	• The majority of assets in the portfolio earn revenues that are not dependent on merchant power sales and various mechanisms are in place to help mitigate the risk of lower power prices (see principal risks on pages 55 to 59) • Arguments for supporting less sustainable alternatives to manage short-term power price shocks are, on the whole, not supported by society, although, sometimes short-term pragmatism overrides this when combined with security of supply needs	Strategy, Financial planning, Company's investments	5 6 7 9
B Extreme weather-related events						
Physical	Extreme weather-related events, either chronic (e.g. changing wind patterns, heat stress, rising sea levels) or acute (e.g. storms, heat wave, drought, floods), causing damage to Company assets or negatively impacting their production	M, L	££	• Having conducted a review of the physical risks to the portfolio, the physical risks are largely localised and the impact of a single event or limited set of events is deemed to have a negligible impact to the overall portfolio; nevertheless, this is kept under close review by the Investment Manager	Strategy, Financial planning, Company's investments	5 6 7

Timescales:	S	Short term (0-3 years)	M	Medium term (4-15 years)	L	Long term (16-30 years)						
Financial impact:	£	Moderate financial impact	££	Major financial impact	£££	Severe financial impact						
Risk register key:	3	Changes in regulation and government support	4	Reputational	5	Asset exposure to weather resource	6	Climate change – physical risk	7	Volume and cost of feedstock resource	9	Exposure to market power prices

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STRATEGY continued

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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 JLEN's ownership of such assets • Litigation 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 JLEN's portfolio	S, M	£	• JLEN invests in assets that contribute to the acceleration of the energy and sustainability transition and have strong transition characteristics. Third-party expert validation of the sustainability credentials of assets is sought where appropriate. Meanwhile, the Investment Manager assumes an active role in policy discussions and remains abreast of sustainable investment changes and reviews its strategy accordingly • The diversified nature of JLEN's portfolio protects the Company against overexposure to any one sector. If deemed appropriate in the future, JLEN would review a phase out of EfW from the Company's investment strategy	Strategy, Company's investments	3 4

Timescales:	S	Short term (0-3 years)	M	Medium term (4-15 years)	L	Long term (16-30 years)						
Financial impact:	£	Moderate financial impact	££	Major financial impact	£££	Severe financial impact						
Risk register key:	3	Changes in regulation and government support	4	Reputational	5	Asset exposure to weather resource	6	Climate change – physical risk	7	Volume and cost of feedstock resource	9	Exposure to market power prices

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Risk type	Description	Time period	Financial impact	Investment Manager's response	Area of impact	Main risk register reference
D Changes in regulation and government support for sustainable infrastructure						
Transition (market, regulation, reputation)	• Changes in regulation to sectors in which JLEN 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	3 7
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 renewables or environmental infrastructure technologies obsolete. An example of this could be fusion power displacing all other forms of energy • Other technologies such as nuclear or coal being prioritised in the short-to-medium term	M, L	£	• It is considered more likely that new technologies would be developed and JLEN 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 JLEN's assets	Strategy, Financial planning	n/a

Timescales: S Short term (0-3 years) M Medium term (4-15 years) L Long term (16-30 years)

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

Risk register key: 3 Changes in regulation and government support 4 Reputational 5 Asset exposure to weather resource 6 Climate change – physical risk 7 Volume and cost of feedstock resource 9 Exposure to market power prices

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Climate-related opportunities

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 such as hydrogen power are further developed	S, M, L	★★★	• JLEN 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 of the Investment Manager's report on pages 20 to 24	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	★★★	• JLEN is positioned to benefit from future increases in carbon pricing and cost competitiveness of renewables. • JLEN is positioned to benefit from future increases in energy pricing and the increased buildout of renewables capacity	Strategy, Financial planning

Timescales: S Short term (0-3 years) M Medium term (4-15 years) L Long term (16-30 years)

Level of opportunity: ★ Low opportunity ★★ Medium opportunity ★★★ High opportunity

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Opportunity	Opportunity type	Description	Time period	Level of opportunity	Investment Manager's response	Area of impact
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 JLEN • Government policies aimed to help the transition to reduce the impact on natural resources, e.g. Norway's proposed 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 JLEN investment	Strategy, Financial planning
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, food production or energy production	S, M	★★	• Attractiveness of investment opportunities will also depend on the business models as well as the proven nature of the technology	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 900 deals a year in the environmental infrastructure space, which allows it to take advantage of these opportunities as they arise	Strategy, Financial planning, Company's investments

Timescales: S Short term (0-3 years) M Medium term (4-15 years) L Long term (16-30 years)

Level of opportunity: ★ Low opportunity ★★ Medium opportunity ★★★ High opportunity

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Strategic resilience

JLEN's primary approach to resilience is focused on owning a portfolio of assets that is diversified by geography, technology, resource use and revenue make-up. 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 53 to 59 and on an ad hoc, day-to-day basis.

As new investment opportunities such as emerging sectors evolve, JLEN 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, JLEN will consider this at the Risk Committee, ESG Committee and Board level and identify opportunities for mitigation or, if necessary, disposal of assets.

Company-level resilience

Overview

In FY22/23, the Investment Manager commissioned the S&P Global Climanomics platform to analyse the JLEN portfolio across four climate scenarios, integrating not only physical and transition risks, but also climate-related opportunities, to provide a single output that talks to the resilience of the portfolio under different climate futures. The results of this analysis were reported in the 2023 TCFD report.

This year, the Climanomics' analysis was updated to align with the scenarios published in the Intergovernmental Panel on Climate Change's ("IPCC") sixth Assessment Report. The revised methodology for the scenario analysis is set out below.

The basis for Climanomics' analysis is the Shared Socioeconomic Pathways ("SSPs") generated by the Intergovernmental Panel on Climate Change ("IPCC"). This is a change from the Representative Concentration Pathways ("RCPs") that were used to undertake scenario analysis last year. The change has been driven by the most recent IPCC Synthesis Report (AR6 2023).

The SSPs are an evolution of the earlier RCPs and represent a range of possible outcomes not only in future anthropogenic greenhouse gas emissions and their effects on atmospheric concentrations of CO_2, but also their potential societal, demographical and economical impacts.

The scenarios are best summarised as:

- **SSP 1/RCP 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;
- **SSP 2/RCP 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/RCP 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; and
- **SSP 5/RCP 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

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

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

1. Physical risk – Analysing atmospheric data related to acute and chronic climate hazards across temperature, precipitation, drought, wildfire, coastal flooding, tropical cyclones, water stress and fluvial-basin flooding to provide a rigorous estimate of risk under various conditions;

2. Transitional risk – Incorporating modelling of hazards associated with a global transition to a low-carbon economy via litigation, reputational, technology and market; and

3. Opportunity modelling – Calculating opportunities derived from resource efficiencies, energy sourcing, changing markets and resilience.

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

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 p/s	Difference (p)	% Difference
Base	113.6	0.0	0.0%
2.6	114.3	0.7	0.6%
7	113.1	-0.5	-0.4%
8.5	111.9	-1.7	-1.5%

SUSTAINABILITY AND ESG

RISK MANAGEMENT

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Assessment of ESG and climate-related risks is incorporated into JLEN'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 the Risk Committee and process for managing the climate-related risks and opportunities can be found on page 75. The process itself is shown in the diagram opposite.

Review by Foresight Head of Risk

Risks reviewed at asset level
Investment management team
Portfolio management team
Key external counterparties

Sustainability risks identified
Assessment and collation of sustainability strengths, weaknesses and risks to the investment input into the Foresight SET (more information on page 89)

Identified risks added to the JLEN risk register
Risks identified in the SET are reviewed by senior Investment Manager personnel
Mitigation strategies identified

Review of risk register by JLEN Board
Risks presented to the JLEN Risk Committee and ESG Committee to discuss mitigations and also monitor potential improvements

Risks and mitigation strategy
Risks reviewed and mitigation strategies agreed by the JLEN Board and the Investment Manager

Implementation of risk mitigation strategies

SUSTAINABILITY AND ESG

RISK MANAGEMENT continued

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Understanding of asset-level risks is driven in the first instance by pre-investment due diligence processes. This assessment is undertaken by the Investment Manager using their proprietary in-house tool, the Foresight Sustainability Evaluation Tool ("SET").

The Foresight Sustainability Evaluation Tool ("SET")

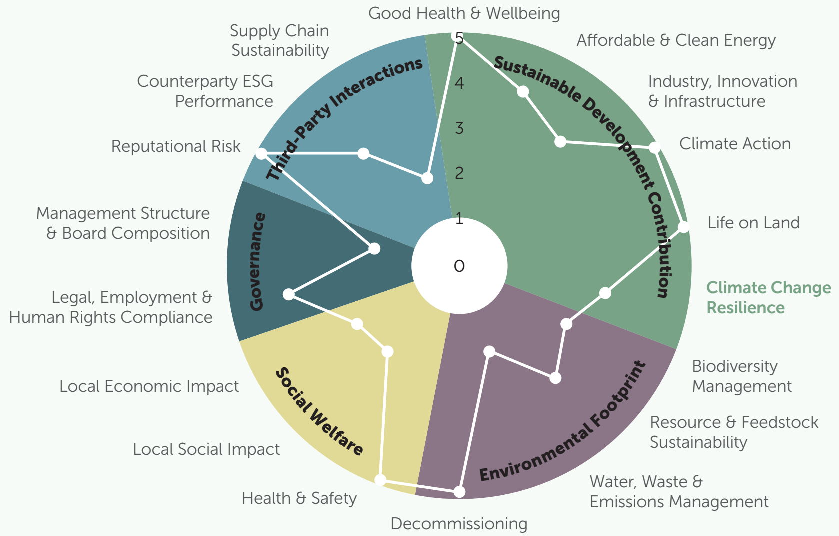
Driven by JLEN's, and the Investment Manager's, definition of sustainable infrastructure, the SET is applied during due diligence in order to assess whether a potential investment scores appropriately against a broad range of ESG considerations. The SET is made up of five criteria that cover the key areas of sustainability and ESG considerations to be assessed:

- **Sustainable Development Contribution:** The contribution made towards the global sustainability agenda, including an assessment of its resilience to climate change-related risk and opportunity;
- **Environmental Footprint:** The environmental impacts of an investment;
- **Social Welfare:** The interaction with local communities and the welfare of employees;
- **Governance:** The compliance with relevant laws and regulations; and
- **Third-Party Interactions:** The sustainability of key counterparties and the broader supply chain.

The SET is an evolving tool and has been designed with flexibility in mind, making it adaptable to new sectors, industry frameworks and impact standards as the level of sophistication around climate-related risk grows. Moreover, the materiality of certain issues within each of these areas can be subject to frequent change, therefore a framework that can adapt easily to reflect these changes is important. The Investment Manager's sustainability team carry out regular in-house consultation to decide on the individual "weighting" for each KPI within each Climate Change Resilience parameter. The weighting dictates the materiality of the KPI in the overall asset score, which can be easily updated and amended based on new information obtained.

The tool draws on IRIS+ indicators, which are an aggregation of a number of widely recognised sustainability and climate-related frameworks to measure, manage and optimise sustainability and climate-related performance. These frameworks include GRESB (previously Global Real Estate Benchmark), the Global Reporting Initiative ("GRI"), the Sustainability Accounting Standards Board ("SASB"), the UN Sustainable Development Goals ("UN SDGs"), the Global Impact Investing Network ("GIIN") and Principles for Responsible Investment ("PRI").

The final SET assessment, and the asset's corresponding "Sustainability Web", are produced as part of investment due diligence. An example of this web is shown below, with the "Climate Change Resilience" parameter being highlighted.



The output and identified action areas of each assessment parameter of the SET – including Climate Change Resilience – are provided to JLEN in order to inform investment decision making. The results also enable implementation of an asset-specific plan to manage any material risks as required. Further detail of the Climate Change Resilience analysis is set out on page 87.

Sector and portfolio-level risks are considered by the Investment Manager and mitigation options are discussed as part of JLEN'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 on pages 81 to 84.

SUSTAINABILITY AND ESG

RISK MANAGEMENT continued

Governance from page 71 | Strategy from page 77 | Risk management from page 88 | Metrics and targets from page 93

Climate-related risks and opportunities

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; and • 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

Information on the material transition and physical risks identified by the Company are set out in the risk and risk management section on pages 81 to 84.

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.

Climate-related risk assessment

Before any investment goes ahead, an assessment of both physical and transition climate-related risk is made in the Climate Change Resilience assessment parameter of the SET. This parameter is made up of multiple KPIs, each of which is weighted based on internal priority and materiality assessments and scored in line with response bands corresponding to the five-point scale below:

- 5 = High performance
- 4 = Above average
- 3 = Average performance
- 2 = Below average
- 1 = Low performance

The KPIs associated with the Climate Change Resilience assessment parameter include:

- EU Taxonomy alignment assessment (the Taxonomy itself includes a review of physical climate resilience);
- risk heatmap for a number of physical risks using Carbon Brief scenarios to inform future weather patterns;
- liability to pay carbon tax throughout asset life;
- whether a documented stranded asset risk assessment has been made; and
- consideration of climate-related market risks.

An average is then calculated to produce an overall score for the Climate Change Resilience assessment parameter, which is reviewed and updated annually by the Portfolio Management team. This quantitative KPI-based approach to assessing a project's exposure to climate risk helps to standardise the quality of climate-related assessment applied across the portfolio and also helps to guide and focus Investment and Portfolio Management team resource on the areas that require the most attention.

If the information required to complete the assessment is not readily available through project documentation, technical advisers may be tasked with conducting further investigation to address any sustainability or climate change-related specific queries. Examples may include an enhanced focus on flood risk under different climate scenarios, or the transitional risk presented by changing market dynamics.

The above-mentioned physical risks are assessed as part of the Climate Change Resilience assessment parameter. A Climate Risk Heatmap is then produced which is used to identify the most material physical risks an asset faces from climate-related extreme weather events, allowing for further investigation to be conducted or mitigation measures to be put in place.

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 JLEN risk management framework. The Risk Committee will advise the JLEN Board on the results of their findings. Further information on how this is managed can be found on page 53.

Other risk management processes

Management of environmental and health and safety risks and incidents

JLEN 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. JLEN aims to manage risks and incidents in a fair and transparent manner with appropriate action to reduce risk wherever possible.

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

SUSTAINABILITY AND ESG

RISK MANAGEMENT continued

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Foresight 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. Foresight staff also perform 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 Foresight'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.

