FGEN

Foresight Environmental Infrastructure Limited

Half-year Report for the six months ended 30 September 2024

About FGEN

Foresight Environmental Infrastructure Limited ("FGEN" or the "Company") is an environmental infrastructure investment company, investing in a diversified portfolio of assets that support the drive towards decarbonisation, resource efficiency and environmental sustainability whilst aiming to generate a sustainable financial return.

The Company's portfolio includes 42 assets located across the UK and mainland Europe.

FGEN is a Guernsey-registered company with a premium listing on the London Stock Exchange and is a proud constituent of the FTSE 250 index. The Company has an award-winning approach to environmental, social and governance ("ESG") and sustainable investing.

MAIN MARKET LONDON STOCK EXCHANGE

GREEN ECONOMY MARK LONDON STOCK EXCHANGE

PRI Principles for Responsible Investment

SUSTAINABLE DEVELOPMENT GOALS

View our half-year results highlights here:

vimeo.com/fiveminutepitchtv/review/1031607578/7c24e09e9e

fgen.com

Contents

Front cover: Egmere Energy anaerobic digestion plant located in Norfolk.

Our value proposition

At FGEN we believe that investors shouldn't have to choose between attractive returns and investments with real-world environmental benefits.

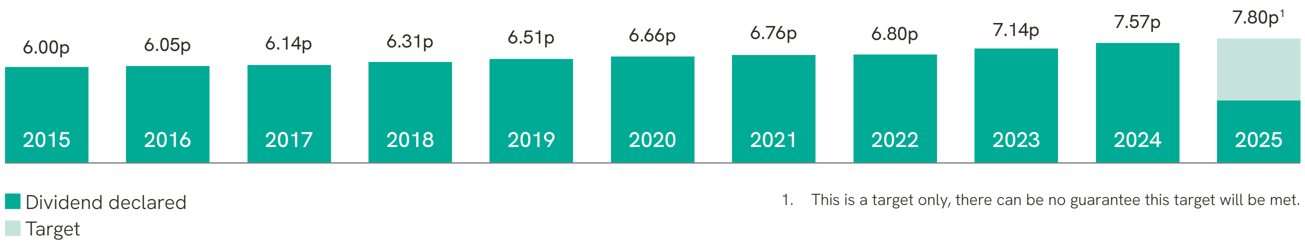
We have carefully constructed a portfolio that aims to deliver sustainable returns whilst also providing investors with access to otherwise hard-to-reach environmental infrastructure assets.

Our diversified investment strategy goes beyond core renewable assets such as wind farms and solar parks, to unlock a broader array of opportunities across different technologies, sectors and geographies – all centred around driving the transition to a low-carbon economy, mitigating the effects of climate change and preserving resources.

As a result, we're able to create a balanced portfolio that's less exposed to unpredictable weather patterns and that prioritises infrastructure-like characteristics such as inflation protection and stable long-term cash flows, primarily derived from government subsidies or long-term contracts.

Our track record

Dividend progression



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

NAV total return since IPO

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

Our investment case

Our aim is to enhance value for the long term.

01.

Sustainable financial return

Offering stable progressive dividends and a portfolio delivering annualised NAV total return of 7.6% since our IPO.

02.

Diversified portfolio

Our broad mandate provides access to a diverse range of investments across various technologies, sectors and geographies, minimising concentration risk and maximising opportunities.

03.

Expert investment management

Our experienced team brings deep industry knowledge and a proven track record of generating attractive and accretive investment opportunities.

04.

Award-winning approach to ESG

Sustainability is woven into every aspect of our business, ensuring transparency and delivering measurable impacts, which have earned us industry recognition.


Grange Farm

Performance summary

For the period ended 30 September 2024.

£720.1m
Net Asset Value ("NAV")
FY24: £751.2m

109.8p
NAV per share[1]
FY24: 113.6p

7.6%
Annualised NAV total return[1]
FY24: 8.0%

£806.6m
Portfolio value
FY24: £891.9m

28.7%
Gearing
FY24: 31.2%

£595.4m
Market capitalisation[1]
FY24: £619.9m

3.90p
Half-year dividend per share[3]
HY23: 3.78p

1.23x
Dividend cover[1,2]
FY24: 1.30x

7.80p (+3% increase)
2025 dividend target[4]
FY24: 7.57p

619GWh[5]
Renewable and low carbon energy generated
HY23: 660GWh

96,742 tCO_2e
GHG emissions avoided
HY23: 95,788 tCO_2e

333,346
Tonnes of waste diverted from landfill
HY23: 359,428

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 71 and 72.
2. On a paid basis.
3. On a declared basis.
4. This is a target only, there can be no guarantee this target will be met.
5. 619GWh reflects 100% of generation at sites in which FGEN owns an interest. This is equivalent to 563GWh when pro-rating for FGEN's proportionate ownership interest.
6. Based on closing share price of 77.60 pence on 19/11/2024.

Commentary:

Earnings and NAV:

- NAV per share of 109.8 pence following payment of dividends to shareholders in line with targets; resulting in a flat NAV total return of 0.04% for the period
- On course to deliver annual dividend of 7.80 pence in line with target, representing a yield of 10.1%[6] on the share price at the date of this report

Another consecutive period of record cash receipts from investments:

- Operational assets delivered cash receipts of £46.6 million in the period, beating the previous record for H1 of £46.2 million set last year
- Construction progress on track, with potential for further capital growth

Clear and effective capital allocation strategy:

- £68.1 million raised from asset sales in the period
- Prioritising repayment of revolving credit facility ("RCF"), with gearing reduced to 28.7%
- £20 million share buyback programme announced 15 August 2024, of which £5.2 million returned to shareholders to 30 September 2024

Green hydrogen investment enters administration:

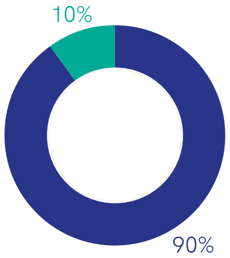
- The value (equivalent to 2.6% in NAV) of the Company's green hydrogen investment (HH2E AG) has been written down in full after failing to secure funding and entering administration, see page 28 for more information

Our portfolio at a glance

FGEN's portfolio comprises a carefully constructed and diversified mix of environmental infrastructure assets.

Project locations

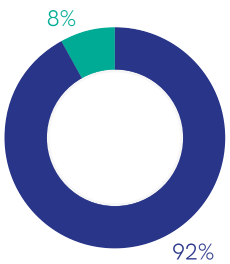
Split by portfolio value



- UK
- Rest of Europe

Operational status

Split by portfolio value



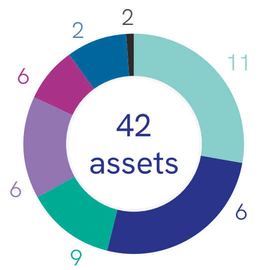
- Operational
- Construction

Sectors

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

Total assets

Split by sector



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

See our website for more information:
fgen.com/portfolio

Assets by location

Does not include investment into FEIP.

Chair's statement

"We remain confident in our strategy. Our strong portfolio of assets consistently delivers solid distributions and offers numerous opportunities, including the delivery of our construction assets, other value enhancements across the portfolio and additional targeted divestments."

Ed Warner
Chair

In the half year to 30 September 2024, a period of solid operating and financial performance for FGEN was impacted by a full write-down of the value of the Company's green hydrogen investment in Germany, HH2E AG ("HH2E"), which entered administration after failing to secure the funding necessary for its ongoing development. This is a disappointing outcome to me and the Board. Full details are set out in the Investment Manager's report on pages 9 and 28.

While this is clearly an unfortunate development, there were a number of positives to reflect on during the period, including the sale of a majority stake in six of FGEN's anaerobic digestion ("AD") facilities; strong cash flow generation from the Company's investments; the commencement of our first ever share buyback programme; and the renaming of the Company following shareholders' endorsement of its continuation at the Annual General Meeting.

While we continue to operate within a challenging macroeconomic backdrop, it has been pleasing to see the first reductions in UK interest rates since 2020 – albeit only two 0.25% cuts to date. The inflationary environment experienced over the past two and a half years has been a major driver of the significant share price discounts we have seen across the investment trust industry, including for FGEN, and so this was a welcome development. We are not complacent, especially given the uncertainty created by continuing geopolitical tensions.

Results

During the six months, FGEN delivered a flat Net Asset Value ("NAV") per share total return after the distribution of interim dividends totalling 3.84 pence per share. A pre-HH2E NAV total return of 2.60% was reduced to 0.04% after accounting for the write-down of the green hydrogen investment.

The Company remains on track to meet its full-year target dividend of 7.80 pence per share, with dividend cover expected to be in the range 1.2 to 1.3 times.

After taking account of the dividend, the Company's NAV per share reduced by 3.3% from 113.6 pence at 31 March 2024 to 109.8 pence at 30 September 2024. HH2E aside, several successful value enhancement initiatives within FGEN's portfolio were offset by a slight reduction in independent power price forecasts.

Portfolio performance

Performance of FGEN's individual assets over the six-month period has generally been pleasing. The portfolio delivered yet another consecutive period of record cash distributions, above budget, resulting in dividend cover of 1.23 times. We are also encouraged with the progress being made across our key construction assets and in enhancement work within our core portfolio. Several notable milestones have been achieved already this year, such as the CE Glasshouse achieving its first sales and Sandridge completing construction in preparation for connection to the grid. Further updates on which are provided by our Investment Managers in their report.

Transaction activity, capital recycling and share buyback programme

Our capital allocation strategy remains a key priority for the Board and the Investment Manager, and we were pleased to have finalised the sale of 51% of our portfolio of AD assets for a total consideration of £68.1 million in August. This deal was for cash consideration equivalent to NAV. As we remain a minority owner, we will continue to benefit from the future growth and income generated by this attractive AD portfolio which we expect to be value accretive over the medium term.

Chair's statement continued

This partial sale generated immediate liquidity to commence share buybacks and to manage our credit facility. As a result, we have been able to reduce our gearing to 28.7% and we remain committed to reducing debt further. Our share buyback programme started on 30 August 2024. We bought back 5,485,089 shares in the period for a total consideration of £5.2 million and have continued to be active in the market buying back shares in the second half of the financial year. At the time of publication of this report, the total number of shares bought back stood at 10,398,680.

We have now completed two successful divestments since IPO and we are actively engaged in further sales processes to recycle capital.

Corporate matters

As highlighted in our Annual Report for the year ended 31 March 2024, we have also been laser-focused on ensuring that the Company is as attractive as possible to current and potential shareholders. This culminated in a reduction to the management fees paid to the Investment Manager, effective from 1 October, and a change in the Company's name to Foresight Environmental Infrastructure Limited, approved at our AGM in September. This will better position FGEN to capitalise on the clear commercial benefits available through closer association with the Foresight brand.

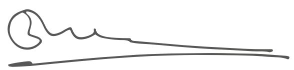
Our AGM also saw our shareholders deliver a solid endorsement of the Company and its business activities, with 93% of votes cast in favour of FGEN's continuation in its present form. We would like to thank shareholders for their support and look forward to maintaining engagement with you over the coming months.

Outlook and conclusion

Looking ahead, we continue to be cautious given the challenges that remain on a macro level, while also acknowledging that there is cause for considered optimism that circumstances in the months ahead will create a more attractive environment in which to invest. As well as the increased potential for further interest rate cuts, we are confident that we can continue to deliver value to shareholders.

We remain confident in our strategy. Our strong portfolio of assets consistently delivers solid distributions and offers numerous opportunities, including the delivery of our construction assets, other value enhancements across the portfolio and additional targeted divestments. We are steadfast in our commitment to maintaining a disciplined approach to capital allocation. Surplus liquidity generated by the portfolio in excess of targeted dividends will be prioritised towards existing commitments, planned follow-on investments and asset enhancements within our current portfolio, alongside continued management of the Company's credit facility to maintain a robust balance sheet. The Directors will also consider extending the buyback programme based on the liquidity position of the Company, the level of gearing and the implied returns on offer from purchasing our own shares.

Finally, the global commitment to decarbonisation and sustainable development continues to present significant prospects for FGEN. Whilst our immediate focus in the short term is progressing the Company's construction stage assets and delivering other value enhancement opportunities across the portfolio, looking forward, we are well positioned to take advantage of the significant investment opportunity when the wider environment supports it, leveraging our expertise and strategic vision to drive continued growth and impact.



Ed Warner
Chair
20 November 2024


Energie Tecnologie Ambiente energy-from-waste

The Investment Manager's report

In this section:

Amber Fryingdown solar site

The Investment Manager's report

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

Chris Tanner
Investment Manager

Edward Mountney
Investment Manager

Charlie Wright
Investment Manager

For detailed biographies of the team, please see our website: fgen.com

About Foresight Group

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

With decades of experience, Foresight offers investors access to attractive investment opportunities at the forefront of change. Foresight actively builds and grows investment solutions to support the energy transition, decarbonise industry, enhance nature recovery and realise the economic potential of ambitious companies.

A constituent of the FTSE 250 index, Foresight's diversified investment strategies combine financial and operational skillsets to maximise asset value and provide attractive returns to its investors. Its wide range of private and public funds is complemented with a variety of investment solutions designed for the retail market.

Foresight is united by a shared commitment to build a sustainable future and grow thriving companies and economies.

£12.6bn
Assets under management[1]

900+
Investment opportunities reviewed

8
Countries with operations

438
Infrastructure assets

180+
Dedicated professionals

4.7GW
Renewable energy generation[2]

All figures as at 31 March 2024 (FY24) unless otherwise stated.

1. Unaudited AUM estimate, disclosed as part of the H1 FY25 trading update.
2. As defined by the London Stock Exchange Green Economy Mark.

