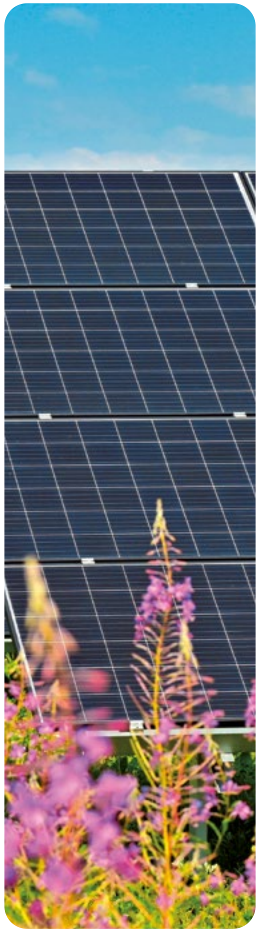
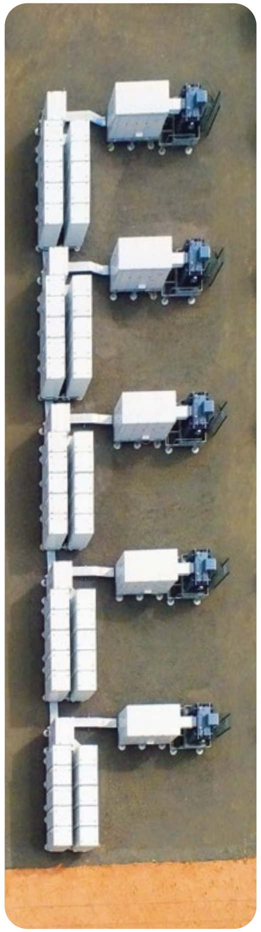
JLEN Environmental Assets Group Limited

Annual Report 2023



ABOUT JLEN

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

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

PREMIUM MAIN MARKET LONDON STOCK EXCHANGE

GREEN ECONOMY LONDON STOCK EXCHANGE

PRI Principles for Responsible Investment

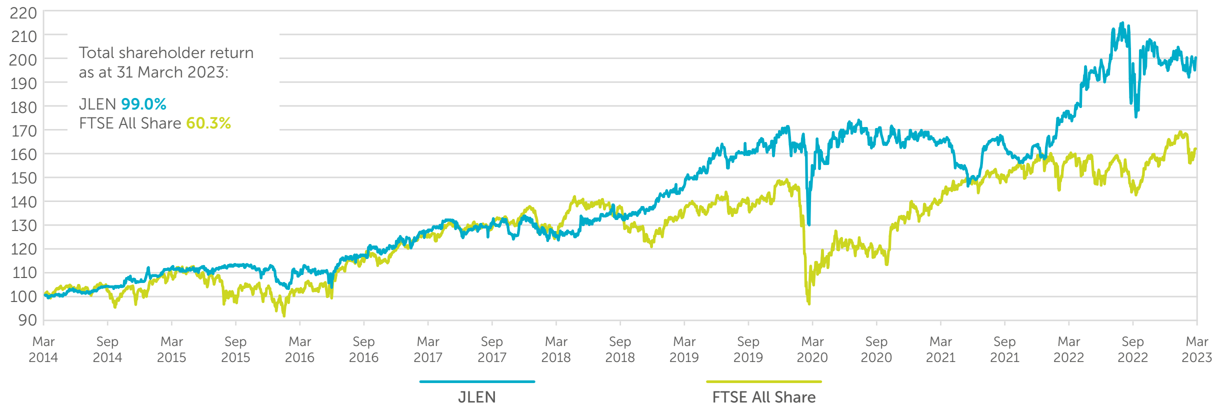
SUSTAINABLE DEVELOPMENT GOALS

Grange Farm energy anaerobic digestion plant, located in Spridlington, Lincolnshire.

OUR PURPOSE

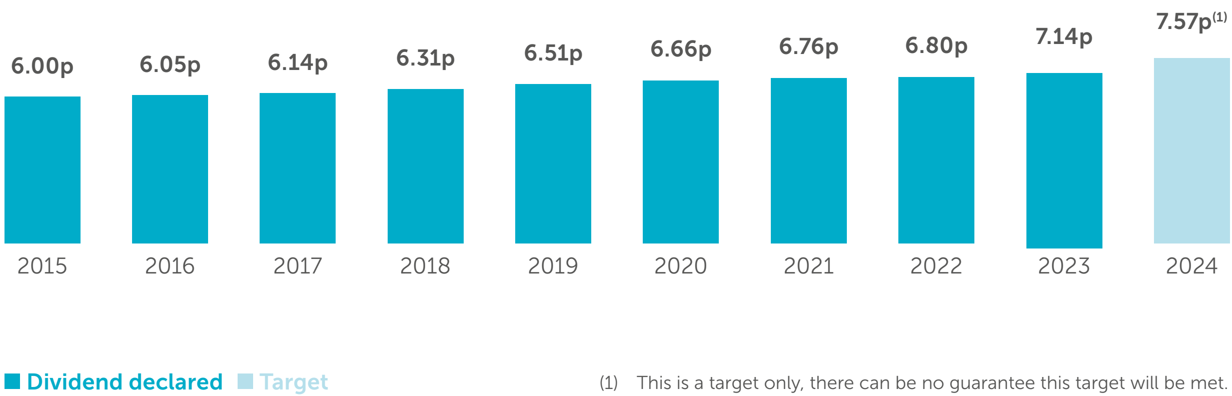
JLEN aims to invest in a diversified portfolio of environmental infrastructure that supports more environmentally friendly approaches to economic activity whilst generating a sustainable financial return.
It seeks to integrate consideration of sustainability and ESG management into its activities, which help to manage risks and identify opportunities.

Total shareholder return since launch



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

Dividend progression



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

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View our full year results highlights here:
https://vimeo.com/836126468

www.jlen.com

This year, as part of our ongoing commitment to sustainability, we have taken a "digital-first" approach, printing only a small number of copies of the report.

PERFORMANCE HIGHLIGHTS

Our results summary for the full year ended 31 March 2023.

Market capitalisation[1]
£791.2m
+6%
2022: £746.2m

Total shareholder return since IPO[1]
99%
(7.9% annualised)
2022: 77.4%

Diversified portfolio
42 assets
2022: 37 assets

Acquisitions in the year
5
2022: 3

Portfolio value
£898.5m
+13%
2022: £795.4m

Net Asset Value
£814.6m
+7%
2022: £762.9m

Net Asset Value per share[1]
123.1p
+7%
2022: 115.3p

Annual dividend declared per share
7.14p
+5%
2022: 6.80p

Dividend target[2]
7.57p
+6%
2022: 7.14p

Dividend cover[1,3]
1.51x
2022: 1.10x

Renewable energy generated
1,325GWh
(6% below target)
2022: 1,314GWh

GHG emissions avoided
212,263 tCO_2e[4]
2022: >905,500 tCO_2e[3]

Tonnes of waste diverted from landfill
684,181
2022: >695,000

Contributed to community funds
£432,756
2022: £418,000

FTE jobs supported
347
2022: 370

(1) The market capitalisation, total shareholder return, Net Asset Value per share and dividend cover are alternative performance measures ("APMs"). The APMs within the accounts are defined on pages 199 to 201.

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

(3) On a paid basis.

(4) Methodology for calculating GHG emissions avoided has been refreshed for 2023, please see page 105 for further details.

OUR INVESTMENT PROPOSITION

A diversified portfolio of sustainable investments.

1 Sustainable financial return

- Consistent annual dividend growth since IPO and 7.9% annualised total shareholder return[(1)].
- Assets in the portfolio have a high degree of inflation linkage protecting real returns.
- Portfolio revenues offer predictability and predominantly derive from government subsidies or long-term contracts.

7.9%
annualised total shareholder return

2 Diversified portfolio

- Broad environmental infrastructure mandate allows exposure to a wide opportunity set.
- Portfolio diversification across a variety of megatrends, sectors and geographies.
- Diversification reduces dependency on a single market, technology type or set of climatic conditions.
- Diversified portfolio includes wind, solar, anaerobic digestion, waste facilities, wastewater treatment, bioenergy, low carbon transport, battery storage, controlled environment aquaculture and agriculture, hydropower and hydrogen.

42
assets

3 Expert investment management

- Foresight Group LLP, the appointed Alternative Investment Fund Manager ("AIFM"), has a strong track record of generating attractive and accretive investment opportunities for JLEN.
- Experienced investment management team backed by more than 170 infrastructure professionals reviewing over 700 infrastructure investment opportunities a year with the support of finance and sustainability experts.
- Delivering value through active asset management by a dedicated and engaged team of portfolio managers with deep industry knowledge.

170+
infrastructure professionals

4 Award-winning approach to ESG

- ESG considerations are embedded across every aspect of the business to manage risk and identify opportunities.
- Broad range of ESG KPIs demonstrate progress and commitment to ESG objectives.
- JLEN is an Article 9 fund under the EU Sustainable Finance Disclosure Regulation ("SFDR").
- 100% of the Fund's revenues are derived from products and services that contribute to the global green economy.

aic Shareholder Communication Awards 2022 WINNER

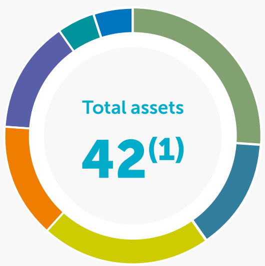
GREEN ECONOMY LONDON STOCK EXCHANGE

(1) Calculated at 31 March 2023.

OUR PORTFOLIO AT A GLANCE

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

Total assets
split by sector

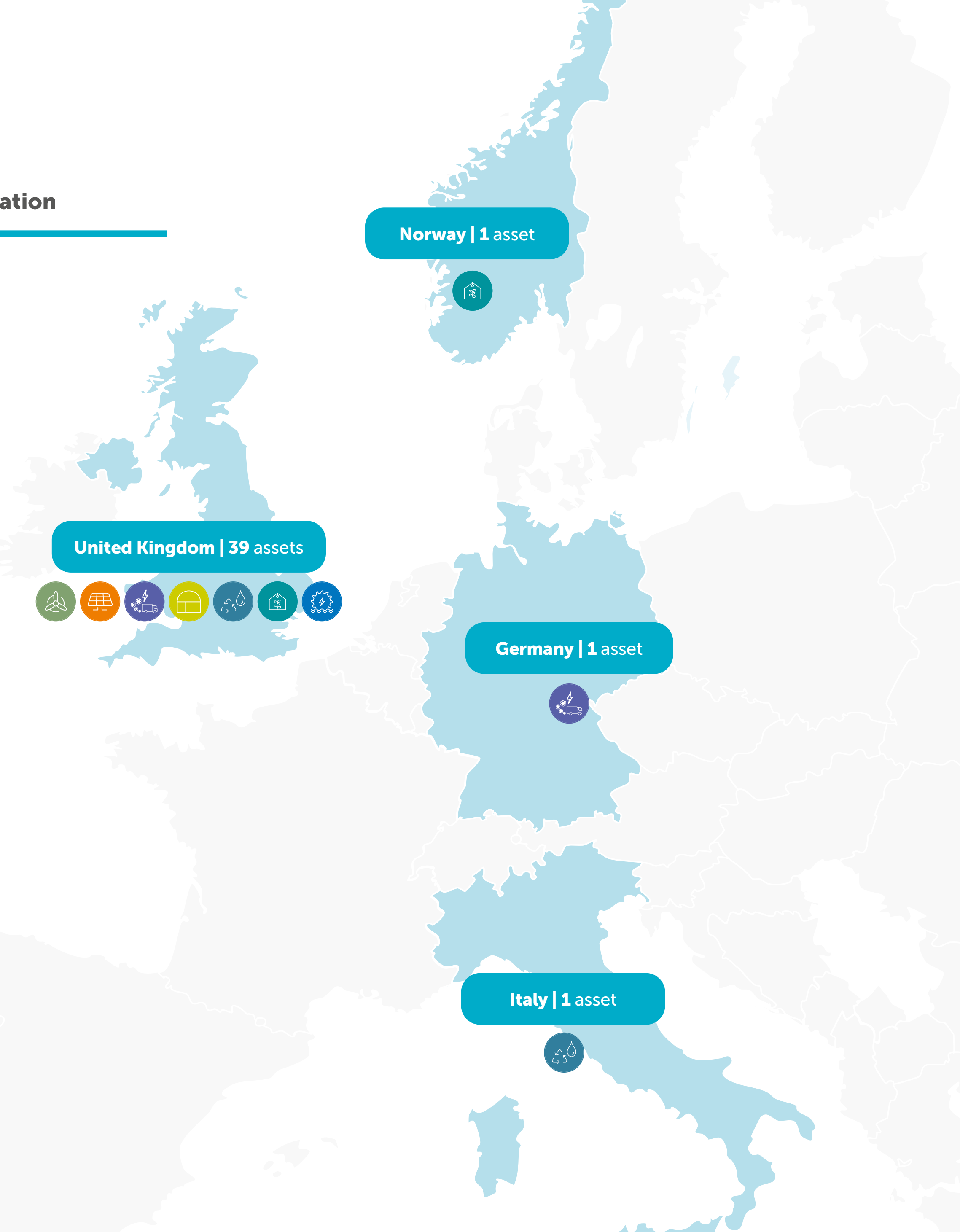


Wind	11
Waste & bioenergy	6
Anaerobic digestion	9
Solar	6
Low carbon & sustainable solutions	6
Controlled environment	2
Hydro	2

Portfolio value
split by operational status

Portfolio value
split by geography

Assets by location



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

(1) Does not include investment into FEIP.

CHAIR'S STATEMENT

"I am pleased, on behalf of the Board, to present the Annual Report of JLEN Environmental Assets Group Limited for the year to 31 March 2023, in which your Company delivered reassuringly resilient growth in Net Asset Value ("NAV") per share and met its dividend target in spite of a backdrop of economic turmoil and regulatory and political challenges."

Ed Warner
Chair

Performance summary

The NAV per share at 31 March 2023 was 123.1 pence, up from 115.3 pence at 31 March 2022 and very slightly lower than at the half year. This 7% growth over the 12 months was principally the result of higher power prices, and the effect of elevated inflation on the Company's inflation-linked contracts. Actual energy prices during the year exhibited extreme volatility as post-pandemic expansion of economic activity was overlaid by the shock to supply chains triggered by Russia's invasion of Ukraine and consequent sanctions.

Market environment

The war in Ukraine has had obvious, wider economic ramifications. Inflation was already increasing as activity normalised across the globe but with continuing supply chain dislocations resulting from the pandemic, the conflict encouraged prices to spike still further. The monetary authorities in the major economies announced a series of interest rate increases in an attempt to temper the surge in inflation. In the United Kingdom, the principal area of operation for JLEN, the retail price index broke above 13% and the Bank of England pushed up interest rates in a series of increases from 0.75% at the start of the year to 4.5%. Unsurprisingly, long bond yields responded by moving sharply higher too. At the time of writing, inflation remains stubbornly high and, although official forecasts are that it will subside and there are signs that interest rates are now close to their peak, the level of uncertainty about the immediate future trends for both remains acute.

In the autumn, reacting to ballooning energy prices and their knock-on effect on the cost of living for both households and businesses, the UK government introduced an emergency levy on some electricity generators. This included renewable plants such as the Company's wind, solar and biomass assets, in order to capture what it regarded as excess profits. While the value of JLEN's assets is generally boosted by higher energy prices, this Electricity Generator Levy ("EGL") had the effect of trimming NAV by around 1.6 pence per share.

Results

JLEN's profit before tax for the year to 31 March 2023 was £98.3 million (12 months to 31 March 2022: £185.0 million) and earnings per share for the period were 14.9 pence (12 months to 31 March 2022: 30.6 pence). Removing unrealised movements on investments at fair value, the adjusted profit before tax[1] was £44.4 million (12 months to 31 March 2022: £42.2 million) and earnings per share[1] for the period were 6.7 pence (12 months to 31 March 2022: 7.0 pence).

Cash received from the portfolio by way of distributions, which includes interest, loan repayments and dividends, was £83.6 million (12 months to 31 March 2022: £56.5 million). Net cash inflows from the investment portfolio (after operating and finance costs) of £70.5 million cover the cash dividends of £46.6 million paid to shareholders in the 12-month period by approximately 1.51x (12 months to 31 March 2022: £46.2 million; 1.10x).

(1) The adjusted profit before tax and adjusted profit before tax earnings per share are alternative performance measures ("APMs"). The APMs within the accounts are defined on pages 199 to 201.

CHAIR'S STATEMENT continued

Dividends

The Board's stated dividend target of 7.14 pence per share, as set out in last year's Annual Report, has been met. The Company has paid three quarterly dividends of 1.78 pence, 1.79 pence and 1.78 pence. As announced on 18 May 2023, the Board declared a dividend in respect of the three months to 31 March 2023 of 1.79 pence. The dividend will be paid on 23 June and brings the total for the year to the 7.14 pence target.

In line with JLEN's progressive dividend policy, the Board has decided to set a dividend target of 7.57 pence per share for the year to 31 March 2024. This represents an increase of 6% on the year just ended and is expected to be well covered by cash flows from the Company's underlying assets. The predictability of these future flows is enhanced by the actions the Investment Manager has taken to fix contract prices while power prices were elevated. At the year end, 76% of the portfolio by generation was fixed for the summer 2023 season and 67% for the winter 2023/24 season.

Share price

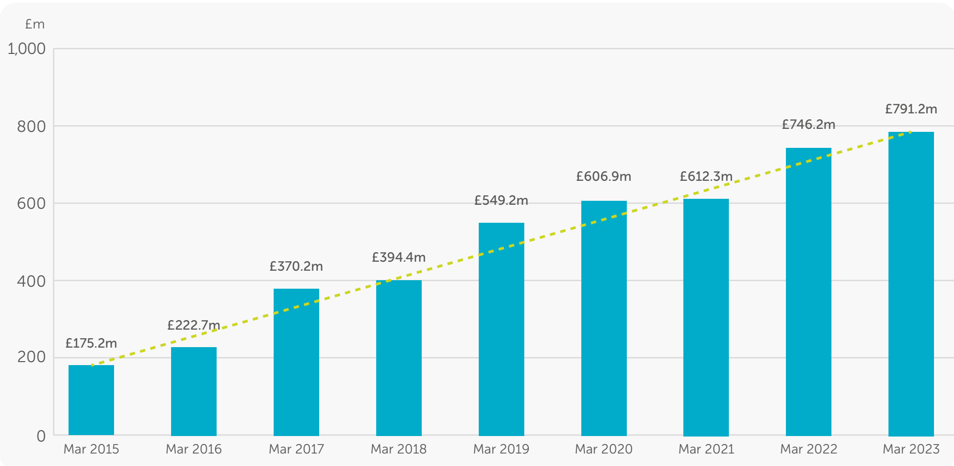
In the immediate aftermath of Russia's invasion of Ukraine, JLEN shares ended the previous financial year at 112.8 pence, representing a 2.2% discount to the prevailing NAV per share. This was a reversal of the premium at which the Company's shares have typically traded. The economic, geopolitical and regulatory uncertainties of the past 12 months have weighed on the share price, which has continued to trade at a modest discount to NAV per share. At 31 March 2023, JLEN's share price of 119.6 pence reflected a 3% discount to NAV.

This experience is consistent with that of the Company's peers in the environmental assets sub-sector and the broader listed company world. Nevertheless, the Board takes the performance of JLEN's shares very seriously. My fellow Directors and I believe that JLEN's unique mix of assets, by type and geography, coupled with its long-term track record, make it an appealing investment vehicle for those seeking broad exposure to environmental assets.

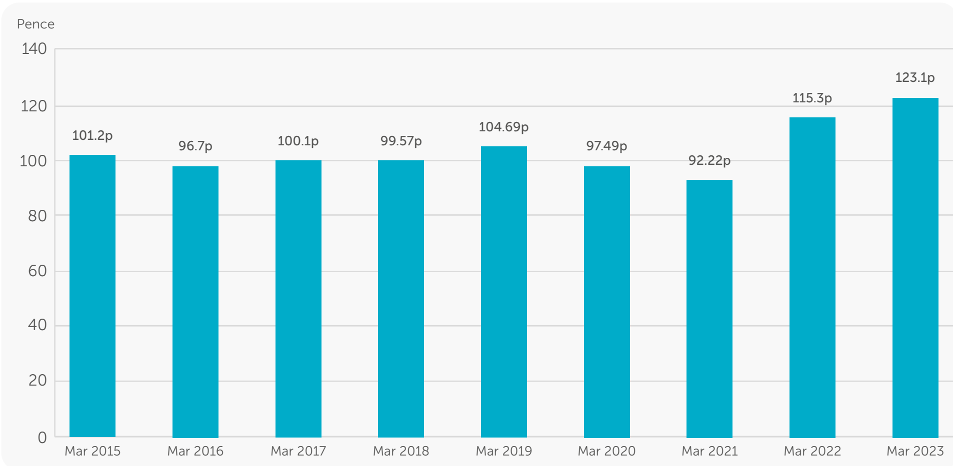
We work energetically with our corporate brokers, the Investment Manager's marketing team and other advisers to promote the Company's attractiveness to existing and potential new shareholders.

To that end, we have recently commissioned and received an investor perception study undertaken by an external agency in which a number of large existing shareholders and non-holders were interviewed so as to enable us to understand better how JLEN is perceived in the market. Its findings were insightful and will help inform our actions going forward. More information on the perception study can be found in the stakeholder engagement section on pages 32 to 37.

Market capitalisation



NAV per share



CHAIR'S STATEMENT continued

Portfolio performance

Portfolio financial performance during the year was strong, buoyed by inflated power prices and higher than budgeted increases to RPI-linked revenue streams such as the subsidies. Overall generation from the renewable energy portfolio was 1,325GWh, marginally up compared to the previous year. The gas-to-grid anaerobic digestion portfolio and the solar portfolio each generated energy in line with budget, while the wind portfolio was below budget due to poor wind resource during the year. The bioenergy assets were also below budget, with the main detractor being a maintenance outage at the Cramlington biomass facility. This returned to full operations in February and I am pleased to note that the plant has been performing above budget since returning to full availability. Overall the renewables portfolio was 5.8% below generation budget.

Acquisitions

Investment activity in the year has focused on construction and development stage assets in the battery storage, controlled environment ("CE") and green hydrogen sectors. The higher returns offered by opportunities at this stage are compelling, and given the critical role that these technologies are anticipated to play in reaching net zero targets and ensuring a more sustainable future, we are pleased to provide our investors with exposure to these critical asset classes. This has seen the proportion of JLEN's portfolio in construction and development stage assets increase from 2% to 10% over the year. The Board is pleased to see the first of its battery storage assets become operational post the year end, and is not aware of any material issues on the remaining construction assets and expects to see capital growth in these parts of the portfolio as the assets move to a "discounted cash flow" valuation basis from "book cost", once risks associated with construction have passed.

The Investment Manager has also secured preferential access to a pipeline of green hydrogen production opportunities in Germany through its investment in HH2E. Germany is considered one of the most attractive markets for hydrogen investments due to the government's commitment to stimulating the hydrogen economy as part of improving energy security. This is expected to form a material part of the Company's pipeline over the medium term and offers higher returns than core renewables with greater scope for capital growth.

Valuation

The NAV at 31 March 2023 was £814.6 million, comprising £898.5 million portfolio valuation, £18.0 million of cash held by the Group, less outstanding revolving credit debt of £103.5 million plus a positive working capital balance of £1.6 million. The portfolio comprised 42 investments[(1)].

Details on the valuation movements can be found in the investment portfolio and valuation section on pages 77 to 86.

The Board and Investment Manager take a prudent approach to balance sheet management. In the light of the background of uncertainty against which we are operating, the Investment Manager has extended and increased the Company's revolving credit facility ("RCF") to £200 million maturing in May 2025, thereby ensuring that it remains in a sound funding position.

Risks and uncertainties

In contrast to last year, when power prices increased dramatically, this year the backdrop is of falling prices. Electricity and gas prices and the risk that they fall below assumed levels remains the most significant risk for the Company. While valuations reflect lower power prices over the short-to-medium term (and the fixes in place that partially mitigate this risk) the risk remains that prices fall faster and further than we anticipate.

Furthermore, it is a relief that we now know the details of the EGL, but we remain alert to the fact that the legislation is not final yet and its practical operation is still to be tested, particularly in the area of generators that pay for feedstock such as the Company's bioenergy assets.

The Board and I are aware that the "renewable infrastructure" sector as a whole, including JLEN, is trading at a discount to NAV. There is a risk that equity markets remain closed for JLEN for some time. The Company recently extended its revolving credit facility and I am confident that we have ample funds to meet the Company's existing commitments. The Board will also consider selective asset disposals as it has done in the past where attractive opportunities exist to recycle the capital. Any new investment decisions will carefully consider the funding position.

In terms of portfolio, the unplanned outage at Cramlington to deal with a turbine defect is a reminder that assets can and do experience issues and this is a key risk. The scale and diversification of the JLEN portfolio provides some mitigation and the Board was also pleased to see the way in which the directors of the project SPV took decisive action to address the defect and bring the plant back to successful operations.

A summary of the principal risks and uncertainties facing the Company is included on pages 38 to 48 of this Annual Report 2023.

(1) Not including FEIP assets.

CHAIR'S STATEMENT continued

Sustainability and ESG

JLEN's approach to sustainability and ESG continues to evolve, with positive progress seen in relation to assessing climate-related risks and opportunities, as well as against many of our KPIs over the course of the year.

We have continued to develop our Task Force on Climate-related Financial Disclosures ("TCFD") methodology by undertaking a detailed climate scenario analysis of the portfolio. This analysis will help JLEN to further understand its climate-related risks and opportunities and will influence future strategy decisions.

JLEN's broader ESG efforts this year have focused on biodiversity measurement, working with local communities to provide funding for upliftment projects, developing new partnerships with our operators to promote skilled jobs in rural areas, undertaking an in-depth risk assessment of our supply chain and expanding the Company's investment activities into other sustainability-focused technologies.

The Company's full TCFD and ESG reports can be found in the Annual Report on pages 49 to 69 and pages 95 to 116.

Governance and Board matters

I took over as JLEN's Chair last August, replacing Richard Morse. I am very grateful to Richard Ramsay, Senior Independent Director, for the assistance he gave me in taking on my role. Richard Ramsay stepped down from the Board on 1 April 2023 having served JLEN with distinction for nine years since its inception in 2014. He leaves with the Board's thanks on behalf of all shareholders.

Ahead of Richard Ramsay's departure, the Board conducted an open recruitment process for a new director with the assistance of an independent search consultancy. We are delighted that, as a result of this process, Nadia Sood joined the JLEN Board on 10 February 2023. Nadia brings extensive experience of executing and managing complex infrastructure investments ranging in size across multiple international markets. Her perspectives are already proving invaluable.

The Board has also taken the opportunity to review its portfolio of committee leadership roles and membership. Stephanie Coxon has assumed the position of Senior Independent Director in addition to remaining Chair of the Audit Committee, and Alan Bates has taken over the position of Chair of the Risk Committee from Hans Joern Rieks.

In light of these changes, and consistent with corporate governance best practice, we have commissioned a specialist agency to conduct an external evaluation of the conduct and effectiveness of the JLEN Board. The outcome and recommendations of this review are expected to be presented to us shortly and will help shape our actions as a Board in future.

As a Board we maintain the highest standards as set out in the UK Corporate Governance Code. Conscious of the requirements that the external audit should be put out to tender at least every 10 years, the Board conducted a competitive tender process this year reflecting on Deloitte's position as JLEN's auditor for the past nine years. This process has resulted in the appointment of KPMG as the Company's proposed external auditor for the current financial year, and this appointment will be put before shareholders at the upcoming Annual General Meeting for their approval.

Outlook

Although the economies JLEN operates in are still beset by uncertainty, there are encouraging signs that the sharp increases in inflation and interest rates are drawing to a close and that the operating backdrop for JLEN's assets is normalising. This welcome development will enable greater confidence in assessing new investment opportunities across a wide range of sustainable infrastructure projects. The case for investment in sustainable infrastructure has never been stronger as we focus on delivering on decarbonisation targets and creating energy security.

JLEN's strength lies in its broadly diversified set of assets across technologies and geographies, as demonstrated by the returns delivered in recent years. The existing portfolio continues to deliver strong cash flows, underpinning another year of expected dividend growth and providing the foundation for further investment in new, exciting projects that will help enable a sustainable future for us all.

Ed Warner
Chair
14 June 2023

THE INVESTMENT MANAGER

JLEN is managed by Foresight Group LLP ("Foresight" or "Foresight Group") as its external alternative investment fund manager ("AIFM") with discretionary investment management authority for the Company.

Chris Tanner

Investment Manager

Chris has been an Investment Manager[1] to JLEN since IPO in 2014. He joined Foresight in 2019 as a Partner and currently works in the London office. He has over 23 years of industry experience.

Chris is a Member of the Institute of Chartered Accountants in England and Wales and has an MA in Politics, Philosophy and Economics from Oxford University.

Edward Mountney

Investment Manager

Ed has been involved with JLEN since 2016, joining the management team in 2022, based in London. Prior to that, Ed was Head of Valuations for Foresight Group and JLCM before then, with over 13 years' experience in infrastructure and renewables.

Ed is a Member of the Institute of Chartered Accountants in England and Wales and holds a BA (Hons) in Business and Management from Oxford Brookes University.

Chris Holmes

Investment Manager

Chris has been an Investment Manager to JLEN since January 2018.[1] He joined Foresight in 2019 as a Partner. He has over 24 years' experience in infrastructure investment and financing in PFI/PPP and renewable energy projects.

Chris has a BA (Hons) in Business Economics from the University of Durham. Chris's role has changed to allow him to lead for Foresight on the significant investment opportunities presented by the emerging hydrogen economy in the UK and other target geographies. As a result of this new role, Chris will have reduced involvement in the day-to-day activities of JLEN while continuing to play a key role in JLEN investment activity.

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

THE INVESTMENT MANAGER continued

The Investment Manager

Foresight is the Investment Manager for the Company. Foresight was founded in 1984 and is a leading listed infrastructure and private equity investment manager with a long-established focus on ESG and sustainability-led strategies. Foresight's Infrastructure division manages over 350 infrastructure assets with a focus on solar and onshore wind assets, bioenergy and waste, as well as renewable energy enabling projects, energy efficiency management solutions, social and core infrastructure projects and sustainable forestry assets.

It has day-to-day responsibility for investments and portfolio management, including:

- sourcing, evaluating and implementing the pipeline of new investments for the portfolio;
- advising the Board on investment strategy and portfolio composition;
- risk management;
- monitoring financial performance against Company targets and forecasts;
- monitoring the operational management of, and managing the investment cash flows from, JLEN's investments; and
- managing the Company's investor reporting and investor relations activities.

Foresight brings extensive investment origination and execution capabilities to JLEN. The Foresight Infrastructure team consider over 700 opportunities a year, selecting only those which meet JLEN's risk appetite and where JLEN has a realistic chance of successfully completing a transaction for further investigation. The breadth of experience within the Foresight team suits JLEN's broad environmental infrastructure mandate and this experience has been critical in determining which projects to pursue as JLEN has diversified beyond core renewable energy projects.

Given JLEN's broad mandate, its investment activities can overlap with other Foresight-managed funds. Foresight maintains a clear allocation policy that sets out the way in which common interest in an investment across funds shall be managed. In keeping with this policy, JLEN currently is co-invested in seven projects with other Foresight funds, enabling JLEN to achieve greater diversification with the same level of funds and amplifying JLEN's influence on these assets. All co-investments have market-standard shareholder protections and are ultimately subject to the approval of JLEN's Board, which will take independent advice as appropriate.

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

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

Foresight does not advocate diversification for its own sake for JLEN. New investment sectors must comply with the investment policy and present a risk/return profile that is at least as attractive as investments that are already present within the JLEN portfolio. See the "Market and outlook" section for an assessment of the relative attractiveness of different sectors.

£12.2bn(1)
Assets under management

350+(2)
Infrastructure assets

700+
investment opportunities reviewed(3)

170+(4)
Infrastructure professionals

8(2)
Countries with operations

4.3GW(4)
Renewable energy generation

(1) Based on Foresight Group unaudited AUM as at 31 March 2023.
(2) Foresight Group information as at 31 March 2023.
(3) For the period 1 April 2022 – 31 March 2023.
(4) Foresight Group information as at 30 September 2022.

MARKET AND OPPORTUNITIES

The investment thesis for environmental infrastructure remains as strong as ever. The World Meteorological Organization, an agency of the UN, now predicts that it is more likely than not that the key climate threshold of 1.5°C above pre-industrial levels will be breached in the next five years, and as temperatures increase beyond this the risks that climate "tipping points" are passed also increase. The desire to mitigate the effects of climate change stimulate not only opportunities connected to the energy transition but also in wider environmental infrastructure that has improved sustainability credentials over traditional infrastructure approaches in sectors like transport, waste management and food production.

High electricity prices during the year attracted the attention of governments keen to raise funds to address "cost of living" increases for their citizens. In the UK, this took the form of the Electricity Generator Levy ("EGL"), with the government taking 45% of revenues above a price of £75/MWh from a range of renewable electricity generation technologies including wind, solar, biomass, hydro and gas-to-electric AD within the JLEN portfolio. Similar measures are in place in other European geographies. Such measures run the risk of undermining investor confidence in the sector as they are viewed as akin to retrospective changes to subsidy regimes, changing supposedly stable features of the investment case once investors are committed.

The UK government has commenced a wide-ranging review of electricity market arrangements ("REMA") for the GB electricity system. While some of the more radical options for reforming the wholesale electricity market such as a system of local imbalance pricing have recently been discounted, there is still uncertainty in this area. The Company believes that its diversified approach makes it more resilient to regulatory changes that may affect particular categories of generating assets.

Wind

Market developments

Wind is the predominant renewable generation technology in the UK, with the government targeting deployment of 50GW of offshore wind by 2030[(1)]. The government recognises that one of the key obstacles to developing new onshore wind farms is the planning system, and proposals to alleviate this are underway. The UK government continues to offer support for onshore and offshore wind projects through the Contracts for Difference ("CfD") subsidy mechanism, although the last CfD auction led to strike prices of c.£42/MWh and £37/MWh respectively, far lower than available through the wholesale market.

The position is similar in other European geographies within JLEN's focus. Wind remains a key technology in the energy transition, but the subsidies once enjoyed are no longer available to new generators. Asset owners have a choice between facing merchant risk in selling their electricity on wholesale markets or fixing prices over the short-to-medium term through PPAs often with corporate counterparties. Such arrangements remove pricing risk but often at the cost of a lower overall capture price, making for lower but more stable returns.

JLEN investment outlook

JLEN has historically invested in operational onshore wind farms, although has not made new investments in this area since 2017. It is unlikely that JLEN will make new investments into operational onshore wind in the short-to-medium term as competition for assets has made returns relatively less attractive. The Investment Manager estimates that discount rates for UK onshore wind are in the range 7-9%, often with optimistic cash flow assumptions.

JLEN may consider construction-stage wind investments if returns are high enough and the construction does not obviously present unusual risks. JLEN may also consider late-stage development investment, including supporting credible wind developers with demonstrable pipelines in structures that control expenditure at risk and that enable JLEN to benefit from development gains and/or secure future wind deployment at favourable rates of return.

(1) Department for Energy Security and Net Zero – Powering up Britain policy statement, March 2023.

MARKET AND OPPORTUNITIES continued

Solar

Market developments

The UK government has ambitions to increase solar deployment fivefold by 2035, up to 70GW[1], and has stated that it will set up a taskforce to deliver this outcome. As with wind, the main support available is now the CfD, with the last strike prices achieved being c.£45/MWh. This is also far lower than available through the wholesale market, and so most new grid-scale solar is on an unsubsidised merchant basis.

The UK government wishes to make deployment of solar at scale easier and so will not make changes to categories of agricultural land that might constrain this deployment. However, issues with securing timely grid connections make developing such projects less attractive for institutional capital.

JLEN investment outlook

JLEN has historically invested in operational grid-scale solar parks, although has not made new investments in this sector since 2017. It is very unlikely that JLEN will make new investments into operational solar in the short-to-medium term as competition for assets has made returns relatively less attractive. The Investment Manager estimates that discount rates for UK ground-mounted solar are in the range 6-8%, often with optimistic cash flow assumptions.

JLEN may consider late-stage development investment, including supporting credible solar developers with demonstrable pipelines in structures that control expenditure at risk and that enable JLEN to benefit from development gains and/or secure future wind deployment at favourable rates of return. Opportunities in this area are available, often in conjunction with battery storage pipelines, but uncertainty around grid connection timelines is a detractor.

Anaerobic digestion

Market developments

Anaerobic digestion ("AD") and biogas did not feature in the "Powering up Britain" policy statement from the UK government's Department for Energy Security and Net Zero. A subsidy for new AD investment exists in the Green Gas Support Scheme ("GGSS"), but relatively few plants have been constructed under this, reflecting the reduced attractiveness of this subsidy and the higher barriers to accessing it than for the previous subsidy, the Renewable Heat Incentive. Producers of biomethane may also choose to opt for receiving Renewable Transport Fuel Certificates, which have on occasion been more financially advantageous than the GGSS but also have a market-based value that is volatile.

The EU has been more active in seeking to stimulate biomethane production, prompted by a desire to reduce the need for Russian natural gas. The REPowerEU plan includes a biomethane action plan to achieve 35bcm by 2030, up from 3bcm of biomethane and 15bcm of less enriched biogas in 2022. This is leading to new subsidy schemes in countries like Spain and Italy which are expected to stimulate the development and construction of new plants.

JLEN investment outlook

JLEN has invested in a portfolio of operational gas-to-grid and gas-to-electric AD plants using a range of agricultural and waste feedstocks and remains active in the market. Further investments in UK plants are possible, although the Investment Manager notes increased competition and a lack of prime gas-to-grid sites of the scale to support the costs of proper management. The Investment Manager estimates that discount rates are in the range 7-9% on an unlevered basis although notes that there are relatively few public benchmarks.

Opportunities exist in construction-stage assets and, if pursued, would be more likely to be in EU countries with attractive subsidies. Greenfield AD assets present particular risks and these would need to be addressed satisfactorily for JLEN to consider investment.

(1) Department for Energy Security and Net Zero – Powering up Britain policy statement, March 2023.

MARKET AND OPPORTUNITIES continued

Biomass and energy-from-waste

Market developments

Biomass and energy-from-waste combustion remains a major source of renewable electricity, generating around a quarter of all renewable electricity in 2021[1]. The "Powering up Britain" policy statement in the UK only refers to biomass in the context of "Bioenergy with carbon-capture and storage" ("BECCS"), where the government is consulting on a subsidy scheme to incentivise deployment. Some forms of biomass have suffered from poor recent publicity, with some environmental organisations arguing that plants using woody biomass are not sustainable.

A similar picture emerges within the EU countries, with the focus being on the sustainability of biomass used for power generation. Energy-from-waste ("EfW") remains excluded from the EU taxonomy for sustainable activities, although it remains a favoured processing option for residual waste for countries without extensive alternative processing options.

JLEN investment outlook

JLEN will consider new investments in this area where the sustainability credentials of the project are clear. There is a clear preference for operational projects with some track record over greenfield projects as construction overruns and disputes are common. The Investment Manager estimates that discount rates are in the range 7-10% on an unlevered basis although there exists a range of outcomes based on contractual structures and assumptions used.

Controlled environment

Market developments

The Investment Manager has received considerable interest from developers in controlled environment ("CE") projects following the announcement of the CE Rjukan and CE Glasshouse investments during the year and is of the view that pipelines of projects exist in both. However, the quality and stage of development of projects within these pipelines vary.

A clear case can be made for the sustainability credentials of controlled environment projects in terms of improved resource use and waste management compared to traditional production methods. At present, no specific support schemes exist to incentivise investment into controlled environment projects, however these projects will benefit from increased regulatory requirements on the sustainability aspects of conventional production methods and wider governmental policy encouragement towards sustainable aquaculture and agriculture. In 2022, the Norwegian government announced a resource rent tax which, when implemented, will apply to several industries including sea-based aquaculture, and also a temporary suspension of the approval of new permit applications for land-based aquaculture projects. Neither measure is expected to affect directly existing land-based aquaculture projects like CE Rjukan.

JLEN investment outlook

JLEN recognises that these projects face a greater level of market risk than environmental infrastructure projects with subsidy support or with long-term contracts. JLEN will look for projects that enjoy a privileged market position over competitors, for example due to physical location, technology or product differentiation. In light of this risk, JLEN will only invest in projects with a realistic prospect of significantly higher returns than for more conventional environmental infrastructure projects and will ensure that aggregate portfolio exposure to such projects is low relative to other portfolio sectors. Further material investment is unlikely until the CE Rjukan and CE Glasshouse projects reach operations.

(1) Digest of UK Energy Statistics (DUKES): renewable sources of energy 2022, table 6.2.

MARKET AND OPPORTUNITIES continued

Low carbon transport

Market developments

Transport remains a key sector for decarbonisation and a key plank of this is the switch from fossil fuel-powered internal combustion engines to electric for smaller vehicles. In the UK, the government is proposing a "zero emission vehicle mandate" ("ZEV") to apply to manufacturers specifying a minimum percentage of new car and van sales that must be zero emission. As well as guiding the industry towards the ban on new petrol and diesel cars from 2030, the ZEV mandate is intended to provide investors in charging infrastructure confidence that take-up will be in line with their investment plans. The government has also published its "Jet Zero" strategy paper for decarbonising aviation, including its desire to create the right conditions for investable "sustainable aviation fuel" ("SAF") projects in the UK.

JLEN investment outlook

JLEN will continue to support the rollout of compressed natural gas ("CNG") biomethane stations through its partnership with CNG Fuels, the leading UK provider of CNG biomethane to HGV fleet operators. JLEN has deployed c.£18 million of its £25 million commitment and expects to deploy the rest during the year ahead.

The Investment Manager has assessed several electric vehicle ("EV") charging opportunities but is of the view that the general model leaves significant utilisation risk with the investor. The Investment Manager has also started to see development-stage SAF and other synthetic fuel projects; however, these will need to have demonstrated operational performance before they will be considered for JLEN.

Battery storage

Market developments

The grid-scale battery storage market has become increasingly competitive for the GB system. The large majority of opportunities that come to market are construction-ready projects or late-stage development. The cost to acquire these opportunities has increased significantly, in part driven by the high profits being enjoyed by the limited number of operational battery assets active at a time of high volatility on the GB grid. Other developments include the general trend towards longer duration batteries better able to capture trading margins as asset owners recognise the likely need to prioritise this revenue stream over the finite opportunity from providing grid services and ongoing concerns over supply chains and grid connections.

GB remains the most active market for grid-scale batteries in Europe, although the Investment Manager has seen some opportunities in other European countries and continues to monitor developments.

JLEN investment outlook

JLEN has four grid-scale battery projects within the portfolio at various stages of development. The first of its one-hour grid-scale investments started commercial operations post the year end, while the second is under construction. The two most recent investments are ready-to-build, having been respecified as two-hour systems. When all these batteries enter operations, they are expected to make up around 10% of the portfolio by value. Given that merchant revenues are likely to make up the largest part of the revenue model for these assets and the market for batteries is still evolving, JLEN is likely to pause further investment into the sector until its batteries are operational and the revenue model has been validated.

MARKET AND OPPORTUNITIES continued

Hydro-electric

Market developments

There is little activity in run-of-river hydro-electric development in the UK and the Investment Manager is not aware of any large-scale dammed projects in late-stage development. No run-of-river projects were awarded CfDs in the Round 4 auction, while four proposed "tidal stream" projects will receive support if they build out. It is likely that new activity in hydro-electricity will be in these newer, more experimental technologies, as well as pumped storage, which will be increasingly important on the network as a source of long-duration storage.

There is a deeper market for conventional hydro-electric projects in Europe, with more large-scale dammed projects. However, new dammed projects are often problematic because of the wider environmental impacts that they have; EU member states agreed that hydro-electric projects should be excluded from plans to make development of renewables quicker, for example.

JLEN investment outlook

Given JLEN's experience with run-of-river projects in the UK falling short of their investment cases, the Company is not seeking to add to this part of the portfolio. Returns for operational European projects are understood to be low. Tidal range and tidal stream technologies are too early-stage in their development to be suitable for JLEN. The most likely activity is pumped storage, although these tend to be very large projects with long development periods and construction stages which are not ideal for JLEN.

Hydrogen

Market developments

Market analysts predict the low carbon hydrogen market to grow 500x by 2050 globally, which could equate to a €5.0 trillion investment requirement in hydrogen infrastructure to achieve net zero targets by 2050[(1)]. We believe there are strong regulatory tailwinds in key markets promoting the rise of hydrogen economies and leading to significant investment opportunities in the production, transportation, distribution, storage and usage of hydrogen as well as its derivatives.

In Europe, the REPowerEU initiative seeks to increase the EU's annual renewables target to 45% by 2030 and an ambitious low-carbon hydrogen production target of 10 Mt, with an additional 10 Mt of annual imports by 2030. €41 billion has been allocated to switch from fossil fuels to alternatives including industrial sectors, €27 billion allocated to deploy key hydrogen infrastructure and €3 billion available to invest from EU Hydrogen Bank.

JLEN investment outlook

We anticipate a complex transition in the hydrogen market driven by the simultaneous electrification of industry and growth in new demand from energy users. We believe that JLEN, with its existing hydrogen infrastructure investments, drawing on the expertise of the Investment Manager in developing renewable energy projects, can bring a key competitive advantage to achieving further compelling investment opportunities in this evolving hydrogen market. Returns will vary depending on project structure, technology risk and the availability and nature of government support, but are currently materially higher than late-stage development opportunities in more established technologies.

JLEN already has a priority position to invest in the buildout of green hydrogen production facilities in Germany through its investment in HH2E, and will seek similar opportunities in key geographies such as the UK. Hydrogen is likely to be a key area for new investment over the short to medium term.

(1) Source: Goldman Sachs, Carbonomics The Clean Hydrogen Revolution, February 2022; BNEF, 2021.

THE CASE FOR HYDROGEN

Green hydrogen presents significant opportunities for JLEN.

In conversation with Chris Holmes, Foresight Partner, on hydrogen infrastructure

Q

Can you tell us a little more about your new role at Foresight?

A

Now that the investment management team of JLEN has been bolstered with the addition of Ed Mountney, I am spending more time on broader corporate activities, one of which is managing Foresight's efforts to invest further into hydrogen-related infrastructure on behalf of our existing funds and potential new ones. This will be of benefit to JLEN as we will be able to present an increasing number of transactions, such as the recent Thierbach project, to the JLEN Board in this exciting and growing sector.

Q

What is the outlook for hydrogen?

A

One of growth – market analysts predict the low carbon hydrogen market to grow 500 times by 2050 globally, which could equate to a €5.0 trillion investment requirement in hydrogen infrastructure to achieve net zero targets by 2050. We believe there are strong regulatory tailwinds promoting the rise of hydrogen economies and leading to significant investment opportunities in the production, transportation, distribution, storage and usage of hydrogen as well as its derivatives. At Foresight, we anticipate a complex transition in the hydrogen market driven by the simultaneous electrification of industry and growth in new demand from energy users. With an existing hydrogen infrastructure portfolio and expertise in developing renewable energy projects, we believe Foresight can bring a key competitive advantage to achieving success in this evolving hydrogen market.

Q

Why is hydrogen important to the energy transition?

A

Simply, that it provides a flexible, complementary energy medium alongside intermittent renewables. With renewable energy storage, hydrogen offers low-cost grid balancing by utilising excess, variable renewable energy to generate hydrogen for storage, responding to peaks in demand. In larger volumes, hydrogen can also serve as a longer-term energy store responding to monthly or seasonal demand fluctuations. Hydrogen can also act as an energy carrier and transporter, offering an alternative method of moving energy from A to B. Furthermore, it can assist in the decarbonisation of hard-to-abate sectors such as steel, chemicals or heavy transport which are not suitable for electrification. Hydrogen offers an energy profile suitable for many of these sectors and is usable in a way that is highly comparable to natural gas.

Q

What will hydrogen infrastructure look like in the future?

A

In the short term, it is likely to be for applications with "local demand" that provides a simpler and lower cost initial route to market, such as JLEN's Thierbach project. Direct access to renewables with local and flexible electrolysers can produce hydrogen to be dispatched locally to decarbonise existing industrial processes. We expect existing industrial demand to be the pillar of new European projects that will pave the way for reduction in the levelised cost of hydrogen through market demand and supply balance. In the longer term, we would expect hydrogen and derivatives being produced in low-cost energy hubs around the world with export capabilities.

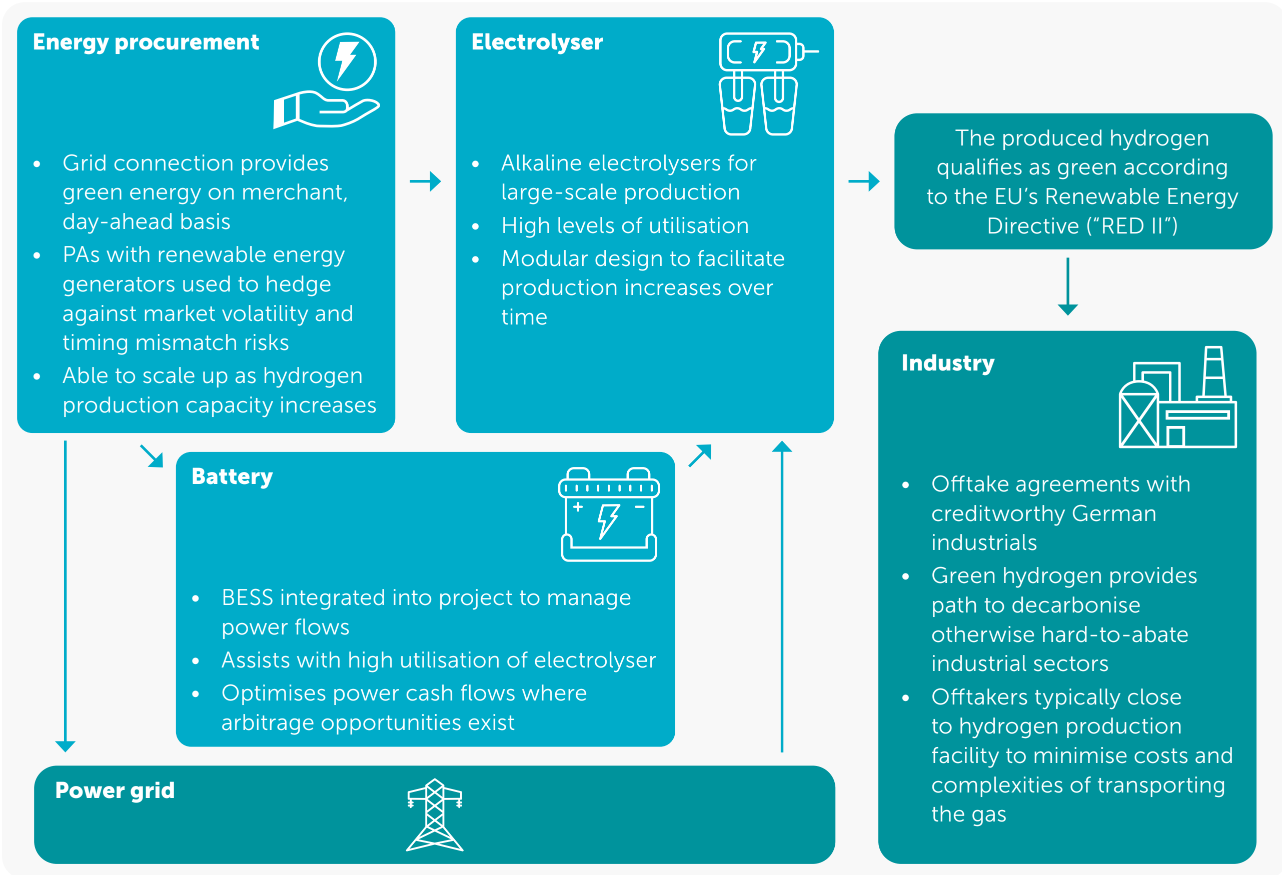
THE CASE FOR HYDROGEN continued

Overview of a typical green hydrogen project using batteries to maximise the electrolyser's load factor.