Supplier Code of Conduct

In 2022/23 a Supplier Code of Conduct commenced implementation. Suppliers and potential suppliers received the Code of Conduct positively and it has opened up further avenues for engagement between JLEN and its suppliers. If a potential supplier identifies a requirement that they cannot comply with this is highlighted and discussed with the Investment Manager's sustainability team and any deviances, if deemed within acceptable risk tolerances, are highlighted in the supplier contract.

Human Rights processes

JLEN 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 with full consideration to the EU Taxonomy's Minimum Social Safeguards requirements, Foresight Group 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 as part of the Foresight Sustainability Evaluation Tool ("SET").
- Foresight Group has developed and issued a Supplier Code of Conduct which references the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.
- Foresight Group also undertakes direct engagement with suppliers where there are specific areas of concern.

External activities:

- In 2022, Foresight Group 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 the 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

RISK MANAGEMENT continued

Governance from page 71
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Improving cyber resilience across the portfolio

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

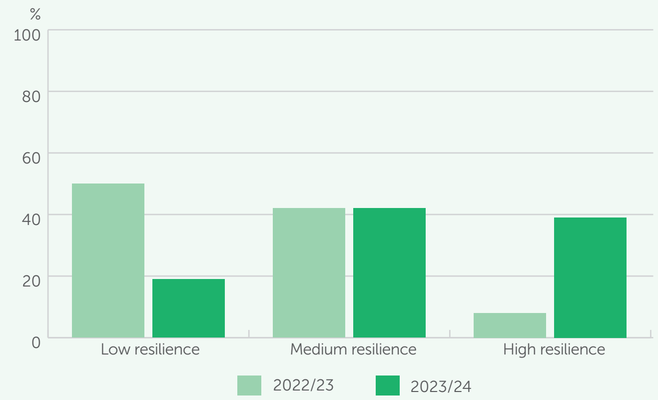
Cyber resilience assessment
In FY22/23, the Investment Manager engaged Kryptokloud to assess and rate the cyber resilience of each JLEN asset. The assessment was reported in the 2023 Annual Report. The results of the assessment identified that half of JLEN's assets demonstrated low resilience to cyber attacks. This led to a further phase of work to address these vulnerabilities.

Improving cyber resilience
As a result of this work, the Investment Manager commissioned a cyber security specialist with significant experience in the renewable energy sector to improve the cyber resilience of the JLEN portfolio. They undertook work to restructure assets' operational technology networks to ensure they are positioned behind a fourth generation firewall. This provides the following:

- robust security against cyber attacks;
- ensures a redundant 4G network connection in case of ADSL disconnection;
- accommodates secure connections for third parties; and
- eliminates the need for redundant network connections.

To date, the cyber security specialist has implemented its processes against JLEN's entire wind portfolio and are rolling out the next phases to the solar assets, with additional work being undertaken on waste and bioenergy assets as well. Further trials are planned for the AD, Glasshouse and BESS assets.

SPV cyber resilience



Driving consistency and monitoring
Previously, cyber attacks were reported to the Investment Manager by the principal contractors. The cyber resilience work undertaken means that the Investment Manager, and JLEN, now have access to a dashboard with live updates.

A cyber security policy is due to be rolled out across the JLEN portfolio in FY25, which will drive greater consistency and resilience among the O&M and MSA contractors that operate JLEN's assets.

SUSTAINABILITY AND ESG

METRICS AND TARGETS

Governance from page 71 — Strategy from page 77 — Risk management from page 88 — Metrics and targets from page 93

In FY21/22, JLEN, in collaboration with Foresight, formalised its approach to ESG data collection, developing a set of baseline metrics against which targets have been developed.

JLEN's ESG and climate-related KPIs

In FY23/24, the Investment Manager undertook a full review of JLEN's ESG metrics (previously referred to as KPIs). The review sought to identify those metrics against which JLEN could set meaningful targets, as well as those metrics that were no longer as valuable in improving the Company's understanding of its portfolio.

The result is a streamlined set of ESG metrics. Targets have been set against some of the core indicators (the "KPIs"). JLEN will continue to report against the wider set of indicators, and further work to set targets against key indicators will be undertaken in FY24/25.

The key ESG targets currently applied to the portfolio are set out in the table opposite. Performance against all targets is reviewed at least annually by the ESG Committee and by the JLEN Board. The associated KPIs, as well as additional metrics collected in relation to the portfolio, are set out in the subsequent table on page 94. Key performance indicators are highlighted in bold text. The Investment Manager continues to consider additional targets across the ESG metrics.

In FY23/24, JLEN set two new targets. The first was a target to achieve net zero GHG emissions across Scope 1, 2 and 3 by 2050. The second was a target to develop and roll out a cyber security policy across the portfolio.

Aspect	KPI	Target
Environmental	*New* Total emissions (tCO_2e)	Net zero Scope 1, 2 and 3 emissions by 2050
	Purchased energy originating from renewable sources	95% of assets to purchase energy from renewable tariffs
	Management of biodiversity	100% of fully owned, UK-based, operating assets to have biodiversity management plans in place[1]
Governance	*New* Cyber security	Produce and roll out cyber security policy in FY24/25

(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

METRICS AND TARGETS continued

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Aspect	Metric	Measurement	2023/24	2022/23	2021/22 (Baseline)
Environmental	Scope 1 emissions[1]	Tonnes carbon dioxide equivalent (tCO_2e)	77,017[2]	82,314	68,368
	Scope 2 emissions	Tonnes carbon dioxide equivalent (tCO_2e)	2,620	9,338	6,798
	Scope 3 emissions	Tonnes carbon dioxide equivalent (tCO_2e)	63,100	117,843	not reported
	Total emissions[3]	**Tonnes carbon dioxide equivalent (tCO_2e)**	**142,738**	**209,495**	**75,166**
	Renewable energy generated	MWh renewable electricity[4]	810,123	730,871	742,331
		MWh renewable heat[4]	547,682	594,261	571,461
	GHG emissions avoided	tCO_2e avoided – new methodology[5]	212,917	212,263	not reported
	Waste treatment	(t) waste recycled	133,718	129,114	135,203
		(t) waste diverted from landfill	680,825	684,181	695,498
	Water treatment	(l) wastewater treated	40,213,501,000[6]	35,586,057,000	35,620,619,000
	Environmental incidents	Reportable environmental incidents	2[7]	3	5
	Purchased energy originating from renewable sources	% of total purchased energy[8] in the portfolio originating from renewable sources	39	21	47
		% of assets sourcing purchased energy from renewable energy tariffs	**77**	**45**	**not reported**
	Management of biodiversity	**% of assets with biodiversity plans**	**69**	**42**	**30**

(1) GHG emissions have been calculated in line with the GHG Protocol.

(2) Biomass Waste Emission Factors has changed from 588 to 1,093 $kgCO_2e$/tonne. The emissions factor has been updated to align with The Institute for Environmental Protection and Research ("ISPRA") factors.

(3) Ownership has now been incorporated into the emissions calculations.

(4) 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.

(5) The "new methodology" uses country-specific grid emissions factors for the geography in which the asset is based. It follows the International Financial Institutions ("IFI") Approach to GHG Accounting for Renewable Energy Projects and uses the Harmonised IFI Default Grid Factors for calculation. The "old methodology" used coal as the sole comparator and was used until FY21/22. These figures are no longer reported. Performance data calculated using the old methodology can be found in the 2023 Annual Report.

(6) The increased water treated in FY23/24 was due to significantly increased rainfall in that year compared with the two previous years.

(7) More information on environmental incidents is set out on page 96.

(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.

SUSTAINABILITY AND ESG

METRICS AND TARGETS continued

Governance from page 71 — Strategy from page 77 — Risk management from page 88 — Metrics and targets from page 93

Aspect	Metric	Measurement	2023/24	2022/23	2021/22 (Baseline)
Social	Community funding	£ provided to community projects	655,076	432,756	418,000
	Health and safety incidents	RIDDOR reportable accidents	4(9)	3	3
		Other material accidents	0	1	0
	Community engagement procedures	% of assets with formal stakeholder/community engagement policies and processes	64(10)	80	14
		% of assets with a clear, easily accessible complaints handling mechanism in place	76(11)	81	49
	Jobs supported	number of "full-time equivalent" ("FTE") jobs supported(12)	467	347	376(13)
	Accessibility of community fund documents	% of community funds that are easily accessible and signposted for local communities	84	83	83
Governance	Portfolio audits of health and safety practices	% of assets audited	89	84	81
	Portfolio audits of tax and financial practices	% of assets audited	87(14)	89	98
	Governance oversight	% of assets which comply with a governance policy and associated documents, that are reviewed on a periodic basis	80	73(15)	81
	Cyber security	**% of assets with cyber security policy in place**	**n/a – new KPI**	**n/a – new KPI**	**n/a – new KPI**

(9) More information on health and safety incidents is set out on page 96.

(10) Decrease in performance is attributed to some assets requiring formal review of policies, new ownership in other assets resulting in template policies no longer in use, and new construction-phase assets in the portfolio that do not have policies in place yet.

(11) Decrease in performance is attributed to new construction assets in the portfolio.

(12) FTE jobs are calculated using total hours worked over the course of the year.

(13) In some instances in 2021/22, 12 months of data was not available and in that case, an average number of hours worked was calculated from the data available.

(14) Number decreased as four of the audits fell into the first week of April.

(15) This figure reduced in 2022/23 as JLEN altered the way it measures this KPI following the introduction and roll out of a new suite of policies.

SUSTAINABILITY AND ESG

METRICS AND TARGETS continued

Governance from page 71 — Strategy from page 77 — Risk management from page 88 — **Metrics and targets** from page 93

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.
- Scope 1 emissions do not yet include fugitive emissions from AD sites (i.e. leaks, flaring, venting). The emissions have begun to be calculated and work is in progress to integrate the results into the full GHG calculations database going forward.
- PCAF emission factors have been used to calculate Scope 3 emissions. This is calculated from asset revenue data.

Reportable environmental and health and safety incidents

The number of reportable environmental and health and safety incidents recorded for the JLEN portfolio in FY23/24 is set out in the table on the previous page.

The following RIDDOR reportable incidents were recorded for JLEN's portfolio during FY23/24:

- Three incidents at a waste treatment plant
  - One operative suffered broken bones as a result of being struck in the face by material being ejected from a compactor. The incident occurred because standard procedures had not been followed. The operator continues to investigate the incident and will identify opportunities to improve processes.
  - An existing back injury was exacerbated when an operative manually lifted materials rather than using the lifting devices available.
  - An operative dislocated their knee while clearing a faulty piece of equipment.
- At another site in the waste and bioenergy portfolio, an engineer trapped their finger between a load and a trolley, resulting in the loss of the very tip of their finger.

In each case, a root cause analysis was undertaken and procedures reiterated to staff where needed. The Investment Manager also worked with operators to ensure that reporting of RIDDOR incidents happens in a timely manner, rather than during routine reporting.

The following reportable environmental incidents were recorded for JLEN's portfolio during FY23/24:

- A section of wastewater pipeline was lost at a site on the east coast of Scotland following severe storms. Wastewater flows were restricted to minimise outflows of wastewater to the sea and emergency repairs were scheduled. The Scottish Environmental Protection Agency ("SEPA") were informed of the incident.
- At JLEN's Italian EfW site, a half-hourly limit for Nitrous Oxides (NOx) emissions was breached. While the daily limit was not breached, a half-hourly breach is reportable to the Italian Environment Authority.

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 KPI's 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 KPIs, such as those associated with JLEN's sustainability-linked loan facility, are further subject to third-party assurance.

KPI performance is also presented and discussed with the JLEN 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 enhancing validation processes in the coming years, including assessment of external validation providers. It is also possible that methodologies for collecting or considering data develops and therefore data will not always be comparable year-on-year.

Task Force on Climate-related Financial Disclosures

Although JLEN, 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 JLEN'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, JLEN 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 as JLEN and its Investment Manager work to align with forthcoming reporting requirements.

SUSTAINABILITY AND ESG

METRICS AND TARGETS continued

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Limitations of the disclosure

Both the Investment Manager and the Board of JLEN 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 JLEN 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 table below. JLEN continues to work on developing its approach to climate-related issues and this will be reflected in future disclosures.

TCFD disclosures table

The table below sets out the TCFD recommendations, a summary of activities in FY23/24 and a reference to where the information can be found in this report.

Recommended disclosure	Page reference	Activities in FY23/24
Governance a. Describe the Board's oversight of climate-related risks and opportunities	72-73, 75	The JLEN Board worked to more closely integrate management of climate-related risks and opportunities into its governance processes, including commissioning the development of a Transition Plan. A workshop was held with Directors to inform them of the structure and objectives of a Transition Plan, and directors helped to shape the key commitments within the document, including the Strategic Ambition.
b. Describe management's role in assessing and managing climate-related risks and opportunities	72-73, 75	
Strategy a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	79-86	During the year the Investment Manager identified the level of financial impact that each climate-related risk might have on the portfolio. Work was undertaken by the Investment Manager to disaggregate the climate-scenario analysis to develop an understanding of the risks at sector level. The JLEN Board commissioned the development of a Transition Plan in line with the Transition Plan Taskforce Disclosures Framework. JLEN's first Transition Plan is due to be published at the end of FY24/25.
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	79-86	
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	87	
Risk management a. Describe the organisation's processes for identifying and assessing climate-related risks	89-90	Climate risk is embedded in JLEN's risk management framework and climate-risk analysis is included within due diligence processes as part of Foresight's Sustainability Evaluation Tool ("SET").
b. Describe the organisation's processes for managing climate-related risks	90	
c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	79, 89-90	

SUSTAINABILITY AND ESG

METRICS AND TARGETS continued

Governance from page 71 — Strategy from page 77 — Risk management from page 88 — Metrics and targets from page 93

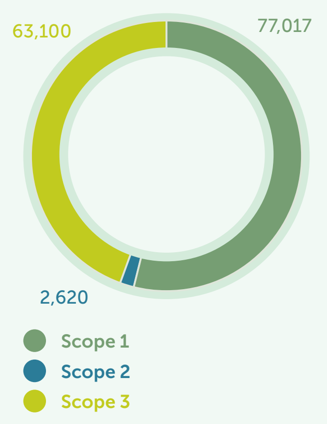
Recommended disclosure	Page reference	Activities in FY23/24
Metrics and targets a. Disclose the metrics used by the organisation to assess climate-related risk and opportunities in line with its strategy and risk management process	90, 94	This year, JLEN set a target to achieve net zero emissions by 2050. This target is informing, and being informed by, the Transition Plan that is currently under development.
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions and the related risks	94	
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	93	

TCFD Core Metrics

Metric	Description	Expressed as	2023/24	2022/23	2021/22 (baseline)
Weighted average carbon intensity(1)	Portfolio's exposure to carbon-intensive assets	tCO_2e/£m revenue	231.6	339.9	Not calculated(3)
Total carbon emissions(2)	The absolute greenhouse gas emissions associated with the portfolio	tCO_2e	79,637	91,653	75,166
Carbon footprint	Total carbon emissions for a portfolio normalised by the market value of the portfolio	tCO_2e/£m invested	106.0	112.5	99
Carbon intensity(1)	Volume of carbon emissions per million pounds of revenue	tCO_2e/£m revenue	280.7	349.9	Not calculated(3)
Exposure to carbon-related assets	The amount or percentage of carbon-related assets in the portfolio	%	14.6%	17%	16%

(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.
(3) The baseline for these metrics is 2022/23.

