



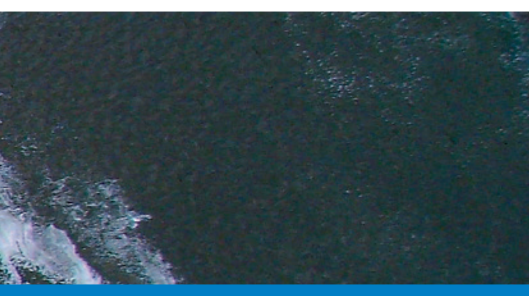
JLEN Environmental Assets Group Limited

(formerly John Laing Environmental Assets Group Limited)

Half-year Report

for the six months ended 30 September 2019

CONTENTS



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ABOUT US

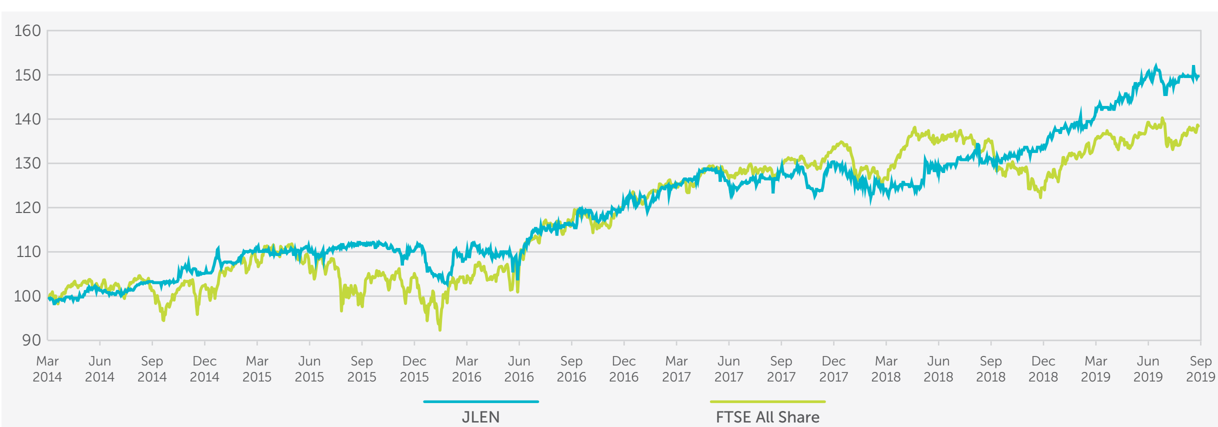
JLEN Environmental Assets Group Limited ("JLEN" or the "Company") is an environmental infrastructure investment fund which aims to provide shareholders with a sustainable dividend, paid quarterly, that increases progressively in line with inflation, and to preserve the capital value of its portfolio on a real basis over the long term through the reinvestment of cash flows not required for the payment of dividends.

JLEN's investment policy is to invest in a diversified portfolio of environmental infrastructure projects that have the benefit of long-term, predictable, wholly or partially inflation-linked cash flows supported by long-term contracts or stable regulatory frameworks.

At 30 September 2019, the portfolio included onshore wind, PV solar, anaerobic digestion, waste and wastewater processing, and hydropower projects in the UK and two onshore wind projects in France. The wind, solar, anaerobic digestion and hydropower projects are supported by the UK's and France's commitment to low-carbon energy generation targets whilst the waste and wastewater processing projects benefit from long-term contracts backed by the UK Government.

Wind | Solar | Waste & wastewater | Anaerobic digestion | Hydro

Total shareholder return since launch



Source: Morningstar

AT A GLANCE AT 30 SEPTEMBER 2019

£586.5m Market capitalisation	118.0p Share price	3.33p Half-year dividend per share
£520.2m Net Asset Value	104.7p Net Asset Value per share	£543.6m Portfolio value

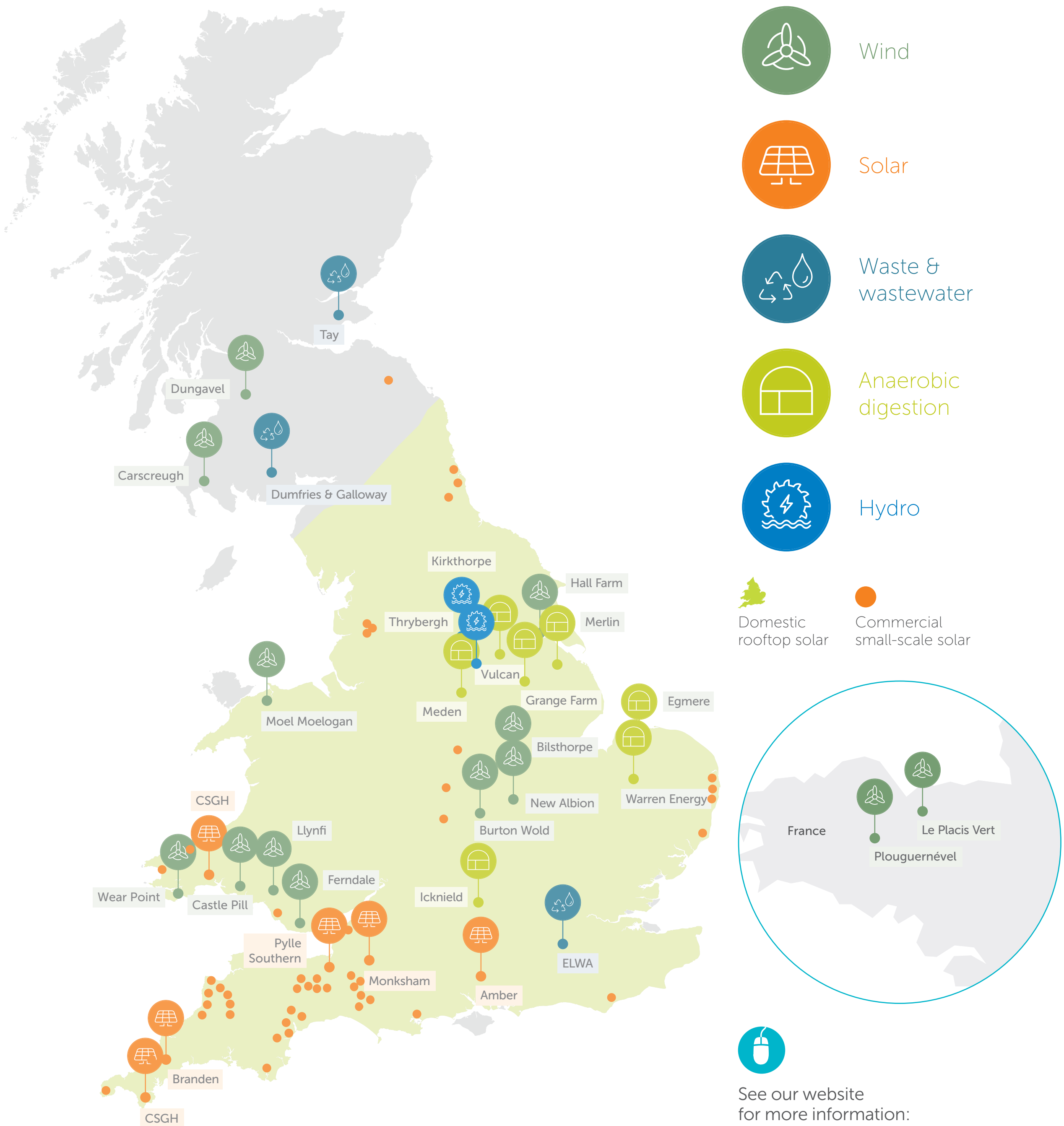
Highlights

- Dividend of 3.33 pence per share declared for the six months to 30 September 2019 (six months to 30 September 2018: 3.255 pence). Dividend cover of 1.1x in the period
- NAV per share 104.7 pence, unchanged from 104.7 pence per share at 31 March 2019
- Profit before tax for the period of £16.2 million (six-month period ended 30 September 2018: £16.1 million)
- Total shareholder return since IPO to 30 September 2019 of 59.8% (8.90% annualised)
- Performance of portfolio satisfactory. Positive contribution from growing anaerobic digestion segment
- Two acquisitions completed and capital upgrade investments during the period totalling c.£21.5 million giving a total of 30 investments
- Major capital upgrade of c.£8.5 million near completion for the Vulcan Renewables plant. Expected to be fully operational later in 2019. Further enhancements of the AD portfolio planned
- Strong pipeline of environmental infrastructure assets for further growth

PORTFOLIO AT A GLANCE

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

Assets by location



See our website for more information:
www.jlen.com/portfolio

PORTFOLIO AT A GLANCE continued

Wind

	Ownership interest
Bilsthorpe 10.2MW 1.0 ROC wind farm. Five MM82 Senvion turbines.	100%
Burton Wold Extension 14.4MW 0.9 ROC wind farm. Nine General Electric 1.6MW-100 turbines.	100%
Carscreugh 15.3MW 0.9 ROC wind farm. 18 Gamesa G52 turbines.	100%
Castle Pill 3.2MW 1.0 ROC wind farm. Three 900kW EWT and one 0.5MW Nordtank turbines.	100%
Dungavel 26MW 0.9 ROC wind farm. 13 Vestas 2MW V80 turbines.	100%
Ferndale 6.4MW 1.0 ROC wind farm. Eight 800kW Enercon turbines.	100%
Hall Farm 24.6MW 1.0 ROC wind farm. 18 MM82 Senvion turbines.	100%
Le Placis Vert 4MW FiT accredited wind farm. Five Enercon E-53 turbines.	100%
Llynfi Afan 24MW 0.9 ROC wind farm. 12 Gamesa 2MW G80 turbines.	100%
Moel Moelogan 14.3MW wind farm. Nine Siemens SWT-62-1.3MW and two Bonus-1.3MW turbines. 1.0 ROC on both turbine types.	100%
New Albion 14.4MW 0.9 ROC wind farm. Seven MM92 Senvion turbines.	100%
Plouguernével 4MW FiT accredited wind farm. Five Enercon E-53 turbines.	100%
Wear Point 8.2MW 0.9 ROC wind farm. Four Senvion MM82 turbines.	100%

13 assets

169.0 MW

Solar

	Ownership interest
Amber 9.8MW comprising two separate sites: Five Oaks (4.8MW) and Fryingdown (5MW). Both accredited under the pre-August 2011 UK Feed-in Tariff ("FiT") regime.	100%
Branden 14.7MW comprising two separate sites: Luxulyan & Tredinnick (8.9MW) and Victoria (5.8MW), both accredited for two ROCs.	100%
CSGH 33.5MW combined capacity comprising four sites: Higher Tregarne (4.9MW) accredited for 1.6 ROCs, Crug Mawr (7.5MW), Golden Hill (6.3MW) and Shoals Hook (14.8MW) accredited for 1.4 ROCs.	100%
Monksham Total generating capacity of 10.7MW. Accredited for 1.6 ROCs.	100%
Panther – small-scale solar portfolio 6.5MW portfolio of 1,099 systems of domestic rooftop, commercial rooftop and ground mount solar installations, distributed across England, Scotland and Wales. Accredited under the UK FiT regime.	100%
Pylle Southern Total generating capacity of 5MW. Accredited under the UK FiT regime.	100%

6 assets

80.2 MW

Anaerobic digestion

Ownership interest

Biogas Meden	100%
Biogas-to-grid anaerobic digestion plant. Accredited under both the Renewable Heat Incentive ("RHI") and FiT, c.5MW$_{th}$ and 0.4MW$_{e}$.	
Egmere Energy	100%
Agricultural biogas-to-grid anaerobic digestion plant. Accredited under both the RHI and FiT, c.5MW$_{th}$ and 0.5MW$_{e}$.	
Grange Farm	100%
Agricultural biogas-to-grid anaerobic digestion plant. Accredited under both the RHI and FiT, c.5MW$_{th}$ and 0.5MW$_{e}$.	
Icknield Farm[(1)]	53%
Agricultural biogas-to-grid anaerobic digestion plant. Accredited under both the RHI and FiT, c.5MW$_{th}$ and 0.4MW$_{e}$.	
Merlin Renewables	100%
Agricultural biogas-to-grid anaerobic digestion plant. Accredited under both the RHI and FiT, c.5MW$_{th}$ and 0.5MW$_{e}$.	
Vulcan Renewables	100%
Agricultural biogas-to-grid anaerobic digestion plant. Accredited under both the RHI and FiT, c.5MW$_{th}$ and 0.5MW$_{e}$.	
Warren Energy	100%
Produces biomethane to be injected to the national gas grid with a thermal capacity of c.5MW$_{th}$.	

7 assets

35.0 MW

Waste & wastewater

Ownership interest

Dumfries & Galloway ("D&G")	80%
Project in liquidation.	
ELWA	80%
The ELWA project processes around 440,000 tonnes of household waste each year from four London boroughs.	
Tay	33%
The Tay wastewater treatment project services the equivalent of around 250,000 people from the Dundee and Arbroath areas.	

3 assets

Hydro

Ownership interest

Yorkshire Hydropower	100%
Two run-of-river hydro plants and an operational battery storage system. Both hydro plants accredited under FiT, combined capacity between both hydro plants and the battery storage system is 2MW.	

1 asset

2 MW

(1) JLEN also provides a senior secured loan facility to the project.