The Investment Manager's report continued

Portfolio update

As highlighted by the Chair, a period of solid performance from FGEN's diversified portfolio of sustainable infrastructure assets was offset by the full write-down of value of the Company's investment in the HH2E hydrogen development platform, following HH2E's decision to file for insolvency as a result of the failure to secure the further funding necessary to meet its ongoing commitments. FGEN has invested £19.3 million, equivalent to 2.6% of the NAV prior to the write-down, and we currently consider it unlikely that there will be any recovery, given that FGEN's claim on the company is subordinated to general creditors under German law.

This is clearly a very disappointing result. We remain of the belief that hydrogen will play a key part in the energy transition globally as a versatile and low-carbon energy carrier, and we felt that HH2E was a good opportunity to gain access to the German hydrogen market, expected to be one of the most attractive markets for energy infrastructure investors due to the government support being proposed. However, the pace of development of the hydrogen market has not been as quick as originally expected and this has led to many projects around the world being delayed. The scale of the additional at-risk funding required by HH2E was considered to be too great in the context of slower than expected demand and wider regulatory delays and therefore FGEN declined to provide further funding, particularly in consideration of our approach to portfolio construction, risk and capital allocation in the current market environment.

HH2E was the only development-stage investment in the FGEN portfolio, and so the only asset in the portfolio that faced such a risk profile.

Over 90% of the portfolio by value is in operational assets that earn revenues and have a proven track record of delivery, and our construction assets are progressing well, with potential for capital growth as they become operational.

See page 28 in the operational review for detailed information about FGEN's investment in HH2E and the factors that led to the write-down of the investment.

Performance summary

FGEN's diversification strategy continues to offer significant benefits to investors. The portfolio gains from a substantial proportion of contracted revenues, providing long-term predictable cash flows with a high degree of inflation linkage, as well as revenues earned by non-energy generating assets.

NAV per ordinary share at 30 September 2024 fell to 109.8 pence (31 March 2024: 113.6 pence per share) after payment of interim dividends totalling 3.84 pence and the 2.9 pence negative impact of HH2E. The details on NAV movements over the period are set out on pages 12 to 21. The Company's portfolio valuation at 30 September 2024 was £806.6 million (31 March 2024: £891.9 million).

The portfolio remains highly cash generative with record cash receipts from the portfolio of £46.6 million by way of distributions, which includes interest, loan repayments and dividends over the first six months of the year (30 September 2023: £46.2 million). Divestments totalling £68.1 million have been carried out in the period and proceeds primarily used to repay the RCF, underscoring the Investment Manager's prudent approach to portfolio and balance sheet management. Dividend cover stands at 1.23 times for the first six months of the financial year, or 1.36 times before payment of the Electricity Generator Levy ("EGL").

Overall, the Company has benefited from good operational performance across the portfolio, despite wind speeds and solar irradiation being below average during the period. The AD portfolio performed above budget and helped to compensate, demonstrating the value of diversification across different asset classes and energy resources. Whilst a material outage at Cramlington during the period contributed to the waste & bioenergy segment underperforming, this issue has now been repaired with the asset since outperforming. Other variances to budget primarily arise from changes in power prices since the start of the year or temporary working capital fluctuations which will be recouped prior to the year end.

Whilst electricity and gas prices have decreased slightly during the period, FGEN benefits from the Investment Manager's active mitigation of merchant power and gas price risk which contributes to insulation from price fluctuations via short-term price fixing arrangements and complemented further by longer-term subsidy support. The portfolio is fixed 60% for winter 2024/25 and 43% for summer 2025.

FGEN's construction projects have also progressed well during the period. The onsite construction of Sandridge, the 50MW battery project, has been completed and is now awaiting grid connection with pre-construction activities at the other battery sites proceeding against planning milestones. The Glasshouse project and the Rjukan project are both progressing according to schedule, with sales ramp-up now well underway at the Glasshouse on its licensed pharmaceutical products and Rjukan on track to complete in time for first sales by the end of 2025. The rollout of further CNG refuelling stations is progressing well with a c.27% increase in fuel dispensed during the half-year period compared to the previous six months.

The Investment Manager's report continued

Progressing these projects through construction and into steady state operations is expected to result in positive capital appreciation whilst providing diversification for the portfolio across different markets and technologies. Detailed case studies for CNG Foresight, the Glasshouse and Rjukan are included in the asset spotlight section on pages 30 to 36.

Market and opportunities

The investment thesis for environmental infrastructure remains strong. The markets and opportunities remain largely unchanged from those discussed on pages 21 to 24 in the Company's Annual Report 2024.

The Investment Manager has a strong origination and investment acquisition platform across offices in the UK, Italy and Spain, which over the last 12 months has sourced close to 900 prospective infrastructure investments. These cover the value chain from operational assets providing immediate yield through to development and construction-stage investments with an additional focus on growth and capital appreciation, across asset classes which have been and will continue to be of core focus to FGEN, covering energy transition and renewables, the circular economy, and other low carbon and sustainable solutions.

Investment into new projects are not expected in the short to medium term in light of the wider market situation and ongoing focus on capital allocation. However, we are optimistic that when macro conditions are more supportive, FGEN will be well placed for further investment across a diversified range of asset classes, continuing to prioritise the core aspects of thematic infrastructure investing such as stable cash flows, inflation linkage and the delivery of essential services, whilst contributing to a lower-carbon economy.

Read more about markets and opportunities on pages 21 to 24 in the Annual Report 2024

Risks and risk management

The Company's approach to risk governance and its risk review process, as well as the principal risks to the achievement of the Company's objectives, remain unchanged to those set out in the risks and risk management section on pages 53 to 59 of the Company's Annual Report 2024.

Developments in relation to those principal risks, particularly those which could potentially have a short to medium-term impact during the period to 31 March 2025, are outlined below.

Energy prices

Following the period of extraordinarily high power prices during 2022 and early 2023, prices have fallen back significantly and have been relatively stable over the last six months, with slight reductions due to factors such as reduced energy demand and increased renewable buildout expectations with the associated impact on capture pricing. The Company continues to take a robust mitigation approach to the valuation risks associated with forecast power prices being different to the actual prices achieved by using short-term price fixes and assumptions informed by market forward prices and a blend of three different specialist forecasters where fixes are not in place. The diversification of revenue sources across not just power but gas and other commodities, and across different markets, is a further mitigant in reducing exposure to power price fluctuations in single markets.

Whilst currently in a period of relative stability, the war in Ukraine and the expanding Middle East crisis could create further volatility for oil and gas prices with risks to the valuation related to power price assumptions both to the upside and the downside.

Read more about risks and risk management on pages 53 to 59 in the Annual Report 2024

Risk associated with development or construction-stage assets

Following the write-down of FGEN's only development-stage investment, the Company does not hold any investments in development-phase projects.

Currently, 8% of the portfolio is invested across construction-stage assets, which are generally targeting steady state operations within the next 12 – 24 months. Therefore, management of construction risk across those assets is a key focus for the Investment Manager in order to maximise the potential for capital appreciation and to deliver further dividend cover as the assets move towards positive cash flow generation. Further detail on a selection of the Company's larger construction-stage investments is included in the asset spotlight section of the operational review on page 30.

Regulatory risk

In general, the regulatory environment across the UK and Europe remains overwhelmingly supportive for the Company's wider mandate.

Focusing on the UK, there were certain consultations and potential reforms underway under the previous Conservative government, such as the review of electricity market arrangements ("REMA"), the consultation on Fixed Price Certificates ("FPCs") into the Renewables Obligation regime in place of Renewable Obligation Certificates ("ROCs"), that remain ongoing but which have not progressed as swiftly as envisaged given the disruption of the general election and the appointment of the new Labour government. We continue to monitor developments here, given that some proposals still under consideration could change the way in which revenues for FGEN's renewable electricity and battery storage assets are determined.

The Investment Manager's report continued

However, for these more significant changes, such as locational pricing, it is unlikely that the necessary adjustments to the regulatory regime will occur before the late 2020s.

In general, the UK government's direction of travel for renewables and wider decarbonisation efforts is increasingly positive under the Labour government, as evidenced by the loosening of planning restrictions for onshore wind in England and the increase in Contracts for Difference ("CfD") budgets. However, some of the finer details of Labour's net zero strategies, for example the exact role that GB Energy will have to play and how to manage grid capacity queues and overall congestion as a major bottleneck to achieving a cleaner energy transmission network, are not yet clear.

Inflation, interest rates and discount rates

As is generally the case for the wider infrastructure sector, the FGEN portfolio carries a certain degree of sensitivity to changes in inflation and interest rates. Whilst higher inflation in isolation is helpful for valuations of FGEN assets given both the explicit and implicit inflation linkage across its various revenue streams, the upward pressure that higher inflation has on interest rates has a negative effect given the read across to higher discount rates for valuing infrastructure assets.

Of relevance to this is the recent Budget announcement in October, since which there has been an upwards movement in gilt rates, thereby increasing the risk-free rate and resulting in share price reductions for alternative listed investment companies such as FGEN. This could potentially call into question future decisions on interest rate reductions, with the latest developments suggesting that the "higher for longer" narrative could continue to persist.

However, the broader macroenvironment, with interest rate cuts throughout the year and inflation now close to pre-crisis levels across the UK, EU and the US, would suggest that the longer-term direction of travel is positive.

Investment outlook

The energy transition and pursuit of net zero is resulting in a constantly evolving opportunity set across an increasingly wide range of sectors and asset classes that are still underpinned by infrastructure fundamentals, albeit with varying degrees of risk, opportunity and market exposure. This is illustrated by the ever-increasing number of opportunities being originated by the Investment Manager across the spectrum of environmental infrastructure, as the decarbonisation agenda continues to accelerate.

Therefore, despite the current challenges facing the listed renewable infrastructure sector and the likelihood that equity markets will remain inaccessible to FGEN and its peers in the near term, we remain optimistic about the future. The fundamental story for the growth of the sector and for FGEN is as strong as it has ever been, with the energy transition requiring trillions of investment over the next couple of decades.

FGEN has a broad and diversified investment mandate which combined with the Investment Manager's ability to originate in the UK and Europe gives great scope to be highly selective about the opportunities it pursues compared to any reliance on single markets and/or technologies.

However, in the shorter term and particularly over the next six to twelve months, our capital allocation strategy will continue to lay the foundations for future NAV growth by maximising cash flow from operating assets and by focusing on the Company's construction-stage assets, and other enhancement opportunities and follow-on investments within the portfolio where sufficiently value accretive.

While FGEN is not currently pursuing any new investment, looking further forward, any future development-stage exposure will be limited, particularly where it involves projects at a "pre-final investment decision" ("FID") stage.

The Investment Manager has always maintained an active asset management approach with a large in-house portfolio management team of over 105 people, consisting of engineers, commercial and financial managers, and technical professionals. This contributes to a proactive approach to value enhancement opportunities, with examples including AD expansions and resilience measures across the portfolio.

Finally, following the successful disposal to Future Biogas, we are continuing to consider further asset disposals across other parts of the portfolio where considered strategically appropriate and value accretive, in order to recycle capital and further reduce drawings on the Company's revolving credit facility.

Overall, we remain steadfast in our commitment to maintaining a disciplined approach to capital allocation. We are focused on managing the Company's funding position and balance sheet to ensure that we are as well positioned as possible to continue to exploit the significant investment opportunity when the wider environment supports it, with strong belief and confidence in the long-term investment case and our ability to continue to deliver attractive risk-adjusted returns for shareholders.

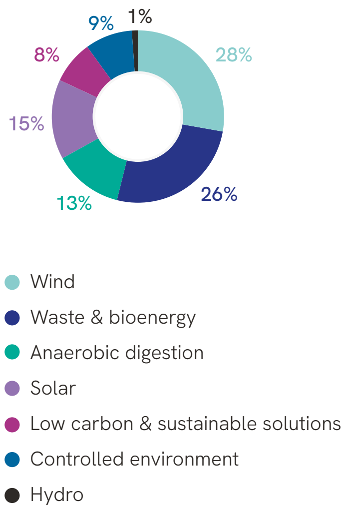
The Investment Manager's report continued

Investment portfolio and valuation

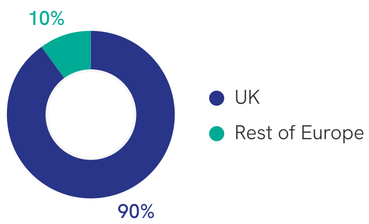
Investment portfolio

Diversification continues to play a key role for the Company, reducing dependency on a single market, technology type or set of climatic conditions, whilst allowing exposure to a wide opportunity set, as illustrated in the analysis below at 30 September 2024, according to share of portfolio value:

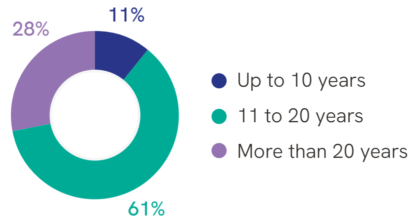
Sector split



Geography

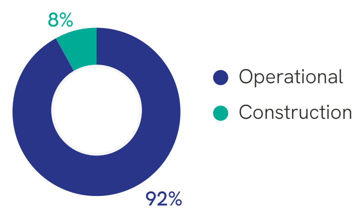


Remaining asset life

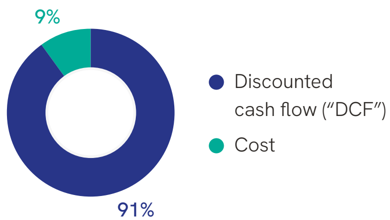


Weighted average remaining asset life of the portfolio is 16.5 years.