Carbon emissions tCO_2e (FY23/24)



SUSTAINABILITY AND ESG

METRICS AND TARGETS continued

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Portfolio electricity and carbon avoidance

A summary of the greenhouse gas benefits delivered by the portfolio is provided in the table below. As JLEN invests into broader environmental infrastructure technologies, the Company anticipates that the GHG emissions avoided will reduce as some assets will be net emitters.

Asset portfolio by sector	2023/24 GHG emissions avoided (tCO_2e)	2022/23 GHG emissions avoided (tCO_2e)	2021/22 GHG emissions avoided (tCO_2e)
Wind	120,321	118,385	Calculation methodology superseded. Data not comparable.
Solar (including rooftop)	19,983	20,725	
AD	74,481	74,918	
Hydro	987	752	
Biomass	-2,167	-1,859	
Energy-from-waste	-688	-659	
Total	**212,917**	**212,263**	**N/A**

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.

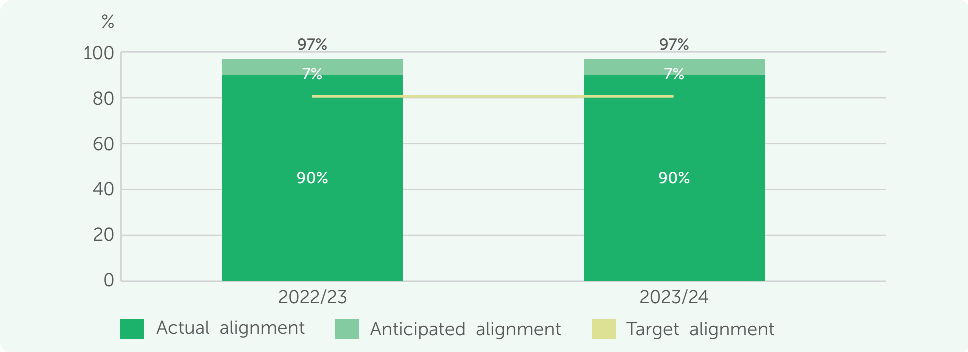
JLEN discloses under Article 9 of the SFDR, defined as "a fund that has sustainable investment as its objective". Pursuant to Article 11 of the SFDR, certain disclosures relating to the overall sustainability-related impact of the Company are set out in the disclosures linked below, and summarised here:

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, JLEN 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)



- JLEN 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 stipulate that both greenhouses and other indoor food production systems are to be prioritised for development in the next iteration. Based off the TSC for other food production systems, JLEN 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

METRICS AND TARGETS continued

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Performance of sustainability indicators

JLEN discloses under Article 9 of the SFDR. The impact element of JLEN'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 JLEN's portfolio against the SDGs and the table below records performance against the selected SDGs over the past three years.

Contribution to the Sustainable Development Goals

SDG	Target	Metric	2023/24	2022/23	2021/22
3 Good health and well-being	**3.9** Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	tNO_x avoided (Nitrous Oxide)	733	932	Not reported
		tSO_x avoided (Sulphur Dioxide)	537	684	
		tPM_{10} avoided (µm10 Particulate Matter)	13	16	
		$tPM_{2.5}$ avoided (µm2.5 Particulate Matter)	6	7	
6 Clean water and sanitation	**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	40.2	35.6	35.6
7 Affordable and clean energy	**7.2** Increase substantially the share of renewable energy in the global energy mix.	GWh renewable electricity produced	767	731	742
		GWh renewable heat produced	591	594	571
		Number of homes powered by renewable energy per year (excludes AD portfolio)	284,167	252,025	255,000
8 Decent work and economic growth	**8.4** Improve progressively global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.	JLEN's portfolio is optimised to make the most of naturally available resources such as wind power. By maximising the power produced by each turbine, JLEN ensures that its assets are operating as efficiently as they can			
	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 JLEN's portfolio	467	347	376

SUSTAINABILITY AND ESG

METRICS AND TARGETS continued

Governance from page 71 — Strategy from page 77 — Risk management from page 88 — **Metrics and targets** from page 93

SDG	Target	Metric	2023/24	2022/23	2021/22
	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	422.4	359.5	359.5
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Tonnes waste diverted from landfill	680,825	684,181	695,498
		Tonnes waste recycled	133,718	129,114	135,203
	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)	212,917	212,263	Methodology superseded
	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)	116,771	113,941	Not reported
		Active biodiversity management plans in place (%)	69	42	30

Principle Adverse Impact reporting
JLEN's Principle 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
JLEN's Annex III Pre-Contractual Disclosure is available on the Company website[(1)], as is the RTS Website Disclosure[(1)].

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

(1) https://jlen.com/sustainability/publications/

METRICS AND TARGETS continued

Governance from page 71
Strategy from page 77
Risk management from page 88
Metrics and targets from page 93

Supporting data-driven projects

Addressing agricultural pollution in the River Wylye catchment
This year, JLEN's Community Fund contributed £7,000 to a grassroots project aimed at tackling pollution in the River Wylye Catchment. A group of 31 farmers from the Wylye Valley in Wiltshire has established a laboratory inside a stable to tackle pollution in the River Wylye, which is a Site of Special Scientific Interest. The Wylye Valley Farmers raised a total of £18,000 to purchase a photometer to test for phosphates and nitrates, which will help them take regular water samples with the aim of identifying significant sources of pollution in the River Wylye.

Farmers are under increasing pressure to reduce sources of pollution to waterways but evidence of exactly where the pollution originates from is rarely available. Trained by the Game and Wildlife Conservation Trust in how to use the equipment, the farmers are aiming to identify sources of pollution, even if it implicates a fellow farmer. The group is promoting collaboration over prosecution and hopes to provide high-quality field data to the Environment Agency to use as an evidence base. The initiative involves weekly water sampling at 17 sites along the river, upstream and downstream of Wessex Water storm overflows, villages with private septic tanks and riverside livestock and arable farms.

The goal is to use the data to tackle pollution sources and improve water quality and ecological health in the River Wylye.

Inspired by similar work undertaken in Norfolk, this initiative could provide a further template for other farming clusters to implement their own water testing programmes, contributing vital data on pollution sources and helping to improve water quality and ecological health in river catchments across the country.

FINANCIAL REVIEW

Analysis of financial results

The financial statements of the Company for the year ended 31 March 2024 are set out on pages 145 to 174.

The Company prepared the financial statements for the year ended 31 March 2024 in accordance with UK–adopted international accounting standards as applicable to companies reporting under those standards. In order to continue providing useful and relevant information to its investors, the financial statements also refer to the "Group", which comprises the Company, its wholly owned subsidiary (JLEN 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 JLEN 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 42 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 2024	Year ended 31 Mar 2023
Net assets[1]	751.2	814.6
Portfolio value[2]	891.9	898.5
Operating income and (losses)/gains on fair value of investments	(3.8)	108.4
Net Asset Value per share[3]	113.6p	123.1p
Distributions, repayments and fees from portfolio	87.0	83.6
(Loss)/profit before tax	(13.9)	98.3
Gross asset value[3]	1,091.8	1,119.8
Market capitalisation[3]	619.9	791.2
Share price[3]	93.7p	119.6p
Total shareholder return[3]	68.4%	99.0%
Annualised total shareholder return[3]	5.4%	7.9%

(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 175 and 176.

FINANCIAL REVIEW continued

Net assets

Net assets decreased from £814.6 million at 31 March 2023 to £751.2 million at 31 March 2024. This decrease was principally due to the reduction in power price forecasts and the increase in discount rates during the financial year.

The net assets of £751.2 million comprise £891.9 million portfolio value of environmental infrastructure investments and the Company's cash balances of £0.3 million, partially offset by £138.4 million of intermediate holding companies' net liabilities and other net liabilities of £2.6 million.

The intermediate holding companies' net liabilities of £138.4 million comprises a £159.3 million credit facility loan, partially offset by cash balances of £17.8 million and other net assets of £3.1 million.

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

All amounts presented in £million (except as noted)	At 31 Mar 2024	At 31 Mar 2023
Portfolio value	891.9	898.5
Intermediate holding companies' cash	17.8	17.9
Intermediate holding companies' revolving credit facility	(159.3)	(103.5)
Intermediate holding companies' other assets	3.1	3.9
Fair value of the Company's investment in UK HoldCo	**753.5**	816.8
Company's cash	0.3	0.1
Company's other liabilities	(2.6)	(2.3)
Net Asset Value at 31 March	**751.2**	814.6
Number of shares	661,531,229	661,531,229
Net Asset Value per share[(1)]	**113.6p**	123.1p

(1) Net Asset Value per share is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 175 and 176.

At 31 March 2024, the Group (the Company plus intermediate holding companies) had a total cash balance of £18.1 million (31 March 2023: £18.0 million), including £0.3 million in the Company's balance sheet (31 March 2023: £0.1 million) and £17.8 million in the intermediate holding companies (31 March 2023: £17.9 million), which is included in the Company's balance sheet within "investments at fair value through profit or loss".

At 31 March 2024, UK HoldCo had drawn £159.3 million of its RCF (31 March 2023: £103.5 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 2023 to 31 March 2024 is summarised as follows:

All amounts presented in £million (except as noted)	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Portfolio value at start of the year	898.5	795.4
Acquisitions and further investment	69.2	72.0
Distributions received from investments	(87.0)	(83.6)
Growth in value of portfolio	11.2	114.7
Portfolio value at 31 March	**891.9**	898.5

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 32 to 43.

Income

The Company's loss before tax for the year ended 31 March 2024 is £13.9 million, a loss of 2.1 pence per share (year ended 31 March 2023: earnings 14.9 pence per share), driven by the loss on fair value of investments as a result of power price forecast contraction and increase in discount rate during the financial year.

All amounts presented in £million (except as noted)	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Interest received on UK HoldCo loan notes	31.4	31.4
Dividend received from UK HoldCo	28.0	23.1
Net (losses)/gains on investments at fair value	(63.2)	53.9
Operating income and (losses)/gains on fair value of investments	**(3.8)**	108.4
Operating expenses	(10.1)	(10.1)
(Loss)/profit before tax	**(13.9)**	98.3
(Losses)/earnings per share	(2.1)p	14.9p

In the year to 31 March 2024, the operating loss on fair value of investments was £3.8 million, including the receipt of £31.4 million of interest on the UK HoldCo loan notes, £28.0 million of dividends also received from UK HoldCo and net losses on investments at fair value of £63.2 million.

The operating expenses included in the income statement for the year were £10.1 million, in line with expectations. These comprise £8.5 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.

FINANCIAL REVIEW continued

Ongoing charges

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

The ongoing charges percentage for the year to 31 March 2024 was 1.24% (year ended 31 March 2023: 1.18%). 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 2023: 1.08%). Foresight believes this to be competitive for the market in which JLEN 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 2024 of £0.3 million (31 March 2023: £0.1 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 2024	Year ended 31 Mar 2023
Cash balance at 1 April	**0.1**	2.0
Net proceeds from share issue/(expenses from previous issues)	**—**	(0.2)
Interest on loan notes received from UK HoldCo	**31.4**	31.4
Dividends received from UK HoldCo	**28.0**	23.1
Directors' fees and expenses	**(0.3)**	(0.3)
Investment Manager fees	**(8.4)**	(8.1)
Administrative expenses	**(1.1)**	(1.2)
Dividends paid in cash to shareholders	**(49.4)**	(46.6)
Company cash balance at 31 March	**0.3**	0.1

(1) The ongoing charges ratio is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 175 and 176.

FINANCIAL REVIEW continued

The Group had a total cash balance at 31 March 2024 of £18.1 million (31 March 2023: £18.0 million) and borrowings under the revolving credit facility of £159.3 million (31 March 2023: £103.5 million).

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 2024	Year ended 31 Mar 2023
Cash distributions from environmental infrastructure investments	**87.0**	83.6
Administrative expenses	**(1.3)**	(1.3)
Directors' fees and expenses	**(0.3)**	(0.3)
Investment Manager fees	**(8.4)**	(8.1)
Financing costs (net of interest income)	**(7.3)**	(3.4)
Energy Generator Levy	**(5.5)**	–
Cash flow from operations[1]	**64.2**	70.5
Expenses from share issues	**–**	(0.2)
Debt arrangement fee cost	**(1.0)**	(0.1)
Acquisition of investment assets and further investment	**(69.2)**	(72.5)
Disposal of assets	**–**	1.6
Acquisition costs (including stamp duty)	**(0.4)**	(1.9)
Short-term project debtors	**(0.9)**	–
Drawdown under the revolving credit facility	**56.8**	48.9
Dividends paid in cash to shareholders	**(49.4)**	(46.6)
Cash movement in the year	**0.1**	(0.3)
Opening cash balance	**18.0**	18.0
Exchange gains on cash	**–**	0.3
Group cash balance at 31 March	**18.1**	18.0

During the year, the Group received cash distributions of £87.0 million from its environmental infrastructure investments, an increase of 4.1% compared to 2023.

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 2024. Cash flow from operations of the Group of £64.2 million covers dividends paid in the year to 31 March 2024 of £49.4 million by 1.30x.

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 1.79 pence per share in June 2023 (£11.8 million) in respect of the quarter to 31 March 2023.