JLEN has invested with other Foresight funds in supporting German developer HH2E with its pipeline of green hydrogen projects. HH2E's management include senior figures from German industry and renewable energy with relationships built over many years between the corporate and government worlds. With this combination of technical expertise and access to key decision-makers, HH2E is an excellent partner with whom to capitalise on opportunities in the fast-moving German hydrogen market.

The commercial contractual structure envisaged could incorporate a combination of fixed price hydrogen offtake contracts, variable price elements or tolling arrangements alongside fixed price renewable PPAs to provide sufficient volumes to run the electrolyser on an annual basis.

The flexible plant design, which incorporates both a battery and an electrolyser, provides the plant with various operational levers which can be used to optimise the performance within a given period of time.



INVESTMENT OBJECTIVES

JLEN's strategy is centred around its fundamental purpose to deliver long-term, sustainable financial returns to shareholders. It executes its strategy through clearly defined objectives.

JLEN aims to provide its shareholders with a sustainable, progressive dividend, paid quarterly, and to preserve the capital value of its portfolio. It invests in a diversified portfolio of environmental infrastructure projects predominantly generating predictable, wholly or partially index-linked cash flows. Investment in these assets is underpinned by a global commitment to support the transition to a low carbon economy and mitigate the effects of climate change.

The dividend for the year ended 31 March 2023 is 7.14 pence per share in respect of the year ended 31 March 2023. Over the longer term, the Company targets an IRR of 7.5% to 8.5% (net of fees and expenses) on the IPO issue price of 100 pence per share, through investment in a diversified portfolio of environmental infrastructure.(1)

The Company seeks to maintain strong relationships with all its stakeholders and those of its investments, including investors, funders, key contractors, strategic partners, national and local government and local communities.

Investment rationale

Sustainability is deeply embedded in JLEN's ethos. For the world to live sustainably in the future, the Company believes it must invest in the right environmental infrastructure now. It follows global megatrends around decarbonisation, resource efficiency and environmental sustainability and targets investments into infrastructure assets and asset-backed businesses such as wind farms, solar parks, green gas producers, waste management, food production and others.

Assets like these need to become part of everyday life and JLEN's diversification strategy is well positioned to take advantage of these trends as they evolve, whilst aiming to pay an attractive and growing dividend to investors.

JLEN is building a portfolio that is diversified both geographically and by type of asset in order to reduce dependency on a single geography, technology or climatic conditions.

Environmental infrastructure is defined by the Company as infrastructure assets, projects and asset-backed businesses that:

- Utilise natural or waste resources
- Support more environmentally friendly approaches to economic activity
- Support the transition to a low carbon economy
- Mitigate the effects of climate change

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

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

FUND OBJECTIVES

Financial objectives

Predictable income growth for shareholders

Provide investors with a progressive dividend.

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.

Investment, growth and diversification

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

ESG objectives

Promote the efficient use of resources

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

Develop positive relationships with communities in which JLEN works

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

Ensure effective, ethical governance across the portfolio

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

KEY PERFORMANCE INDICATORS

Financial

Total shareholder return (annualised)

7.9%

2023	**7.9%**
2022	7.4%
2021	7.4%
2020	7.5%
2019	7.8%

KPI performance

- Annualised shareholder return since IPO up 50 bps to 7.9%, against the backdrop of a depressed market for listed infra over the second half of the financial year
- Total shareholder return since IPO of 99%, compared to FTSE All Share performance of 60% over the same period

KPI objectives for 2024

- The Company targets an IRR of 7.5% to 8.5% (net of fees and expenses) on the IPO issue price of 100 pence per share

Principal risks

- Changes in the legislative and regulatory framework that affect the environmental infrastructure
- Lack of future fundraising

NAV per share

123.1p

2023	**123.1p**
2022	115.3p
2021	92.2p
2020	97.5p
2019	104.7p

KPI performance

- NAV £814.6 million, up from £762.9 million at 31 March 2022
- NAV per share 123.1 pence, up 7.8 pence against 115.3 pence at 31 March 2022
- 13% NAV return in the year ended 31 March 2023

KPI objectives for 2024

- Construction-stage assets have potential for capital growth as they become operational
- Continue to progress value enhancement initiatives across the portfolio
- Monitor attractive NAV accretive capital recycling opportunities

Principal risks

- Valuation risks (volume/energy prices/inflation/feedstock costs/operational performance)
- Changes in the legislative and regulatory framework that affect the environmental infrastructure
- Increased competition

Dividend cover

1.51x

2023	**1.51x**
2022	1.10x
2021	1.07x
2020	1.10x
2019	1.23x

KPI performance

- 1.51x dividend cover for the year, in line with dividend target guidance set at the start of the year

KPI objectives for 2024

- Following on from the success this year, the raised dividend target for next year is projected to be strongly covered

Principal risks

- Volume of resource available
- Power prices and inflation
- Operational underperformance in the portfolio

Link to Fund objectives: Predictable income growth for shareholders | Preservation of capital over the longer term | Investment, growth and diversification

KEY PERFORMANCE INDICATORS continued

Financial continued

Dividend

7.14p

2023	**7.14p**
2022	6.80p
2021	6.76p
2020	6.66p
2019	6.51p

KPI performance

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

KPI objectives for 2024

- Target dividend for the next financial year 7.57 pence, up 6% from 2023

Principal risks

- Volume of resource available
- Power prices and inflation
- Operational underperformance in the portfolio

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

49.9%

2023	**49.9%**
2022	54.0%
2021	53.6%
2020	56.3%
2019	60.3%

KPI performance

- The top 10 largest assets now provide 49.9% of the total portfolio value, down from 54.0% at 31 March 2022
- Acquisitions in the year combined with ongoing buildout of construction-stage investments, continues to further diversify the portfolio

KPI objectives for 2024

- Continue to focus on the buildout of the Company's construction and development-stage investments in preparation for commencing full operations
- Combine diversification with prioritisation of investment opportunities that enhance the resilience of the portfolio

Principal risks

- Lack of future pipeline and/or funding
- Increased competition
- Changes in the legislative and regulatory framework that affect the environmental infrastructure

Link to Fund objectives: Predictable income growth for shareholders; Preservation of capital over the longer term; Investment, growth and diversification

ESG

Renewable energy generated
1,325GWh
2022: 1,314GWh

GHG emissions avoided
212,263 tCO_2e
2022: n/a

Tonnes of waste diverted from landfill
684,181 tonnes
2022: >695,000

Contributed to community funds
£432,756
2022: £418,000

FTE jobs supported
347
2022: 370

Number of SDGs(1) the portfolio aligns to
8
2022: 5

(1) Sustainable Development Goals.

BUSINESS MODEL

What we do

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

Investments typically:

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

How we do it

1 Acquire

Read more on page 25

2 Develop, construct, maintain

Read more on pages 26 to 28

3 Enhance

Read more on page 94

4 Hold/exit

Portfolio sectors

Wind

Waste & bioenergy

Anaerobic digestion

Solar

Low carbon & sustainable solutions

Controlled environment

Hydro

How we create value

Income for shareholders

7.14p

Dividends of 7.14 pence per share declared for the year to 31 March 2023

Environmental benefits

1,325GWh

of green energy produced during the period

Enough to power more than 252,000 UK homes[(1)]

Social benefits

Over £672,066

benefits to local communities through skilled rural jobs and funding community projects.

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

Read more on pages 96 to 116

(1) Excludes AD portfolio.

Underpinned by

Risk management – read more about risk management on pages 38 to 48

Strong governance – read more about governance on pages 120 to 156

Financial management – read more about financial management on pages 117 to 119

BUSINESS MODEL continued

Our business model explained

1. Acquire

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

See case study on page 25

ESG considerations

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

2. Develop, construct, maintain

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

See case study on pages 26 to 28

ESG considerations

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

3. Enhance

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

ESG considerations

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

4. Hold/exit

JLEN's strategy is to hold its assets over the long term in order to receive ongoing cash yield to support JLEN's dividend targets. However, it will consider opportunities to generate value for shareholders through the divestment of certain assets as they arise. These opportunities will be evaluated against the Company's strategy of diversification and the ability of the asset to generate stable financial returns.

ESG considerations

Typically, the proceeds from divestments will be used to repay amounts outstanding under the Company's RCF and provide further headroom to invest in new assets that provide an attractive risk-adjusted return for investors and that are consistent with JLEN's ESG objectives.

BUSINESS MODEL IN ACTION

Acquire

Investing in infrastructure to decarbonise food production

Controlled environment aquaculture investment – Rjukan, Norway

Food production and agriculture is one of the key global sectors that need to decarbonise – science-based estimates calculate that it is responsible for between a quarter and a third of global greenhouse gas emissions.

Controlled environment food production refers to the science of cultivating human-grade produce in a contained structure that is precisely regulated to ensure control over environmental conditions such as lighting, temperature, humidity, water supply, air quality, nutrient content, etc. Controlled environment growing provides numerous advantages in terms of food production, such as: increased resource efficiency, particularly in terms of land and water, and the ability to predict, optimise and improve growth yields and improved quality, consistency and reliability of the supply of produce.

JLEN considers controlled environment projects to be a valuable part of a solution to the challenge of sustainable food production.

In August 2022 JLEN invested in a construction-ready controlled environment project consisting of a land-based aquaculture facility in Rjukan, Norway, which will use established recirculating aquaculture system ("RAS") technology.

Market backdrop

- Global population growth and an expanding middle class is driving demand for quality animal protein amid limited resources of usable land and water.
- Recent data shows that 34.8% of global animal protein production comes from fish and seafood sources and global demand for animal protein is projected to double by 2050.
- Aquaculture will be unable to fill demand through open sea pen sources – land-based production is needed to meet the supply shortfall.
- Strong technological development has made land-based trout an efficient source of meat-based protein.

Rjukan overview

- The Rjukan facility is forecasted to produce c.8,000 tonnes of trout annually.
- Trout is to be sold to European and international markets via an offtake agreement with an established Norwegian seafood distribution company with global reach.
- 99.7% of the water at the facility will be recycled through its RAS technology; helping prevent the spread of parasites and chemicals into waterways or the ocean, which is a known and significant challenge in the offshore production industry.
- Rjukan´s unique location provides both high-quality water access and immediate access to clean energy.

Key investment characteristics

- Norwegian salmonid (salmon and trout) is in high demand globally.
- Construction asset, with strong potential for capital growth.
- Investment case is based on actual sales demonstrated by historic Fish Pool prices, averaged at c.65 NOK/kg, against a breakeven projection at c.46 NOK/kg – providing attractive margins.
- The plant operator, with over 20 years' experience with aquaculture technology companies and a strong market position, is projecting actual sales prices achieved to range between £70 NOK/kg and £105 NOK/kg – representing a significant potential uplift over the investment case, attributable to the premium nature of the product.
- Further value enhancement opportunities identified through a robust due diligence process, such as monetising the by-product of organic fertiliser.
- Strong sustainability credentials assessed against the UN's Sustainable Development Goals ("SDGs").

Construction is underway and it is expected that partial operations will commence in 2024 with full operations expected in 2025.

BUSINESS MODEL IN ACTION continued

Develop, construct, maintain

Construction management

Rob Pollock
Construction Management Lead

The Company can invest up to 25% of NAV in construction-stage opportunities. It has gradually increased its proportion of construction assets in the portfolio as it sees advantage in doing so. This may include:

- higher entry IRRs;
- discount rate compression and capital growth once in operations; and
- less competition and opportunities to build relationships with developers to secure pipeline.

JLEN continues to focus on developing a balanced portfolio over time to maintain a suitable overall risk profile.

The Investment Manager takes an active management approach to all phases of construction and employs a team of portfolio managers with years of experience in developing and building infrastructure projects. The principles applied below are designed to ensure projects are delivered safely, on time and within budget.

Key principles

Health and safety

Prior to appointment, contractors are put through a detailed competency assessment in the form of a rigorous pre-qualification questionnaire designed in conjunction with independent expert health and safety advisers. This ensures contractors face a robust assessment of their health and safety capability, with a particular focus on construction regulations.

Procurement

A good procurement strategy is essential for any successful project. For this reason, the Investment Manager considers a range of key factors including programme, key milestones, scope, risk and cost.

Our extensive contracts experience ensures the most appropriate form of contract is selected per project and matters such as scope, quality, payment terms, liability and warranties, and programme are assessed to ensure robust contract terms are achieved.

Project management

Project Execution Plan and Risk Registers are essential tools used by the team in the management of projects and the identification and ongoing monitoring of risks. Site audits are performed to monitor progress against key milestones and ahead of relevant payments. Wider stakeholder engagement is also paramount, including areas such as planning permission, grid connection and the local community.

Transition to operational status

Prior to completion of the construction phase, a handover pack of essential health and safety, and technical documentation required to effectively operate the site will be produced. This will be provided to the operational team, coupled with kick-off meetings and onsite familiarisation training, where the Investment Manager will ensure all parties are aligned with the operational strategy.

BUSINESS MODEL IN ACTION continued

Develop, construct, maintain

Construction management continued

Battery Energy Storage System ("BESS")

Project	West Gourdie	Sandridge	Lunanhead	Clayfords
Site location	Dundee	Wiltshire	Angus	Buchan
Technology	Lithium-ion	Lithium-ion	Lithium-ion	Lithium-ion
Project size	50MW	50MW	50MW	50MW
Status	Operational	Construction in progress	Ready to build	Ready to build
Target operations start date	June 2023	H1 2024	H2 2024	H2 2024
Total investment amount	£21.2m	£12.7m	£16.4m	£14m

CNG refuelling stations

Project	Newton Aycliffe	Corby	Bangor
Site location	Newton Aycliffe	Corby	Bangor
Technology	CNG refuelling station	CNG refuelling station	CNG refuelling station
Project size	14 dispensers	13 dispensers	13 dispensers
Status	Construction in progress	Construction in progress	Construction in progress
Target operations start date	H1 2023	H2 2023	H1 2024
Total investment amount	JLEN has committed up to £25m towards the development of the CNG refuelling network.		

BUSINESS MODEL IN ACTION continued

Develop, construct, maintain

Construction management continued

Controlled environment		
Project	**CE Rjukan project**	**CE Glasshouse project**
Site location	Rjukan, Norway	Co-located with existing AD
Technology	Controlled environment	Controlled environment
Project size	8,000 tonnes of trout p.a.	2.1 hectares
Status	Construction in progress	Construction in progress
Target operations start date	H1 2025	H2 2023
Total investment amount	£40m	£26.7m

Green Hydrogen	
Project	**Thierbach green hydrogen project**
Site location	Borna, Germany
Technology	Green hydrogen electrolysis with co-located battery storage
Project size	6,000 tonnes (over 200,000MWh) of green hydrogen p.a.
Status	Construction in progress
Target operations start date	H1 2025
Total investment amount	€5.7m

INVESTMENT POLICY

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

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

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

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

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

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

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

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

Investment restrictions

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

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

INVESTMENT POLICY continued

Borrowing and gearing

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

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

Hedging

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

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

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

Cash balances

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

Origination of further investments

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

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

The Investment Manager will be subject to the overall supervision of the Board; following the appointment of Foresight Group as AIFM, some investment decisions have been delegated to Foresight Group. Approvals for large investments or investments into sectors new to JLEN are reserved for the Board, and all Board Directors are independent of the Investment Manager.

INVESTMENT POLICY continued

Potential disposal of investments

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

Amendments to and compliance with the investment policy

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

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

STAKEHOLDER ENGAGEMENT

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

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

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

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

JLEN's principal stakeholders comprise of shareholders, the Investment Manager, commercial service providers, asset-level counterparties, local communities and debt providers. Pages 34 to 36 explain why and how the Company engages with these stakeholders and the actions taken by it to ensure their interests are understood and considered in the Board's strategic decision making. These relationships are considered fundamental to the Company's sustainability and are monitored carefully by the Board.

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

Continually improving our communications, complaints handling processes and access to relevant information for local residents is a priority. These goals have formed part of our ESG KPIs. More information can be found on pages 108 to 111.

Section 172

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

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

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

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

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

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

STAKEHOLDER ENGAGEMENT continued

Section 172	Commentary
Long-term decisions	The Board considers the likely long-term consequences on all stakeholders as a routine part of its decision-making process. In addition, learning gained over the life of the Company provides evidence on which the effectiveness of past decisions can be assessed and is considered as part of the annual strategy day. Please see pages 19 and 20 – investment objectives, and 23 and 24 – business model.
Interests of employees	As an investment company, at a corporate level, the Company does not have any direct employees. However, certain underlying projects of the Company do have employees and their interests are managed at Board level by the respective project company and by third-party asset-level counterparties. Please see pages 113 and 114 – governance KPIs.
Fostering relationships with suppliers, customers and others	The Board believes that building effective business relationships with suppliers, customers and other key counterparties is crucial to preserving long-term shareholder value. Excluding the Investment Manager, at the corporate level, these stakeholders include the Administrator and Company Secretary, corporate broker, legal counsel, public relations agency, the auditor and tax advisers and banks. At the operational level, this includes asset-level counterparties, local communities and debt providers. Please see pages 35 and 36 – stakeholder engagement.
Acting fairly between Company members	Each decision taken by the Board considers the interests of shareholders as a whole and safeguards are in place to manage conflicts of interest appropriately where they arise. Please see pages 32 and 34 – stakeholder engagement, and pages 131 and 132 – relations with shareholders.
Impact on the community and environment	This topic is extensively covered in the Company's Sustainability and ESG Report released annually. Please see page 36 – stakeholder engagement, and pages 95 to 116 – sustainability and ESG.
Maintaining high standards of business conduct	The Board strives to meet or exceed the standards expected of a public company owning and investing in renewable infrastructure assets. Examples include the development of the Company's ESG KPIs, implementing an ESG-linked revolving credit facility and adopting the formation of a dedicated ESG Committee and reporting against the TCFD requirements. Please see pages 49 to 69 – TCFD report, and pages 95 to 116 – sustainability and ESG.

STAKEHOLDER ENGAGEMENT continued

Shareholders

Providers of equity finance and recipients of income distributions.

52
meetings attended with institutional shareholders

Key stakeholders

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

How has JLEN communicated and engaged?

- Annual general meeting
- Meetings, roadshows, conferences, capital market days and site visits
- Responding to investors' queries on financial, strategic and ESG topics
- Quarterly financial updates, Annual Report, Sustainability and ESG Report, RNS announcements and quarterly factsheets
- Dedicated JLEN website
- Perception study conducted by an independent firm to assess the views and opinions of investors
- Views and feedback sought from institutional shareholders via corporate broker
- Investor research notes produced by QuotedData and frequent articles across traditional print and social media
- Ed Warner, Chair, conducted introductory meetings with shareholders

Key strategic decisions impacting stakeholder group during period

- Declared an increased dividend target of 7.57 pence per share for the financial year to 31 March 2024, in line with investment objective, continuing to position JLEN as an attractive proposition for investors seeking income
- Made five portfolio acquisitions which further diversified the portfolio and should prove accretive to NAV in the long term, including the first acquisition into the hydrogen sector, further diversifying the investment portfolio

Investment Manager

Key counterparty responsible for delivering the Board's strategy.

20+
site visits by the Investment Manager

Key stakeholders

- Foresight Group
- Foresight Group employees

How has JLEN communicated and engaged?

- Regular Board meetings in Guernsey and via video conference
- Holding of an annual strategy day, with input from and engagement with key personnel from the Investment Manager to monitor and assess JLEN's strategic position within the environmental infrastructure market
- Comprehensive assessment of contractual relationship with Investment Manager and their performance
- Monitoring the effectiveness of the parameters for delegated authority to take investment decisions
- Fortnightly calls with the Investment Manager to discuss operational matters and investment opportunities under consideration
- Liaising with the Investment Manager in relation to the impact of the UK government's Autumn Statement, and the Electricity Generator Levy
- Liaising with the Investment Manager in relation to the internal controls arrangements of the Investment Manager
- Arranged a site visit for the Board to inspect the Cramlington biomass facility and meet with the management service providers and operations and maintenance contractors

Key strategic decisions impacting stakeholder group during period

- Determination that the Investment Manager maintains a robust internal control environment, and that the continued appointment of the Investment Manager is in the best interests of shareholders as a whole
- Challenging and agreeing the Investment Manager's recommendations in relation to the Electricity Generator Levy
- Confirming the continued appropriateness of the Investment Manager's delegated authority to take investment decisions

STAKEHOLDER ENGAGEMENT continued

Commercial service providers

Providers of essential business support services.

9
average years of service

Key stakeholders

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

How has JLEN communicated and engaged?

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

Key strategic decisions impacting stakeholder group during period

- Key service providers retained, providing continuity of service and familiarity with the objectives of the Company
- A formal tender process for the position of external auditor to JLEN was conducted following nine years of service by current external auditor. New auditor to commence service from 1 April 2023

Asset-level counterparties

Asset-level technical and operational management service providers.

29
number of O&M and MSA providers

Key stakeholders

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

How has JLEN communicated and engaged?

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

Key strategic decisions impacting stakeholder group during period

- Consolidation of insurance services at SPV level across parts of the portfolio
- Acquired five new assets during the period, increasing ongoing servicing requirements from O&M counterparties
- Entered a number of new technology types over the period, including sustainable aquaculture and agriculture projects as well as green hydrogen
- Several new O&M contracts have been secured following a tender process across the wind and solar portfolios to improve service levels and reduce costs
- Value enhancement project implemented at Vulcan AD site after local gas grid upgrade

STAKEHOLDER ENGAGEMENT continued

Local communities

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

£432,756
community contributions made

Key stakeholders

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

How has JLEN communicated and engaged?

- Frequent engagement with local authorities and other regulators to ensure safe and compliant operation of our assets
- Actively engaged with local authorities on construction planning and obtaining necessary planning permissions
- Regular interaction between the owners of land on which our assets operate and the Investment Manager's asset management team
- Conducted educational site visits for local community schools and colleges

Key strategic decisions impacting stakeholder group during period

- JLEN donated £432,756 to local community funds over the period, helping to address local needs and promote long-term sustainable and prosperous communities
- Implemented a programme of engagement with a local community, in response to concerns raised in prior years

Debt providers

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

22
number of lenders to the Company and portfolio SPVs

Key stakeholders

- Banks
- Lenders
- RCF agent

How has JLEN communicated and engaged?

- Regular updates provided on covenant compliance and current positioning
- Consulted on the incorporation of ESG metrics into the interest margin and commitment fee payable on the revolving credit facility ("RCF")
- Negotiated a one-year extension to its existing £170 million RCF with sustainability and ESG linkage and activated its £30 million accordion facility to pursue a pipeline of attractive investment opportunities

Key strategic decisions impacting stakeholder group during period

- Debt remained a key component of funding strategy during the period and the portfolio has utilised revolving debt facilities throughout

STAKEHOLDER ENGAGEMENT continued

The perception study and Capital Markets Day ("CMD") are just some examples which demonstrate the Board's commitment to engage in a meaningful way with the investment community who it regards as a key stakeholder group.

Shareholders

Perception study

The Company aims to maintain continued and open dialogue with investors. In the year under review, it partnered with an external communications consultancy to conduct a perception audit to better understand the views and opinions of investors on a wide range of topics. The Board views such studies as an important tool from a strategic planning and corporate governance perspective. Being aware of the opinions and views of the Company's shareholders and prospective investors helps the Company to continue to improve its communication with the market to ensure its investment proposition is understood.

The investor perception audit was conducted over a period of three months and involved in-depth discussions being held with a group of 19 current, past and prospective investors, representing 39% of the Company's issued share capital, including six of the Company's top 10 shareholders. The Board was extremely pleased with the level of engagement and the quality of the feedback received and would like to thank the investors who participated in the study. The feedback will be used to inform future decision making and strategy development.

Capital Markets Day ("CMD")

JLEN held a CMD for investors and analysts on 8 November 2022. The live event was well attended and broadcasted to remote attendees.

The event outlined JLEN's view on the areas of opportunity for environmental infrastructure and provided insight into three key sectors, namely controlled environment aquaculture, biomass and hydrogen. Hima Seafood AS, the developer and operator of the Rjukan facility currently under construction, presented the business case for the new development.

The management services provider on the Cramlington Biomass project, Evermore Energy, provided a detailed overview of the plant, its production process and overall performance. Investors were also briefed on the outlook for the hydrogen market as well as the Investment Manager's hydrogen expertise and considered investment strategy.

A number of JLEN's Directors were in attendance to engage with shareholders.

A video recording of the CMD can be found on the Company website.

Asset-level counterparties

Site visit to Cramlington Renewable Energy Developments

A recent visit by the Board and the Investment Manager to one of the Company's biomass facilities demonstrates the Board's commitment to ensure adequate oversight of portfolio operations and maintaining open dialogue with operations and maintenance contractors and management service providers whom it regards as a key stakeholder group.

Five members of the Board, together with five members of the Investment Manager team, recently attended a site visit to the Cramlington Biomass facility just outside Newcastle Upon Tyne in Northumberland.

Senior managers from Evermore, and the operations and maintenance contractors, BWSC, escorted the visitors on a tour of the facility to inspect several value enhancement initiatives that were implemented across the site when it experienced unplanned downtime between November 2022 and February 2023 as a result of the replacement of a potentially faulty turbine.

The group inspected the newly constructed fuel processing area and secondary mixing bay, and the newly built bypass conveyor belt, all contributing to increased efficiencies and cost savings over the long term. After the tour the group attended a presentation on the impact of the value enhancements, the current performance of the plant, the status of the insurance claim relating to the unplanned downtime, and the community benefit programme.

RISKS AND RISK MANAGEMENT

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

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

Pages 41 to 48 of this report detail the principal risks that the Directors consider are material which potentially could impact the Company or occur in an environmental infrastructure project such as those invested in by the Company.

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

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

Risk identification and monitoring

JLEN has a separate Risk Committee, comprising five non-executive Directors, which is responsible for overseeing and advising the Board on the current and potential risk exposures of the Fund, with particular focus on the Group's principal risks, being those with the greatest potential to influence shareholders' economic decisions, and the controls in place to mitigate those risks.

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

The Investment Manager and Administrator have established internal controls to manage these risks and they review and consider the Group's key risks with the Risk Committee on a quarterly basis, including new risks arising and/or changes in the likelihood of any particular risk occurring. In the case of new and emerging risks, assessment occurs outside of the quarterly cycle. These systems of internal control were in place for the year under review and continue to be in operation.

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

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

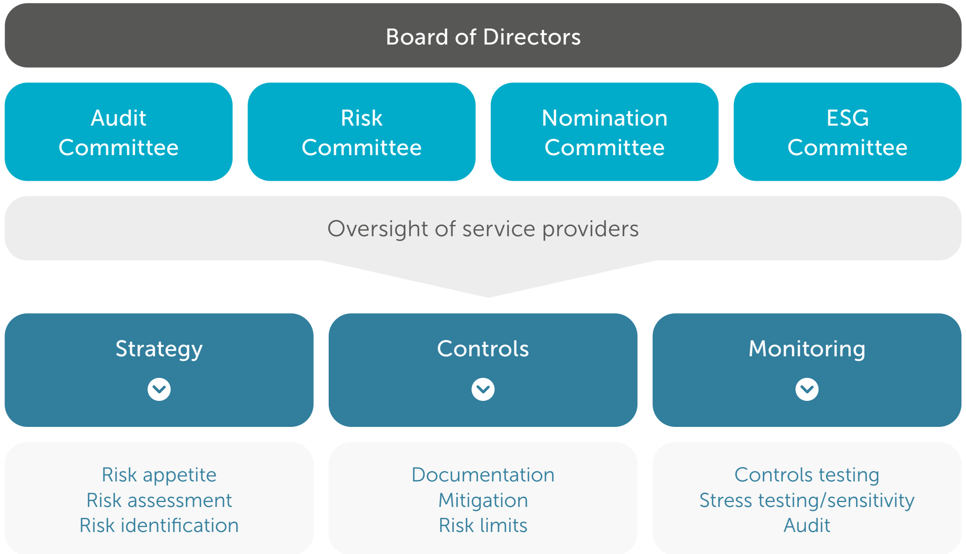
Mitigation actions have been developed with respect to each risk so as first to reduce the likelihood of such risk occurring and secondly to minimise the severity of its impact in the case that it does occur.

The risk register is a "live" document that is reviewed and updated regularly by the Risk Committee as new risks emerge and existing risks change. The principal risks faced by the Group are formally reviewed by the Risk Committee at each quarterly meeting and a report from the Committee is presented to the Board for consideration and approval. Each of the underlying projects is overseen by an experienced portfolio manager who reports to their individual project board. The portfolio managers maintain strong relationships between counterparties, contractors, third-party asset managers and other stakeholders.
This ensures effective management of potential risks.

RISKS AND RISK MANAGEMENT continued

Risk identification and monitoring continued

Risk management framework



Emerging risks and risks relevant to the year under review

Supply chain issues

The risk of Covid-19 lockdowns has substantially passed, with the World Health Organisation ("WHO") declaring that Covid-19 no longer constitutes a "global health emergency". However, some supply chains disrupted by Covid-19 and then further impacted by Brexit effects and the Russian invasion of Ukraine are not fully re-established. While the Company's portfolio proved to be resilient to first-order Covid-19 effects, portfolio assets now experience occasional issues with delays in delivery of components and shortage of contractor staff to carry out works. These risks are known and work-plans for assets attempt to mitigate these risks are in place, with scheduling maintenance in advance and placing orders early for components that are known to be on long lead times. Nevertheless, supply chain risks could become more acute if a new Covid-19 variant leads to the reimposition of lockdown restrictions.

Power prices

The year under review has been an extraordinary period for energy prices. The pickup in global economic activity as the world emerged from Covid-19 lockdowns was then impacted by the Russian invasion of Ukraine and the consequent supply shock to energy markets.

The Company has benefited from wholesale electricity and gas prices that have been the highest experienced since its launch in 2014. Generating assets within the Company's portfolio have responded by entering into fixed price arrangements for sale of electricity and gas, securing favourable prices in the near term. At the year end, 76% of the portfolio's generation is subject to fixed price arrangements for the Summer 23 season and 67% for Winter 23/24. While this provides protection in the event that power prices retreat from their current levels, it also means that portfolio generation assets may not always be free to capture the very highest prices that are available from time to time.

Since the turn of the calendar year, electricity and gas prices have fallen precipitously from their highs of over £500/MWh[1] in September 2022 to less than £100/MWh[1] in March 2023. While fixed price arrangements mitigate this decline to some extent, lower price forecasts over the medium term have reduced portfolio revenues at a time when some costs have increased due to higher inflation and general supply chain issues. These effects have been taken into account in portfolio valuations, but the outlook remains uncertain, particular given ongoing hostilities in Ukraine.

Imposition of a "windfall" tax

In November 2022, the UK government introduced the Electricity Generator Levy ("EGL"), a "windfall" tax that applies a tax rate of 45% to revenues earned from electricity sales above £75/MWh in addition to normal taxation. The EGL legislation is currently before Parliament and in the process of becoming law. While the government has published guidance on the application of the EGL and this has been followed by the Company and its advisers, the legislation is draft and is untested in practice. There is a risk that aspects of the EGL will change through the parliamentary process or that the Company has misinterpreted the way in which aspects of the EGL are expected to operate, affecting the Company's view of cash flows from the portfolio and the valuations of assets.

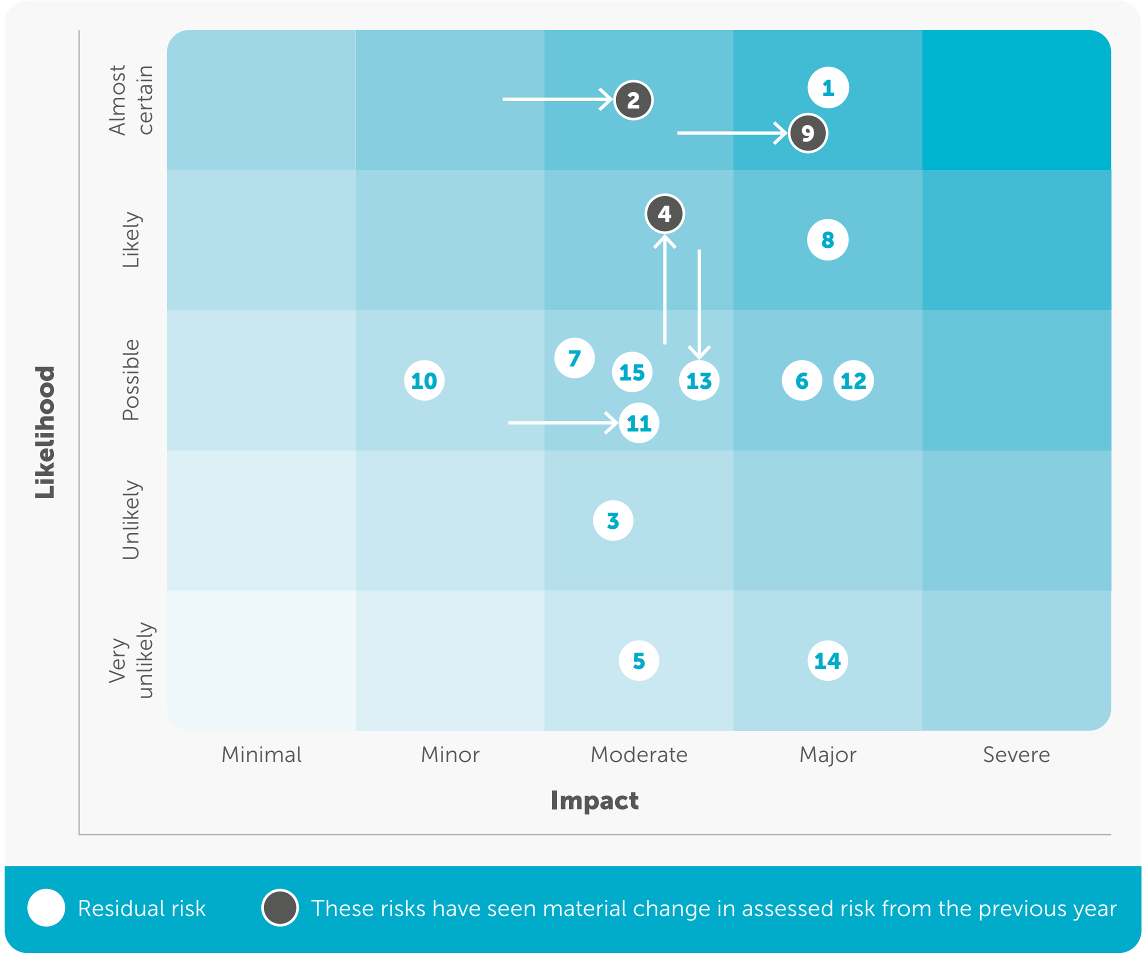
Governments elsewhere in Europe have introduced similar measures to tax generators on revenues that are considered super-normal given recent elevated wholesale prices as a result of the Russian invasion of Ukraine. Where these impact assets that are held within the Company's portfolio (e.g. ETA Manfredonia, assets with an exposure through FEIP), they have been factored into valuations.

While the UK government has not made any announcements regarding further parts of the economy that may be subject to extraordinary taxation, the risk remains that other parts of the Company's portfolio may be subjected to "windfall" taxes or similar. The Directors currently assess this risk as low.

(1) Source: https://www.catalyst-commercial.co.uk/wholesale-electricity-prices/

RISKS AND RISK MANAGEMENT continued

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



1 Inflation
2 Interest rates
3 Acquisitions and pipeline
4 Funding of acquisitions and future equity fundraising
5 Future of UK capital spending and other target geographies
6 Reputational
7 Volume of wind, solar and rainfall resource
8 Volume and cost of feedstock resource
9 Power prices
10 Cyber risk
11 Portfolio valuation
12 Changes to tax legislation and rates
13 Changes in regulation and government support
14 Operational risks
15 Climate change

RISKS AND RISK MANAGEMENT continued

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

1. Strategic, economic and political
2. Operational, business, processes and resourcing
3. Financial and taxation
4. Compliance and legal
5. Asset specific
6. ESG

See more on climate-related risks in our TCFD report on pages 49 to 69

Each of these areas, together with the principal risks within that category, are summarised in this section, followed by a detailed discussion of the mitigating factors.

Strategic, economic and political

1 Inflation

Potential impact

- The underlying assets in the portfolio, and therefore the returns expected from them, have some exposure to inflation. This ranges from direct exposure such as subsidies and service contracts that increase in line with RPI annually to other revenue and cost items where the link to inflation is not contractual and its effect must be estimated.
- In the current inflation environment, there is greater uncertainty than previously about the path that inflation will follow. If inflation is materially lower than the assumptions used in valuations, then there is a risk that the portfolio value will fall. JLEN has adopted an assumption of 6.5% RPI inflation for the current year, dropping to 3% until 2030.
- Nominal discount rates are used in the discounted cash flow ("DCF") valuation methodology used to value portfolio assets. There is a risk that discount rates increase in a high inflation environment, impacting valuations.

Mitigation

- Returns from the assets in the portfolio are highly correlated with inflation due to revenues from PFI assets, green benefits for renewable energy assets and most operational costs being directly linked to an inflation index. This results in a "natural hedge", removing the need for the use of derivatives to mitigate inflation risk.
- The adoption of a "progressive" dividend policy rather than an explicitly "inflation-linked" one, gives the Company additional flexibility to set dividend targets at a sustainable level.
- Continue to monitor and seek advice from the Company's independent valuation specialist.

Link to Fund objectives	Change in year	Residual risk
Predictable income growth for shareholders; Preservation of capital over the longer term	Unchanged	Major

Link to Fund objectives: Predictable income growth for shareholders | Preservation of capital over the longer term | Investment, growth and diversification

Change in year: Increased | Unchanged | Decreased

RISKS AND RISK MANAGEMENT continued

Strategic, economic and political continued

2 Interest rates

Potential impact

- Interest rates have risen during the year under review and are forecast to rise further to combat inflation.
- The increase in comparative returns available from other asset classes has led to an increase in discount rates used for valuing infrastructure assets.
- The Company has some relatively limited interest rate exposure, through its own cash deposits and bank funding (UK HoldCo revolving credit facility ("RCF")) and deposits and funding within the projects themselves. Cash flows associated with paying and receiving interest have increased.

Mitigation

- Through the use of interest rate swaps and fixed rate loans, finance costs are fixed at the time of the contract being signed, substantially reducing interest rate risk.
- The RCF has a floating interest charge over SONIA. While the RCF is intended as short-term finance prior to being repaid with capital raise proceeds, the current state of equity markets for the Company, the renewable infrastructure peer group and the broader investment company world has meant that the Company has not been able to pay down RCF balances and interest costs have increased as a result.

Link to Fund objectives

Change in year

Residual risk
Moderate

3 Acquisitions and pipeline

Links to TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Potential impact

- JLEN's intention is to grow the portfolio through the acquisition of further environmental infrastructure. However, there is a risk that a pipeline of acquisitions does not materialise or that JLEN is uncompetitive and fails to acquire the desired assets.
- There is a risk that due diligence carried out on acquisition targets is insufficient and does not reveal all the facts that are relevant to the acquisition, leading to JLEN overpaying.

Mitigation

- The Investment Manager continually receives and seeks opportunities from the wider secondary market and developers, both in the UK and overseas, assessing over 700 deals in a typical year for suitability. It has a well-established presence within the market.
- JLEN's broad environmental infrastructure mandate captures a wider range of potential investments that reaches beyond renewable energy to include assets that support the transition to a low carbon economy or which mitigate the effects of climate change.
- The Investment Manager, with prior approval from the Board, commissions a suite of due diligence from suitable consultants that are experts in their fields for every acquisition. The Investment Manager has significant experience of environmental infrastructure assets and the risk areas to address through due diligence. In the event that a consultant fails to identify a risk item within their scope, JLEN can seek to recover any loss it has suffered up to the consultant's liability cap.

Link to Fund objectives

Change in year

Residual risk
Moderate

Link to Fund objectives: Predictable income growth for shareholders | Preservation of capital over the longer term | Investment, growth and diversification

Change in year: Increased | Unchanged | Decreased

RISKS AND RISK MANAGEMENT continued

Strategic, economic and political continued

4 Funding of acquisitions and future equity fundraising

Potential impact

- There is a risk that JLEN is unable to achieve its stated ambition of growing the portfolio by acquiring new assets due to a lack of funding, both from corporate debt and equity capital from investors.

Mitigation

- JLEN has not raised capital in the year under review, last raising money in January 2022 in an oversubscribed equity issue. Share prices across the renewable infrastructure sector have been at discounts to NAVs since autumn 2022, with investor confidence affected first by the rise in gilt rates in the wake of the Truss "mini-budget" and then by fears of a "windfall tax" on the sector.
- JLEN increased its RCF to £200 million during the period and extended its maturity to May 2025. This has provided further flexibility to continue to meet existing funding commitments to portfolio assets, mitigating the risk of inadequate funding affecting growth.

Link to Fund objectives	Change in year	Residual risk
Investment, growth and diversification	Increased	Moderate

5 Future of UK capital spending and other target geographies

Potential impact

- Under its investment policy, JLEN is required to hold at least 50% of its portfolio by value in UK assets. JLEN therefore has a significant interest in the future of UK infrastructure spending. There is a risk that spending is either reduced or stopped altogether or that the model used to procure environmental infrastructure and/or renewable energy projects carries a risk profile that would not allow JLEN to invest under its investment policy.

Mitigation

- The UK government's adoption of a legally binding commitment to "net zero" carbon emissions by 2050 underpins its support for environmental infrastructure.
- In addition, JLEN has the ability to mitigate the impact of a slowdown in UK deal flow through overseas acquisitions in order to diversify the portfolio and reduce its reliance on the UK for investment opportunities.
- Russia's invasion of Ukraine has forced all Western governments to consider the dependence of their energy systems on Russian oil and gas and is leading to accelerated plans for decarbonisation together with increased focus on alternative energy sources such as biomethane and hydrogen that would fall within JLEN's investment policy.

Link to Fund objectives	Change in year	Residual risk
Investment, growth and diversification	Unchanged	Minor

Link to Fund objectives: Predictable income growth for shareholders; Preservation of capital over the longer term; Investment, growth and diversification

Change in year: Increased; Unchanged; Decreased

RISKS AND RISK MANAGEMENT continued

Strategic, economic and political continued

6 Reputational

Links to TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Potential impact

- JLEN's activities span a range of environmental infrastructure sectors with multiple touch-points with local stakeholders, regulators, contractual counterparties, local communities and other parties who are active in the areas in which JLEN operates. As JLEN grows and its operations become more complex, the risk that JLEN is considered to have acted improperly increases, leading to reputational damage and investors avoiding the Company's shares.
- JLEN aims to conduct its business in accordance with ESG principles and is public in this aim. The ESG landscape is changing rapidly and there is increased scrutiny of businesses' claims in this area. JLEN could suffer reputational damage if it is considered to be "greenwashing", leading to investors avoiding the Company's shares.

Mitigation

- The Company and the Investment Manager endeavour to keep abreast of best practice in this area and emerging issues from the portfolio with the capacity to damage the Company's reputation are elevated to the Board. The Board has set up an ESG Committee chaired by Jo Harrison to focus on this.
- The Investment Manager has incorporated ESG assessments into its investment processes that are intended to highlight potential weaknesses in target assets' ESG credentials before JLEN invests.
- JLEN has stated its ESG objectives publicly and has reported on a richer set of ESG metrics to try to measure objective performance towards these objectives.

Link to Fund objectives	Change in year	Residual risk
Predictable income growth for shareholders; Preservation of capital over the longer term	Unchanged	Moderate

Operational, business, processes and resourcing

7 Volume of wind, solar and rainfall resource

Links to TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Potential impact

- By the very nature of wind, solar and water-related environmental infrastructure projects, their financial performance is dependent on the volume of weather resource available over time, whether measured through wind speeds, irradiance or millimetres of rainfall. These are factors outside the control of JLEN or the projects themselves, with the risk of a significant effect on performance if the outcome is significantly different from the assumptions made in forecasting revenue and costs and hence returns to JLEN.

Mitigation

- For renewable energy projects there is a degree of protection from this variability in weather resource from portfolio diversification, as solar is more productive in the summer and wind more productive in the winter, with the absolute level of resource being weakly negatively correlated.
- On all projects, technical consultants are employed to advise on the assumptions which should be made regarding volume and its impact on performance for each individual asset. Risks in this area diminish over time as operational track record provides a stronger base for forecasts than consultants' estimates.

Link to Fund objectives	Change in year	Residual risk
Predictable income growth for shareholders; Preservation of capital over the longer term	Unchanged	Moderate

Link to Fund objectives: Predictable income growth for shareholders; Preservation of capital over the longer term; Investment, growth and diversification

Change in year: Increased; Unchanged; Decreased

RISKS AND RISK MANAGEMENT continued

Operational, business, processes and resourcing continued

8 Volume and cost of feedstock resource

Links to TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Potential impact

- For environmental infrastructure assets that need to source feedstock or analogous resources, there are risks associated with the volume of feedstock available and the costs or revenues associated with it. If sufficient feedstock is not available for an asset to operate at its optimum level, or feedstock is only available at a cost that is more expensive than the investment case, then JLEN's returns can be materially affected.

Mitigation

- The costs associated with feedstock for JLEN's anaerobic digestion and bioenergy assets have increased over the year under review as a result of supply chain cost inflation, particularly in areas such as transport fuel costs and agri-products such as fertiliser. Assumptions regarding increased costs have been factored into valuations.
- The assets in JLEN's portfolio that rely on supplies of feedstock benefit from dedicated staff (whether employed by service providers or directly by the asset) who work to source suitable feedstock at the best price available.
- Cramlington, the largest asset in the portfolio, has signed a long-term feedstock contract during the year that mitigates some of the risk it faces regarding sourcing feedstock for operations.
- For agri-anaerobic digestion sites, it is common to agree feedstock contracts that adjust for the dry matter content in the biomaterial and relate pricing to that energy content and volume which is delivered. Should a shortfall be likely, for instance due to a poor harvest, substitute feedstocks are widely available.

Link to Fund objectives	Change in year	Residual risk
Predictable income growth for shareholders; Preservation of capital over the longer term	Unchanged	Major

9 Power prices

Links to TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Potential impact

- The revenues of the renewable energy generating assets are dependent to some extent on the market price of electricity and natural gas, which is out of the control of JLEN. There is a risk that the actual prices received vary significantly from the model assumptions, leading to a shortfall in anticipated revenues to JLEN.
- The Company has introduced battery storage assets into the portfolio, the first of which has become operational post the year end. These assets also earn revenues that are determined by electricity markets, although the business model is more complex than for generators such as wind and solar assets.

Mitigation

- The risk of exposure to variations in electricity and gas prices from assumptions made is mitigated by JLEN in the following ways: i) short-term PPAs are used to fix electricity and gas prices for between one and three years ahead depending on market conditions and many have floor prices; ii) forward prices based on market rates are used for the first two years where no fix is in place; and iii) quarterly reports from independent established market consultants are used to inform the electricity prices over the longer term used in the financial models. JLEN blends forecasts from three consultants to reduce volatility in assumed prices from period to period.
- JLEN invests in a diversified portfolio of environmental infrastructure assets that earn revenues that do not depend on merchant power sales. At the year end, 69% of the portfolio's underlying revenues were not related to merchant sales.

Link to Fund objectives	Change in year	Residual risk
Predictable income growth for shareholders; Preservation of capital over the longer term	Increased	Major

Link to Fund objectives: Predictable income growth for shareholders; Preservation of capital over the longer term; Investment, growth and diversification

Change in year: Increased; Unchanged; Decreased

RISKS AND RISK MANAGEMENT continued

Operational, business, processes and resourcing continued

10 Cyber risk

Potential impact

- There exists a threat of cyber-attack in which a hacker or computer virus may attempt to access the IT systems of the Group, the Investment Manager, the Administrator or one of the project companies and attempt to destroy or use the data for malicious purposes. While JLEN considers that it is unlikely to be the deliberate target of a cyber-attack, there is the possibility that it could be targeted as part of a random or general act.

Mitigation

- JLEN has no dedicated IT systems and it relies on those of its service providers, principally the Investment Manager and Administrator, which have procedures in place to mitigate cyber-attacks and have robust business continuity plans in place. Renewables assets are also susceptible to cyber-attack, for example if the control systems of wind turbines are targeted, and the Investment Manager is working to understand weaknesses in this area better in order to continue to improve controls to increase security.

Link to Fund objectives	Change in year	Residual risk
Predictable income growth for shareholders	Unchanged	Moderate

Financial and taxation

11 Portfolio valuation

Links to TCFD

Potential impact

- The discount rates used in the valuation exercise represent the Investment Manager's and the Board's assessment of the rate of return in the market for assets with similar characteristics and risk profile. Increased underlying interest rates or improved returns from other asset classes available to investors may lead to increased discount rates being applied by the market and a consequential decrease in the portfolio value.
- Lower actual inflation than assumed will impact negatively on the valuations of assets with inflation-linked revenue streams such as Renewables Obligation Certificates ("ROC") and Feed-in tariff ("FiT")-subsidised renewables assets.
- Asset values may not run in parallel to evolving forecasts for future electricity and gas prices and investors should expect some variation in asset valuation from period to period, as and when a material movement from prior expectations is identified. This risk is elevated during the current period of volatility in power markets.

Mitigation

- The discount rates are reviewed on a regular basis and updated, where appropriate, to reflect changes in the market and in the project risk characteristics.
- The gas and electricity generating assets have entered into short-term fixed price arrangements to remove some of the risk associated with changes in power prices. At the year end, power prices are fixed for 76% of generation for the current summer season and 67% for the upcoming winter 2023 season.
- To provide additional assurance to both the Board and JLEN's shareholders with respect to the valuation, an independent verification exercise of the methodology and assumptions applied by Foresight is performed by a leading accountancy firm and an opinion provided to the Directors on a semi-annual basis.

Link to Fund objectives	Change in year	Residual risk
Preservation of capital over the longer term	Increased	Moderate

Link to Fund objectives: Predictable income growth for shareholders; Preservation of capital over the longer term; Investment, growth and diversification

Change in year: Increased; Unchanged; Decreased

RISKS AND RISK MANAGEMENT continued

Compliance and legal

12 Changes to tax legislation and rates

Potential impact

- JLEN values its portfolio based on current enacted corporation tax rates and tax rules in the jurisdictions in which it operates and on occasion reflecting proposed tax legislation with a high probability of being enacted. Changes to these rates or rules in the future could impact the valuation of the portfolio and the level of distributions received from the portfolio.
- JLEN works closely with expert tax advisers and adopts tax positions which are based on industry practice and in line with the wider Group strategy. However, other than participating in industry consultation processes, there is little within the power of the Company that is able to mitigate changes in corporation tax rates and tax legislation.
- The UK government has proposed the Electricity Generator Levy ("EGL") to capture a share of revenues earned by renewable generators benefiting from high wholesale electricity prices. JLEN has estimated the tax due under the EGL for its portfolio including allowances for "exceptional generation fuel costs" for generators that pay for feedstock, although uncertainty remains while the legislation remains draft and untested in practice.