FUND OBJECTIVES

The Fund's key objectives and the measures against which they are assessed are summarised below:

STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATORS
Predictable income growth for shareholders Provide investors with a dividend of 6.66 pence per share for the year to 31 March 2020, thereafter increasing progressively in line with inflation.	• Dividend uplifted by 2.3% for inflation from 1 April 2019 • 3.33 pence dividend declared for the half year
Preservation of capital over the longer term To preserve the capital value of the portfolio over the long term on a real basis through active management of the portfolio and the reinvestment of cash flows not required for the payment of dividends.	• NAV per share 104.7 pence, unchanged from 104.7 pence at 31 March 2019 • Portfolio value £543.6 million, up 3.8% from £523.6 million at 31 March 2019 • Main growth drivers include portfolio value enhancement and good portfolio performance, offset by reduction of energy price forecast
Investment, growth and diversification To invest in operational environmental infrastructure projects in OECD countries with established technologies, operational track records and that have the benefit of long-term, predictable, wholly or partially inflation-linked cash flows supported by long-term contracts or stable regulatory frameworks.	30 project investments • Predominantly UK portfolio balanced by sector: 42% wind, 24% AD, 23% solar, 10% waste & wastewater and 1% hydropower • 30 project investments • Largest individual asset 8% (limit 25%) • Revenue mix: 36% merchant power, 50% green benefits, 14% PFI

Underpinned by:
Environmental, social and governance ("ESG") read more on pages 30 to 33 and
corporate governance read more on pages 72 to 95 of the 2019 Annual Report.

	PRINCIPAL RISKS for details see pages 52 to 58 of the 2019 Annual Report
3.33p dividend declared for half year to 30 September 2019 **6.66p** dividend target for year to 31 March 2020[(1)]	• Volume of resource • Power prices • Inflation • Changes in the legislative and regulatory framework that affect renewables and PPP projects • Operational risks in the portfolio
£520.2m Net Asset Value **104.7p** Net Asset Value per share	• Valuation risks (volume/energy prices/inflation/feedstock costs/operational performance) • Lack of future pipeline and/or funding • Increased competition • Changes in the legislative and regulatory framework that affect renewables and PPP projects
£543.6m portfolio value **286.2MW** total diversified capacity	• Lack of future pipeline and/or funding • Increased competition • Changes in the legislative and regulatory framework that affect renewables and PPP projects

Generation of total return to shareholders over the longer term.
Target an IRR of 7.5% to 8.5% (net of fees and expenses) on the original issue price of the shares over the longer term.[(1)]

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

CHAIRMAN'S STATEMENT

JLEN has had another six months of solid underlying performance combined with share price growth. The inclusion of hydro and battery assets strengthens JLEN's position as the most diversified fund within the listed renewable infrastructure sector.

Richard Morse
Chairman

On behalf of the Board, I am pleased to present the Half-year Report of JLEN Environmental Assets Group Limited for the six months ended 30 September 2019.

Results

During the period under review, the Company's portfolio has performed satisfactorily. The Company has acquired two UK projects during the period covering three asset classes – one which combines hydro with battery storage and an additional anaerobic digestion ("AD") project. Both have high levels of subsidy support, reducing exposure to electricity and gas prices, which can be volatile, as evidenced by further reductions in future forecasts.

JLEN's profit before tax for the six-month period to 30 September 2019 was £16.2 million (six months to 30 September 2018: £16.1 million) and earnings per share for the period was 3.3 pence (six months to 30 September 2018: 4.1 pence). The Board continues to believe that the portfolio is well positioned to deliver the target returns to shareholders.

The Net Asset Value ("NAV") per share at 30 September 2019 was 104.7 pence, unchanged from 104.7 pence at 31 March 2019 despite reductions in long-term electricity and gas price forecasts.

Cash received from the portfolio by way of distributions, which includes interest, loan repayments and dividends, was £22.8 million (six months to 30 September 2018: £20.7 million).

Timeline

May 19

- Extended the rolling credit facility for a further year to June 2022 and increased borrowing capacity by £40 million to £170 million

June 19

- Announced target dividend of 6.66 pence for 2019/20, increased from 6.51 pence for 2018/19
- Paid a dividend of 1.6275 pence per share (relating to the three-month period ended 31 March 2019)

July 19

- Completed the acquisition of two operational low head hydropower stations and a battery storage system for a total consideration of £4.3 million. This represents the Company's first investment in two new sectors

Net cash inflows from the investment portfolio (after operating and finance costs) of £18.5 million (six months to 30 September 2018: £16.7 million) cover the interim dividends paid in the half-year period of £16.4 million by approximately 1.1 times (six months to 30 September 2018: £12.6 million; 1.3 times). On a dividend-declared basis for the half year, dividend cover was 1.1 times.

In recognition of the fact that JLEN derives 100% of its annual revenues from assets that contribute to the global green economy, I am pleased to note that the Company has been accredited with the London Stock Exchange's Green Economy Mark. This will assist investors in identifying companies that make such a contribution and we continue to explore ways to emphasise the ways that JLEN's assets have a positive impact.

Dividend policy

For the year to 31 March 2019, the Company achieved its target dividend of 6.51 pence per share by the payment of four interim dividends.

In line with the total inflation adjusted target for the year ending 31 March 2020 of 6.66 pence per share set out in our 2019 Annual Report, a quarterly dividend of 1.665 pence per share was paid in September 2019 for the quarter to 30 June 2019. I am pleased to announce that the Board has declared an interim dividend of 1.665 pence per share for the quarter to 30 September 2019, payable on 20 December 2019 to shareholders on the register as at 29 November 2019. The ex-dividend date will be 28 November 2019.

- Completed the acquisition of Warren Energy anaerobic digestion plant for an initial consideration of £14.8 million subject to additional deferred payments up to £0.8 million

August 19

September 19

- Paid a dividend of 1.665 pence per share (relating to the three-month period ended 30 June 2019)

- JLEN has been awarded the new Green Economy Mark by the London Stock Exchange, which identifies London-listed companies and funds that generate between 50% and 100% of total annual revenues from products and services that contribute to the global green economy

GREEN ECONOMY LONDON STOCK EXCHANGE

October 19

Portfolio performance

Total generation for the period from JLEN's diverse renewables portfolio was 375GWh, 0.1% above budget. Above-budget performance from the AD assets offset slightly below-budget generation from the wind portfolio. The solar portfolio was broadly on budget.

The AD portfolio is now the second largest producer of energy for the portfolio (40% by GWh energy generated) with the majority of these assets performing well during the period. All plants were around or ahead of their generation budgets with the exception of Biogas Meden, which experienced some downtime for periods of unplanned maintenance that should not reoccur. Generation figures do not include the Warren Energy AD plant that was acquired at the end of August. The Vulcan upgrade project to double the capacity of the plant has made good progress and commenced performance testing post the period end. This is a prime example of how JLEN can enhance its operations and grow NAV post acquisition. It is due to be completed later in 2019.

The wind portfolio (44% by GWh energy generated) experienced poor wind conditions in the first part of the period, with May in particular being a low wind speed month. The wind resource improved in the second quarter, leaving the wind portfolio 2.1% below budget. Availability was generally good across the portfolio, with the exception of the sites operated by the German turbine manufacturer Senvion, which entered insolvency proceedings during the period. This was anticipated by the Company and a provision was made at the start of the period for lower availability. Adjusting for these sites, generation would have been on budget. The Directors are pleased to see that a deal for Senvion's O&M business seems to be progressing with Siemens Gamesa, and expect performance to improve in due course once that deal has completed.

The solar portfolio (15% by GWh energy generated) generated in line with budget on irradiation that was 3.4% higher during the period than the long-term average. The main detractor from performance was a planned grid outage at Shoals Hook in April and grid constraints in June and July for which a provision was made. Adjusting for this, generation would have been 1.3% above budget. The Branden sites also experienced various outages during the period, the majority of which are expected to be covered by insurance proceeds. The Investment Adviser continues to make improvements to the Branden site to improve its resilience. Performance for the rest of the portfolio was generally satisfactory.

The run-of-river hydro assets acquired during the period have a negligible impact on overall portfolio generation (<1% by GWh energy generated). Nevertheless, performance has been strong and we look forward to gaining more experience of the co-located battery storage system at the Yorkshire-based site that may offer a model for enhancing value on other grid-connected sites throughout the portfolio.

Both concession-based waste management projects have continued to perform in line with expectations. The ELWA waste management project has continued to meet its key contractual targets. The ELWA project relies in part on European off-takers for refuse-derived fuel and recent developments, including the prospect of Brexit, have put some pressure on this aspect. However, the project company is protected by the contractual structure and this remains the operator's risk. The Tay wastewater project experienced low flows in the first part of the period, with high rainfall in more recent months reversing this trend.

Investment Adviser

On 1 July 2019, the Investment Adviser to the Company changed from John Laing Capital Management to Foresight Group. The existing team that has been providing investment advice since JLEN's launch in 2014 also transferred to Foresight Group. Although it is early in our relationship with Foresight Group, the Directors have been encouraged by Foresight Group's commitment to supporting the existing team in their ongoing roles. The Company has also started seeing the benefit of Foresight Group's greater depth of resource in areas such as asset management, health and safety, and origination, and we look forward to this continuing in the future.

Acquisitions

During the period under review, the Company announced the acquisitions set out below. JLEN has maintained price discipline in considering new acquisitions, adding assets that have attractive risk-adjusted returns against a backdrop of fierce competition particularly in mainstream parts of the environmental infrastructure market.

Yorkshire Hydropower portfolio

On 18 July 2019, the Company acquired the following assets for £4.3 million including working capital:

- Kirkthorpe hydro, a 500kW single turbine hydro project located on the River Calder, which was commissioned on 21 November 2016;
- Thrybergh hydro, a twin screw 260kW hydro project located on the River Don, commissioned on 26 October 2015; and
- a 1.2MW battery co-located at Thrybergh, commissioned in January 2018.

Both hydro projects are accredited under the 20-year Feed-in Tariff scheme. The battery storage project at Thrybergh is currently dedicated to a Firm Frequency Response contract but is likely to switch to a trading strategy in the coming months.

Warren Energy Limited

On 28 August 2019, the Company acquired the Warren Energy AD plant, located in Methwold, Norfolk. The plant was commissioned in December 2015 and became operational in March 2016. The plant has a thermal capacity of c.5MW_{th} and predominantly produces biomethane to be injected to the national gas grid. In addition, the plant also has a 0.5MW_{e} CHP engine and is accredited under the Renewable Heat Incentive ("RHI") and FiT schemes.

Warren is JLEN's seventh investment into crop-fed gas-to-grid AD plants and gives the Company considerable presence in this part of the market. The Investment Adviser places particular emphasis on operating track record in assessing opportunities, and this is reflected in the performance of the AD portfolio to date.

Financing

JLEN benefits from a revolving credit facility ("RCF") with HSBC, NIBC, ING and Santander that provides valuable flexibility for the funding of asset acquisitions and consequent timing of capital raising. During the period, in May 2019, JLEN further extended the maturity of the facility for another year to June 2022, and increased the facility amount by £40 million. The RCF is now a £170 million committed facility, putting JLEN in a strong position when competing in the market for environmental infrastructure assets.

At the date of issuing this report, £134.1 million is undrawn and available to fund acquisitions.

Share capital

The Company has not issued new equity in the period. Investor appetite for the renewable infrastructure sector has been strong and JLEN has traded at a significant premium to NAV. This has been supported by its prudent approach to valuations and low portfolio volatility due to diversification of risks across technologies. However, as outlined above, JLEN has significant funding capacity for new acquisitions and the Directors are mindful of the cash drag effect on performance from raising money from shareholders without having an immediate use for that cash. The Directors consider that the Company is in a strong position and will only consider raising new equity when it is in the best interests of shareholders as a whole.

Valuation

The Net Asset Value at 30 September 2019 is £520.2 million, comprising £543.6 million portfolio valuation, £9.1 million of cash held by the Group, together with outstanding revolving credit debt of £35.9 million and a positive working capital balance of £3.4 million.

Valuation continued

The Investment Adviser has prepared a fair market valuation of the portfolio as at 30 September 2019. This 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 portfolio investment. This valuation uses key assumptions which are recommended by the Investment Adviser using its experience and judgement, having considered available comparable market transactions and financial market data in order to arrive at a fair market value.

For this valuation date, the Company has been able to draw upon the current experience of Foresight Group in competing in relevant environmental infrastructure markets. This has informed the decision to lower the discount rate used to value JLEN's portfolio of UK wind farms, which are established, conservatively geared assets with demonstrable track records and so very attractive in the current competitive environment. The Directors note increased competition in other markets too, most notably the AD market where new entrants are active, attracted by the high level of inflation-linked subsidy revenues available to projects, but have not changed discount rates. This will be reviewed at the next valuation date, when the results of market sales processes will be known.

The Directors have satisfied themselves as to the methodology used and the assumptions adopted and have approved the valuation of £543.6 million for the portfolio of 30 investments as at 30 September 2019.

Outlook

The outlook for the Company is positive and it is pleasing to note that the Company's strategy of diversification has contributed to a solid performance for the first six months of the year. Despite complications in some parts of the portfolio, overall performance has been in line with expectations as other parts of the portfolio have compensated. Similarly, while power prices have continued to decrease over the period from the highs seen in 2018, the Company's strategy of targeting assets with relatively high levels of subsidy revenues looks astute.

Diversification will remain important. In the period, two new technologies in hydropower and battery storage were added to the portfolio, and the Investment Adviser continues to assess opportunities that would add to this, such as food waste projects, biomass and energy from waste. We will not pursue diversification for its own sake however, and will ensure that any new opportunities that we pursue look sensible on a risk-adjusted basis.

The greater investment management resources of Foresight Group also open up other avenues for the Company. Foresight Group has a footprint in several European countries and the Investment Adviser is assessing whether environmental infrastructure assets in these markets compare favourably to similar assets in the UK market. Wind and solar assets remain expensive in most mature European markets, but the Company's mandate provides the breadth to consider other technologies. In doing so, proper consideration of how the assets will be managed will be taken.