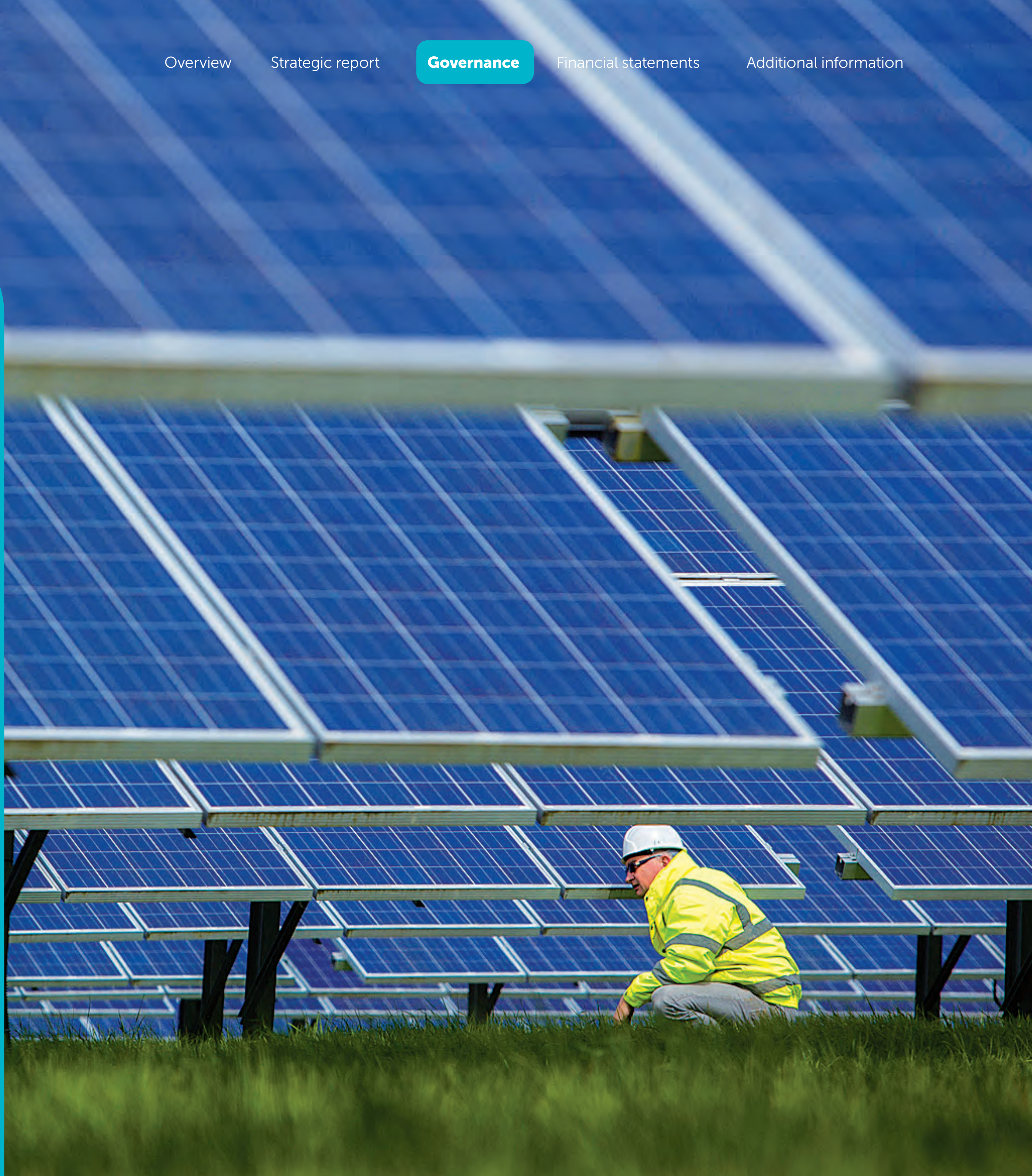
Interim dividends of 1.89 pence per share were paid in September 2023 (£12.5 million) in respect of the quarter to 30 June 2023, of 1.89 pence per share in December 2023 (£12.5 million) in respect of the quarter to 30 September 2023, and of 1.90 pence per share in March 2024 (£12.6 million) in respect of the quarter to 31 December 2023. On 29 May 2024, the Company declared a final dividend of 1.89 pence per share in respect of the quarter ended 31 March 2024 (£12.5 million), which is payable on 28 June 2024.

The target dividend for the year to 31 March 2025 is 7.80 pence per share, a 3.0% increase from the dividend declared in respect of the year to 31 March 2024[2].

(1) Cash flow from operations is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 175 and 176.

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

GOVERNANCE



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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 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

Members of JLEN's Board of Directors, all of whom are non-executive and independent of the Investment Manager, are listed below.

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

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

Jo Harrison
Director

Appointed: 10 June 2021

Jo has over 24 years' experience working in the water industry and is the Director of Environment, Planning and Innovation 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 management, 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 has worked for United Utilities since 1998 and 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.

Key: AC Audit Committee NC Nomination Committee RC Risk Committee EC ESG Committee ● Chair

BOARD OF DIRECTORS continued

Hans Joern Rieks
Director

Appointed: 13 June 2019

Hans has over 27 years' experience within the global wind industry and has previously worked for Siemens Gamesa and Vestas Central Europe. He is highly regarded in the energy sector and has successfully led growth agendas and international strategies. An engineer by background, Hans has a strong technical grounding and excellent operational experience of how to manage the constantly evolving renewables landscape.

Past experience
Hans formerly led the Siemens wind business in EMEA, crafting and implementing a growth strategy, as well as being directly involved in the merger with Gamesa. Prior to this, he was President and CEO of Vestas Central Europe and member of the Group Management of Vestas Wind Systems A/S.

Nadia Sood
Director

Appointed: 10 February 2023

Nadia has extensive experience of executing and managing complex infrastructure investments and has run large renewable energy infrastructure investment portfolios worth billions of dollars. She has held a senior role within a joint venture with Tata Power, has been a director at Nestlé and is a member of the Governing Council of the IFC/World Bank SME Finance Forum. She is currently the CEO of CreditEnable, a global credit insights and technology solutions company.

Past experience
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.

Board experience matrix:

Governance	Experienced	Experienced	Experienced	Some experience	Some experience	Some experience
Financial & accounting	Experienced	Experienced	Experienced	Some experience	Some experience	Some experience
Risk	Experienced	Experienced	Experienced	Experienced	Experienced	Experienced
Fund structure/management	Experienced	Experienced	Experienced	Experienced	Some experience	Some experience
Tax & legal	Experienced	Some experience	Some experience	Some experience	Limited experience	Limited experience
ESG	Experienced	Experienced	Experienced	Experienced	Some experience	Some experience
Thematic experience relevant to JLEN	Experienced	Experienced	Experienced	Some experience	Some experience	Some experience

Experienced
Some experience
Limited experience

Key: AC Audit Committee NC Nomination Committee RC Risk Committee EC 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
Hans Joern Rieks
Nadia Sood

Investment Manager
Foresight Group led by Chris Tanner and Edward Mountney as Investment Managers

Audit Committee
Stephanie Coxon (Chair)
Alan Bates
Jo Harrison
Hans Joern Rieks
Nadia Sood

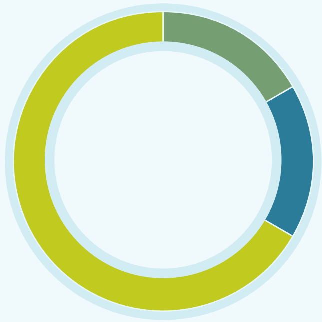
Risk Committee
Alan Bates (Chair)
Ed Warner
Stephanie Coxon
Jo Harrison
Hans Joern Rieks
Nadia Sood

ESG Committee
Jo Harrison (Chair)
Ed Warner
Stephanie Coxon
Alan Bates
Hans Joern Rieks
Nadia Sood

Nomination Committee
Ed Warner (Chair)
Alan Bates
Stephanie Coxon
Jo Harrison
Hans Joern Rieks
Nadia Sood

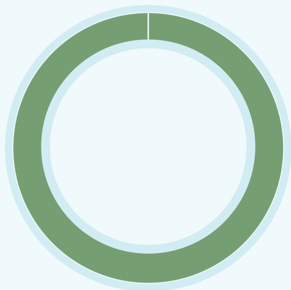
Board structure as at 31 March 2024

Board composition



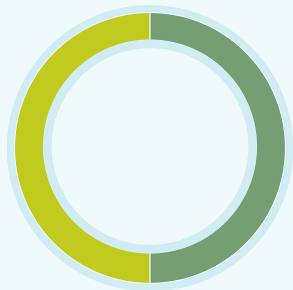
Chair	1
Senior Independent Director	1
Directors	4

Board tenure



0-5 years	6
6-8 years	0

Gender diversity



Male	3
Female	3

GOVERNANCE AT A GLANCE continued

Board activities in 2023/24

Strategy

Investment in new and existing areas and technologies, including equity investments into controlled environment aquaculture and agriculture projects.

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

Governance

Continued to implement the Board's succession plan with the retirement of Richard Ramsay in April 2023 and the appointment of Nadia Sood two months prior.

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 interim review for the period ended 30 September 2023 ahead of their first audit of the Company for the financial year ended 31 March 2024.

During the year, the Board has continued to engage with JLEN's stakeholders. This engagement has taken the form of meetings with major shareholders, dialogue with senior executives at Foresight Group, as well as site visits to the newly constructed glasshouse and adjacent anaerobic digestion plant.

In order to ensure continuous improvement in JLEN's ESG and climate-related processes, the Board received training on the Transition Plan Task Force Disclosure Framework. Board members were invited to engage with the ongoing development of JLEN'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 fortnightly 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 2023 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 revised 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;
- the onboarding and integration of the Company's second external auditor since IPO;
- 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, including the formation of the ESG Committee;
- 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 six 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 130 and 131, an internal review of remuneration levels was undertaken during March 2024, and recommendations for fee levels to apply from the financial year commencing April 2024 will be proposed to shareholders as part of the remuneration policy at the 2024 AGM.

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

Prior to January 2022 the Board was responsible for making discretionary management decisions in respect of the investment portfolio (with reference as necessary to advice provided by Foresight Group, which at that time acted as the Company's Investment Adviser). In connection with Foresight's appointment as discretionary Investment Manager, the Board and Foresight agreed specific delegation parameters against which investment proposals are to be assessed. In cases where the parameters are exceeded, the transaction qualifies as a "Board Approval Transaction", therefore falling outside the scope of Foresight's delegated authority.

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

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

- the terms of engagement remain fair and reasonable in the context of the Company and the market;
- their objectives remain aligned with those of the Company;
- they have not been subject to any adverse event which may present additional risk to the Company;
- they remain appropriately incentivised to perform their duties to a high standard; and
- their continued engagement remains in the best interests of the Company as a whole.

The Board notes the supporting guidance provided under provision 17 of the 2019 edition of the AIC Code on means by which investment companies may assess the relationship with the manager. During the 2023/24 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.

BOARD LEADERSHIP AND COMPANY PURPOSE continued

Audit Committee

The Company has established an Audit Committee, chaired by Stephanie Coxon, which operates within clearly defined terms of reference and comprises five non-executive Directors: Stephanie Coxon, Alan Bates, Hans Joern Rieks, Jo Harrison and Nadia Sood whose qualifications and experience are noted on pages 109 and 110. All members of the Audit Committee are independent Directors and have no connections with the serving external auditor or the incoming 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 124 to 127.

Audit Committee performance evaluation

For the financial year ended 31 March 2024, 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 2023 financial year was the ninth annual audit completed by the Company's original external auditor, Deloitte LLP ("Deloitte"). 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 a comprehensive assessment process by the Audit Committee, KPMG Channel Islands Limited ("KPMG") was selected as the preferred firm. The recommendation was accepted and approved by the Board, and following publication of the 2023 Annual Report and financial statements, KPMG was appointed as external auditor and was recommended to shareholders for appointment at the 2023 AGM, which was approved. KPMG undertook its first interim review for the period ended 30 September 2023 ahead of their first audit of the Company for the financial year ended 31 March 2024.

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, Hans Joern Rieks, 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, Hans Joern Rieks 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, Hans Joern Rieks, 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 120 to 129. 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 2024 is set out below

	Board meeting	Audit Committee	Risk Committee	Nomination Committee	ESG Committee
Number of meetings held	4	4	4	3	4
Ed Warner	4	–	–	3	4
Alan Bates	4	4	4	3	–
Stephanie Coxon	4	4	4	3	4
Jo Harrison	4	–	3	1	4
Hans Joern Rieks	4	4	4	3	4
Nadia Sood	4	–	2	2	–
Richard Ramsay (resigned effective 1 April 2023)	–	–	–	–	–

Following the Committee meetings held on 5 and 6 March 2023, various changes to committee membership were approved by the Board, effective 12 March 2024. All Directors were appointed as members of the Risk Committee. All Directors were appointed as members of the ESG Committee. Ms Sood and Ms Harrison were appointed as members of the Audit Committee.

A total of eight 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

The Board encourages active engagement with shareholders and the investment community.

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.jlen.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 page 60 and 61.

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 60 to 64.

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 2024, 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 six independent non-executive Directors.

The Company Secretary

The Directors have access to the advice and services of Sanne Fund 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.jlen.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 134.

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 the year no shares were acquired by the Company.

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

Hans Joern Rieks
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 three 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;
- the development of and implementation of the Board's succession plan;
- overseeing the induction process for new Directors;
- the time requirements and independence of Directors; and
- consideration and agreement of the terms of reference of the Nomination Committee for approval by the Board.

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

NOMINATION COMMITTEE REPORT

COMPOSITION, SUCCESSION AND EVALUATION continued

Board composition timeline 2024

31 March 2024

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

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

Board independence and composition

The Board consists of six 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 109 and 110 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 109 and 110. 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 will not be seeking re-election and will therefore be retiring from the Board at the AGM to be held in September 2024. I would like to thank Hans for his dedicated service to the Company since his appointment in 2019.

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, in addition to achieving the recommendations of the Parker Review in advance of December 2024. The objectives of the Company's diversity policy is 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.

NOMINATION COMMITTEE REPORT

COMPOSITION, SUCCESSION AND EVALUATION continued

Statement on Board diversity

In compliance with Listing Rule 9.8.6R (9)(a), the Company has provided information, set out in the tables overleaf, 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 2024, as the reference date for the data.