Mitigation

- JLEN continues to monitor and participate in any relevant consultation processes with UK HMRC and to assess the impact of any additional changes which may result from the introduction of differing legislation.
- The Investment Manager maintains membership of various trade bodies and participates in lobbying efforts and calls for evidence to support the interests of the renewable energy sector.

Link to Fund objectives

Change in year

Residual risk

Moderate

13 Changes in regulation and government support

Links to TCFD

Potential impact

- Several governments in countries within JLEN's geographical mandate have enacted or are planning stimulus packages to encourage infrastructure investment that contributes to energy security, decarbonisation and that helps to reduce living costs by improving efficiency. The Inflation Reduction Act in the US and the EU's REPowerEU are expected to provide major incentives for developers of renewables and other low carbon technologies. The UK has initiatives such as the Hydrogen Business Model.
- JLEN is required to comply with certain regulations, being a Guernsey company listed on the London Stock Exchange ("LSE"), including those under the Alternative Investment Fund Managers Directive ("AIFMD") and the Foreign Account Tax Compliance Act ("FATCA"). There is a risk that failure to comply with any of the relevant rules could result in a negative reputational or financial impact on the Company.
- The newly emerging area of climate-related disclosures is changing rapidly as understanding of what constitutes best practice evolves. There is a risk that JLEN fails to disclose properly against the new requirements or that investors consider disclosures to be insufficient.

Mitigation

- The Investment Manager monitors development in target markets to identify emerging opportunities that are responding to new sources of government support.
- Through a comprehensive compliance monitoring programme, JLEN ensures that it remains well informed as to the legislation, regulation and guidance relevant to both the Company itself as well as the project entities in which it invests. The Board monitors compliance information provided by the Administrator, Company Secretary, Investment Manager and legal counsel and monitors ongoing compliance developments relevant to a Guernsey company listed on the LSE.
- JLEN has voluntarily addressed the requirements of the Task Force on Climate-related Finance Disclosures ("TCFD") in a separate section of this Annual Report.

Link to Fund objectives

Change in year

Residual risk

Moderate

Link to Fund objectives: Predictable income growth for shareholders | Preservation of capital over the longer term | Investment, growth and diversification

Change in year: Increased | Unchanged | Decreased

RISKS AND RISK MANAGEMENT continued

Asset specific

14 Operational risks

Potential impact

- There is a risk that a health and safety event at a JLEN-owned site could lead to increased costs at the site to prevent further occurrences. JLEN's reputation could be adversely affected by publicity generated by a health and safety event.
- There is a risk that poor performance by sub-contractors, or in the event of having to replace a sub-contractor, that a replacement may only be found at a higher cost, could adversely affect project cash flows.
- In the event of a single project suffering from a material issue, distributions to the Fund could possibly be impacted absolutely or for a period of time whilst the issue is resolved. This includes grid outages and constraints resulting in a project being unable to export power and earn associated revenues.

Mitigation

- Assets are monitored by the Investment Manager to address risks as they are identified.
- The use of a diverse range of service providers supplying management, operational and maintenance services ensures any failure of a single service provider has a minimal impact. This risk is mitigated in part by the diversification represented by JLEN's portfolio of assets.
- The portfolio has material damage and business interruption insurance policies in place to cover against potential losses, although these do not typically cover grid outages. Asset managers mitigate the impact of this by maintaining a dialogue with network operators and influencing when such outages occur.
- The Board has in place a regime, overseen by the Audit Committee, which provides the necessary comfort that the internal control systems at the Investment Manager, the Administrator and the operating companies are effective.
- Each of the project assets has health and safety policies that are adopted and monitored by the project board of directors. Health and safety is a standing item on board agendas, and Reporting of Injuries, Diseases and Dangerous Occurrences Regulations ("RIDDORs") is received at every board meeting. Regular health and safety audits on the projects are carried out by independent specialists.

Link to Fund objectives	Change in year	Residual risk
		Moderate

ESG

15 Climate change

Links to TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Potential impact

- Climate-related physical risks are related to the potential physical impacts of both **acute** (extreme) weather events and **chronic** changes to climate patterns.
- This risk has the potential to impact JLEN's assets which could impact portfolio returns.
- This risk category is described in detail in the TCFD report on pages 49 to 69.

Mitigation

- Climate-related risks are monitored by the Investment Manager and reported to the ESG Committee and Risk Committee.
- The risk is mitigated in part by owning a portfolio that is diversified by location, technology, resource use and revenue make-up.
- The portfolio has been subject to independent scenario analysis this year, helping to inform the strategy going forward.
- Further information on mitigants is provided in the TCFD report on pages 49 to 69.

Link to Fund objectives	Change in year	Residual risk
		Moderate

TCFD REPORT

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Introduction

The Task Force on Climate-related Financial Disclosures ("TCFD") was developed in 2015 by the Financial Stability Board to help public companies and other organisations more effectively and consistently report on climate-related risks and opportunities.

Although JLEN, as an investment company, is not required to include a full TCFD disclosure under the Listing Rules of the FCA, the Board and the Investment Manager believe that the nature of JLEN's business and strategy is intrinsically aligned to the goal of a greener and less carbon intensive future and consider TCFD to be a positive step in driving that direction. As a result, JLEN has voluntarily included climate-related financial disclosures in these financial statements.

Limitations of the disclosure

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

The disclosures in this report partially comply with the TCFD recommendations. Further information on the consistency of each disclosure with the TCFD requirements can be found in the table overleaf.

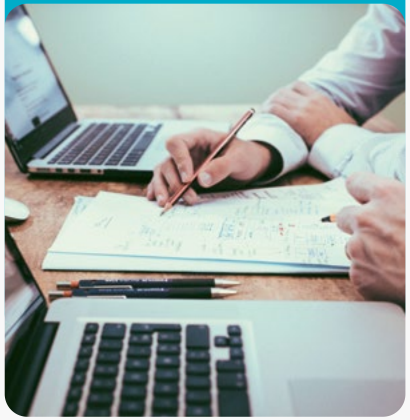
The Investment Manager believes that in time, across JLEN's peer group and the market generally, a more sophisticated approach to considering the climate risks specific to the Company's business will be developed. Following its first report in 2021/22, Foresight, on behalf of JLEN, has worked to further understand its portfolio risks and opportunities and the analysis relating to these is presented in this report. JLEN continues to work on developing its approach to climate-related issues and this will be reflected in future disclosures.

TCFD REPORT continued

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Governance

See pages 52 to 54



Description:
Disclose the organisation's governance around climate-related risks and opportunities.

Disclosure:
The Company considers that the disclosures below comply with the TCFD reporting requirements:

a. Describe the Board's oversight of climate-related risks and opportunities.

b. Describe management's role in assessing and managing climate-related risks and opportunities.

Key initiatives in 2022/23:

- A detailed workshop on scope 3 emissions calculation methodologies was undertaken with the Board – helping to train the Board members and to gather input and feedback on the proposed approach

Planned initiatives in 2023/24:

- Produce and roll out cyber security policy across the portfolio
- Continue to roll out Ethixbase due diligence checks across JLEN supply chain

Strategy

See pages 55 to 63

Description:
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material.

Disclosure:
The Company considers that the disclosures below partially comply with the TCFD reporting requirements. Work to develop these disclosures further is ongoing, specifically in relation to disclosing how the Investment Manager quantifies materiality, different risk levels and timescales, and financial quantification of impacts.

a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Key initiatives in 2022/23:

- JLEN undertook independent scenario modelling of the portfolio in order to measure and assess the physical and transition risks associated with its assets, as well as the financial impact of these sensitivities

Planned initiatives in 2023/24:

- Review requirements for completion of a comprehensive Climate Transition Plan using the Transition Plan Taskforce ("TPT") framework

TCFD REPORT continued

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Risk management

See pages 64 to 66

Description:
Disclose how the organisation identifies, assesses and manages climate-related risks.

Disclosure:
The Company considers that the following disclosures comply with the TCFD reporting requirements:

a. Describe the organisation's process for identifying and assessing climate-related risks.

b. Describe the organisation's process for managing climate-related risks.

c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

Key initiatives in 2022/23:
- Climate risk is embedded in JLEN's risk management framework and climate-risk analysis is included within due diligence processes as part of Foresight's Sustainability Evaluation Tool ("SET")

Planned initiatives in 2023/24:
- Continue to refine and embed assessment of climate risks into the portfolio risk management framework

Metrics and targets

See pages 67 to 69

Description:
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Disclosure:
The Company considers that the following disclosures partially comply with the TCFD reporting requirements. The Company does not currently disclose additional TCFD metrics beyond the core metrics reported:

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

b. Disclose scope 1, scope 2 and, if appropriate, scope 3 GHG emissions, and the related risks.

The Company considers that the following disclosures do not comply with the TCFD reporting requirements.

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Work to develop this disclosure is ongoing, specifically in relation to identifying and setting targets related to the carbon metrics disclosed under part (b).

Key initiatives in 2022/23:
- The Investment Manager has calculated estimated scope 3 emissions data using the Partnership for Carbon Accounting Financials ("PCAF") methodology

Planned initiatives in 2023/24:
- Continue to work with the supply chain to calculate scope 3 emissions more accurately
- All assets to have a habitat management plan in place
- Implement biodiversity enhancement on the Future Biogas sites

TCFD REPORT continued

Governance
See pages 52 to 54

Strategy
See pages 55 to 63

Risk management
See pages 64 to 66

Metrics and targets
See pages 67 to 69

TCFD recommended disclosures:

a) **Describe the Board's oversight of climate-related risks and opportunities.**

b) **Describe management's role in assessing and managing climate-related risks and opportunities.**

a) Describe the Board's oversight of climate-related risks and opportunities

While JLEN's portfolio of environmental infrastructure assets is not immune to the effects of climate change on an individual asset basis, the Company's purpose and investment policy is to reduce the rate of further climate change by seeking to invest in assets that either support more environmentally friendly approaches to economic activity, support the transition to a low carbon economy or mitigate the effects of climate change.

In order to further this purpose, the Board and two of its Committees consider climate-related issues as part of their remits in developing, reviewing and guiding the Company's strategy, major plans of action, risk management policies, annual budgets and business plans. The Board and its Committees also consider climate-related risks and opportunities when setting performance objectives for the portfolio, monitoring implementation and performance and overseeing major capital expenditures. Consideration of climate-related risks is fully embedded into asset acquisition processes, as seen on page 64, and the investment sectors within the portfolio are under regular review to ensure they remain within the Company's accepted risk tolerances.

The Board, the Risk Committee and the ESG Committee each hold responsibilities in respect of climate-related issues. Summaries of their respective responsibilities are set out in this section.

JLEN Board

- Holds overall responsibility for decision making around climate-related risks and opportunities
- Meets quarterly
- Is advised by the ESG Committee and Risk Committee at each meeting

TCFD REPORT continued

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Governance See pages 52 to 54

Strategy See pages 55 to 63

Risk management See pages 64 to 66

Metrics and targets See pages 67 to 69

a) Describe the Board's oversight of climate-related risks and opportunities continued

Risk Committee

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

ESG Committee

- Oversees ESG matters for JLEN
- Meets quarterly
- Responsible for JLEN's ESG strategy, ESG objectives and KPIs, and monitoring ESG progress
- Assesses and prioritises ESG risks and opportunities for the Company, including climate change risks under the TCFD framework and with relevant input from the Risk Committee
- Oversees the ESG and TCFD annual reporting
- Identifies relevant ESG training and opportunities
- Where risks are identified by the Committee, these will be referred to the Risk Committee for further consideration and inclusion in the risk register
- Presents a formal report to the Board at each quarterly Board meeting

Climate change-related training and informational sessions

In 2022/23 the JLEN Board was provided with a detailed update and training session on scope 3 emissions. This session allowed the Board to fully engage on the approach and scope for calculating JLEN's scope 3 emissions, which in turn helped to support the process of gathering data and undertaking the calculations.

b) Describe management's role in assessing and managing climate-related risks and opportunities

The Investment Manager's management team holds responsibility for overseeing sustainability and ESG across JLEN's activities. Further information on the management team's skills and experience can be found on page 10. The management team works directly with and is advised by Foresight Group's sustainability team, which comprises sustainability professionals who hold responsibility for ESG and sustainability across Foresight Group. Further information on the sustainability team, can be found on Foresight's website[1]. The management team also works closely with the portfolio managers in order to understand and manage climate-related risks and opportunities, as well as to progress the wider ESG objectives of the Fund. The Fund Lead is responsible for ensuring that appropriate governance and policies are in place across the portfolio of assets, and is also responsible for tracking the ESG KPIs.

In addition to discussing individual assets at Investment Committee and other related meetings, broader portfolio-level climate-related risks and opportunities are given a regular platform for discussion in weekly ESG and sustainability catch-ups between the Fund Lead and the management team, as well as further reporting and engagement with the JLEN Board and wider Foresight Group teams as previously described.

(1) https://www.foresightgroup.eu/about-us/people.

TCFD REPORT continued

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Governance See pages 52 to 54

Strategy See pages 55 to 63

Risk management See pages 64 to 66

Metrics and targets See pages 67 to 69

b) Describe management's role in assessing and managing climate-related risks and opportunities continued

Assessing and managing climate-related risks

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

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

Further information on the approach to managing climate-related risks can be seen on pages 64 to 66.

Assessing and managing climate-related opportunities

There are two key opportunities that the management team considers:

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

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

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

Emerging transition risks are considered by the Investment Manager's valuation team and these risks are then escalated to the Company's risk register and the Board, if appropriate. Further details of Foresight's approach to sustainability and how this is carried through practically to assessing climate-related risks and opportunities are set out in the risk management section of this report on pages 64 to 66.

Setting sustainability-linked objectives

As a means of incentivising accountability at an individual level, all Foresight employees are obliged to incorporate one or more sustainability-related objective(s) as part of their annual appraisal. Once an objective is set, it acts as a metric of sustainability-related performance at the individual employee level and will be monitored by the employee's Line Manager. Failure to achieve the agreed objective(s) during the appraisal period will be reflected in the overall Performance Grade given to the individual concerned. This commitment is set out in Foresight Group's Sustainability and ESG Policy.[1] While the remuneration policy is not directly linked to the TCFD metrics disclosed in this report, the commitment made by Foresight Group ensures that there is a mechanism in place for inclusion of any such targets in future.

(1) https://www.foresightgroup.eu/about-us/sustainability.

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TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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TCFD recommended disclosures:

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term

AND

b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning

The top climate-related risks and opportunities identified by JLEN are set out on pages 56 to 61. This year two new risks have been added – reduction in carbon pricing and changes to sustainable investment criteria – and one new opportunity – changes to energy and market pricing of GHG emissions. No material changes to the impact of the risks and opportunities has been identified.

Most of the risks identified in this section are reflected on the Company's principal risk register found on pages 40 to 48. The risks are duplicated here and their impacts and dependencies expanded on in line with the TCFD recommendations. Ongoing assessment and monitoring of these risks is undertaken as part of the wider monitoring of the principal risk register. The risks identified in this section have not been financially quantified to date. The Investment Manager has undertaken a scenario assessment which will help to inform this process in future.

By virtue of its investment policy, JLEN aims to make a significant contribution to reducing GHG emissions and mitigating climate change. As a result, the Investment Manager considers that aspects of climate-related risks may represent opportunities for the portfolio.

The process of assessing risks and opportunities is described in more detail on pages 64 to 66.

The tables on the following pages identify the top climate-related risks and opportunities and JLEN's response to them, demonstrating the impact that the risks and opportunities identified have on JLEN's business, strategy and financial planning. Further information on how the business responds to risk can be seen in the Risks and Risk Management section on pages 38 to 48.

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Top climate-related risks for the Company

Risks	Changes to power prices as a result of climate change	Extreme weather-related events
Description	• Lower than forecast power prices due to warmer winters or increased renewables deployment • Increased power prices due to short-term shocks/decreased energy supplies from low wind resource or problems in the gas network could lead to governments turning to less sustainable ways of generating energy that are available in the shorter term – e.g. coal	• Extreme weather-related events, either chronic (e.g. changing wind patterns, heat stress, rising sea levels) or acute (e.g. storms, heat wave, drought, floods), causing damage to Company assets or negatively impacting their production
Probability	**Likely**	**Likely**
Level of residual risk	**Moderate**	**Negligible**
Time period	**Short term (0-5 years), Medium term (5-10 years), Long term (10+ years)**	**Medium term (5-10 years), Long term (10+ years)**
Physical or transition risk	Transition (market)	Physical (chronic)
Investment Manager response	• The majority of assets in the portfolio earn revenues that are not dependent on merchant power sales and various mechanisms are in place to help mitigate the risk of lower power prices (see principal risks on pages 40 to 48) • Arguments for supporting less sustainable alternatives to manage short-term power price shocks are, on the whole, not supported by society although sometimes short-term pragmatism overrides this when combined with security of supply needs.	• Having conducted a review of the physical risks to the portfolio (see pages 64 and 65), the physical risks are largely localised and the impact of a single event or limited set of events is deemed to have a negligible impact to the overall portfolio; nevertheless, this is kept under close review by the Investment Manager • Further information on the mitigations considered against volume of resource can be found in the risk management section on pages 38 to 48
Impact	**Strategy, Financial planning, Company's investments**	**Strategy, Company's investments**
Risk register	9 7 8 15	7 8 15

Risk register key:

- 3 Acquisitions and pipeline
- 6 Reputational
- 7 Volume of wind, solar and rainfall resource
- 8 Volume and cost of feedstock resource
- 9 Power prices
- 11 Portfolio valuation
- 13 Changes in regulation and government support
- 15 Climate change

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Top climate-related risks for the Company continued

Risks		
	Reduction in carbon pricing	**Changes to sustainable investment criteria**
Description	• Potential volatility within the carbon pricing markets over the next five to ten years could result in: a) a reduction in carbon pricing, making fossil fuels more cost-effective; or b) increased carbon emissions pricing policies which in turn could result in market movement away from centralised baseload power.	• As the energy transition proceeds, and scientific knowledge regarding the consequences of particular courses of action increases, there is a risk that activities and assets that were once classified as "sustainable" become reclassified as "unsustainable" with consequences for JLEN's ownership of such assets • Litigation risk if the EU and financial institutions continue to turn away from the Energy from Waste ("EfW") sector and policy developments penalise EfW assets. This could limit future deployment and impact lifecycle emissions for EfW assets in the Fund's portfolio
Probability	**Likely**	**Likely**
Level of residual risk	**Minor**	**Minor**
Time period	**Medium term (5-10 years)**	**Short term (0-5 years), Medium term (5-10 years)**
Physical or transition risk	Transition (regulation, market)	Transition (regulation, market)
Investment Manager response	• The Investment Manager has confidence in its investment strategy and JLEN's portfolio construction. Its diversified nature mitigates against financial losses that could result from a reduction in carbon pricing, the increased cost competitiveness of fossil fuels and power price reduction • JLEN is positioned to benefit indirectly from future increases in carbon pricing which may in turn increase power pricing	• JLEN invests in assets that contribute to the acceleration of the energy and sustainability transition and have strong transition characteristics. Third-party expert validation of the sustainability credentials of assets is sought where appropriate. Meanwhile, the Investment Manager assumes an active role in policy discussions and remains abreast of sustainable investment changes and reviews its strategy accordingly • The diversified nature of JLEN's portfolio protects the Fund against overexposure to any one sector. If deemed appropriate in the future, JLEN would review a phase-out of EfW from the Fund's investment strategy
Impact	**Strategy, Company's investments**	**Strategy, Company's investments**
Risk register	11 13	6 13

Risk register key:

- 3 Acquisitions and pipeline
- 6 Reputational
- 7 Volume of wind, solar and rainfall resource
- 8 Volume and cost of feedstock resource
- 9 Power prices
- 11 Portfolio valuation
- 13 Changes in regulation and government support
- 15 Climate change

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Top climate-related risks for the Company continued

Risks		
	Changes in regulation and government support for sustainable infrastructure	**Displacement of existing assets with new or other technologies**
Description	• Changes in regulation to sectors in which JLEN is already invested e.g. energy-from-waste not meeting criteria to be considered aligned to the EU taxonomy • Changes in farming regulation which impact the agri AD portfolio • Government support for short-term energy solutions that negatively impact the transition to a low carbon future e.g. support of coal	• As more resource and scientific-backed research is dedicated to achieving net-zero goals, technologies could be developed that make current renewables or environmental infrastructure technologies obsolete. An example of this could be fusion power displacing all other forms of energy • Other technologies such as nuclear or coal being prioritised in the short-to-medium term
Probability	**Possible**	**Unlikely**
Level of residual risk	**Negligible**	**Minor**
Time period	**Short term (0-5 years), Medium term (5-10 years)**	**Medium term (5-10 years), Long term (10+ years)**
Physical or transition risk	Transition (market, regulation, reputational)	Transition (technological)
Investment Manager response	• Given the diversified nature of the assets, the impact is likely to be limited to a single asset or small part of the portfolio • The risk over the long term is considered negligible as other avenues or solutions would be found for the asset or technology affected, such as selling an asset or finding alternative sources of feedstock	• It is considered more likely that new technologies would be developed and JLEN is well positioned to invest in new energy solutions once they become proven at scale. It is unlikely that a single solution would be found for all the energy needs, but if it were, this would necessitate considerable buildout beyond the lifetime of JLEN's assets
Impact	**Strategy, Financial planning**	**Strategy, Financial planning**
Risk register	13 15	3 15

Risk register key:

- 3 Acquisitions and pipeline
- 6 Reputational
- 7 Volume of wind, solar and rainfall resource
- 8 Volume and cost of feedstock resource
- 9 Power prices
- 11 Portfolio valuation
- 13 Changes in regulation and government support
- 15 Climate change

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Top climate-related opportunities for the Company

Opportunities		
	Increased demand for environmental infrastructure and businesses which support the transition to a low carbon economy	**Changes to energy pricing and market pricing of GHGs**
Description	• Increased demand for infrastructure which helps to balance the intermittent generation profile of renewables – e.g. battery storage • Increased demand for shorter-term solutions to reach net zero by 2050, e.g. CNG refuelling stations and synthetic low carbon fuels as a low carbon transport option while other solutions such as hydrogen power are further developed	• The market pricing of GHG emission begins to increase which in turn drives the competitiveness of renewables • Future changes to energy prices spurred by a clampdown on fossil fuels. Longer-term view on building out clean energy generating capacity when markets are supportive of renewables and prices are competitive
Level of opportunity	**High**	**High**
Time period	**Short term (0-5 years), Medium term (5-10 years), Long term (10+ years)**	**Short term (0-5 years), Medium term (5-10 years), Long term (10+ years)**
Physical or transition opportunity	Transition (market)	Transition (market, regulation)
Investment Manager response	• JLEN is already well positioned to invest in environmental infrastructure sectors that support the transition to a low carbon economy, as can be demonstrated in the market and opportunities section on pages 12 to 16	• JLEN is positioned to benefit from future increases in carbon pricing and cost competitiveness of renewables. Equally, there are no immediate carbon pricing payment commitments for JLEN associated with the current or planned portfolio, which limits the impact of any associated risk • JLEN is positioned to benefit from future increases in energy pricing and the increased buildout of renewables capacity
Impact	**Strategy, Financial planning**	**Strategy, Financial planning**

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Top climate-related opportunities for the Company continued

Opportunities	Increased governmental support for environmental infrastructure projects	Technological developments and buildouts in environmental infrastructure
Description	• Government policies aimed at facilitating the transition to a net zero carbon economy may subsidise certain technologies to increase their uptake or buildout, creating further opportunities for investment by JLEN • Government policies aimed to help the transition to reduce the impact on natural resources e.g. Norway's proposed resource rent tax rate in sea aquaculture	• As new technologies become better developed, the Company is well positioned to invest in a diversified range of projects • Examples of new technologies may include environmental or sustainable infrastructure related to fuels, food production or energy production
Level of opportunity	**Medium**	**Medium**
Time period	**Short term (0-5 years), Medium term (5-10 years), Long term (10+ years)**	**Short term (0-5 years), Medium term (5-10 years)**
Physical or transition opportunity	Transition (policy and legal)	Transition (technological)
Investment Manager response	• Government support of emerging sectors will change the risk profile and may open up areas that would otherwise be insufficiently attractive for JLEN investment	• Attractiveness of investment opportunities will also depend on the business models as well as the proven nature of the technology
Impact	**Strategy, Financial planning**	**Strategy, Financial planning**

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Top climate-related opportunities for the Company continued

Opportunities	
	Changes in weather patterns leading to buildout of certain types of environmental infrastructure or business
Description	• Changes in weather patterns could lead to opportunities for new types of infrastructure or further investment into existing categories. An example of this could be flood defence infrastructure in response to increased rainfall or sea level rise or controlled environment agriculture facilities in response to higher temperatures
Level of opportunity	**High**
Time period	**Medium term (5-10 years), Long term (10+ years)**
Physical or transition opportunity	Physical
Investment Manager response	• The Investment Manager reviews c.700 deals a year in the environmental infrastructure space, which allows it to take advantage of these opportunities as they arise
Impact	**Strategy, Financial planning, Company's investments**

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Resilience

JLEN believes that resilience is supported by owning a portfolio that is diversified by location, technology, resource use and revenue make-up. The Investment Manager engages with a range of specialists across different areas of expertise and levels of the business to help drive and maintain a resilient portfolio. Risks and opportunities are also assessed within the framework discussed on page 64 and on an ad hoc, day-to-day basis.

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

Analysis of climate-related scenarios on the Company's resilience

Overview

The Investment Manager has identified the S&P Global Climanomics platform as offering the most comprehensive analysis across four climate scenarios, integrating not only physical and transition risks, but also climate-related opportunities, to provide a single output that talks to the resilience of the portfolio under different climate futures.

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c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario continued

Analysis of climate-related scenarios on the Company's resilience continued

Overview continued

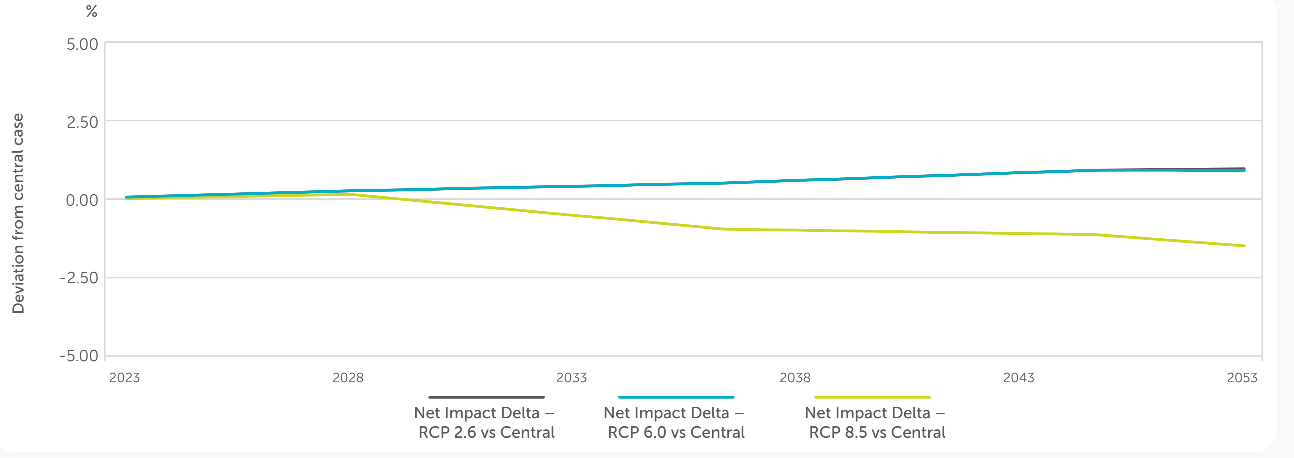
The basis for Climanomics' analysis is the Representative Concentration Pathways ("RCPs") generated by the Intergovernmental Panel on Climate Change ("IPCC"). The RCPs represent a wide range of possible changes in future anthropogenic greenhouse gas emissions ("GHGs") and their impact on atmospheric concentrations of CO_2. The scenarios are best summarised as:

- **RCP 2.6** assumes that emissions peak early and then fall due to the active removal of GHGs from the atmosphere. It is estimated that end-of-century increases in global mean surface temperature will be in the range of 0.9 to 2.3°C.
- **RCP 4.5** implies coordinated action to limit GHG emissions to achieve a global temperature warming limit of approximately 2°C, wherein global emissions peak around 2040 and then decline by 2045.
- **RCP 6.0** assumes a high GHG emission rate with radiative forcing stabilisation only after 2100. It is estimated that end-of-century increases in global mean surface temperature will be in the range of 2.0 to 3.7°C.
- **RCP 8.5** assumes that no major global effort to limit GHG emissions will be brought into effect. It is estimated that end-of-century increases in global mean surface temperature will be in the range of 3.2 to 5.4°C.

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

Estimates

Assuming the RCP 4.5 scenario as the most likely outcome due to the current global emissions trajectory, the below chart shows the assessed central case and the potential variations between the three remaining scenarios:



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c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario continued

Analysis of climate-related scenarios on the Company's resilience continued

Estimates continued

Applying these estimates to the Company's Net Asset Value ("NAV"), it is possible to make an assessment of the potential financial impact in each of the RCPs over the years until 2053[1]:

RCP 2.6
+1.14p/share

RCP 4.5
Central case

RCP 6.0
+1.09p/share

RCP 8.5
-1.57p/share

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

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

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

The landscape of scenario analysis is evolving quickly, and current assessments are made with the most credible existing frameworks and input data available. Given the very nature of this analysis, limitations remain. However, the Investment Manager is committed to using best-in-class methodologies to accurately estimate the Company's performance under different climate futures and will continue making the necessary adjustments as the methodologies develop.

(1) This 30-year time horizon represents the asset lifecycle of a typical renewable energy generation asset.
(2) Due to this analysis being conducted with emissions data generated using emissions factors (i.e. not operational data) the 'carbon pricing' transition risk has been excluded from the analysis.

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TCFD recommended disclosures:

a) Describe the organisation's processes for identifying and assessing climate-related risk.

b) Describe the organisation's processes for managing climate-related risks.

c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

a) Describe the organisation's processes for identifying and assessing climate-related risk

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

Transition risks:
These are risks related to the transition to a net zero or low carbon future. These risks fall into four categories:

- policy and legal risk;
- technological risk;
- market risk; and
- reputational risk.

Information on the top transition risks for the Company can be seen in the table on pages 56 to 58 and in the Risk and Risk Management Section on pages 38 to 48.

Physical risks:
These are the potential physical impacts of both **acute** extreme weather events and **chronic** changes to climate patterns. In this report the physical risks as set out in the EU taxonomy are considered; more information is set out in the table showing the top risks to the Company on pages 56 to 58.

Foresight, as the Investment Manager, incorporates processes for identifying and assessing climate-related risk as part of its standard due diligence and portfolio management practices.

All potential investments are evaluated in accordance with Foresight's proprietary in-house tool – the Foresight Sustainability Evaluation Tool ("SET") – to ensure that they meet the Investment Manager's definition of sustainable infrastructure, and that climate-related risks are systematically identified, assessed and subsequently managed.

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

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

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

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

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a) Describe the organisation's processes for identifying and assessing climate-related risk continued

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

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

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

Where material risks are identified, they are considered by the Risk Committee. Mitigation options are discussed and the Committee will determine whether the risk is acceptable under the JLEN risk management framework. The Risk Committee will advise the JLEN Board on the results of their findings. Further information on how this is managed can be found on pages 38 and 39.

b) Describe the organisation's processes for managing climate-related risks

The output and identified action areas of each assessment parameter of the SET – including Climate Change Resilience – are tabled at the asset company's board meetings to enable implementation of an asset-specific plan to manage any material risks as required. Sector and portfolio-level risks are considered by the Investment Manager and mitigation options are discussed as part of JLEN's comprehensive risk management framework.

A detailed account of the material climate-related risks that have been identified, as well as their impacts and mitigation, can be found on pages 56 to 58.

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c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

The results of the processes above are incorporated into JLEN's comprehensive risk management framework and risk register, which assesses:

- a measure of the probability of each identified risk materialising; and
- the potential impact that risk event may have on JLEN.

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

More information about the Risk Committee and process for managing the climate-related risks and opportunities can be found on pages 52 and 53. The process itself is shown in the diagram to the right.

Review by Foresight Head of Risk

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

Sustainability risks identified
Assessment and collation of sustainability strengths, weaknesses and risks to the investment input into the Foresight SET (more information on page 102)

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

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

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

Implementation of risk mitigation strategies

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TCFD recommended disclosures:

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities.

b) Disclose scope 1, scope 2 and scope 3 greenhouse gas emissions, and the related risks.

c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities

To ensure that all potential investments meet our definition of sustainable infrastructure, and that climate-related risks are systematically identified, assessed and subsequently managed, they are evaluated in accordance with Foresight's Sustainability Evaluation Tool ("SET"), which is described further on page 64 and which considers a range of metrics and qualitative datapoints.

The Company's focus for quantitative reporting of exposure to climate-related risk is achieved using the TCFD's recommended core metrics.

TCFD core metrics

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

(1) The Investment Manager is committed to working with third-party MSA providers to continually improve data quality.
(2) In accordance with TCFD methodology, these calculations are undertaken using scope 1 and scope 2 emissions only.
(3) The baseline for these metrics will be 2022/23.

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b) Disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas emissions, and the related risks

Although the Company's investment activities make a significant and quantifiable contribution to climate change mitigation through decarbonisation of the energy system, there are still emissions associated with the operation and maintenance of the portfolio.

The table in this section identifies the scope 1, scope 2 and scope 3 carbon emissions for the Company's operational assets.

Scope 1 and scope 2 data have been collected as part of the quarterly operational reporting and then calculated in accordance with GHG Protocol guidance.

Meanwhile, the Investment Manager continues to work with its supply chain to gain a better understanding of their emissions and enable more accurate calculation of associated scope 3 emissions.

In the interim, the scope 3 emissions presented below have been calculated using the Partnership for Carbon Accounting Financials ("PCAF") methodology, a financial industry-led group that aims to develop and implement a harmonised approach to assess and disclose greenhouse gas emissions associated with investments and loans. The calculation is based on project-specific revenues and on the official statistical PCAF information that provides region and sector-specific average emissions factors. The database has been created to provide PCAF participants with a large set of publicly available emission factors, enabling them to perform an initial assessment of emissions associated with their investment activities. Even though it is a widely accepted approach, it has its limitations and the data remains generic. The intention is to continually refine this analysis as more of the Company's supply chain begins to report their emissions data.

Scope	2022/23	2021/22
Scope 1 emissions (tCO_2e)(1)	**82,314**(4),(5)	68,368
Scope 2 emissions (tCO_2e)(2)	**9,338**(5),(6)	6,798
Scope 3 emissions (tCO_2e)(3)	**117,843**	–
Total	**209,495**	75,166

(1) Scope 1: direct emissions from owned or controlled sources.

(2) Scope 2: indirect emissions from the generation of purchased energy.

(3) Scope 3: indirect emissions (not included in scope 2) that occur in the value chain of the reporting company. These were not calculated for 2021/22.

(4) Increased scope 1 emissions due to increased production at ETA Manfredonia.

(5) The sum of these figures do not precisely match the total carbon emissions figure on page 67 due to a function of rounding.

(6) Scope 2 emissions increased primarily due to energy consumption from renewables generated parasitic load being removed from calculation methodologies in line with best practice.

Caveats to the data:

- GHG emissions have been calculated in line with the GHG Protocol
- Where it has not been possible to collect specific data, assumptions have been made using appropriate proxy technologies, sites and time periods
- Scope 1 emissions do not yet include fugitive emissions from AD sites (i.e. leaks, flaring, venting). The emissions have begun to be calculated and work is in progress to integrate the results into the full GHG calculations database going forward
- PCAF emission factors have been used to calculate scope 3 emissions. This is calculated from asset revenue data

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c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Ongoing targets

JLEN's ESG-linked loan facility includes a target against generation of clean energy. This target is reported to the Board and to the ESG Committee and can be directly linked to tonnes of CO_2 avoided.

Short-term targets

In 2022/23 the Investment Manager had a target to:

- undertake a full scenario analysis with support from external consultants; and
- undertake a scope 3 emissions calculation exercise.

Both of these targets were achieved in the period and the results are being used to better understand JLEN's climate-related risks and opportunities. The results are also likely to feed into the development of specific targets aimed at managing climate-related risks and opportunities.

JLEN does not have an internal carbon pricing policy.

JLEN records a range of other metrics that help to develop an understanding of the direct and indirect environmental characteristics of the portfolio. These ESG KPIs can be found on pages 104, 108 and 113. To date, no climate-related targets have been set in relation to these ESG KPIs.

OUR PORTFOLIO

Wind

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

Joe Hardy
Portfolio Manager

11 assets

Joe Hardy
Portfolio Manager

Assets include operating onshore wind farms in the UK.

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

Profile:
- Intermittent energy generation profile

First investment:
- IPO in 2014

Potential risks:
- Merchant electricity prices
- Wind resource risk
- Operational issues

OUR PORTFOLIO continued

Waste & bioenergy

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

Stefania Trivellato
Portfolio Manager

6 assets

Stefania Trivellato
Portfolio Manager

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

Investment attractions:
- Combination of ROC, FiT and RHI accreditation or long-term government-backed contracts

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

First investment:
- IPO in 2014

Potential risks:
- Feedstock risks
- Operational issues
- Handback risk (ELWA, Tay)

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

OUR PORTFOLIO continued

Solar

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

Moritz Ilg
Portfolio Manager

6
assets

Moritz Ilg
Portfolio Manager

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

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

Profile:
- Intermittent energy generation profile

First investment:
- IPO in 2014

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

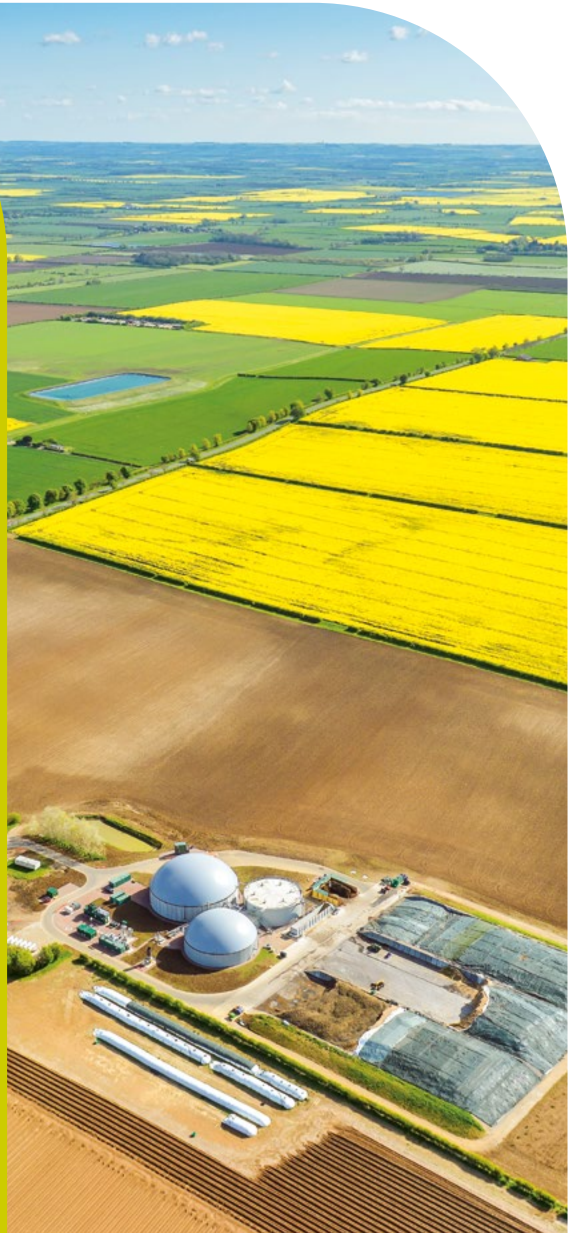
OUR PORTFOLIO continued

Anaerobic digestion

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

Sam Matthews
Portfolio Manager

9
assets



Sam Matthews
Portfolio Manager

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

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

Profile:
- Baseload energy generation profile

First investment:
- 2017

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

OUR PORTFOLIO continued

Low carbon & sustainable solutions

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

Saadat Ullah
Portfolio Manager

6
assets

Saadat Ullah
Portfolio Manager

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

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

Profile:
- Non-energy generating environmental infrastructure

First investment:
- 2020

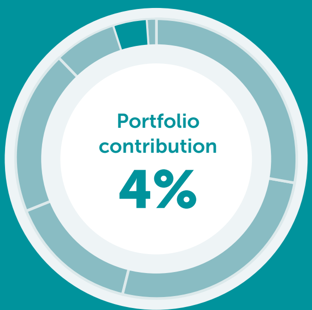
Potential risks:
- Construction risk
- Merchant nature of trading revenue streams
- Evolving market with increasing number of participants
- Shorter track record of operations than for other technologies

OUR PORTFOLIO continued

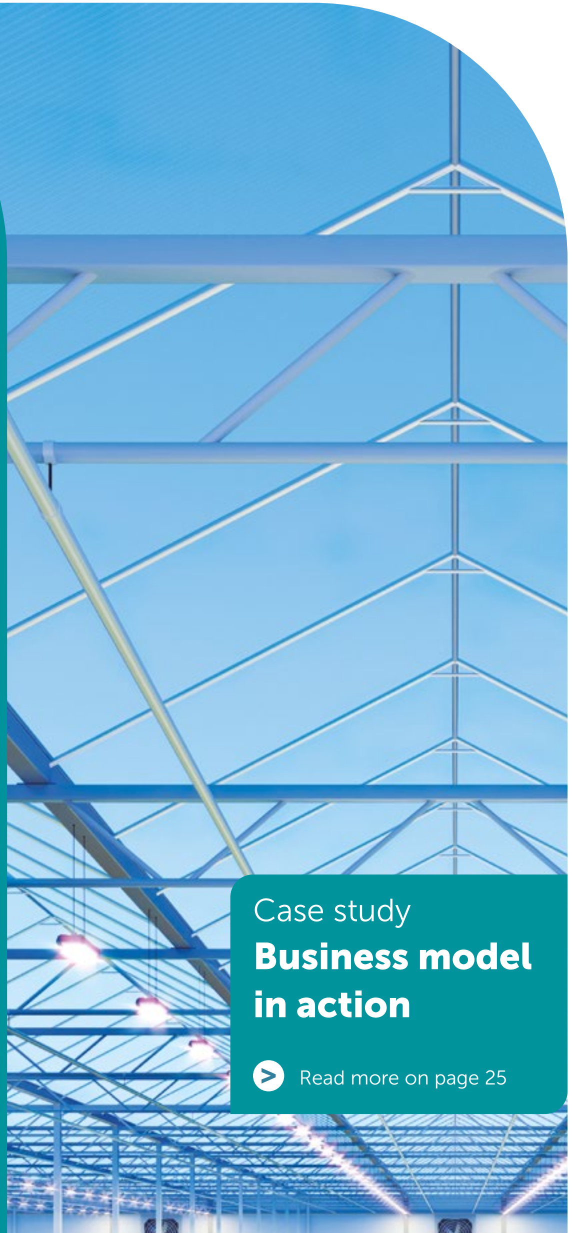
Controlled environment

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

Amit Thakrar
Portfolio Manager



2
assets



Case study
Business model in action

Read more on page 25

Amit Thakrar
Portfolio Manager

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

Investment attractions:
- Established technologies with deep revenue markets
- Potential for capital growth

First investment:
- 2022

Profile:
- Non-energy generating environmental infrastructure

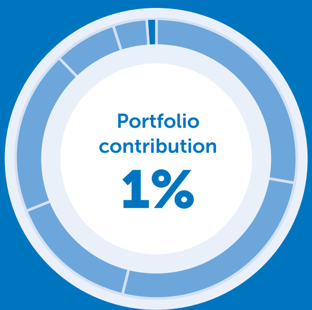
Potential risks:
- Merchant revenues
- New markets for the Investment Manager
- Construction risk

OUR PORTFOLIO continued

Hydro

"The hydro assets make up only 1% of the JLEN portfolio. They have proved to be more susceptible to weather resource risk than anticipated and we have carried out work to reassess their likely energy generation given changing rainfall patterns."

Joe Hardy
Portfolio Manager



2
assets

Joe Hardy
Portfolio Manager

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

Investment attractions:
- FiT accredited

Profile:
- Intermittent energy generation profile

First investment:
- 2019

Potential risks:
- Resource risk – rainfall
- Merchant electricity revenues
- Operational issues

INVESTMENT PORTFOLIO AND VALUATION

Portfolio value increased by 13% to £898.5 million at 31 March 2023 from £795.4 million at 31 March 2022.

Investment portfolio

At 31 March 2023, the Group's investment portfolio comprised interests in 42 project vehicles and investments into several European projects through its investment in FEIP.

Type	Asset	Location	Ownership	Capacity (MW)	Commercial operations date
	Bilsthorpe	England	100%	10.2	Mar 2013
	Burton Wold Extension	England	100%	14.4	Sep 2014
	Carscreugh	Scotland	100%	15.3	Jun 2014
	Castle Pill	Wales	100%	3.2	Oct 2009
	Dungavel	Scotland	100%	26.0	Oct 2015
	Ferndale	Wales	100%	6.4	Sep 2011
	Hall Farm	England	100%	24.6	Apr 2013
	Llynfi Afan	Wales	100%	24.0	Mar 2017
	Moel Moelogan	Wales	100%	14.3	Jan 2003 & Sep 2008
	New Albion	England	100%	14.4	Jan 2016
	Wear Point	Wales	100%	8.2	Jun 2014
			Total	**161.0**	
	Bio Collectors waste management	England	70%	11.7[1]	Dec 2013
	Codford Biogas waste management	England	100%	3.8[2]	2014
	ELWA waste management	England	80%	n/a	2006
	Cramlington biomass combined heat and power	England	100%	32.0[3]	2018
	Energie Tecnologie Ambiente ("ETA") energy-from-waste	Italy	45%[4]	16.8	2012
	Tay wastewater treatment	Scotland	33%	n/a	Nov 2001
			Total	**64.3**	

Type	Asset	Location	Ownership	Capacity (MW)	Commercial operations date
	Biogas Meden	England	100%	5.0[5]	Mar 2016
	Egmere Energy	England	100%	5.0[6]	Nov 2014
	Grange Farm	England	100%	5.0[6]	Sep 2014
	Icknield Farm	England	53%	5.0[5]	Dec 2014
	Merlin Renewables	England	100%	5.0[6]	Dec 2013
	Peacehill Farm	Scotland	49%	5.0[7]	Dec 2015
	Rainworth Energy	England	100%	2.2[2]	Sep 2016
	Vulcan Renewables	England	100%	13[6]	Oct 2013
	Warren Energy	England	100%	5.0[6]	Dec 2015
			Total	**50.2**	
	Amber	England	100%	9.8	Jul 2012
	Branden	England	100%	14.7	Jun 2013
	CSGH	England	100%	33.5	Mar 2014 & Mar 2015
	Monksham	England	100%	10.7	Mar 2014
	Panther	England	100%	6.5	2011-2014
	Pylle Southern	England	100%	5.0	Dec 2015
			Total	**80.2**	

INVESTMENT PORTFOLIO AND VALUATION continued

Investment portfolio continued

Type	Asset	Location	Ownership	Capacity (MW)	Commercial operations date
	West Gourdie battery storage	Scotland	100%	n/a	Under construction[8]
	Clayfords battery storage	Scotland	50%	n/a	Under construction
	Lunanhead battery storage	Scotland	50%	n/a	Under construction
	Sandridge battery storage	England	50%	n/a	Under construction
	CNG Foresight low carbon transport	England	25%[9]	n/a	Various
	Thierbach green hydrogen production plant	Germany	25%	n/a	Development phase
			Total	n/a	
	Glasshouse	England	Minority stake	n/a	Under construction
	Rjukan aquaculture system	Norway	Minority stake	n/a	Under construction
			Total	n/a	
	Northern Hydropower	England	100%	1.8[10]	Oct 2011 & Oct 2017
	Yorkshire Hydropower	England	100%	2.0[10]	Oct 2015 & Nov 2016
			Total	3.8	

Type	Asset	Location	Ownership	Capacity (MW)	Commercial operations date
FEIP JLEN has committed €25 million to FEIP	Avalon solar and green hydrogen	Spain	n/a	n/a	Development
	Carna pumped storage hydro and co-located wind	Scotland	n/a	n/a	Under construction
	Kölvallen wind	Sweden	n/a	n/a	Under construction
	MaresConnect interconnector	Republic of Ireland	n/a	n/a	Development and under construction
	Puskakorpi wind	Finland	n/a	n/a	Under construction
	Quartz battery storage	England	n/a	n/a	Development
	Skaftåsen Vindkraft AB wind	Sweden	n/a	n/a	Under construction
	Torozos wind	Spain	n/a	n/a	Dec 2019
	85 Degrees geothermal heat	Netherlands	n/a	n/a	Operational/under construction
	Beleolico	Italy	n/a	n/a	July 2022
	Blue Jay	Scotland	n/a	n/a	Development and under construction
			Total	n/a	
Total portfolio			Total	359.5	

(1) 10MWth and an additional 1.7MWe capacity through two CHP engines.

(2) Electrical exporting plant measured as MWe.

(3) 26MWe (electrical) and 6MWth (thermal).

(4) Not including FEIP's ownership.

(5) MWth (thermal) and an additional 0.4MWe CHP engine for onsite power provision.

(6) MWth (thermal) and an additional 0.5MWe CHP engine for onsite power provision.

(7) MWth (thermal) and an additional 0.25MWe CHP engine for onsite power provision.

(8) West Gourdie subsequently commenced operations in June 2023.

(9) JLEN holds 25% of the "A" shares. "A" shares have a different economic entitlement than "B" shares, including a priority return.

(10) Includes a 1.2MW battery storage.

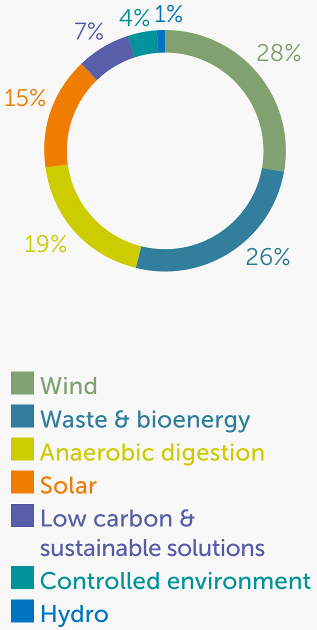
INVESTMENT PORTFOLIO AND VALUATION continued

Investment portfolio continued

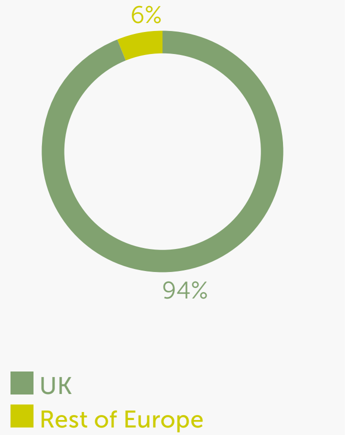
The JLEN portfolio comprises a diversified range of assets across different geographies, sectors, technologies and revenue types, as illustrated in the analysis below as at 31 March 2023:

The diversification is illustrated in the segmentation analysis below according to share of portfolio value.