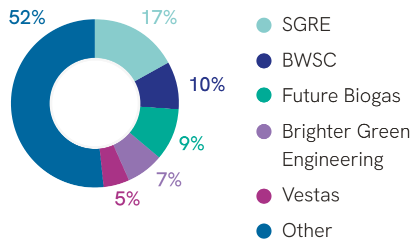
Operational status



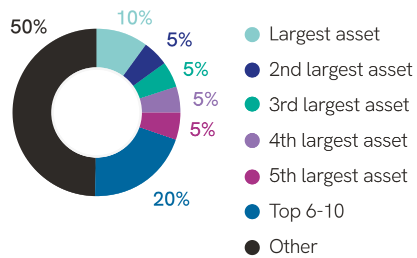
Valuation method



Operator exposure



Asset concentration



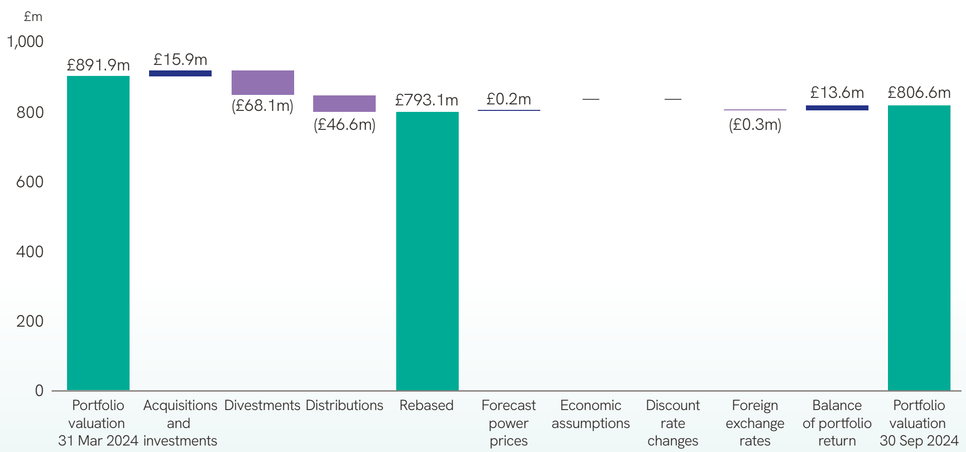
The Investment Manager's report continued

Portfolio valuation

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

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

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



The Directors' valuation of the portfolio at 30 September 2024 was £806.6 million, compared to £891.9 million at 31 March 2024. The decrease of £85.3 million is the net impact of follow-on investments, divestments, cash received from investments, changes in foreign exchange rates, power price assumptions, underlying growth in the portfolio and the impairment of FGEN's interests in its green hydrogen development platform. A reconciliation of the factors contributing to the change in the portfolio during the period is shown in the chart below.

The movement in value of investments during the period ended 30 September 2024 is shown in the table below:

	30 Sep 2024 £m	31 Mar 2024 £m
Valuation of portfolio at opening balance	**891.9**	898.5
Acquisitions in the period (including follow-on investments)	**15.9**	69.2
Divestments	**(68.1)**	—
Cash distributions from portfolio	**(46.6)**	(87.0)
Rebased opening valuation of portfolio	**793.1**	880.7
Changes in forecast power prices	**0.2**	(36.0)
Changes in economic assumptions	**—**	8.6
Changes in discount rates	**—**	(29.0)
Changes in exchange rates	**(0.3)**	(0.5)
Balance of portfolio return	**13.6**	68.1
Valuation of portfolio	**806.6**	891.9
Fair value of intermediate holding companies	**(84.4)**	(138.3)
Investments at fair value through profit or loss	**722.2**	753.6

Allowing for investments of £15.9 million (including payment of deferred consideration), divestments of £68.1 million and cash receipts from investments of £46.6 million, the rebased valuation is £793.1 million. The portfolio valuation at 30 September 2024 is £806.6 million (31 March 2024: £891.9 million), representing an increase over the rebased valuation of 1.7% during the period.

The Investment Manager's report continued

Valuation assumptions

Each movement between the rebased valuation and the 30 September 2024 valuation is considered below:

Forecast power prices

The project cash flows used in the portfolio valuation at 30 September 2024 reflect contractual fixed price arrangements under Power Purchase Agreements ("PPAs"), where they exist, and short-term market forward prices for the next two years where they do not.

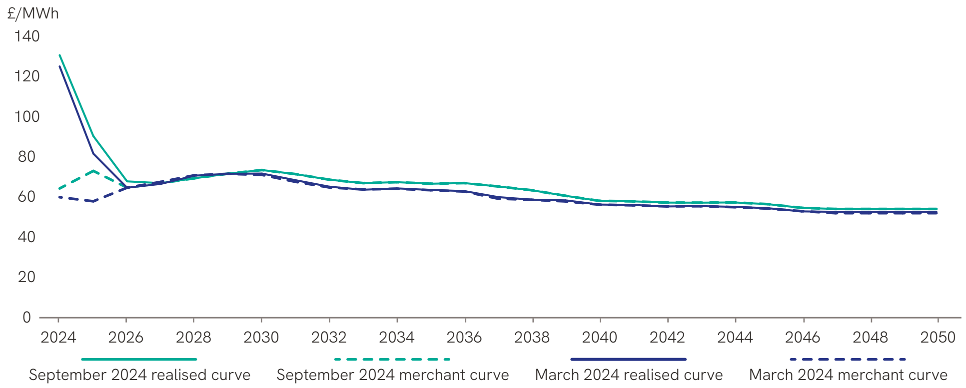
After the initial two-year period, the project cash flows assume future electricity and gas prices in line with a blended curve informed by the central forecasts from three established market consultants, adjusted by the Investment Manager for project-specific arrangements and price cannibalisation.

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

The overall change in forecasts for future electricity and gas prices compared to forecasts at 31 March 2024 has increased the valuation of the portfolio by £0.2 million.

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

Illustrative blended power price curve



Guarantees of origin certificates

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

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

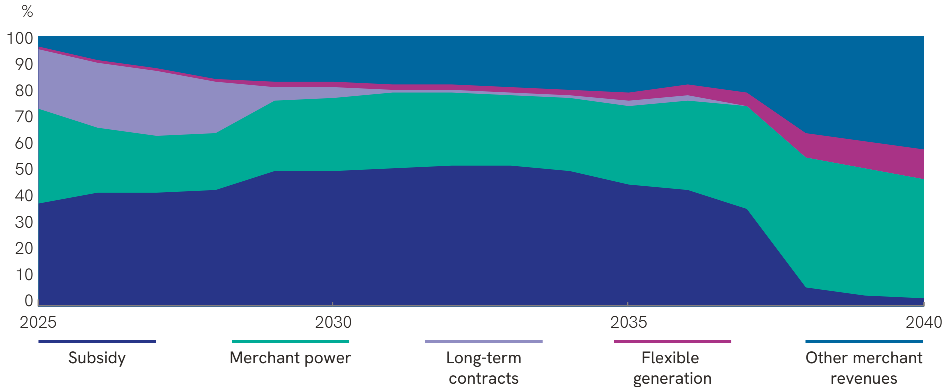
Year	2024	2025	2026-28	2029+
REGO	**£5/MWh**	£5/MWh	£5/MWh	£2/MWh
RGGO	**£8.5/MWh**	£7.5/MWh	£7/MWh	£7/MWh

These prices remain supported by those seen by the Investment Manager and as such the modelled assumptions remain unchanged from the prior year.

The Investment Manager's report continued

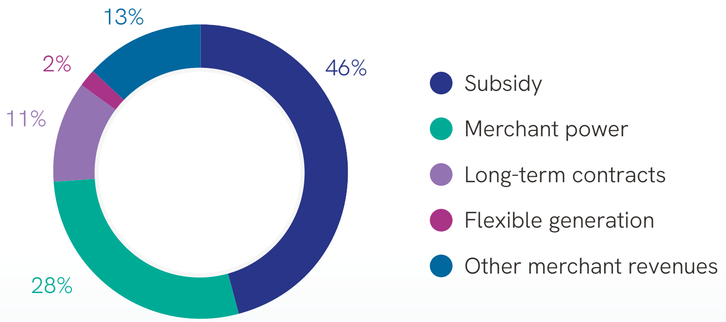
Revenue analysis

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



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

Revenue NPV



Energy generating portfolio

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

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

At 30 September 2024, 60% of the renewable energy portfolio's electricity and gas price exposure was subject to fixed prices for the winter 2024/25 season and 43% for the summer 2025 season. See the power price hedging section in the operational review on page 25 for more detail about the latest price fixes in place across the portfolio.

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

The Investment Manager's report continued

Non-energy generating portfolio

The desire to mitigate the effects of climate change stimulates 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 such as waste management, water treatment, transportation and food production.

This is reflected in FGEN's diversified portfolio, which includes both grid-scale batteries and other 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 FGEN's investment into CNG Foresight, a portfolio of CNG refuelling stations for heavy goods vehicles located across the UK, the asset generates revenue through a specified margin on CNG dispensed.

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

Batteries

FGEN's portfolio includes one operational and three c.50MW Battery Energy Storage Systems ("BESS") at varying stages of construction at 30 September 2024, making up less than 4% of the total portfolio valuation of the Company.

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

Controlled environment

Controlled environment projects typically face a different revenue model to environmental infrastructure projects with subsidy support or with long-term contracts, with a differing set of market risk characteristics.

Therefore, the Company has only invested in projects that enjoy a privileged market position over competitors, for example due to physical location, technology or product differentiation.

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

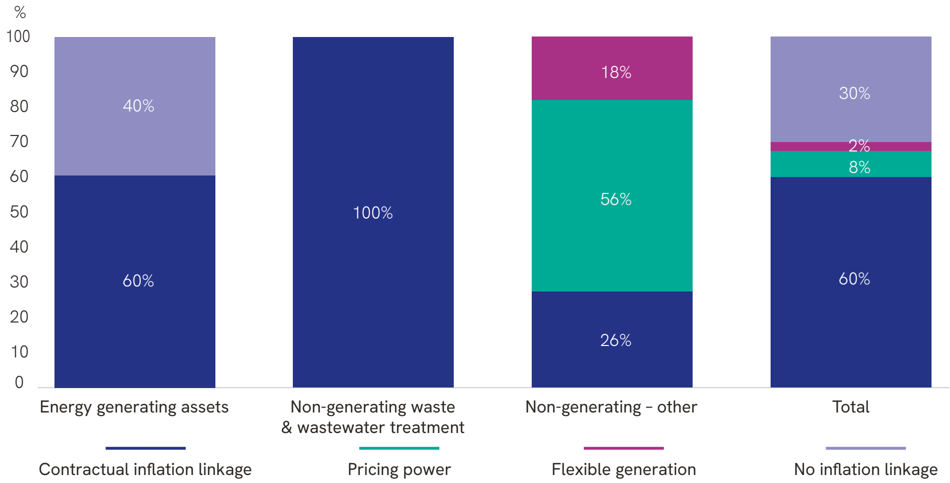
In the case of CE Rjukan, revenues will primarily be generated from the production of approximately 8,000 tonnes of trout annually, once the site is fully ramped up in 2025. This will be sold to European and international salmonid markets through a sales and marketing agreement with a globally established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

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

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

The Investment Manager's report continued

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



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

Useful economic lives

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

As signalled previously, the Board and the Investment Manager remain optimistic about the prospects to extend the lives of the Company's AD facilities and are currently working with partners to progress these initiatives.

Economic assumptions

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

Valuation assumptions for operational assets are set out below:

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

	2024	2025-2030	2031+
UK			
RPI	**3.5%**	3.0%	2.25%
	(3.5%)	(3.0%)	(2.25%)
CPI	**2.5%**	2.25%	2.25%
	(2.5%)	(2.25%)	(2.25%)
Deposit rates	**2.0%**	2.0%	2.0%
	(2.0%)	(2.0%)	(2.0%)
Corporation tax	**25.0%**	25.0%	25.0%
	(25.0%)	(25.0%)	(25.0%)
Italy			
Inflation	**2.0%**	2.0%	2.0%
	(2.0%)	(2.0%)	(2.0%)
Deposit rates	**—%**	—%	—%
	(—%)	(—%)	(—%)
Corporation tax (IRES)	**24.0%**	24.0%	24.0%
	(24.0%)	(24.0%)	(24.0%)
Regional tax (IRAP)	**4.8%**	4.8%	4.8%
	(4.8%)	(4.8%)	(4.8%)

The Investment Manager's report continued

The euro/sterling exchange rate used to value euro-denominated investments was €1.20/£1 and the rate for Norwegian krone-denominated investments was NOK13.96/£1 at 30 September 2024 (€1.17/£1 and NOK13.66/£1 at 31 March 2024).

Actual inflation to date continues to track in line with the Company's modelled assumptions and therefore no changes have been reflected since the start of the year.

The overall change in value resulting from changes to foreign exchange rates in the year is £0.3 million.

Discount rates

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

UK gilt yields have remained at elevated levels consistent to those prevalent at the start of the year and transactional activity continues to indicate support for the Company's valuation assumptions, therefore no changes have been made to discount rates at either 30 June 2024 or 30 September 2024 in relation to the macroeconomic backdrop.

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

Taking the above into account and including an increase in the value of assets in construction, the overall weighted average discount rate ("WADR") of the portfolio is 9.5% at 30 September 2024 (31 March 2024: 9.4%).