The following tables set out the required information as at 31 March 2024 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 (SID and Chair)(1)
Men	3	50%	2
Women	3	50%	3
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)	5	83%	5
Mixed/Multiple ethnic groups	1	17%	–
Asian/Asian British	–	–	–
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 requires 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, Hans Joern Rieks, Jo Harrison and Alan Bates, details of which are set out on page 135.

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

COMPOSITION, SUCCESSION AND EVALUATION continued

Performance and evaluation

The JLEN 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 2024, 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 with the objective of meeting the targets set by the Parker Review before December 2024; and
- continuing to implement a remuneration policy which better reflects market practice and the time commitment and demands placed on the Directors (as further explained in the Directors' remuneration report).

AUDIT COMMITTEE REPORT

AUDIT, RISK AND INTERNAL CONTROL

I am pleased to present the Audit Committee report for the year ended 31 March 2024 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

Hans Joern Rieks
Director

Jo Harrison
Director

Nadia Sood
Director

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

Summary of the roles and responsibilities of the Audit Committee

The main roles and responsibilities of the Audit Committee are:

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

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.

AUDIT COMMITTEE REPORT

AUDIT, RISK AND INTERNAL CONTROL continued

Meetings

The Audit Committee meets at least four 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 performed based on a discounted cash flow methodology in line with IFRS 13 Fair Value Measurement.

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

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

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

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

The Audit Committee is also satisfied that the portfolio valuation and associated disclosures have been audited 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.

AUDIT COMMITTEE REPORT

AUDIT, RISK AND INTERNAL CONTROL continued

External audit

KPMG has been appointed as the Company's auditor in the year and accordingly this is the first set of 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;
- the external auditor's assessment of the Group's principal risks; 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 2024 of the auditor's performance and the Audit Committee was satisfied in this regard. This evaluation was completed by the Audit Committee and senior finance personnel of the Investment Manager, considering the audit quality, technical competence and level of professional scepticism applied during the audit. In accordance with the relevant Corporate Governance Code principles, the Committee will continue to review the effectiveness of the external auditor in line with best practice.

Non-audit services

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

The Company paid £54,532 during the year for non-audit services to KPMG, in relation to the half-year review.

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 128 and 129.

FRC review

Earlier this year the Company received a letter from the Financial Reporting Council ("FRC") to advise that it had carried out a full scope review of the Company's Annual Report and accounts for the year ended 31 March 2023. Based on the review, the FRC did not have any questions or queries about the report and there were no press notices. The Board continually looks to improve its accounts disclosure and will maintain focus on this, especially as the new Corporate Governance Code is implemented.

Activities of the Audit Committee

The Audit Committee met on four occasions during the year ended 31 March 2024. 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;

AUDIT COMMITTEE REPORT

AUDIT, RISK AND INTERNAL CONTROL continued

- 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 2024 Annual Report and financial statements and the 2023 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
20 June 2024

RISK COMMITTEE REPORT

AUDIT, RISK AND INTERNAL CONTROL

I am pleased to present the Risk Committee report for the year ended 31 March 2024.

Alan Bates
Chair of the Risk Committee

Committee members

Alan Bates
Chair of the Risk Committee

Stephanie Coxon
Senior Independent Director

Jo Harrison
Director

Hans Joern Rieks
Director

Nadia Sood
Director

Ed Warner
Director

The Board of Directors has established a Risk Committee from the non-executive Directors of the Company. The Risk Committee, chaired by Alan Bates, operates within clearly defined terms of reference and works closely with the Audit Committee in monitoring the internal controls and risk management of the Company.

The terms of reference are considered at least annually by the Risk Committee and are then referred to the Board for approval. A copy of the terms of reference is available on the Company's website or upon request from the Company Secretary.

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

- when requested to do so, advise the Board on the overall risk appetite, tolerance and strategy of the Company, taking account of the extent to which the risk profile of the Company corresponds to the size, structure and objectives of the Company, in addition to the current and prospective macroeconomic, financial and regulatory environment, including relevant stakeholder issues;
- oversee and advise the Board on the current risk exposures of the Company with particular focus on the Company's principal risks, being those which could influence shareholders' economic decisions, and the controls in place to mitigate those risks;
- keep under review the Company's overall risk identification and assessment processes and, in conjunction with the Audit Committee, review the adequacy and effectiveness of the internal control and risk management systems;
- in conjunction with the Audit Committee, ensure that a framework of strong corporate governance and best practice is in place, which enables the Company to comply with the main requirements of the Guernsey Code, UK Code or the AIC Code where considered appropriate;
- in conjunction with the ESG Committee, ensure the effective integration of climate risk into the Company's risk management framework;
- when requested to do so, advise the Board on proposed strategic transactions including acquisitions or disposals, ensuring that a due diligence appraisal of the proposition is undertaken, focusing in particular on risk aspects and implications for the risk appetite and tolerance of the Fund, and taking independent external advice where appropriate and available; and
- oversee the remit of the risk management function, its resources, access to information and independence.

The Risk Committee reports formally to the Board on its proceedings on all matters within its duties and responsibilities and how it has discharged its responsibilities. The Committee must meet at least four times a year 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.

RISK COMMITTEE REPORT

AUDIT, RISK AND INTERNAL CONTROL continued

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 2024. 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 six 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 2023 AGM. The proposed remuneration policy applicable for the financial year ended 31 March 2024 is set out on the following page.

During March 2024, the Board undertook an internal evaluation of its remuneration levels. The internal review of the remuneration policy undertaken during 2024 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 2024, the Board is recommending that shareholders approve the remuneration levels proposed in the comparative table set out on page 131.

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

REMUNERATION continued

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 2024, as well as that proposed for the year ending 31 March 2025.

Director	Role	Annual base proposed for 2024/25	Paid 2023/24
Ed Warner	Chair and Nomination Committee Chair	£81,500	£78,000
Stephanie Coxon	Audit Committee Chair and Senior Independent Director	£62,500	£59,500
Jo Harrison	ESG Committee Chair	£53,000	£50,500
Alan Bates	Risk Committee Chair	£53,000	£50,500
Hans Joern Rieks	Director	£50,500	£48,000
Nadia Sood	Director	£50,500	£48,000
Total		**£351,000**	**£334,500**

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 2024.

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 2024 was £8,495 (31 March 2023: £9,953).

Approval of report

The Board will seek approval at the AGM on 13 September 2024 for both the remuneration policy and the annual Directors' fees for routine business for the year ended 31 March 2024, 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 2024.

Principal activities

JLEN Environmental Assets Group 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 2024, the total number of ordinary shares of the Company in issue was 661,531,229.

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 utilise natural or waste resources or support 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 2024, 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 05 to 106.

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 137 to 174. On 29 May 2024, the Directors declared a dividend in respect of the period 1 January 2024 to 31 March 2024 of 1.89 pence per share to shareholders on the register as at the close of business on 7 June 2024, payable on 28 June 2024.

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 69 to 102). 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 2025 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 2025 dividend.

The Directors also considered that the Company has adequate financial resources, and were mindful that the Group had unrestricted cash of £18.1 million (including £0.3 million in the Company) as at 31 March 2024 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 2024, the Company's wholly owned subsidiary UK HoldCo had borrowed £159.3 million under the facility, leaving £40.7 million undrawn. All key financial covenants under this facility are forecast to continue to be complied for the duration of the going concern assessment period.

On 13 June 2024, the Fund successfully refinanced its revolving credit facility with a three-year agreement with ING, HSBC, RBSI, NAB and Clydesdale Bank, which provides for a committed facility of £200 million (of which £159.3 million was drawn at the balance sheet date), with an uncommitted accordion facility of up to £30 million and an uncommitted option to extend for a further year.

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.

REPORT OF THE DIRECTORS continued

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 have 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 JLEN reflects the relative strong demand for its shares. The Investment Manager and the Directors are confident that JLEN's discount to NAV and associated triggering of the discontinuation vote is not due to the individual performance of JLEN, 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 2027, 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 69 to 102).

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 2027 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 53 to 59) sets 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 59) have aided in the reduction of the impact.

The risk of exposure to variations in electricity and gas prices from assumptions made is mitigated by JLEN 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. JLEN blends forecasts from three consultants to reduce volatility in assumed prices from period to period.

JLEN invests in a diversified portfolio of environmental infrastructure assets that earn revenues that do not depend on merchant power sales.

JLEN'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 61% of generation for the current summer season and 58% for the upcoming winter 2024 season.

REPORT OF THE DIRECTORS continued

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 have historically used proceeds from equity fund raises to repay the RCF.

JLEN 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 consider 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 JLEN 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 2027.

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 59 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. 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 13 September 2024. This shareholder authority was last renewed at the 2023 AGM.

Major interests in shares and voting rights

As at 31 March 2024, 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	7.15%	47,270,619
Evelyn Partners (Retail)	5.93%	39,236,591
Hargreaves Lansdown, stockbrokers (EO)	5.48%	36,239,148

REPORT OF THE DIRECTORS continued

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 109 and 110.

Name	Function
Ed Warner	Chair
Alan Bates	Director
Stephanie Coxon	Senior Independent Director
Jo Harrison	Director
Hans Joern Rieks	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 during the year and had interests in the shares of the Company as at 31 March 2024 were:

	Ordinary shares of no par value each held at 31 Mar 2024	Ordinary shares of no par value each held at 31 Mar 2023
Ed Warner	**60,000**	60,000
Stephanie Coxon	**15,000**	15,000
Hans Joern Rieks	**95,000**	95,000
Alan Bates	**12,500**	12,500
Jo Harrison	**8,066**	8,066
Nadia Sood	**–**	–

There have been no changes in the Directors' interests from 31 March 2024 to the date of this report.

AGM

The Company's AGM will be held at 10.00am on 13 September 2024 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

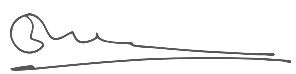
On 1 July 2019, the Company changed Investment Adviser from John Laing Capital Management Limited to Foresight Group. The existing team that had been providing investment advice since JLEN's launch in 2014 transferred to Foresight to continue working with the Company. In January 2022, the former Investment 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 their role as Alternative Investment Fund Manager and the delegation of discretionary decision-making authority in relation to routine investment transactions, the material terms, fees and provisions of the Investment Management Agreement with Foresight Group are the same as the previous Investment Advisory Agreement. It is the Directors' opinion that the continuing appointment of Foresight Group on the agreed terms is in the best interests of the shareholders as a whole.

Auditor

The Board has appointed KPMG as the external auditor to the Company.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware. Each has taken all the steps necessary, as a Director, to be aware of any relevant audit information and to establish that KPMG is made aware of any pertinent information. This confirmation is given, and should be interpreted in accordance with, the provisions of Section 249 of the Companies (Guernsey) Law, 2008.

On behalf of the Board



Ed Warner
Chair
20 June 2024

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

Edward Warner
Chair
20 June 2024

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

to the members of JLEN Environmental Assets Group Limited

Our opinion is unmodified

We have audited the financial statements of JLEN Environmental Assets Group Limited (the "Company"), which comprise the statement of financial position as at 31 March 2024, 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 2024, 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:

INDEPENDENT AUDITOR'S REPORT continued

to the members of JLEN Environmental Assets Group Limited

	The risk	Our response
Investments at fair value through profit or loss: £753,572,000 Refer to Audit Committee report (page 125), 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. **Challenging managements' assumptions and inputs, including use of KPMG valuation specialist:** With the support of a KPMG valuation specialist, 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 indicative non-binding offers received by management; and vii) using our KPMG valuation specialist's experience in valuing similar investments.

INDEPENDENT AUDITOR'S REPORT continued

to the members of JLEN Environmental Assets Group Limited

	The risk continued	**Our response** continued
	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.	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, through 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. **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 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 £15.8 million, determined with reference to a benchmark of net assets of £751.2 million, of which it represents approximately 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 65% of materiality for the financial statements as a whole, which equates to £10.2 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 £0.79 million, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas, as detailed above.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to affect the Company's financial resources or ability to continue operations over this period were:

- availability of capital to meet operating costs and other financial commitments;
- the outcome of the upcoming 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 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, 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.

INDEPENDENT AUDITOR'S REPORT continued

to the members of JLEN Environmental Assets Group Limited

Going concern continued

However, as we cannot predict all future events or conditions, and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks"), we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, and taking into account possible incentives or pressures to misstate performance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates such as valuation of unquoted investments. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation;
- incorporating an element of unpredictability in our audit procedures; and
- assessing significant accounting estimates for bias.

Further detail in respect of valuation of unquoted investments is set out in the key audit matter section of this report.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

INDEPENDENT AUDITOR'S REPORT continued

to the members of JLEN Environmental Assets Group Limited

Context of the ability of the audit to detect fraud or breaches of law or regulation
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge. We have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the long-term viability statement (pages 133 and 134) 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 133 and 134) 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 133 and 134) 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 the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

INDEPENDENT AUDITOR'S REPORT continued

to the members of JLEN Environmental Assets Group Limited

We have nothing to report on other matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008, requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 136, 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
20 June 2024

INCOME STATEMENT

for the year ended 31 March 2024

	Notes	2024 £'000s	2023 £'000s
Operating income and (loss)/gains on fair value of investments	9	**(3,827)**	108,445
Operating expenses	5	**(10,110)**	(10,145)
Operating (loss)/profit		**(13,937)**	98,300
(Loss)/profit before tax		**(13,937)**	98,300
Tax	6	**—**	—
(Loss)/profit for the year		**(13,937)**	98,300
(Loss)/earnings per share			
Basic and diluted (pence)	8	**(2.1)**	14.9

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 2024

	Notes	2024 £'000s	2023 £'000s
Non-current assets			
Investments at fair value through profit or loss	9	753,572	816,800
Total non-current assets		753,572	816,800
Current assets			
Trade and other receivables	10	25	143
Cash and cash equivalents		271	143
Total current assets		296	286
Total assets		753,868	817,086
Current liabilities			
Trade and other payables	11	(2,654)	(2,518)
Total current liabilities		(2,654)	(2,518)
Total liabilities		(2,654)	(2,518)
Net assets		751,214	814,568
Equity			
Share capital account	13	664,401	664,401
Retained earnings	14	86,813	150,167
Equity attributable to owners of the Company		751,214	814,568
Net assets per share (pence per share)		113.6	123.1

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 20 June 2024.