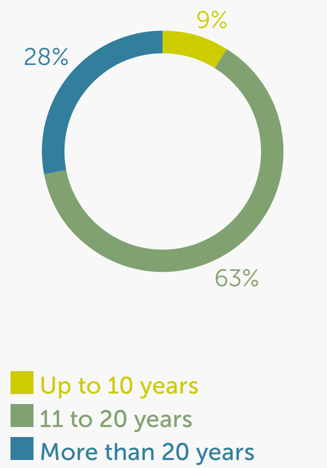
Sector split



Geographic split

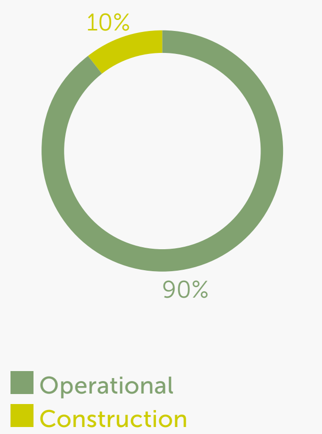


Remaining asset life split

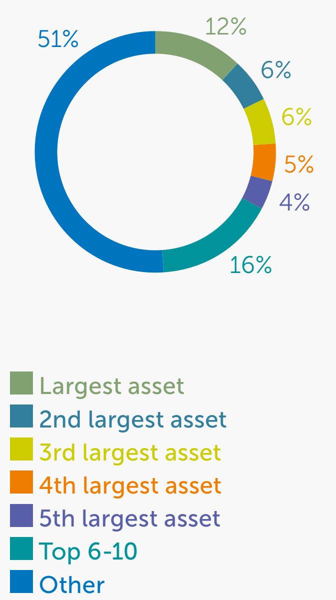


Weighted average[1] remaining asset life of the portfolio is 17.1 years.

Split by operational status



Split by asset concentration



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

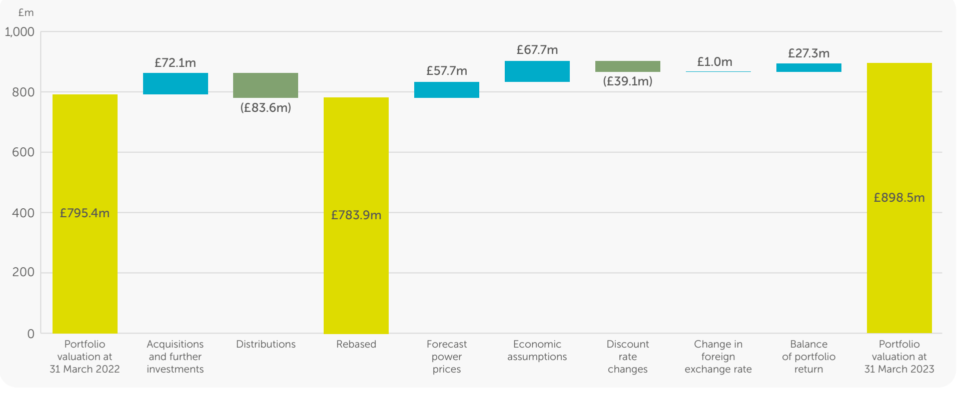
INVESTMENT PORTFOLIO AND VALUATION continued

Portfolio valuation

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

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

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



The Directors' valuation of the portfolio at 31 March 2023 was £898.5 million, compared to £795.4 million at 31 March 2022. The increase of £103.1 million is the net impact of new acquisitions, cash received from investments, changes in macroeconomic, power price and discount rate assumptions, and underlying growth in the portfolio. A reconciliation of the factors contributing to the growth in the portfolio during the period is shown in the chart below.

The movement in value of investments during the year ended 31 March 2023 is shown in the table below:

	2023 £m	2022 £m
Valuation of portfolio at opening balance	**795.4**	571.4
Acquisitions in the year (including deferred consideration)	**72.1**	82.4
Cash distributions from portfolio	**(83.6)**	(56.5)
Rebased opening valuation of portfolio	**783.9**	597.3
Changes in forecast power prices	**57.7**	127.2
Changes in economic assumptions	**67.7**	26.1
Changes in discount rates	**(39.1)**	9.7
Changes in exchange rates	**1.0**	(0.1)
Balance of portfolio return	**27.3**	35.2
Valuation of portfolio at 31 March	**898.5**	795.4
Fair value of intermediate holding companies	**(81.7)**	(32.5)
Investments at fair value through profit or loss	**816.8**	762.9

Allowing for investments of £72.1 million (including deferred consideration) and cash receipts from investments of £83.6 million, the rebased valuation is £783.9 million. The portfolio valuation at 31 March 2023 is £898.5 million (31 March 2022: £795.4 million), representing an increase over the rebased valuation of 15% during the year.

INVESTMENT PORTFOLIO AND VALUATION continued

Portfolio valuation continued

Valuation assumptions

Each movement between the rebased valuation and the 31 March 2023 valuation is considered below:

Forecast power prices

The project cash flows used in the portfolio valuation at 31 March 2023 reflect contractual fixed price arrangements under PPAs, where they exist, and short-term market forward prices for the next two years where they do not.

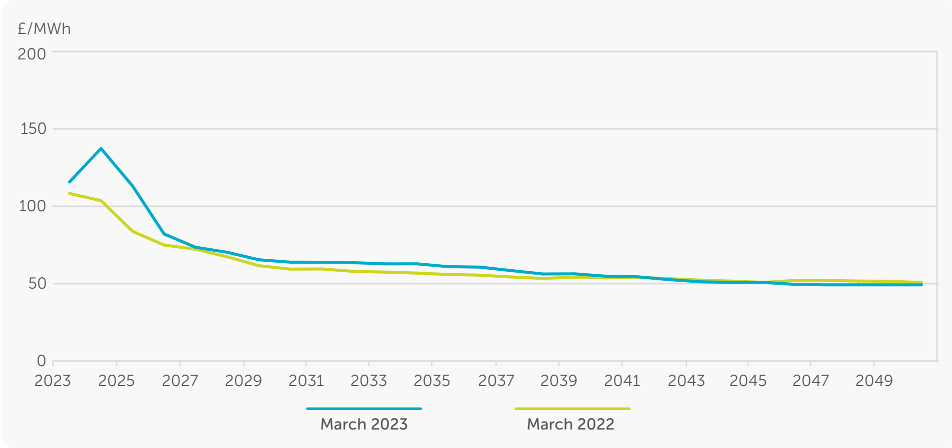
After the initial two-year period, the project cash flows assume future electricity and gas prices in line with a blended curve informed by the central forecasts from three established market consultants, adjusted by the Investment Manager for project-specific arrangements and price cannibalisation.

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

The overall change in forecasts for future electricity and gas prices compared to forecasts at 31 March 2023, net of the EGL, has increased the valuation of the portfolio by £57.7 million. This includes a reduction of £10.8 million (1.6 pence per share) from recognition of the EGL across the portfolio. See page 12 for more information on the EGL.

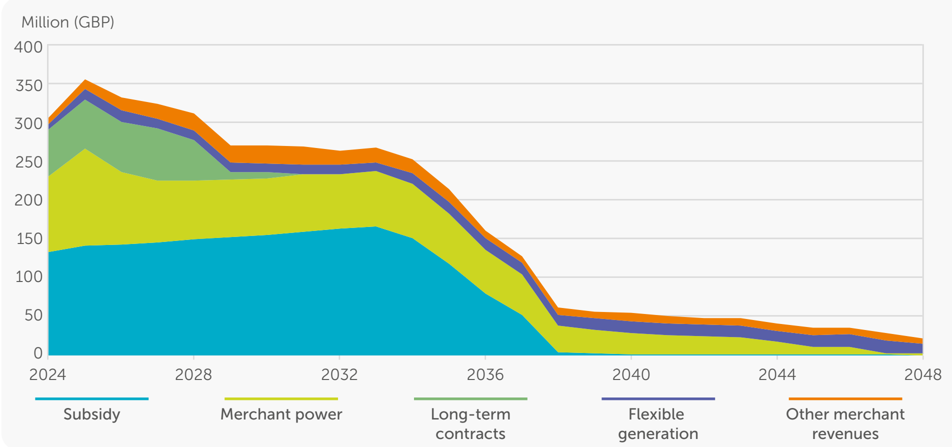
The graph overleaf represents the blended weighted power curve used by the Company, reflecting the forecast of three leading market consultants, adjusted by the Investment Manager to reflect its judgement of capture discounts and a normalised view across the portfolio of expectations of future price cannibalisation resulting from increased penetration of low marginal cost, intermittent generators on the GB network.

Illustrative blended power price curve



Revenue analysis

The chart below shows the revenue mix of the energy generating portfolio and the non-energy generating portfolio on a net present value basis (using the discount rate applicable to each project):



INVESTMENT PORTFOLIO AND VALUATION continued

Portfolio valuation continued

Valuation assumptions continued

Revenue analysis continued

Energy generating portfolio

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

Although merchant prices remain elevated compared to long-term projections, there is clear evidence of a decline since the record highs seen during 2022. The Company seeks to minimise the impact of power price volatility by maintaining a programme of rolling price fixes for its energy generating projects, typically having the majority of projects on fixed price arrangements in the near term.

At 31 March 2023, 76% of the renewable energy portfolio's electricity and gas price exposure was subject to fixed prices for the summer 2023 season and 67% for the winter 2023/24 season. See the power price hedging section in the Operational Review on page 88 for more detail about the latest price fixes in place across the portfolio.

The proportion of Fund revenues that come from the sale of merchant electricity and gas is 25% and 5%, respectively. Despite elevated energy prices, merchant power revenue remains a low proportion and reflects the broader diversification of JLEN's portfolio.

Waste and wastewater treatment concessions

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

Other non-energy generating portfolio

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

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

Low carbon transport

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

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

Batteries

JLEN's portfolio includes four c.50MW Battery Energy Storage Systems, at varying stages of construction at 31 March 2023. Independent market analysis indicates the importance of prioritising the capture of trading margins over the finite opportunity from revenues generated by the provision of grid services. Therefore merchant revenues are likely to make up the largest part of the revenue model for these assets.

Whilst these investments do not currently have long-term contractual inflation linkage, revenues are driven by a margin over costs which is expected to be sustained regardless of inflation.

Controlled environment

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

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

INVESTMENT PORTFOLIO AND VALUATION continued

Portfolio valuation continued

Valuation assumptions continued

Revenue analysis continued

Other non-energy generating portfolio continued

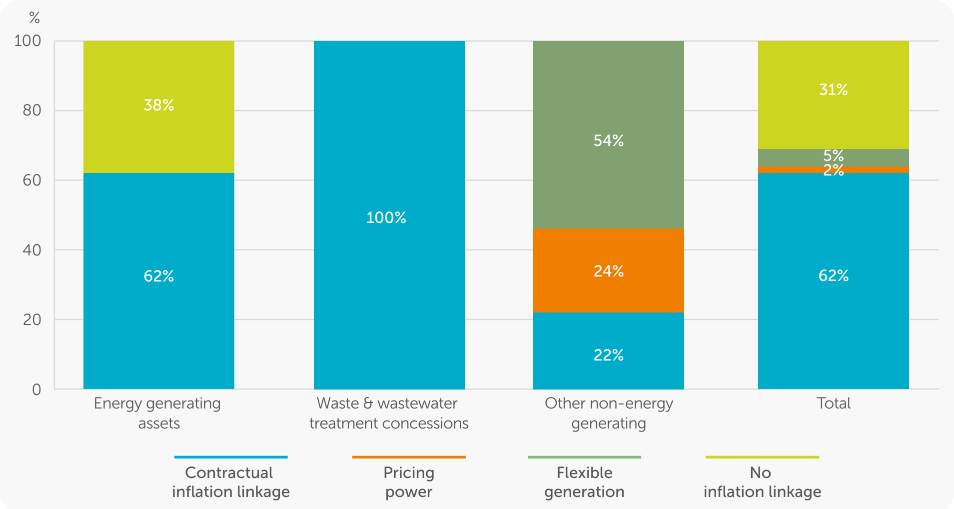
Controlled environment continued

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

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

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

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



Economic assumptions

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

Short-term RPI inflation rates (being the key index referenced in subsidy and contractual mechanisms in JLEN's portfolio) assumed in the valuation reflect a 2023 rate of 6.5% (31 March 2022: 3.0%), before reverting to the established assumption of 3% until 2030, reducing to 2.25% from 2031 onwards (31 March 2022: 3% until 2030, reducing to 2.25% from 2031 onwards), whilst CPI inflation rates assumed in the valuation are 4.4% for 2023 (31 March 2022: 2.25%), before reverting to the established assumption of 2.25% onwards (31 March 2022: 2.25%) for UK assets and 5.3% for 2023, stepping to 2% from 2028, for the Italian assets (31 March 2022: 1.3% for 2023, stepping to 2% from 2027).

Near-term UK corporation tax rates remain unchanged at 25% (31 March 2022: 25%). The equivalent Italian assumption applies the national rate of 24% plus applicable regional premiums (unchanged from 31 March 2022).

UK deposit rates assumed in the valuation have been increased to 2.0% for 2023 and 1.5% thereafter (31 March 2022: 0.25% to 2024 and 1% thereafter). Minimal cash is held in Italian assets, therefore Italian deposit rates are presently assumed at 0% (31 March 2022: 0%).

The euro/sterling exchange rate used to value euro-denominated investments was €1.14/£1 at 31 March 2023 (€1.18/£1 at 31 March 2022).

The overall uplift in value resulting from changes to economic assumptions in the year is £67.7 million.

INVESTMENT PORTFOLIO AND VALUATION continued

Portfolio valuation continued

Valuation assumptions continued

Discount rates

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

UK gilt yields have increased significantly over the course of the year, affected by fears about inflation and exacerbated by the negative market response to the short-lived Truss government's "mini-budget". This increase has carried across into expectations for discount rates used in the valuation of infrastructure assets such as the Company's. In response to this, the Directors have increased discount rates by an average of 0.75% – with those assets with lower discount rates and consequentially lower risk premiums above risk-free rates seeing greater movement than those assets with higher discount rates.

In addition to this, the discount rate applied to JLEN's investment in Cramlington biomass has been reduced by 75 bps at 31 March 2023 to reflect a combination of reduced downside exposure to merchant power volatility as well as independent third-party advice on current transactional datapoints for similar assets.

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

The overall decrease in value resulting from changes to discount rates in the year is £39.1 million.

Taking the above into account and including an increase in the number and value of assets in construction, the overall weighted average discount rate ("WADR") of the portfolio is 8.4% at 31 March 2023 (31 March 2022: 7.3%).

Balance of portfolio return

This represents the balance of valuation movements in the year excluding the factors noted above. The balance of the portfolio return mostly reflects the impact on the rebased portfolio value, all other measures remaining constant, of the effect of the discount rate unwinding and also some additional valuation adjustments from updates to individual project assumptions. The total represents an uplift of £27.3 million.

Of this, the key valuation adjustments include an uplift of £10.7 million (1.6 pence per share) arising from the negotiation of a long-term fuel supply agreement at the Cramlington biomass facility. The agreement was a key objective set at acquisition and provides greater resilience as well as a more efficient and sustainable mix of fuel types on improved commercial terms. Offsetting this, the plant experienced an unplanned outage from November to February to repair a turbine rotor issue revealed due to experience from a similar plant.

Other adjustments include a £14.6 million (2.2 pence per share) reduction in value attributable to the Company's investment in its Bio Collectors waste collections business, arising from a review of the investment outlook following a sustained period of under-performance during and continuing after the Covid-19 lockdowns, offset by a £5.9 million (0.9 pence per share) uplift in ETA, the Italian energy-from-waste plant, arising from identification of potential cost savings and a £6.1 million (0.9 pence per share) uplift in value resulting from significant increases in Renewable Energy Guarantees of Origin ("REGO") certificate pricing achieved by the electricity generating portfolio.

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

Valuation sensitivities

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

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

INVESTMENT PORTFOLIO AND VALUATION continued

Portfolio valuation continued

Valuation sensitivities continued

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

As part of this, the Investment Manager has made assumptions in the portfolio valuation regarding its liability to tax under the draft "Electricity Generator Levy" legislation based on its understanding of the practical application of that draft legislation to the portfolio, including the eligibility of some assets that pay for feedstock to make claims for "exceptional generation fuel costs". The sensitivities below include the impact of the EGL.

The key assumptions are as follows:

Discount rate

The WADR of the portfolio at 31 March 2023 was 8.4% (31 March 2022: 7.3%). A variance of plus or minus 0.5% is considered to be a reasonable range of alternative assumptions for discount rates.

An increase in the discount rate of 0.5% would result in a downward movement in the portfolio valuation of £20.7 million (3.1 pence per share) compared to an uplift in value of £21.7 million (3.3 pence per share) if discount rates were reduced by the same amount.

Volumes

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

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

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

That is to say that the lack of correlation between wind, hydro and solar variability means P10 and P90 sensitivity results should be considered independent. Therefore, whilst the overall P90 sensitivity decreases NAV by 5.9 pence, the impact from wind, hydro and solar separately is only 4.1 pence per share, 0.2 pence per share and 1.6 pence per share 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 & bioenergy projects, forecasts are based on projections of future input volumes and are informed by both forecasts and independent studies where appropriate. Revenues in the PPP projects are generally not very sensitive to changes in volumes due to the nature of their payment mechanisms.

Electricity and gas prices

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

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

An increase in electricity and gas prices of 10% would result in an uplift in the portfolio valuation of £40.4 million (6.1 pence per share) compared to a downward movement in value of £40.9 million (6.2 pence per share) if prices were reduced by the same amount.

INVESTMENT PORTFOLIO AND VALUATION continued

Portfolio valuation continued

Valuation sensitivities continued

Uncontracted revenues on non-energy generating portfolio

Non-energy generating assets, such as batteries and controlled environment agriculture and aquaculture, make up a growing proportion of the portfolio. These assets are not materially affected by either scarcity of natural resource nor power price markets. Therefore the Investment Manager has presented a sensitivity illustrating an assumed 10% increase or decrease on all uncontracted revenues for each year of the asset lives.

An increase in uncontracted revenues of 10% would result in an upward movement in the portfolio valuation of £15.2 million (2.3 pence per share) compared to a decrease in value of £16.0 million (2.4 pence per share) if those revenues were reduced by the same amount.

Feedstock prices

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

An increase in the feedstock prices of 10% would result in a downward movement in the portfolio valuation of £7.8 million (1.2 pence per share) compared to an uplift in value of £7.3 million (1.1 pence per share) if prices were reduced by the same amount.

Inflation

Most projects 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 83. The sensitivity assumes a 0.5% increase or decrease in inflation relative to the base case for each year of the asset life.

An increase in the inflation rates of 0.5% would result in an uplift in the portfolio valuation of £21.4 million (3.2 pence per share) compared to a decrease in value of £21.1 million (3.2 pence per share) if rates were reduced by the same amount.

In light of the current economic environment, actual near-term inflation may vary from assumptions applied within the portfolio valuation. For illustrative purposes, where inflation is higher than JLEN's valuation assumption by 2% for the next two years, NAV would be expected to increase by 3.1 pence per share.

Euro/sterling exchange rates

As the proportion of the portfolio assets with cash flows denominated in euros represents a small proportion of the portfolio value at 31 March 2023, the Directors consider the sensitivity to changes in euro/sterling exchange rates to be insignificant.

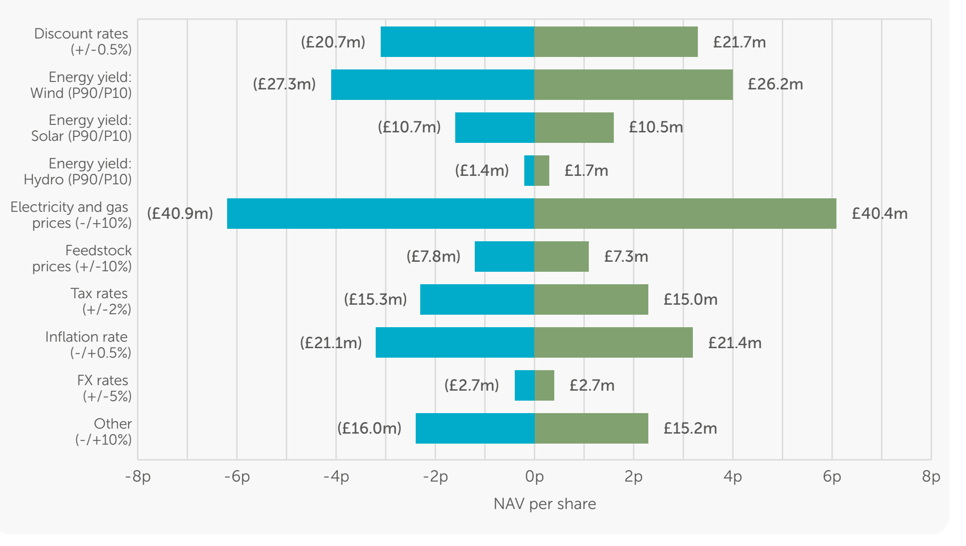
Corporation tax

The UK corporation tax assumptions applied in the portfolio valuation are outlined in the notes to the accounts on page 188. The sensitivity below assumes a 2% increase or decrease in the rate of UK corporation tax relative to the base case for each year of the asset life.

An increase in the UK corporation tax rate of 2% would result in a downward movement in the portfolio valuation of £15.3 million (2.3 pence per share) compared to an uplift in value of £15.0 million (2.3 pence per share) if rates were reduced by the same amount.

Sensitivities – impact on NAV at 31 March 2023

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



OPERATIONAL REVIEW

The portfolio has performed well with financial performance delivering a covered dividend of 1.51 times.

Investment performance

The NAV per share at 31 March 2023 was 123.1 pence, up from 115.3 pence at 31 March 2022.

JLEN has announced an interim dividend of 1.79 pence per share for the quarter ended 31 March 2023, meeting its full-year target of 7.14 pence per share for the year ended 31 March 2023 as set out in the 2022 Annual Report.

Financial performance

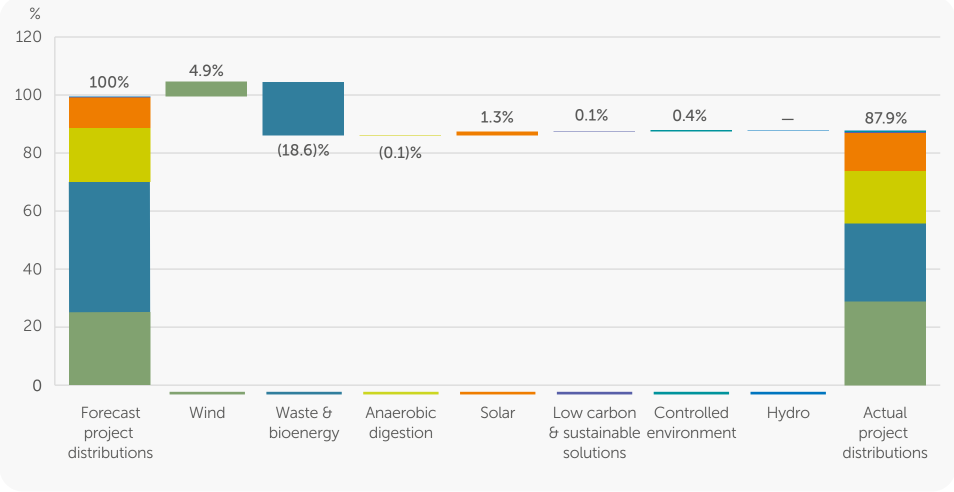
As the portfolio diversifies and the proportion of non-energy generating assets increases, the Investment Manager has presented detailed information to better illustrate the financial performance of all sectors within the portfolio.

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

All bar one part of the portfolio reported satisfactory or good financial performance, with distributions at or above budget. The exception was the waste and bioenergy sector, where a 12-week unplanned outage between November to February had a material impact on distributions. Despite this, JLEN reported its highest dividend cover since launch of 1.51x.

See overleaf for an equivalent chart showing operational performance of the energy generating assets.

Financial performance: budget project distributions vs actual project distributions



OPERATIONAL REVIEW continued

Financial performance continued

The average all-in price received by the differing technology classes in the UK for their energy volumes generated in the year ended 31 March 2023 is shown in the table below:

Average all-in energy price	**Year ended 31 Mar 2023**	Year ended 31 Mar 2022
Wind	**£383.29 per MWhe**	£99.64 per MWhe
AD electric	**£197.99 per MWhe**	£81.19 per MWhe
AD gas-to-grid	**£128.59 per MWhth**	£109.69 per MWhth
Biomass	**£306.92 per MWhe**	£147.27 per MWhe
Energy-from-waste	**€128.73 per MWhe**	€173.75 per MWhe
Solar	**£241.82 per MWhe**	£199.22 per MWhe
Hydro	**£285.66 per MWhe**	£232.65 per MWhe

Power price hedging

JLEN's exposure to wholesale power prices is mitigated by the practice of having a substantial proportion of generation for both electricity and gas on fixed price arrangements for durations ranging from six months out to three years. The extent of generation subject to fixes at 31 March 2023 is as follows:

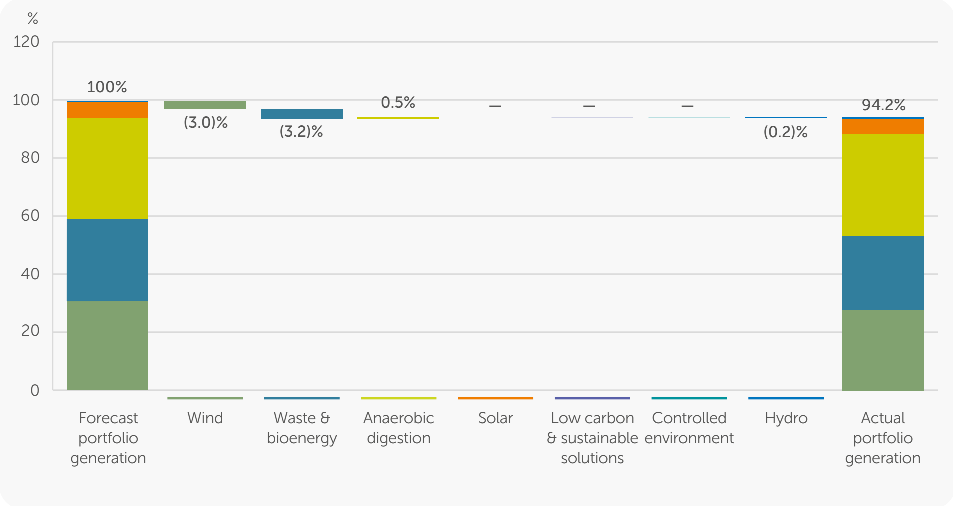
	Summer 2023	Winter 2023	Summer 2024	Winter 2024
Wind	98%	98%	79%	74%
Solar	100%	100%	100%	73%
Biomass	45%	–	–	–
Energy-from-waste	–	–	–	–
AD – electric	100%	100%	26%	26%
AD – gas	74%	71%	17%	18%
Weighted average	76%	67%	38%	35%

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

Renewable energy generating assets

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

Operational performance: forecast portfolio generation vs actual portfolio generation



During the year, the renewables segment of the portfolio produced 1,325GWh (31 March 2022: 1,314GWh) of energy, 6% below target. This was mainly due to low wind speeds in the period and some operational issues experienced on the bioenergy assets.

OPERATIONAL REVIEW continued

Renewable energy generating assets continued

Anaerobic digestion

The AD portfolio is the largest producer of energy on a GWh basis and generated 38% of the GWh energy produced by the JLEN portfolio. Gas generation (measured in GWh thermal generated) was 501GWh, 1.5% ahead of its sector target (2022 variance was 3.1% favourable).

Seven of the nine plants outperformed or reached their generation targets and notably strong performances came from Icknield and Peacehill, which both performed >15% above their generation targets.

Feedstock costs for the agri AD plants have been impacted by the war in Ukraine and resulting energy crisis, exacerbated by rising fertiliser costs and increased demand for maize and rye. To increase resilience, the Investment Manager intends to invest in increased feedstock storage capacity across the AD portfolio.

Over the last financial year, investment has been undertaken to increase the digestate storage capacity across the portfolio. This ensures compliance with the farming rules for water and ensures maximum value can be generated through offering digestate to growers.

Wholesale gas and power prices peaked in August 2022; since this point there has been a downward trend in pricing as the UK becomes less reliant on Russian gas and imports more LNG. The Investment Manager has taken the opportunity to hedge 70%+ of the gas grid capacity for FY24 while c.20% is hedged for FY25, as seen in the table on page 88.

Wind

The wind portfolio generated 383GWh over the year ended 31 March 2023 (29% by GWh energy generated), 10% below target. The negative variance in production was primarily the result of low wind resource. Although most of the assets performed as expected, two assets experienced significant downtime, resulting in overall availability for the portfolio being 1.5% below anticipated levels. Both of these assets will be compensated for the element of that downtime that was associated with operations and maintenance ("O&M") performance at the conclusion of their respective O&M contractual years.

While average spot market prices declined 11.5% in the last quarter of the financial year, the average price realised for the wind assets was steady due to the high level of fixes in place and the majority of the wind assets have fixed prices to March 2025, as seen in the table on page 88.

Value enhancements were ongoing over the year and the Investment Manager undertook a market tender process to renew its O&M contract at one of the sites under management. The terms for the new 10-year contract were negotiated and represent an improvement over the original agreement. This tender process also served to validate the Investment Manager's pricing assumptions for O&M services beyond existing contracts.

Also, during the year, insurance settlements have been reached in relation to the downtime experienced in 2019 when Senvion's service levels were impacted by financial difficulties.

Portfolio performance to 31 March 2023

1,325GWh

green energy produced

684,181

waste diverted from landfill (tonnes)

35.6 billion

litres of wastewater treated

OPERATIONAL REVIEW continued

Renewable energy generating assets continued

Waste & bioenergy

The renewable energy generating segment of the waste & bioenergy portfolio is the second largest producer of energy on a GWh basis and generated 26% of the GWh energy produced by the JLEN portfolio. The waste & bioenergy portfolio generated 334GWh over the year to 31 March 2023, 11% below target.

The largest issue to impact the portfolio was the downtime at Cramlington biomass plant after the turbine manufacturer notified a potential fault in the plant's turbine. A decision was taken to pre-emptively take the plant offline and on inspection, a hairline fault was found in the equipment which would have caused issues in the future. The plant was offline between mid-November to mid-February. Before the downtime, the plant was operating above its generation target and since re-energising, the plant has continued to out-perform.

Planned downtime and extraordinary maintenance works at Bio Collectors and an ongoing technical issue at the Italian energy-from-waste plant also impacted the overall generation of the sector; however, financial performance was satisfactory in light of power prices captured, and despite the "extra profit tax" imposed on the energy-from-waste project by the Italian Government.

Solar

The solar portfolio generated 76GWh during the 12-month period, which was in line with expectations; this represents 6% of the energy produced by the JLEN portfolio (2022: 78GWh). The generation from most of the sites was above target during the year although the Amber and Branden sites experienced some lost generation due to distribution network operators ("DNO") works and technical issues.

Value enhancements were ongoing during the year and optimisations to improve performance at the two Amber sites have been installed. Preliminary analysis on this work suggests that the performance at the two sites has improved 4-5% following the improvement works. The Investment Manager has also completed a tender process for the O&M services at three of the sites under management and the new O&M contract includes a comprehensive maintenance schedule and availability guarantee which represents an improvement over the old contracts. A further tender process is also underway for other sites in the portfolio.

A further focus during the period was the fixing of power prices to take advantage of an environment of higher prices. PPA prices at most of the solar sites are now fixed until March 2025, as seen in the table on page 88.

Hydro

The hydro portfolio generated 4GWh, 38% below target (2022: 5GWh, 16.4% below target). This is a very small part of JLEN's portfolio and represents less than 1% of the JLEN portfolio energy generation for the period. The poor generation performance was due to very low rainfall levels in the period. Mechanically, the assets continue to perform well when the water resource is available.

Assets which support the transition to a lower carbon future

Waste & bioenergy concessions

The ELWA waste project continues to deliver steady operational performance and the financial performance has also been in line with expectations. Operational performance targets were again exceeded with diversion from landfill at 99.98%, substantially ahead of the 67% contract target, and recycling at 30.04%, also ahead of the 22% contract target; however, an unusually dry summer meant that green waste tonnages were lower than expected which impacted the overall amount of waste processed in the year.

The Tay wastewater project had another solid year operationally, with flows substantially in line with expectation and as a result, distributions from the project were in line with expected budgets. Improvements will be implemented at a pumping station in Dundee city to increase resilience against flooding. The cost for this has been factored into the latest valuation.

Low carbon & sustainable solutions

Low carbon transport

The CNG refuelling stations achieved a 45% increase in fuel dispensed year-on-year as customers brought new vehicles into service and new stations became established. While impressive, this growth is below expectations as a result of lower numbers of vehicles on the road. As reported last year, customers were facing delays in new CNG vehicle deliveries, which was the reason for the lower performance against target seen this year. Nevertheless, sales for new vehicles remained strong as customers continue to back this technology to meet their net-zero goals.

Two new refuelling stations were successfully completed in the year and are now operational and a further three stations are expected to be completed by early 2024.

Battery storage assets

Operational assets

Firm Frequency Response ("FFR") revenues declined over the period as National Grid continued to reduce procured volumes as it phases out the service in favour of the newer dynamic suite of grid support services.

Hardware changes are required to the 1.2MW co-located batteries to enable them to participate in the new services. The requisite hardware changes are partially determined by the Route to Market provider ("RtM"). However, the current RtM has expressed an unwillingness to continue to provide services for these assets due to their small size. The Investment Manager is leveraging its wider storage portfolio to find a replacement option.

OPERATIONAL REVIEW continued

Other investments

FEIP

In January 2020, JLEN announced a commitment of €25 million to Foresight Energy Infrastructure Partners SCSp ("FEIP"), a Luxembourg limited partnership investment vehicle. At 31 March 2023, the Fund has invested in nine projects. The investment in FEIP allows JLEN to further diversify its geographic and technology exposure, while also gaining an allocation to construction-stage assets which is expected to enhance returns. Given construction-stage assets can only represent a small part of the Company's portfolio, the FEIP investment allows a greater level of diversification than would be possible with direct investments, providing for a more attractive risk-adjusted return profile. JLEN is excused from any FEIP investment that is not consistent with JLEN's investment policy. No management fees are payable on the amounts invested by JLEN. FEIP also owns a 45% stake in ETA, the Italian energy-from-waste plant, in which JLEN is also an investor. As at 31 March 2023, €13.6 million has been invested in the vehicle.

CNG Foresight investment

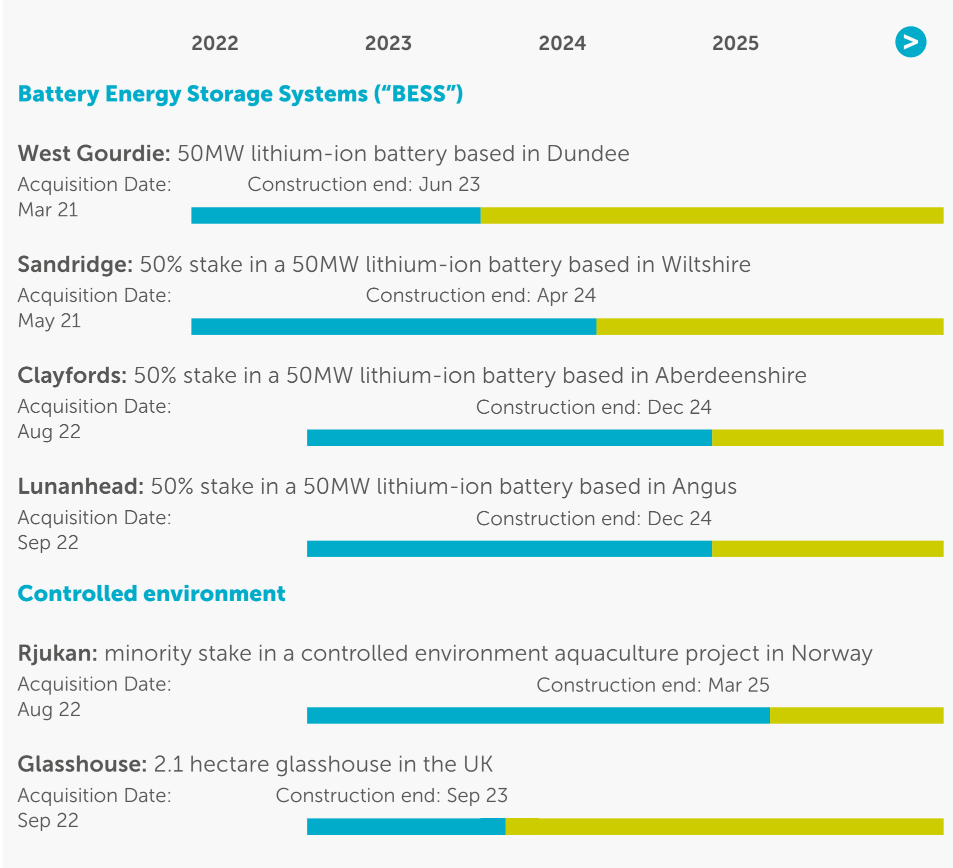
JLEN invested £5.8 million into CNG during the period under review. The portfolio now has 11 natural gas refuelling stations, including the sites that are in construction. JLEN has invested a total of £16.9 million to date.

Construction and development projects

JLEN owns four construction-stage 50MW battery storage assets in the UK. While there have been delays to the construction of the two sites acquired in 2021/22 due to increased lead times for components and grid connection delays, the West Gourdie project reached take over and started earning revenues post the year end while the Sandridge project is expected to commence operations in the first half of 2024. The two newly acquired battery storage assets are expected to commence operations in the second half of 2024.

The CE Rjukan project is on track to meet its operational commencement date in 2024 and the CE Glasshouse project is on track to begin production in 2023.

JLEN acquired an equity stake in a special purpose vehicle ("SPV") which owns the development rights to a green hydrogen vehicle (more information can be found on page 92). This project is currently under development by HH2E AG, a developer of hydrogen projects in Germany, and JLEN's investment will be used to bring the project to a construction-ready state.



OPERATIONAL REVIEW continued

Acquisitions

Clayford Energy Storage Limited

In August 2022, JLEN announced a 50% equity stake in Cla
yfords Energy Storage Limited ("CESL") from Intelligent Land Investment Group. CESL holds the development rights to construct a 50MW lithium-ion battery energy storage plant based in Buchan, Aberdeenshire, UK. The investment has been made alongside Foresight Solar Fund Limited and is expected to be constructed as a two-hour system in order to capture greater trading revenues. The project is fully consented and construction ready and is expected to start commercial operations in Q4 2024.

CE Rjukan project

In August 2022, JLEN announced that it had reached financial close on a minority equity investment in a controlled environment aquaculture project in Rjukan, Norway. The equity investment will be made alongside other Foresight funds, as well as the developer and operator of the facility, Hima Seafood AS. CE Rjukan consists of a land-based aquaculture and will use established recirculating aquaculture system ("RAS") technology. It is expected that partial operations will commence in 2024 with full operations expected in 2025, following which, the facility is forecasted to produce approximately 8,000 tonnes of trout annually.

Lunanhead (Gigabox No 4) battery storage

In September 2022, the Company acquired a 50% equity stake in Gigabox No 4, which holds the rights to construct a 49.9MW Battery Energy Storage System ("BESS") plant in Angus in Scotland. The project is fully consented and construction ready and is expected to start commercial operations in Q4 2024. The connection will initially have a capacity of 45MW, increasing to the full 49.9MW capacity by early 2025. The project is expected to be constructed as a two-hour system in order to capture greater trading revenues.

CE Glasshouse project

In September 2022, JLEN announced an investment in a glasshouse construction project ("CE Glasshouse") and supply of heat and power from an adjacent anaerobic digestion plant. This was JLEN's first investment into the commercial glasshouse controlled environment space. The CE Glasshouse project will receive energy via a private wire at a discount to the import market price and the AD plant will benefit from the inflation-linked RHI regime and sell electricity at a premium price versus exporting it to the grid while also utilising otherwise wasted heat. The advanced glasshouse, which is expected to be complete in 2023, will be capable of growing a wide array of different horticultural products.

Hydrogen project

In January 2023, JLEN announced its first investment into the green hydrogen sector with the acquisition of a 33% equity stake in Foresight Hydrogen Holdco GmbH ("FHHG"). FHHG holds a 75% stake in HH2E Werk Thierbach GmbH, a SPV which owns the development rights to the Thierbach green hydrogen project ("Thierbach"), a large green hydrogen production plant near Borna in Germany, capable of producing around 6,000 tonnes (over 200,000MWh) of green hydrogen per year during the first 100MW phase. Green hydrogen will be produced through electrolysis powered by renewable electricity. The project will also integrate battery storage.

OPERATIONAL REVIEW continued

Financing

In May 2021, JLEN announced that it had signed a new revolving credit facility ("RCF") with a three-year facility agreement which provides for a committed multi-currency RCF of £170 million and an uncommitted accordion facility of up to £30 million. In April 2023, JLEN announced that it had signed a one-year extension to its RCF and activated the accordion facility.

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

The interest charged in respect of the renewed RCF is linked to the Company's ESG performance, with JLEN incurring a premium or discount to its margin and commitment fee based on performance against defined targets. Those targets include:

- environmental: increase in the volume of clean energy produced;
- social: the value of contributions to community funds; and
- governance: maintaining a low number of work-related accidents, as defined under the Reporting of Injuries, Diseases and Dangerous Occurrences ("RIDDOR") by the Health and Safety Executive.

Performance against these targets will be measured annually, with the cost of the RCF being amended in the following financial year. Lenders to the facility include HSBC, ING, Clydesdale Bank, National Australia Bank and Royal Bank of Scotland International. The margin can vary between 195 bps and 205 bps over SONIA ("Sterling Overnight Index Average") for sterling drawings and EURIBOR for euro drawings, depending on performance against the ESG targets.

In the last financial year, progress was made against the ESG targets and the Board remains committed to further improving performance against these targets prior to the end of the facility agreement.

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

As at 31 March 2023, drawings under the RCF were £103.5 million. Under its investment policy, JLEN may borrow up to 30% of its NAV.

The project-level gearing at 31 March 2023 across the portfolio was 18.3% (31 March 2022: 19.9%). Taking into account the amount drawn down under the RCF of £103.5 million, the overall fund gearing at 31 March 2023 was 27.3% (31 March 2022: 23.7%).

As at 31 March 2023, the Group, which comprises the Company and the intermediate holding companies, had cash balances of £18.0 million (31 March 2022: £18.0 million).

Financing at 31 March 2023

£103.5m

drawn on RCF

27.3%

fund gearing(1)

(1) Gearing is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 199 to 201.

VALUE ENHANCEMENT

Vulcan gas shipping

Vulcan Renewables, the Company's 100% owned agricultural biogas-to-grid AD plant, produces biomethane by processing around 80,000 tonnes of feedstock, including maize and other biomass sources from local farmers. The biomethane is injected directly into the national gas grid, providing safe and sustainable gas supplies to thousands of homes in Yorkshire.

Following an upgrade to the local gas grid by Cadent (the gas distribution network operator), the gas injection capacity available to Vulcan Renewables increased from 2,000 SCMH to 5,000 SCMH. The Investment Manager, in partnership with Future Biogas and CNG Services, identified an opportunity to capitalise on the available capacity and the site's existing accreditations. The Vulcan gas shipping value enhancement project was developed to allow the procurement of biogas from third-party satellite AD sites and the injection of the resulting biomethane via the grid connection at Vulcan Renewables. This undertaking will initially result in the injection of 85 GWhth per annum of biomethane into the gas grid which previously couldn't be utilised due to constraints at the satellite sites.

The construction and installation of the pressure reduction and metering system at Vulcan Renewables was approved in February 2023 and construction is due to begin in June 2023 with total capital expenditure of £6.2 million, and is being built under an engineering, procurement and construction contract. The process involves the haulage of pressurised biogas in specialist tankers to Vulcan Renewables, followed by the offloading, metering and analysis of the gas before it is enriched and injected into the gas grid as biomethane. The Investment Manager expects third-party biogas to be accepted from mid-2024. The project is expected to increase the volumes of green gas supplied to the national grid with the aim to decarbonise the UK's gas network, further supporting the government's target to reach net zero by 2050.

Cramlington Fuel Processing Area ("FPA") enhancement

The Cramlington biomass plant, acquired in June 2021, is a biomass combined heat and power ("CHP") plant that utilises proven technology to process a diversified biomass fuel mix to produce electricity and heat for export via private wire to industrial customers and the national grid.

The Investment Manager, in partnership with the operator, has recently undertaken several value-enhancing initiatives.

A FPA was constructed on the plant's premises. As a result, a favourable 12-year fuel supply agreement was reached between Cramlington and Esken Renewables, a producer of virgin biomass fuel and an existing supplier to Cramlington. The agreement provides price stability and a marked reduction in fuel costs and enhances the operator's ability to implement effective quality control procedures.

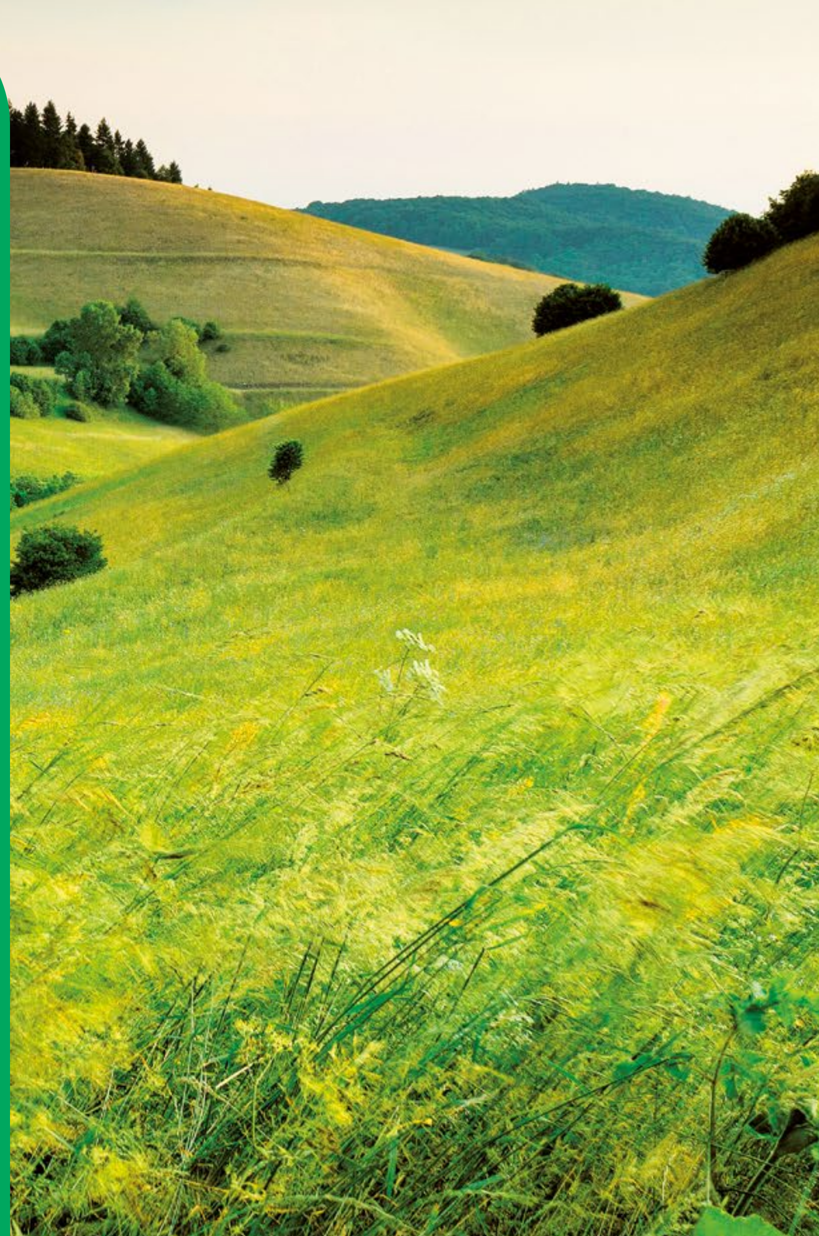
In addition to the cost savings, the plant has also reduced the carbon footprint of the fuel. Previously wood residues would have been taken to a supplier's facility in another location in the country, processed into fuel and then transported to Cramlington. Now, residues from local forests can be processed on site. This has resulted in an average carbon intensity reduction of 45%.

A second mixing bay was constructed to blend all incoming fuel, including from the FPA. Prior to acquisition, fuel blending at the plant was done solely with the onsite crane, resulting in an inconsistent fuel feed to the boiler. This resulted in blockages in the fuel feed system and inconsistent firing within the boiler due to variations in fuel moisture and bulk density. This often resulted in a reduction in plant availability due to frequent boiler swings. The blended fuel from the new mixing operations has had a positive impact and plant conditions have stabilised, resulting in consistently higher availability.

A bypass conveyor was installed during this time to allow for continued operation during fuel hall downtime. In 2021, approximately 7% of plant downtime was due to fuel hall failures. Blended fuel from the new mixing bay can now be loaded directly into the boiler via this conveyor. The conveyor paid for itself in its first week of operation when a bearing on the fuel route failed.

SUSTAINABILITY AND ESG

What's inside this section:



ESG COMMITTEE CHAIR'S FOREWORD

"Sustainability and ESG considerations lie at the heart of the Investment Manager's ethos and operations. Foresight frequently assesses its approach to sustainability and ESG, seeking to emulate and drive best practice wherever possible."

Jo Harrison
Chair, ESG Committee

We see ESG criteria as critical to the management of our business activities in all areas and it is an integral part of our day-to-day activities at the Investment Manager level. Last year we set up a dedicated ESG Committee at the Board level and collected baseline data for the ESG KPIs. The Committee's focus on ESG ensures that JLEN is regularly debating ESG strategies at the highest level – and the outcomes of the meetings are formally reported to JLEN's Board for discussion and approval.

In 2022/23, the Company celebrated its first full year of data collection on the ESG KPIs and has been tracking them against the initial baseline metrics that were reported last year. We expect to continue to evolve and improve our processes and use the information collected in 2022 to drive meaningful change across all areas of sustainability and ESG.

Over the past year, the Committee has monitored progress against the ESG KPIs, received regulatory updates and overseen further development of JLEN's carbon footprint methodology. Development of biodiversity surveys and plans across JLEN's portfolio has been a key focus this year, as well as maximising the amount of community benefit funding available from our assets. We've also seen examples of biodiversity measures within our portfolio leading to long-term benefits to biodiversity, through studies of fish passes on our hydro assets on the River Aire. While JLEN did not install these passes, we recognise the importance of maintaining such measures, as well as the fact that there may be similar exciting opportunities across other assets.

Towards the end of the year, Foresight launched its Nature Recovery Ambition Statement, written in collaboration with its sustainability partner, the Eden Project. The statement will pave the way for a Nature Recovery Blueprint, which will be used to guide a best practice approach to biodiversity baselining and nature recovery throughout JLEN's portfolio.

We look forward to reviewing the results of the forthcoming biodiversity surveys and overseeing the resulting biodiversity improvement measures.