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

	Sector WADRs	Gearing
Wind	8.7%	35%
Waste & bioenergy	9.8%	9%
Anaerobic digestion	8.6%	—
Solar	7.6%	15%
Batteries	10.0%	—
Hydropower	8.0%	38%
Weighted average	**9.5%**	**18.0%**

Sectors in which the Investment Manager retains proprietary information, such as controlled environment and low-carbon transport, are not disclosed in the table above, although discount rates used in these sectors feed into the portfolio WADR of 9.5%.

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

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

The Investment Manager's report continued

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 additional valuation adjustments from updates to individual project assumptions. The total represents an uplift of £13.6 million.

Of this, the key individual items include an uplift of £31.2 million from discount rate unwind, an £8.0 million reduction from operational under-performance (see page 24 for further commentary within the operational review), offset by a £7.1 million uplift from revision to anaerobic digestion operating contracts following the partial disposal completed during the period, a £19.3 million write-down to the value of FGEN's investment in HH2E and a £2.6 million uplift from a number of other lower-value cost adjustments and other commercial assumptions following the normal course of ongoing reassessment throughout the period.

In addition to these items, the Company also benefited from a 0.2 pence increase in NAV per share, arising from the purchase of 5,485,089 shares for £5.2 million, as part of the Company's ongoing share buyback programme.

Valuation sensitivities

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

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

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

The following sensitivities include the impact of the EGL.

The key assumptions are as follows:

Discount rate

The WADR of the portfolio at 30 September 2024 was 9.5% (31 March 2024: 9.4%). A variance of plus or minus 0.5% is considered to be a reasonable range of alternative assumptions for discount rates.

An increase in the discount rate of 0.5% would result in a downward movement in the portfolio valuation of £18.1 million (2.8 pence per share) compared to an uplift in value of £18.2 million (2.8 pence per share) if discount rates were reduced by the same amount.

Volumes

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

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

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

That is to say that the lack of correlation between wind, hydro and solar variability means P10 and P90 sensitivity results should be considered independent. Therefore, whilst the overall P90 sensitivity decreases NAV by 5.7 pence, the impact from wind, solar and hydro separately is only 4.2 pence per share, 1.3 pence per share and 0.2 pence per share respectively, as shown in the chart on page 21.

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.

The Investment Manager's report continued

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 £41.1 million (6.3 pence per share) compared to a downward movement in value of £39.0 million (5.9 pence per share) if prices were reduced by the same amount.

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

Uncontracted revenues on non-energy generating portfolio

Non-energy generating assets, such as batteries and controlled environment agriculture and aquaculture, are not materially affected by either scarcity of natural resource or power price markets. Therefore, the Investment Manager has presented 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 £18.3 million (2.8 pence per share) compared to a decrease in value of £14.2 million (2.2 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 £7.0 million (1.1 pence per share) compared to an uplift in value of £7.0 million (1.1 pence per share) if prices were reduced by the same amount.

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

Inflation

Most projects in the portfolio receive a revenue stream which is either fully or partially inflation linked. The inflation assumptions are described in the macroeconomic section on page 17. 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 £21.6 million (3.3 pence per share) compared to a decrease in value of £21.9 million (3.3 pence per share) if rates were reduced by the same amount.

The Investment Manager's report continued

Foreign exchange rates

As the proportion of the portfolio assets with cash flows denominated in non-GBP currencies represents a small proportion of the portfolio value at 30 September 2024, the Directors consider the sensitivity to changes in exchange rates to be insignificant.

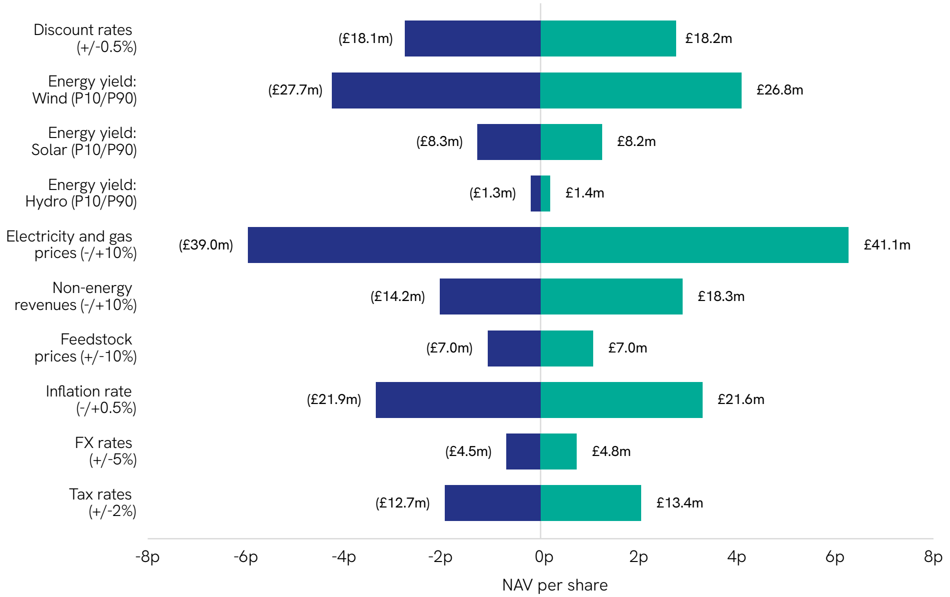
Corporation tax

The UK corporation tax assumptions applied in the portfolio valuation are outlined in the notes to the accounts on page 64. 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 £12.7 million (1.9 pence per share) compared to an uplift in value of £13.4 million (2.0 pence per share) if rates were reduced by the same amount.

Sensitivities – impact on NAV at 30 September 2024

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




Merlin Renewables

The Investment Manager's report continued

Investment portfolio

At 30 September 2024, the Group's investment portfolio comprised interests in 42 projects, as well as investments into several European opportunities through its investment in FEIP.

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

Asset	Location	Ownership	Capacity (MW)	Commercial operations date
Anaerobic digestion				
Biogas Meden	England	49%	5.0[5]	Mar 2016
Egmere Energy	England	49%	5.0[6]	Nov 2014
Grange Farm	England	49%	5.0[6]	Sep 2014
Icknield Farm	England	53%	5.0[5]	Dec 2014
Merlin Renewables	England	49%	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	49%	13.0[6]	Oct 2013
Warren Energy	England	49%	5.0[6]	Dec 2015
		Total	50.2	
Solar				
Amber	England	100%	9.8	Jul 2012
Branden	England	100%	14.7	Jul 2013
CSGH	England	100%	33.5	Mar 2014 & Mar 2015
Monksham	England	100%	10.7	Mar 2014
Panther	England	100%	6.5	2011-2014
Pylle Southern	England	100%	5.0	Dec 2015
		Total	80.2	

The Investment Manager's report continued

Asset	Location	Ownership	Capacity (MW)	Commercial operations date
Low carbon & sustainable solutions				
West Gourdie battery storage	Scotland	100%	n/a	May 2023
Clayfords battery storage	Scotland	50%	n/a	Ready to build
Lunanhead battery storage	Scotland	50%	n/a	Ready to build
Sandridge battery storage	England	50%	n/a	Under construction
CNG Foresight low-carbon transport	England	25%[8]	n/a	Various
HH2E green hydrogen	Germany	n/a	n/a	Development phase
		Total	n/a	
Controlled environment				
Glasshouse	England	Minority stake	n/a	Partially operating
Rjukan aquaculture system	Norway	Minority stake	n/a	Under construction
		Total	n/a	
Hydro				
Northern Hydropower	England	100%	2.0[9]	Oct 2011 & Oct 2017
Yorkshire Hydropower	England	100%	1.8[9]	Oct 2015 & Nov 2016
		Total	3.8	

Asset	Location	Ownership	Capacity (MW)	Commercial operations date
FEIP[10] FGEN has committed €25 million to FEIP				
Avalon solar and green hydrogen	Spain	n/a	n/a	Development
Carna pumped storage hydro and co-located wind	Scotland	n/a	n/a	Under construction
Inca pumped storage hydro	Ireland	n/a	n/a	Development
Kölvallen wind	Sweden	n/a	n/a	Under construction
MaresConnect interconnector	Republic of Ireland	n/a	n/a	Development and under construction
Puskakorpi wind	Finland	n/a	n/a	Dec 2022
Quartz battery storage	England	n/a	n/a	Development
Skaftåsen Vindkraft AB wind	Sweden	n/a	n/a	June 2023
Torozos wind	Spain	n/a	n/a	Dec 2019
85 Degrees geothermal heat	Netherlands	n/a	n/a	Operational/under construction
Beleolico offshore wind	Italy	n/a	n/a	July 2022
Blue Jay battery storage	Scotland	n/a	n/a	Development and under construction
Juwi solar	Greece	n/a	n/a	Development
		Total	n/a	
Total portfolio				
		Total	359.5	

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

The Investment Manager's report continued

Operational review

Company performance overview

The NAV per share at 30 September 2024 was 109.8 pence, down from 113.6 pence at 31 March 2024, with the largest drivers being a combination of dividends paid in the period and the full write-down of the Company's investment in the HH2E development platform as discussed in detail on page 28.

FGEN has announced an interim dividend of 1.95 pence per share for the quarter ended 30 September 2024, payable on 27 December 2024, in line with the full-year target of 7.80 pence per share for the year ending 31 March 2025 as set out in the Annual Report 2024.

Financial performance

The Company's operating assets outperformed budgeted yields to deliver strong cash earnings of £46.6 million (30 September 2023: £46.2 million) making this another record period of earnings for the first six months of the year – driving a dividend cover of 1.23x.

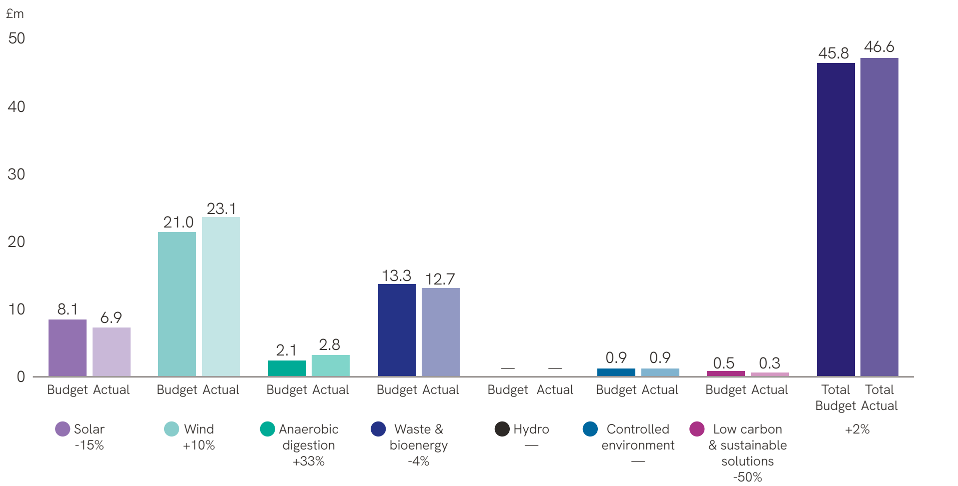
As the portfolio diversifies and the proportion of non-energy generating assets increases, the Investment Manager has presented detailed information to better illustrate the financial performance of all sectors within the portfolio.

The chart on this page 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 period under review.

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

Across the portfolio companies, total revenue generated was £137.8 million and total EBITDA was £60.5 million. The Company operates a diversified portfolio of assets across multiple sectors which supports diversification of the operating risk profile across the portfolio – with both revenues and corresponding margins varying based on the underlying operations of each. For example, wind and solar assets generate electricity through the use of a free natural resource and therefore typically have a lower cost base than an anaerobic digestion facility, which requires a feedstock as part of its energy generation process. To compensate, these facilities will also typically have a higher revenue base – as can be seen by the average all-in energy price table to the right. More information on sector-level performance and relative margins will be provided within the Annual Report 2025.

Financial performance: budget vs actual project distributions



The average all-in price received by the differing technology classes in the UK for their energy volumes generated in the six months ended 30 September 2024 is shown in the table below:

Average all-in energy price	Half year ended 30 Sep 2024	Year ended 31 Mar 2024
Wind	**£213 per MWhe**	£148 per MWhe
AD electric	**£265 per MWhe**	£317 per MWhe
AD gas-to-grid	**£149 per MWhth**	£148 per MWhth
Biomass	**£183 per MWhe**	£205 per MWhe
Energy-from-waste	**€134 per MWhe**	€109 per MWhe
Solar	**£310 per MWhe**	£217 per MWhe
Hydro	**£197 per MWhe**	£308 per MWhe

The Investment Manager's report continued

Power price hedging

FGEN's exposure to wholesale power prices is mitigated by the practice of having a substantial proportion of generation for both electricity and gas on fixed price arrangements for durations ranging from six months out to three years. The extent of generation subject to fixes at 30 September 2024 is as follows:

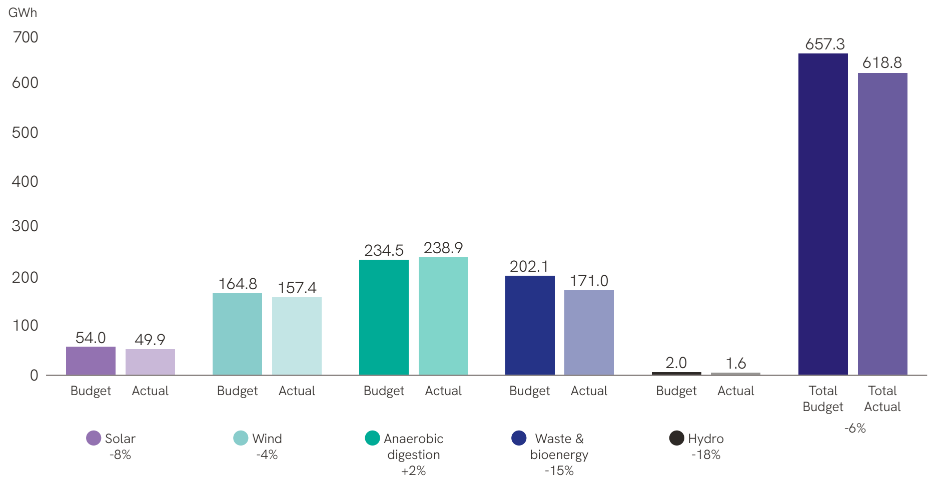
	Winter 2024	Summer 2025	Winter 2025
Wind	75%	58%	36%
Solar	100%	54%	54%
Biomass	—	—	—
Energy-from-waste	41%	—	—
AD – electric	100%	36%	32%
AD – gas	74%	58%	56%
Weighted average	60%	43%	35%

The Investment Manager continues to monitor the PPA and Gas Purchase Agreement ("GPA") market for opportunities to fix prices and mitigate risk across the portfolio. Typically FGEN expects to have greater volumes of electricity and gas under fixed price arrangements for closer seasons.