They were signed on its behalf by:

Ed Warner
Chair

Stephanie Coxon
Director

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2024

	Notes	Year ended 31 March 2024 Share capital account £'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**

	Notes	Year ended 31 March 2023 Share capital account £'000s	Retained earnings £'000s	Total £'000s
Balance at 1 April 2022		664,401	98,504	762,905
Profit for the year		—	98,300	98,300
Profit and total comprehensive income for the year		—	98,300	98,300
Dividends paid	7	—	(46,637)	(46,637)
Balance at 31 March 2023		664,401	150,167	814,568

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

CASH FLOW STATEMENT

for the year ended 31 March 2024

	Notes	2024 £'000s	2023 £'000s
Cash flows from operating activities			
(Loss)/profit from operations		**(13,937)**	98,300
Adjustments for:			
Investment interest		**(31,401)**	(31,401)
Dividends received		**(28,000)**	(23,100)
Net loss/(gain) on investments at fair value through profit or loss		**63,228**	(53,944)
Operating cash flows before movements in working capital		**(10,110)**	(10,145)
Decrease in receivables		**118**	76
Increase in payables		**136**	476
Net cash outflow used in operating activities		**(9,856)**	(9,593)
Investing activities			
Investment interest		**31,401**	31,401
Dividends received		**28,000**	23,100
Net cash from investing activities		**59,401**	54,501
Financing activities			
Expenses relating to issue of shares		**—**	(150)
Dividends paid	7	**(49,417)**	(46,637)
Net cash used in financing activities		**(49,417)**	(46,787)
Net increase/(decrease) in cash and cash equivalents		**128**	(1,879)
Cash and cash equivalents at beginning of the year		**143**	2,022
Cash and cash equivalents at end of the year		**271**	143

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

1. General information

JLEN Environmental Assets Group Limited (the "Company" or "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 2024 and have been prepared on the basis of the accounting policies set out below. The financial statements comprise only the results of the Company, as its investment in JLEN Environmental Assets Group (UK) Limited ("UK HoldCo") is measured at fair value as detailed in the key accounting policies below. The Company and its subsidiaries invest in environmental infrastructure that utilise natural or waste resources or support 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 20 June 2024. 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 2024 principally comprise working capital balances, the revolving credit facility ("RCF") and investments in projects, are required to be included at fair value in the carrying value of investments.

Consequently, the Company does not consolidate its subsidiaries or apply IFRS 3 Business Combinations when it obtains control of another entity as it is considered to be an investment entity under UK-adopted international accounting standards. Instead, the Company measures its investment in its subsidiary at fair value through profit or loss.

The 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:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (applicable for annual periods beginning on or after 1 January 2024);
- Non-current Liabilities with Covenants (Amendments to IAS 1) (applicable for annual periods beginning on or after 1 January 2024);
- International tax reform – Pillar Two Model Rules – Amendments to IAS 12 (applicable for annual periods beginning on or after 23 May 2023; and
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7 (applicable for annual periods beginning on or after 1 January 2024).

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

2. Accounting policies continued

The following relevant standards became effective during the year and did not have a material impact on the Company's reported results:

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (applicable for annual periods beginning on or after 1 January 2023); and
- Definition of Accounting Estimates – Amendments to IAS 8 (applicable for annual periods beginning on or after 1 January 2023).

(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 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 69 to 102). 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 2025 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 2025 dividend.

The Directors also considered that the Company has adequate financial resources, and were mindful that the Group had unrestricted cash of £18.1 million (including £0.3 million in the Company) as at 31 March 2024 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 2024, the Company's wholly owned subsidiary, UK HoldCo, had borrowed £159.3 million under the facility, leaving £40.7 million undrawn. All key financial covenants under this facility are forecast to continue to be complied for the duration of the going concern assessment period.

On 13 June 2024, the Fund successfully refinanced its revolving credit facility with a three-year agreement with ING, HSBC, RBSI, NAB and Clydesdale Bank, which provides for a committed facility of £200 million (of which £159.3 million was drawn at the balance sheet date), with an uncommitted accordion facility of up to £30 million and an uncommitted option to extend for a further year.

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; and
- 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 JLEN reflects the relative strong demand for its shares. The Investment Manager and the Directors are confident that JLEN's discount to NAV and associated triggering of the discontinuation vote is not due to the individual performance of JLEN, 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.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

2. Accounting policies continued

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.

(c) Revenue recognition – Operating income and gains/(losses) on fair value of investments

Operating income and gains/(losses) 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.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

2. Accounting policies continued

i) Investments at fair value through profit or loss

Investments at fair value through profit or loss are recognised upon initial recognition as financial assets at fair value through profit or loss in accordance with IFRS 10. In these financial statements, investments at fair value through profit or loss is the fair value of the Company's subsidiary, UK HoldCo, which comprises the fair value of UK HoldCo and HWT Limited and the environmental infrastructure investments.

The intermediate holding companies' net assets (UK HoldCo and HWT Limited) are mainly composed of cash, working capital balances and borrowings under the Company's wholly owned direct subsidiary's RCF, and are recognised at fair value, which is equivalent to their net assets. Although the working capital and the RCF outstanding balance are measured at amortised cost, their fair values do not materially differ from their amortised costs.

The Company's investment in UK HoldCo comprises both equity and loan notes. Both elements are exposed to the same primary risk, being performance risk. This performance risk is taken into consideration when determining the discount rate applied to the forecast cash flows. In determining fair value, the Board considered observable market transactions and has measured fair value using assumptions that market participants would use when pricing the asset, including assumptions regarding risk. The loan notes and equity are considered to have the same risk characteristics. As such, the debt and equity form a single class of financial instrument for the purposes of disclosure. The Company measures its investment as a single class of financial asset at fair value in accordance with IFRS 13 Fair Value Measurement.

ii) Financial assets at amortised cost

Trade receivables, loans and other receivables that are non-derivative financial assets and that have fixed or determinable payments that are not quoted in an active market are classified as "loans and other receivables". Loans and other receivables are measured at amortised cost using the effective interest method, less any impairment. They are included in current assets, except where maturities are greater than 12 months after the reporting date, in which case they are classified as non-current assets. The Company's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the statement of financial position.

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.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

2. Accounting policies continued

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 2024 were in the range of 7.0% to 17.7% (31 March 2023: 5.75% to 10.30%). Refer to note 9 for details of the areas of estimation in the calculation of the fair value.

For subsidiaries which provide management/investment-related services, the fair value is estimated to be the net assets of the relevant companies, which principally comprise cash, loans and working capital balances.

(g) Segmental reporting

The Board is of the opinion that the Company is engaged in a single segment of business, being investment in environmental infrastructure to generate investment returns while preserving capital. The financial information used by the Board to allocate resources and manage the Company presents the business as a single segment comprising a homogeneous portfolio.

(h) Statement of compliance

Pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020, the Company is a registered closed-ended investment scheme. As a registered scheme, the Company is subject to certain ongoing obligations to the Guernsey Financial Services Commission, and is governed by the Companies (Guernsey) Law, 2008, as amended.

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 2024 reflect contractual fixed price arrangements under PPAs, where they exist, and short-term market forward prices for the next two years where they do not.

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

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

3. Critical accounting judgements, estimates and assumptions continued

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 a considered a key source of estimation uncertainty. Information on the sensitivity of the portfolio valuation to movements in inflation rate is disclosed in note 16.

Critical accounting judgements

Equity and debt investment in UK HoldCo

In applying their judgement, the Directors have satisfied themselves that the equity and debt investments in UK HoldCo share the same investment characteristics and, as such, constitute a single asset class for IFRS 7 disclosure purposes. Please refer to the accounting policies in note 2 for further detail.

Investment entities

The Directors consider that the Company demonstrates the characteristics and meets the requirements to be considered as an investment entity. Please refer to the accounting policies in note 2 for further detail.

4. 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.

5. Operating expenses

	Year ended 31 Mar 2024 £'000s	Year ended 31 Mar 2023 £'000s
Investment management fee	**8,468**	8,448
Directors' fees and expenses	**343**	332
Administration fee	**104**	111
Other expenses	**1,195**	1,254
	10,110	10,145

The Company had no employees during the year (31 March 2023: nil). There was no Directors' remuneration for the year other than Directors' fees as detailed in note 15 (31 March 2023: £nil).

Included within other expenses is an amount of £170,775 to KPMG Channel Islands Limited for the audit of the Company for the year ended 31 March 2024 (year ended 31 March 2023: £225,000 paid to Deloitte LLP).

The Company paid £54,532 during the year for non-audit services to KPMG Channel Islands Limited, all in relation to the half-year interim review (year ended 31 March 2023: £57,720 paid to Deloitte LLP).

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

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. JLEN is charged an annual exemption fee of £1,600 (year ended March 2023: £1,200).

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, are included in the estimate of the fair value of these investments.

7. Dividends

	Year ended 31 Mar 2024 £'000s	Year ended 31 Mar 2023 £'000s
Amounts recognised as distributions to equity holders during the year (pence per share):		
Final dividend for the year ended 31 March 2023 of 1.79 (31 March 2022: 1.70)	**11,841**	11,246
Interim dividend for the quarter ended 30 June 2023 of 1.89 (30 June 2022: 1.78)	**12,503**	11,775
Interim dividend for the quarter ended 30 September 2023 of 1.89 (30 September 2022: 1.79)	**12,503**	11,841
Interim dividend for the quarter ended 31 December 2023 of 1.90 (31 December 2022: 1.78)	**12,569**	11,775
	49,417[(1)]	46,637[(1)]

(1) Total may not cast due to rounding.

A dividend for the quarter ended 31 March 2024 of 1.89 pence per share was approved by the Board on 28 May 2024 and is payable on 28 June 2024.

8. Earnings/(loss) per share

Earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the time weighted average number of ordinary shares in issue during the year:

	Year ended 31 Mar 2024 £'000s	Year ended 31 Mar 2023 £'000s
(Loss)/earnings		
(Loss)/earnings for the purposes of basic and diluted earnings per share, being net profit attributable to owners of the Company	**(13,937)**	98,300
Number of shares		
Time weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**661,531,229**	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.

	Pence	Pence
Basic and diluted (loss)/earnings per share	**(2.1)**	14.9

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 2024 £'000s	31 Mar 2023 £'000s
Fair value of environmental infrastructure investments	**891,927**	898,539
Fair value of intermediate holding companies	**(138,355)**	(81,739)
Total fair value of investments	**753,572**	816,800

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

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 2024, by incorporating the fair value of these intermediate holding companies.

	Portfolio value 31 Mar 2024 £'000s	Cash, working capital and debt in intermediate holdings 31 Mar 2024 £'000s	Total 31 Mar 2024 £'000s	Portfolio value 31 Mar 2023 £'000s	Cash, working capital and debt in intermediate holdings 31 Mar 2023 £'000s	Total 31 Mar 2023 £'000s
Opening balance	898,539	(81,739)	816,800	795,408	(32,553)	762,855
Acquisitions						
Portfolio of assets acquired	69,221	—	69,221	72,050	—	72,050
	69,221	—	69,221	72,050	—	72,050
Growth in portfolio[1]	11,181	—	11,181	114,690	—	114,690
Yields from portfolio to intermediate holding companies	(87,014)	87,014	—	(83,609)	83,609	—
Yields from intermediate holding companies						
Interest on loan notes[1]	—	(31,401)	(31,401)	—	(31,401)	(31,401)
Dividend payments from UK HoldCo to the Company[1]	—	(28,000)	(28,000)	—	(23,100)	(23,100)
	—	(59,401)	(59,401)	—	(54,501)	(54,501)
Other movements						
Movement in working capital in UK HoldCo	—	(13,425)	(13,425)	—	(22,145)	(22,145)
Expenses borne by intermediate holding companies[1]	—	(15,008)	(15,008)	—	(6,245)	(6,245)
Drawdown of UK HoldCo revolving credit facility borrowings	—	(55,796)	(55,796)	—	(49,904)	(49,904)
Fair value of the Company's investment in UK HoldCo	891,927	(138,355)	753,572	898,539	(81,739)	816,800

(1) The net loss on investments at fair value through profit or loss for the year ended 31 March 2024 is £63,228,000 (31 March 2023: net gain of £53,944,000). This, together with interest received on loan notes of £31,401,000 (31 March 2023: £31,401,000) and dividend income of £28,000,000 (31 March 2023: £23,100,000) comprises operating income and gains/(losses) on fair value of investments in the income statement.

The balances in the table above represent the total net movement in the fair value of the Company's investment. The "cash, working capital and debt in intermediate holdings" balances reflect investment in, distributions from or movements in working capital and are not value generating.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

9. Investments at fair value through profit or loss continued

Fair value of portfolio of assets

The Investment Manager has carried out fair market valuations of the investments as at 31 March 2024. The Directors have satisfied themselves as to the methodology used and the discount rates applied for the valuation. Investments are all investments in environmental infrastructure projects and are valued using a discounted cash flow methodology, being the most relevant and most commonly used method in the market to value similar assets to the Company's. The Company's holding of its investment in UK HoldCo represents its interest in both the equity and debt instruments. The equity and debt instruments are valued as a whole using a blended discount rate and the value attributed to the equity instruments represents the fair value of future dividends and equity redemptions in addition to any value enhancements arising from the timing of loan principal and interest receipts from the debt instruments, while the value attributed to the debt instruments represents the principal outstanding and interest due on the loan at the valuation date.

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 17.7% (31 March 2023: 5.75% to 10.30%). The weighted average discount rate of the portfolio at 31 March 2024 is 9.4% (31 March 2023: 8.4%).