The Company may also consider a small allocation to construction stage assets. This may include further upgrade projects to existing assets such as the Vulcan upgrade, but also construction of greenfield assets in sectors where construction risk is well understood and commissioning risk is generally not great. We expect these assets to provide higher returns and to contribute to dividend cover once the initial construction period is complete. There may also be scope to target larger assets in partnership with other Foresight-managed funds. The maximum allocation to construction stage assets is 15% of NAV however, and any investment in this area will be comfortably within that constraint.

The Investment Adviser also continues to look for value enhancements across the portfolio. Upgrades are now underway for most of the wind assets within the portfolio and a range of small enhancements to increase gas yield are also being pursued across the AD portfolio. The Board continues to encourage the Investment Adviser in this respect, and we remain committed to improving returns from the existing portfolio, which we believe retains significant potential.

Richard Morse
Chairman

20 November 2019

OPERATIONAL AND FINANCIAL REVIEW

Financial and operating performance of the portfolio has been satisfactory and steady progress has been made on matters including the upgrade work at Vulcan and the future O&M arrangements for wind farms currently serviced by Senvion.

Investment performance

The change in total NAV reflects the updates for recent operational performance, changes in assumptions for future electricity and gas prices, and value enhancements. The Directors have also considered the discount rates seen in the secondary markets for environmental infrastructure assets in arriving at the forecasts used in the valuation.

The NAV per share at 30 September 2019 was 104.7 pence, unchanged from 104.7 pence at 31 March 2019, despite reductions in long-term electricity and gas price forecasts.

JLEN has announced an interim dividend of 1.665 pence per share for the quarter ended 30 September 2019, payable on 20 December 2019, in line with the full-year target of 6.66 pence per share for the year ending 31 March 2020 as set out in the 2019 Annual Report.

Portfolio performance

Operating performance of the environmental infrastructure portfolio during the six-month period ended 30 September 2019 was generally satisfactory, with some exceptions. During the period, the renewables segment of the portfolio produced 375GWh (six months to 30 September 2018: 333GWh) of green energy. Wind generation was 2.1% below budget (six months to 30 September 2018: 12.7% negative variance from budget), primarily due to poor availability for wind farms where Senvion provides operations and maintenance services. Solar generation was 0.6% below budget (six months to 30 September 2018: 1.6% above budget), driven by solar irradiation above long-term average throughout the period and particularly in May and August. The AD portfolio continued to outperform, with gas generation 2.7% above budget (six months to 30 September 2018: 4.6% above budget).

Wind

Electricity generation from the wind assets of 165GWh (which represent 44% of the portfolio energy generation for the period) was 2.1% below budget. Operational availability and average wind speeds were largely in line with budget, with lower averages in the first part of the period offset by better wind resource in the second quarter. The four Senvion wind farms remained the primary exceptions.

A number of turbines suffered prolonged outages as Senvion struggled to provide satisfactory resources given their well-publicised financial difficulties. The Company had anticipated weaker performance of these assets at the start of the year and had made a provision equivalent to a reduction in availability of 5%. In the event that these wind farms had achieved normal levels of availability, the wind portfolio would have achieved the budgeted level of electricity production.

In recent weeks there has been a marked improvement since the emergence of a potential agreement with Siemens Gamesa Renewable Energy ("SGRE") for the sale of Senvion's European Onshore Services business. The Investment Adviser continues to monitor the situation closely but views the pending acquisition by SGRE as a positive outcome. SGRE have a strong servicing presence throughout the UK, a robust supply chain and a good performance record on the other assets they manage within the JLEN portfolio.

Turbine optimisation packages were installed on a number of wind farms during the period. While initial analysis indicates a clear performance improvement as a result, further data is required before the uplift can be definitively quantified. In addition to those installed, agreement has been reached for a similar package on an additional site. Timing of installation for that package remains to be agreed and similar opportunities for the remaining sites continue to be explored.

Operational life of one site was extended to reflect the underlying land rights, in accordance with JLEN policy. Cost reduction and rationalisation continue to play a major role in driving operational efficiency. Increasingly competitive markets for O&M and asset management services have seen a marked cost reduction. As such, assumptions for post-contractual periods have been reduced for both categories of service.

The Investment Adviser continues to explore additional opportunities to enhance value, including data-driven turbine performance management systems, continued cost reductions, battery co-location, further life extension options, and financial hedging opportunities to protect against volatile electricity pricing.

Solar

Generation from the solar assets (which represent 15% of the portfolio energy generation for the period), at 56GWh, was 0.6% below budget. The Investment Adviser worked to minimise the impact of planned outages and grid constraints scheduled for the summer months at Shoals Hook with the distribution network operator ("DNO"), for which a provision was made at the beginning of the period. The eventual lost generation was about half that associated with the original plans, and the solar portfolio would have been 1.3% above budget if Shoals Hook had not been affected.

Irradiation for the solar portfolio was 3.4% higher than the long-term average forecast for the portfolio. The main reasons for the discrepancy between irradiation and generation, apart from the DNO works, were high temperatures negatively impacting the performance of key components such as panels and inverters, and some site-level performance issues where recovery is expected from operators or insurers as appropriate. The majority of the issues were experienced at the Branden sites, where the Investment Adviser has now overseen significant improvement works, including replacement of all dry-cast transformers and refurbishment of inverter modules. Excluding the Branden sites, generation would have been 3.4% above budget.

Anaerobic digestion

Overall, the AD portfolio generation performance for the half year was 2.7% above budget in energy generation terms, with generally good availability of the assets throughout the period. Icknield continued to maintain its strong performance throughout the period, exceeding budgeted performance by over 10%. Similarly, Merlin, Grange and Vulcan also maintained strong overperformance against budget. Vulcan in particular has shown good performance, notwithstanding it has undergone a major construction activity on site to facilitate its expansion project.

Biogas Meden, which was acquired in December 2018, has experienced unplanned downtime during the half year, notably an engine failure. The failure required a new engine replacement by the service provider and returned to operational status in less than two weeks. Overall, the generation performance for the half year has been slightly below budget with a 1% negative variance.

Wholesale gas price fixing has been achieved for over 60% of the gas volumes for a number of sites with price hedging from December 2018 to December 2019, where gas prices peaked at favourable rates (around 2.1 pence/kWh) versus current market wholesale prices of just over 0.8 pence/kWh. A large portion of the portfolio will be ending its hedged volume towards the end of December 2019 and therefore the market for hedging future gas volumes has been closely monitored. Gas prices, however, have remained suppressed throughout the period. It is expected that prices will rise as the UK enters the winter period.

Given the agricultural nature of the feedstock for the AD plants, availability and cost of feedstock continues to be an important aspect for the AD portfolio. After a difficult 2018 growing season for AD agricultural crops, as updated in the last Annual Report, the outlook for 2019 has improved moderately. This has been as a result of having reasonably good crop establishment conditions in the early part of 2019, followed by a growing season of spring and summer with on-target rainfall and heat units to allow the crop to grow. Harvest commenced in September and it is expected that the yields will be broadly in line with budget.

The Investment Adviser is also progressing on various initiatives to improve feedstock cost resilience, as noted in the Annual Report. This includes agreeing capital investment in feedstock treatment technologies which will improve the conversion efficiency of the feedstock into gas, agreeing capital investments in centralised storage facilities for feedstocks to allow a "hub and spoke" model for feedstock availability across the portfolio, and ensuring long-term partnerships are formed and maintained with key feedstock counterparty suppliers.

Portfolio performance continued

Waste and wastewater concessions

The PFI-backed waste and wastewater assets now represent only 10% of the portfolio by value. Waste tonnages at the ELWA waste project have continued to be slightly above target. Operational performance targets were exceeded with diversion from landfill at 99.69%, substantially ahead of the 67% contract target, and recycling at 27.31%, also ahead of the 22% contract target. While the operator has reported some off-take issues with disposing of the project's residual refuse-derived fuel to European counterparties, this remains the operator's risk. The insurance market for waste assets is thin and this has led to some issues in placing cover, which the Investment Adviser is following closely.

Rainfall at Tay, a key driver of wastewater flows through the treatment plant, improved in the later months of the period. The plant has also performed well over the period, with few issues requiring unplanned spending. As a result, the asset's financial performance has been good, and this is expected to continue.

As reported in the 2019 Annual Report, the Dumfries and Galloway project has been terminated and the Company expects to receive proceeds from the winding up of the project company. BDO were appointed as liquidators of the project company in July. It is anticipated that the winding up process should be completed by the end of JLEN's financial year. The Board expects Dumfries and Galloway to be removed from the portfolio once this occurs.

Hydropower

The hydro portfolio was acquired during the period and has generated c.1 GWh in the period. This is 6.6% above the budget for the assets, and although the level of generation is small given the scale of JLEN's renewable generation portfolio, hydro introduces further diversification in exposure to different weather resources. The presence of a co-located battery storage system on one of the hydro sites is also an interesting development and it is already providing information relevant to assessing the feasibility of rolling out further battery systems at other sites in the portfolio.

Apart from the issues noted above, all other projects have achieved good levels of technical and operational availability during the period, with no significant operational disruption experienced. Overall, the generation of the renewable energy assets in the portfolio since IPO is summarised as follows:

Portfolio generation	2014/15	2015/16	2016/17	2017/18	2018/19	HY 2019/20	Total
Wind portfolio actual generation (GWh_e)	82	184	217	399	405	165	**1,452**
Variation from budget(1)	-7%	+11%	-15%	0%	-9%	-2%	**-5%**
Solar portfolio actual generation (GWh_e)	10	30	40	64	79	56	**279**
Variation from budget(1)	-1%	-2%	-12%	-9%	+2%	-1%	**-4%**
AD portfolio actual generation (GWh_{th})	–	–	–	51	262	153	**466**
Variation from budget	–	–	–	+8%	+4%	+3%	**+4%**
Hydropower portfolio actual generation (GWh_e)	–	–	–	–	–	1	**1**
Variation from budget	–	–	–	–	–	+7%	**+7%**

(1) Budgets adjusted to reflect operational energy yield assessments carried out under contracted true-up mechanisms post IPO.

The average all-in price received by the differing technology classes in the UK for their energy volumes generated in the six-month period ended 30 September 2019 was £86 per MWh_e for onshore wind (year ended 31 March 2019: £92 per MWh_e), £185 per MWh_e for solar (year ended 31 March 2019: £190 per MWh_e) and £106 per MWh_{th} for AD (year ended 31 March 2019: £101 per MWh_{th}).

The effects of monthly variability and seasonality in production expected in a portfolio of intermittent renewables projects are reduced by the overall technology diversification in JLEN's portfolio. Although agricultural AD plants have some indirect exposure to weather patterns through the yield of harvests (feedstock), it is unlikely to impact on their gas volumes. The environmental processing assets, apart from Tay, have revenues independent of weather and all have revenues that vary little with changes in volume of waste and wastewater processed. The inclusion of hydro assets introduces further diversification around climatic conditions. As noted in the Annual Report, the "volumes" sensitivity illustrating the impact of different levels of weather resource on portfolio valuation no longer aggregates wind and solar, as there is no indication that these weather resources are positively correlated.

Acquisitions

Since 31 March 2019, the Company has acquired two new projects for a total consideration of £19.1 million. The investments were funded through cash available and drawdowns under the Company's revolving credit facility. The assets were as follows:

Warren Energy Limited

In August 2019, the Company completed the acquisition of Warren Power Limited ("WPL") for an initial consideration, including working capital, of £14.8 million subject to additional deferred payments up to £0.8 million. WPL owns 100% of the equity in Warren Energy Limited ("WEL"), which holds the rights and operational assets that make up the anaerobic digestion plant.

The Warren AD plant is located in Methwold, Norfolk, was commissioned in December 2015 and became operational in March 2016. The plant has a thermal capacity of c.5MW_{th} and predominantly produces biomethane to be injected to the national gas grid. In addition, the plant also has a 0.5MW_e CHP engine and is accredited under the Renewable Heat Incentive and Feed-in-Tariff schemes.

The Warren AD plant has been acquired from EIS funds managed by Amersham Investment Management Ltd and minority shareholders, Future Biogas Ltd ("FBL"). FBL will continue to provide management, operations and maintenance services to the AD plant after the acquisition.

Yorkshire Hydropower Limited

In July 2019, the Company acquired two operational low head hydropower stations and an operational battery storage system for a total consideration, including working capital, of £4.3 million.

The acquisition of Yorkshire Hydropower Holdings Limited ("YHHL"), which owns 100% of the equity in Yorkshire Hydropower Limited ("YHL"), represents the Company's first investment in two new sectors, run-of-river hydro and battery storage, further diversifying the Company's portfolio of environmental infrastructure projects.

The Yorkshire-based projects acquired are:

- Kirkthorpe hydro, a 500kW single turbine hydro project located on the River Calder, which was commissioned on 21 November 2016;
- Thrybergh hydro, a twin screw 260kW hydro project located on the River Don, commissioned on 26 October 2015; and
- a 1.2MW battery co-located at Thrybergh, commissioned in January 2018.

YHHL was acquired from a group of high-net-worth investors, which provided the original funding under the Enterprise Investment Scheme.

Financing

The Fund benefits from a three-year facilities agreement with HSBC, NIBC, ING and Santander. The facility has been extended twice, in June 2018 and May 2019, and will expire in June 2022. The facility currently provides for a committed revolving credit facility of £170 million and for a remaining uncommitted accordion facility of up to £20 million. The facility margin is 200 to 225 bps (depending on the loan-to-value ratio for the Fund) over LIBOR.