Renewable energy generating assets

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

Operational performance: forecast vs actual portfolio generation



Over this half-year period the renewables segment of the portfolio produced 619GWh[1] (six months to 30 September 2023: 660GWh) of energy, 5.9% below target. The negative variance against the target can be primarily attributed to a six-week outage at Cramlington required to address issues in the flue gas treatment line. This issue has since been resolved and the plant has since been operating above budget. Offsetting that, the agri-AD portfolio recorded another strong performance, which was 2% above the sector target.

1. 619GWh is representative of 100% of generation at sites in which FGEN owns an interest. This is equivalent to 563GWh when applying FGEN's proportionate ownership interest.

The Investment Manager's report continued

Anaerobic digestion

The AD portfolio is the largest producer of energy on a GWh basis and generated 39% of the GWh energy produced by the FGEN portfolio to 30 September 2024. Generation (measured in GWh thermal generated) was 239GWh, 2% ahead of the sector target, continuing the trend of outperformance that has been seen since the Company started to acquire AD assets in 2017.

Notable strong performers were Grange Farm, Rainworth Energy, Warren Energy and Icknield, which outperformed their generation targets by more than 5%. All other sites, with the exception of Peacehill Gas and Merlin Renewables (both sites undertook planned degritting works), exceeded their generation targets.

The strong maize harvest in late 2023 meant the portfolio has had access to healthy volumes of this feedstock throughout the reporting period.

Due to the wet winter experienced across the UK in early 2024, drilling of rye was extremely difficult, resulting in low yields of this crop when harvesting took place in July 2024. The operators have compensated for this deficit by increasing the amount of maize grown in 2024.

Wind

Electricity generation from the wind assets of 157GWh (representing 25% of the portfolio's energy generation for the period) was 4% below its sector target due to below-average wind resource during the period. Total gross availability for the portfolio was 2.9% below the anticipated levels due to unrelated mechanical issues experienced at six of the wind assets. Assuming performance remains on budget for the remainder of the year, payments to compensate for events of unavailability are estimated to bring the wind portfolio in line with the sector's generation target for the period.

Solar

The solar portfolio generated 50GWh (representing 8% of the portfolio's energy generation for the period) and was 8% below its sector generation target.

The deficit is explained by irradiance levels being 4% below expected for the period, inverter issues at Branden Victoria (June to September) and grid issues at CSGH Shoals Hook (three grid constraints) and Monksham (distribution network operator ("DNO") outage for most of August).

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 28% of the GWh energy produced by the FGEN portfolio to 30 September 2024. The waste & bioenergy portfolio generated 171GWh over the period to 30 September 2024, 15% below its sector target.

Though Codford Biogas (14% above budget) and ETA Manfredonia performed well throughout the period, the sector was below budget for the reporting period primarily due to a six-week outage at Cramlington in June 2024. The outage was required to allow the operator to address issues within the flue gas treatment line. A long-term and effective resolution was implemented and arrangements were made to address the downtime. Since this issue, Cramlington has outperformed its budget by 6%.

Hydro

The hydro portfolio generated 1.6GWh (which represents less than 1% of the portfolio's energy generation for the period) and saw an 18% negative variance against its sector target. The under-performance was due to rainfall in May through to August being 20% below the long-term average in the Yorkshire catchment area.

The Investment Manager's report continued

Assets which support the transition to a lower-carbon economy

Waste & bioenergy concessions

Waste tonnages processed at the ELWA waste project have continued at levels above target. Operational performance targets are consistently exceeded with diversion from landfill at 99.97%, substantially ahead of the 67% contract target. Recycling, at 31.7%, is ahead of the 22% target.

Renewi (the operating counterparty) announced to the market on 4 October 2023 that it planned to exit the UK municipal waste business by mid 2024. Renewi has confirmed that the sale of their UK business is proceeding, with BIFFA as the proposed new owner, and it is anticipated that the sale will be completed by the end of 2024. The Investment Manager continues to monitor this situation and ensure any contractual risks are monitored.

Tay wastewater plant in Scotland performed well, with no operational or performance issues in the half-year period.

Both projects continue to perform well financially.

Low carbon & sustainable solutions

Low-carbon transport – CNG Foresight

The CNG refuelling stations achieved a 27% increase in total fuel dispensed for the reporting period when compared to the first half of FY24. Truck deliveries saw an uptick over the period, and sales reports remain robust.

The CNG refuelling station at Aylesford has been successfully commissioned and has begun operation. The construction of the Doncaster station is progressing as planned, with completion expected by the end of 2024. Additionally, construction has commenced on a new station in Livingston.

As at 30 September 2024, the portfolio held 15 natural gas refuelling stations, including the sites in construction phase. FGEN has invested a total of £29.3 million as at the balance sheet date.

A detailed description of the CNG Foresight investment is included on page 31.

Battery energy storage ("BESS")

West Gourdie, FGEN's operational 50MW battery asset in Dundee, Scotland, achieved an availability of 95.14% over the half-year period, falling short of budget by 2.9%. The availability losses were mainly due to a grid outage in May, minor technical issues experienced in June and August, and an annual maintenance-related outage in August. The events, assessed on a case-by-case basis during the annual performance warranty review, will determine which ones are eligible for compensation under the performance mechanism outlined in the EPC and O&M contracts.

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

ELWA waste management

The Investment Manager's report continued

Construction-stage projects

BESS construction assets

FGEN currently owns three construction-stage battery storage projects in the UK with a combined capacity of 50MW. The Sandridge project construction is complete and securely paused while awaiting connection works by the subcontractor appointed by the DNO. This project is expected to be energised in late FY25. Meanwhile, the Investment Manager's pre-construction BESS projects, Lunanhead and Clayfords, remain under active review. The holding value for these projects continues to be closely benchmarked to market value for this essential grid infrastructure.

Glasshouse project

Following the initial sales in May 2024, Glass Pharms has continued to secure and commit to sales for the remainder of 2024 and early 2025. These sales are part of an agreement signed between Glass Pharms and Releaf on 22 October 2024. Releaf, the UK's fastest-growing medical cannabis provider, and Glass Pharms, the leading domestic producer, have formed a historic multi-million-pound partnership, making it the largest collaboration in the UK's medical cannabis sector to date.

Rjukan project

Construction is advancing well on this project, with significant progress being made on the main facility building. Although certain areas of the facility experienced known delays affecting the latter stages of the programme, a thorough replanning exercise has helped realign these areas. There maintains a buffer leading up to harvest, albeit with a reduced margin.

Development-stage projects

Green hydrogen – HH2E administration

FGEN made its initial investment into HH2E in January 2023, investing €5.7 million to acquire 33% of Foresight Hydrogen HoldCo GmbH ("FHHG") alongside other Foresight funds. FHHG is the investment vehicle for FGEN's investment in HH2E AG, a developer of green hydrogen production projects in Germany, and its pipeline of potential sites.

Over time, FGEN increased its investment in HH2E and associated projects to €22.3 million. The most advanced of the sites, Lubmin on the Baltic coast, completed much of the work necessary for a final investment decision ("FID") to be taken in 2024, with the main outstanding item being the conclusion of an offtake agreement in a form considered "bankable" by project finance banks required to finance the construction of the project in conjunction with further equity investors. HH2E also made commitments to purchase items of critical equipment that are on long lead times. At the time, these commitments were considered necessary to secure equipment and a grid connection that would otherwise have led to delays, in some cases of several years, that would have caused issues with the delivery timetables being discussed with potential offtakers.

A process to bring in senior lenders and an equity investor was run over the summer of 2024 and concluded in October 2024. While there was significant interest in HH2E and the Lubmin project, with several lenders and institutional investors engaging extensively in due diligence, ultimately no party was prepared to invest prior to a bankable offtake agreement being in place.

This delay in bringing in additional funding created a liquidity issue within HH2E and the Lubmin project in light of the commitments already in place.

FGEN and the other Foresight funds invested in HH2E considered providing the company with sufficient funding to enable it to meet all of its payment obligations and demonstrate its ability to continue as a going concern but ultimately the quantum of funding required at risk was too great and the investment was declined.

With no other option for funding to meet outstanding obligations, HH2E filed for insolvency on 11 November 2024. FGEN notified the market that this was the expected outcome on 8 November 2024, also noting that no recovery of the investment was anticipated through the insolvency process, given the extent of commitments outstanding and German insolvency law that places shareholder loans behind general creditors in an insolvency. The company is currently going through an administration process with a view to achieving an accelerated sale on a going concern basis in the best interests of creditors.

A key contributor to the failure of the HH2E investment is the scale of commitments to equipment suppliers ahead of the Lubmin project being in a position to take a FID with a bankable offtake agreement to anchor the revenue case from the sale of green hydrogen. This is symptomatic of the experience across hydrogen markets, with projects being cancelled and delayed as the pace of supporting regulation and the establishment of an offtake market lags the expectation of project developers. As evidence of this, the Hydrogen Council noted in their September 2024 survey of the market that announced production capacity in 2028 and 2029 was more than 1 Mt p.a. lower than stated in the previous year's publication.

While at the time the company felt that making such commitments was justified in keeping the Lubmin project to timetable, offtakers have subsequently not felt in a position to sign up to offtake agreements while expected supporting regulation has not yet been passed into law.

The Investment Manager's report continued

German political instability and the proximity of federal elections in 2025 may also have contributed to this reluctance.

The Investment Manager expects green hydrogen to be a part of the energy mix in the coming years as a means to decarbonise hard-to-abate sectors such as industrial heat and some heavy transport. It will be of increasing interest to infrastructure investors as regulatory regimes become established and the market matures, but at the moment the pace is lagging. FGEN's current focus is not on new investment in any case given market conditions and its emphasis on appropriate capital allocation.

Investment into new projects are not expected in the short to medium term in any sector in light of the wider market situation and ongoing focus on capital allocation. When new investment activity can commence, any development-stage exposure will be limited, particularly where it involves projects at a "pre-FID" stage.

Disposals

Disposal of 51% of six AD facilities

In August 2024, the Company announced the sale of 51% of a portfolio of six gas-to-grid AD facilities to Future Biogas, for a total consideration of £68.1 million. FGEN will continue to own 49% of the AD portfolio, which has a combined generating capacity of 38MW, as well as its interests in three further agri-AD assets which are not operated by Future Biogas and consequently not part of the agreement.

Other investments

FEIP

FGEN has committed to investing €25 million into Foresight Energy Infrastructure Partners SCSp ("FEIP"), a Luxembourg limited partnership investment vehicle that targets investments that support the transformational change underway in global energy markets.

FEIP invests in energy infrastructure across the following sub-sectors:

- renewable generation;
- renewable enabling infrastructure (e.g. energy storage); and
- transmission and distribution.

At 30 September 2024, €20 million had been drawn on this commitment.

Financing

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

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

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

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

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

In addition to the RCF, several of the projects have underlying project-level debt. 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 30 September 2024, drawings under the RCF were £113.7 million. Under its investment policy, FGEN may borrow up to 30% of its NAV.

The project-level gearing at 30 September 2024 across the portfolio was 18.0% (31 March 2024: 16.9%). Taking into account the amount drawn down under the RCF of £113.7 million, the overall fund gearing at 30 September 2024 was 28.7% – down from 31.2% at 31 March 2024; reflecting the repayment towards the RCF out of cash proceeds raised from asset sales in the period.

At the half-year mark, the weighted average cost of project-level debt was 4.2%, and the weighted average cost of debt after including the RCF was 5.0%.

As at 30 September 2024, the Group, which comprises the Company and the intermediate holding companies, had cash balances of £21.3 million (31 March 2024: £18.1 million).

Asset spotlight

Introduction

The investment policy

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

Construction-stage opportunities

Construction-stage opportunities typically offer higher rates of return to compensate for the additional risk associated with construction, such as cost overruns, delays and disputes. FGEN has three assets that are broader environmental infrastructure projects, rather than core wind and solar projects, and these either involve construction risk or have recently completed construction. These assets also face risks associated with ramping-up operations to achieve the expected levels of performance and offtake as necessary to support their investment cases. While returns on these projects have the potential to be higher than for construction-stage wind and solar projects, their risk profiles are different as highlighted in the case studies on pages 31 to 36.

Foresight's value-add

The Foresight infrastructure team comprises over 175 investment, commercial and technical professionals across offices in the UK, Italy, Spain, Luxembourg and Australia, bringing extensive investment origination and execution capabilities to FGEN. The team typically considers over 900 opportunities a year across all strategies, selecting only those for FGEN which demonstrate its investment characteristic preferences while also adhering to its risk appetite.