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

	31 Mar 2024	31 Mar 2023
UK – inflation rates	**3.5% for 2024, decreasing to 3% until 2030, decreasing to 2.25% from 2031**	6.5% for 2023, decreasing to 3% until 2030, decreasing to 2.25% from 2031
Italy – inflation rates	**2.0% from 2024 onwards**	5.3% for 2023, stepping to 2.9% for 2024, decreasing to 2.2% for 2025, decreasing to 1.9% for 2026, decreasing to 1.8% for 2027, increasing to 2.0% from 2028
UK – deposit interest rates	**2.0% from 2024 onwards**	2.0% for 2023, decreasing to 1.5% from 2024
Italy – deposit rates	**0%**	0%
UK – corporation tax rates	**25% from April 2024 onwards**	25% from April 2023 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	**1.17**	1.14

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 2024

9. Investments at fair value through profit or loss continued

Details of environmental infrastructure project investments are as follows:

Project name	% holding at 31 Mar 2024 Equity	% holding at 31 Mar 2024 Shareholder loan	% holding at 31 Mar 2023 Equity	% holding at 31 Mar 2023 Shareholder loan
Amber	100%	100%	100%	100%
Bilsthorpe	100%	100%	100%	100%
Bio Collectors	100%	100%	70%	100%
Biogas Meden	100%	100%	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	100%	100%	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	100%	100%	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	100%	100%	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%	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%	25%	25%
Lubmin	30%	5%	–	–
Vulcan	100%	100%	100%	100%
Warren	100%	100%	100%	100%
Wear Point	100%	100%	100%	100%
West Gourdie	100%	100%	100%	100%
Yorkshire Hydro	100%	n/a	100%	n/a

Additionally, the fair value of the portfolio of assets includes the Fund's investment into FEIP, details of which can be found on page 51 of this report.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

9. Investments at fair value through profit or loss continued

Details of investments made during the year

In July 2023, the Company announced its second green hydrogen development opportunity alongside a consortium including other Foresight-managed funds and its development partner HH2E, a specialist in developing green hydrogen projects to decarbonise industry. The production site is located in Lubmin, Germany. As at 31 March 2024, the amount invested was €16.9 million.

In December 2023, the Company announced the acquisition of the remaining 30% shareholding in Bio Collectors Holding Limited, for a total consideration of £8.0 million, taking its ownership in the business to 100%.

During the year, £8.4 million was injected into CNG Foresight Limited. As at 31 March 2024, the portfolio held 14 natural gas refuelling stations, including the sites in construction phase.

The Group invested €3.3 million into Foresight Energy Infrastructure Partners SCSp ("FEIP") during the year.

The Group invested a total of £9.3 million into battery energy storage projects during the year, including £6.4 million into Sandridge battery storage, £2.0 million into FS West Gourdie, £0.5 million into Lunanhead battery storage and £0.4 million into Clayfords battery storage.

The Group also invested £14.3 million into Rjukan Holdings Limited, €2.6 million into Thierbach, £4.7 million into the Glasshouse project, £2.6 million into Vulcan Renewables Limited and £2.4 million to various other projects.

10. Trade and other receivables

	31 Mar 2024 £'000s	31 Mar 2023 £'000s
Prepayments	25	143
Balance at 31 March	25	143

11. Trade and other payables

	31 Mar 2024 £'000s	31 Mar 2023 £'000s
Accruals	2,654	2,518
Balance at 31 March	2,654	2,518

12. Loans and borrowings

The Company had no outstanding loans or borrowings at 31 March 2024 (31 March 2023: £nil), as shown in the Company's statement of financial position.

As at 31 March 2024, the Company held loan notes of £348.9 million which were issued by UK HoldCo (31 March 2023: outstanding amount of £348.9 million).

As at 31 March 2024, UK HoldCo had an outstanding balance of £159.3 million under a revolving credit facility (31 March 2023: £103.5 million). The loan bears interest of SONIA + 195 to 205 bps.

There were no other outstanding loans and borrowings in either the Company, UK HoldCo or HWT at 31 March 2024.

13. Share capital account

	Number of shares	31 Mar 2024 £'000s	31 Mar 2023 £'000s
Opening balance at 1 April 2023	661,531,229	664,401	664,401
Balance at 31 March 2024	661,531,229	664,401	664,401

At 31 March 2024, the Company's share capital is comprised of 661,531,229 fully paid-up ordinary shares of no par value.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

14. Retained earnings

	31 Mar 2024 £'000s	31 Mar 2023 £'000s
Opening balance	**150,167**	98,504
(Loss)/profit for the year	**(13,937)**	98,300
Dividends paid	**(49,417)**	(46,637)
Balance at 31 March	**86,813**	150,167

15. Transactions with 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.

Foresight is entitled to a base fee equal to:

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

The total Investment Manager fee charged to the income statement for the year ended 31 March 2024 was £8,468,000 (31 March 2023: £8,448,000), of which £2,147,000 remained payable as at 31 March 2024 (31 March 2023: £2,057,000).

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

(2) "Fund" means the Company and JLEN Environmental Assets Group (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 £334,500 (31 March 2023: £322,480) for their services. The Directors of the Company were also paid £8,495 of expenses (31 March 2023: £9,953).

The Directors held the following shares:

	Ordinary shares of no par value each held at 31 Mar 2024	Ordinary shares of no par value each held at 31 Mar 2023
Ed Warner	**60,000**	60,000
Alan Bates	**12,500**	12,500
Stephanie Coxon	**15,000**	15,000
Jo Harrison	**8,066**	8,066
Hans Joern Rieks	**95,000**	95,000
Nadia Sood	**—**	—

All of the above transactions were undertaken on an arm's length basis.

The Directors were paid dividends in the year of £14,235 (31 March 2023: £16,885).

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

16. Financial instruments

Financial instruments by category

The Company held the following financial instruments at 31 March 2024. 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 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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

16. Financial instruments continued

	31 Mar 2023				
	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)	–	–	816,800	–	816,800
Current assets					
Trade and other receivables	–	143	–	–	143
Cash and cash equivalents	143	–	–	–	143
Total financial assets	143	143	816,800	–	817,086
Current liabilities					
Trade and other payables	–	–	–	(2,518)	(2,518)
Total financial liabilities	–	–	–	(2,518)	(2,518)
Net financial instruments	143	143	816,800	(2,518)	814,568

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 2024

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 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

31 March 2023

Discount rate	Minus 0.5%	Base 8.4%	Plus 0.5%
Change in portfolio valuation	Increases £21.7m	£898.5m	Decreases £20.7m
Change in NAV per share	Increases 3.3p	123.1p	Decreases 3.1p

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

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

31 March 2023

Inflation rates	Minus 0.5%	Base 6.5% (2023), then 3% to 2030, then 2.25%	Plus 0.5%
Change in portfolio valuation	Decreases £21.1m	£898.5m	Increases £21.4m
Change in NAV per share	Decreases 3.2p	123.1p	Increases 3.2p

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

16. Financial instruments continued

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 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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

16. Financial instruments continued

31 March 2023

Energy yield: wind	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £27.3m	£898.5m	Increases £26.2m
Change in NAV per share	Decreases 4.1p	123.1p	Increases 4.0p

Energy yield: solar	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £10.7m	£898.5m	Increases £10.5m
Change in NAV per share	Decreases 1.6p	123.1p	Increases 1.6p

Energy yield: hydro	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £1.4m	£898.5m	Increases £1.7m
Change in NAV per share	Decreases 0.2p	123.1p	Increases 0.3p

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.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

16. Financial instruments continued

The sensitivity of the portfolio to movements in electricity and gas prices is as follows:

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

31 March 2023

Energy prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Decreases £40.9m	£898.5m	Increases £40.4m
Change in NAV per share	Decreases 6.2p	123.1p	Increases 6.1p

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

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

In line with JLEN'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 months, 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 once again provided a sensitivity extending the useful economic lives of its AD portfolio by up to five years – capped at the duration of land rights already in place. Such an extension would result in an uplift in the portfolio valuation of £21.9 million (3.3 pence per share).

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

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

31 March 2023

Feedstock prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Increases £7.3m	£898.5m	Decreases £7.8m
Change in NAV per share	Increases 1.1p	123.1p	Decreases 1.2p

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

16. Financial instruments continued

No such sensitivity is applicable to JLEN'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 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**

31 March 2023

Corporation tax	Minus 2%	Base 25%	Plus 2%
Change in portfolio valuation	Increases £15.0m	£898.5m	Decreases £15.3m
Change in NAV per share	Increases 2.3p	123.1p	Decreases 2.3p

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 2024, the Directors consider the sensitivity to changes in euro/sterling exchange rates to be insignificant.

The Directors consider that the carrying value amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements are approximately equal to their fair values.

Uncontracted revenues on non-energy generating portfolio sensitivity

Non-energy generating assets, such as batteries and controlled environment agriculture and aquaculture, 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 £17.9 million (2.7 pence per share) compared to a decrease in value of £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 2024

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 2024, the Company had no outstanding debt. However, as set out in note 12, as at 31 March 2024, the Company's subsidiary UK HoldCo had an outstanding balance of £159.3 million under a revolving credit facility (31 March 2023: £103.5 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 2024, 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 £159.3 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 2024, 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.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

16. Financial instruments continued

Financial risk management – Company and non-consolidated subsidiaries

The following risks impact the Company's subsidiaries and in turn may impact the fair value of investments held by the Company.

Market risk – interest rate risk

Interest rate risk arises in the Company's subsidiaries on the RCF borrowings and floating rate deposits. Borrowings issued at variable rates expose those entities to variability of interest payment cash flows. Interest rate hedging may be carried out to seek to provide protection against increasing costs of servicing debt drawn down by UK HoldCo as part of its RCF. This may involve the use of interest rate derivatives and similar derivative instruments.

Each infrastructure investment hedges their interest rate risk at the inception of a project. This will either be done by issuing fixed rate debt or variable rate debt which will be swapped into fixed rate by the use of interest rate swaps.

Market risk – inflation risk

Some of the Company's investments will have part of their revenue and some of their costs linked to a specific inflation index at inception of the project. In most cases this creates a natural hedge, meaning a derivative does not need to be entered into in order to mitigate inflation risk.

Market risk – power price risk

The wholesale market price of electricity and gas is volatile and is affected by a variety of factors, including market demand for electricity and gas, the generation mix of power plants, government support for various forms of power generation, as well as fluctuations in the market prices of commodities and foreign exchange. Whilst some of the Company's renewable energy projects benefit from fixed prices, others have revenue which is in part based on wholesale electricity and gas prices.

A decrease and/or prolonged deterioration in economic activity in the UK, for any reason, could result in a decrease in demand for electricity and gas in the market. Short-term and seasonal fluctuations in electricity and gas demand will also impact the price at which the investments can sell electricity and gas. The supply of electricity and gas also impacts wholesale electricity and gas prices. Supply of electricity and gas can be affected by new entrants to the wholesale power market, the generation mix of power plants in the UK, government support for various generation technologies, as well as the market price for fuel commodities.

Volume risk – electricity generation risk

Meteorological conditions poorer than forecast can result in generation of lower electricity volumes and lower revenues than anticipated.

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 £348.9 million owed by HoldCo, detailed in note 12.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

16. Financial instruments continued

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group adopts a prudent approach to liquidity management by ensuring it maintains adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Directors monitor the Company's liquidity requirements to ensure there is sufficient cash to meet the Company's operating needs.

The Company's liquidity management policy involves projecting cash flows and forecasting the level of liquid assets required to meet its obligations. Due to the nature of its investments, the timing of cash outflows is reasonably predictable and, therefore, is not a major risk to the Group.

Debt raised by asset investments from third parties is without recourse to the Group.

17. Guarantees and other commitments

As at 31 March 2024, the Company provided a guarantee over the Company's wholly owned subsidiary UK HoldCo's obligations under the £200 million RCF, which was subsequently refinanced post balance sheet date.

As at 31 March 2024, the Group has the following future investment obligations over a 12-month horizon: €3.6 million (equivalent to £3.0 million) to FEIP, £1.4 million to the CNG Foresight project, 158.4 million NOK (equivalent to £11.6 million) to the CE Rjukan project, £0.9 million to the CE Glasshouse project, £4.2 million to Sandridge battery storage, €0.6 million (equivalent to £0.5 million) to HH2E Werk Thierbach GmbH, £0.1 million to the private wire, £3.5 million to Vulcan gas shipping, £0.1 million into Clayfords, £0.2 million into Lunanhead, CE Glasshouse project deferred consideration of £0.4 million, £0.6 million into Vulcan D2 feeder value enhancements and £0.1 million into Vulcan off gas value enhancements.

The Company had no other commitments or guarantees.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

18. Subsidiaries

The following subsidiaries 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
JLEN Environmental Assets Group (UK) Limited[1]	Intermediate holding	UK	A	100%	100%
HWT Limited	Intermediate holding	UK	B	100%	100%
JLEAG Solar 1 Limited	Operating subsidiary	UK	C	100%	100%
Cross Solar PV Limited	Operating subsidiary (dormant)	UK	C	100%	100%
Domestic Solar Limited	Operating subsidiary (dormant)	UK	C	100%	100%
Residential PV Trading Limited	Operating subsidiary (dormant)	UK	C	100%	100%
Easton PV Limited	Project holding company	UK	D*	100%	100%
Pylle Solar Limited	Project holding company	UK	D*	100%	100%
Second Energy Limited	Operating subsidiary	UK	D*	100%	100%
ELWA Holdings Limited	Project holding company	UK	N	80%	80%
ELWA Limited[2]	Operating subsidiary	UK	N	80%	81%[2]
JLEAG Wind Holdings Limited	Project holding company	UK	A	100%	100%
JLEAG Wind Limited	Project holding company	UK	A	100%	100%
Amber Solar Parks (Holdings) Limited	Project holding company	UK	D	100%	100%
Amber Solar Park Limited	Operating subsidiary	UK	D	100%	100%
Fryingdown Solar Park Limited	Operating subsidiary (dormant)	UK	D	100%	100%
Five Oaks Solar Parks Limited	Operating subsidiary (dormant)	UK	D	100%	100%
Bilsthorpe Wind Farm Limited	Operating subsidiary	UK	F	100%	100%
Ferndale Wind Limited	Project holding company	UK	F	100%	100%
Castle Pill Wind Limited	Project holding company	UK	F	100%	100%
Wind Assets LLP	Operating subsidiary	UK	F	100%	100%
Hall Farm Wind Farm Limited	Operating subsidiary	UK	F	100%	100%
Branden Solar Parks (Holdings) Limited	Project holding company	UK	D	100%	100%
Branden Solar Parks Limited	Operating subsidiary	UK	D	100%	100%
KS SPV 3 Limited	Operating subsidiary	UK	D	100%	100%
KS SPV 4 Limited	Operating subsidiary	UK	D	100%	100%
Carscreugh Renewable Energy Park Limited	Operating subsidiary	UK	F	100%	100%

(1) JLEN Environmental Assets Group (UK) Limited is the only entity directly held by the Company.