This facility provides JLEN an increased source of flexible funding outside of equity raisings at a lower cost. It will be used to make future acquisitions of environmental infrastructure projects to add to JLEN's current portfolio of wind, solar, anaerobic digester, hydro and waste and wastewater processing assets, on a timely basis, reducing the performance drag associated with holding excess cash. As at the period end, drawings under the RCF were £35.9 million. Under its investment policy, JLEN may borrow up to 30% of its NAV.

In addition to the revolving credit facility, several of the projects have underlying project-level debt which is not reflected in these financial statements. 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.

The project-level gearing at 30 September 2019 across the portfolio was 32.7% (31 March 2019: 33.7%) being 27.3% (31 March 2019: 28.1%) for the renewable energy assets and 52.3% (31 March 2019: 52.7%) for the PFI processing assets. Taking into account the amount drawn under the revolving credit facility of £35.9 million, the overall fund gearing at 30 September 2019 was 36.9% (31 March 2019: 35.7%).

As at 30 September 2019, the Group, which comprises the Company and the intermediate holding companies, had cash balances of £9.1 million (31 March 2019: £11.4 million).

Analysis of financial results

The financial statements of the Company for the six-month period ended 30 September 2019 are set out on pages 36 to 53.

The Company prepared the condensed unaudited financial statements for the six-month period to 30 September 2019 in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and IFRS as issued by the International Accounting Standards Board. 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 (John Laing Environmental Assets Group (UK) Limited ("UK HoldCo")) and the indirectly held wholly owned subsidiaries HWT Limited (which holds the investment interest in the Tay project) and JLEAG Solar 1 Limited (which holds the investment interest in the Panther solar portfolio).

Net assets

Net assets remain steady from £520.3 million at 31 March 2019 to £520.2 million at 30 September 2019.

The net assets of £520.2 million comprise £543.6 million portfolio value of environmental infrastructure investments and the Company's cash balances of £1.8 million, partially offset by £23.7 million of intermediate holding companies' net liabilities and other net liabilities of £1.5 million.

The intermediate holding companies' net liabilities of £23.7 million comprises a £35.9 million revolving credit facility loan, partially offset by cash balances of £7.3 million and other net assets of £4.9 million.

Analysis of the Group's net assets

All amounts presented in £million (except as noted)	At 30 Sep 2019	At 31 Mar 2019
Portfolio value	**543.6**	523.6
Intermediate holding companies' cash	**7.3**	9.5
Intermediate holding companies' revolving credit facility	**(35.9)**	(16.7)
Intermediate holding companies' other assets	**4.9**	3.6
Fair value of the Company's investment in UK HoldCo	**519.9**	520.0
Company's cash	**1.8**	1.9
Company's other liabilities	**(1.5)**	(1.6)
Net Asset Value	**520.2**	520.3
Number of shares	**497,018,205**	497,018,205
Net Asset Value per share	**104.7p**	104.7p

At 30 September 2019, the Group (the Company plus intermediate holding companies) had a total cash balance of £9.1 million (31 March 2019: £11.4 million), including £1.8 million in the Company's balance sheet (31 March 2019: £1.9 million) and £7.3 million in the intermediate holding companies (31 March 2019: £9.5 million), which is included in the Company's balance sheet within "investments at fair value though profit or loss".

At 30 September 2019, UK HoldCo had drawn £35.9 million of its revolving credit facility (31 March 2019: £16.7 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 2019 to 30 September 2019 is summarised as follows:

All amounts presented in £million (except as noted)	Six months ended 30 Sep 2019	Year ended 31 Mar 2019
Portfolio value at start of the period/year	**523.6**	429.5
Acquisitions/further investments (net of post-acquisition price adjustments)	**21.9**	77.5
Distributions received from investments	**(22.8)**	(43.6)
Growth in value of portfolio	**20.9**	60.2
Portfolio value	**543.6**	523.6

Further details on the portfolio valuation and an analysis of movements during the period are provided in the investment portfolio and valuation section on pages 22 to 29.

Profit before tax

The Company's profit before tax for the six-month period was £16.2 million (six-month period ended 30 September 2018: £16.1 million), generating earnings of 3.3 pence per share (six-month period ended 30 September 2018: 4.1 pence per share).

All amounts presented in £million (except as noted)	Six months ended 30 Sep 2019	Six months ended 30 Sep 2018
Interest received on UK HoldCo loan notes	**14.4**	10.3
Dividend received from UK HoldCo	**5.0**	–
Net gains on investments at fair value	**(0.1)**	8.6
Operating income	**19.3**	18.9
Operating expenses	**(3.1)**	(2.8)
Profit before tax	**16.2**	16.1
Earnings per share	**3.3p**	4.1p

Profit before tax continued

In the six months to 30 September 2019, the operating income was £19.3 million, including the receipt of £14.4 million of interest on the UK HoldCo loan notes, £5.0 million of dividends also received from UK HoldCo and a loss on investments at fair value of £0.1 million.

The operating expenses included in the income statement for the period were £3.1 million, in line with expectations. These comprise £2.7 million Investment Adviser fees and £0.4 million operating expenses. The details on how the Investment Adviser fees are charged are set out in note 14 to the condensed unaudited financial statements.

Ongoing charges

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

For the year ended 31 March 2019 the ratio was 1.26% and it is anticipated that the full-year ratio for the year ended 31 March 2020 will decrease. The ongoing charges percentage is calculated on a consolidated basis and therefore takes into consideration the expenses of UK HoldCo as well as the Company's.

Cash flow

The Company had a total cash balance at 30 September 2019 of £1.8 million (31 March 2019: £1.9 million). The breakdown of the movements in cash during the period is shown below.

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

	Six months ended 30 Sep 2019	Six months ended 30 Sep 2018
Cash balance at 1 April	1.9	5.5
Net proceeds from share issues	—	(0.3)
Interest on loan notes received from UK HoldCo	14.4	10.3
Dividends received from UK HoldCo	5.0	—
Directors' fees and expenses	(0.1)	(0.1)
Investment Adviser fees	(2.7)	(2.2)
Administrative expenses	(0.3)	(0.4)
Dividends paid in cash to shareholders	(16.4)	(12.6)
Company cash balance at 30 September	**1.8**	0.2

The Group had a total cash balance at 30 September 2019 of £9.1 million (31 March 2019: £11.4 million) and borrowings under the revolving credit facility of £35.9 million (31 March 2019: £16.7 million). The breakdown of the movements in cash during the period is shown below.

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

	Six months ended 30 Sep 2019	Six months ended 30 Sep 2018
Cash distributions from environmental infrastructure investments	22.8	20.7
Administrative expenses	(0.8)	(0.4)
Directors' fees and expenses	(0.1)	(0.1)
Investment Adviser fees	(2.6)	(2.2)
Financing costs (net of interest income)	(0.8)	(1.3)
Cash flow from operations	18.5	16.7
Net proceeds/(expenses) from share issues	—	(0.3)
Acquisition of investment assets and further investments	(21.5)	(58.7)
Reduction in acquisition price	0.1	—
Acquisition costs (including stamp duty)	(0.7)	(1.7)
Short-term projects debtors	(0.7)	—
Debt arrangement fee cost	(0.8)	(0.4)
Proceeds from borrowings under the revolving credit facility	19.2	55.2
Dividends paid in cash to shareholders	(16.4)	(12.6)
Cash movement in the period	(2.3)	(1.8)
Opening cash balance	11.4	11.8
Group cash balance at 30 September	9.1	10.0

During the period, the Group received cash distributions of £22.8 million from its environmental infrastructure investments, in line with the distributions expected by the Group after adjusting for acquisitions during the period.

Cash received from investments in the period adequately covers the operating and administrative expenses and financing costs, as well as the dividends declared to shareholders in respect of the six-month period ended 30 September 2019. Cash flow from operations of the Group of £18.5 million covers dividends paid in the six-month period to 30 September 2019 of £16.4 million by 1.1x. The dividend cover based on dividends declared in respect of the six-month period to 30 September 2019 was 1.1x.

The Group anticipates that future revenues from its environmental infrastructure investments will continue to be in line with expectations and therefore will continue to fully cover future costs as well as planned dividends payable to its shareholders[1].

Dividends

During the period, the Company paid a final dividend of 1.6275 pence per share in June 2019 (£8.1 million) in respect of the quarter to 31 March 2019. Interim dividend of 1.665 pence per share was paid in September 2019 (£8.3 million) in respect of the quarter to 30 June 2019.

On 20 November 2019, the Company declared an interim dividend of 1.665 pence per share in respect of the quarter ended 30 September 2019 (£8.3 million), which is payable on 20 December 2019.

In line with the 2019 Annual Report, the target dividend for the year to 31 March 2020 is 6.66 pence per share[1].

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

INVESTMENT PORTFOLIO AND VALUATION

Portfolio value increased to £543.6 million at 30 September 2019 from £523.6 million at 31 March 2019.

Investment portfolio

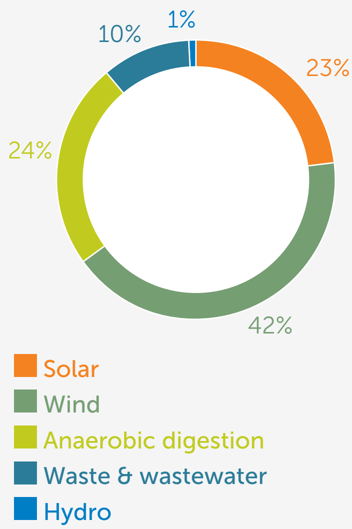
At 30 September 2019, the Group's investment portfolio comprised of interests in 30 project vehicles:

Type	Asset	Location	Type	Ownership	Capacity (MWs)	Commercial operations date
	Amber	UK (Eng)	Solar	100%	9.8	Jul 2012
	Branden	UK (Eng)	Solar	100%	14.7	Jun 2013
	CSGH	UK (Eng)	Solar	100%	33.5	Mar 2014 & 15
	Monksham	UK (Eng)	Solar	100%	10.7	Mar 2014
	Panther	UK (Eng)	Solar	100%	6.5	2011-2014
	Pylle Southern	UK (Eng)	Solar	100%	5.0	Dec 2015
	Bilsthorpe	UK (Eng)	Wind	100%	10.2	Mar 2013
	Burton Wold Extension	UK (Eng)	Wind	100%	14.4	Sept 2014
	Carscreugh	UK (Scot)	Wind	100%	15.3	Jun 2014
	Castle Pill	UK (Wal)	Wind	100%	3.2	Oct 2009
	Dungavel	UK (Scot)	Wind	100%	26.0	Oct 2015
	Ferndale	UK (Wal)	Wind	100%	6.4	Sep 2011
	Hall Farm	UK (Eng)	Wind	100%	24.6	Apr 2013
	Le Placis Vert	France	Wind	100%	4.0	Jan 2016
	Llynfi Afan	UK (Wal)	Wind	100%	24.0	Mar 2017
	Moel Moelogan	UK (Wal)	Wind	100%	14.3	2003 & 08
	New Albion	UK (Eng)	Wind	100%	14.4	Jan 2016
	Plouguernével	France	Wind	100%	4.0	May 2016
	Wear Point	UK (Wal)	Wind	100%	8.2	Jun 2014
	Biogas Meden	UK (Eng)	Anaerobic digestion	100%	5.0(1)	Mar 2016
	Egmere	UK (Eng)	Anaerobic digestion	100%	5.0(2)	Nov 2014
	Grange	UK (Eng)	Anaerobic digestion	100%	5.0(2)	Sept 2034
	Icknield	UK (Eng)	Anaerobic digestion	53%	5.0(1)	Dec 2014
	Merlin	UK (Eng)	Anaerobic digestion	100%	5.0(2)	Dec 2013
	Vulcan	UK (Eng)	Anaerobic digestion	100%	5.0(2)	Oct 2013
	Warren	UK (Eng)	Anaerobic digestion	100%	5.0(2)	Mar 2016
	Dumfries & Galloway	UK (Scot)	Waste management	80%	n/a	2007
	ELWA	UK (Eng)	Waste management	80%	n/a	2006
	Tay	UK (Scot)	Wastewater	33%	n/a	Nov 2001
	Yorkshire Hydropower	UK (Eng)	Hydropower	100%	2.0(3)	Oct 2015/Nov 2016
				Total	286.2	

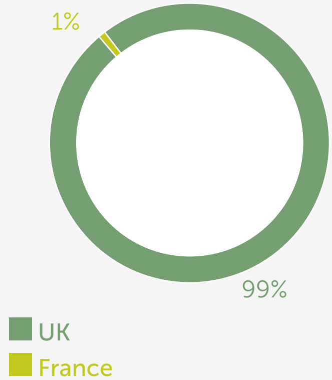
(1) MW_{th} (thermal) and an additional $0.4MW_e$ CHP engine for on-site power provision.
(2) MW_{th} (thermal) and an additional $0.5MW_e$ CHP engine for on-site power provision.
(3) Includes a 1.2MW battery storage dedicated to a Firm Frequency Response contract.