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

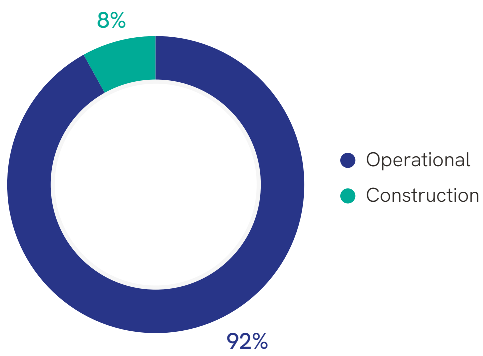
FGEN assets currently under construction

In line with the Company's investment policy allowing for up to 25% of NAV to be in assets under construction, at 30 September 2024 9% of FGEN's NAV (equivalent to 8% of portfolio value) is attributable to assets in their construction phase.

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

- CNG Foresight
- Controlled environment Glasshouse
- Controlled environment Rjukan

Operational status



1. For the full investment policy see our website: fgen.com/investors/investment-policy.

Asset spotlight continued

CNG Foresight

Nationwide network of low-carbon transportation refuelling hubs

Investment highlights

Acquisition date	December 2020
Ownership	CNG Foresight Holdings is owned 25% by FGEN and 75% by Foresight ITS
FGEN investment to date/total commitment	£26.3 million invested/£2.3 million remaining commitment
Operational status	13 operational sites plus two further in construction
Timetable to completion	Typical site build time <1 year
Location	Nationwide (see map on page 32)
Basis of FGEN valuation	Operational sites: DCF/construction sites: cost
FGEN equity value	£32.4 million
Percentage of portfolio value	4.0%
Gearing	£2.1 million vehicle finance. Typically five-year term with rates between 4-9%
Life of investment	No finite end date. Majority of sites are owned freehold and are well positioned to adapt to evolving technological and market trends
Expected return range	Low/mid-teens
Source of funding	Future station pipeline funded from a mixture of internally generated cash flows and non-recourse debt raised at the Company level

Investment overview

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

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

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

Investment attractions

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

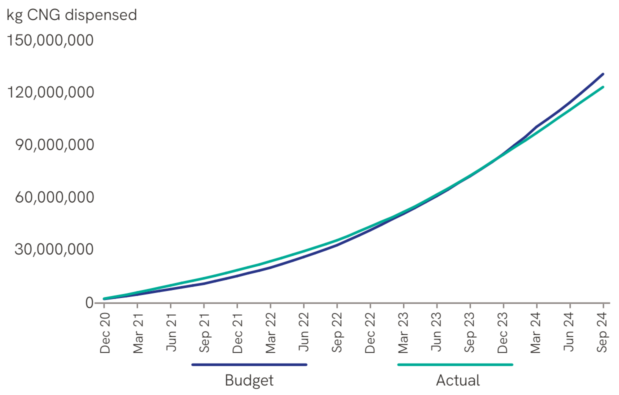
CNG Foresight biomethane refuelling station

Asset spotlight continued

Revenue structure and key cost base

Sources of revenue	Customers enter gas supply agreement that includes recharging of gas costs plus a compression margin
Revenue growth	Ramp-up linked to growth of customer fleets
Inflation linkage	Revenues are linked to CPI
Margins	30%
Currency strategy	No currency risk on operational sites. Currency exposure on major equipment purchases from Europe is hedged
Key costs: import power	Models assume wholesale power curves plus retail factor

CNG dispensed since acquisition



Key operational updates in the period

- Successfully delivered 48% growth in gas dispensed from September 2023 to September 2024
- Commitment from Tesco plc to significant growth in CNG fleet with new truck orders

Operational focus for the year ahead

- Complete construction of Doncaster station
- Reach 5 million kg dispensed per month across the portfolio

Value enhancement opportunities

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

Sustainability credentials

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

Principal risks and mitigants

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

CNG Foresight – Bio-CNG station map:

Asset spotlight continued

The Glasshouse

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

Investment highlights

Acquisition date	September 2022
Ownership	Majority of investment through a senior loan to fund construction of the glasshouse, with a minority equity interest in the growing partner
Investment to date/ total commitment	£26.7 million invested; in line with initial commitment
Operational status	Phase 1 (2.1 hectare facility) construction is complete. Currently in operational ramp-up period
Timetable to completion	Ramp-up expected to be complete by 2026
Location	Co-located with an existing FGEN AD facility
Basis of FGEN valuation	Discounted cash flow ("DCF")
FGEN equity value	£35.5 million
Percentage of portfolio value	4.4%
Gearing	No external debt
Life of investment	Land is leased for 25 years
Source of funding	Construction funded from surplus portfolio cash flows and RCF drawings

Investment overview

A 2.1-hectare advanced glasshouse which completed phase 1 of construction in September 2023 and which is co-located with an existing FGEN AD facility that supplies low carbon heat and power via a private wire.

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

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

Investment attractions

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


CE Glasshouse exterior

Asset spotlight continued

Revenue structure and key cost base

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

Key operational updates in the period

- Phase 1 of construction completed in September 2023, allowing for c.1,200kg of plant to be grown per annum
- Signed first major offtake contract with Releaf, the UK's fastest-growing medical cannabis provider, in a landmark multi-million pound deal to supply CBPMs to Releaf's patients. The signing of this transaction will result in the first ever patient to receive prescribed medical cannabis flower grown in the UK, ending the reliance on imported flower

Operational focus for the year ahead

- Principal focus is to continue ramp-up operations; carefully managing costs and attracting new offtake partners who presently rely on imported sources with a view to achieving breakeven performance in 2025

Value enhancement opportunities

- More longer term, once the facility has reached its current capacity, there is scope to undertake phase 2 of construction – intended to facilitate increased output of up to 100%. The expansion would be funded from free cash generated by the glasshouse

Sustainability credentials

- Co-location: other wasted heat from the co-located AD facility is used to both heat and cool the facility, avoiding the emissions usually involved in heating
- Circular water saving: rainwater is harvested from the glasshouse roofs and recycled around the facility
- CO_2: waste CO_2 from the AD facility is used to enhance growth in the glasshouse

Principal risks and mitigants

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

Asset spotlight continued

hima

Rjukan

Land-based recirculating aquaculture facility in Norway

Investment highlights

Acquisition date	July 2022
Ownership	58% Foresight Rjukan HoldCo Limited (FGEN and Foresight ITS) and 42% Hima Seafood
Investment to date/ total commitment	£35.8 million invested/£4.5 million remaining commitment
Operational status	Partial operations: first fish tanks have been constructed with first eggs delivered in January 2024 and subsequent deliveries accepted throughout 2024. Construction remains ongoing for later-life areas of the facility
Timetable to completion	Q4 2025
Location	Rjukan, Norway
Basis of FGEN valuation	Cost
FGEN equity value	£35.9 million
Percentage of portfolio value	4.4%
Gearing	External debt (PCP) – 12% during construction, 11% during operations. Debt is to be refinanced in June 2028
Life of investment	34 years
Expected return range	Low double-digit
Source of funding	FGEN and Foresight ITS

Investment overview

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

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

Investment attractions

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


CE Rjukan construction

Asset spotlight continued

Revenue structure and key cost base

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

Key operational updates in the period

- Construction slightly behind schedule due to municipality delay in providing water pipe to the facility
- Integration of first fish eggs and successful growth milestones achieved to date

Operational focus for the year ahead

- Construction expected to complete in latter part of 2025 with first trout harvest expected at similar timeframe
- Marketing has begun, including branding exposure at events such as the Barcelona Fish Expo which has already attracted interested offtakers with early tastings scheduled for Q1 2025

Value enhancement opportunities

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

Sustainability credentials

- Land-based aquaculture can provide a range of benefits compared with alternative methods of aquaculture, such as improved fish mortality rates, less local environmental degradation, a lower use of antibiotics and other chemicals to control disease and parasites, and a controlled environment supporting factors such as temperature, salinity and oxygen levels resulting in optimal growth conditions and consistent fish quality
- RAS is the most sustainable, scalable and environmentally conscious form of aquaculture production available today
- Facility to use close to 100% renewable energy onsite and 99.7% of water is being recycled through RAS
- Facility aims for zero-emission transportation. Transportation of feed and fish to and from the facility will be done using emission-free hydrogen trucks, offering more than an 85% reduction in CO_2 emissions when switching to biomethane from petrol/diesel and up to a 40% lifetime fuel cost saving when switching from diesel

Principal risks and mitigants

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


CE Rjukan aquaculture facility

Sustainability and ESG

ESG overview

Sustainability and ESG considerations are central to FGEN's investment mandate, as well as to the Investment Manager's ethos and operations. The Board of FGEN holds overall responsibility for ESG and works closely with the Fund's Investment Manager to deliver on its ESG objectives. FGEN's ESG approach is built on three core principles: Assess, Monitor and Engage; and the Investment Manager supports these principles by providing analysis and reporting against the ESG objectives and broader ESG criteria. FGEN's three ESG objectives are:

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

Read more about FGEN and the Investment Manager's approach to ESG and sustainability

Read FGEN's 2024 Sustainability and ESG Report

Read Foresight's 2024 Sustainability Report

Environmental KPI performance

Objective: Promote the efficient use of resources[1]

Renewable and low carbon energy generated[2]

619GWh

HY24	619GWh
HY23	660GWh

GHG emissions avoided

96,742 tCO_2e

HY24	96,742
HY23	95,788

Waste diverted from landfill

333,346 tonnes

HY24	333,346
HY23	359,428

Waste recycled

72,554 tonnes

HY24	72,554

Organic fertiliser produced[3]

278,667 tonnes

HY24	278,667
HY23	233,355

Wastewater treated

17.5 billion litres

HY24	17.5
HY23	17.3

1. All figures on this page reflect 100% of generation or production at sites which FGEN owns an interest.
2. 619GWh reflects 100% of generation at sites in which FGEN owns an interest. This is equivalent to 563GWh when pro-rating for FGEN's proportionate ownership interest.
3. Where figures have not been available, estimated figures based on previous periods have been used.

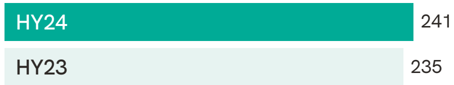
Sustainability and ESG continued

Social KPI performance

Objective: Develop positive relationships with the communities in which FGEN operates

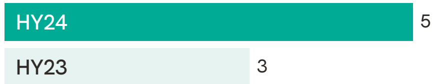
Number of FTE jobs supported

241



Reportable H&S incidents

5

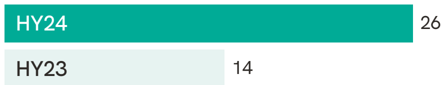


Governance KPI performance

Objective: Ensure effective, ethical governance across the portfolio

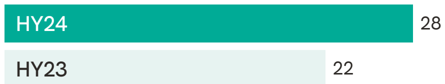
H&S audits undertaken

26



Site visits conducted by Foresight

28



Environmental and health and safety incidents

FGEN 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. FGEN aims to manage risks and incidents in a fair and transparent manner with appropriate action to reduce risk wherever possible. This report identifies the reportable environmental and health and safety incidents in the FGEN portfolio for the six months to 30 September 2024.

H&S incidents (RIDDOR or equivalent)	5
Environmental incidents (reportable to Environment Agency or equivalent)	1

Reportable environmental and health and safety incidents

The number of reportable environmental and health and safety incidents recorded for the FGEN portfolio in FY24/25 is set out in the table above. In each case, a root cause analysis was undertaken, and procedures were reiterated to staff where needed. The Investment Manager also worked with operators to ensure that RIDDOR incidents are reported in a timely manner, rather than during routine reporting.

The following RIDDOR reportable incidents were recorded for FGEN's portfolio during the reporting period:

- two incidents occurred at the CNG assets. In one, an operative trapped their finger in their vehicle's door, resulting in a dislocated finger. In the other, an operative was removing a bump stop off one of the vehicles; however, the weight was too heavy, and the operative's hand was crushed, resulting in one broken finger and a second finger fracture;
- at the aquaculture facility in Norway, an operative slipped on ice that had formed outside the workshop due to a leaking water hose drum, resulting in an ankle bone fracture;
- in the public parking area of the household waste recycling centre, a member of the public was hit by a moving vehicle. The injured person walked between two parked vehicles when the vehicle in front reversed to pull out, knocking them over. This resulted in the injured person hitting their head and landing on their hip and wrist. The injured party has a fractured arm, soft tissue damage to their hip and several bruises; and
- at one of the AD sites, an operative was pulling a sheet off a trailer when the trailer strap gave way, causing the driver to fall and twist their ankle.

The following reportable environmental incident was recorded for FGEN's portfolio during this reporting period:

- at FGEN's Italian EfW site, a half-hourly limit for Total Organic Carbon ("TOC") emissions was exceeded, which consequently led to the half-hourly limit for carbon monoxide being exceeded. This exceedance occurred due to the failure of the shredder. Remedial works were promptly undertaken, and operations restarted two hours later. While the exceedance was not material, a half-hourly breach is reportable to the Italian Environment Authority.

Sustainability and ESG continued

Developments in the period

The following metrics and targets were identified in FGEN's 2024 Annual Report. Progress against each target for H1 FY25 is set out below.