Our community funds have contributed to a broad range of projects this year. We are encouraged to see the range of benefits that the funds are supporting and will continue to monitor progress against this KPI going forward.

The Committee has overseen an external consultancy project to undertake TCFD scenario assessments, helping us to further understand the physical and transition risks and opportunities associated with our portfolio. The Committee reviews these risks and makes recommendations to the Board and to the Risk Committee where they may have a material impact on the Company.

ESG considerations lie at the heart of the Investment Manager's ethos and operations. Foresight frequently assesses its approach to sustainability and ESG, seeking to emulate and drive best practice wherever possible.

Also this year, JLEN has expanded its investment activities to other sustainability-focused technologies outside energy generation. In particular, we've seen investments into sustainable aquaculture, green hydrogen and development of a heat offtake model, all of which contribute towards furthering sustainability in areas such as food production and transport. JLEN intends to continue its expansion into these areas and the ESG Committee expects to oversee further evolution in the ESG strategy as we continue to analyse the risks and opportunities associated with these new investment themes.

Jo Harrison
Chair, ESG Committee
14 June 2023

AT A GLANCE

Environmental performance 2022/23

1,325
GWh renewable energy generated

212,263
tonnes CO_2e avoided[(1)]

35.6
wastewater treated (billion litres)

684,181
waste diverted from landfill (tonnes)

129,114
waste recycled (tonnes)

355,191
organic fertiliser produced (tonnes)

Governance performance 2022/23

36
health and safety audits

97%
assets alignment with EU Taxonomy

92%
primary suppliers underwent Ethixbase due diligence checks

Social performance 2022/23

£432,756
community funding

347
full-time equivalent jobs supported

Investment Manager PRI scores

Foresight Group is a signatory to the Principles for Responsible Investment ("PRI"), a set of voluntary guidelines that help companies to address social, ethical, environmental and corporate governance issues as part of the investment process. The scorecard for Foresight Group's latest annual assessment is available via the PRI's assessment portal but, in summary, the Investment Manager achieved:

- 5-star rating for Infrastructure
- 5-star rating for Investment & Stewardship

The latest assessment transparency report is available on Foresight Group's website[(2)] and on the UN PRI website.[(3)]

PRI Principles for Responsible Investment

(1) New methodology – see page 105.
(2) https://www.foresightgroup.eu/news/foresight-group-pri-scores-published.
(3) https://www.unpri.org/signatory-directory/foresight-group-llp/1223.article.

JLEN'S ESG KPIs

JLEN's approach to ESG is based on three core principles: Assess, Monitor and Engage. Since the publication of the Fund's first ESG report, JLEN has been focused on progressing each of these principles in order to maintain a robust ESG framework. JLEN's three ESG objectives are:

ESG objectives

- Promote the efficient use of resources
- Develop positive relationships with the communities in which JLEN works
- Ensure effective, ethical governance across the portfolio

ESG KPIs

Over 2022/23, JLEN has continued to collect data to inform its ESG KPIs. This data is compared against the baseline data collected in 2021/22. JLEN's unassured performance against its KPIs is set out on pages 104, 108 and 113.

Each KPI has a direct or indirect link to performance of the investment and the Investment Manager considers these to be important metrics in understanding the resilience of the portfolio going forward. Each KPI feeds back to the ESG objectives, allowing JLEN to quantify, where practicable, the ESG performance of its investments. The table to the right sets out the full list of KPIs.

Collection of KPI data

Care has been taken to validate the data reported in this document and it is accurate to the best of the Investment Manager's knowledge; however, as methodologies for collecting or considering the data progress, it is conceivable that the data will not be completely comparable year-on-year. All percentages are calculated using the total number of SPVs as a denominator.

Environmental	Social	Governance
Read more on page 105	Read more on page 108	Read more on page 113
Renewable energy generated	Community funding	Portfolio audits of health and safety practices
GHG emissions avoided	Health and safety incidents	Diversity of SPV directors
Tonnes of waste treated	Community engagement procedures	Portfolio audits of tax and financial practices
Litres of wastewater treatment	FTE jobs supported	Inclusion of ESG in SPV board agendas
Environmental incidents	Accessibility of community fund documents	Governance oversight
Purchased energy originating from renewable sources	Assessment of major contractors against ESG criteria	Assessment of major contractors against ESG criteria
Management of biodiversity		
Assessment of major contractors against ESG criteria		

PERFORMANCE AGAINST THE SDGs

Mapping JLEN's portfolio against the United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals ("SDGs") are a set of 17 goals for sustainable development. To be achieved by 2030, they recognise that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection and job opportunities, while tackling climate change and environmental protection. JLEN has mapped its portfolio against the SDGs and the results of this analysis are set out below and overleaf:

PERFORMANCE AGAINST THE SDGs continued

Mapping JLEN's portfolio against the United Nations Sustainable Development Goals continued

SDG	Target	JLEN's performance 2022/23
3 GOOD HEALTH AND WELL-BEING	**3.9** Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	Avoidance of: 932 tonnes NO_x (Nitrous Oxide) 684 tonnes SO_x (Sulphur Dioxide) 16 tonnes PM_{10} (µm10 Particulate Matter) 7 tonnes $PM_{2.5}$ (µm2.5 Particulate Matter)
6 CLEAN WATER AND SANITATION	**6.3** Improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	35.6 billion litres of wastewater treated.
7 AFFORDABLE AND CLEAN ENERGY	**7.2** Increase substantially the share of renewable energy in the global energy mix.	731GWh renewable electricity and 594GWh renewable heat produced enough to power 252,025 homes for a year (homes powered excludes AD portfolio).
8 DECENT WORK AND ECONOMIC GROWTH	**8.4** Improve progressively global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.	JLEN's portfolio is optimised to make the most of naturally available resources such as wind power. By maximising the power produced by each turbine, JLEN ensures that its assets are operating as efficiently as they can.
	8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	347 FTE jobs supported by JLEN's portfolio.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**9.1** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all.	359.5MW renewable generation capacity added to the electricity grid.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	684,181 tonnes of waste diverted from landfill. 129,114 tonnes of waste recycled.
13 CLIMATE ACTION	**13.3** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	Emissions avoidance of 212,263 tonnes CO_2e[(1)].
15 LIFE ON LAND	**15.5** Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.	Avoiding an annual oil equivalent of 113,941 TOE ("Tonnes of Oil Equivalent"), contributing to the avoidance of fossil fuel use. 42% of JLEN's portfolio has active biodiversity management plans in place. Further information on the work to enhance biodiversity can be seen on page 107.

(1) New methodology see page 105.

JLEN'S APPROACH TO ESG

Sustainability considerations are embedded throughout the JLEN investment process and asset management procedures, from initial investment screening through due diligence and into ongoing monitoring and reporting. Overall responsibility for ESG resides with the Board of JLEN, with analysis and reporting against ESG criteria provided by the Fund's Investment Manager. Information on how JLEN identifies, assesses and manages risk and opportunity is set out in detail in the TCFD disclosure on pages 49 to 69.

JLEN's approach to ESG is overseen by the Board's ESG Committee. The Committee's remit is described below.

ESG Committee

- Oversees ESG matters for JLEN
- Meets quarterly
- Responsible for setting the guiding principles and strategies of the Company in respect of ESG matters.
- Considers TCFD as a standing agenda point
- Where risks are identified by the Committee, these are referred to the Risk Committee for further consideration and inclusion in the risk register

Assess

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

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

Monitor

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

In 2021/22, JLEN collected baseline data on a series of ESG KPIs. In 2022/23, the KPIs continued to be monitored and performance is set out in this report. This ongoing monitoring is helping JLEN to track performance of individual assets and sectors against its ESG objectives which, in turn, is helping to drive decision making.

ESG updates are provided to the ESG Committee on a regular basis; these updates help to inform JLEN's risk management process.

Engage

Stakeholder engagement is an important part of JLEN's approach. Engagement with stakeholders occurs through a combination of formal (e.g. contractual obligations or industry events) and informal channels (e.g. ongoing meetings and discussions). Further information on stakeholder engagement can be found on pages 32 to 37.

Reporting is an essential part of JLEN's stakeholder communication. This year, JLEN was proud to be a finalist in the Sustainability & Reporting Communications category for the edie Awards.

JLEN'S APPROACH TO ESG continued

Assess: The Foresight Sustainability Evaluation Tool ("SET")

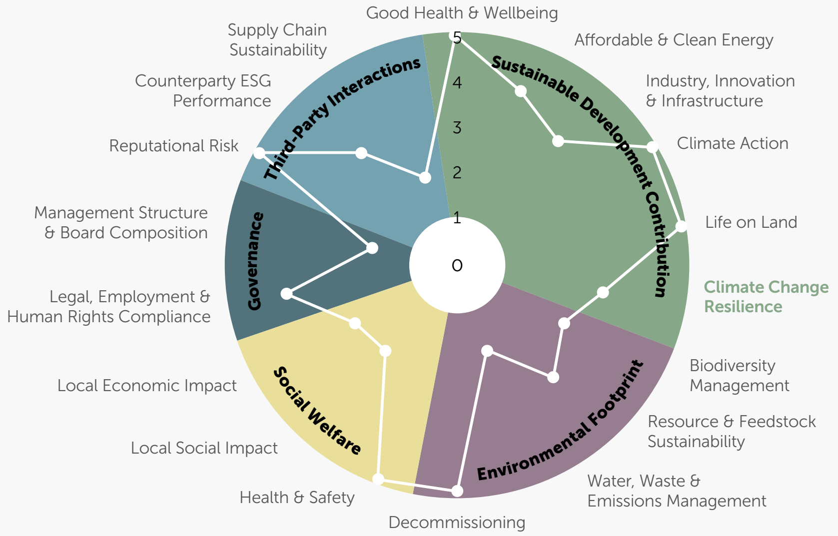
To ensure that all potential investments undertaken meet our definition of sustainable infrastructure, and that climate-related risks are systematically identified, assessed and subsequently managed, they are evaluated in accordance with Foresight's SET. The SET is made up of five criteria that cover the key areas of sustainability and ESG considerations to be assessed:

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

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

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

The final SET assessment, and the asset's corresponding "Sustainability Web", are produced as part of investment due diligence. An example of this web is shown below, with the "Climate Change Resilience" parameter being highlighted. Further information on the Climate Change Resilience parameter is outlined in the TCFD disclosure on pages 64 and 65.



JLEN'S APPROACH TO ESG continued

Monitor: Reporting to the ESG Committee

A report is made to the ESG Committee's quarterly meetings, updating its members on a range of topics, including:

- progress against the ESG KPIs, including the level of data completeness across the portfolio;
- regulatory updates and reporting requirements;
- carbon emissions and net-zero updates;
- environmental progress and incidents;
- social progress and incidents;
- governance progress; and
- corporate social responsibility matters.

The ESG Committee will review and comment on the update report, taking it into account in progressing the ESG strategy.

Engage: Disclosures

JLEN discloses ESG and climate-related information in a range of ways, including in this ESG report. Additionally, JLEN makes the following disclosures.

Task Force on Climate-related Financial Disclosures ("TCFD")

JLEN has again included a TCFD disclosure this year on pages 49 to 69. As part of this year's disclosure, updates to JLEN's scenario analysis were undertaken by an external consultancy to assist in better understanding physical risks of climate change. Climate risks and opportunities are also assessed as part of the Foresight SET (more information on page 102).

Sustainable Finance Disclosure Regulation

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

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

Sustainable investment objective of the Company

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

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

Performance of sustainability indicators

The indicators for the portfolio are reported in the SDG table on page 100.

Taxonomy regulation

JLEN commits that a minimum proportion of 80% of the Company's investments will be aligned with the EU Taxonomy (by value). The current alignment for the reporting period is 97%, as set out in the Annex V periodic disclosure available as an Annex to this report and on the Company's website[1].

SFDR RTS Website Disclosure, Annex III and Annex V

JLEN's Annex III Pre-Contractual Disclosure, RTS Website Disclosure and Article V Periodic Disclosure are all available on the Company's Website[1].

Engaging on future regulatory disclosures

The Investment Manager regularly engages on future regulation and disclosure requirements through training, market research and other external engagement. This approach is undertaken in order to ensure that the Investment Manager is anticipating and implementing methodologies, metrics and KPIs for future consideration and disclosure. In particular, the Investment Manager has this year been focused on the forthcoming requirements of the Sustainable Disclosure Requirements ("SDR") and the Taskforce on Nature-related Financial Disclosures ("TNFD").

(1) https://jlen.com/investor-relations/publications/.

ENVIRONMENTAL

Objective: Promote the efficient use of resources.

Environmental criteria are embedded in the structure of JLEN's investment and portfolio management activities. With its Investment Manager, JLEN considers the following key environmental criteria during due diligence of a potential acquisition and thereafter the ongoing monitoring of its assets:

- resource management;
- life on land/below water; and
- climate change and resilience.

Following collection of baseline data in 2021/22, JLEN has continued to monitor its environmental KPIs through 2022/23. Performance against the KPIs is set out in this section.

(1) For assets which have a dual generation profile of both electricity and heat, energy is converted and measured in the energy profile that is predominant.

(2) The "new methodology" uses country-specific grid emissions factors for the geography in which the asset is based. It follows the International Financial Institutions ("IFI") Approach to GHG Accounting for Renewable Energy Projects and uses the Harmonised IFI Default Grid Factors for calculation. The "old methodology" used coal as the sole comparator. More information on the methodology can be found on page 105 and further information on the GHG avoided of each asset is available on the JLEN website. For consistency of reporting, both figures are presented for both this Annual Report and the subsequent Interim Report, after which the old methodology will cease to be used.

(3) More information on environmental incidents can be found on page 112.

(4) Purchased energy refers to the fact that all assets have their own energy requirements and where these requirements are not met in full by an asset's own generation, energy is purchased from energy suppliers for delivery via the grid.

(5) The figure is lower in 2022/23 as the calculation has changed to exclude site specific parasitic loads.

Environmental KPI	Measurement	2022/23	2021/22 (Baseline)
Renewable energy generated	MWh renewable electricity[(1)]	730,871	742,331
	MWh renewable heat[(1)]	594,261	571,461
GHG emissions avoided	tCO_2e avoided – new methodology[(2)]	212,263	n/a
	tCO_2e avoided – old methodology[(2)]	962,218	905,906
Waste treatment	tonnes of waste recycled	129,114	135,203
	tonnes of waste diverted from landfill	684,181	695,498
Water treatment	litres of wastewater treated	35,586,057,000	35,620,619,000
Environmental incidents	reportable environmental incidents	3[(3)]	5
Purchased energy originating from renewable sources	% of total purchased energy[(4)] in the portfolio originating from renewable sources	21[(5)]	47
Management of biodiversity	% of assets with biodiversity plans	42	30
	% of assets engaged with on biodiversity issues	78	49

ENVIRONMENTAL continued

Environmental KPIs summary

Over the 2022/23 period JLEN worked on:

- expanding its investment activities to new technologies; and
- developing measurable approaches to biodiversity enhancement.

In 2023/24, the focus will be on undertaking biodiversity surveys across the portfolio and beginning to undertake biodiversity improvement measures in line with the survey recommendations. The Investment Manager aims to have a fund-wide biodiversity baseline score by next year, with the majority of the site surveys being undertaken this summer across the portfolio.

Portfolio electricity and carbon performance

A summary of the greenhouse gas benefits delivered by the portfolio is provided in the table below. The table shows the GHG emissions avoided using the new methodology, with totals from both methodologies shown in the table on the previous page.

Asset portfolio by sector	**2022/23 GHG emissions avoided (new methodology) (tCO_2e)**	2021/22 GHG emissions avoided (old methodology) (tCO_2e)
Wind	**118,385**	290,714
Solar (including rooftop)	**20,725**	59,917
AD	**74,918**	447,410
Hydro	**752**	4,233
Biomass	**-1,859**	97,101
Energy-from-waste	**-659**	6,531
Total (new methodology)	**212,263**	905,906

Methodology

- The Investment Manager has been undertaking a full review of the GHG emissions avoidance calculation methodology to reflect best practice and, going forward, intends to calculate them using country-specific grid emissions factors for the geography in which the asset is based ("new methodology"), rather than the previous approach of using coal as the sole comparator ("old methodology").
- This adjustment follows the International Financial Institutions ("IFI") Approach to GHG Accounting for Renewable Energy Projects and uses the Harmonised IFI Default Grid Factors for calculation. The modification will result in a lower number of avoided emissions being reported but they will be calculated using a more standardised approach to GHG accounting.
- In 2021/22, JLEN moved from using an external consultant to provide the total CO_2 avoided numbers and is now using the Investment Manager's in-house ESG team and management software for these calculations.

JLEN's portfolio delivered
730,871
MWh green electricity

And avoided emissions of
212,263
tonnes CO_2e (new methodology)

Enough electricity to power
252,025
UK homes (excludes AD portfolio)

ENVIRONMENTAL continued

Case study

New technologies – hydrogen and controlled environment

Investing in new technologies that focus on decarbonising existing processes, or which present a more sustainable way of delivering vital services, has been a key focus for JLEN in 2022/23. Examples of JLEN's support for infrastructure which provides more sustainable solutions include:

Enhancing existing assets

- JLEN routinely investigates opportunities for enhancing its existing assets and in 2022 the Company invested in a 2.1 hectare glasshouse which will be supplied with low carbon heat and power via private wire from a nearby AD plant that is also owned by JLEN. The AD plant will be upgraded in order to supply the Glasshouse – enhancing the value of an existing asset and creating an integrated ecosystem with the two assets benefiting each other.

Food production

- Food production represents a significant proportion of global GHG emissions. As the world's population increases, this will require an increase in food production far beyond current levels. The Rjukan Controlled Environment aquaculture project aims to deliver seafood in a controlled environment through onshore facilities. Onshore production helps to prevent the spread of parasites or chemicals into waterways or the ocean, which is a known and significant challenge in the offshore production industry. JLEN considers controlled environment projects to be a valuable part of a solution to the challenge of sustainable food production.

Sustainable fuels

- In 2022, JLEN invested in the Thierbach green hydrogen project, a large green hydrogen production plant near Borna in Germany, capable of producing over 200,000 MWh green hydrogen per year during the first phase. The hydrogen will be produced via electrolysis powered by renewable electricity and the project will integrate battery storage. Serving customers such as the chemicals industry and the transport sector including commercial air and road transport operators, the project is planned to expand to a full 1GW production in future. Green hydrogen is seen as an important element of decarbonising the energy and transport sectors.

ENVIRONMENTAL continued

Case study

Management of biodiversity: Delivering measurable biodiversity improvements

In June 2022, Foresight announced its partnership with the Eden Project. The partnership aims to Define, Demonstrate and Engage on biodiversity issues across its sites. Baseline biodiversity surveys are planned for 2023/24, to be implemented across the portfolio. These surveys will apply the Department for Environment Food and Rural Affairs ("Defra") Biodiversity metric to help quantify a biodiversity baseline. Each asset will benefit from a habitat management plan detailing biodiversity baseline and suggested enhancements, which will be implemented in line with the recommended timelines.

Baselining
In 2022 a quantitative assessment of biodiversity against the Defra metric was undertaken across JLEN's Future Biogas AD sites in Nottinghamshire, Yorkshire, Lincolnshire and Norfolk. Future Biogas partnered with an experienced environmental consultant to assess the AD sites' historic (via desktop study) and current (via site visit) biodiversity score and develop a pathway for improvement.

Upon completion of the biodiversity evaluations, a final report was produced which identified the environmental enhancements that would benefit biodiversity at the sites. For example, Grange Farm Energy Ltd will benefit from increased grassland and hedgerow establishment to encourage and support local habitat and connectivity.

Crucially, the Defra metric allows for measurable and continuous improvement to be quantified in future surveys so that the impact of each enhancement can be measured and its success fully understood.

Hydro projects fish monitoring
JLEN recognises that its assets are often in important areas for biodiversity connectivity. In 2022/23, as part of the Developing Natural Aire Project ("DNAire"), researchers from the University of Hull studied the impact of fish passes on fish populations along the River Aire. The study covered three fish passes on JLEN's Knottingley, Kirkthorpe and Thrybergh hydro facilities, which were installed in 2020/21 when the facilities were constructed and which JLEN is responsible for maintaining. Their research discovered that up to 100% more fish could travel up the river as a result of the fish passes, meaning many more fish were able to reach spawning, nursery and feeding habitats further up the catchment. In addition to species such as brown trout, chub and barbel, it is hoped that the passes on the River Aire will also enable the iconic Atlantic salmon to complete their migration from the sea to historic spawning habitat beyond Skipton and into the Yorkshire Dales, as well as help safeguard the endangered eel (which migrate to sea to spawn).

Wildflowers
Foresight's partnership with the Eden Project has already helped to enrich its knowledge of the biodiversity that exists on its assets and the potential opportunities that could be achieved through biodiversity enhancements. The National Wildflower Centre ("NWC") forms part of the Eden Project and aims to increase wildflower presence and diversity across the UK. Foresight will undertake harvesting and planting of wildflower seeds across its portfolio, including JLEN's assets, to create a Foresight Seed Bank which will help contribute to the NWC aims. To help with this, the Eden Project held a wildflower training session with the portfolio and asset managers to inform them on how and why wildflowers can be harvested and planted on sites. The session was attended by members of the JLEN team and will help kick-start the contribution to increasing wildflower biodiversity across JLEN's assets.

SOCIAL

Objective: Develop positive relationships with the communities in which JLEN works.

The following social criteria are typically considered during due diligence and ongoing monitoring of assets:

- health and wellbeing;
- local economic impact – job creation;
- local social impact; and
- community engagement and benefit.

The Fund's investments are often situated in rural areas where there is potential for both community benefit as well as community disruption during construction and asset operation activities. Following collection of baseline data in 2021/22, social KPIs have continued to be monitored and performance against those KPIs is set out in this section.

Social KPI	Measurement	2022/23	2021/22 (Baseline)
Community funding	£ provided to community projects	£432,756	£418,000
Health and safety incidents	RIDDOR reportable accidents	3(1)	3
Community engagement procedures	% of assets with formal stakeholder/community engagement policies and processes	80	14
	% of assets with a clear, easily accessible complaints handling mechanism in place	81	49
Jobs supported	number of "full-time equivalent" ("FTE") jobs supported(2)	347	376(3)
Accessibility of community fund documents	% of community funds that are easily accessible and signposted for local communities	83	83

(1) An additional incident occurred that, had it been in the UK, would have qualified as RIDDOR. More information can be found on page 112.
(2) FTE jobs are calculated using total hours worked over the course of the year.
(3) In some instances in 2021/22, 12 months of data was not available and in that case, an average number of hours worked was estimated based on the data available.

SOCIAL continued

Social KPIs summary 2022/23

Over the year, JLEN focused on:

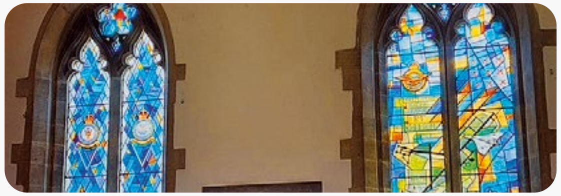
- increasing community funding contributions and recording more detail on the community projects that are supported;
- improving community engagement procedures;
- developing opportunities for the creation of skilled jobs in rural communities; and
- measuring social value as part of the wider portfolio management process.

Community funding

Over the year, JLEN's SPVs contributed £432,756 to local communities around its assets, £14,756 more than in the previous year. The increase was driven by targets set by JLEN to ensure that communities were achieving maximum benefit from the funds available to them. Projects supported by JLEN's community funds included:

Installation of a commemorative window for the Dambusters squadron

The Grange Farm Energy Community Fund Scheme provided £5,000 towards the cost of a stained glass window to be installed in Scampton Church. The installation coincided with the 80th anniversary of the formation of the 617 "Dambusters" squadron. Designed by celebrated glass artist Claire Williamson, the window was visited by a German congregation in March 2023 for a service to honour the window, representing a relationship of peace and reconciliation.



Community planting and flowering project in Feltwell

The Warren Energy Community Fund Scheme provided £2,000 to Feltwell in Bloom in order to create planters and plant native English bulbs. Having identified a need to improve amenity and biodiversity in their local village and surrounding area during lockdown, Feltwell in Bloom successfully installed four planters, three ground-level beds and two rose beds as well as four "gateways", planted with 300 bulbs. The project will provide a long-term habitat for insects as well as improving the local environment for the village. Warren Energy has pledged to keep in touch with the Group to see how the project progresses.

Play equipment at Wylye Valley Primary School

Codford Biogas provided £10,000 for the installation of new pirate ship play equipment at Wylye Valley Primary School. The pirate ship was installed by a local company over the Easter holidays, as a surprise for the children when they returned back to school. By providing opportunities for role play, the equipment supports valuable learning and development for the children including building confidence, creative communication, physical development and problem-solving.

New equipment for junior football teams

The Cramlington biomass project provided £3,260 towards kits, balls and equipment for the Ashington Town Patriots under 14s and Ellington Juniors FC teams. Both teams are based in nearby villages to the plant. Rural towns and villages often struggle to get sponsorship for junior grassroots football and parents often end up funding a lot of the expenditure. By helping to cover these costs, the teams are hoping to ensure that all local children get equal opportunities to play.

SOCIAL continued

Community engagement procedures

In 2022/23, JLEN focused on improving its community engagement processes and complaints handling mechanisms. This has been approached from two angles:

- first, the Investment Manager has undertaken a programme of updating portfolio company websites to ensure clarity on who to contact in the event of an issue, helping to improve the process of engaging with our communities; and
- second, the Investment Manager has worked internally to ensure that its portfolio database tracks engagements more effectively.

This allows for more efficient analysis of engagement across the portfolio and ensures that the Investment Manager can take engagements and feedback into account in decision making.

Jobs supported

Many of JLEN's assets are situated in rural areas, providing vital skilled roles in smaller rural communities. A strong base of qualified engineers is required in order to run the Fund's environmental assets in the long term and to support increased capacity for environmental assets, both in the UK and abroad. As a specialist investor into environmental assets, JLEN is committed to ensuring that those assets are managed and maintained by skilled teams. This year, JLEN has worked directly with one of its operators to create apprenticeships. Further information is set out in the case study below.

Case study

Jobs supported: Recruiting apprentices through the AD portfolio

The Investment Manager has agreed an enhanced scope of service with Future Biogas, the operator on some of the AD plants. As part of this enhanced scope, budget has been allocated to hire four apprentices. This approach is one that JLEN considers to be important in order to provide skilled labour to the AD market. It also provides vital entry-level skilled roles in rural locations where such roles may otherwise be limited. Future Biogas are in discussion with local colleges and intend to recruit their first apprentices in September 2023.

SOCIAL continued

Case study

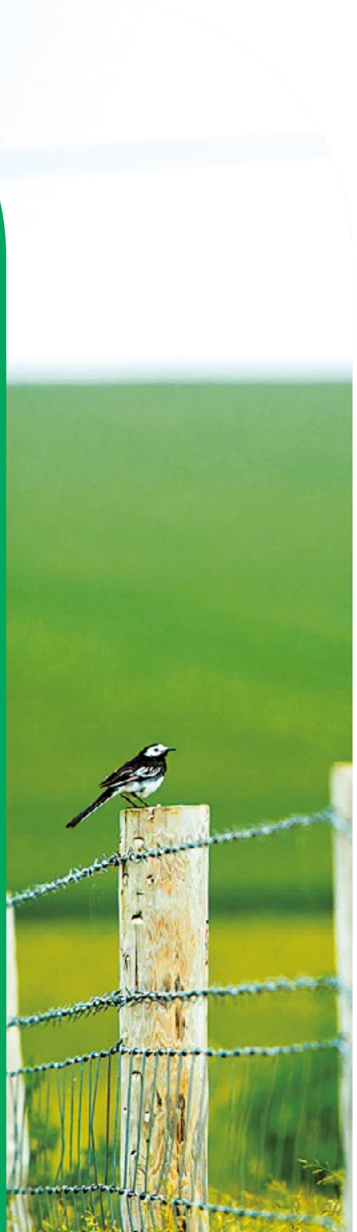
Measuring the social value generated by the Company in financial terms

Social value looks to capture and quantify the additional positive value that a business creates. Historically, quantifying social value in financial terms has been difficult to do, but increased visibility of inequality and unrest has been a key factor in driving capital towards socially impactful and community-focused investment strategies. The growing awareness has meant a greater need for this type of assessment. In 2022, the Investment Manager conducted an exercise to quantify the social value attributable to the Company's portfolio using the themes, outcomes and measures ("TOMs") framework, managed by the Social Value Portal. This methodology ties specific measures to social outcomes, all of which have an associated monetary value, allowing for the calculation in sterling terms. Each monetary value is broken down and apportioned into three areas: benefit to individuals, benefit to the community and benefit to the government. The Investment Manager identified the commonalities between the TOMs framework and the metrics the Company reports, resulting in the calculation of the portfolio's total social value. The results are set out in this case study. The Investment Manager continues to consider the KPIs associated with the TOMs framework and is identifying additional KPIs for the future.

As integration of sustainability and ESG factors into investment and asset management processes continues to advance, social value potential may be included as a contributing factor to investment decision making to inform where capital can be best directed.

(1) Calculated using the metrics: production of electricity (metered), community benefits payments and training (total hours). Multipliers applied: emissions avoided: 0, donations to community projects: 1 and promote local skills: 101.86.

(2) Calculated using raw metrics: production of electricity (metered), community payments and training (total hours). Multipliers applied: emissions avoided: 244.63, donations to community projects: 0 and promote local skills: 0.



Benefit to the community

Donations/contributions to local community projects:

£432,756

Promotion of local skills and employment worth:

£239,310

Total social value created for the community using TOMs framework(1):

£672,066

Benefit to government

Avoidance of greenhouse gas emissions worth:

£52m

Total social value created for government using TOMs framework(2):

£52m

Total

£52.6m

ENVIRONMENTAL AND HEALTH AND SAFETY INCIDENTS

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

This report identifies the material environmental and health and safety incidents in the JLEN portfolio in 2022/23.

Reportable environmental and health and safety incidents

	2022/23	2021/22
H&S incidents (RIDDOR)	**3**	3
H&S incidents (other material)	**1**	0
Environmental incidents	**3**	5

The following RIDDOR reportable incidents were recorded for JLEN's portfolio during 2022/23. All incidents occurred at one of JLEN's waste plants.

- A Teletruck was driven over a sunken manhole cover, which was on a list to be repaired, and the driver suffered lower back pain as a result. The injured operative is now back at work.
- An operative working on the baler suffered an injury to his hand while changing a roll of wrap. The step arrangement on the wrappers has now been changed to mitigate an injury of this nature happening again.
- An operative leaving site in the morning slipped on black ice, breaking his arm.

Due to the nature of their operations, for example more operatives on site and more processes taking place, the waste assets carry a higher risk of health and safety incidents. The Investment Manager is focused on ensuring that those incidents are minimised and, where they do occur, are addressed swiftly with appropriate measures put in place to avoid them reoccurring where possible.

The other health and safety incident noted in the table would have been a RIDDOR reportable incident if it had occurred in the UK. This was an incident in Norway, where a subcontractor slipped onsite and fell, breaking his wrist. The slip was caused by icy conditions. Gravel and salt is provided onsite, however it is accepted that there will remain some risk of icy conditions at the site.

The following environmental incidents were recorded for JLEN's portfolio during 2022/23:

- three environmental incidents where surface water samples have exceeded the revised Environmental Permit Parameters.

The SPV board is considering appointing a third-party environmental consultant to ensure that the surface water samples do not continue to exceed the Environmental Permit parameter.

Health, safety and environmental incident recording and reporting

Third-party asset managers are responsible for the day-to-day management of HSE issues and are required to report incidents to the Investment Manager, which are recorded through their portfolio management software. Depending on the requirement, the software can deliver either a high degree of granularity on individual assets or an aggregated snapshot of the portfolio's performance as a whole. This allows the Investment Manager to monitor and report individual asset performance as well as sector and portfolio level performance to a range of internal stakeholders.

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

GOVERNANCE

Objective: Ensure effective, ethical governance across the portfolio.

Good governance is essential for JLEN's portfolio to achieve its targeted returns and to minimise downside risk.

JLEN holds board positions for each of its assets, which are fulfilled by Foresight on its behalf. The Board members work to promote good governance as part of the Fund's active engagement with projects.

JLEN typically considers the following governance criteria during due diligence and ongoing monitoring of assets:

- anti-bribery and corruption;
- modern slavery;
- audit and tax practices;
- environmental impact;
- health and safety practices; and
- board composition.

In 2021/22, JLEN collected baseline data against a number of governance KPIs. Performance and improvements against these KPIs have been tracked through 2022/23 and their performance is identified in the table in this section.

Last year, JLEN mandated that all board agendas routinely include discussions around ESG matters. In 2022/23, this formal mechanism was used to help roll out decisions made by the ESG Committee across all assets. The mechanism provides consistency of approach and ESG engagement across JLEN's portfolio.

Governance KPI	Measurement	2022/23	2021/22 (Baseline)
Portfolio audits of health and safety practices	% of assets audited	84%	81%
Portfolio audits of tax and financial practices	% of assets externally audited	89%	98%
Diversity of SPV directors	% of assets with at least one female board member	7%	7%
Inclusion of ESG in SPV board agendas	% of assets with ESG embedded into board agendas	93%	93%
Governance oversight	% of assets which comply with a governance policy and associated documents, that are reviewed on a periodic basis	73%(1)	81%
Assessment of major contractors against ESG criteria	% of new and existing suppliers(2) assessed against ESG criteria	92%	49%

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

(2) Refers to primary suppliers. A new process for screening suppliers using Ethixbase began this year. As a result the ESG criteria against which suppliers are assessed has changed since last year.

GOVERNANCE continued

Governance KPIs summary 2022/23

This year JLEN has focused efforts on the "Governance oversight" and "Assessment of major contractors against ESG criteria" KPIs. In order to progress this, the Investment Manager has:

- developed a suite of governance policies for rollout across the portfolio;
- rolled out a Supplier Code of Conduct to ensure that suppliers are adhering to the Investment Manager's ESG and sustainability requirements;
- assessed asset-level cyber security across its portfolio; and
- undertaken an in-depth review of its supply chain.

Further information on these projects is described below.

In 2023/24, the focus will be on analysing the ESG performance and credentials of asset managers during the supplier procurement and onboarding processes.

Governance oversight

Developing standardised policies across the portfolio

In 2022/23 a suite of Foresight approved policies was developed for roll out across the SPV portfolio, including:

- whistleblowing;
- modern slavery;
- anti-bribery;
- anti-money laundering;
- stakeholder engagement; and
- ESG.

This standardised approach to SPV governance provides valuable comparability across the portfolio. The policies are being rolled out and new ones are being developed to suit assets with direct employees.

Asset cyber security assessment

The Investment Manager carried out an assessment cyber security strength of each of JLEN's assets. A number of high or critical risks have been identified through this process and JLEN will work with specialist contractors to reduce these risks over 2023/24. Further information on this can be found on page 115.

Assessment of major contractors against ESG criteria

Supplier Code of Conduct

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

Modern slavery and human trafficking

As part of Foresight Group, JLEN's policy and practices in relation to modern slavery and human trafficking are included in the Group's Modern Slavery Act statement[1]. The statement sets out Foresight's approach to matters such as services and supply chain due diligence and training of employees, recruitment and welfare.

Human rights processes

JLEN is aware that the renewable energy value chain carries the risk of significant impacts on human rights, as discussed in a recent report by the Business and Human Rights Resource Centre[2].

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

Internal activities

- The Fund specifically targets investment opportunities in European countries with strong regulatory frameworks around human rights and labour standards. This approach means that there are no investment activities in any countries named in the conflict affected and high-risk areas list[3]
- Key counterparties' governance frameworks are assessed during due diligence as part of the Foresight Sustainability Evaluation Tool ("SET").
- Foresight Group has developed and issued a Supplier Code of Conduct which references the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.
- Foresight Group also undertakes direct engagement with suppliers where there are specific areas of concern.

External activities

- In 2022, Foresight Group engaged the Ethixbase platform to undertake a supply chain interrogation across regulatory and ESG risk criteria. This included an assessment of a supplier's capacity to scrutinise aspects such as Modern Slavery risk. Further detail on this review can be seen in the case study on page 116.
- Validation against the EU Taxonomy's Minimum Social Safeguards requirements.
- Enhanced due diligence, using specialist third parties, to conduct in-person audits of higher-risk counterparties and their facilities.
- Collaboration with industry partners (e.g. Solar Power Europe) and peers to deliver more effective engagement with key suppliers.

(1) https://www.foresightgroup.eu/modern-slavery-statement.
(2) https://www.business-humanrights.org/en/from-us/briefings/tmt-2021/.
(3) Conflict affected and high-risk areas list: https://www.cahraslist.net/.

GOVERNANCE continued

Case study

Assessing cyber security across JLEN's assets

In 2022/23 the Investment Manager engaged KryptoKloud to determine the cyber security strength of each of JLEN's assets.

The assessment is a risk-led process that is designed to determine:

- legislative compliance;
- facility resilience;
- cyber resilience;
- risk reduction; and
- remediation planning.

Questionnaires were sent out to the operator or asset manager for each SPV for completion. Once populated a report was sent back outlining any vulnerabilities identified.

To date, 93% of the JLEN portfolio assets have completed the questionnaires and received reports back.

Three assets have not participated in the assessment. Due to the structure of these businesses the Investment Manager is engaging directly with the contractors that operate those assets and will rely on their cyber resilience tests.

To date, 18 of JLEN's assets have been found to display high or critical risks. The Investment Manager is now working with specialist contractors to enhance cyber security and minimise risks associated with cyber security.

GOVERNANCE continued

Case study

Supply chain review of human rights risks

The JLEN team has built up a database of 92% of its direct suppliers and is aiming to screen all direct suppliers whilst also building out the supplier database to include the indirect supply chain.

In 2022 Foresight engaged the specialist service provider Ethixbase[1] to conduct sustainability and ESG-focused due diligence ("DD") on its supply chain.

If any red flags are raised the severity of the risk will be identified and assessed and a decision will be made as to whether a more stringent DD investigation is required or whether the specific risk needs escalating.

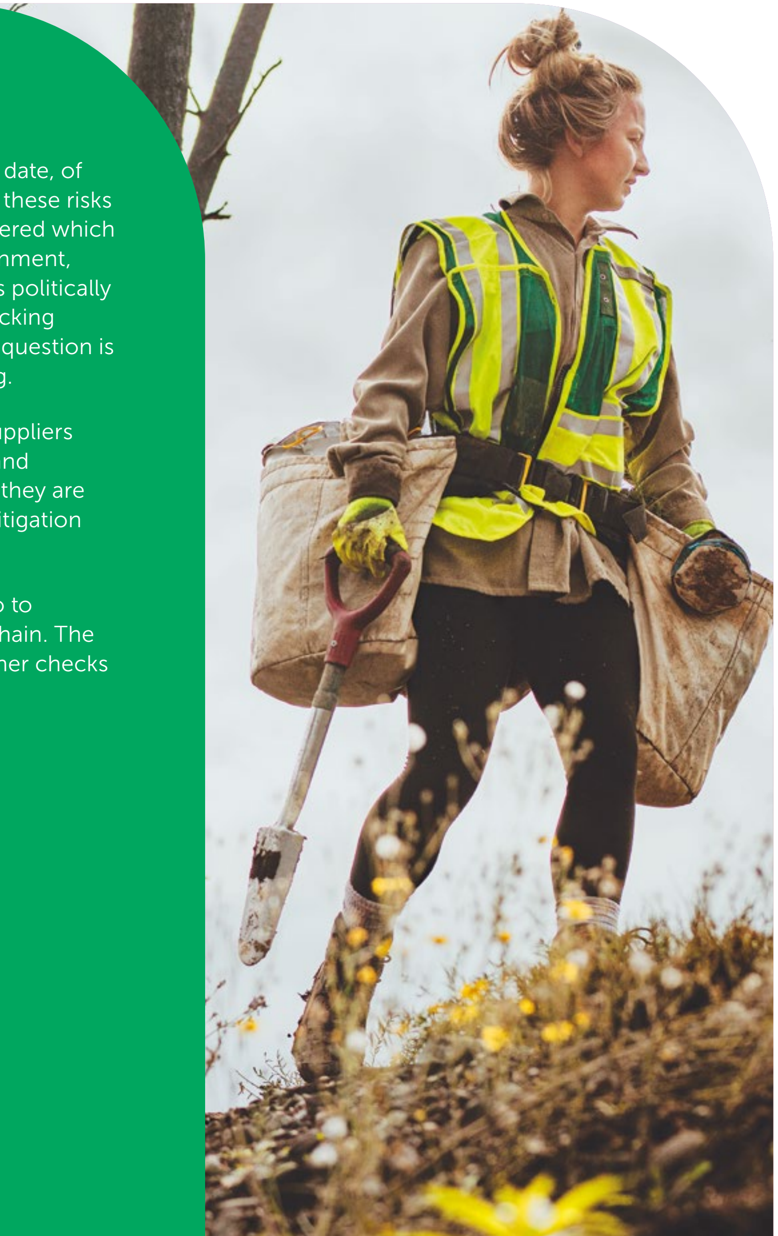
If a risk is escalated, the Compliance team along with the Money Laundering Reporting Officer ("MLRO") will recommend the next steps to further mitigate the identified risk. Mitigation measures may include:

- specialist and enhanced DD;
- direct engagement with the supplier on the issues identified;
- ongoing monitoring of the supplier; and
- ceasing interaction with the supplier.

In total, 118 new suppliers have been assessed to date, of which 27 returned with risk alerts. To understand these risks in more detail a further screening stage was triggered which undertook additional checks against 800+ government, sanctions, enforcements and watchlists as well as politically exposed persons and adverse media checks, checking more than 10 million risk profiles. The supplier in question is saved on the system for ongoing daily monitoring.

The escalation process has helped to highlight suppliers that require further investigation to substantiate and mitigate material risks. If material risks are found, they are escalated to the Compliance team and further mitigation measures agreed.

JLEN understands that there is a lot of work to do to increase transparency in the Company's supply chain. The Investment Manager will continue to roll out further checks including in its indirect supply chain.



(1) https://ethixbase360.com/.

FINANCIAL REVIEW

Analysis of financial results

The financial statements of the Company for the year ended 31 March 2023 are set out on pages 166 to 196.

The Company prepared the financial statements for the year ended 31 March 2023 in accordance with UK adopted international accounting standards as applicable to companies reporting under those standards. In order to continue providing useful and relevant information to its investors, the financial statements also refer to the "Group", which comprises the Company, its wholly owned subsidiary (JLEN Environmental Assets Group (UK) Limited ("UK HoldCo")) and the indirectly held wholly owned subsidiary HWT Limited (which holds the investment interest in the Tay project).

Basis of accounting

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

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

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

The Group holds investments in the 42 portfolio assets which make distributions comprising returns on investments (interest on loans and dividends on equity) together with repayments of investments (loan repayments and equity redemptions).

Key investment metrics

All amounts presented in £million (except as noted)	**Year ended 31 Mar 2023**	Year ended 31 Mar 2022
Net assets(1)	**814.6**	762.9
Portfolio value(2)	**898.5**	795.4
Operating income and gains on fair value of investments	**108.4**	192.9
Net Asset Value per share(3)	**123.1p**	115.3p
Distributions, repayments and fees from portfolio	**83.6**	56.5
Profit before tax	**98.3**	185.0
Gross asset value(3)	**1,119.8**	1,023.4
Share price(3)	**119.6p**	112.8p

(1) Also referred to as "NAV".

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

(3) Net Asset Value per share, share price and gross asset value are alternative performance measures ("APMs"). The APMs within the accounts are defined on pages 199 to 201.

Net assets

Net assets increased from £762.9 million at 31 March 2022 to £814.6 million at 31 March 2023. This increase was principally the result of higher power prices, and the effect of elevated inflation on the Company's inflation-linked contracts.

The net assets of £814.6 million comprise £898.5 million portfolio value of environmental infrastructure investments and the Company's cash balances of £0.1 million, partially offset by £81.7 million of intermediate holding companies' net liabilities and other net liabilities of £2.3 million.

The intermediate holding companies' net liabilities of £81.7 million comprises a £103.5 million credit facility loan, partially offset by cash balances of £17.9 million and other net assets of £3.9 million.

Analysis of the Group's net assets at 31 March 2023

All amounts presented in £million (except as noted)	**At 31 Mar 2023**	At 31 Mar 2022
Portfolio value	**898.5**	795.4
Intermediate holding companies' cash	**17.9**	16.0
Intermediate holding companies' revolving credit facility	**(103.5)**	(53.6)
Intermediate holding companies' other assets	**3.9**	5.1
Fair value of the Company's investment in UK HoldCo	**816.8**	762.9
Company's cash	**0.1**	2.0
Company's other liabilities	**(2.3)**	(2.0)
Net Asset Value at 31 March	**814.6**	762.9
Number of shares	**661,531,229**	661,531,229
Net Asset Value per share(3)	**123.1p**	115.3p

At 31 March 2023, the Group (the Company plus intermediate holding companies) had a total cash balance of £18.0 million (31 March 2022: £18.0 million), including £0.1 million in the Company's balance sheet (31 March 2022: £2.0 million) and £17.9 million in the intermediate holding companies (31 March 2022: £16.0 million), which is included in the Company's balance sheet within "investments at fair value through profit or loss".

At 31 March 2023, UK HoldCo had drawn £103.5 million of its RCF (31 March 2022: £53.6 million), which is included in the Company's balance sheet within "investments at fair value through profit or loss".

FINANCIAL REVIEW continued

Net assets continued

The movement in the portfolio value from 31 March 2022 to 31 March 2023 is summarised as follows:

All amounts presented in £million (except as noted)	**Year ended 31 Mar 2023**	Year ended 31 Mar 2022
Portfolio value at start of the year	**795.4**	571.4
Acquisitions and further investment (net of post-acquisition price adjustments)	**72.0**	88.0
Disposal of assets	**–**	(5.6)
Distributions received from investments	**(83.6)**	(56.5)
Growth in value of portfolio	**114.7**	198.1
Portfolio value at 31 March	**898.5**	795.4

Further details on the portfolio valuation and an analysis of movements during the year are provided in the investment portfolio and valuation section on pages 77 to 86.

Income

The Company's profit before tax for the year ended 31 March 2023 is £98.3 million, generating earnings of 14.9 pence per share (year ended 31 March 2022: 30.6 pence per share), driven by the gains on fair value of investments as a result of elevated power prices, and the effect of higher inflation on the Company's inflation-linked contracts.

All amounts presented in £million (except as noted)	**Year ended 31 Mar 2023**	Year ended 31 Mar 2022
Interest received on UK HoldCo loan notes	**31.4**	28.8
Dividend received from UK HoldCo	**23.1**	21.3
Net gains on investments at fair value	**53.9**	142.8
Operating income and gains on fair value of investments	**108.4**	192.9
Operating expenses	**(10.1)**	(7.9)
Profit before tax	**98.3**	185.0
Earnings per share	**14.9p**	30.6p

In the year to 31 March 2023, the operating income and gains/(losses) on fair value of investments was £108.4 million, including the receipt of £31.4 million of interest on the UK HoldCo loan notes, £23.1 million of dividends also received from UK HoldCo and net gains on investments at fair value of £53.9 million.

The operating expenses included in the income statement for the year were £10.1 million, in line with expectations. These comprise £8.4 million Investment Manager fees and £1.7 million operating expenses. The details on how the Investment Manager fees are charged are set out in note 15 to the financial statements.

Ongoing charges

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

The ongoing charges percentage for the year to 31 March 2023 was 1.18% (year ended 31 March 2022: 1.19%). The ongoing charges have been calculated, in accordance with AIC guidance, as annualised ongoing charges (i.e. excluding acquisition costs and other non-recurring items) divided by the average published undiluted Net Asset Value in the period. The ongoing charges percentage has been calculated on the consolidated basis and therefore takes into consideration the expenses of UK HoldCo as well as the Company. Adjusting for the impact of the drawdown amount under the RCF, the ongoing charges ratio would have been 1.08% (31 March 2022: 1.03%). Foresight believes this to be competitive for the market in which JLEN operates and the stage of development and size of the Fund, demonstrating that management of the Fund is efficient with minimal expenses incurred in its ordinary operation.

(1) The ongoing charges ratio is an alternative performance measures ("APMs"). The APMs within the accounts are defined on pages 199 to 201.

FINANCIAL REVIEW continued

Cash flow

The Company had a total cash balance at 31 March 2023 of £0.1 million (31 March 2022: £2.0 million).

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

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

	Year ended 31 Mar 2023	Year ended 31 Mar 2022
Cash balance at 1 April	**2.0**	1.9
Net proceeds from share issue/ (expenses from previous issues)	**(0.2)**	115.7
Investment in UK HoldCo (equity and loan notes)	**–**	(116.0)
Interest on loan notes received from UK HoldCo	**31.4**	28.8
Dividends received from UK HoldCo	**23.1**	21.3
Directors' fees and expenses	**(0.3)**	(0.3)
Investment Manager fees	**(8.1)**	(6.3)
Administrative expenses	**(1.2)**	(1.2)
Dividends paid in cash to shareholders	**(46.6)**	(41.9)
Company cash balance at 31 March	**0.1**	2.0

The Company had a cash balance of £0.1 million at 31 March 2023. The low cash balance reflects the cash buffer held at the Company, attributable to surplus cash being used to reduce the RCF in the Company's wholly owned direct subsidiary, UK HoldCo.

The Group had a total cash balance at 31 March 2023 of £18.0 million (31 March 2022: £18.0 million) and borrowings under the revolving credit facility of £103.5 million (31 March 2022: £53.6 million).

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

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

	Year ended 31 Mar 2023	Year ended 31 Mar 2022
Cash distributions from environmental infrastructure investments	**83.6**	56.5
Administrative expenses	**(1.3)**	(1.1)
Directors' fees and expenses	**(0.3)**	(0.3)
Investment Manager fees	**(8.1)**	(6.3)
Financing costs (net of interest income)	**(3.4)**	(2.6)
Cash flow from operations[(1)]	**70.5**	46.2
Net proceeds from share issues	**–**	115.7
Expenses from previous share issues	**(0.2)**	–
Debt arrangement fee cost	**(0.1)**	(2.2)
Acquisition of investment assets and further investment	**(72.5)**	(86.1)
Disposal of assets	**1.6**	3.7
Acquisition costs (including stamp duty)	**(1.9)**	(3.0)
Drawdowns/(repayment) under the revolving credit facility	**48.9**	(27.9)
Dividends paid in cash to shareholders	**(46.6)**	(41.9)
Cash movement in the year	**(0.3)**	4.5
Opening cash balance	**18.0**	13.5
Exchange gains on cash	**0.3**	–
Group cash balance at 31 March	**18.0**	18.0

During the year, the Group received cash distributions of £83.6 million from its environmental infrastructure investments, an increase of 48.0% compared to 2022.

Cash received from investments in the year covers the operating and administrative expenses and financing costs, as well as the dividends declared to shareholders in respect of the year ended 31 March 2023. Cash flow from operations of the Group of £70.5 million covers dividends paid in the year to 31 March 2023 of £46.6 million by 1.51x.

The Group anticipates that future revenues from its environmental infrastructure investments will continue to be in line with expectations and therefore will continue to cover fully future costs as well as planned dividends payable to its shareholders.[(2)]

Dividends

During the year, the Company paid a final dividend of 1.70 pence per share in June 2022 (£11.2 million) in respect of the quarter to 31 March 2022.