The JLEN portfolio comprises a diversified range of assets across different geographies, sectors, technologies and revenue types, as illustrated in the analysis below as at 30 September 2019 (by portfolio value and distributions from projects):

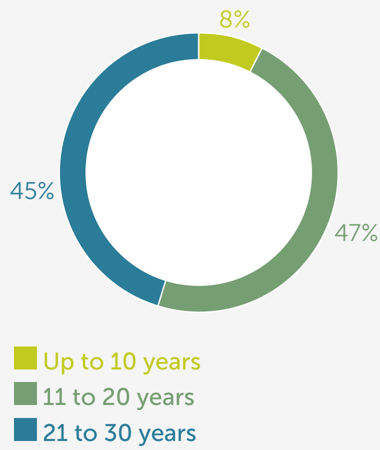
Portfolio value
split by sector



Portfolio value
split by geography

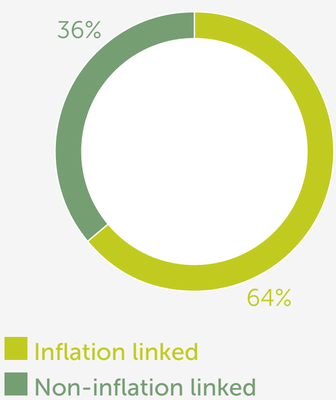


Portfolio value
split by remaining asset life

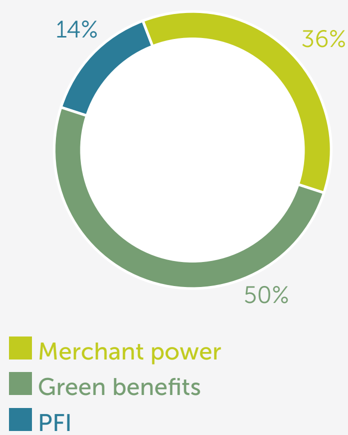


Weighted average remaining asset life of the portfolio is 19.6 years.

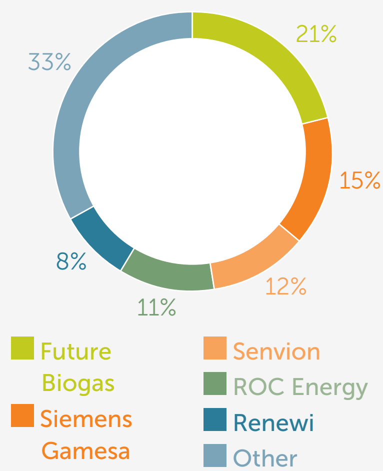
Portfolio distributions
split by inflation linkage(1)



Portfolio distributions
split by revenue type(1)



Portfolio operator exposure
(percentage of portfolio value)



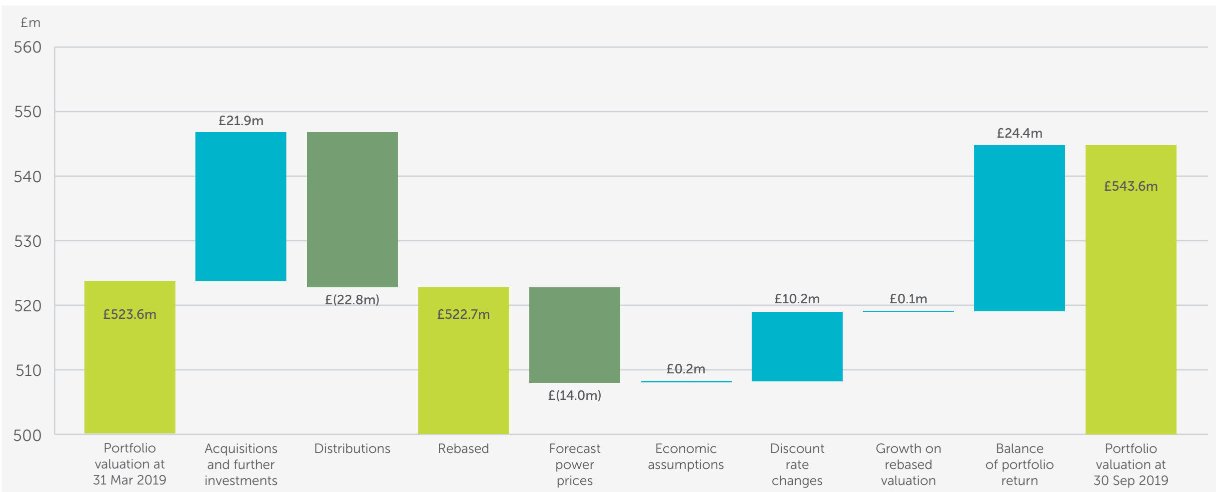
(1) Based on project revenues from volumes/generation during the year and assumes project cash flow distributions reflect revenue split at each project.

INVESTMENT PORTFOLIO AND VALUATION continued

Portfolio valuation

The Investment Adviser 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 Directors' valuation of the portfolio at 30 September 2019 was £543.6 million, compared to £523.6 million at 31 March 2019. The increase of £20.0 million is the net impact of new acquisitions, cash received from investments, changes in macroeconomic assumptions, power price and discount rate assumptions, and underlying growth in the portfolio. A reconciliation of the factors contributing to the growth in the portfolio during the period is shown in the chart below:



The movement in value of investments during the six-month period ended 30 September 2019 is shown in the table below:

	30 Sep 2019 £m	31 Mar 2019 £m
Valuation of portfolio at opening balance	**523.6**	429.5
Acquisitions in the period/year (including post-acquisition adjustments and deferred consideration)	**21.9**	77.5
Cash distributions from portfolio	**(22.8)**	(43.6)
Rebased opening valuation of portfolio	**522.7**	463.4
Changes in forecast power prices	**(14.0)**	4.8
Changes in economic assumptions	**0.2**	(0.9)
Changes in discount rates	**10.2**	11.6
Changes in exchange rates	**0.1**	(0.1)
Balance of portfolio return	**24.4**	44.8
Valuation of portfolio	**543.6**	523.6
Fair value of intermediate holding companies	**(23.6)**	(3.6)
Investments at fair value through profit or loss	**520.0**	520.0

Allowing for investments of £21.9 million (including post-acquisition adjustments and deferred consideration) and cash receipts from investments of £22.8 million, the rebased valuation is £522.7 million. The portfolio valuation at 30 September 2019 is £543.6 million (31 March 2019: £523.6 million), representing an increase over the rebased valuation of 4% during the six-month period.

Valuation assumptions

The investments in JLEN's portfolio are valued by discounting the future cash flows forecast by the underlying assets' financial models.

Each movement between the rebased valuation and the 30 September 2019 valuation is considered below:

Forecast power prices

The project cash flows used in the portfolio valuation at 30 September 2019 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. The Company typically puts in place short-term fixed price arrangements for the next six to 12 months for some projects in the portfolio in order to reduce the revenue risk from price volatility. The proportion of the portfolio that is hedged in this manner will depend upon the outlook for future prices and is expected to differ between summer and winter seasons.

Where generating projects in the portfolio do not have a fixed price under their PPAs, JLEN has reflected the prices in the table below (gross of PPA discounts):

Avg. £/MWh	Summer	Winter
Electricity	48 (46)	54 (55)
Gas	15 (14)	17 (18)

As at 30 September 2019, 51% of the renewable energy portfolio's electricity price exposure was subject to a fixed or floor price arrangement for the winter 2019 season and 20% for the summer 2020 season. The Investment Adviser expects to enter into further fixed price arrangements for the summer 2020 season before the end of the Company's financial year.

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 two established market consultants, adjusted by the Investment Adviser for project-specific arrangements and price cannibalisation as required.

JLEN has recognised a decrease in lifetime electricity price expectations across the portfolio. Compared to the assumptions used in the valuation at 31 March 2019, on a time-weighted average basis, the net decrease in the electricity price assumptions is approximately 4.5% over a 25-year period (being a simple average decrease over 25 years of approximately 2.3% slightly offset by an increase in market forward prices (gross of any discounts under PPAs) over the next two years of 0.6%).

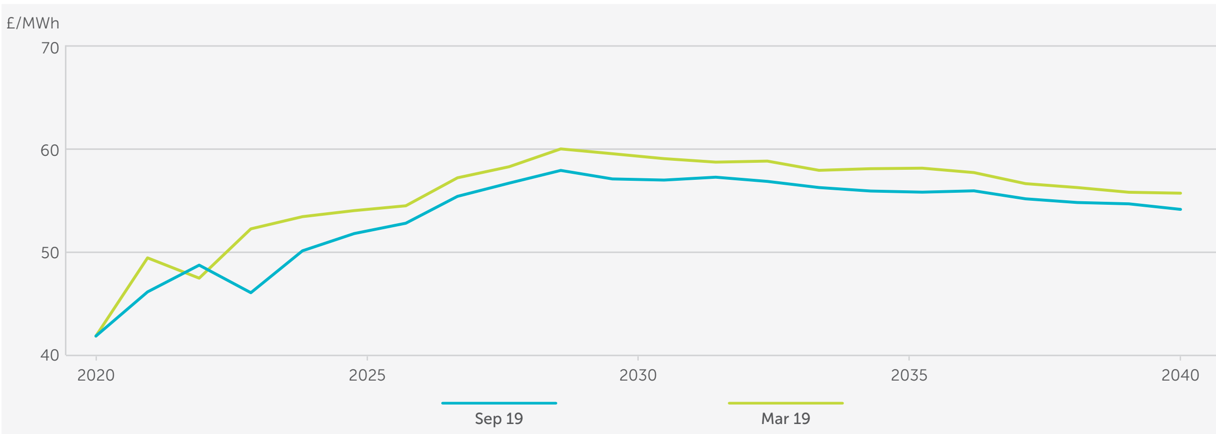
The overall change in forecasts for future electricity and gas prices compared to forecasts at 31 March 2019 has decreased the valuation of the portfolio by £14.0 million.

Valuation assumptions continued

Forecast power prices continued

The Company uses slightly different curves for wind and solar projects based on the generation profile, the Company's experience of actual capture rates, and expectations of future price cannibalisation resulting from increased penetration of low marginal cost, intermittent generators on the GB network. The graph below represents the blended curve used by the Company for wind and solar projects, weighted according to generation:

Illustrative blended power price curve



The annual real rate of price growth on a constant basis from 1 April 2020 is 0.8%.

Economic assumptions

Macroeconomic assumptions in respect of inflation, corporation tax and deposit interest rates have remained relatively constant during the period and the overall movement in valuation is not significant. RPI inflation rates assumed in the valuation at 30 September 2019 are 2.7% in 2019 (31 March 2019: 3.2%) stepping to 2.75% from 2024 onwards (31 March 2019: 2.75%), whilst CPI is assumed at a long-term rate of 2% for UK assets, and 1.5% for 2019 and all subsequent years (31 March 2019: 1.5%) for the French assets.

The UK corporation tax rate assumed is 19%, stepping down to 17% from April 2020 onwards, reflecting the rates enacted by legislation and in line with market practice. The political situation in the UK remains unclear in the aftermath of the 2016 EU referendum, and the makeup of the UK government post the upcoming general election on 12 December 2019 is hard to predict. Both main parties have proposed increases to future UK corporation tax rates, along with other measures that may affect UK businesses in positive and negative ways, although the details and timings of such changes will be determined after the election. For information, a 1% increase in the long-term corporation tax rate assumption is expected to have a negative impact on portfolio value of c.£3.6m. The equivalent rate for the French assets is 28% (31 March 2019: 28%) stepping down to 26.5% in 2021 and 25% from 2022 (31 March 2019: step down to 26.5% in 2021 and 25% in 2022).

Deposit rates assumed in the valuation reflect a range of deposit rates in the UK from 1.5% in 2019 with a gradual increase to a long-term rate of 2.5% thereafter (31 March 2019: 2.5%). For the French assets, the rate assumed is 0.5% (31 March 2019: 0.5%). The euro/sterling exchange rate used to value the euro-denominated investments in France was €1.12/£1 at 30 September 2019 (€1.16/£1 at 31 March 2019).

Discount rates

The discount rates used in the valuation represent the Investment Adviser's and 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.

During the period since 31 March 2019, there has continued to be strong demand for income-producing infrastructure assets, including environmental infrastructure projects, as investors continue to identify the sector as an area for significant capital deployment given wider global trends. The Investment Adviser, based on its experience of bidding in the secondary market and as flagged within the 31 March 2019 Investment Adviser report, has proposed a reduction in the discount rate used for valuing levered UK solar assets, as well as a reduction to both levered and unlevered UK wind assets. The Investment Adviser will also continue to monitor UK agricultural AD projects for future valuations, as recent market transactions suggest new entrants are applying downward pressure on discount rates.

Taking the above into account and reflecting the change in mix of the portfolio during the period, the overall weighted average discount rate ("WADR") of the portfolio was 7.6% at 30 September 2019 (31 March 2019: 7.9%).

Balance of portfolio return

This represents the balance of valuation movements in the period 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 revenue assumptions. The total represents an uplift of £24.4 million.

Of this, the key valuation adjustments include an uplift of £2.5 million (0.5 pence per share) from the recognition of life extensions on projects where the Company has land rights that permit an additional period of operations, an uplift of £1.7 million (0.3 pence per share) from the ongoing transition through construction to operations for a significant upgrade package at the Vulcan AD project, and an uplift of £2.1 million (0.4 pence per share) from recognition of cost savings across the portfolio driven by various tendering processes being conducted in the period.

Valuation sensitivities

The Net Asset Value of the Company is the sum of the discounted value of the future cash flows of the underlying asset financial models, 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 Net Asset Value 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 Adviser 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.

Valuation assumptions continued

Valuation sensitivities continued

The key assumptions are as follows:

Discount rate

The WADR of the portfolio at 30 September 2019 was 7.6% (31 March 2019: 7.9%). A variance of plus or minus 0.5% is considered to be a reasonable range of alternative assumptions for discount rates.