(2) 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 2024

18. Subsidiaries continued

Name	Category	Place of business	Registered office	Ownership interest	Voting rights
Wear Point Wind Limited	Operating subsidiary	UK	F	100%	100%
Monksham Power Ltd	Project holding company	UK	D	100%	100%
Frome Solar Limited	Operating subsidiary	UK	D*	100%	100%
BL Wind Limited	Operating subsidiary	UK	F	100%	100%
Burton Wold Extension Limited	Operating subsidiary	UK	F	100%	100%
New Albion Wind Limited	Operating subsidiary	UK	F	100%	100%
Dreachmhor Wind Farm Limited	Operating subsidiary	UK	F	100%	100%
France Wind GP Germany GmbH(3)	Project holding company	DE	G	100%	100%
France Wind Germany GmbH & Co. KG(3)	Project holding company	DE	G	100%	100%
CSGH Solar Limited	Project holding company	UK	A	100%	100%
CSGH Solar (1) Limited	Project holding company	UK	A	100%	100%
sPower Holdco 1 (UK) Limited	Project holding company	UK	D	100%	100%
sPower Finco 1 (UK) Limited	Project holding company	UK	D	100%	100%
Higher Tregarne Solar (UK) Limited	Operating subsidiary	UK	D	100%	100%
Crug Mawr Solar Farm Limited	Operating subsidiary	UK	D	100%	100%
Golden Hill Solar (UK) Limited	Project holding company	UK	D	100%	100%
Golden Hill Solar Limited	Operating subsidiary	UK	D	100%	100%
Shoals Hook Solar (UK) Limited	Operating subsidiary	UK	D	100%	100%
CGT Investment Limited	Project holding company	UK	H	100%	100%
CWMNI GWYNT TEG CYF	Operating subsidiary	UK	H	100%	100%
Moelogan 2 (Holdings) Cyfyngedig	Project holding company	UK	H	100%	100%
Moelogan 2 C.C.C.	Operating subsidiary	UK	H	100%	100%
Vulcan Renewables Limited	Operating subsidiary	UK	I	100%	100%
Llynfi Afan Renewable Energy Park (Holdings) Limited	Project holding company	UK	F	100%	100%
Llynfi Afan Renewable Energy Park Limited	Operating subsidiary	UK	F	100%	100%
Green Gas Oxon Limited	Project holding company	UK	J	52.6%	52.6%

(3) Underlying French wind assets were disposed of in January 2022.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

18. Subsidiaries continued

Name	Category	Place of business	Registered office	Ownership interest	Voting rights
Icknield Gas Limited	Operating subsidiary	UK	J	52.6%	52.6%
Egmere Energy Limited	Operating subsidiary	UK	I	100%	100%
Grange Farm Energy Limited	Operating subsidiary	UK	I	100%	100%
Merlin Renewables Limited	Operating subsidiary	UK	I	100%	100%
Biogas Meden Limited	Operating subsidiary	UK	I	100%	100%
Yorkshire Hydropower Holdings Limited	Project holding company	UK	F	100%	100%
Yorkshire Hydropower Limited	Operating subsidiary	UK	F	100%	100%
Warren Power Limited	Project holding company (dormant)	UK	I	100%	100%
Warren Energy Limited	Operating subsidiary	UK	I	100%	100%
Northern Hydropower Holdings Limited	Project holding company	UK	F	100%	100%
Northern Hydropower Limited	Operating subsidiary	UK	F	100%	100%
Codford Biogas Limited	Operating subsidiary	UK	K	100%	100%
FS West Gourdie Limited	Operating subsidiary	UK	D	100%	100%
Rainworth Energy Limited	Operating subsidiary	UK	L	100%	100%
Bio Collectors Holdings Limited	Project holding company	UK	M	100%	100%
Bio Collectors Limited	Operating subsidiary	UK	M	100%	100%
Riverside Bio Limited	Operating subsidiary	UK	M	100%	100%
Riverside AD Limited	Operating subsidiary	UK	M	100%	100%
Spruce Bioenergy Limited	Project holding company	UK	A	100%	100%
Cramlington Renewable Energy Developments Limited	Operating subsidiary	UK	N	100%	100%

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2024

18. Subsidiaries continued

Registered offices

A. C/O Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG
B. 50 Lothian Road, Festival Square, Edinburgh, Midlothian EH3 9WJ
C. C/O Freetricity, 1 Filament Walk, Suite 203, Wandsworth, London SW18 4GQ
D. Long Barn, Manor Farm, Stratton-on-the-Fosse, Radstock BA3 4QF
E. Dunedin House, Auckland Park, Mount Farm, Milton Keynes MK1 1BU
F. C/O Res White Limited, Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire WD4 8LR
G. Steinweg 3-5, Frankfurt am Main, 60313, Germany
H. Cae Sgubor Ffordd Pennant, Eglwysbach, Colwyn Bay, Conwy LL28 5UN
I. 10-12 Frederick Sanger Road, Guildford, Surrey GU2 7YD
J. Friars Ford, Manor Road, Goring, Reading RG8 9EL
K. C/O External Services Limited 20 Central Avenue, St Andrews Business Park, Norwich NR7 0HR
L. C/O Material Change, The Watering Farm, Creeting St. Mary, Ipswich, Suffolk IP6 8ND
M. 10 Osier Way, Mitcham, Surrey CR4 4NF
N. 8 White Oak Square, London Road, Swanley BR8 7AG

D* Post balance sheet registered office address changed from Long Barn, Manor Farm, Stratton-on-the-Fosse, Radstock BA3 4QF to C/O Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG.

19. Events after balance sheet date

A dividend for the quarter ended 31 March 2024 of 1.89 pence per share, amounting to £12.5 million, was approved by the Board on 28 May 2024 for payment on 28 June 2024.

On 13 June 2024, the Fund successfully refinanced its revolving credit facility with a three-year agreement with ING, HSBC, RBSI, NAB and Clydesdale Bank, which provides for a committed facility of £200 million (of which £159.3 million was drawn at the balance sheet date), with an uncommitted accordion facility of up to £30 million and an uncommitted option to extend for a further year. 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 the Company's performance against predefined ESG targets.

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 2024 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, expressed as a percentage	68.4%	Calculation for total shareholder return since IPO: closing share price as at 31 March 2024, as per key investments metrics on page 103 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 2024 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, to the power of one over the number of years since IPO, expressed as a percentage	5.4% annualised	Calculation for annualised total shareholder return: closing share price as at 31 March 2024 as per key investment metrics on page 103 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	113.6 pence	The calculation divides the net assets as per the statement of financial position on page 146 by the closing number of ordinary shares in issue as per note 13 on page 159
Market capitalisation	Provides an indication of the size of the Company	Closing share price as at 31 March 2024 multiplied by closing number of ordinary shares in issuance	£619.9 million	The calculation uses the closing share price as at 31 March 2024 as per the key investment metric table on page 103 and closing number of ordinary shares as per note 13 of the financial statements on page 159
Gross Asset Value ("GAV")	A measure of the value of the Company's total assets Gross Asset Value on investment basis including debt held at SPV level	The sum of total assets of the Company as shown on the statement of financial position and the total debt of the Group and underlying investments	£1,091.8 million	This is the total debt (RCF drawn: £159.3 million plus project-level debt: £181.3 million) plus the Net Asset Value as per the statement of financial position on page 146
Gearing	Ascertain financial risk in the Group's balance sheet	Total debt of the Group and underlying investments as a percentage of GAV	31.2%	The calculation uses the total debt (RCF drawn: £159.3 million plus project-level debt: £181.3 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	£87.0 million	As per "Cash flows of the Group for the year", also titled "Cash distributions from environmental infrastructure investments" on page 106
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 106, 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)	£64.2 million	Detailed breakdown as per page 106 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	1.30x	The calculation uses the cash flows from operations as per "Cash flows of the Group for the year" on page 106 and the dividends paid in cash to shareholders as per the cash flow statement on page 148
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 2024 have been calculated as £9.7 million. The ongoing charges ratio divides this by the published average Net Asset Value over the last four quarters (including 31 March 2024)
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 2024 plus all dividends since IPO assumed reinvested, divided by the NAV at IPO, to the power of one, over the number of years since IPO	8.0%	Calculated using the closing NAV per ordinary share as per the statement of financial position on page 146

GLOSSARY OF KEY TERMS

AD
anaerobic digestion

AGM
Annual General Meeting

AIFM
Alternative Investment Fund Manager

AIFM Directive
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

CE
controlled environment

CfD
Contract for Differences

CHP
combined heat and power

CMH
Cubic metres per hour

CNG
compressed natural gas

the Company or JLEN or the Fund
JLEN Environmental Assets Group Limited

CPI
Consumer Price Index

DD
due diligence

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 operators

EfW
energy-from-waste

EGL
Electricity Generator Levy

ESG
Environmental, Social and Governance

EU
European Union

FEIP
Foresight Energy Infrastructure Partners

FiT
Feed-in Tariff

The Fund
The Company makes its investments via a group structure involving JLEN Environmental Assets Group (UK) Limited, an English limited company and wholly owned subsidiary of the Company ("UK Holdco") and additional holding companies for certain projects (the Company and UK Holdco together or individually as appropriate the "Fund"

Foresight Group or Foresight
Foresight Group LLP

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
JLEN Environmental Assets Group Limited and its intermediate holding companies UK HoldCo and HWT Limited

GWh
gigawatt hour

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

GLOSSARY OF KEY TERMS continued

IRR
internal rate of return

Levy
Electricity Generator Levy

MWe
megawatt electric

MWh
megawatt hour

MWth
megawatt thermal

NAV
Net Asset Value

PBSE
post balance sheet event

PCAF
Partnership for Carbon Accounting Financials

portfolio
the 42 assets in which JLEN had a shareholding as at 31 March 2024

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

RCF
revolving credit facility

RIDDOR
Reporting of Injuries, Diseases and Dangerous Occurrences

ROC
Renewables Obligation Certificate

RPI
Retail Price Index

SBT
Science Based Target

SCMH
standard cubic meters per hour

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

total shareholder return
total shareholder return combines the share price movement and dividends since IPO expressed as an annualised percentage

UK HoldCo
JLEN Environmental Assets Group (UK) Limited, wholly owned subsidiary of JLEN Environmental Assets Group Limited

WADR
weighted average discount rate

COMPANY SUMMARY

Below are the Company key facts, advisers and other information.

Company information	JLEN Environmental Assets Group 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	JLEN/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	Sanne Fund Services (Guernsey) Limited, a company incorporated in Guernsey on 13 April 2005 (registered number 43046)
Market capitalisation	£619.9 million at 31 March 2024
Investment Manager fees	1.0% per annum of the Adjusted Portfolio Value of the investments up to £0.5 billion, falling to 0.8% per annum for investments above £0.5 billion. No performance or acquisitions fees
Investment Manager term	Rolling one-year notice
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 65 to 67 of the 2024 Annual Report
Website	**www.jlen.com**

DIRECTORS AND ADVISERS

Directors
Ed Warner (Chair)
Stephanie Coxon (Senior Independent Director)
Alan Bates
Jo Harrison
Hans Joern Rieks
Nadia Sood

Administrator to the Company, Company Secretary and registered office
Sanne Fund Services (Guernsey) Limited
1 Royal Plaza
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St Peter Port
Guernsey
GY1 2HL

Registrar
Link Registrars (Guernsey) Limited
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St Sampson
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Channel Islands

UK transfer agent
Link Asset Services
The Registry
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United Kingdom

Auditor
KPMG Channel Islands Limited
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Corporate broker
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25 Dowgate Hill
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United Kingdom

Corporate bankers
HSBC
PO Box 31
St Peter Port
Guernsey GY1 3AT
Channel Islands

CAUTIONARY STATEMENT

Pages 01 to 106 of the Annual Report, including about JLEN, our purpose, our investment case, performance highlights, our portfolio at a glance, market and opportunities, the Chair's statement, the Investment Manager's report, investment 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 JLEN'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.

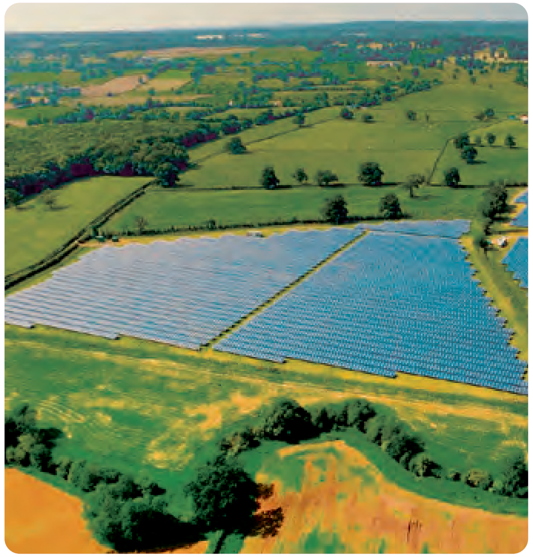
This Annual Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to JLEN Environmental Assets Group Limited and its subsidiary undertakings when viewed as a whole.

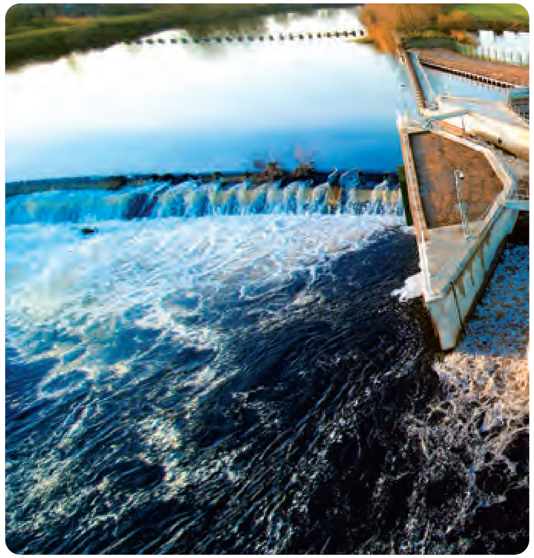
FSC
www.fsc.org
RECYCLED
Paper made from recycled material
FSC® C022913

Designed and produced by lyonsbennett.com

The Group's commitment to the environment is reflected in this report, which has been printed on Nautilus which is made from FSC® recycled certified post-consumer waste pulp. The FSC® label on this report ensures responsible use of the world's forest resources. Printed sustainably in the UK by Pureprint, a CarbonNeutral® company with FSC® chain of custody and an ISO 14001 certified environmental management system recycling over 100% of all dry waste.

10 year ANNIVERSARY





JLEN

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JLEN Environmental Assets Group Limited Annual Report 2024