Interim dividends of 1.78 pence per share were paid in September 2022 (£11.8 million) in respect of the quarter to 30 June 2022, of 1.79 pence per share in December 2022 (£11.8 million) in respect of the quarter to 30 September 2022, and of 1.78 pence per share in March 2023 (£11.8 million) in respect of the quarter to 31 December 2022. On 18 May 2023, the Company declared a final dividend of 1.79 pence per share in respect of the quarter ended 31 March 2023 (£11.8 million), which is payable on 23 June 2023.

The target dividend for the year to 31 March 2024 is 7.57 pence per share, a 6.0% increase from the dividend declared in respect of the year to 31 March 2023.[(2)]

(1) "Cash flow from operations" is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 199 to 201.
(2) These are targets only and not profit forecasts. There can be no assurance that these targets will be met.

GOVERNANCE

What's inside this section:

CHAIR'S INTRODUCTION

The Board believes that a strong corporate governance culture is essential for the Company to achieve its investment objectives, to mitigate downside risk, and to take account of the interests of key stakeholders as part of its decision-making process.

Introduction

The Listing Rules and the Disclosure Guidance and Transparency Rules ("Disclosure Rules") of the FCA require listed companies to disclose how they have applied the principles and complied with the provisions of the Corporate Governance Code to which the issuer is subject. The provisions of the UK Corporate Governance Code ("UK Code"), as issued by the Financial Reporting Council ("FRC") in July 2018, are applicable to the year under review and can be viewed at **www.frc.org.uk.**

The related Code of Corporate Governance (the "AIC Code"), issued by the Association of Investment Companies ("AIC") provides specific corporate governance guidelines to investment companies. The AIC issued their revised code for member companies in February 2019 and this applies to accounting periods beginning on or after 1 January 2019. The FRC has confirmed that AIC member companies who report against the AIC Code will be meeting their obligations in relation to the UK Code and the associated disclosure requirements of the Disclosure Rules. The AIC Code can be viewed at **www.theaic.co.uk.**

The Guernsey Financial Services Commission ("GFSC") has issued a Finance Sector Code of Corporate Governance. The Code comprises Principles and Guidance and provides a formal expression of good corporate practice against which shareholders, boards and the GFSC can better assess the governance exercised over companies in Guernsey's finance sector. Companies which report against the UK Code or the AIC Code are also deemed to meet the Guernsey Code.

Statement of compliance with the AIC Code and Guide

The Board recognises the importance of a strong corporate governance culture that meets the Listing Rules of the FCA. The Board has put in place a framework for corporate governance that reflects the scale, nature and complexity of the Company and its operations. All Directors contribute in a meaningful way to Board discussions and debates. The Board believes in providing as much transparency on the Company's activities for stakeholders as is reasonably possible. It should be noted that most of the Company's day-to-day responsibilities are delegated to third parties and the Company has no employees.

The Company is a member of the AIC and is classified within the renewable energy infrastructure sector. The Company currently complies (except as set out in the next paragraph) with the principles and provisions of good governance contained in the AIC Code (which complements the UK Code and provides a framework of best practice for listed investment companies) and in accordance with the AIC Code, the Company will be meeting its obligations in relation to the UK Code and associated disclosure requirements of the Listing Rules.

The UK Code includes provisions relating to the role of the Chief Executive, executive Directors' remuneration and the need for an internal audit function. The Board considers these provisions are not relevant to the position of the Company, as all of the Company's day-to-day management and administrative functions are outsourced to third parties and it has no executive Directors, employees or internal operations. The independent compliance functions and internal control frameworks in place by service providers undertaking the Company's critical business functions, principally the Investment Manager and the Administrator, provides comfort that the activities which would otherwise have been undertaken by an internal audit function have been effectively addressed through other means. Therefore no further reporting has been provided in respect of these provisions.

The functions which would typically be carried out by a management engagement committee are performed by the Company's Board as a whole and the Board has not considered it necessary to appoint a separate remuneration committee.

BOARD OF DIRECTORS

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

Ed Warner
Board Chair

Appointed: 2 August 2022

Ed has extensive financial services experience from his time spent in senior positions at several investment banks and financial institutions, including IFX Group, Old Mutual, NatWest Markets and Dresdner Kleinwort Benson.

Past experience
Ed has considerable investment trust experience, having been Chair of both Standard Life Private Equity Trust plc and BlackRock Energy and Resources Income Trust. He is currently Chair of HarbourVest Global Private Equity Limited. Ed has also previously served as Chair of Air Partner plc and non-executive director and interim Chair of Clarkson plc.

Committee memberships
NC EC

Stephanie Coxon
Senior Independent Director

Appointed: 11 June 2020

Stephanie is a Fellow of the Institute of Chartered Accountants in England and Wales and is a non-executive director of several London listed companies.

Past experience
Prior to becoming a non-executive director, Stephanie led the investment trust capital markets team at PwC for the UK and Channel Islands. During her time at PwC, Stephanie specialised in advising FTSE 250 and premium London listed companies on accounting, corporate governance, risk management and strategic matters.

Committee memberships
AC RC EC NC

Alan Bates
Director

Appointed: 10 June 2021

Alan has over 31 years' experience in the energy and infrastructure sectors, including electricity, gas and water utilities. He has developed a broad understanding of the dynamics behind the energy transition and has assisted the Government of Guernsey in developing its energy policy. Alan has been the CEO of Guernsey Electricity and is a director of the Channel Islands Electricity Grid and Alderney Electricity Limited.

Alan is a Chartered Engineer, Fellow of the Institute of Mechanical Engineers and a Member of the Institute of Engineering Technology.

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

Committee memberships
RC AC NC

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

BOARD OF DIRECTORS continued

Jo Harrison

Director

Appointed: 10 June 2021

Jo has over 23 years' experience working in the water industry and is the Director of Environment, Planning and Innovation at United Utilities, where she is accountable for leading the approach to environmental and long-term planning, including developing and strengthening the approach to all aspects of the environment, climate change and carbon, asset management, risk and resilience. Jo is a chartered member of the Institute of Water and Environmental Managers and is a Chartered Environmentalist. She is also a trustee of the Rivers Trust.

Past experience

Jo has worked for United Utilities since 1998 and has a BSc in Geography and Ecology from the University of Sheffield and an MSc in Pollution and Environmental Control from Manchester University. Jo was also previously a trustee of the Community Forest Trust.

Committee memberships

EC RC NC

Hans Joern Rieks

Director

Appointed: 13 June 2019

Hans has over 26 years' experience within the global wind industry and has previously worked for Siemens Gamesa and Vestas Central Europe. He is highly regarded in the energy sector and has successfully led growth agendas and international strategies. An engineer by background, Hans has a strong technical grounding and excellent operational experience of how to manage the constantly evolving renewables landscape.

Past experience

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

Committee memberships

AC RC NC EC

Nadia Sood

Director

Appointed: 10 February 2023

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

Past experience

Nadia holds a Bachelor of Science in Foreign Service from the Edmund A. Walsh School of Foreign Service at Georgetown University in Washington DC, and a Masters in International Affairs from Columbia University, New York. She is fluent in English, French and Norwegian.

Committee memberships

RC NC

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

GOVERNANCE AT A GLANCE

The corporate governance and Board structure is outlined below.

Corporate governance framework

Chair

Ed Warner (appointed 2 August 2022)

Directors

Alan Bates
Stephanie Coxon
Jo Harrison
Hans Joern Rieks
Nadia Sood (appointed 10 February 2023)
Richard Ramsay (retired 1 April 2023)

Investment Manager

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

Audit Committee

Stephanie Coxon (Chair)
Alan Bates
Hans Joern Rieks

Risk Committee

Alan Bates (Chair)
Stephanie Coxon
Jo Harrison
Nadia Sood

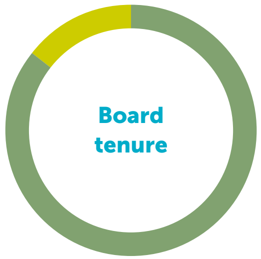
ESG Committee

Jo Harrison (Chair)
Stephanie Coxon
Hans Joern Rieks
Ed Warner

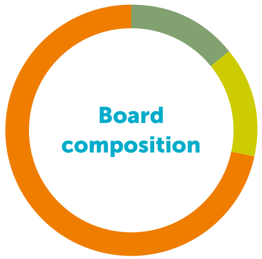
Nomination Committee

Ed Warner (Chair)
Alan Bates
Stephanie Coxon
Joanne Harrison
Hans Joern Rieks
Nadia Sood

Board structure as at 31 March 2023[1]



0-5 years	6
6-8 years	1



Chair	1
Senior Independent Director	1
Directors	5

Male	4
Female	3

(1) Richard Ramsay retired from the Board effective 1 April 2023.

GOVERNANCE AT A GLANCE continued

Board activities in 2022/23

Strategy

Investment in new areas and technologies, including equity investments into controlled environment aquaculture and agriculture projects and a first investment into the green hydrogen sector.

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

Governance

Continued to implement the Board's succession plan, with the retirement of Richard Morse, who acted as Board Chair from incorporation until his retirement in July 2022. Oversaw the appointment of Ed Warner in August 2022, who took over as Board Chair from Mr Morse in August 2022, and the appointment of Nadia Sood in February 2023.

The Company's external auditor, Deloitte LLP, will complete their ninth annual audit of the Company on completion of the audit for the year ended 31 March 2023. Accordingly, the Board conducted a formal tender process in relation to the position of external auditor and approved the appointment of KPMG as external auditor, who will take up their position ahead of the year ended 31 March 2024. Further details regarding the appointment of KPMG can be found on page 144.

Following the changes to the Board during the 2022/23 financial year, the Directors elected to commission an external Board evaluation to be completed during the summer of 2023. The Board expects to report on the outcome of the external evaluation of its performance in the 2023 Interim Report.

Risk management

Careful monitoring of macroeconomic factors creating market disruption, assessing the impact of continuing rising interest rates, inflation and volatile short-term power prices on the Company's ability to maintain its target dividend.

The duties of the Company's Risk Committee include the identification, measurement, management and monitoring of all risks relevant to the Company's investment strategy and to which the Company is or may be exposed.

Activities undertaken during the course of the year include the appointment of Alan Bates to the position of Chair of the Risk Committee along with careful monitoring of macroeconomic factors creating market disruption, assessing the impact of rising interest rates, inflation and volatile short-term power prices on the Company's ability to maintain its target dividend.

The Board has also assessed the robustness of risk management controls implemented by the Investment Manager, with a particular focus on the integration of new technologies into the portfolio and identification and subsequent management of risks associated with construction-stage investments, as the proportion such assets in the portfolio increases.

BOARD LEADERSHIP AND COMPANY PURPOSE

The Board places a high degree of importance on ensuring that high standards of corporate governance are maintained throughout the Group.

Duties and responsibilities

The Board's annual cycle includes at least six scheduled meetings per year and, should the nature of the activity of the Company require it, additional meetings may be scheduled, some at short notice. Between meetings there is regular contact with the Investment Manager and the Administrator and the Board requires information to be supplied in a timely manner by the Investment Manager, the Company Secretary and other advisers in a form and of a quality appropriate to enable it to discharge its duties, and in a timely manner to enable full and proper consideration to be given to the relevant issues. Outside of the formal meeting schedule, informal sessions are held between the Board and an annual strategy day is held by the Board with key advisers.

The Board has overall responsibility for the management of the Company's affairs. Whilst discretionary management authority has been delegated to the Investment Manager, the Board has adopted a set of reserved powers which set out the particular areas where the Board wishes to retain control. Such reserved powers include decisions relating to the determination of investment policy and approval of certain investment transactions, strategy, capital raising, statutory obligations and public disclosure, financial reporting, entering into any material contracts by the Company and overseeing the Company's sustainability strategy.

The Board actively promotes a culture of openness, constructive challenge and debate in the boardroom, underpinned by robust internal controls and governance frameworks. Assessment of the personality types of Board Directors and their cognitive and interpersonal skills forms part of the Board's consideration of the expected future leadership needs of the Company. In considering these needs, the Board seeks to ensure that the practices and behaviour throughout the Company's operations remain aligned with the Company's purpose, values and strategy. No corrective actions were taken during the year in response to matters arising which did not meet the Board's expected standards.

An Investment Management Agreement between the Company and the Investment Manager sets out the matters over which the Investment Manager has delegated authority, including monitoring and managing the existing investment portfolio, risk management, taking investment decisions within the agreed parameters and also the limits on cost and expenditure above which Board approval must be sought. All other matters are reserved for approval by the Board of Directors.

In contributing to the delivery of the Company's strategy, the Board maintains a high level of engagement with the Investment Manager and seeks to work in a collegiate and co-operative manner, whilst encouraging open discussion, challenge and debate of all significant matters relevant to the Investment Manager's delegated authority. In addition to the Board's cycle of scheduled meetings, members of the Board regularly attend fortnightly operational update meetings hosted by the investment management team.

The Directors are expected to devote such time as is necessary to enable them to discharge their duties. Where necessary, in carrying out their duties, the Directors may seek independent professional advice at the expense of the Company. The Company maintains appropriate Directors' and Officers' liability insurance in respect of legal action against its Directors on an ongoing basis.

The Board has responsibility for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable it to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008, as amended. It is the Board's responsibility to present a fair, balanced and understandable assessment, which extends to interim and other price-sensitive public reports.

BOARD LEADERSHIP AND COMPANY PURPOSE continued

Board operation

The overall management of the Company is the responsibility of the Board, which exercises all the powers of the Company subject to the relevant statutes, the Company's Articles of Incorporation, and any directions given by resolutions passed by shareholders. The Articles empower the Board to allot, grant options, warrants or other rights over or otherwise dispose of the Company's shares as the Board determines. The law permits the Company to make market purchases of its own shares if the purchase has first been authorised by a resolution of the Company.

Shareholders authorised the renewal of the Board's authority to allot ordinary shares at the 2022 AGM and, subject to certain terms and conditions, to repurchase ordinary shares on behalf of the Company. Similar authorities are being sought at the forthcoming AGM and details will be set out in the notice of AGM.

The Board's annual cycle includes quarterly meetings where the Directors follow a formal agenda which is fixed in advance and standing agenda items at each quarterly meeting cover each area where the Board has reserved decision-making power, in addition to receiving reports from key service providers on portfolio performance, share price performance, asset valuations and enhancements, operational matters, business development and capital allocation, ESG matters, risk management, peer group information, regulatory and industry developments. The Board actively monitors the environment in which the Company operates to ensure any developments which may affect the Company are considered. Strategy sessions are held at least annually and are co-ordinated by the Investment Manager and key advisers, which include site visits and technical briefings. The Board's annual cycle also includes a dividend policy review session and setting the target for the next financial year.

In order to discharge their duties and to operate effectively as a Board, the Directors have full and timely access to all relevant information concerning the Company.

The principal matters considered by the Board during the year (including attending to matters formally reserved for its decision making) included:

- the strategic direction of the Company within the revised investment policy;
- composition of the Board, diversity and succession planning;
- the Annual Report and audited financial statements and the Half-year Report;
- the dividend policy;
- the tendering and vetting process of the Company's second external auditor since IPO;
- funding requirements of the Company, with the signing of the extension to the Company's existing revolving credit facility ("RCF") and the activation of the Company's accordion facility;
- the activities of the Board's formally constituted committees, including the formation of the ESG Committee;
- the valuation policy, the recognition of value enhancements, the inclusion of capture discounts and the ongoing appropriateness of the blended power curve;
- the risk management framework and the principal risks facing the Company; and
- considering the impact of the Electricity Generator Levy.

Committees of the Board

The Board has not deemed it necessary to appoint a separate remuneration committee as, being comprised of six non-executive Directors, it considers that such matters may be considered by the Board as a whole. At the launch of the Fund, the remuneration of the Board was fixed after consultation with independent external advisers and in subsequent years the Board has reviewed the remuneration levels for the Company and received industry comparison information from advisers in respect of Directors' remuneration. The Company's remuneration policy was last subject to a full independent review in May 2023. As noted in the Directors' remuneration report on pages 148 to 150, an internal review of remuneration levels was undertaken during May 2023, and recommendations for fee levels to apply from the financial year commencing April 2023 will be proposed to shareholders as part of the remuneration policy at the 2023 AGM.

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

BOARD LEADERSHIP AND COMPANY PURPOSE continued

Committees of the Board continued

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

The Board as a whole also fulfils the functions typically carried out by a management engagement committee. The Board reviews and makes recommendations on any proposed amendment to the Investment Management Agreement and keeps under review the performance of the Investment Manager. The Board also performs a review of the performance of other key service providers to the Fund and meets at least once a year to undertake a qualitative performance review. In the case of each service provider, the review seeks to ensure that:

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

The Board notes the supporting guidance provided under provision 17 of the 2019 edition of the AIC Code on means by which investment companies may assess the relationship with the manager. During the 2022/2023 financial year, the Board reviewed the Company's position against each of the suggested considerations and concluded that the relationship was operating effectively, that the duties of the Investment Manager remained aligned with the objectives of the Company and that the continued retention of the Investment Manager's services remained in the best interests of the Company.

Audit Committee

The Company has established an Audit Committee, chaired by Stephanie Coxon, which operates within clearly defined terms of reference and comprises three non-executive Directors: Stephanie Coxon, Alan Bates and Hans Joern Rieks, whose qualifications and experience are noted on pages 122 and 123. All members of the Audit Committee are independent Directors and have no connections with the serving external auditor or the incoming external auditor. The Audit Committee meets at least three times a year, at times appropriate to the financial reporting calendar.

Further details of the membership and activities of the Audit Committee are described in this report on pages 141 to 145.

Audit Committee performance evaluation

For the financial year ended 31 March 2023, the Board is undertaking an internal evaluation of the performance of the Audit Committee. The evaluation process will include feedback from all Committee members on the Committee's discharge of the duties delegated under its terms of reference, and on the performance and effectiveness of the Audit Committee Chair.

External audit

The Audit Committee is satisfied with the quality, effectiveness and independence of the audit process, and the effectiveness of the recent audit and the performance of the external auditor is reviewed annually. The review process includes receiving feedback from all key personnel involved in the audit process and in the production of the annual financial statements. Any findings from the audit effectiveness review are communicated to the external auditor in advance of their next engagement and considered as part of the subsequent audit planning process.

The Directors note the recommendation of the UK Code and the AIC Code that the role of the external auditor is retendered every 10 years, with the audit partner changing every five years. Noting that the 2023 financial year will be the ninth annual audit completed by the Company's external auditor, Deloitte LLP ("Deloitte"), during the financial year, the Company undertook a formal tender of its audit in line with best practice and continued audit quality.

BOARD LEADERSHIP AND COMPANY PURPOSE continued

Audit Committee continued

External audit continued
The Audit Committee conducted meetings with a number of candidate audit firms to ascertain whether they had the requisite resources and capabilities, with key criteria being audit quality and the technical capability of each firm.

Following this, the Audit Committee created a shortlist of four firms who were invited to tender, as they were considered by the Audit Committee to be independent of the Company and suitably qualified to conduct an effective audit process. One of the firms selected declined to participate due to capacity constraints at the firm. The Audit Committee considered the detailed written proposals from each of the three remaining candidate firms. The Audit Committee then conducted a series of interviews with the candidate firms. The key criteria considered by the Audit Committee in reaching its tender decision included those of audit quality, environmental infrastructure audit and valuation experience, audit approach, potential for value add and fees. Following a comprehensive assessment process, KPMG Channel Islands Limited ("KPMG") was selected as the preferred firm. The recommendation was accepted and approved by the Board, and following publication of this Annual Report and financial statements, KPMG will be appointed as external auditor and will be recommended to shareholders for appointment at the 2023 Annual General Meeting. KPMG will undertake their first interim review for the period ending 30 September 2023 ahead of their first audit of the Company for the financial year ending 31 March 2024.

A detailed transition plan has been agreed , with all parties working closely to ensure an efficient and effective auditor transition.

Risk Committee

The Company has also established a Risk Committee, which is chaired by Alan Bates and comprises five non-executive Directors: Alan Bates, Hans Joern Rieks, Nadia Sood, Jo Harrison and Stephanie Coxon. The duties of the Risk Committee include the identification, measurement, management and monitoring of all risks relevant to the Company's investment strategy and to which the Company is or may be exposed. Drawing from this, the Risk Committee is responsible for determining the principal risks to which the Company is exposed, being those most likely to threaten the business model, future performance, solvency or liquidity. It is the responsibility of the Risk Committee to advise the Board on the overall risk appetite, tolerance and strategy of the Company, and to oversee the Company's current risk exposures and the controls in place to mitigate those risks. The Risk Committee meets at least four times per year.

Nomination Committee

The Nomination Committee, chaired by Ed Warner, comprises all non-executive Directors on the Board: Stephanie Coxon, Nadia Sood, Alan Bates, Hans Joern Rieks and Jo Harrison. The Nomination Committee's main function is to regularly review the structure, size and composition of the Board and to consider succession planning for Directors. The Nomination Committee meets at least twice per year.

ESG Committee

The ESG Committee, chaired by Jo Harrison, comprises four non-executive Directors: Jo Harrison, Ed Warner, Stephanie Coxon and Hans Joern Rieks. The ESG Committee's main functions include guiding and monitoring the development of the Company's sustainability and ESG strategy, agreeing the Company's ESG objectives and monitoring progress against the KPIs linked to each objective. The ESG Committee will also assess and prioritise ESG risks and opportunities for the Company, including assessing climate change risks, and working with the Risk Committee and the Investment Manager to ensure climate governance is integrated into the Company's risk management.

Separate reports from the Audit, Risk and Nomination Committees on their activities for the year are set out on pages 136 to 147. The terms of reference for each of the Committees are available on the Company's website or upon request from the Company Secretary.

BOARD LEADERSHIP AND COMPANY PURPOSE continued

Directors' attendance

The attendance record of Directors for the year to 31 March 2023 is set out below.

	Board meeting	Audit Committee	Risk Committee	Nomination Committee	ESG Committee(1)
Number of meetings held	4	8	4	4	4
Ed Warner (appointed on 2 August 2022)	3	–	–	2	3
Alan Bates	4	8	4	–	–
Stephanie Coxon	4	8	4	3	–
Jo Harrison	3	–	3	–	3
Hans Joern Rieks	4	–	4	4	4
Nadia Sood (appointed on 10 February 2023)	1	–	–	–	–
Richard Ramsay	4	8	–	–	–
Richard Morse (resigned effective 15 July 2022)	1	–	–	1	1

(1) Ed Warner was a member of the Nomination Committee and the ESG Committee from September 2022.

Following the Committee meetings held on 9 March 2023, various changes to committee membership were approved by the Board, effective 1 April 2023. All Directors were appointed as members of the Nomination Committee. Ms Coxon was appointed as a member of the ESG Committee. Mr Rieks stepped down as the Chair of the Risk Committee and Mr Bates was appointed as the Chair of the Risk Committee. Ms Sood was appointed as a member of the Risk Committee and Mr Rieks was appointed as a member of the Audit Committee.

A total of 14 other unscheduled Board meetings were held during the year for specific purposes, which were attended by some, but not all, of the Directors.

RELATIONS WITH SHAREHOLDERS

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

Dialogue with shareholders

The Company welcomes the views of all shareholders and places great importance on effective communication with its shareholders through a variety of channels. The Investment Manager produces a quarterly factsheet, which is available on the Company's website. The Chair and senior members of the Investment Manager make themselves available, as practicable, to meet with principal shareholders, key sector analysts or other key stakeholders. Meetings between institutional investors and the Investment Manager are arranged periodically by the Company's broker and representatives of the Company are open to meeting with all investors, on request.

Feedback from these meetings is provided to the Board on a regular basis. The Board is also kept fully informed of all relevant market commentary on the Company by the Company's financial PR agency, as well as receiving relevant updates from the Investment Manager and the Company's broker.

Investor publications

All shareholders can address any feedback or queries concerning the Company in writing at its registered address via the Company Secretary.

The Chair or the Senior Independent Director are willing to meet with major shareholders to discuss any particular items of concern or to understand their views on governance and the performance of the Company, and the annual general meeting of the Company provides a forum for shareholders to meet and discuss issues with the Directors and the Investment Manager.

Company website

The Company's website, **www.jlen.com**, is regularly updated with new information, research, videos and quarterly publications. The Company's Prospectus, Key Information Document and Investor Disclosure Document are all available for download. The Company also maintains an issuer services page with the London Stock Exchange, providing details of key contacts and corporate events over the financial year.

Stakeholders, business relationships and socially responsible investment

Section 172 statement

Whilst not directly applicable to companies incorporated outside the UK, the Board recognises the intention of the AIC Code that matters set out in Section 172 of the Companies Act 2006 are reported.

The Board strives to understand the views of the Company's key stakeholders and to take these into consideration as part of its discussions and decision-making process. Additionally, the Board promotes the success of the Company for the benefit of the Company's members as a whole as well as a broad range of stakeholders that the Board recognises as material to the long-term success of the business. We set out the detail of how the Board has complied with its duty under Section 172 on the following page.

RELATIONS WITH SHAREHOLDERS continued

Stakeholders, business relationships and socially responsible investment continued

Section 172 statement continued

As an investment company, the Company does not have any employees and conducts its core activities through third-party service providers. Each provider has an established track record and through regulatory oversight is required to have in place suitable policies and procedures to ensure they maintain high standards of business conduct, treat shareholders fairly and employ corporate governance best practice. The stakeholders which the Board has identified as being key are the Company's shareholders, the Investment Manager, commercial service providers, asset-level counterparties, local communities and debt providers. Understanding the needs of each stakeholder group and ensuring the Company's operations are conducted in a manner which recognises their interests is crucial for ensuring the Company's long-term sustainable success.

Further information on how the Company engages with stakeholders can be found on pages 32 to 37.

The Board's commitment to maintaining high standards of corporate governance, combined with the Directors' duties enshrined in company law, the constitutive documents, the Disclosure Guidance and Transparency Rules, and the UK version of the Market Abuse Regulation, provides shareholders with regular and detailed announcements concerning the Company and its activities sufficient for investors to make informed decisions concerning their shareholding. At each scheduled meeting, a significant amount of time is dedicated to risk management and how effectively the Company can preserve value for shareholders over the long term through mitigating downside risk. Regular dialogue with the Investment Manager and the corporate broker ensures the Board is aware of the investment strategy and the views of major shareholders and for these to be taken into consideration as part of the Board's decision-making process.

Representatives of the Investment Manager are involved in the governance framework of each project. This reinforces the effective flow of relevant information to the Board on the activities of the Company's significant counterparty exposures involved in operating each project, and provides a communication channel through which community stakeholders' views can be shared, considered at each scheduled meeting of the Directors, and to ensure their interests remain aligned with the objectives of the Company.

DIVISION OF RESPONSIBILITIES

The Board has overall responsibility for the management of the Company's affairs.

Chair
As Chair, Ed Warner is responsible for leading the Board and for ensuring its effectiveness in all aspects of its role. Specific duties of the Chair include demonstrating ethical leadership, objective judgement, promoting the highest standards of integrity, probity and a culture of openness and debate. The Chair sets the Board's agenda and ensures the Board has a clear understanding of the views of those who provide the Company's capital and that effective decision-making processes are in place, supported by high-quality information, that take into consideration the interests of all the Company's key stakeholders.

The Chair leads the annual performance evaluation of the Board, with support from the Senior Independent Director, and acts as appropriate on the results. One-on-one meetings are held between the Chair and the Directors each year, which provides an additional forum through which any potential training needs are identified, experiences of the Company are shared, or other relevant Board matters are addressed.

Senior Independent Director
Richard Ramsay was the Senior Independent Director during the financial year ended 31 March 2023, and provided support to the Chair on matters of Board effectiveness, governance, and acting as an intermediary for the Directors, shareholders and other key stakeholders. The Senior Independent Director also provides an additional channel of communication through which stakeholders may voice concerns, works annually with the other Directors on reviewing the performance of the Chair, and is responsible for leading the succession planning arrangements for the Chair. Following the retirement of Richard Ramsay effective 1 April 2023, Stephanie Coxon was appointed as Senior Independent Director.

Non-executive Directors
Including the Chair and the Senior Independent Director, the Company currently has six independent non-executive Directors.

The Company Secretary
The Directors have access to the advice and services of Sanne Fund Services (Guernsey) Limited, the Company Secretary and Administrator, which is responsible to the Board for ensuring that Board procedures are followed and that it complies with Guernsey law and applicable rules and regulations of the Guernsey Financial Services Commission and the London Stock Exchange. The Company Secretary is also responsible for the timely delivery of information to the Board and ensuring that statutory obligations are met.

Market Abuse Regulation
The Board has formally adopted procedures in relation to the Company's obligations under the UK version of the Market Abuse Regulation ("MAR"), including procedures for the identification, management and disclosure of price sensitive information, share dealing by persons discharging managerial responsibility and their persons closely associated. The Board is responsible for overseeing the Company's compliance with MAR, and ensuring compliance with MAR by the Directors.

DIVISION OF RESPONSIBILITIES continued

AIFM Directive

The Company is categorised as an externally managed non-EEA AIF for the purposes of the Alternative Investment Fund Managers Regulations 2013 and the AIFM Directive. The Investment Manager has received authorisation from the FCA to act as AIFM to the Company. The Board has delegated responsibility for the Company's risk management and portfolio management functions to the Investment Manager, subject to specific delegation parameters described in the Investment Management Agreement.

Although the Board delegates discretionary management authority to the Investment Manager, it actively and continuously supervises the Investment Manager in the performance of its functions and reserves the right to take decisions in relation to the overall investment and risk management policies and strategies of the Company or to terminate the appointment of the Investment Manager (subject to the terms of the Investment Management Agreement). The Board has the right to request additional information or updates from the Investment Manager in respect of all delegated matters, including in relation to the identity of any sub-delegates and their sphere of operation.

AIFM Directive disclosures

The Company is required, pursuant to Regulation 59(2) of the Alternative Investment Fund Managers Regulations 2013 and Article 42(1)(a) of the AIFM Directive, to make certain specified disclosures to prospective investors prior to their investment in the Company, in accordance with the FCA's Investment Funds sourcebook and Article 23 of the AIFM Directive (the "Article 23 Disclosures"). The Company has published an investor disclosure document on its website (**www.jlen.com**) for the purposes of making the Article 23 Disclosures available to prospective investors prior to their investment in the Company.

AIFM remuneration

The Investment Manager is categorised by the FCA as a Collective Portfolio Management Investment ("CPMI") firm and is accordingly subject to certain provisions of the FCA's AIFM Remuneration Code and MIFIDPRU Remuneration Code for its MiFID business (the "Remuneration Code").

The Investment Manager's Remuneration Policy (the "Policy") applies to all staff whose professional activities have a material impact on the risk profiles of the Investment Manager or of the funds it manages, including the Company. This includes senior management, risk takers, control functions and any employee/member receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers.

The Investment Manager's Remuneration Code Staff have been identified as:

- partners as members of the management body, of those responsible for the prevention of money laundering and terrorist financing and managerial responsibility for business units, departments and teams; and
- Directors/Heads of Teams, including senior staff responsible for investment management, IT, risk management and those with authority to take decisions on the introduction of new products.

The Investment Manager ensures that the Policy is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the funds it manages, including the Company.

The Investment Manager recognises the importance of an effective remuneration policy in order to attract, motivate and retain individuals of the necessary ability and experience and to reward individuals both on an annual basis and over the long term for their contributions to the success of the Investment Manager, the Company and the Company's portfolio of assets.

The Investment Manager ensures that where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the Company (as an AIF) and of the Investment Manager's overall results. When assessing individual performance, financial and non-financial criteria are considered. Variable remuneration consists of bonus payments of employees.

The Investment Manager has an established Employee Remuneration Committee to oversee the implementation of its remuneration policies and practices established under the Remuneration Code.

The Company does not have any employees. The services in this regard are provided by staff members of the Investment Manager in its role as AIFM.

In accordance with the Alternative Investment Fund Managers Regulations 2013 and related FCA rules, the Investment Manager is required to make certain remuneration disclosures available to investors and the FCA. In accordance with these obligations, the Investment Manager's Policy and the numerical remuneration disclosures in respect to the relevant reporting period are available from the Investment Manager on request.

DIVISION OF RESPONSIBILITIES continued

Non-mainstream pooled investments

The Board notes the rules of the UK FCA on the promotion of non-mainstream pooled investments.

The Board confirms that it conducts the Company's affairs, and intends to continue to do so, in order that the Company's shares will be excluded securities under the FCA's rules. This is on the basis that the Company, which is resident outside the EEA, would qualify for approval as an investment trust by the Commissioners for HM Revenue and Customs under Sections 1158 and 1159 of the Corporation Tax Act 2010 if resident and listed in the United Kingdom. Therefore, the Company's shares will not amount to non-mainstream pooled investments. Accordingly, promotion of the Company's shares will not be subject to the FCA's restriction on the promotion of non-mainstream pooled investments.

Significant voting rights

Details of shareholders with notifiable interests in the voting rights of the Company can be found on page 154.

Share repurchase

Subject to the provisions of the law and the Company's Articles of Incorporation, the Company may purchase all or any of its shares of any class, including any redeemable shares, and may hold such shares as treasury shares or cancel them. During the year no shares were acquired by the Company.

Amendment to the Company's Articles of Incorporation

Subject to the provisions of the law and the Company's Articles of Incorporation, the Company's Articles can be amended by special resolution.

COMPOSITION, SUCCESSION AND EVALUATION

"The Board ensures it has the appropriate balance of skills, experience, diversity and knowledge to operate effectively."

Ed Warner
Chair of the Nomination Committee

Nomination Committee report

The Board of Directors has established a Nomination Committee from the non-executive Directors of the Company. The Nomination Committee, chaired by Ed Warner, operates within clearly defined terms of reference which are considered and are then referred to the Board for approval. A copy of the terms of reference is available on the Company's website or upon request from the Company Secretary.

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

- regularly review the structure, size and composition of the Board and make recommendations to the Board with regard to any changes, based on merit and objective criteria (including skills, knowledge and experience, and promoting diversity of gender, social and ethnic backgrounds, cognitive and personal strengths);
- give full consideration to succession planning for Directors, ensuring effective plans are in place for orderly succession to the Board and to oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Company; and
- lead the process for appointments and be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.

The Nomination Committee reports formally to the Board on its proceedings on all matters within its duties and responsibilities and how it has discharged its responsibilities. The Committee typically meets at least twice a year and at such other times as the Nomination Committee Chair shall require. Other Directors and third parties may be invited by the Nomination Committee to attend meetings as and when appropriate.

The initial and all subsequent members of the Board are selected following a comprehensive recruitment exercise with the aim of establishing a Board with the skills, knowledge, experience and diversity necessary for providing effective leadership and maintaining a governance framework suitable for the nature, scale and complexity of the Company.

Committee members

Ed Warner
Chair of the Nomination Committee

Alan Bates
Director

Stephanie Coxon
Director

Jo Harrison
Director

Hans Joern Rieks
Director

Nadia Sood
Director

COMPOSITION, SUCCESSION AND EVALUATION continued

Nomination Committee report continued

The Nomination Committee met on four occasions during the financial year. Matters considered by the Committee during the year included, but were not limited to:

- the Company's policy on diversity, ensuring this remained aligned with the Company's strategy and objectives;
- the development of and implementation of the Board's succession plan with the appointment of Ed Warner and Nadia Sood, following the retirement of Richard Morse and Richard Ramsay;
- planning for the retirement of Richard Morse as Chair, and the subsequent recruitment and appointment of Ed Warner as Chair;
- overseeing the induction process for new Directors;
- the time requirements and independence of Directors; and
- consideration and agreement of the terms of reference of the Nomination Committee for approval by the Board.

In early 2022, the Nomination Committee was notified of the intention of Richard Morse to retire from the Board, having served as Chair since the Company's inception and in December 2022 would be reaching his ninth year on the Board. In accordance with the Board's succession plan, the Committee engaged a third party, Savannah Partners Limited, to support a comprehensive recruitment exercise to identify potential candidates to succeed Richard Morse as Board Chair.

Following the recruitment process, the Nomination Committee recommended to the Board the appointment of Ed Warner as a Director of the Company and to replace Richard Morse as Chair of the Board. Ed Warner was appointed as Chair and non-executive Director, effective 2 August 2022. Richard Ramsay acted as interim Chair of the Board between the retirement of Richard Morse and the appointment of Ed Warner.

During the financial year, Richard Ramsay indicated that, in line with the Company's succession planning, he would be retiring from the Board by the end of the 2022 calendar year. To avoid disruption arising from multiple Board changes during the financial year, it was agreed that Mr Ramsay would remain as a Director until the end of the 2022/23 financial year.

Savannah Partners Limited were also engaged to identify potential candidates to succeed Mr Ramsay, and in early 2023, the Nomination Committee approved the recommendation of Nadia Sood as a non-executive Director to the Board. Ms Sood was appointed as a non-executive Director, effective 10 February 2023.

Following Mr Ramsay's retirement, the Board resolved to appoint Stephanie Coxon to the position of Senior Independent Director, effective 1 April 2023.

Savannah Partners Limited has no other connections with the Company or its individual Directors.

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

Board composition timeline 2023

31 March 2023

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

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

COMPOSITION, SUCCESSION AND EVALUATION continued

Nomination Committee report continued

Board independence and composition

The Board consists of six Directors, all of whom are non-executive and independent of the Company's Investment Manager and other key service providers. Board independence is formally reviewed annually against the factors suggested in the AIC Code as likely to impair, or could appear to impair, independence, in addition to any other relevant considerations. The Board considers all of the Directors, including the Chair, to be independent. The Directors' details are contained on pages 122 and 123 and set out the range of investment, financial and business skills and experience represented. Ed Warner has been appointed Chair and Stephanie Coxon Senior Independent Director.

The Board believes that the Directors provide the appropriate balance of skills, knowledge and diversity necessary to manage the affairs of the Company and to operate effectively as a Board. Biographical details of the Directors are provided on pages 122 and 123. The composition of the Board is formally reviewed annually by the Nomination Committee with the objective of ensuring that it meets the current and expected future leadership needs of the Company. The Board's formal performance evaluation also provides feedback from the Directors on aspects of the Board's operation where greater effectiveness may be achieved.

Tenure, succession planning and induction

The tenure of all Directors, including the Chair, is expected not to exceed nine years unless exceptional circumstances warrant, such as to allow for phased Board appointments and retirements and to ensure that the Board remains well balanced and that the skills, knowledge and experience of the Board is refreshed at appropriate intervals.

In 2019 the Board began the implementation of its succession plan which involved a staged process of rotating the Directors first appointed at the Company's launch. In accordance with corporate governance best practice as set out in the AIC Code, each Director will be subject to annual re-election by shareholders at the annual general meeting. The Board maintains a succession roadmap which documents the plans in place for a gradual phasing of the Board and to avoid any undue disruption which may arise if more than one Director were to retire within a short space of time.

On appointment to the Board, new Directors will be provided with an induction pack by the Company Secretary containing all relevant information regarding the Company, its history, operations, key relationships, and their duties and responsibilities as Directors. New appointees meet with each of the Directors and with representatives of the Investment Manager. The Chair is responsible for agreeing the programme of induction training with new appointees, and that any training needs of the existing Directors are addressed.

The Nomination Committee is responsible for ensuring that a diverse pipeline for succession is maintained, relevant to the future leadership needs of the Company.

Board diversity

The Board supports the recommendations issued by the FTSE Women Leaders Review (building on the work of the former Hampton Alexander and Davies Reviews) and the Listing Rule requirement relating to diversity. The Board further notes the recommendations of the Parker Review to have at least one member of the Board from an ethnic minority background by December 2024. The Board considers diversity in all its forms as part of its succession planning and the Directors are committed to maintaining a gender balanced board, in addition to achieving the recommendations of the Parker Review in advance of December 2024. The objectives of the Company's diversity policy is to:

- seek to broaden the diversity represented on the Board;
- reduce the risks of groupthink which may otherwise exist on less diverse boards; and
- bring fresh perspectives to the Board's decision making processes, from the widest possible range of backgrounds.

COMPOSITION, SUCCESSION AND EVALUATION continued

Nomination Committee report continued

Board diversity continued

Acting on the findings from the Nomination Committee's review of the size, structure and composition of the Board, and having regard to the objectives of the Company's diversity policy, the Directors were pleased to announce the appointments of Ed Warner in August 2022 and Nadia Sood in February 2023. These appointments were secured through a rigorous recruitment process involving an independent third-party search consultant with access to a broad pool of potential candidates.

No Director has a service contract with the Company and the terms and conditions of appointment for each of the Directors are set out in writing between each individual and the Company. Copies of the relevant appointment letters are available for inspection at the Company's registered office.

Statement on Board diversity

In compliance with Listing Rule 9.8.6R (9)(a), the Company has provided information, set out in the tables overleaf, how the Board has met the following targets on Board diversity at a chosen reference date within its accounting period:

- at least 40% of individuals on its board are women;
- at least one of the senior board positions is held by a woman; and
- at least one individual on its board is from a minority ethnic background.

The Board has determined its financial year end, 31 March 2023, as the reference date for the data.

The following tables set out the required information as at 31 March 2023 in accordance with the requirements of the Listing Rules. All the targets were met at the reporting date. Effective 1 April 2023, Richard Ramsay retired from the Board, and so the percentage of women on the Board increased to 50%. Following Richard's retirement, Stephanie Coxon was appointed as Senior Independent Director.

	Number of Board Members	Percentage of the Board	Number of senior positions on the Board (SID and Chair)(1)
Men	4	57%	3
Women	3	43%	2
Not specified/Prefer not to say	–	–	–

	Number of Board Members	Percentage of the Board	Number of senior positions on the Board (SID and Chair)(1)
White British or other White (including minority white groups)	6	86%	5
Mixed/Multiple Ethnic Groups	1	14%	–
Asian/Asian British	–	–	–
Black/African/Caribbean/Black British	–	–	–
Other ethnic group, including Arab	–	–	–
Not specified/prefer not to say	–	–	–

(1) The Listing Rules specify the positions of CEO, CFO, Chair and SID as being senior positions. The Company is an externally managed investment company, with a board comprised entirely on non-executive directors. Accordingly, the Company does not have a CEO or CFO, and within the context of the Company, the applicable senior roles for reporting purposes are considered to be the positions of Chair, SID, and the Chairs of the Risk Committee, ESG Committee and the Audit Committee.

In accordance with the Listing Rules, the Company confirms that the numerical data presented in the tabled above was collected directly from the non-executive directors on the Board. Directors were provided with an anonymised form asking them to specify how they wished to be categorised for the purposes of the Listing Rule disclosures.

COMPOSITION, SUCCESSION AND EVALUATION continued

Nomination Committee report continued

Conflicts of interest

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

Other business relationships, including those that conflict or may potentially conflict with the interests of the Company, are taken into account when appointing Board members and are monitored on a regular basis. The terms of each Director's appointment letter with the Company requires that they seek prior approval from the Board before taking up any additional external appointments. The Board recognises the holdings of ordinary shares in the Company held by each of Ed Warner, Stephanie Coxon, Hans Joern Rieks, Jo Harrison and Alan Bates, details of which are set out on page 155.

The Board considers these interests at each scheduled meeting and remains satisfied that they do not affect the ability of the Directors to exercise independent judgement or their objectivity.

Performance and evaluation

The JLEN Board has adopted a process to review its performance on a regular basis and such reviews are carried out internally on an annual basis, with an externally facilitated evaluation expected to take place every three years. The internal annual evaluation of the Board and the performance of its Committees has taken the form of questionnaires and discussion to assess Board effectiveness and individual Director performance in various areas. The review of the Chair's performance is led by the Senior Independent Director.

The last externally facilitated performance evaluation was undertaken by Aspida Advisory Services Limited in respect of the financial year ended 31 March 2020. The findings from the external review were generally satisfactory and no material deficiencies were identified. Noting the AIC recommendation that an externally facilitated Board evaluation should be undertaken once every three years, the Board has commissioned such an evaluation, which is currently ongoing. The Board deemed it appropriate that the external Board evaluation is undertaken over a longer timeframe, to allow for a more comprehensive evaluation following the Board changes during the 2022/23 financial year.

The Board has appointed BoardAlpha Limited ("BoardAlpha") to conduct the external Board evaluation. BoardAlpha is an affiliate of Trust Associates Limited ("Trust Associates"), who carried out the 2022 external review of the Board's remuneration. Save for this, BoardAlpha has no other connection to the Company.

It is expected that the external Board evaluation will conclude during the second quarter of the Company's 2023/24 financial year, with the results being reported in the Company's Interim Report.

For the financial year ended 31 March 2022, the Directors undertook an internal evaluation of the Board. The evaluation process covered the composition of the Board and meeting process, Board information, training and development, Board dynamics, accountability and effectiveness.

Additional reviews were undertaken in respect of the performance and effectiveness of the Chair, and of the Audit Committee. Certain points were identified during the assessment which the Board agreed to take forward in the coming year. These included:

- broadening the diversity of the Board with the objective of meeting the targets set by the Parker Review before December 2024;
- implementing a remuneration policy which better reflects market practice and the time commitment and demands placed on the Directors (as further explained in the Directors' remuneration report); and
- certain enhancements to the Company's induction programme for new Directors, based on the learning gained during stages of the pandemic lockdown.

AUDIT, RISK AND INTERNAL CONTROL

"I am pleased to present the Audit Committee report for the year ended 31 March 2023 detailing the activities undertaken this year to fulfil its responsibilities."

Stephanie Coxon
Chair of the Audit Committee

Audit Committee report

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

Summary of the roles and responsibilities of the Audit Committee
The main roles and responsibilities of the Audit Committee are:

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

Committee members

Stephanie Coxon
Chair of the Audit Committee

Alan Bates
Director

Hans Joern Rieks
Director

AUDIT, RISK AND INTERNAL CONTROL continued

Audit Committee report continued

Summary of the roles and responsibilities of the Audit Committee continued

- reviewing the adequacy and security of the Company's arrangements for regulatory compliance, whistleblowing and fraud, recognising that responsibilities for whistleblowing arrangements reside with the Board as a whole;
- overseeing the external audit tender process;
- making recommendations to the Board, to be put to shareholders for approval at the annual general meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor; and
- assessing annually the effectiveness of the audit process and the external auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services and the effectiveness of the audit process.

The Audit Committee reports formally to the Board on its proceedings on all matters within its duties and responsibilities and how it has discharged its responsibilities.

Meetings

The Audit Committee meets at least four times a year and at such other times as the Audit Committee Chair shall require.

In addition to the Audit Committee meeting formally with the external auditor, the Chair of the Audit Committee has met them informally on eight further occasions and the independent valuations specialists five times.

These informal meetings have been held to ensure the Audit Committee Chair is kept up to date with the progress of their work and that their formal reporting meets the Audit Committee's needs. Any member of the Audit Committee may request that a meeting be convened by the Company Secretary.

The external auditor may request that a meeting be convened if it is deemed necessary.

Other Directors and third parties may be invited by the Audit Committee to attend meetings as and when appropriate.

Annual general meeting

The Audit Committee Chair attends the annual general meeting to answer shareholder questions on the Committee's activities.

Significant issues

The Audit Committee considered the following significant issues during the year and in relation to the financial statements:

Valuation of investments

The Company is required to calculate the fair value of its investments. Whilst a relatively high volume of transactions for investments of this nature take place, there is not a suitable listed or other public market in these investments against which their value can be benchmarked. As a result, a valuation is performed based on a discounted cash flow methodology in line with IFRS 13 Fair Value Measurement.

AUDIT, RISK AND INTERNAL CONTROL continued

Audit Committee report continued

Significant issues continued

Valuation of investments continued

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

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

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

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

The Audit Committee is also satisfied that the portfolio valuation and associated disclosures have been audited for mechanical accuracy, ensuring that the investments are brought on balance sheet at fair value and that the independent valuation carried out by an independent firm has been reviewed and challenged by the Audit Committee, Board, and by the auditor.

Internal audit

The Audit Committee considers at least once a year whether or not there is a need for an internal audit function. Currently, the Audit Committee does not consider there to be a need for an internal audit function specific to the Company, given that there are no employees in the Company and the systems and procedures employed by the Administrator and Investment Manager, including their own internal controls and procedures in place in relation to the Company and its subsidiaries, provide sufficient assurance that a sound system of internal control, which safeguards the Company's assets, is maintained.

External audit

Deloitte LLP has been the Company's auditor since incorporation on 12 December 2013 and this is the ninth set of financial statements on which it has expressed an audit opinion.

AUDIT, RISK AND INTERNAL CONTROL continued

Audit Committee report continued

External audit continued

The Audit Committee has assessed the quality and the effectiveness of the audit process. To draw its conclusions, the Audit Committee reviewed:

- the scope of the audit, the audit fee and the external auditor's fulfilment of the agreed audit plan;
- the degree of diligence and challenge demonstrated by them in the course of their interaction with the Board, the Audit Committee and the Administrator and Investment Manager;
- the external auditor's assessment of the Group's principal risks; and
- the report highlighting the matters that arose during the course of the audit and the recommendations made by the external auditor.

The Directors note the recommendation of the UK Code and the AIC Code that the role of the external auditor is retendered every 10 years, with the audit partner changing every five years. Noting that the 2023 financial year will be the ninth annual audit completed by the Company's external auditor, Deloitte LLP ("Deloitte"), during the financial year, the Company undertook a formal tender of its audit in line with best practice and continued audit quality.

The Audit Committee conducted meetings with a number of candidate audit firms to ascertain whether they had the requisite resources and capabilities, with key criteria being audit quality and the technical capability of each firm.

Following this, the Audit Committee created a shortlist of four firms who were invited to tender, as they were considered by the Audit Committee to be independent of the Company and suitably qualified to conduct an effective audit process. One of the firms selected declined to participate due to capacity constraints at the firm. The Audit Committee considered the detailed written proposals from each of the three remaining candidate firms. The Audit Committee then conducted a series of interviews with the candidate firms. The key criteria considered by the Audit Committee in reaching its tender decision included those of audit quality, environmental infrastructure audit and valuation experience, audit approach, potential for value add and fees. Following a comprehensive assessment process, KPMG Channel Islands Limited ("KPMG") was selected as the preferred firm. The recommendation was accepted and approved by the Board, and following publication of this Annual Report and financial statements, KPMG will be appointed as external auditor and will be recommended to shareholders for appointment at the 2023 Annual General Meeting. KPMG will undertake their first interim review for the period ending 30 September 2023 ahead of their first audit of the Company for the financial year ending 31 March 2024.

A detailed transition plan has been agreed , with all parties working closely to ensure an efficient and effective auditor transition.

As part of our annual review of the objectivity and effectiveness of the audit, the Audit Committee conducted an evaluation in 2023 of the auditor's performance and the Audit Committee was satisfied in this regard. This evaluation was completed by the Audit Committee and senior finance personnel of the Investment Manager, considering the audit quality, technical competence and level of professional scepticism applied during the audit. In accordance with the relevant Corporate Governance Code principles, the Committee will continue to review the effectiveness of the external auditor in line with best practice.

Non-audit services

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

The Company paid £57,720 during the year for non-audit services to Deloitte LLP, all in relation to the half-year interim review.

AUDIT, RISK AND INTERNAL CONTROL continued

Audit Committee report continued

Internal control

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness, and the Board has therefore established an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed.