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 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 presented on the basis they are applied in full to all wind and solar assets. This implies individual project uncertainties are completely dependent on one another; however, a recent 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 and solar variability means P10 and P90 sensitivity results should be considered independent. Therefore, whilst the overall P90 sensitivity decreases NAV by 8.7 pence, the impact from solar and wind separately is only 1.6 pence and 6.5 pence respectively, as shown in the chart overleaf.

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 and wastewater processing projects, forecasts are based on projections of future flows and are informed by both the client authorities' own business plans and 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 two established market consultants and other relevant information is used, and adjusted by the Investment Adviser for project-specific arrangements. 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.

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.

Inflation

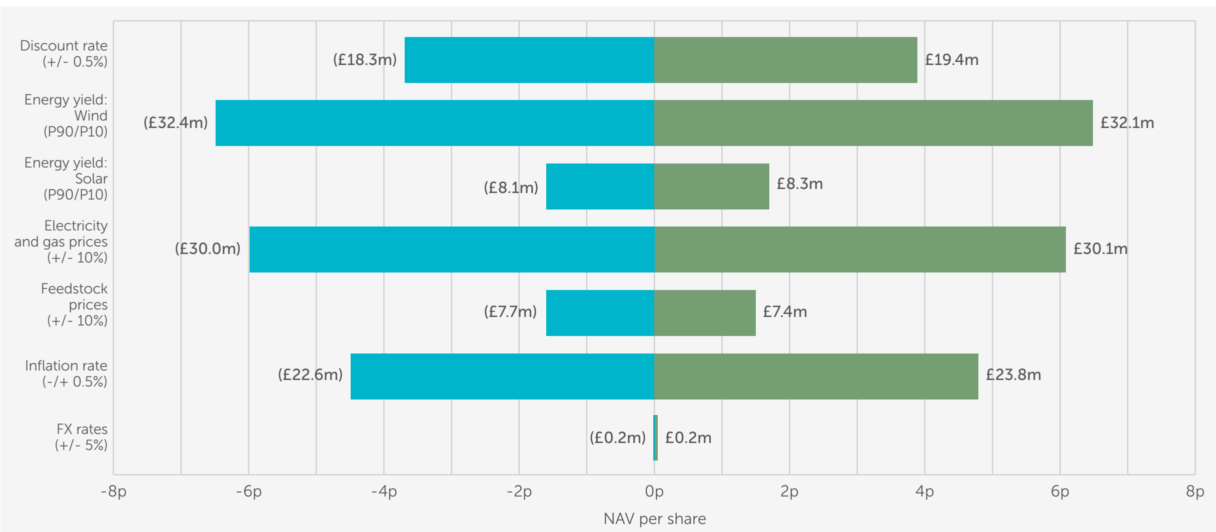
Each project in the portfolio receives a revenue stream which is either fully or partially inflation-linked. The inflation assumptions are described in the macroeconomic section on page 26. The sensitivity assumes a 0.5% increase or decrease in inflation relative to the base case for each year of the asset life.

Euro/sterling exchange rates

As the proportion of the portfolio assets with cash flows denominated in euros represented approximately less than 1% of the portfolio value at 30 September 2019, the Directors consider the sensitivity to changes in euro/sterling exchange rates to be insignificant.

Sensitivities – impact on NAV at 30 September 2019

The following chart shows the impact of the key sensitivities on Net Asset Value per share, and the £ labels indicating the impact of the sensitivities on portfolio value:



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

At a glance

2
new investments

Foresight group
Moved to Foresight Group

Environmental performance 2019/20: half-year results

375
GWh renewable energy generated by our portfolio

New assets will avoid
6,000
t CO_2e emissions per year

63,853
waste recycled (tonnes)

233,082
waste diverted from landfill (tonnes)

21,400,000,000
wastewater treated (litres)

Social performance 2019/20: half-year results

24
health and safety audits

Introduction

July 2019 marked the move of JLEN to Foresight, joining our team with one that has broad experience and geographical reach across a wide range of environmental sectors.

Green Economy Mark

JLEN has been awarded the new Green Economy Mark by the London Stock Exchange, which identifies London-listed companies and funds that generate between 50% and 100% of total annual revenues from products and services that contribute to the global green economy.

The Green Economy Mark is calculated using the Green Revenues taxonomy developed by FTSE Russell as part of the FTSE Environmental Markets Classification System. It identifies industrial sectors and subsectors that are contributors to a greener, more sustainable economy. JLEN is proud to be one of the first holders of this accolade, which demonstrates our commitment to investing in environmental assets.

Guiding continuous improvement in ESG

With the Investment Adviser part of Foresight Group, JLEN's commitment to achieving positive environmental impact through its investments is aligned with, and strengthened by, Foresight's Sustainability Principles[1] and associated Sustainability and ESG policy. This policy, as well as Foresight's commitment to the United Nations Principles for Responsible Investment and other globally recognised responsible investing standards, provides JLEN with a robust framework through which to direct our commitment to continuous improvement. Sustainability considerations are deeply embedded throughout the JLEN investment process and asset management procedures, from initial investment screening through due diligence and into ongoing monitoring and reporting.

(1) https://www.foresightgroup.eu/about-us/corporate-responsibility/five-principles-for-sustainable-infrastructure/

Environmental

Portfolio electricity and carbon performance

This year, our portfolio projects have generated 375 GWh of energy. Of that, 222 GWh was electricity, equivalent to the annual electricity demand of almost 60,000 households. Detailed information on portfolio energy performance is provided on page 16 of this report.

A summary of the greenhouse gas benefits delivered by the new assets we have invested in this year is provided in the table below.

	Greenhouse gas emissions reduction tCO_2e	
	Average annual emissions avoided	Remaining lifetime emissions avoided
New assets: forecast performance	5,966	132,739

Our new investments are forecast to deliver, per year

7,370
MWh electricity

40,000
MWh biomethane

And avoid the emissions of almost

6,000
t CO_2e

Equivalent to

>2,500
cars off the road

The environmental impact of all of JLEN assets are independently assessed and these reports are available on the JLEN website.

Social

In order to maintain its social licence to operate, Foresight believes that engagement and consultation with local stakeholders are important features of infrastructure projects at each stage of their lifecycle.

JLEN's investment approach reflects Foresight's policies. Criteria that Foresight assesses as standard include:

- health and wellbeing – health and safety approaches;
- local economic impact – local sourcing of materials and labour;
- local social impact – noise, visual and other community impacts;
- community engagement – how the project plans to engage with the local community and maintain community relations; and
- community benefits – does the project contribute financially to the local community?

Additionally, JLEN actively encourages and works with the projects within our portfolio to maintain close ties with the local community. Often, this includes community support measures through community and charity fundraising.

In the first half of this year we have carried out

24

health and safety audits within our portfolio

Governance

Foresight believes that one of the key themes which will shape investment returns in the 21st century is the continued evolution of business and investment governance standards to safeguard the interests of all stakeholders.

As part of this, Foresight's processes, which JLEN adheres to, include evaluation of the following governance criteria when assessing investments:

- compliance with laws;
- employment and human rights;
- anti-bribery and corruption;
- management structure; and
- board independence and expertise.

Examples of key performance data collected include breaches of legal and permitting requirements, adoption (or otherwise) of best practice policies, and ESG governance structures.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- the condensed set of unaudited financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting and in accordance with the accounting policies set out in the audited Annual Report to 31 March 2019; and
- the Chairman's statement and Investment Adviser's report meet the requirements of an interim management report and include a fair review of the information required by:
  a) DTR 4.2.7R, being an indication of important events during the first six months of the financial year and a description of principal risks and uncertainties for the remaining six months of the year; and
  b) DTR 4.2.8R, being the disclosure of related parties' transactions and changes therein.

This responsibility statement was approved by the Board of Directors on 20 November 2019 and is signed on its behalf by:

Richard Morse
Chairman

20 November 2019

INDEPENDENT REVIEW REPORT

to JLEN Environmental Assets Group Limited

We have been engaged by the Company to review the condensed set of financial statements in the Half-year Report for the six months ended 30 September 2019 which comprises the condensed income statement, the condensed statement of financial position, the condensed statement of changes in equity, the condensed cash flow statement and related notes 1 to 18. We have read the other information contained in the Half-year Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The Half-year Report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Half-year Report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this Half-year Report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the Half-year Report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Half-year Report for the six months ended 30 September 2019 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP
Guernsey, Channel Islands

20 November 2019

CONDENSED UNAUDITED INCOME STATEMENT

for the six months ended 30 September 2019

	Notes	**Six months ended 30 Sep 2019 (unaudited) £'000s**	Six months ended 30 Sep 2018 (unaudited) £'000s
Operating income	8	**19,323**	18,951
Operating expenses	4	**(3,135)**	(2,853)
Operating profit		**16,188**	16,098
Profit before tax		**16,188**	16,098
Tax	5	**—**	—
Profit for the period		**16,188**	16,098
Earnings per share			
Basic and diluted (pence)	7	**3.3**	4.1

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

All results are derived from continuing operations.

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

CONDENSED UNAUDITED STATEMENT OF FINANCIAL POSITION

as at 30 September 2019

	Notes	30 Sep 2019 (unaudited) £'000s	31 Mar 2019 (audited) £'000s
Non-current assets			
Investments at fair value through profit or loss	8	**519,965**	520,032
Total non-current assets		**519,965**	520,032
Current assets			
Trade and other receivables	9	**19**	21
Cash and cash equivalents		**1,761**	1,849
Total current assets		**1,780**	1,870
Total assets		**521,745**	521,902
Current liabilities			
Trade and other payables	10	**(1,582)**	(1,563)
Total current liabilities		**(1,582)**	(1,563)
Total liabilities		**(1,582)**	(1,563)
Net assets		**520,163**	520,339
Equity			
Share capital account	12	**492,670**	492,670
Retained earnings	13	**27,493**	27,669
Equity attributable to owners of the Company		**520,163**	520,339
Net assets per share (pence per share)		**104.7**	104.7

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

The condensed set of unaudited financial statements was approved by the Board of Directors and authorised for issue on 20 November 2019.

They were signed on its behalf by:

Richard Morse
Chairman

Peter Neville
Director

CONDENSED UNAUDITED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2019

	Notes	Six months ended 30 Sep 2019 (unaudited) Share capital account £'000s	Retained earnings £'000s	Total £'000s
Balance at 1 April 2019		492,670	27,669	520,339
Profit and total comprehensive income for the period		—	16,188	16,188
Expenses of issue of equity shares		—	—	—
Dividends paid	6	—	(16,364)	(16,364)
Balance at 30 September 2019		492,670	27,493	520,163

	Notes	Six months ended 30 Sep 2018 (unaudited) Share capital account £'000s	Retained earnings £'000s	Total £'000s
Balance at 1 April 2018		389,262	3,125	392,387
Profit and total comprehensive income for the period		—	16,098	16,098
Expenses of issue of equity shares		(124)	—	(124)
Dividends paid	6	—	(12,630)	(12,630)
Balance at 30 September 2018		389,138	6,593	395,731

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

CONDENSED UNAUDITED CASH FLOW STATEMENT

for the six months ended 30 September 2019

	Notes	Six months ended 30 Sep 2019 (unaudited) £'000s	Six months ended 30 Sep 2018 (unaudited) £'000s
Profit from operations		**16,188**	16,098
Adjustments for:			
Interest received		**(14,390)**	(10,329)
Dividends received		**(5,000)**	—
Net loss/(gain) on investments at fair value through profit or loss		**67**	(8,622)
Operating cash flows before movements in working capital		**(3,135)**	(2,853)
Decrease/(increase) in receivables		**2**	(3)
Increase/(decrease) in payables		**19**	(58)
Net cash outflow from operating activities		**(3,114)**	(2,914)
Investing activities			
Interest received		**14,390**	10,329
Dividends received		**5,000**	—
Net cash generated from investing activities		**19,390**	10,329
Financing activities			
Expenses relating to issue of shares	12	**—**	(124)
Dividends paid	6	**(16,364)**	(12,630)
Net cash used in financing activities		**(16,364)**	(12,754)
Net decrease in cash and cash equivalents		**(88)**	(5,339)
Cash and cash equivalents at beginning of period		**1,849**	5,509
Cash and cash equivalents at end of period		**1,761**	170

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

for the six months ended 30 September 2019

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 condensed unaudited financial statements of the Company are for the six-month period ended 30 September 2019 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 John Laing 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 projects that utilise natural or waste resources or support more environmentally friendly approaches to economic activity.

2. Significant accounting policies

(a) Basis of preparation

The condensed set of financial statements was approved and authorised for issue by the Board of Directors on 20 November 2019. The condensed set of financial statements included in this Half-year Report has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies, critical accounting judgements, estimates and assumptions are consistent with those used in the latest audited financial statements to 31 March 2019 and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 March 2019.

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, the intermediate holding subsidiary HWT Limited and JLEAG Solar 1 Limited, comprise the Group (the "Group") investing in environmental infrastructure assets.

The net assets of the intermediate holding companies (comprising UK HoldCo, HWT Limited and JLEAG Solar 1 Limited), which at 30 September 2019 principally comprise working capital balances, the bank loan and investments in projects, are required to be included at fair value in the carrying value of investments.

The condensed unaudited financial statements incorporate the financial statements of the Company only.

(b) Going concern

The Directors, in their consideration of going concern, have reviewed comprehensive cash flow forecasts prepared by the Company's Investment Adviser, Foresight Group, which are based on prudent market data 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 that the Company has adequate financial resources, the Directors were mindful that the Group had unrestricted cash of £9.1 million (including £1.8 million in the Company) as at 30 September 2019 and a revolving credit facility (available for investment in new or existing projects and working capital) of £170 million and an uncommitted accordion facility of up to £20 million expiring in June 2022.