Aspect	KPI	Target	Progress in FY25 so far
Environmental	Total emissions (tCO_2e)	Net zero Scope 1, 2 and 3 emissions by 2050	• Continued development of the Company's Transition Plan. • Transition Plan workshops held within this period with an external consultant and the fund management team.
	Purchased energy originating from renewable sources	95% of assets to purchase energy from renewables tariffs[1]	• 72% of sites are on renewables tariffs. FGEN continue to identify sites that can be transitioned to a 100% renewables tariff.
	Management of biodiversity	100% of fully owned, UK-based operating assets to have biodiversity management plans in place[2]	• 75% of assets now have a habitat management plan in place.
Governance	Cyber security	Produce and roll out cyber security policy in FY24/25	• Cyber resilience testing has been completed and improvements have been rolled out to all of FGEN's wind and hydro assets. • A new cyber security policy has been produced and has started to be rolled out across the portfolio; currently 53% of assets have the policy in place.

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

Our Transition Plan towards net zero

Earlier this year the Company announced that it had set a decarbonisation target. The objective is to achieve net zero greenhouse gas emissions across Scope 1, 2 and 3 by 2050. So far the Company has made good progress with the development of a Transition Plan to date. The plan is being developed in line with the recently finalised Transition Plan Taskforce Disclosure Framework. During this period several workshops have been and are due to be held with an external consultant and the fund management team to determine how the team will implement the Strategic Ambition over the short, medium and long term, to set targets for that implementation and to identify ongoing roles and responsibilities. FGEN's first Transition Plan is due for publication towards the end of FY25.


Marsh Fritillary butterfly

Sustainability and ESG continued

Case study: Nature Recovery Blueprint

Background

The FGEN team was fundamental to the production and implementation of the Foresight Nature Recovery Blueprint in collaboration with its Sustainability Partner, the Eden Project. This initiative was designed to guide land managers, developers, asset managers and operators in understanding and managing the habitats present on site and implementing nature-positive management practices. While the initial document focuses on solar sites, the blueprint was designed to be applicable across various asset types, including wind, forestry and pumped-storage hydro.

The opportunity

The initiative began in 2023, with the Eden Project identifying a suitable Foresight solar site to pilot the scheme.

This pilot aimed to demonstrate the practical application of the blueprint and its potential to drive biodiversity enhancements, especially in relation to the monitoring, management and implementation of biodiversity actions across the wider renewables sector.

The outcome

The launch of the Foresight Nature Recovery Blueprint was celebrated with a hands-on conservation event at the pilot solar site, where 18 individuals from various sectors participated in creating habitat corridors for the endangered Marsh Fritillary butterfly. This event highlighted the blueprint's practical impact and set the stage for its broader implementation across FGEN's portfolio.

Alongside the blueprint, FGEN has introduced other biodiversity initiatives, such as biodiversity baselining to provide accurate habitat assessments and the development of a Geographical Information Systems ("GIS") tool to record, analyse and visualise habitat data. These efforts collectively help FGEN identify opportunities and advance biodiversity initiatives across its assets, reinforcing its commitment to environmental stewardship and sustainability.

This initiative coincides and helps deliver on the environmental target for FGEN's revolving credit facility ("RCF") which was completed in June 2024, the facility achieved classification as a Sustainability Linked Loan ("SLL") in accordance with Loan Market Association ("LMA") guidance, which requires the setting of annual targets across three KPIs spanning environmental, social and governance performance (see page 37 for more information).

Branden Victoria solar site

Sustainability and ESG continued

FGEN's reporting

Engagement and reporting of ESG is one of FGEN's core principles and FGEN's ESG performance is reported both internally and externally.

Internal reporting

Regular monitoring of the portfolio against FGEN's ESG KPIs occurs through monthly management team meetings which discuss:

- the performance of the investment portfolio against the KPIs; and
- progress made in improving data collection and reporting.

Building on the monthly management reporting, ESG KPI performance is routinely reported to the ESG Committee of the FGEN Board of Directors, as well as to the main Board meetings.

External reporting

FGEN reports ESG to external stakeholders in a number of different ways each year:

UN Sustainable Development Goals ("SDGs")

FGEN has mapped its portfolio against the UN SDGs and presents quantitative reporting against eight of the 17 goals. This can be found on pages 100 and 101 of the Annual Report 2024.

Read more:

2024 Annual Report
SFDR Annex III and Annex V disclosures
Reference SDG reporting (pages 100 and 101 of the Annual Report 2024)
TCFD alignment table (pages 97 and 98 of the Annual Report 2024)

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

FGEN voluntarily reports on climate-related risks and opportunities in its Annual Report. The report currently aligns with the TCFD disclosure recommendations, which are now administered by the International Sustainability Standards Board. This report can be found on pages 79 to 86 of the Annual Report 2024[1].

EU Sustainable Finance Disclosure Regulation ("SFDR")

FGEN is proud to be an Article 9 fund under SFDR. The most recent Annex III and Annex V disclosures are available on FGEN's website: **fgen.com**[2,3].

Emissions reporting

FGEN discloses its Scope 1, Scope 2 and Scope 3 emissions as part of its TCFD reporting. The Board of Directors has set a target to achieve net zero greenhouse gas emissions by 2050.

1. https://media.umbraco.io/foresight/0jimkz44/web_jlen_ar24-1.pdf.
2. https://media.umbraco.io/foresight/2zafwwls/annex-v-2024.pdf.
3. https://media.umbraco.io/foresight/bcijwchb/20241018-fgen_l2_rts_annexiii_v2_final.pdf.

Awards

FGEN has been recognised with numerous industry awards over the past decade, underscoring our leadership and excellence in sustainable investing. These accolades reflect the Company's commitment to integrating ESG principles into every aspect of its operations. Our award-winning approach highlights the effectiveness of our investment strategy, the positive impact of our projects on communities and the environment, and our dedication to transparency and ethical governance. These honours not only validate our efforts but also inspire us to continue driving innovation and sustainability in the environmental infrastructure sector.

FGEN has been shortlisted for six awards during the period:

edie Awards 2024
Sustainability Reporting and Communications

AIC Shareholder Communication Awards 2024
Best ESG Communication – Highly commended

IR Magazine Europe 2024
Best ESG Reporting (Small Cap)

IR Society Best Practice Awards 2024
Best Communication of Sustainability (Mid Cap)

Investment Week – Sustainable Investment Awards 2024
Best Sustainable Specialist Fund

2024 Investment Company of the Year Awards
Renewables and Energy Infrastructure

Financial review

Analysis of financial results

The financial statements of the Company for the six-month period ended 30 September 2024 are set out on pages 48 to 70.

The Company prepared the condensed unaudited financial statements for the six-month period to 30 September 2024 in accordance with UK-adopted international accounting standards as applicable to companies reporting under those standards. In order to continue providing useful and relevant information to its investors, the financial statements also refer to the "Group", which comprises the Company, its wholly owned subsidiary Foresight Environmental Infrastructure (UK) Ltd ("HoldCo") (formerly known as JLEN Environmental Assets Group (UK) Limited) and the indirectly held wholly owned subsidiary HWT Limited (which holds the investment interest in the Tay project).

Key investment metrics

All amounts presented in £million (except as noted)	Period ended 30 Sep 2024	Period ended 30 Sep 2023	Year ended 31 Mar 2024
Net assets[1]	**720.1**	792.1	751.2
Portfolio value[2]	**806.6**	898.9	891.9
Operating income and (loss)/gain on fair value of investments	**4.2**	6.9	(3.8)
Net Asset Value per share[3]	**109.8p**	119.7p	113.6p
Distributions, repayments and fees from portfolio	**46.6**	46.2	87.0
Loss/profit before tax	**(0.5)**	1.9	(13.9)
Gross Asset Value[3]	**1,010.5**	1,109.8	1,091.8
Market capitalisation[3]	**595.4**	653.6	619.9
Share price[3]	**90.8p**	98.8p	93.7p
Total shareholder return[3]	**69.4%**	70.1%	68.4%
Annualised total shareholder return[3]	**5.1%**	5.7%	5.4%

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, market capitalisation and Gross Asset Value are alternative performance measures ("APMs"). The APMs within the accounts are defined on pages 71 to 72.

Net assets

Net assets decreased from £751.2 million at 31 March 2024 to £720.1 million at 30 September 2024.

The net assets of £720.1 million comprise £806.6 million portfolio value of environmental infrastructure investments and the Company's cash balances of £0.2 million, partially offset by £84.4 million of intermediate holding companies' net liabilities and other net liabilities of £2.3 million.

The intermediate holding companies' net liabilities of £84.4 million comprise a £113.7 million credit facility loan, partially offset by cash balances of £21.3 million and other net assets of £8.0 million.

Analysis of the Group's net assets at 30 September 2024

All amounts presented in £million (except as noted)	At 30 Sep 2024	At 31 Mar 2024
Portfolio value	**806.6**	891.9
Intermediate holding companies' cash	**21.3**	17.8
Intermediate holding companies' revolving credit facility	**(113.7)**	(159.3)
Intermediate holding companies' other assets	**8.0**	3.1
Fair value of the Company's investment in UK HoldCo	**722.2**	753.5
Company's cash	**0.2**	0.3
Company's other net liabilities (excluding cash)	**(2.3)**	(2.6)
Net Asset Value	**720.1**	751.2
Number of shares	**656,046,140**	661,531,229
Net Asset Value per share	**109.8p**	113.6p

At 30 September 2024, the Group (the Company plus intermediate holding companies) had a total cash balance of £21.5 million (31 March 2024: £18.1 million), including £0.2 million in the Company's statement of financial position (31 March 2024: £0.3 million) and £21.3 million in the intermediate holding companies (31 March 2024: £17.8 million), which is included in the Company's statement of financial position within "Investments at fair value through profit or loss".

Financial review continued

At 30 September 2024, UK HoldCo had drawn £113.7 million of its revolving credit facility (31 March 2024: £159.3 million) which is included in the Company's statement of financial position within "Investments at fair value through profit or loss".

The movement in the portfolio value from 31 March 2024 to 30 September 2024 is summarised as follows:

All amounts presented in £million	Period ended 30 Sep 2024	Year ended 31 Mar 2024
Portfolio value at start of the period/year	891.9	898.5
Acquisitions/further investments (net of post-acquisition price adjustments)	15.9	69.2
Disposals in investment assets	(68.5)	—
Distributions received from investments	(46.6)	(87.0)
Growth in value of portfolio	13.9	11.2
Portfolio value	806.6	891.9

Further details on the portfolio valuation and an analysis of movements during the period are provided in the investment portfolio and valuation section on pages 12 to 23.

Financing at 30 September 2024

£113.7m
Drawn on RCF

28.7%
Fund gearing[1]

Income

The Company's loss before tax for the six-month period was £0.5 million (six-month period ended 30 September 2023: profit of £1.9 million), a loss of 0.1 pence per share (six-month period ended 30 September 2023: gain of 0.3 pence per share).

All amounts presented in £million (except as noted)	Six months ended 30 Sep 2024	Six months ended 30 Sep 2023
Interest received on UK HoldCo loan notes	15.7	15.7
Dividend received from UK HoldCo	19.8	13.8
Net loss on investments at fair value	(31.3)	(22.6)
Operating income and gains on fair value of investments	4.2	6.9
Operating expenses	(4.7)	(5.0)
(Loss)/profit before tax	(0.5)	1.9
(Losses)/earnings per share	(0.1)p	0.3p

In the six months to 30 September 2024, the operating income and losses on fair value of investments was £4.2 million, including the receipt of £15.7 million of interest on the UK HoldCo loan notes, £19.8 million of dividends also received from UK HoldCo and a net loss on investments at fair value of £31.3 million.

The operating expenses included in the income statement for the period were £4.7 million, in line with expectations. These comprise £4.0 million of Investment Manager fees and £0.7 million operating expenses. The details on how the Investment Manager fees are charged are set out in note 14 to the condensed unaudited financial statements.

Ongoing charges

The "ongoing charges"[2] ratio is an indicator of the costs incurred in the day-to-day management of the Fund. FGEN uses the Association of Investment Companies ("AIC") recommended methodology for calculating this ratio, which is an annual figure.

1. Gearing is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 71 and 72.
2. The ongoing charges ratio is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 71 and 72.

Financial review continued

Ongoing charges continued

For the period ended 30 September 2024, the ongoing charges ratio was 1.26%[1] (31 March 2024: 1.24%), based on an annualised six-month cost and reflecting the decrease in the NAV. The ratio is calculated on a consolidated basis, considering both the UK HoldCo and the Company's expenses. The expected ongoing charge ratio for the full financial year ending 31 March 2025 is 1.19%, which incorporates a reduction in the Investment Management fee over the remaining six months, assuming no change in NAV. For the financial year ending 31 March 2026, the expected ongoing charge ratio is 1.12%, factoring in the full benefit of the Investment Management fee reduction and assuming no change in NAV.

Cash flow

The Company had a total cash balance at 30 September 2024 of £0.2 million (31 March 2024: £0.3 million). The breakdown of the movements in cash during the period is shown below.

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

	Six months ended 30 Sep 2024	Six months ended 30 Sep 2023
Cash balance at 1 April	**0.3**	0.1
Interest on loan notes received from UK HoldCo	**15.7**	15.7
Dividends received from UK HoldCo	**19.8**	13.8
Directors' fees and expenses	**(0.2)**	(0.2)
Investment Manager fees	**(4.2)**	(4.1)
Administrative expenses	**(0.6)**	(0.6)
Dividends paid in cash to shareholders	**(25.4)**	(24.3)
Share buybacks	**(5.2)**	—
Company cash balance at 30 September	**0.2**	0.4

The Group had a total cash balance at 30 September 2024 of £21.5 million (31 March 2024: £18.1 million) and borrowings under the revolving credit facility of £113.7 million (31 March 2024: £159.3 million). The breakdown of the movements in cash during the period is shown in the following table.