The process is based on a risk-based approach to internal control through a matrix which identifies the key functions carried out by the Investment Manager, Administrator and other key service providers, the various activities undertaken within those functions, the risks associated with each activity and the controls employed to minimise and mitigate those risks and the risks at the operating companies. The Audit Committee works in close co-operation with the Risk Committee, with the prime responsibility of the Audit Committee being the review of internal financial controls and processes, and of the Risk Committee being the principal risks and uncertainties facing the Company. A separate report on the activities of the Risk Committee is set out on pages 146 and 147.

Activities of the Audit Committee

The Audit Committee met on eight occasions during the year ended 31 March 2023. Matters considered at these meetings included, but were not limited to:

- reviewing the independent internal controls assurance process put in place by the Investment Manager;
- meeting with the independent valuation provider and with the external auditor without representatives of the Investment Manager present to receive their views in relation to the half-year and year-end valuation and the appropriateness and implementation of the Company's asset valuation methodology;
- monitoring the ongoing appropriateness of the Company's blended power price curve and capture price discounts;
- reviewing the reappointment of the external auditor, conducting a thorough audit tender process and recommending the preferred candidate for the position of external auditor to the Board;
- reviewing the effectiveness of the external auditor and the external audit process;
- considering the short and long-term implications to asset valuations and cash flows from the significant dislocation in energy markets, rising inflation and interest rates;
- reviewing the long-term viability and going concern statements, including the underlying documentation;
- approving the external audit fees;
- considering and agreeing the terms of reference of the Audit Committee for approval by the Board;
- reviewing the proposed accounting policies and format of the financial statements;
- reviewing the audit plan and timetable for the preparation of the Annual Report and financial statements;
- reviewing the Company's asset valuation methodology;
- reviewing the independent valuation report;
- monitoring of the impact of the UK government's Autumn Statement, and the introduction of the Electricity Generator Levy; and
- reviewing the 2023 Annual Report and financial statements and the 2022 Half-year Report to ensure they are fair, balanced and understandable.

No areas of significant disagreement or concern were highlighted during the Audit Committee's activities during the year which necessitated further action being taken outside of the Committee's routine duties.

As a result of its work during the year, the Audit Committee has concluded that it has acted in accordance with its terms of reference.

Approval

On behalf of the Audit Committee:

Stephanie Coxon
Chair of the Audit Committee
14 June 2023

AUDIT, RISK AND INTERNAL CONTROL continued

"I am pleased to present the Risk Committee report for the year ended 31 March 2023."

Alan Bates
Chair of the Risk Committee

Risk Committee report

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

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

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

- when requested to do so, advise the Board on the overall risk appetite, tolerance and strategy of the Fund, taking account of the extent to which the risk profile of the Company corresponds to the size, structure and objectives of the Company, in addition to the current and prospective macroeconomic, financial and regulatory environment, including relevant stakeholder issues;
- oversee and advise the Board on the current risk exposures of the Fund with particular focus on the Fund's principal risks, being those which could influence shareholders' economic decisions, and the controls in place to mitigate those risks;
- keep under review the Fund's overall risk identification and assessment processes and, in conjunction with the Audit Committee, review the adequacy and effectiveness of the risk management systems;
- in conjunction with the Audit Committee, ensure that a framework of strong corporate governance and best practice is in place, which enables the Company to comply with the main requirements of the Guernsey Code, UK Code or the AIC Code where considered appropriate;

Committee members

Alan Bates
Chair of the Risk Committee

Stephanie Coxon
Director

Jo Harrison
Director

Hans Joern Rieks
Director

Nadia Sood
Director

AUDIT, RISK AND INTERNAL CONTROL continued

Risk Committee report continued

- in conjunction with the ESG Committee, ensure the effective integration of climate risk into the Company's risk management framework;
- when requested to do so, advise the Board on proposed strategic transactions including acquisitions or disposals, ensuring that a due diligence appraisal of the proposition is undertaken, focusing in particular on risk aspects and implications for the risk appetite and tolerance of the Fund, and taking independent external advice where appropriate and available; and
- oversee the remit of the risk management function, its resources, access to information and independence.

The Risk Committee reports formally to the Board on its proceedings on all matters within its duties and responsibilities and how it has discharged its responsibilities. The Committee must meet at least four times a year and at such other times as the Risk Committee Chair shall require. Other Directors and third parties may be invited by the Risk Committee to attend meetings as and when appropriate. The Risk Committee met four times in the year.

In order to assist it in fulfilling its role on behalf of the Board, the Committee has established, in conjunction with the Investment Manager, an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed. This is a risk-based approach through the maintenance of a register which identifies the key risk areas faced by the Company and the controls employed to minimise and mitigate those risks. Scoring based on a traffic light system for likelihood and impact is used to assess the significance to the Fund of each individual risk. The register is updated quarterly and the Committee considers all material changes to the risk ratings and the action which has been, or is being, taken. By their nature, these procedures will provide a reasonable, but not absolute, assurance against material misstatement or loss.

Activities of the Risk Committee

The Risk Committee met on four occasions during the year ended 31 March 2023. Matters considered at these meetings included, but were not limited to:

- challenging the Investment Manager's views on risk movements during the period;
- considering and agreeing the Company's principal risks;
- monitoring developments with the Company's major counterparty exposures;
- considering changes to the risk profile of the portfolio arising from proposed investments in new asset classes or geographies;
- monitoring the development of emerging risks and assessing their impact on the Company; and
- reviewing the effectiveness of the risk management function.

REMUNERATION

Directors' remuneration report

Introduction

The Board has established separate Risk, Audit, ESG and Nomination Committees to effectively oversee the activities of the Group.

The Board has not deemed it necessary to appoint a remuneration committee as, being comprised of six Directors, it considers that such matters may be considered by the whole Board, provided that no Director is involved in deciding their own remuneration.

The Board determines and agrees the policy for the remuneration of the Directors of the Company, including the approval of any ad hoc payments in respect of exceptional work required. No Director is involved in determining his or her own remuneration.

As all Directors of the Company are non-executive, they receive an annual fee appropriate for their responsibilities and time commitment, but no other incentive programmes or performance-related emoluments.

At IPO, the remuneration of the Board was fixed after consultation with independent external advisers. The remuneration policy is reviewed annually by the Directors to ensure it remains appropriate in the context of the activities of the Company, that the practices continue to support strategy and promote the Company's long-term sustainable success, and that they reflect the time commitment and responsibility of the role.

In 2022 an external review of the Company's remuneration policy was carried out by Trust Associates and their recommendations were considered by the Board as a whole prior to determining the policy to apply for the financial year commencing 1 April 2022. Internal remuneration policy reviews are undertaken annually by the Directors for each year intervening an externally facilitated review of remuneration.

The external remuneration review included a desktop benchmarking exercise, comparing the Company's remuneration practices against the broader listed investment company sector, companies based in the Channel Islands, in addition to a selected peer group comparison. Account was taken for the time, complexity and level of risk involved for Directors, which was assessed based on the findings of questionnaires and calls held with each Director, in addition to comments received from the Investment Manager, corporate brokers and the Company Secretary.

The findings confirmed that the Board continued to be highly responsive to Company demands, demonstrated by the attendance record at scheduled and ad hoc meetings held during the financial year. It was also acknowledged that the Board had adopted a conservative approach to reviewing its own remuneration by applying only an inflationary increase in the 2019/20 financial year, then retaining those fee levels for 2020/21 in light of the ongoing uncertainty and market volatility caused by the Covid-19 pandemic.

The Directors are mindful of maintaining remuneration levels at a level broadly consistent with market expectations to avoid fees being a limiting factor by prospective Board candidates, whilst also taking account of the time requirement expected for each Board position and any additional responsibilities. In considering the findings of the external remuneration review, relevant factors included the Company remaining competitive against peers, the additional scrutiny placed on FTSE 250 constituents, and to avoid the need for substantial fee increases over future years as inflation levels remain high. Having considered the recommendations of the external review, the Board agreed to adopt each recommendation, without variation, which were ratified by shareholders at the 2022 annual general meeting. The proposed remuneration policy applicable for the financial year ending 31 March 2024 is set out on the following page.

During May 2023, the Board undertook an internal evaluation of its remuneration levels. The internal review of the remuneration policy undertaken during 2023 benchmarked the Company's position against listed peer funds in the renewable energy infrastructure sector. The time commitment of the Directors during the year under review and additional responsibilities placed on certain Board members were considered. The review identified certain aspects of the Company's policy where changes would be suitable. Accordingly, and with effect from 1 April 2023, the Board is recommending that shareholders approve the remuneration levels proposed in the comparative table set out later in this report.

REMUNERATION continued

Directors' remuneration report continued

Remuneration policy

Each Director receives a fixed fee per annum based on their role and responsibility within the Company and the time commitment required. It is not considered appropriate that Directors' remuneration should be performance related and none of the Directors are eligible for pension benefits, share options, long-term incentive schemes or other benefits in respect of their services as non-executive Directors of the Company. Shares held by the Directors are disclosed in the report of the Directors. The total remuneration of non-executive Directors has not exceeded the £300,000 per annum limit set out in the Articles of Incorporation of the Company (subsequently increased to £400,000 at the EGM held on 8 March 2021).

The Company's Articles of Incorporation empower the Board to award additional remuneration where any Director has been engaged in exceptional work on a time spent basis to compensate for the additional time spent over their expected time commitment.

All of the Directors have been provided with letters of appointment which stipulate that their initial term shall be for three years, subject to annual re-election. The Articles of Incorporation provide that Directors retire and offer themselves for re-election at the first annual general meeting after their appointment and at least every three years thereafter. Pursuant to the AIC Code, each Director retires and offers themselves for re-election at each annual general meeting. A Director's appointment may at any time be terminated by, and at the discretion of, either party upon three months' written notice.

A Director's appointment will automatically end without any right to compensation whatsoever if they are not re-elected by the shareholders. A Director's appointment may also be terminated with immediate effect and without compensation in certain other circumstances.

The terms and conditions of appointment of non-executive Directors are available for inspection at the Company's registered office.

Details of individual remuneration

For comparative purposes, the table below sets out the Directors' remuneration approved and actually paid for the year to 31 March 2023, as well as that proposed for the year ending 31 March 2024.

Director	Role	Annual base proposed for 2023/24	Paid 2022/23
Ed Warner	Chair and Nomination Committee Chair (appointed 2 August 2022)	£78,000	£49,829
Stephanie Coxon	Audit Committee Chair and Senior Independent Director effective 1 April 2023	£59,500	£55,000
Jo Harrison	ESG Committee Chair	£50,500	£48,000
Alan Bates	Risk Committee Chair from 9 March 2023	£50,500	£46,000
Hans Joern Rieks	Director and Risk Committee Chair until 9 March 2023	£48,000	£48,000
Nadia Sood	Director	£48,000	£6,301
Richard Ramsay	Senior Independent Director	–	£50,600
Richard Morse	Chair and Nomination Committee Chair (retired effective 15 July 2022)	–	£18,750
Total		**£334,500**	**£322,480**

Where the Company requires Directors to work on specific corporate actions, an additional fee may be appropriately determined. No additional fees were paid to the Directors for the year ended 31 March 2023.

REMUNERATION continued

Directors' remuneration report continued

Details of individual remuneration continued

Directors are entitled to claim reasonable expenses which they incur attending meetings or otherwise in performance of their duties relating to the Company.

The total amount of Directors' expenses paid for the year ended 31 March 2023 was £9,953 (31 March 2022: £1,653).

Approval of report

The Board will seek approval at the annual general meeting on 8 September 2023 for both the remuneration policy and the annual Directors' fees for routine business for the year ended 31 March 2024, as set out above.

REPORT OF THE DIRECTORS

The Directors are pleased to submit their report and the audited financial statements of the Company for the year ended 31 March 2023.

Principal activities

JLEN Environmental Assets Group Limited is a company incorporated and registered in Guernsey under the Companies (Guernsey) Law, 2008. The Company was incorporated on 12 December 2013 with the Company registered number 57682.

At 31 March 2023, the total number of ordinary shares of the Company in issue was 661,531,229.

The Company is a registered fund under the Registered Collective Investment Scheme Rules and Guidance, 2021 and is regulated by the Guernsey Financial Services Commission and, during the year, its principal activity was as an investor in environmental infrastructure that utilise natural or waste resources or support more environmentally friendly approaches to economic activity.

Business review

The Company is required to present a fair review of its business during the year ended 31 March 2023, its position at the year end and a description of the principal risks and uncertainties it faces.

This information is contained within the strategic report on pages 10 to 119.

Disclosure of information under Listing Rule 9.8.4

The Company is required to disclose information on any contract of significance subsisting during the period under review:

- to which the Company, or one of its subsidiary undertakings, is a party and in which a Director of the Company is or was materially interested; and
- between the Company, or one of its subsidiary undertakings, and a controlling shareholder.

Details can be found in note 15 to the financial statements.

The Directors note that no shareholder has waived or agreed to waive any dividends.

Results and dividends

The results for the year are set out in the financial statements on pages 166 to 196. On 18 May 2023, the Directors declared a dividend in respect of the period 1 January 2023 to 31 March 2023 of 1.79 pence per share to shareholders on the register as at the close of business on 2 June 2023, payable on 23 June 2023.

Going concern

The Directors, in their consideration of going concern, have reviewed comprehensive cash flow forecasts prepared by the Company's Investment Manager, Foresight Group, which are based on prudent market data, a reasonable worst case and a stress test scenario and believe, based on those forecasts and an assessment of the Company's subsidiary's banking facilities, that it is appropriate to prepare the financial statements of the Company on the going concern basis.

In arriving at their conclusion, the Directors assessed the potential risks of the continued energy market disruption and volatility of energy prices and the potential impact of the principal risks documented in the strategic report. In addition to these principal risks, the Directors have also considered the sustainability-related risks covering environmental, social and governance factors, including climate change (in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD")), outlined on pages 49 to 69. The Investment Manager has reviewed the portfolio's exposure to these risks in the period under review and has concluded that it is currently not material to the Fund, although it continues to monitor the market attentively.

The Board considers the going concern assessment period of 18 months to 30 September 2024 to be appropriate. A longer period than the typical requirement of 12 months has been adopted to factor in the full payment of the March 2024 dividend.

REPORT OF THE DIRECTORS continued

Going concern continued

JLEN increased its RCF to £200m during the period and extended its maturity to May 2025. This has provided further flexibility to continue to meet existing funding commitments to portfolio assets. The Company also has sufficient headroom in its RCF to finance its hard commitments relating to construction assets held within the portfolio.

The Directors also considered that the Company has adequate financial resources, and were mindful that the Group had unrestricted cash of £18.0 million (including £0.1 million in the Company) as at 31 March 2023 and a revolving credit and accordion facility (available for investment in new or existing projects and working capital) of £200 million. As at 31 March 2023, the Company's wholly owned subsidiary UK HoldCo had borrowed £103.5 million under the facility, leaving £96.5 million available to draw. All key financial covenants under this facility are forecast to continue to be complied for the duration of the going concern assessment period.

The Managers and Directors have assessed the headroom available to meet the revolving credit covenants. The covenants have been tested on downside risk scenarios, with the assumption of 10% lower power price projections compared to the base case, reduced generation levels assuming P90, a proportion of the portfolio not yielding and a combination of these scenarios. In all scenarios run, including the combined downside case, the Company remained compliant with its key covenants.

The Directors are satisfied that the Company has sufficient resources to continue to operate for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparation of these financial statements.

Long-term viability statement

The Directors have assessed the viability of the Group over the three-year period to June 2026, taking account of the Group's current position and the potential impact of the principal risks documented in the strategic report.

In addition to these principal risks, the Directors have also considered the sustainability-related risks covering environmental, social and governance factors, including climate change (in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), outlined on pages 49 to 69).

Sensitivity analysis has been undertaken to consider the potential impacts of the principal risks on the business model, future performance, solvency and liquidity over the period. In particular, this analysis has considered the achievement of budgeted energy yields, the level of future power prices in this very volatile market, continued government support for renewable energy subsidy payments and the impact of a proportion of the portfolio not yielding.

The Directors have determined that a three-year look forward to June 2026 is an appropriate period over which to provide its viability statement. This is consistent with the outlook period used in economic and other medium-term forecasts regularly prepared for the Board by the Investment Manager and the discussion of any new strategies undertaken by the Board in its normal course of business. These reviews consider both the market opportunity and the associated risks, principally the ability to raise third-party funds and invest capital, or mitigating actions which could be taken if required, such as a reduction of dividends paid to shareholders or utilisation of additional borrowings available under the RCF.

The Group's risk management processes (as outlined on pages 38 to 48) sets out the key risks during this three-year period and beyond. These risks include rising inflation and interest rates, regulatory change, global supply chain issues. Risks presented by the current environment also include the Ukraine conflict. Whilst these risks are deemed significant to the Group's ability to operate its projects, generate revenue and to the value of the Company's investments, the Directors believe that this has had limited impact on the business to date. Risk mitigating activities (as outlined on pages 41 to 48) have aided in the reduction of the impact.

REPORT OF THE DIRECTORS continued

Long-term viability statement continued

The risk of exposure to variations in electricity and gas prices from assumptions made is mitigated by JLEN in the following ways: i) short-term PPAs are used to fix electricity and gas prices for between one and three years ahead depending on market conditions and many have floor prices; ii) forward prices based on market rates are used for the first two years where no fix is in place; and iii) quarterly reports from independent established market consultants are used to inform the electricity prices over the longer term used in the financial models. JLEN blends forecasts from three consultants to reduce volatility in assumed prices from period to period.

JLEN's exposure to wholesale power prices is mitigated by the practice of having a substantial proportion of generation for both electricity and gas on fixed price arrangements for durations ranging from six months out to three years. The gas and electricity generating assets have entered into short-term fixed price arrangements to remove some of the risk associated with changes in power prices.

At the year end, power prices were fixed for 76% of generation for the current summer season and 67% for the winter 2023/24 season.

The Managers have run downside risk scenarios, with the assumption of 10% lower power price projections compared to the base case, reduced generation levels assuming P90, a proportion of the portfolio not yielding and a combination of these scenarios. In all scenarios run, including the combined downside case, the Company remained solvent, compliant with its key covenants and could continue to pay dividends at the projected levels.

The Company's wholly owned subsidiary UK HoldCo, has increased its RCF to £200 million during the period and extended its maturity to May 2025.

The Company utilises the investments' cash flows from operations and proceeds from equity fund raises to repay the RCF. In order to repay the RCF at the maturity date (May 2025), the Company would be required to renew the RCF and/or perform an equity raise, under the base case assumptions included in the viability forecasts. In conjunction with this, the Company could raise new debt to repay the balance secured against ungeared projects existent within the portfolio and could further consider strategic disposals as appropriate.

JLEN aims to provide investors with a sustainable, progressive dividend, paid quarterly, and to preserve the capital value of its portfolio over the long term on a real basis. As such, the dividend is increased when the Board consider it is prudent to do so. The Board considers forecasted cash flows and dividend cover, in conjunction with inflation, electricity prices and the current operational performance of the Company's portfolio in making decisions surrounding dividends. Dividends are declared quarterly and are discretionary in nature. The Managers prepare robust scenario analysis when the target dividend for the next financial year is set.

The Directors consider the anticipated cash flows under these scenarios and will assess the sustainability of the proposed dividend during the forecasted period. When considering this analysis, the Directors are comfortable that the cash dividend cover projections remain healthy over the look forward period.

Based on this robust assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to June 2026. In making this statement, the Directors have considered and challenged the reports of the Investment Manager in relation to the resilience of the Group, taking into account its current position, the principal risks facing it in reasonable downside scenarios, the effectiveness of any mitigating actions and the Group's risk appetite.

Internal controls review

Taking into account the information on principal risks and uncertainties provided on pages 38 to 48 of the strategic report and the ongoing work of the Audit and Risk Committees in monitoring the risk management and internal control systems on behalf of the Board, the Directors:

- are satisfied that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity; and
- have reviewed the effectiveness of the risk management and internal control systems and no significant failings or weaknesses were identified.

REPORT OF THE DIRECTORS continued

Share capital

The Company has one class of ordinary shares which carry no rights to fixed income. On a show of hands, each member present in person or by proxy has the right to one vote at general meetings. On a poll, each member is entitled to one vote for every share held.

The issued nominal value of the ordinary shares represents 100% of the total issued nominal value of all share capital. There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Incorporation and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

The Company's Memorandum and Articles of Incorporation contain details relating to the rules that the Company has about the appointment and removal of Directors or amendment to the Company's Articles of Incorporation, which are incorporated into this report by reference.

Authority to purchase own shares

A resolution to provide the Company with authority to purchase its own shares will be tabled at the annual general meeting on 8 September 2023. This shareholder authority was last renewed at the 2022 annual general meeting.

Major interests in shares and voting rights

As at 31 March 2023, the Company had been notified, in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules, of the following interests in 5% or more of the voting rights as a shareholder in the Company.

Shareholder	Percentage of voting rights and issued share capital	Number of ordinary shares
Gravis Capital Management	7.46%	49,320,619
Evelyn Partners (Retail)	6.29%	41,637,359
Newton Investment Management	6.02%	39,795,695
Hargreaves Lansdown, stockbrokers (EO)	5.02%	33,225,477

Board of Directors

The Board members that served during the year and up until the date of this report, all of whom are non-executive Directors and independent of the Investment Manager, are listed below. Their biographical details are shown on pages 122 and 123.

Name	Function
Ed Warner[1] (appointed 2 August 2022)	Chair
Alan Bates	Director
Stephanie Coxon[2]	Senior Independent Director
Jo Harrison	Director
Hans Joern Rieks	Director
Nadia Sood[3] (appointed 10 February 2023)	Director
Richard Ramsay[1],[4] (retired 1 April 2023)	Senior Independent Director
Richard Morse[1] (retired 15 July 2022)	Chair

(1) Richard Morse retired from the Board effective 15 July 2022, and Richard Ramsay acted as Chair in the interim ahead of Ed Warner's appointment as Chair, effective 2 August 2022.
(2) Stephanie Coxon became Senior Independent Director, effective 1 April 2023.
(3) Nadia Sood was appointed as non-executive Director, effective 10 February 2023.
(4) Richard Ramsay retired from the Board, effective 1 April 2023.

Re-election of Directors

At the first annual general meeting of the Company on 14 August 2014, all of the Directors offered themselves for re-election and were duly re-elected. In compliance with the provisions of the AIC Code of Corporate Governance, all of the Directors will stand for re-election at each annual general meeting. The Directors are satisfied that the Board continues to perform effectively, and that each Director continues to demonstrate commitment to their roles. Each of the Directors has a letter of appointment rather than a service contract.

REPORT OF THE DIRECTORS continued

Directors' interests

Directors who held office during the year and had interests in the shares of the Company as at 31 March 2023 were:

	Ordinary shares of no par value each held at 31 Mar 2023	Ordinary shares of no par value each held at 31 Mar 2022
Richard Morse (retired effective 15 July 2022)	**n/a**	103,535
Ed Warner (appointed 2 August 2022)	**60,000**	–
Stephanie Coxon	**15,000**	15,000
Richard Ramsay	**53,813**	53,813
Hans Joern Rieks	**95,000**	95,000
Alan Bates	**12,500**	–
Jo Harrison	**8,066**	–
Nadia Sood (appointed 10 February 2023)	**–**	–

There have been no changes in the Directors' interests from 31 March 2023 to the date of this report.

Annual general meeting

The Company's annual general meeting will be held at 10.00am on 8 September 2023 at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, Channel Islands. Details of the business to be conducted will be confirmed in the notice of annual general meeting.

Appointment of the Investment Manager

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

Auditor

The Audit Committee, having conducted a detailed audit tender process, recommended that KPMG be recommended to the Board as the preferred candidate for the position of external auditor to the Company. The recommendation was accepted and approved by the Board, and following publication of the Annual Report and financial statements, a resolution will be proposed at the 2023 annual general meeting to reappoint KPMG.

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

On behalf of the Board

Ed Warner
Chair
14 June 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' report and financial statements in accordance with applicable laws and regulations. The Companies (Guernsey) Law, 2008 requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the financial statements in accordance with UK adopted international accounting standards and the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in UK adopted international accounting standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Guernsey and the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings taken as a whole, together with a description of the principal risks and uncertainties that it faces; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

On behalf of the Board

Ed Warner
Chair
14 June 2023

FINANCIAL STATEMENTS

What's inside this section:

INDEPENDENT AUDITOR'S REPORT

to the members of JLEN Environmental Assets Group Limited

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of JLEN Environmental Assets Group Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC's") Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Company for the year are disclosed in note 5 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was the valuation of investments at fair value.
Materiality	The materiality that we used in the current year was £16.2 million which was determined on the basis of 2% of net assets as at 31 March 2023.
Scoping	As the Company is an investment entity under IFRS 10, its subsidiaries are measured at fair value rather than consolidated on a line-by-line basis and therefore the Company has been accounted for as one component. There has been no change in approach for the current year.
Significant changes in our approach	There were no significant changes in our approach from the prior year.

INDEPENDENT AUDITOR'S REPORT continued

to the members of JLEN Environmental Assets Group Limited

Report on the audit of the financial statements continued

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- evaluating management's going concern assessment, identifying the assumptions applied and testing the mechanical accuracy of the underlying forecasts;
- assessing the reasonableness of assumptions used in the forecasts including the impact of energy market disruption;
- assessing consistency of the forecast assumptions applied in the going concern assessment with other forecasts, including investment valuation assumptions;
- reviewing the historical accuracy of forecasts prepared by management;
- assessing the extension of the revolving credit facility, including nature of facilities, repayment terms and covenants and evaluating whether any covenants are likely to be breached;
- evaluating and challenging management's sensitivity analysis on the key assumptions applied to understand those that could give rise to a material uncertainty related to going concern under a reasonable worst case scenario;
- assessing the liquidity position of the Company by assessing the Company's reverse stress test to determine the point at which a material uncertainty related to going concern may arise and evaluating the likelihood of such an event occurring;
- assessing the future commitments of the Company and assessing the Company's ability to fulfil these commitments; and
- assessing the appropriateness of the financial statement disclosures in relation to going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

In relation to the reporting on how the Company has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT continued

to the members of JLEN Environmental Assets Group Limited

Report on the audit of the financial statements continued

5. Key audit matters continued

5.1. Valuation of investments at fair value

Key audit matter description

The Company's principal activity is to act as an investor for environmental infrastructure assets, and has direct and indirect interests in wind farms, solar farms, anaerobic digestion, hydro, waste and bioenergy, hydrogen and low carbon and energy efficiency projects. As described in the significant accounting policies in note 2 to the financial statements, the fair value of the Company's investment in the underlying subsidiaries is determined using the net asset value of those subsidiaries at the reporting date which mainly consist of investment projects that are determined using a discounted cash flow methodology, as there is no liquid market for these projects. These investments are valued at £816.8 million as at 31 March 2023 (2022: £762.9 million). Note 9 to the financial statements provides a breakdown of the movement in these investments in the current financial year.

The complexity of the valuation methodology, as well as a number of significant estimates, means that the fair value of the investments will be sensitive to the assumptions made (as described in the sensitivity disclosures in note 16 and the "Investment portfolio and valuation" section of the Annual Report) and may not be appropriate. There is also judgement associated with power prices, inflation rates and discount rates given the current geopolitical and macroeconomic environment.

The key assumptions included in the valuation are:

- discount rates – the determination of the appropriate discount rate for each investment with regard to risk-free rates, operational risk and recent market transactions, where applicable; there is also potential for fraud through manipulation of this assumption; and
- gas and power prices – including considering the forward prices and capture price discounts and the energy market disruption;

The other assumptions included in the valuation are:

- inflation rates – both short-term and long-term forecasts, including the increased near-term inflation expectations;
- corporation tax;
- feedstock prices – the determination of movement in feedstock prices on the anaerobic digestion portfolio;
- operational assumptions – including generation outputs, acquisition values and value enhancements; and
- cost as a proxy to fair value for assets under construction.

Management engages an expert as an independent source to review their valuation and form an opinion on the appropriateness of the valuation.

INDEPENDENT AUDITOR'S REPORT continued

to the members of JLEN Environmental Assets Group Limited

Report on the audit of the financial statements continued

5. Key audit matters continued

5.1. Valuation of investments at fair value continued

How the scope of our audit responded to the key audit matter

Our audit procedures were designed to allow us to obtain appropriate evidence to challenge the assumptions adopted in the discounted cash flow models, as well as to audit the fair valuation of the assets in the portfolio. Our audit procedures included:

- obtaining an understanding of the relevant internal controls in respect of updates to the valuation models and review of new valuation models used at 31 March 2023;
- challenging the discount rates applied to the different asset types (solar, wind, anaerobic digestion, waste and wastewater, bioenergy and low carbon and energy efficient assets) by working with our internal valuation specialist to calculate an independent appropriate range, holding discussions with the Company's expert to challenge assumptions further, and benchmarking the discount rates against those used by comparable market participants and those indicated by recent market transactions;
- assessing the competence, capability and objectivity of the Company's valuation expert;
- assessing the electricity and gas curves used with reference to data supplied by market consultants to determine if the assumptions used are reasonable;
- benchmarking electricity and gas prices assumptions against other competitors, including the application of capture price discounts and consideration of the energy market disruption;
- assessing the integrity of the models for new material assets and assets with operational issues during the period and for models with higher risk investments;
- comparing the current year assumptions to the prior year assumptions and investigating significant movements in the valuations;
- evaluating the adjustments made to the projected cash flows and economic assumptions as a result of the economic conditions, which included lower generation outputs on certain projects;
- assessing changes to operational assumptions in the underlying models, in particular movements from generation outputs, acquisition values and value enhancements made, through reference to third party support where required;
- assessing the cost of assets under construction being a proxy for their fair value as at 31 March 2023;
- challenging the macroeconomic assumptions, such as inflation rates used in the short term and long term, by reference to observable market data and expert forecasts to independently determine an acceptable range;
- assessing the application, and testing the mechanical accuracy, of the Electricity Generator Levy ("EGL") and allowable costs on qualifying assets in line with the legislation;
- assessing the application of corporation tax rate in the valuation models;
- assessing whether the movement in feedstock prices is in line with the market and whether the current feedstock prices have been used in the valuation models;
- testing the mechanical accuracy for a sample of the valuation models including performing model integrity tests; and
- assessing the appropriateness of the disclosures made in the financial statements including the sensitivities applied; challenging whether these reflect the increased reasonable possible changes in key assumptions given the energy market disruption and the effects of the current geopolitical and macroeconomic environment.

Key observations

Based on the audit procedures performed and our benchmarking of assumptions, we concluded that the assumptions and judgements in aggregate were appropriate and that the valuation of the fund was therefore reasonable.

INDEPENDENT AUDITOR'S REPORT continued

to the members of JLEN Environmental Assets Group Limited

Report on the audit of the financial statements continued

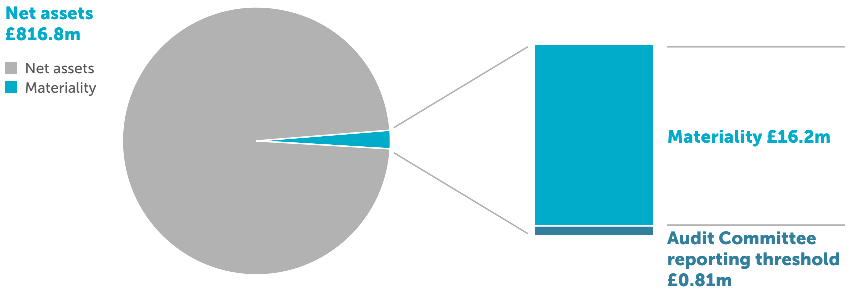
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£16.2 million (2022: £15.2 million)
Basis for determining materiality	2% of net assets as at 31 March 2023 (2022: 2% of net assets)
Rationale for the benchmark applied	The Company's investment objective is to achieve long-term capital appreciation from its environmental infrastructure investments. We therefore evaluated the Company's net assets as the most appropriate benchmark as it is one of the principal considerations for members of the Company in assessing financial performance and represents total shareholders' interest.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2023 audit (2022: 70%). In determining performance materiality, we considered the quality of the control environment and the low number of misstatements identified in previous audits.

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £810,000 (2022: £760,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

As the Company is an investment entity under IFRS 10, its subsidiaries are measured at fair value rather than consolidated on a line-by-line basis and therefore the Company has been accounted for as one component. There has been no change in approach for the current year.

INDEPENDENT AUDITOR'S REPORT continued

to the members of JLEN Environmental Assets Group Limited

Report on the audit of the financial statements continued

7. An overview of the scope of our audit continued

7.2. Our consideration of the control environment

We have obtained an understanding of the control environment and the relevant controls around the financial reporting process and the fund valuation process. We have not taken controls reliance and have performed a fully substantive audit.

7.3. Our consideration of climate-related risks

We reviewed the Company's climate change risk assessment including transition and physical risks and how these are incorporated into the principal risks and uncertainties facing the Company. These risks have been focused on the assumptions underlying the valuation of the investments, and include gas and power price forecasts, variability of weather resource and feedstock resource. This is consistent with our evaluation of the climate-related risks facing the Company. With the involvement of our ESG specialists, we have evaluated the appropriateness of disclosures included in the financial statements and we have read the Annual Report to consider whether the disclosures are materially consistent with the financial statements and our knowledge obtained in the audit, including consideration of the net zero power and gas curves used to assess the impact of certain transition risks on the valuation of the portfolio.

8. Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

INDEPENDENT AUDITOR'S REPORT continued

to the members of JLEN Environmental Assets Group Limited

Report on the audit of the financial statements continued

11. Extent to which the audit was considered capable of detecting irregularities, including fraud continued

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, key drivers for Directors' remuneration, and performance targets;
- the Company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management, the Directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's sector;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation of investments at fair value. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements.

The key laws and regulations we considered in this context included the Companies (Guernsey) Law, 2008, the Listing Rules, the Association of Investment Companies ("AIC") Code of Corporate Governance, and relevant tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included the Company's regulatory licences under The Protection of Investors (Bailiwick of Guernsey) Law, 2020 and the Alternative Investment Fund Managers ("AIFM") Directive.

11.2. Audit response to risks identified

As a result of performing the above, we identified valuation of investments at fair value as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and the Audit Committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and reviewing internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

INDEPENDENT AUDITOR'S REPORT continued

to the members of JLEN Environmental Assets Group Limited

Report on other legal and regulatory requirements

12. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the Directors' statement with regard to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 151 to 153;
- the Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 151 to 153;
- the Directors' statement on fair, balanced and understandable set out on page 156;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 153;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 153; and
- the section describing the work of the Audit Committee set out on page 141.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the accounting records.

We have nothing to report in respect of these matters.

14. Other matters which we are required to address

14.1. Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the Board on 12 September 2013 to audit the financial statements for the year ending 31 March 2015 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is nine years, covering the years ending 2015 to 2023.

14.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

15. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Becker
For and on behalf of Deloitte LLP
Recognised Auditor
Guernsey, Channel Islands

14 June 2023

INCOME STATEMENT

for the year ended 31 March 2023

	Notes	**2023 £'000s**	2022 £'000s
Operating income and gains on fair value of investments	9	**108,445**	192,890
Operating expenses	5	**(10,145)**	(7,883)
Operating profit		**98,300**	185,007
Profit before tax		**98,300**	185,007
Tax	6	**—**	—
Profit for the year		**98,300**	185,007
Earnings per share			
Basic and diluted (pence)	8	**14.9**	30.6

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

All results are derived from continuing operations.

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

STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

	Notes	2023 £'000s	2022 £'000s
Non-current assets			
Investments at fair value through profit or loss	9	**816,800**	762,855
Total non-current assets		**816,800**	762,855
Current assets			
Trade and other receivables	10	**143**	219
Cash and cash equivalents		**143**	2,022
Total current assets		**286**	2,241
Total assets		**817,086**	765,096
Current liabilities			
Trade and other payables	11	**(2,518)**	(2,191)
Total current liabilities		**(2,518)**	(2,191)
Total liabilities		**(2,518)**	(2,191)
Net assets		**814,568**	762,905
Equity			
Share capital account	13	**664,401**	664,401
Retained earnings	14	**150,167**	98,504
Equity attributable to owners of the Company		**814,568**	762,905
Net assets per share (pence per share)		**123.1**	115.3

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

The financial statements were approved by the Board of Directors and authorised for issue on 14 June 2023.

They were signed on its behalf by:

Ed Warner
Chair

Stephanie Coxon
Director

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

		Year ended 31 March 2023		
	Notes	**Share capital account £'000s**	**Retained earnings £'000s**	**Total £'000s**
Balance at 1 April 2022		**664,401**	**98,504**	**762,905**
Profit for the year		**—**	**98,300**	**98,300**
Profit and total comprehensive income for the year		**—**	**98,300**	**98,300**
Issue of share capital	13	**—**	**—**	**—**
Expenses of issue of equity shares	13	**—**	**—**	**—**
Dividends paid	7	**—**	**(46,637)**	**(46,637)**
Balance at 31 March 2023		**664,401**	**150,167**	**814,568**

		Year ended 31 March 2022		
	Notes	Share capital account £'000s	Retained earnings £'000s	Total £'000s
Balance at 1 April 2021		548,848	(44,647)	504,201
Profit for the year		—	185,007	185,007
Profit and total comprehensive income for the year		—	185,007	185,007
Issue of share capital	13	117,599	—	117,599
Expenses of issue of equity shares	13	(2,046)	—	(2,046)
Dividends paid	7	—	(41,856)	(41,856)
Balance at 31 March 2022		664,401	98,504	762,905

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

CASH FLOW STATEMENT

for the year ended 31 March 2023

	Notes	2023 £'000s	2022 £'000s
Cash flows from operating activities			
Profit from operations		**98,300**	185,007
Adjustments for:			
Investment interest		**(31,401)**	(28,827)
Dividends received		**(23,100)**	(21,300)
Net gain on investments at fair value through profit or loss		**(53,944)**	(142,763)
Operating cash flows before movements in working capital		**(10,145)**	(7,883)
Decrease/(increase) in receivables		**76**	(204)
Increase in payables		**476**	411
Net cash outflow used in operating activities		**(9,593)**	(7,676)
Investing activities			
Investments in subsidiaries		**–**	(116,000)
Investment interest		**31,401**	28,827
Dividends received		**23,100**	21,300
Net cash from/(used in) investing activities		**54,501**	(65,873)
Financing activities			
Proceeds on issue of share capital	13	**–**	117,599
Expenses relating to issue of shares	13	**(150)**	(2,046)
Dividends paid	7	**(46,637)**	(41,856)
Net cash (used in)/from financing activities		**(46,787)**	73,697
Net (decrease)/increase in cash and cash equivalents		**(1,879)**	148
Cash and cash equivalents at beginning of the year		**2,022**	1,874
Cash and cash equivalents at end of the year		**143**	2,022

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

1. General information

JLEN Environmental Assets Group Limited (the "Company" or "JLEN") is a closed-ended investment company domiciled and incorporated in Guernsey, Channel Islands, under Section 20 of the Companies (Guernsey) Law, 2008. The shares are publicly traded on the London Stock Exchange under a premium listing. The audited financial statements of the Company are for the year ended 31 March 2023 and have been prepared on the basis of the accounting policies set out below. The financial statements comprise only the results of the Company, as its investment in JLEN Environmental Assets Group (UK) Limited ("UK HoldCo") is measured at fair value as detailed in the key accounting policies below. The Company and its subsidiaries invest in environmental infrastructure that utilise natural or waste resources or support more environmentally friendly approaches to economic activity.

2. Significant accounting policies

(a) Basis of preparation

The financial statements were approved and authorised for issue by the Board of Directors on 14 June 2023. The set of financial statements included in this financial report has been prepared in accordance with UK adopted international accounting standards as applicable to companies reporting under those standards.

As a result of adopting the amendments to IFRS 10, IFRS 12 and IAS 28 first adopted in the Company's Annual Report to 31 March 2015, the Company is required to hold its subsidiaries that provide investment services at fair value, in accordance with IFRS 9 Financial Instruments: Recognition and Measurement, and IFRS 13 Fair Value Measurement. The Company accounts for its investment in its wholly owned direct subsidiary UK HoldCo at fair value. The Company, together with its wholly owned direct subsidiary UK HoldCo and the intermediate holding subsidiary HWT Limited, comprise the Group (the "Group") investing in environmental infrastructure assets.

The net assets of the intermediate holding companies (comprising UK HoldCo and HWT Limited), which at 31 March 2023 principally comprise working capital balances, the revolving credit facility ("RCF") and investments in projects, are required to be included at fair value in the carrying value of investments.

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

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

UK HoldCo is itself an investment entity. Consequently, the Company need not have an exit strategy for its investment in UK HoldCo.

Each investment indirectly held has a finite life. For the PPP assets, the shareholder debt will mature towards the end of the concession, and at the end of the concession the investment will be dissolved. In the case of renewable energy assets, the life of the project is based on the expected asset life and the land lease term, after which the investment will also be dissolved. The exit strategy is that investments will normally be held to the end of the concession, unless the Company sees an opportunity in the market to dispose of investments. Foresight Group, the Company's Investment Manager, and the Company's Board regularly consider whether any disposals should be made.

The Directors continue to consider that the Company demonstrates the characteristics and meets the requirements to be considered as an investment entity.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

2. Significant accounting policies continued

(a) Basis of preparation continued

The following standards which have not been applied in these financial statements were in issue but not yet effective:

- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023);
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (applicable for annual periods beginning on or after 1 January 2024);
- Definition of Accounting Estimates – Amendments to IAS 8 (applicable for annual periods beginning on or after 1 January 2023);
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (applicable for annual periods beginning on or after 1 January 2023);
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (applicable for annual periods beginning on or after 1 January 2024);
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes (applicable for annual periods beginning on or after 1 January 2023);
- Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17) (applicable for annual periods beginning on or after 1 January 2023);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) (applicable for annual periods beginning on or after 1 January 2024); and
- Non-current Liabilities with Covenants (Amendments to IAS 1) (applicable for annual periods beginning on or after 1 January 2024).

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

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

- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 (applicable for annual periods beginning on or after 1 January 2022);
- Annual improvements to IFRS standards 2018-2020 Cycle (effective for annual periods beginning on or after 1 January 2022);
- Property, Plant and Equipment: Proceeds Before Intended Use – Amendments to IAS 16 (applicable for annual periods beginning on or after 1 January 2022);
- Reference to the Conceptual Framework – Amendments to IFRS 3 (applicable for annual periods beginning on or after 1 January 2022);
- AIP IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a First-time Adopter (applicable for annual periods beginning on or after 1 January 2022);
- AIP IFRS 9 Financial Instruments – Fees in the "10 per cent" Test for Derecognition of Financial Liabilities (applicable for annual periods beginning on or after 1 January 2022); and
- AIP IAS 41 Agriculture – Taxation in Fair Value Measurements (applicable for annual periods beginning on or after 1 January 2022).

(b) Going concern

The Directors, in their consideration of going concern, have reviewed comprehensive cash flow forecasts prepared by the Company's Investment Manager, Foresight Group, which are based on prudent market data, a reasonable worst case and a stress test scenario and believe, based on those forecasts and an assessment of the Company's subsidiary's banking facilities, that it is appropriate to prepare the financial statements of the Company on the going concern basis. In arriving at their conclusion, the Directors assessed the potential risks of the continued energy market disruption and volatility of energy prices and the potential impact of the principal risks documented in the strategic report. In addition to these principal risks, the Directors have also considered the sustainability-related risks covering environmental, social and governance factors, including climate change (in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD")), outlined on pages 49 to 69. The Investment Manager has reviewed the portfolio's exposure to these risks in the period under review and has concluded that it is currently not material to the Fund, although it continues to monitor the market attentively.

The Board considers the going concern assessment period of 18 months to 30 September 2024 to be appropriate. A longer period than the typical requirement of 12 months has been adopted to factor in the full payment of the March 2024 dividend.

JLEN increased its RCF to £200 million during the period and extended its maturity to May 2025. This has provided further flexibility to continue to meet existing funding commitments to portfolio assets. The Company also has sufficient headroom in its RCF to finance its hard commitments relating to construction assets held within the portfolio.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

2. Significant accounting policies continued

(b) Going concern continued

The Directors also considered that the Company has adequate financial resources, and were mindful that the Group had unrestricted cash of £18.0 million (including £0.1 million in the Company) as at 31 March 2023 and a revolving credit and accordion facility (available for investment in new or existing projects and working capital) of £200 million. As at 31 March 2023, the Company's wholly owned subsidiary UK HoldCo had borrowed £103.5 million under the facility, leaving £96.5 million available to draw. All key financial covenants under this facility are forecast to continue to be complied for the duration of the going concern assessment period.

The Directors are satisfied that the Company has sufficient resources to continue to operate for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparation of these financial statements.

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

Operating income and gains/(losses) on fair value of investments in the income statement represents gains or losses that arise from the movement in the fair value of the Company's investment in UK HoldCo, dividend income and interest received from UK HoldCo. Dividends from UK HoldCo are recognised when the Company's right to receive payment has been established. Interest income is accrued by reference to the loan principal outstanding, applicable interest rate, and in accordance with the loan note agreement. Refer to note 9 for details.

(d) Taxation

Under the current system of taxation in Guernsey, the Company itself is exempt from paying taxes on income, profits or capital gains. Dividend income and interest income received by the Company may be subject to withholding tax imposed in the country of origin of such income. The underlying intermediate holding companies and project companies in which the Company invests provide for and pay taxation at the appropriate rates in the countries in which they operate. This is taken into account when assessing the fair value of the Company's investments.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, deposits held on call with banks and other short-term highly liquid deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purpose of the cash flow statements. Deposits held with original maturities of greater than three months are included in other financial assets.

(f) Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred and the transfer qualifies for derecognition in accordance with IFRS 9 Financial Instruments.

I) Financial assets

The Company classifies its financial assets as either investments at fair value through profit or loss or financial assets at amortised cost. The classification depends on the results of the "solely payments of principal and interest" and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how management are compensated. Monitoring is part of the Company's continuous assessment of whether the business model, for which the remaining financial assets are held, continues to be appropriate and, if it is not appropriate, whether there has been a change in business model and so a prospective change to the classification of those assets.

i) Investments at fair value through profit or loss

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

2. Significant accounting policies continued

(f) Financial instruments continued

I) Financial assets continued

i) Investments at fair value through profit or loss continued

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

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

ii) Financial assets at amortised cost

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

The loan notes issued by the Company's wholly owned subsidiary UK HoldCo are held at fair value, which is included in the balance of the investments at fair value through profit or loss in the statement of financial position.

II) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

i) Equity instruments

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares that would otherwise have been avoided are written off against the balance of the share capital account as permitted by Companies (Guernsey) Law, 2008.

ii) Financial liabilities

Financial liabilities are classified as other financial liabilities, comprising:

- loans and borrowings which are recognised initially at the fair value of the consideration received, less transaction costs. Subsequent to initial recognition, loans and borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis; and
- other non-derivative financial instruments, including trade and other payables, which are measured at amortised cost using the effective interest method less any impairment losses.

In accordance with IFRS 9, financial guarantee contracts are recognised as a financial liability. The liability is measured at fair value and subsequently in accordance with the expected credit loss model under IFRS 9. The fair value of financial guarantees is determined based on the present value of the difference in cash flows between contracted payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

III) Effective interest method

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the relevant asset's carrying amount.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

2. Significant accounting policies continued

(f) Financial instruments continued

IV) Fair value estimation for investments at fair value

The Company's investments at fair value are not traded in active markets.

Fair value is calculated by discounting at an appropriate discount rate future cash flows expected to be received by the Company's intermediate holdings, from investments in both equity (dividends and equity redemptions), shareholder and inter-company loans (interest and repayments). The discount rates used in the valuation exercise represent the Investment Manager's and the Board's assessment of the rate of return in the market for assets with similar characteristics and risk profile. The discount rates are reviewed on a regular basis and updated, where appropriate, to reflect changes in the market and in the project risk characteristics. The discount rates that have been applied to the financial assets at 31 March 2023 were in the range 5.75% to 10.30% (31 March 2022: 5.0% to 10.0%). Refer to note 9 for details of the areas of estimation in the calculation of the fair value.

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

(g) Segmental reporting

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

(h) Statement of compliance

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

3. Critical accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the fair value of assets and liabilities that affect reported amounts. Actual results may differ from these estimates.

Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Investments at fair value through profit or loss

The fair value of environmental infrastructure investments is calculated by discounting at an appropriate discount rate future cash flows expected to be received by the Company's intermediate holdings, from investments in both equity (dividends and equity redemptions), shareholder and inter-company loans (interest and repayments). Estimates such as the cash flows are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the fair value of assets not readily available from other sources. Actual results may differ from these estimates.

The project cash flows used in the portfolio valuation at 31 March 2023 reflect contractual fixed price arrangements under PPAs, where they exist, and short-term market forward prices for the next two years where they do not.

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

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

3. Critical accounting judgements, estimates and assumptions continued

Key sources of estimation uncertainty continued

Investments at fair value through profit or loss continued

The power price assumptions, including the discount to the near-term power price assumptions are a key source of estimation and uncertainty. Information on the sensitivity of the portfolio to movement in power price is disclosed in note 16.

Discount rates used in the valuation represent the Investment Manager's and the Board's assessment of the rate of return in the market for assets with similar characteristics and risk profile. The discount rate is deemed to be one of the most significant unobservable inputs and any change could have a material impact on the fair value of investments. Underlying assumptions and discount rates are disclosed in note 9 and sensitivity analysis is disclosed in note 16.

Due to the current economic environment, the Investment Manager and the Board believe that the rate of inflation should also be a considered a key source of estimation uncertainty. Information on the sensitivity of the portfolio valuation to movements in inflation rate is disclosed in note 16.

Critical accounting judgements

Equity and debt investment in UK HoldCo

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

Investment entities

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

4. Seasonality

Neither operating income nor profit are impacted significantly by seasonality. While meteorological conditions resulting in fluctuation in the levels of wind and sunlight can affect revenues of the Company's environmental infrastructure projects, due to the diversified mix of projects, these fluctuations do not materially affect the Company's operating income or profit.

5. Operating expenses

	Year ended 31 Mar 2023 £'000s	Year ended 31 Mar 2022 £'000s
Investment management fee	**8,448**	6,644
Directors' fees and expenses	**332**	297
Administration fee	**111**	110
Other expenses	**1,254**	832
	10,145	7,883

The Company had no employees during the year (31 March 2022: nil). There was no Directors' remuneration for the year other than Directors' fees as detailed in note 15 (31 March 2022: £nil).

Included within other expenses is an amount of £225,000 to Deloitte LLP for the audit of the Company for the year ended 31 March 2023 (year ended 31 March 2022: £120,000).

The Company paid £57,720 during the year for non-audit services to Deloitte LLP, all in relation to the half-year interim review (year ended 31 March 2022: £37,432 paid to Deloitte LLP).

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

6. Tax

Income tax expense

The Company has obtained exempt status from income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. JLEN is charged an annual exemption fee of £1,200 (year ended March 2022: £1,200).

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

7. Dividends

	Year ended 31 Mar 2023 £'000s	Year ended 31 Mar 2022 £'000s
Amounts recognised as distributions to equity holders during the year (pence per share):		
Final dividend for the year ended 31 March 2022 of 1.70 (31 March 2021: 1.69)	**11,246**	10,164
Interim dividend for the quarter ended 30 June 2022 of 1.78 (30 June 2021: 1.70)	**11,775**	10,224
Interim dividend for the quarter ended 30 September 2022 of 1.79 (30 September 2021: 1.70)	**11,841**	10,224
Interim dividend for the quarter ended 31 December 2022 of 1.78 (31 December 2021: 1.70)	**11,775**	11,246
	46,637[(1)]	41,857[(1)]

(1) Total may not cast due to rounding.