As at 30 September 2019, the Company's wholly owned subsidiary UK HoldCo had borrowed £35.9 million under the facility.

All key financial covenants are forecast to continue to be complied with for at least 12 months from the date of signing of the condensed unaudited financial statements.

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 preparing these financial statements.

(c) Segmental reporting

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

(d) Statement of compliance

Pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 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. 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.

4. Operating expenses

	Six months ended 30 Sep 2019 (unaudited) £'000s	Six months ended 30 Sep 2018 (unaudited) £'000s
Investment advisory fees	**2,685**	2,383
Directors' fees and expenses	**125**	121
Administration fee	**51**	49
Other expenses	**274**	300
	3,135	2,853

5. Tax

Income tax expense

The Company has obtained exempt status from income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989.

The income from its investments is therefore not subject to any further tax in Guernsey, although the investments provide for and pay taxation at the appropriate rates in the jurisdictions in which they operate. The underlying tax within the subsidiaries and environmental infrastructure assets, which are held as investments at fair value through profit or loss, are included in the estimate of the fair value of these investments.

6. Dividends

	Six months ended 30 Sep 2019 (unaudited) £'000s	Six months ended 30 Sep 2018 (unaudited) £'000s
Amounts recognised as distributions to equity holders during the period (pence per share):		
Final dividend for the year ended 31 March 2019 of 1.6275 (31 March 2018: 1.5775)	**8,089**	6,216
Interim dividend for the quarter ended 30 June 2019 of 1.665 (30 June 2018: 1.6275)	**8,275**	6,414
	16,364	12,630

A dividend for the quarter to 30 September 2019 of 1.665 pence per share was approved by the Board on 20 November 2019 and is payable on 20 December 2019. The dividend has not been included as a liability at 30 September 2019.

7. Earnings per share

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

	Six months ended 30 Sep 2019 (unaudited) £'000s	Six months ended 30 Sep 2018 (unaudited) £'000s
Earnings		
Earnings for the purposes of basic and diluted earnings per share, being net profit attributable to owners of the Company	**16,188**	16,098
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**497,018,205**	394,077,029

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.

	Six months ended 30 Sep 2019 (unaudited)	Six months ended 30 Sep 2018 (unaudited)
Basic and diluted earnings per share (pence)	**3.3**	4.1

8. Investments at fair value through profit or loss

As set out in note 1, the Company accounts for its interest in its 100% owned subsidiary UK HoldCo as an investment at fair value through profit or loss. UK HoldCo in turn owns investments in intermediate holding companies and environmental infrastructure projects.

The table below shows the movement in the Company's investment in UK HoldCo as recorded on the Company's statement of financial position:

	30 Sep 2019 (unaudited) £'000s	31 Mar 2019 (audited) £'000s
Fair value of environmental infrastructure investments	**543,587**	523,558
Fair value of intermediate holding companies	**(23,622)**	(3,526)
Total fair value of investments	**519,965**	520,032

Reconciliation of movement in fair value of portfolio of assets

The table below shows the movement in the fair value of the Company's portfolio of environmental infrastructure assets. These assets are held through other intermediate holding companies. The table below also presents a reconciliation of the fair value of the asset portfolio to the Company's condensed unaudited statement of financial position as at 30 September 2019, by incorporating the fair value of these intermediate holding companies.

	Six months to 30 Sep 2019 (unaudited)			Year to 31 Mar 2019 (audited)		
	Portfolio value £'000s	Cash, working capital and debt in intermediate holding companies £'000s	Total £'000s	Portfolio value £'000s	Cash, working capital and debt in intermediate holding companies £'000s	Total £'000s
Opening balance	523,558	(3,526)	520,032	429,494	(41,026)	388,468
Acquisitions						
Portfolio of assets acquired/ further investment	21,863	—	21,863	77,666	—	77,666
Post-acquisition price adjustments	—	—	—	(163)	—	(163)
	21,863	—	21,863	77,503	—	77,503
Growth in portfolio(1)	20,973	—	20,973	60,143	—	60,143
Cash yields from portfolio to intermediate holding companies	(22,807)	22,807	—	(43,582)	43,582	—
Yields from intermediate holding companies						
Interest on loan notes(1)	—	(14,390)	(14,390)	—	(24,063)	(24,063)
Dividends from UK HoldCo to the Company(1)	—	(5,000)	(5,000)	—	(7,300)	(7,300)
	—	(19,390)	(19,390)	—	(31,363)	(31,363)
Other movements						
Investment in working capital in UK HoldCo	—	(2,663)	(2,663)	—	(5,553)	(5,553)
Administrative expenses borne by intermediate holding companies(1)	—	(1,650)	(1,650)	—	(896)	(896)
Drawdown of UK HoldCo revolving credit facility borrowings	—	(19,200)	(19,200)	—	31,730	31,730
Fair value of the Company's investment in UK HoldCo	543,587	(23,622)	519,965	523,558	(3,526)	520,032

(1) The net loss on investments at fair value through profit or loss for the period ended 30 September 2019 is £67,000 (year ended 31 March 2019: gain of £27,884,000, six-month period ended 30 September 2018: gain of £8,622,000). This, together with interest received on loan notes of £14,390,000 (year ended 31 March 2019: £24,063,000, six-month period ended 30 September 2018: £10,329,000) and dividend income of £5,000,000 (year ended 31 March 2019: £7,300,000, six-month period ended 30 September 2018: £nil) comprises operating income in the condensed 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 holding companies" balances reflect investment in, distributions from or movements in working capital and are not value generating.

8. Investments at fair value through profit or loss continued

Fair value of portfolio of assets

The Investment Adviser has carried out fair market valuations of the investments as at 30 September 2019. 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 valuation performed since the launch of the Fund in March 2014.

Discount rates applied to the portfolio of assets range from 6.5% to 9.2% (weighted average 7.6%) (at 31 March 2019: from 6.5% to 9.2% – weighted average 7.9%).

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

	30 Sep 2019	31 Mar 2019
UK – inflation rates	2.7% for 2019 increasing to 2.75% from 2024	2.8% for 2019 decreasing to 2.75% from 2021
France – inflation rates	1.5%	1.5%
UK – deposit interest rates	1.5% for 2019, gradually rising to 2.5% from 2021	1.5% for 2019, gradually rising to 2.5% from 2020
France – deposit rates	0.5%	0.5%
Euro/sterling exchange rate	1.12	1.16

The UK corporation tax rate assumed in the 30 September 2019 portfolio valuation is 19%, stepping down to 17% from April 2020 in line with market practice. The equivalent rate for the French assets is 28%, stepping down to 25% from 2022.

The assets in the intermediate holding companies substantially comprise working capital, cash balances and the outstanding revolving credit facility debt; therefore, the Directors consider the fair value to be equal to the book values.

Details of investments made during the period

During the period, the Group invested a further £2.2 million in the Vulcan Renewables anaerobic digestion plant upgrade.

On 12 July 2019, the Group acquired two operational hydro projects and an operational battery storage system, Yorkshire Hydropower Limited, for a total consideration of £4.3 million.

On 28 August 2019, the Group acquired an anaerobic digestion asset, Warren Power Limited, for a total consideration of £14.8 million.

9. Trade and other receivables

	30 Sep 2019 (unaudited) £'000s	31 Mar 2019 (audited) £'000s
Prepayments	19	21
Closing balance	19	21

10. Trade and other payables

	30 Sep 2019 (unaudited) £'000s	31 Mar 2019 (audited) £'000s
Accruals	1,582	1,563
Closing balance	1,582	1,563

11. Loans and borrowings

The Company had no outstanding loans or borrowings at 30 September 2019 (31 March 2019: none), as shown in the Company's condensed statement of financial position.

The Company's immediate subsidiary, UK HoldCo, as Borrower, and the Company, as Guarantor, benefit from a three-year revolving credit facility with HSBC, ING, NIBC and Santander which provides for a revolving credit facility of £130 million and an accordion facility of up to £60 million. On 8 May 2019, the facility was extended by one year to June 2022 and the accordion facility was exercised for up to £40 million, increasing the borrowing facility to £170 million. The facility margin is 200 to 225 bps (depending on the loan-to-value ratio for the Fund) over LIBOR. The facility will be used to finance the acquisitions of environmental infrastructure projects and to cover working capital requirements.

As at 30 September 2019, UK HoldCo had an outstanding balance of £35.9 million under the facility (31 March 2019: £16.7 million). The loan bears interest of LIBOR + 200 to 225 bps and is intended to be repaid by proceeds from future capital raises.

As at 30 September 2019, the Company held loan notes of £318.9 million which were issued by UK HoldCo (31 March 2019: outstanding amount of £318.9 million).

There were no other outstanding loans and borrowings in either the Company, UK HoldCo, HWT or JLEAG Solar 1 at 30 September 2019.

12. Share capital account

	30 Sep 2019 (unaudited)		31 Mar 2019 (audited)	
	Number of shares	£'000s	Number of shares	£'000s
Opening balance	497,018,205	492,670	394,077,029	389,262
Shares issued in the period	—	—	102,941,176	105,000
Expenses of issue of equity shares	—	—	—	(1,592)
Closing balance	497,018,205	492,670	497,018,205	492,670

All new shares issued rank pari passu and include the right to receive all future dividends and distributions declared, made or paid.

13. Retained earnings

	30 Sep 2019 (unaudited) £'000s	31 Mar 2019 (audited) £'000s
Opening balance	**27,669**	3,125
Profit for the period/year	**16,188**	53,352
Dividends paid	**(16,364)**	(28,808)
Closing balance	**27,493**	27,669

14. Transactions with Investment Adviser and other related parties

Transactions between the Company and its subsidiaries, which are related parties of the Company, are fair valued and are disclosed within note 8. Details of transactions between the Company and other related parties are disclosed below.

This note also details the terms of the Company's engagement with John Laing Capital Management (for the period from 1 April to 30 June 2019) and Foresight Group (from 1 July to 30 September 2019) as respective Investment Adviser following the change announced on 5 June and effective 1 July 2019.

Transactions with the Investment Advisers

The Company operated a change of Investment Adviser from John Laing Capital Management to Foresight Group, effective from 1 July 2019. The material terms, fees and provisions of the Investment Advisory Agreement with Foresight Group are the same as applied to John Laing Capital Management, as summarised below.

Foresight Group 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 Adviser fee charged to the condensed unaudited income statement for the six months ended 30 September 2019 was £2,685,000 (six-month period ended 30 September 2018: £2,383,000) of which £1,364,000 remained payable as at 30 September 2019 (31 March 2019: £1,341,000).

(1) Adjusted Portfolio Value is defined in the Investment Advisory 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 John Laing 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.

Other transactions with related parties

The Directors of the Company, who are considered to be key management, received fees for their services for the six-month period of £122,198 (six-month period ended 30 September 2018: £119,650). The Directors were paid expenses of £3,203 in the six-month period (six-month period ended 30 September 2018: £1,009).

The Directors held the following shares:

	Total number of shares held at 30 Sep 2019	Total number of shares held at 31 Mar 2019
Richard Morse	**103,535**	103,535
Christopher Legge (resigned 13 June 2019)	**29,896**	29,896
Denise Mileham	**32,340**	32,340
Peter Neville	**29,896**	29,896
Richard Ramsay	**53,813**	53,813
Hans Joern Rieks	**—**	—

All of the above transactions were undertaken on an arm's length basis.

The Directors were paid dividends in the period of £8,214 (six-month period ended 30 September 2018: £7,205).

15. Financial instruments

Financial instruments by category

The Company held the following financial instruments at fair value at 30 September 2019. There have been no transfers of financial instruments between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

	30 Sep 2019 (unaudited)				
	Cash and bank balances £'000s	Loans and receivables £'000s	Financial assets at fair value through profit or loss £'000s	Financial liabilities at amortised cost £'000s	Total £'000s
Levels			3		
Non-current assets					
Investments at fair value through profit or loss	—	—	519,965	—	519,965
Current assets					
Trade and other receivables	—	19	—	—	19
Cash and cash equivalents	1,761	—	—	—	1,761
Total financial assets	1,761	19	519,965	—	521,745
Current liabilities					
Trade and other payables	—	—	—	(1,582)	(1,582)
Total financial liabilities	—	—	—	(1,582)	(1,582)
Net financial instruments	1,761	19	519,965	(1,582)	520,163

15. Financial instruments continued

Financial instruments by category continued

	31 Mar 2019 (audited)				
	Cash and bank balances £'000s	Loans and receivables £'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	—	—	520,032	—	520,032
Current assets					
Trade and other receivables	—	21	—	—	21
Cash and cash equivalents	1,849	—	—	—	1,849
Total financial assets	1,849	21	520,032	—	521,902
Current liabilities					
Trade and other payables	—	—	—	(1,563)	(1,563)
Total financial liabilities	—	—	—	(1,563)	(1,563)
Net financial instruments	1,849	21	520,032	(1,563)	520,339

The table on page 47 provides an analysis of financial instruments that are measured subsequent to their initial recognition at fair value as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs to the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1 and 2, Level 1 and 3, or Level 2 and 3 during the period.

In the table on page 47, financial instruments are held at carrying value as an approximation to fair value unless stated otherwise.

Reconciliation of Level 3 fair value measurement of financial assets and liabilities

An analysis of the movement between opening to closing balances of the investments at fair value through profit or loss is given in note 8.

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

Sensitivity analysis of the portfolio

The discount rate is considered the most significant unobservable input through which an increase or decrease would have a material impact on the fair value of the investments at fair value through profit or loss.