A dividend for the quarter ended 31 March 2023 of 1.79 pence per share was approved by the Board on 17 May 2023 and is payable on 23 June 2023.

8. Earnings per share

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

	Year ended 31 Mar 2023 £'000s	Year ended 31 Mar 2022 £'000s
Earnings		
Earnings for the purposes of basic and diluted earnings per share, being net profit attributable to owners of the Company	**98,300**	185,007
Number of shares		
Time weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**661,531,229**	604,222,988

The denominator for the purposes of calculating both basic and diluted earnings per share is the same, as the Company has not issued any share options or other instruments that would cause dilution.

	Pence	Pence
Basic and diluted earnings per share	**14.9**	30.6

9. Investments at fair value through profit or loss

As set out in note 2, the Company accounts for its interest in its 100% owned subsidiary UK HoldCo as an investment at fair value through profit or loss. UK HoldCo in turn owns investments in intermediate holding companies and environmental infrastructure projects.

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

	31 Mar 2023 £'000s	31 Mar 2022 £'000s
Fair value of environmental infrastructure investments	**898,539**	795,408
Fair value of intermediate holding companies	**(81,739)**	(32,553)
Total fair value of investments	**816,800**	762,855

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

9. Investments at fair value through profit or loss continued

Reconciliation of movement in fair value of portfolio of assets

The table below shows the movement in the fair value of the Company's portfolio of environmental infrastructure assets. These assets are held through other intermediate holding companies. The table also presents a reconciliation of the fair value of the asset portfolio to the Company's statement of financial position as at 31 March 2023, by incorporating the fair value of these intermediate holding companies.

	Portfolio value 31 Mar 2023 £'000s	Cash, working capital and debt in intermediate holdings 31 Mar 2023 £'000s	Total 31 Mar 2023 £'000s	Portfolio value 31 Mar 2022 £'000s	Cash, working capital and debt in intermediate holdings 31 Mar 2022 £'000s	Total 31 Mar 2022 £'000s
Opening balance	**795,408**	**(32,553)**	**762,855**	571,414	(67,321)	504,093
Acquisitions						
Portfolio of assets acquired	**72,050**	**—**	**72,050**	87,972	—	87,972
Disposal of assets	**—**	**—**	**—**	(5,559)	—	(5,559)
	72,050	**—**	**72,050**	82,413	—	82,413
Growth in portfolio[1]	**114,690**	**—**	**114,690**	198,129	—	198,129
Yields from portfolio to intermediate holding companies	**(83,609)**	**83,609**	**—**	(56,548)	56,548	—
Yields from intermediate holding companies						
Interest on loan notes[1]	**—**	**(31,401)**	**(31,401)**	—	(28,827)	(28,827)
Dividend payments from UK HoldCo to the Company[1]	**—**	**(23,100)**	**(23,100)**	—	(21,300)	(21,300)
	—	**(54,501)**	**(54,501)**	—	(50,127)	(50,127)
Other movements						
Movement in working capital in UK HoldCo	**—**	**(22,145)**	**(22,145)**	—	5,189	5,189
Expenses borne by intermediate holding companies[1]	**—**	**(6,245)**	**(6,245)**	—	(5,239)	(5,239)
Repayment/(drawdown) of UK HoldCo revolving credit facility borrowings	**—**	**(49,904)**	**(49,904)**	—	28,397	28,397
Fair value of the Company's investment in UK HoldCo	**898,539**	**(81,739)**	**816,800**	795,408	(32,553)	762,855

(1) The net gain on investments at fair value through profit or loss for the year ended 31 March 2023 is £53,944,000 (31 March 2022: net gain of £142,763,000). This, together with interest received on loan notes of £31,401,000 (31 March 2022: £28,827,000) and dividend income of £23,100,000 (31 March 2022: £21,300,000) comprises operating income and gains/(losses) on fair value of investments in the income statement.

The balances in the table above represent the total net movement in the fair value of the Company's investment. The "cash, working capital and debt in intermediate holdings" balances reflect investment in, distributions from or movements in working capital and are not value generating.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

9. Investments at fair value through profit or loss continued

Reconciliation of movement in fair value of portfolio of assets continued

As outlined on page 12 Market and Opportunities, high electricity prices during the year attracted the attention of governments keen to raise funds to address "cost of living" increases for their citizens. In the UK, this took the form of the Electricity Generator Levy ("EGL"), with the government taking 45% of revenues above a price of £75/MWh from a range of renewable electricity generation technologies including wind, solar, biomass, hydro and gas to-electric AD within the JLEN portfolio. Similar measures are in place in other European geographies. A relief of £10 million per annum group allowance is available to the Group, as per the legislation.

The Investment Manager has made assumptions in the portfolio valuation regarding its liability to tax under the draft 'Electricity Generator Levy' legislation based on its understanding of the practical application of that draft legislation to the portfolio, including the eligibility of some assets that pay for feedstock to make claims for 'exceptional generation fuel costs'.

The EGL has been reflected within the valuation for the legislated period and as such, the impact of the EGL has been included within the "Portfolio value"/"Fair value of environmental infrastructure investments" included in this note. The impact of the EGL has also been included in the valuation sensitivities.

Fair value of portfolio of assets

The Investment Manager has carried out fair market valuations of the investments as at 31 March 2023. The Directors have satisfied themselves as to the methodology used and the discount rates applied for the valuation. Investments are all investments in environmental infrastructure projects and are valued using a discounted cash flow methodology, being the most relevant and most commonly used method in the market to value similar assets to the Company's. The Company's holding of its investment in UK HoldCo represents its interest in both the equity and debt instruments. The equity and debt instruments are valued as a whole using a blended discount rate and the value attributed to the equity instruments represents the fair value of future dividends and equity redemptions in addition to any value enhancements arising from the timing of loan principal and interest receipts from the debt instruments, while the value attributed to the debt instruments represents the principal outstanding and interest due on the loan at the valuation date.

The valuation techniques and methodologies have been applied consistently with the valuations performed since the launch of the Fund in March 2014.

Discount rates applied to the portfolio of assets range from 5.75% to 10.30% (31 March 2022: 5.0% to 10.0%). The weighted average discount rate of the portfolio at 31 March 2023 is 8.4% (31 March 2022: 7.3%).

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

	31 Mar 2023	31 Mar 2022
UK – inflation rates	**6.5% for 2023, decreasing to 3% until 2030, decreasing to 2.25% from 2031**	5% for 2022, decreasing to 3% until 2030, decreasing to 2.25% from 2031
Italy – inflation rates	**5.3% for 2023, stepping to 2.9% for 2024, decreasing to 2.2% for 2025, decreasing to 1.9% for 2026, decreasing to 1.8% for 2027, increasing to 2.00% from 2028**	1.3% for 2022, stepping to 2% from 2025
UK – deposit interest rates	**2.0% for 2023, decreasing to 1.5% from 2024**	0.25% for 2022, rising to 1% from 2025
Italy – deposit rates	**0%**	0%
UK – corporation tax rates	**25% from April 2023 onwards**	19% to April 2023, increasing to 25% thereafter
Italy – corporation tax rates	**National rate of 24%, plus applicable regional premiums**	National rate of 24%, plus applicable regional premiums
Euro/sterling exchange rate	**1.14**	1.18

Refer to note 16 for details of the sensitivity of the portfolio to movements in the discount rate and economic assumptions.

The assets in the intermediate holding companies substantially comprise working capital, cash balances and the outstanding RCF debt; therefore, the Directors consider the fair value to be equal to the amortised cost.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

9. Investments at fair value through profit or loss continued

Fair value of portfolio of assets continued

Details of environmental infrastructure project investments are as follows:

	% holding at 31 Mar 2023		% holding at 31 Mar 2022	
Project name	Equity	Shareholder loan	Equity	Shareholder loan
Amber	**100%**	**100%**	100%	100%
Bilsthorpe	**100%**	**100%**	100%	100%
Bio Collectors	**70%**	**100%**	70%	100%
Branden	**100%**	**100%**	100%	100%
Burton Wold Extension	**100%**	**100%**	100%	100%
Carscreugh	**100%**	**100%**	100%	100%
Castle Pill	**100%**	**100%**	100%	100%
Clayfords	**50%**	**50%**	—	—
CNG Foresight	**25%**	**25%**	25%	25%
Codford	**100%**	**n/a**	100%	n/a
Cramlington	**100%**	**100%**	100%	100%
CSGH	**100%**	**100%**	100%	100%
Dungavel	**100%**	**100%**	100%	100%
Egmere Energy	**100%**	**100%**	100%	100%
ELWA	**80%**	**80%**	80%	80%
ETA Manfredonia	**45%**	**45%**	45%	45%
Ferndale	**100%**	**100%**	100%	100%
Glasshouse	**10%**	**100%**	—	—
Grange Farm	**100%**	**100%**	100%	100%
Hall Farm	**100%**	**100%**	100%	100%
Icknield	**53%**	**100%**	53%	100%

	% holding at 31 Mar 2023		% holding at 31 Mar 2022	
Project name	Equity	Shareholder loan	Equity	Shareholder loan
Llynfi	**100%**	**100%**	100%	100%
Lunanhead	**50%**	**50%**	—	—
Biogas Meden	**100%**	**100%**	100%	100%
Merlin Renewables	**100%**	**100%**	100%	100%
Moel Moelogan	**100%**	**100%**	100%	100%
Monksham	**100%**	**100%**	100%	100%
New Albion Wind Farm	**100%**	**100%**	100%	100%
Northern Hydro	**100%**	**n/a**	100%	n/a
Panther	**100%**	**100%**	100%	100%
Peacehill	**49%**	**100%**	49%	100%
Pylle Southern	**100%**	**100%**	100%	100%
Rainworth	**100%**	**100%**	100%	100%
Rjukan	**25%**	**33%**	—	—
Sandridge	**50%**	**50%**	50%	50%
Tay	**33%**	**33%**	33%	33%
Thierbach	**25%**	**25%**	—	—
Vulcan	**100%**	**100%**	100%	100%
Warren	**100%**	**100%**	100%	100%
Wear Point	**100%**	**100%**	100%	100%
West Gourdie	**100%**	**n/a**	100%	n/a
Yorkshire Hydro	**100%**	**n/a**	100%	n/a

Additionally, the fair value of the portfolio of assets includes the Fund's investment into FEIP, details of which can be found on page 91 of this report.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

9. Investments at fair value through profit or loss continued

Details of investments made during the year

In August 2022, the Group acquired a 50% equity stake in Clayfords Energy Storage Limited, which holds the development rights to construct a 49.9MW lithium-ion battery energy storage plant based in Buchan, Aberdeenshire, UK. Total amount invested as at 31 March 2023 was £3.3 million.

In August 2022, the Group reached financial close on a minority equity investment in a controlled environment aquaculture project. The project consists of a land-based aquaculture facility to be built in Rjukan, Norway. Total amount invested as at 31 March 2023 was £14.4 million.

In September 2022, the Group announced an investment of up to £26.7 million into a glasshouse project via a combination of senior secured loan for the construction of the glasshouse and a convertible loan and a minority equity stake in the glasshouse operator. Total amount invested as at 31 March 2023 was £21.1 million.

In September 2022, the Group acquired a 50% equity stake in Gigabox No 4 Limited, which holds the development rights to construct a 49.9MW lithium-ion battery energy storage plant based in Angus, Scotland. Total amount invested as at 31 March 2023 was £3.5 million.

In January 2023, the Group acquired a 33% equity stake in Foresight Hydrogen Holdco GmbH, which holds a 75% stake in HH2E Werk Thierbach GmbH, a special purpose vehicle which owns the development rights to the Thierbach green hydrogen project ("Thierbach"), a large green hydrogen production plant near Borna in Germany. The transaction will see JLEN invest up to €5.7 million in Foresight Hydrogen Holdco GmbH. As at 31 March 2023, the amount invested was €2.8 million.

During the period, £5.8 million was injected into CNG Foresight Limited. The portfolio holds eleven natural gas refuelling stations, three of which are in construction phase.

The Group invested €8.8 million into Foresight Energy Infrastructure Partners SCSp ("FEIP") during the period.

The Group also invested £9.0 million into FS West Gourdie battery storage, £0.2 million into Sandridge battery storage and £4.8 million to various other projects.

10. Trade and other receivables

	31 Mar 2023 £'000s	31 Mar 2022 £'000s
Prepayments	**143**	219
Balance at 31 March	**143**	219

11. Trade and other payables

	31 Mar 2023 £'000s	31 Mar 2022 £'000s
Accruals	**2,518**	2,191
Balance at 31 March	**2,518**	2,191

12. Loans and borrowings

The Company had no outstanding loans or borrowings at 31 March 2023 (31 March 2022: £nil), as shown in the Company's statement of financial position.

As at 31 March 2023, the Company held loan notes of £348.9 million which were issued by UK HoldCo (31 March 2022: outstanding amount of £348.9 million).

In March 2023, JLEN signed a one-year extension to its existing £170 million revolving credit facility ("RCF") and activated its £30 million accordion facility.

The extended facility will reach maturity in May 2025 and the interest charged continues to be linked to the Company's ESG performance with the margins ranging between 195bps and 205bps over SONIA ("Sterling Overnight Index Average") for Sterling and EURIBOR for euro drawings, depending on the Company's performance against pre-defined ESG targets. The facility will be used to finance the acquisitions of environmental infrastructure projects and to cover working capital requirements.

Lenders to the facility include four of the five existing lenders (HSBC, ING, National Australia Bank, Royal Bank of Scotland) plus one new lender (Clydesdale Bank). As at 31 March 2023, UK HoldCo had an outstanding balance of £103.5 million under the facility (31 March 2022: £53.6 million). The loan bears interest of SONIA + 195 to 205 bps and is intended to be repaid by proceeds from future capital raises.

There were no other outstanding loans and borrowings in either the Company, UK HoldCo or HWT at 31 March 2023.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

13. Share capital account

	Number of shares	31 Mar 2023 £'000s	31 Mar 2022 £'000s
Opening balance at 1 April 2022	661,531,229	**664,401**	548,848
Shares issued in the year	–	**–**	117,599
Expenses of issue of equity shares	–	**–**	(2,046)
Balance at 31 March 2023	661,531,229	**664,401**	664,401

At 31 March 2023, the Company's share capital is comprised of 661,531,229 fully paid-up ordinary shares of no par value.

14. Retained earnings

	31 Mar 2023 £'000s	31 Mar 2022 £'000s
Opening balance	**98,504**	(44,647)
Profit for the year	**98,300**	185,007
Dividends paid	**(46,637)**	(41,856)
Balance at 31 March	**150,167**	98,504

15. Transactions with Investment Manager and related parties

Transactions between the Company and its subsidiaries, which are related parties of the Company, are fair valued and are disclosed within note 9. Details of transactions between the Company and related parties are disclosed below. This note also details the terms of the Company's engagement with Foresight Group as Investment Manager.

Transactions with the Investment Manager

Foresight Group ("Foresight") is the Company's Investment Manager. Foresight's appointment as Investment Manager is governed by an Investment Management Agreement.

Foresight is entitled to a base fee equal to:

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

b) 0.8% per annum of the Adjusted Portfolio Value of the Fund in excess of £500 million.

The total Investment Manager fee charged to the income statement for the year ended 31 March 2023 was £8,448,000 (31 March 2022: £6,644,000), of which £2,057,000 remained payable as at 31 March 2023 (31 March 2022: £1,734,909).

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

(2) "Fund" means the Company and JLEN Environmental Assets Group (UK) Limited together with their wholly owned subsidiaries or subsidiary undertakings (including companies or other entities wholly owned by them together, individually or in any combination, as appropriate) but excluding project entities.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

15. Transactions with Investment Manager and related parties continued

Transactions with related parties

During the year, the Directors of the Company, who are considered to be key management, received fees of £322,480 (31 March 2022: £295,295) for their services. The Directors of the Company were also paid £9,953 of expenses (31 March 2022: £1,653).

The Directors held the following shares:

	Ordinary shares of no par value each held at 31 Mar 2023	Ordinary shares of no par value each held at 31 Mar 2022
Ed Warner (shares acquired 4 August 2022)	**60,000**	–
Alan Bates (12,500 shares acquired 6 January 2023)	**12,500**	–
Stephanie Coxon	**15,000**	15,000
Jo Harrison (8,066 shares acquired 13 December 2022)	**8,066**	–
Hans Joern Rieks	**95,000**	95,000
Nadia Sood (appointed effective 10 February 2023)	**–**	–
Richard Morse (retired effective 15 July 2022)	**n/a**	103,535
Richard Ramsay (retired effective 1 April 2023)	**53,813**	53,813

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

The Directors were paid dividends in the year of £16,885 (31 March 2022: £14,929).

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

16. Financial instruments

Financial instruments by category

The Company held the following financial instruments at 31 March 2023. There have been no transfers of financial instruments between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

	31 Mar 2023				
	Cash and bank balances £'000s	Financial assets held at amortised cost £'000s	Financial assets at fair value through profit or loss £'000s	Financial liabilities at amortised cost £'000s	Total £'000s
Non-current assets					
Investments at fair value through profit or loss (Level 3)	–	–	816,800	–	816,800
Current assets					
Trade and other receivables	–	143	–	–	143
Cash and cash equivalents	143	–	–	–	143
Total financial assets	143	143	816,800	–	817,086
Current liabilities					
Trade and other payables	–	–	–	(2,518)	(2,518)
Total financial liabilities	–	–	–	(2,518)	(2,518)
Net financial instruments	143	143	816,800	(2,518)	814,568

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

16. Financial instruments continued

Financial instruments by category continued

	31 Mar 2022				
	Cash and bank balances £'000s	Financial assets held at amortised cost £'000s	Financial assets at fair value through profit or loss £'000s	Financial liabilities at amortised cost £'000s	Total £'000s
Non-current assets					
Investments at fair value through profit or loss (Level 3)	–	–	762,855	–	762,855
Current assets					
Trade and other receivables	–	219	–	–	219
Cash and cash equivalents	2,022	–	–	–	2,022
Total financial assets	2,022	219	762,855	–	765,096
Current liabilities					
Trade and other payables	–	–	–	(2,191)	(2,191)
Total financial liabilities	–	–	–	(2,191)	(2,191)
Net financial instruments	2,022	219	762,855	(2,191)	762,905

The Company's investments at fair value through profit or loss are classified at Level 3 within the IFRS fair value hierarchy.

The Level 3 fair value measurements derive from valuation techniques that include inputs to the asset or liability that are not based on observable market data (unobservable inputs).

In the tables above, financial instruments are held at carrying value as an approximation to fair value unless stated otherwise.

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

An analysis of the movement between opening and closing balances of the investments at fair value through profit or loss is given in note 9.

The fair value of the investments at fair value through profit or loss includes the use of Level 3 inputs. Please refer to note 9 for details of the valuation methodology.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

16. Financial instruments continued

Sensitivity analysis of the portfolio

The Investment Manager has made assumptions in the portfolio valuation regarding its liability to tax under the draft 'Electricity Generator Levy' legislation based on its understanding of the practical application of that draft legislation to the portfolio, including the eligibility of some assets that pay for feedstock to make claims for 'exceptional generation fuel costs.

The sensitivities below incorporate the impact of the EGL.

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:

31 March 2023

Discount rate	**Minus 0.5%**	**Base 8.4%**	**Plus 0.5%**
Change in portfolio valuation	**Increases £21.7m**	**£898.5m**	**Decreases £20.7m**
Change in NAV per share	**Increases 3.3p**	**123.1p**	**Decreases 3.1p**

31 March 2022

Discount rate	Minus 0.5%	Base 7.3%	Plus 0.5%
Change in portfolio valuation	Increases £22.0m	£795.4m	Decreases £21.0m
Change in NAV per share	Increases 3.3p	115.3p	Decreases 3.2p

In light of the current economic environment, actual near-term inflation may vary from assumptions applied within the portfolio valuation. For illustrative purposes, where inflation is higher than JLEN's valuation assumption by 2% for the next two years, NAV would be expected to increase by 3.1 pence per share. The sensitivity of the portfolio to movements in long-term inflation rates is as follows:

31 March 2023

Inflation rates	**Minus 0.5%**	**Base 6.5% (2023), then 3% to 2030, then 2.25%**	**Plus 0.5%**
Change in portfolio valuation	**Decreases £21.1m**	**£898.5m**	**Increases £21.4m**
Change in NAV per share	**Decreases 3.2p**	**123.1p**	**Increases 3.2p**

31 March 2022

Inflation rates	Minus 0.5%	Base 5% (2022), then 3% to 2030, then 2.25%	Plus 0.5%
Change in portfolio valuation	Decreases £19.0m	£795.4m	Increases £19.4m
Change in NAV per share	Decreases 2.9p	115.3p	Increases 2.9p

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

16. Financial instruments continued

Sensitivity analysis of the portfolio continued

The fair value of the investments is based on a "P50" level of electricity generation for the renewable energy assets, being the expected level of generation over the long term.

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

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

31 March 2023

Energy yield: wind	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £27.3m	£898.5m	Increases £26.2m
Change in NAV per share	Decreases 4.1p	123.1p	Increases 4.0p

Energy yield: solar	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £10.7m	£898.5m	Increases £10.5m
Change in NAV per share	Decreases 1.6p	123.1p	Increases 1.6p

Energy yield: hydro	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £1.4m	£898.5m	Increases £1.7m
Change in NAV per share	Decreases 0.2p	123.1p	Increases 0.3p

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

16. Financial instruments continued

Sensitivity analysis of the portfolio continued

31 March 2022

Energy yield: wind	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £28.8m	£795.4m	Increases £28.8m
Change in NAV per share	Decreases 4.4p	115.3p	Increases 4.4p

Energy yield: solar	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £8.7m	£795.4m	Increases £8.8m
Change in NAV per share	Decreases 1.3p	115.3p	Increases 1.3p

Energy yield: hydro	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £2.2m	£795.4m	Increases £2.7m
Change in NAV per share	Decreases 0.3p	115.3p	Increases 0.4p

Project cash flows used in the portfolio valuation reflect contractual fixed price arrangements under PPAs, where they exist, and short-term market forward prices for the next two years following the valuation date where they do not.

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

16. Financial instruments continued

Sensitivity analysis of the portfolio continued

The Directors have assessed that a reasonable possible long-term movement of energy prices continues to be +/-10% given the long-term nature of the portfolio, notwithstanding that significant short-term energy price movements have occurred in the period due to the recent energy market disruption.

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

31 March 2023

Energy prices	**Minus 10%**	**Base**	**Plus 10%**
Change in portfolio valuation	**Decreases £40.9m**	**£898.5m**	**Increases £40.4m**
Change in NAV per share	**Decreases 6.2p**	**123.1p**	**Increases 6.1p**

31 March 2022

Energy prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Decreases £44.3m	£795.4m	Increases £43.6m
Change in NAV per share	Decreases 6.7p	115.3p	Increases 6.6p

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

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

31 March 2023

Corporation tax	**Minus 2%**	**Base 25%**	**Plus 2%**
Change in portfolio valuation	**Increases £15.0m**	**£898.5m**	**Decreases £15.3m**
Change in NAV per share	**Increases 2.3p**	**123.1p**	**Decreases 2.3p**

31 March 2022

Corporation tax	Minus 2%	Base 19% then 25%	Plus 2%
Change in portfolio valuation	Increases £11.7m	£795.4m	Decreases £11.5m
Change in NAV per share	Increases 1.8p	115.3p	Decreases 1.7p

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

16. Financial instruments continued

Sensitivity analysis of the portfolio continued

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

31 March 2023

Feedstock prices	**Minus 10%**	**Base**	**Plus 10%**
Change in portfolio valuation	**Increases £7.3m**	**£898.5m**	**Decreases £7.8m**
Change in NAV per share	**Increases 1.1p**	**123.1p**	**Decreases 1.2p**

31 March 2022

Feedstock prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Increases £9.0m	£795.4m	Decreases £9.0m
Change in NAV per share	Increases 1.4p	115.3p	Decreases 1.4p

Euro/sterling exchange rate sensitivity

As the proportion of the portfolio assets with cash flows denominated in euros represents a small proportion of the portfolio value at 31 March 2023, 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.

Uncontracted revenues on non-energy generating portfolio sensitivity

Non-energy generating assets, such as batteries and controlled environment agriculture and aquaculture, make up a growing proportion of the portfolio. These assets are not materially affected by either scarcity of natural resource nor power price markets. Therefore the Investment Manager has presented a sensitivity illustrating an assumed 10% increase or decrease on all uncontracted revenues for each year of the asset lives. An increase in uncontracted revenues of 10% would result in an upward movement in the portfolio valuation of £15.2 million (2.3 pence per share) compared to a decrease in value of £16.0 million (2.4 pence per share) if those revenues were reduced by the same amount.

Capital risk management

Capital management

The Group, which comprises the Company and its non-consolidated subsidiaries, manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The capital structure of the Group principally consists of the share capital account and retained earnings as detailed in notes 13 and 14, and debt as detailed in note 12. The Group aims to deliver its objective by investing available cash and using leverage whilst maintaining sufficient liquidity to meet ongoing expenses and dividend payments.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

16. Financial instruments continued

Capital risk management continued

Gearing ratio

The Company's Investment Manager reviews the capital structure of the Company and the Group on a semi-annual basis. The Company and its subsidiaries intend to make prudent use of leverage for financing acquisitions of investments and working capital purposes. Under the Company's Articles, and in accordance with the Company's investment policy, the Company's outstanding borrowings, excluding the debts of underlying assets, will be limited to 30% of the Company's Net Asset Value ("NAV").

As at 31 March 2023, the Company had no outstanding debt. However, as set out in note 12, in March 2023, JLEN signed a one-year extension to its existing £170 million revolving credit facility ("RCF") and activated its £30 million accordion facility. As such, the Company's subsidiary UK HoldCo has a £200 million RCF, which was drawn by £103.5 million at 31 March 2023 (£53.6 million drawn at 31 March 2022).

Financial risk management

The Group's activities expose it to a variety of financial risks: capital risk, liquidity risk, market risk (including interest rate risk, inflation risk and power price risk) and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

For the Company and the intermediate holding companies, financial risks are managed by the Investment Manager, which operates within the Board-approved policies. For the environmental infrastructure investments, due to the nature of the investments, certain financial risks (typically interest rate and inflation risks) are hedged at the inception of a project. All risks continue to be managed by the Investment Manager. The various types of financial risk are managed as follows:

Financial risk management – Company only

The Company accounts for its investments in its subsidiaries at fair value. Accordingly, to the extent there are changes as a result of the risks set out below, these may impact the fair value of the Company's investments.

Capital risk

The Company has implemented an efficient financing structure that enables it to manage its capital effectively. The Company's capital structure comprises equity only (refer to the statement of changes in equity). As at 31 March 2023, the Company had no recourse debt, although as set out in note 17, the Company is a guarantor for the RCF of UK HoldCo.

Liquidity risk

The Directors monitor the Company's liquidity requirements to ensure there is sufficient cash to meet the Company's operating needs.

The Company's liquidity management policy involves projecting cash flows and forecasting the level of liquid assets necessary to meet these. Due to the nature of its investments, the timing of cash outflows is reasonably predictable and, therefore, is not a major risk to the Company.

The Company was in a net cash position and had no outstanding debt at the balance sheet date. At the balance sheet date, the Group had debt of £103.5 million, being the amount drawn on the RCF.

Market risk – foreign currency exchange rate risk

As the proportion of the portfolio assets with cash flows denominated in euros represents a small proportion of the portfolio value at 31 March 2023, the Directors consider the sensitivity to changes in the euro/sterling exchange rate to be insignificant.

Where investments are made in currencies other than pounds sterling, the Company will consider whether to hedge currency risk in accordance with the Company's currency and hedging policy as determined from time to time by the Directors. A portion of the Company's underlying investments may be denominated in currencies other than pounds sterling. However, any dividends or distributions in respect of the ordinary shares will be made in pounds sterling and the market prices and NAV of the ordinary shares will be reported in pounds sterling.

Currency hedging may be carried out to seek to provide some protection for the level of pounds sterling dividends and other distributions that the Company aims to pay on the ordinary shares, and in order to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure. Such currency hedging may include the use of foreign currency borrowings to finance foreign currency assets and forward foreign exchange contracts.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

16. Financial instruments continued

Financial risk management – Company and non-consolidated subsidiaries

The following risks impact the Company's subsidiaries and in turn may impact the fair value of investments held by the Company.

Market risk – interest rate risk

Interest rate risk arises in the Company's subsidiaries on the RCF borrowings and floating rate deposits. Borrowings issued at variable rates expose those entities to variability of interest payment cash flows. Interest rate hedging may be carried out to seek to provide protection against increasing costs of servicing debt drawn down by UK HoldCo as part of its RCF. This may involve the use of interest rate derivatives and similar derivative instruments.

Each infrastructure investment hedges their interest rate risk at the inception of a project. This will either be done by issuing fixed rate debt or variable rate debt which will be swapped into fixed rate by the use of interest rate swaps.

Market risk – inflation risk

Some of the Company's investments will have part of their revenue and some of their costs linked to a specific inflation index at inception of the project. In most cases this creates a natural hedge, meaning a derivative does not need to be entered into in order to mitigate inflation risk.

Market risk – power price risk

The wholesale market price of electricity and gas is volatile and is affected by a variety of factors, including market demand for electricity and gas, the generation mix of power plants, government support for various forms of power generation, as well as fluctuations in the market prices of commodities and foreign exchange. Whilst some of the Company's renewable energy projects benefit from fixed prices, others have revenue which is in part based on wholesale electricity and gas prices.

A decrease and/or prolonged deterioration in economic activity in the UK, for any reason, could result in a decrease in demand for electricity and gas in the market. Short-term and seasonal fluctuations in electricity and gas demand will also impact the price at which the investments can sell electricity and gas. The supply of electricity and gas also impacts wholesale electricity and gas prices. Supply of electricity and gas can be affected by new entrants to the wholesale power market, the generation mix of power plants in the UK, government support for various generation technologies, as well as the market price for fuel commodities.

Volume risk – electricity generation risk

Meteorological conditions poorer than forecast can result in generation of lower electricity volumes and lower revenues than anticipated.

Credit risk

Credit risk is the risk that a counterparty of the Company or its subsidiaries will default on its contractual obligations it entered into with the Company or its subsidiaries. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers. The Company and its subsidiaries mitigate their risk on cash investments and derivative transactions by only transacting with major international financial institutions with high credit ratings assigned by international credit rating agencies.

The Company's infrastructure investments receive regular, long-term, partly or wholly index-linked revenue from government departments, local authorities or clients under the Renewables Obligation Certificates and Feed-in Tariff regimes. The Directors believe that the Group is not significantly exposed to the risk that the customers of its investments do not fulfil their regular payment obligations because of the Company's policy to invest in jurisdictions with satisfactory credit ratings.

Given the above factors, the Board does not consider it appropriate to present a detailed analysis of credit risk.

The Company's maximum exposure to credit risk is the £348.9 million owed by HoldCo, detailed in note 12.

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 31 March 2023

16. Financial instruments continued

Financial risk management – Company and non-consolidated subsidiaries continued

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group adopts a prudent approach to liquidity management by ensuring it maintains adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Directors monitor the Company's liquidity requirements to ensure there is sufficient cash to meet the Company's operating needs.

The Company's liquidity management policy involves projecting cash flows and forecasting the level of liquid assets required to meet its obligations. Due to the nature of its investments, the timing of cash outflows is reasonably predictable and, therefore, is not a major risk to the Group.

Debt raised by asset investments from third parties is without recourse to the Group.

17. Guarantees and other commitments

As at 31 March 2023, the Company has provided a guarantee over the Company's wholly owned subsidiary UK HoldCo's obligations under the £170 million RCF signed on 21 May 2021, the one-year extension to its existing £170 million RCF signed in March 2023 and the £30 million accordion facility activated in March 2023.

As at 31 March 2023, the Group has the following future investment obligations over a 12-month horizon: €7.0 million (equivalent to £6.1 million) to FEIP, £6.2 million to the CNG Foresight project, 167.9 million NOK (equivalent to £14.3 million) to the CE Rjukan project, £6.3 million to the CE Glasshouse project, £8.0 million to Sandridge battery storage, £3.0 million to West Gourdie and €4.5 million (equivalent to £3.9 million) to HH2E Werk Thierbach GmbH.

The Company had no other commitments or guarantees.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

18. Subsidiaries

The following subsidiaries have not been consolidated in these financial statements as a result of applying the requirements of "Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 27)":

Name	Category	Place of business	Registered office	Ownership interest	Voting rights
JLEN Environmental Assets Group (UK) Limited[(1)]	Intermediate holding	UK	A	100%	100%
HWT Limited	Intermediate holding	UK	B	100%	100%
JLEAG Solar 1 Limited	Operating subsidiary	UK	C	100%	100%
Croft Solar PV Limited	Operating subsidiary (dormant)	UK	C	100%	100%
Cross Solar PV Limited	Operating subsidiary (dormant)	UK	C	100%	100%
Domestic Solar Limited	Operating subsidiary (dormant)	UK	C	100%	100%
Ecossol Limited	Operating subsidiary (dormant)	UK	C	100%	100%
Hill Solar PV Limited	Operating subsidiary (dormant)	UK	C	100%	100%
Share Solar PV Limited	Operating subsidiary (dormant)	UK	C	100%	100%
Residential PV Trading Limited	Operating subsidiary (dormant)	UK	C	100%	100%
Angel Solar Limited	Operating subsidiary (dormant)	UK	C	100%	100%
Easton PV Limited	Project holding company	UK	D	100%	100%
Pylle Solar Limited	Project holding company	UK	D	100%	100%
Second Energy Limited	Operating subsidiary	UK	D	100%	100%
ELWA Holdings Limited	Project holding company	UK	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	D	100%	100%
Amber Solar Park Limited	Operating subsidiary	UK	D	100%	100%
Fryingdown Solar Park Limited	Operating subsidiary (dormant)	UK	D	100%	100%
Five Oaks Solar Parks Limited	Operating subsidiary (dormant)	UK	D	100%	100%
Bilsthorpe Wind Farm Limited	Operating subsidiary	UK	F	100%	100%

(1) JLEN Environmental Assets Group (UK) Limited is the only entity directly held by the Company.

(2) ELWA Holdings Limited holds 81% of the voting rights and a 100% share of the economic benefits in ELWA Limited.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

18. Subsidiaries continued

Name	Category	Place of business	Registered office	Ownership interest	Voting rights
Ferndale Wind Limited	Project holding company	UK	F	100%	100%
Castle Pill Wind Limited	Project holding company	UK	F	100%	100%
Wind Assets LLP	Operating subsidiary	UK	F	100%	100%
Hall Farm Wind Farm Limited	Operating subsidiary	UK	F	100%	100%
Branden Solar Parks (Holdings) Limited	Project holding company	UK	D	100%	100%
Branden Solar Parks Limited	Operating subsidiary	UK	D	100%	100%
KS SPV 3 Limited	Operating subsidiary	UK	D	100%	100%
KS SPV 4 Limited	Operating subsidiary	UK	D	100%	100%
Carscreugh Renewable Energy Park Limited	Operating subsidiary	UK	F	100%	100%
Wear Point Wind Limited	Operating subsidiary	UK	F	100%	100%
Monksham Power Ltd	Project holding company	UK	D	100%	100%
Frome Solar Limited	Operating subsidiary	UK	D	100%	100%
BL Wind Limited	Operating subsidiary	UK	F	100%	100%
Burton Wold Extension Limited	Operating subsidiary	UK	F	100%	100%
New Albion Wind Limited	Operating subsidiary	UK	F	100%	100%
Dreachmhor Wind Farm Limited	Operating subsidiary	UK	F	100%	100%
France Wind GP Germany GmbH(3)	Project holding company	DE	G	100%	100%
France Wind Germany GmbH & Co. KG(3)	Project holding company	DE	G	100%	100%
CSGH Solar Limited	Project holding company	UK	A	100%	100%
CSGH Solar (1) Limited	Project holding company	UK	A	100%	100%
sPower Holdco 1 (UK) Limited	Project holding company	UK	D	100%	100%
sPower Finco 1 (UK) Limited	Project holding company	UK	D	100%	100%
Higher Tregarne Solar (UK) Limited	Operating subsidiary	UK	D	100%	100%
Crug Mawr Solar Farm Limited	Operating subsidiary	UK	D	100%	100%
Golden Hill Solar (UK) Limited	Project holding company	UK	D	100%	100%
Golden Hill Solar Limited	Operating subsidiary	UK	D	100%	100%

(3) Underlying French wind assets were disposed of in January 2022.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

18. Subsidiaries continued

Name	Category	Place of business	Registered office	Ownership interest	Voting rights
Shoals Hook Solar (UK) Limited	Operating subsidiary	UK	D	100%	100%
CGT Investment Limited	Project holding company	UK	H	100%	100%
CWMNI GWYNT TEG CYF	Operating subsidiary	UK	H	100%	100%
Moelogan 2 (Holdings) Cyfyngedig	Project holding company	UK	H	100%	100%
Moelogan 2 C.C.C.	Operating subsidiary	UK	H	100%	100%
Vulcan Renewables Limited	Operating subsidiary	UK	I	100%	100%
Llynfi Afan Renewable Energy Park (Holdings) Limited	Project holding company	UK	A	100%	100%
Llynfi Afan Renewable Energy Park Limited	Operating subsidiary	UK	A	100%	100%
Green Gas Oxon Limited	Project holding company	UK	J	52.6%	52.6%
Icknield Gas Limited	Operating subsidiary	UK	J	52.6%	52.6%
Egmere Energy Limited	Operating subsidiary	UK	I	100%	100%
Grange Farm Energy Limited	Operating subsidiary	UK	I	100%	100%
Merlin Renewables Limited	Operating subsidiary	UK	I	100%	100%
Biogas Meden Limited	Operating subsidiary	UK	I	100%	100%
Yorkshire Hydropower Holdings Limited	Project holding company	UK	F	100%	100%
Yorkshire Hydropower Limited	Operating subsidiary	UK	F	100%	100%
Warren Power Limited	Project holding company	UK	I	100%	100%
Warren Energy Limited	Operating subsidiary	UK	I	100%	100%
Northern Hydropower Holdings Limited	Project holding company	UK	F	100%	100%
Northern Hydropower Limited	Operating subsidiary	UK	F	100%	100%
Codford Biogas Limited	Operating subsidiary	UK	K	100%	100%
FS West Gourdie Limited	Operating subsidiary	UK	D	100%	100%
Rainworth Energy Limited	Operating subsidiary	UK	L	100%	100%
Bio Collectors Holdings Limited	Project holding company	UK	M	70%	70%
Bio Collectors Limited	Operating subsidiary	UK	M	70%	70%
Riverside Bio Limited	Operating subsidiary	UK	M	70%	70%
Riverside AD Limited	Operating subsidiary	UK	M	70%	70%

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

18. Subsidiaries continued

Name	Category	Place of business	Registered office	Ownership interest	Voting rights
Spruce Bioenergy Limited	Project holding company	UK	A	100%	100%
Cramlington Renewable Energy Developments Limited	Operating subsidiary	UK	N	100%	100%

Registered offices

A. C/O Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG, United Kingdom
B. 50 Lothian Road, Festival Square, Edinburgh, Midlothian EH3 9WJ
C. C/O Freetricity, 1 Filament Walk, Suite 203, Wandsworth, London SW18 4GQ, United Kingdom
D. Long Barn, Manor Farm, Stratton-on-the-Fosse, Radstock BA3 4QF
E. Dunedin House, Auckland Park, Mount Farm, Milton Keynes MK1 1BU
F. C/O Res White Limited, Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire WD4 8LR
G. Steinweg 3-5, Frankfurt am Main, 60313, Germany
H. Cae Sgubor Ffordd Pennant, Eglwysbach, Colwyn Bay, Conwy LL28 5UN
I. 10-12 Frederick Sanger Road, Guildford, Surrey GU2 7YD
J. Friars Ford, Manor Road, Goring, Reading RG8 9EL
K. Upton Wold, Moreton-in-Marsh, Gloucestershire GL56 9TR
L. C/O Material Change, The Watering Farm, Creeting St. Mary, Ipswich, Suffolk IP6 8ND
M. 10 Osier Way, Mitcham, Surrey CR4 4NF
N. 8 White Oak Square, London Road, Swanley BR8 7AG

19. Events after balance sheet date

A dividend for the quarter ended 31 March 2023 of 1.79 pence per share, amounting to £11.8 million, was approved by the Board on 17 May 2023 for payment on 23 June 2023.

GLOSSARY OF KEY TERMS

AD
anaerobic digestion

AIFM
Alternative Investment Fund Manager

AIFM Directive
the EU Alternative Investment Fund Managers Directive (No. 2011/61/EU)

APMs
alternative performance measures are financial measures that are not currently defined or specified in the applicable financial reporting framework

BECCS
bioenergy with carbon-capture and storage

BESS
Battery Energy Storage System

bps
basis points

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

CE
controlled environment

CfD
Contract for Differences

CHP
combined heat and power

CMH
cubic metres per hour

CNG
compressed natural gas

CPI
Consumer Price Index

CSR
corporate social responsibility

Defra
Department for Environment Food and Rural Affairs

DD
due diligence

DNO
distribution network operators

EfW
energy-from-waste

EGL
Electricity Generator Levy

ESG
Environmental, Social and Governance

HHV
Higher Heating Value

EU
European Union

FEIP
Foresight Energy Infrastructure Partners SCSp

FiT
Feed-in Tariff

Foresight Group or Foresight
Foresight Group LLP

GAV
Gross Asset Value

GFSC
Guernsey Financial Services Commission

GHG
greenhouse gas

gross project value
the fair market value of the investment interests held in a project as increased by the amount of any financing in the relevant project entity

Group
JLEN Environmental Assets Group Limited and its intermediate holding companies UK HoldCo and HWT Limited

GWh
gigawatt hour

HHV
Higher Heating Value

intermediate holding companies
companies within the Group which are used as pass-through vehicles to invest in underlying environmental infrastructure assets, namely UK HoldCo and HWT Limited

GLOSSARY OF KEY TERMS continued

Investment Manager
Foresight Group

IPO
Initial Public Offering

IRR
internal rate of return

MWe
megawatt electric

MWh
megawatt hour

MWhe
megawatt hours of electricity

MWhth
megawatt hours of thermal heat

MWth
megawatt thermal

NAV
Net Asset Value

PCAF
Partnership for Carbon Accounting Financials

portfolio
the 42 assets in which JLEN had a shareholding as at 31 March 2023

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

PPAs
Power Purchase Agreements

PPP/PFI
the Public Private Partnership procurement model

PRI
Principles for Responsible Investment

price cannibalisation
the depressive influence on the wholesale power price at timings of high output from intermittent weather-driven generation such as solar and wind

PV
photovoltaic

RCF
revolving credit facility

RIDDOR
Reporting of Injuries, Diseases and Dangerous Occurrences

ROC
Renewables Obligation Certificate

RPI
Retail Price Index

SBT
Science Based Target

SCMH
standard cubic meters per hour

SFDR
Sustainable Finance Disclosure Regulation

SID
Senior Independent Director

SONIA
Sterling Overnight Index Average

SPV
special purpose vehicle

TCFD
Task Force on Climate-related Financial Disclosures

TOE
tonnes of oil equivalent

TOMs
themes, outcomes and measures

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

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

WADR
weighted average discount rate

ALTERNATIVE PERFORMANCE MEASURES ("APMs")

APM	Purpose	Calculation	APM Value	Reconciliation to IFRS
Total shareholder return (since IPO and annualised)	Measure of financial performance, indicating the amount an investor reaps from investing since IPO and expressed as a percentage (annualised or total since IPO of the Fund)	Since IPO: closing share price as at 31 March 2023 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, expressed as a percentage Annualised: closing share price as at 31 March 2023 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, to the power of one over the number of years since IPO, expressed as a percentage	99% 7.9% annualised	Calculation for TSR since IPO: closing share price as at 31 March 2023 as per key investments metrics on page 117 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, expressed as a percentage Calculation for annualised TSR: closing share price as at 31 March 2023 as per key investment metrics on page 117 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, to the power of one over the number of years since IPO, expressed as a percentage
Net Asset Value per share	Allows investors to gauge whether shares are trading at a premium or a discount by comparing the Net Asset Value per share with the share price	The net assets divided by the number of ordinary shares in issuance	123.1p	The calculation divides the Net assets as per the statement of financial position on page 167 by the closing number of ordinary shares in issue as per note 13 page 181
Market capitalisation	Provides an indication of the size of the Company	Closing share price as at 31 March 2023 multiplied by closing number of ordinary shares in issuance	£791.2 million	The calculation uses the closing share price as at 31 March 2023 as per key investment metric table on page 117 and closing number of ordinary shares as per note 13 of the financial statements on page 181
Gross Asset Value ("GAV")	A measure of the value of the Company's total assets Gross Asset Value on investment basis including debt held at SPV level	The sum of total assets of the Company as shown on the statement of financial position and the total debt of the Group and underlying investments	£1,119.8 million	This is the total debt (RCF drawn: £103.5 million plus project level debt: £201.7 million) plus the Net Asset Value as per statement of financial position on page 167

ALTERNATIVE PERFORMANCE MEASURES ("APMs") continued

APM	Purpose	Calculation	APM Value	Reconciliation to IFRS
Gearing	Ascertain financial risk in the Group's balance sheet	Total debt of the Group and underlying investments as a percentage of GAV	27.3%	The calculation uses the total debt (RCF drawn: £103.5 million plus project level debt: £201.7 million) and shows this as a percentage of the GAV
Distributions, repayments and fees from portfolio	A measure of performance from the underlying portfolio	Total cash received from investments in the period	£83.6 million	As per "Cash flows of the Group for the year", also titled "Cash distributions from environmental infrastructure investments" on page 119
Cash flow from operations of the Group	Gauge operating revenues and expenses of the Group	As per the "Cash flows of the Group for the year" table on page 119, the calculation takes the Cash distributions from environmental infrastructure investments and subtracts the following: Administrative expenses, Directors' fees and expenses, Investment Manager fees, Financing costs (net of interest income)	£70.5 million	Detailed breakdown as per page 119 in the "Cash flows of the Group for the year"
Cash dividend cover	Investors can gauge the ability of the Group to generate cash surplus after payment of dividend	Cash flow from operations of the Group divided by dividend paid within the reporting period	1.51x	The calculation uses the cash flows from operations as per "Cash flows of the Group for the year" on page 119 and the dividends paid in cash to shareholders as per the cash flow statement on page 169
Adjusted profit before tax	Demonstrates the profit before tax after removing the unrealised movements on investments at fair value	Profit before tax less net gain on investments at fair value through profit or loss	£44.4 million	This calculation deducts the net gain on investments at fair value through profit or loss (£53.9 million) from the profit before tax as per the income statement

ALTERNATIVE PERFORMANCE MEASURES ("APMs") continued

APM	Purpose	Calculation	APM Value	Reconciliation to IFRS
Adjusted profit before tax earnings per share	Demonstrates the earnings per share after removing unrealised movement on the investments at fair value	Adjusted profit before tax over the time weighted average number of ordinary shares as at 31 March 2023	6.7 pence	This calculation divides the adjusted profit before tax as per the Chair's statement by the time weighted average number of ordinary shares as at 31 March 2023, as per note 8
Ongoing charges ratio	A measure of the annual reduction in shareholder returns due to operational expenses, based on historical data	The ongoing charges have been calculated, in accordance with AIC guidance, as annualised ongoing charges (i.e. excluding acquisition costs and other non-recurring items) divided by the average published undiluted Net Asset Value in the period. Total annualised ongoing charges include Investment Manager fees, legal and professional fees, administration fees, Directors' fees	1.18%	Annualised ongoing charges for the year ended 31 March 2023 have been calculated as £9.7 million. The ongoing charges ratio divides this by the published average Net Asset Value over the last four quarters (including 31 March 2023)

COMPANY SUMMARY

Below are the Company key facts, advisers and other information.

Company information	JLEN Environmental Assets Group Limited is a Guernsey-registered closed-ended investment company (registered number 57682) with a premium listing on the London Stock Exchange
Registered address	1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey GY1 2HL
Ticker/SEDOL	JLEN/BJL5FH8
Company year end	31 March
Dividend payments	Quarterly in March, June, September and December
Investment Manager	Foresight Group LLP, No OC300878, registered in England and Wales and authorised and regulated by the Financial Conduct Authority
Company Secretary and Administrator	Sanne Fund Services Limited, a company incorporated in Guernsey on 13 April 2005 (registered number 43046)
Market capitalisation	£791.2 million at 31 March 2023
Investment Manager fees	1.0% per annum of the Adjusted Portfolio Value of the investments up to £0.5 billion, falling to 0.8% per annum for investments above £0.5 billion. No performance or acquisitions fees
Investment Manager term	Rolling one-year notice
ISA, PEP and SIPP status	The ordinary shares are eligible for inclusion in PEPs and ISAs (subject to applicable subscription limits) provided that they have been acquired in the market, and they are permissible assets for SIPPs
AIFMD status	The Company is classed as an externally managed Alternative Investment Fund under the Alternative Investment Fund Managers Regulations 2013 and the AIFM Directive. The Investment Manager acts as the Company's AIFM
Non-mainstream pooled investment status	The Board conducts the Company's affairs, and intends to continue to conduct the Company's affairs, such that the Company would qualify for approval as an investment trust if it were resident in the United Kingdom. It is the Board's intention that the Company will continue to conduct its affairs in such a manner and that independent financial advisers should therefore be able to recommend its ordinary shares to ordinary retail investors in accordance with the FCA's rules relating to non-mainstream investment products
FATCA	The Company has registered for FATCA and has a GIIN number 2BN95W.99999.SL.831
Investment policy	The Company's investment policy is set out on pages 29 to 31 of the Annual Report 2023
Website	**www.jlen.com**

DIRECTORS AND ADVISERS

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

Administrator to the Company, Company Secretary and registered office
Sanne Fund Services (Guernsey) Limited (formerly Praxis Fund Services)
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey GY1 2HL
Channel Islands

Registrar
Link Registrars (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St Sampson
Guernsey GY2 4LH
Channel Islands

UK transfer agent
Link Asset Services
The Registry
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United Kingdom

Auditor
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St Peter Port
Guernsey GY1 3AT
Channel Islands

CAUTIONARY STATEMENT

Pages 01 to 119 of the Annual Report, including about JLEN, our purpose, at a glance, portfolio at a glance, market and opportunities, the Chair's statement, the Investment Manager, risks and risk management, investment portfolio and valuation, operational review, sustainability and ESG, and the financial review (together, the review section) have been prepared solely to provide additional information to shareholders to assess JLEN's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

The review section may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "forecasts", "projects", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this report and include statements regarding the intentions, beliefs or current expectations of the Directors and the Investment Manager concerning, amongst other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, opportunities and distribution policy of the Company and the markets in which it invests.

These forward-looking statements reflect current expectations regarding future events and performance and speak only as at the date of this report. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not guarantees of future performance or results and will not necessarily be accurate indications of whether or not or the times at or by which such performance or results will be achieved. The Company's actual investment performance, results of operations, financial condition, liquidity, prospects, opportunities, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this report.

Subject to their legal and regulatory obligations, the Directors and the Investment Manager expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

In addition, the review section may include target figures for future financial periods. Any such figures are targets only and are not forecasts.

This Annual Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to JLEN Environmental Assets Group Limited and its subsidiary undertakings when viewed as a whole.

JLEN

www.jlen.com