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

30 Sep 2019 (unaudited)			
Discount rate	**Minus 0.5%**	**Base 7.6%**	**Plus 0.5%**
Change in portfolio valuation	**Increases £19.4m**	**£543.6m**	**Decreases £18.3m**
Change in NAV per share	**Increases 3.9p**	**104.7p**	**Decreases 3.7p**

31 Mar 2019			
Discount rate	Minus 0.5%	Base 7.9%	Plus 0.5%
Change in portfolio valuation	Increases £18.6m	£523.6m	Decreases £17.6m
Change in NAV per share	Increases 3.7p	104.7p	Decreases 3.5p

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

30 Sep 2019 (unaudited)			
Inflation rates	**Minus 0.5%**	**Base 2.75%**	**Plus 0.5%**
Change in portfolio valuation	**Decreases £22.6m**	**£543.6m**	**Increases £23.8m**
Change in NAV per share	**Decreases 4.5p**	**104.7p**	**Increases 4.8p**

31 Mar 2019			
Inflation rates	Minus 0.5%	Base 2.75%	Plus 0.5%
Change in portfolio valuation	Decreases £20.7m	£523.6m	Increases £22.0m
Change in NAV per share	Decreases 4.2p	104.7p	Increases 4.4p

Wind and solar assets are subject to electricity price and electricity generation risks. The sensitivities of the investments to movements in the level of electricity output and electricity price are as follows:

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.

The sensitivity of the portfolio to movements in energy yields based on an assumed "P90" level of electricity generation (i.e. a level of generation that is below the "P50", with a 90% probability of being exceeded) and an assumed "P10" level of electricity generation (i.e. a level of generation that is above the "P50", with a 10% probability of being achieved) is as follows:

30 Sep 2019 (unaudited)			
Energy yield: wind	**P90 (10 year)**	**Base P50**	**P10 (10 year)**
Change in portfolio valuation	**Decreases £32.4m**	**£543.6m**	**Increases £32.1m**
Change in NAV per share	**Decreases 6.5p**	**104.7p**	**Increases 6.5p**
Energy yield: solar	**P90 (10 year)**	**Base P50**	**P10 (10 year)**
Change in portfolio valuation	**Decreases £8.1m**	**£543.6m**	**Increases £8.3m**
Change in NAV per share	**Decreases 1.6p**	**104.7p**	**Increases 1.7p**

The sensitivity of the hydro asset is not material.

15. Financial instruments continued

Sensitivity analysis of the portfolio continued

31 Mar 2019

Energy yield: wind	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £30.8m	£523.6m	Increases £30.4m
Change in NAV per share	Decreases 6.2p	104.7p	Increases 6.1p

Energy yield: solar	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £9.6m	£523.6m	Increases £10.2m
Change in NAV per share	Decreases 1.9p	104.7p	Increases 2.1p

Comparative sensitivity results are not applicable for 31 March 2019 for hydropower assets as the Fund acquired its first project in this sector during this period.

The sensitivity of the portfolio to movements in electricity and gas prices is as follows:

30 Sep 2019 (unaudited)

Energy prices	**Minus 10%**	**Base**	**Plus 10%**
Change in portfolio valuation	**Decreases £30.0m**	**£543.6m**	**Increases £30.1m**
Change in NAV per share	**Decreases 6.0p**	**104.7p**	**Increases 6.1p**

31 Mar 2019

Energy prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Decreases £28.9m	£523.6m	Increases £29.1m
Change in NAV per share	Decreases 5.8p	104.7p	Increases 5.9p

Waste and wastewater assets do not have significant volume and price risks.

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

30 Sep 2019 (unaudited)

Feedstock prices	**Minus 10%**	**Base**	**Plus 10%**
Change in portfolio valuation	**Increases £7.4m**	**£543.6m**	**Decreases £7.7m**
Change in NAV per share	**Increases 1.5p**	**104.7p**	**Decreases 1.6p**

31 Mar 2019

Feedstock prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Increases £7.0m	£523.6m	Decreases £7.2m
Change in NAV per share	Increases 1.4p	104.7p	Decreases 1.4p

Euro/sterling exchange rate sensitivity

As the proportion of the portfolio assets with cash flows denominated in euros represented less than 1% of the portfolio value at 30 September 2019, the Directors consider the sensitivity to changes in the euro/sterling exchange rate 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.

16. Guarantees and other commitments

As at 30 September 2019, the Company has provided a guarantee under the Company's wholly owned subsidiary UK HoldCo's £130 million revolving credit facility. Following an increase in the committed amount and a further one-year extension signed in May 2019, the RCF has increased to £170 million and is now due to expire in June 2022.

The Company has no other commitments or guarantees.

17. 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
John Laing Environmental Assets Group (UK) Limited[1]	Intermediate holding	UK	A	100%	100%
HWT Limited	Intermediate holding	UK	B	100%	100%
JLEAG Solar 1 Limited	Intermediate holding	UK	A	100%	100%
Croft Solar PV Limited	Operating subsidiary	UK	C	100%	100%
Cross Solar PV Limited	Operating subsidiary	UK	C	100%	100%
Domestic Solar Limited	Operating subsidiary	UK	C	100%	100%
Ecossol Limited	Operating subsidiary	UK	C	100%	100%
Hill Solar PV Limited	Operating subsidiary	UK	C	100%	100%
Share Solar PV Limited	Operating subsidiary	UK	C	100%	100%
Tor Solar PV Limited	Operating subsidiary	UK	C	100%	100%
Residential PV Trading Limited	Operating subsidiary	UK	C	100%	100%
South-Western Farms Solar Limited	Operating subsidiary	UK	C	100%	100%
Angel Solar Limited	Operating subsidiary	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	E	80%	80%
ELWA Limited[2]	Operating subsidiary	UK	E	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	F	100%	100%
Amber Solar Park Limited	Operating subsidiary	UK	F	100%	100%
Fryingdown Solar Park Limited	Operating subsidiary (dormant)	UK	F	100%	100%
Five Oaks Solar Parks Limited	Operating subsidiary (dormant)	UK	F	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%
Shanks Dumfries and Galloway Holdings Limited	Project holding company	UK	G	80%	80%
Shanks Dumfries and Galloway Limited	Operating subsidiary	UK	G	80%	80%
Hall Farm Wind Farm Limited	Operating subsidiary	UK	F	100%	100%
Branden Solar Parks (Holdings) Limited	Project holding company	UK	F	100%	100%
Branden Solar Parks Limited	Operating subsidiary	UK	F	100%	100%

(1) John Laing 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.

17. Subsidiaries continued

Name	Category	Place of business	Registered office	Ownership interest	Voting rights
KS SPV 3 Limited	Operating subsidiary	UK	F	100%	100%
KS SPV 4 Limited	Operating subsidiary	UK	F	100%	100%
Carscreugh Renewable Energy Park Limited	Operating subsidiary	UK	F	100%	100%
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 Farm (Holdings) Limited	Project holding company	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	Project holding company	DE	K	100%	100%
France Wind Germany GmbH & Co. KG	Project holding company	DE	K	100%	100%
Parc Eolien Le Placis Vert SAS	Operating subsidiary	FR	I	100%	100%
Energie Eolienne de Plouguernével SAS	Operating subsidiary	FR	J	100%	100%
CSGH Solar Limited	Project holding company	UK	A	100%	100%
CSGH Solar (1) Limited	Project holding company	UK	A	100%	100%
Catchment Tay Holdings Limited	Project holding company	UK	H	33.3%	33.3%
Catchment Tay Limited	Operating subsidiary	UK	H	33.3%	33.3%
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 Farm 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	L	100%	100%
CWMNI GWYNT TEG CYF	Operating subsidiary	UK	L	100%	100%
Moelogan 2 (Holdings) Cyfyngedig	Project holding company	UK	L	100%	100%
Moelogan 2 C.C.C.	Operating subsidiary	UK	L	100%	100%
Vulcan Renewables Limited	Operating subsidiary	UK	M	100%	100%
Llynfi Afan Renewable Energy Park (Holdings) Limited	Project holding company	UK	A	100%	100%
Llynfi Afan Renewable Energy Park Limited	Operating subsidiary	UK	A	100%	100%
Green Gas Oxon Limited	Project holding company	UK	N	52.6%	52.6%
Icknield Gas Limited	Operating subsidiary	UK	N	52.6%	52.6%
Egmere Energy Limited	Operating subsidiary	UK	M	100%	100%
Grange Farm Energy Limited	Operating subsidiary	UK	M	100%	100%
Merlin Renewables Limited	Operating subsidiary	UK	M	100%	100%
Biogas Meden Limited	Operating subsidiary	UK	M	100%	100%
Yorkshire Hydropower Holdings Limited	Project holding company	UK	O	100%	100%
Yorkshire Hydropower Limited	Operating subsidiary	UK	O	100%	100%
Warren Power Limited	Project holding company	UK	M	100%	100%
Warren Energy Limited	Operating subsidiary	UK	M	100%	100%

Registered offices

A. The Shard, London Bridge Street, London SE1 9SG

B. 50 Lothian Road, Festival Square, Edinburgh, Midlothian EH3 9WJ

C. Calder & Co, 16 Charles II Street, London SW1Y 4NW

D. Long Barn, Manor Farm, Stratton-on-the-Fosse, Radstock BA3 4QF

E. Dunedin House, Auckland Park, Mount Farm, Milton Keynes MK1 1BU

F. 8 White Oak Square, London Road, Swanley, Kent BR8 7AG

G. 16 Charlotte Square, Edinburgh EH2 4DF

H. Infrastructure Managers Limited, 2nd floor, 11 Thistle Street, Edinburgh EH2 1DF

I. Parc Eolien le Placis Vert, Rue du Pre Long 35770 Vern Sur Seiche, France

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K. Steinweg 3-5, Frankfurt am Main, 60313, Germany

L. Cae Sgubor Ffordd Pennant, Eglwysbach, Colwyn Bay, Conwy LL28 5UN

M. 10-12 Frederick Sanger Road, Guildford, Surrey GU2 7YD

N. Friars Ford, Manor Road, Goring, Reading RG8 9EL

O. Brook House, Ann Valley, Andover, Hampshire SP11 7NG

18. Events after balance sheet date

A dividend for the quarter ended 30 September 2019 of 1.665 pence per share was approved by the Board on 20 November 2019. Please refer to note 6 for further details.

There are no other significant events since the period end which would require to be disclosed.

DIRECTORS AND ADVISERS

Directors
Richard Morse (Chairman)
Denise Mileham
Peter Neville
Richard Ramsay
Hans Joern Rieks

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GLOSSARY OF KEY TERMS

AD
Anaerobic digestion

bps
basis points

Brexit
the UK referendum on 23 June 2016 in which a majority of voters voted to exit the EU

the Company or JLEN or the Fund
JLEN Environmental Assets Group Limited (formerly John Laing Environmental Assets Group Limited)

EU
European Union

FiT
the Feed-in Tariff

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, HWT Limited and JLEAG Solar 1 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, HWT Limited and JLEAG Solar 1 Limited

Investment Adviser
Foresight Group (since 1 July 2019) and John Laing Capital Management Limited (for the period from 1 April 2019 to 30 June 2019)

IPO
Initial Public Offering

IRR
internal rate of return

John Laing
John Laing Group plc and its subsidiary companies

MW_e
megawatt electric

MWh
megawatt hour

MW_{th}
megawatt thermal

NAV
Net Asset Value

OECD
Organisation for Economic Co-operation and Development

portfolio
the 30 assets in which JLEN had a shareholding as at 30 September 2019

portfolio valuation
the sum of all the individual investments' net present values

PPAs
Power Purchase Agreements

PPP/PFI
the Public Private Partnership procurement model

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

RHI
Renewable Heat Incentive

ROCs
Renewables Obligation Certificates

total shareholder return
total shareholder return combines the share price movement and dividends since IPO expressed as an annualised percentage

UK HoldCo
John Laing Environmental Assets Group (UK) Limited, wholly owned subsidiary of JLEN Environmental Assets Group Limited

WADR
weighted average discount rate

CAUTIONARY STATEMENT

Pages 1 to 33 of this report, including about us, at a glance, fund objectives, the Chairman's statement, the operational and financial review, the investment portfolio and valuation and the environmental, social and governance (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 Adviser 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 Adviser 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 Half-year 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.

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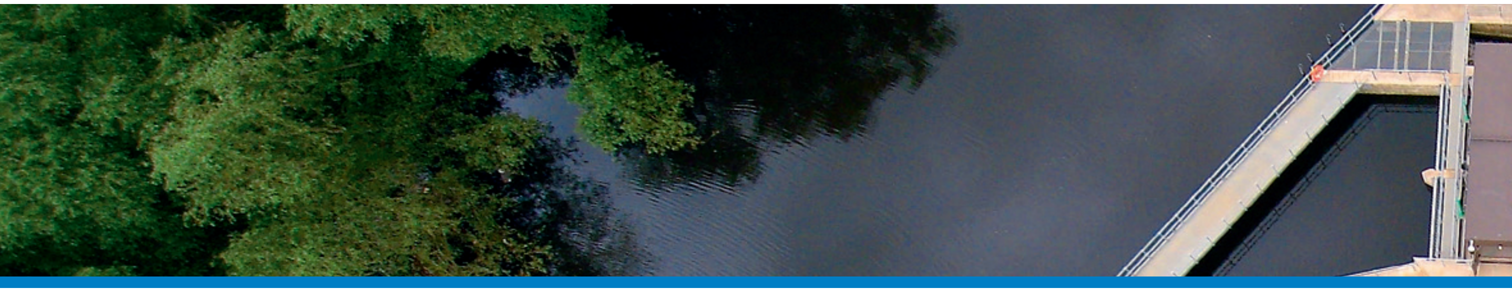

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