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

	Six months ended 30 Sep 2024	Six months ended 30 Sep 2023
Cash distributions from environmental infrastructure investments	**46.6**	46.2
Administrative expenses	**(0.8)**	(0.7)
Directors' fees and expenses	**(0.2)**	(0.2)
Investment Manager fees	**(4.2)**	(4.1)
Financing costs	**(6.8)**	(3.8)
Electricity Generator Levy	**(3.3)**	(5.2)
Cash flow from operations[2]	**31.3**	32.2
Acquisition of investment assets and further investments	**(15.9)**	(30.0)
Disposal of asset	**68.1**	—
Acquisition costs (including stamp duty)	**(0.6)**	(0.3)
Short-term projects debtors	**(2.1)**	(0.7)
Purchase of treasury shares	**(5.2)**	—
Debt arrangement fee cost	**(2.3)**	(1.0)
Repayment/drawdown under the revolving credit facility	**(44.4)**	22.0
Dividends paid in cash to shareholders	**(25.4)**	(24.3)
Cash movement in the period	**3.5**	(2.1)
Opening cash balance	**18.0**	18.0
Group cash balance at 30 September	**21.5**	15.9

1. The ongoing charges ratio is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 71 and 72.
2. "Cash flow from operations" is an alternative performance measure ("APM"). The APMs within the accounts are defined on pages 71 and 72.

Financial review continued

During the period, the Group received cash distributions of £46.6 million from its environmental infrastructure investments.

Cash received from investments in the period covered the operating and administrative expenses and financing costs, as well as the dividends declared to shareholders in respect of the six-month period ended 30 September 2024. Cash flow from operations of the Group of £31.3 million covered dividends paid in the six-month period to 30 September 2024 of £25.4 million by 1.23x.

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 future costs as well as planned dividends payable to its shareholders.

Dividends

During the period, the Company paid a final interim dividend of 1.89 pence per share in June 2024 (£12.5 million) in respect of the quarter to 31 March 2024. Interim dividends of 1.95 pence per share were paid in September 2024 (£12.9 million) in respect of the quarter to 30 June 2024.

On 20 November 2024, the Board approved an interim dividend of 1.95 pence per share in respect of the quarter ended 30 September 2024. The dividend is payable on 27 December 2024 to all voting shares, excluding shares kept in treasury.

In line with the announcement in the 2024 Annual Report, the target dividend for the year to 31 March 2025 is 7.80 pence per share[1].

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

Responsibility statement

The Directors are responsible for preparing the Half-year Report and condensed unaudited interim financial statements in accordance with applicable regulations.

We confirm that to the best of our knowledge:

- the condensed unaudited interim financial statements have been prepared in accordance with United Kingdom adopted International Accounting Standard 34 Interim Financial Reporting and in accordance with the accounting policies set out in the audited Annual Report to 31 March 2024; and
- the Chair's statement and Investment Manager's report meet the requirements of an interim management report and include a fair review of the information required by:

  (a) DTR 4.2.7R, being an indication of important events during the first six months of the financial year and their impact on the condensed unaudited interim financial statements and a description of principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R, being the disclosure of related parties' transactions that have taken place during the first six months of the financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, and for the preparation and dissemination of financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This responsibility statement was approved by the Board of Directors on 20 November 2024 and is signed on its behalf by:

Ed Warner

Chair

20 November 2024

Icknield Farm

Independent review report

to Foresight Environmental Infrastructure Limited

Conclusion

We have been engaged by Foresight Environmental Infrastructure Limited (formerly known as JLEN Environmental Assets Group Limited) (the "Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2024 of the Company, which comprises the condensed unaudited statement of financial position, the condensed unaudited income statement, the condensed unaudited statement of changes in equity, the condensed unaudited cash flow statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2024 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE (UK) 2410") issued by the Financial Reporting Council for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the scope of review section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Company to cease to continue as a going concern, and the above conclusions are not a guarantee that the Company will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2(a), the annual financial statements of the Company are prepared in accordance with UK-adopted international accounting standards. The Directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 Interim Financial Reporting.

In preparing the half-yearly financial report, 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the scope of review paragraph of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Barry Ryan

For and on behalf of KPMG Channel Islands Limited
Chartered Accountants, Guernsey

20 November 2024

Condensed unaudited income statement

for the six months ended 30 September 2024

	Notes	Six months ended 30 Sep 2024 (unaudited) £'000s	Six months ended 30 Sep 2023 (unaudited) £'000s
Operating income and (loss)/gains on fair value of investments	3	4,213	6,884
Operating expenses	4	(4,750)	(5,018)
Operating (loss)/profit		(537)	1,866
(Loss)/profit before tax		(537)	1,866
Tax	5	—	—
(Loss)/profit for the period		(537)	1,866
(Losses)/earnings per share			
Basic and diluted (pence)	7	(0.1)	0.3

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

All results are derived from continuing operations.

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

Condensed unaudited statement of financial position

as at 30 September 2024

	Notes	30 Sep 2024 (unaudited) £'000s	31 Mar 2024 (audited) £'000s
Non-current assets			
Investments at fair value through profit or loss	8	**722,241**	753,572
Total non-current assets		**722,241**	753,572
Current assets			
Trade and other receivables	9	**38**	25
Cash and cash equivalents		**193**	271
Total current assets		**231**	296
Total assets		**722,472**	753,868
Current liabilities			
Trade and other payables	10	**(2,335)**	(2,654)
Total current liabilities		**(2,335)**	(2,654)
Total liabilities		**(2,335)**	(2,654)
Net assets		**720,137**	751,214

	Notes	30 Sep 2024 (unaudited) £'000s	31 Mar 2024 (audited) £'000s
Equity			
Share capital account	12	**664,401**	664,401
Treasury shares		**(5,179)**	—
Retained earnings	13	**60,915**	86,813
Equity attributable to owners of the Company		**720,137**	751,214
Net assets per share (pence per share)		**109.8**	113.6

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

The condensed set of unaudited financial statements were approved by the Board of Directors and authorised for issue on 20 November 2024.

They were signed on its behalf by:

Ed Warner
Chair

Stephanie Coxon
Director

Condensed unaudited statement of changes in equity

for the six months ended 30 September 2024

		Six months ended 30 Sep 2024 (unaudited)			
	Notes	Share capital account £'000s	Treasury shares £'000s	Retained earnings £'000s	Total £'000s
Balance at 1 April 2024		664,401	—	86,813	751,214
Loss and total comprehensive income for the period	13	—	—	(537)	(537)
Purchase of treasury shares		—	(5,179)	—	(5,179)
Dividends paid	6	—	—	(25,361)	(25,361)
Balance at 30 September 2024		664,401	(5,179)	60,915	720,137

		12 months ended 31 Mar 2024 (audited)			
	Notes	Share capital account £'000s	Treasury shares £'000s	Retained earnings £'000s	Total £'000s
Balance at 1 April 2023		664,401	—	150,167	814,568
Loss and total comprehensive income for the period		—	—	(13,937)	(13,937)
Dividends paid		—	—	(49,417)	(49,417)
Balance at 31 March 2024		664,401	—	86,813	751,214

		Six months ended 30 Sep 2023 (unaudited)			
	Notes	Share capital account £'000s	Treasury shares £'000s	Retained earnings £'000s	Total £'000s
Balance at 1 April 2023		664,401	—	150,167	814,568
Profit and total comprehensive income for the period	13	—	—	1,866	1,866
Dividends paid	6	—	—	(24,345)	(24,345)
Balance at 30 September 2023		664,401	—	127,688	792,089

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

Condensed unaudited cash flow statement

for the six months ended 30 September 2024

	Notes	Six months ended 30 Sep 2024 (unaudited) £'000s	Six months ended 30 Sep 2023 (unaudited) £'000s
(Loss)/profit for the period		**(537)**	1,866
Adjustments for:			
Interest received		**(15,744)**	(15,701)
Dividends received		**(19,800)**	(13,800)
Net loss on investments at fair value through profit or loss		**31,331**	22,617
Operating cash flows before movements in working capital		**(4,750)**	(5,018)
(Increase)/decrease in receivables		**(13)**	38
(Decrease)/increase in payables		**(319)**	82
Net cash outflow from operating activities		**(5,082)**	(4,898)
Investing activities			
Interest received		**15,744**	15,701
Dividends received		**19,800**	13,800
Net cash generated from investing activities		**35,544**	29,501

	Notes	Six months ended 30 Sep 2024 (unaudited) £'000s	Six months ended 30 Sep 2023 (unaudited) £'000s
Financing activities			
Purchase of treasury shares	12	**(5,179)**	—
Dividends paid	6	**(25,361)**	(24,345)
Net cash outflow from financing activities		**(30,540)**	(24,345)
Net (decrease)/increase in cash and cash equivalents		**(78)**	258
Cash and cash equivalents at beginning of period		**271**	143
Cash and cash equivalents at end of period		**193**	401

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

Notes to the condensed unaudited financial statements

for the six months ended 30 September 2024

1. General information

Foresight Environmental Infrastructure Limited (the "Company" or "FGEN", formerly known as JLEN Environmental Assets Group Limited, "JLEN") is a closed-ended investment company domiciled and incorporated in Guernsey, Channel Islands, under Section 20 of the Companies (Guernsey) Law, 2008. The shares are publicly traded on the London Stock Exchange under a premium listing. The condensed unaudited interim financial statements of the Company are for the six-month period ended 30 September 2024 and have been prepared on the basis of the accounting policies set out below. The financial statements comprise only the results of the Company as its investment in Foresight Environmental Infrastructure (UK) Limited ("UK HoldCo", formerly known as JLEN Environmental Assets Group (UK) Limited) is measured at fair value as detailed in the significant accounting policies below. The Company and its subsidiaries invest in environmental infrastructure that utilises natural or waste resources or supports more environmentally friendly approaches to economic activity.

2. Material accounting policies

(a) Basis of preparation

The condensed unaudited interim financial statements, which give a true and fair view, were approved and authorised for issue by the Board of Directors on 20 November 2024. The condensed unaudited interim financial statements included in this Half-year Report have been prepared in accordance with UK-adopted International Accounting Standard 34 "Interim Financial Reporting".

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 30 September 2024 principally comprise working capital balances, the revolving credit facility ("RCF") and investments in projects, are required to be included at fair value in the carrying value of investments.

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

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

The accounting policies and significant judgements are consistent with those used in the latest audited financial statements to 31 March 2024 and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 March 2024.

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.

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.

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 30 September 2024 reflect contractual fixed price arrangements under PPAs, where they exist, and short-term market forward prices for the next two years where they do not. After the initial two-year period, the project cash flows assume future electricity and gas prices in line with a blended curve informed by the central forecasts from three established market consultants, adjusted by the Investment Manager for project-specific arrangements and price cannibalisation.

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

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2024

2. Material accounting policies 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 15.

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 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 8 and sensitivity analysis is disclosed in note 15.

Due to the current economic environment, the Investment Manager and the Board believe that the rate of inflation should also be considered a key source of estimation uncertainty. Information on the sensitivity of the portfolio valuation to movements in the inflation rate is disclosed in note 15.

(b) Going concern

The Directors, in their assessment of the Company's going concern, have reviewed comprehensive cash flow forecasts prepared by the Company's Investment Manager, Foresight Group. These forecasts, based on prudent market data and a reasonable worst-case scenario, form the basis of the Directors' belief that it is appropriate to prepare the interim financial statements on a going concern basis. This conclusion is further supported by an evaluation of the Company's subsidiary banking facilities.

In reaching their decision, the Directors considered several key risks, including the volatility of energy prices, the potential impact of the principal risks (as outlined in the Annual Report 2024), and the possibility of another discontinuation vote in 2025.

Additionally, the Directors have assessed sustainability-related risks, including environmental, social and governance ("ESG") factors, with a particular focus on climate change. In line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), outlined in the financial disclosures in the Annual Report 2024, the Investment Manager has reviewed the portfolio's exposure to these risks. The conclusion is that such risks are not currently material to the Fund, although they continue to be monitored closely.

The Board considers the going concern assessment period of 18 months to 31 March 2026 to be appropriate. A longer period than the typical requirement of 12 months has been adopted to factor in the full payment of the September 2025 dividend.

The Directors also considered that the Company has adequate financial resources, and were mindful that the Group had unrestricted cash of £21.5 million as at 30 September 2024 and a revolving credit facility ("RCF") and uncommitted accordion facility (available until June 2027 with an uncommitted option to extend for a further year, for investment in new or existing projects and working capital) of £230 million. As at 30 September 2024, the Company's wholly owned subsidiary UK HoldCo had borrowed £113.7 million under the facility, leaving £86.3 million undrawn under the current committed amount. All key financial covenants under this facility are forecast to continue to be complied with for the duration of the going concern assessment period.

The RCF provides the Company with the flexibility to meet its existing funding commitments to portfolio assets. Additionally, the Company has sufficient headroom in its RCF to finance its hard commitments related to construction assets within the portfolio.

The RCF covenants have been stress-tested under downside risk scenarios. These scenarios include a 10% reduction in power price projections relative to the base case, lower generation levels assuming a P90, a portion of the portfolio not yielding, and combinations of these factors. In all scenarios, including the combined downside case, the Company remained compliant with its key covenants.

At the September 2024 Annual General Meeting ("AGM"), shareholders were presented with a vote on the potential discontinuation of the Company, triggered by its share price trading at a discount of more than 10% to the Net Asset Value ("NAV") per share during the financial year. The vote from shareholders was in support for the Company to continue operations. However, the Directors noted that the share price has continued to trade at a discount to NAV since the start of the current financial year and will continue to monitor the situation, with the possibility of a future discontinuation vote remaining under consideration.

However, following the recent vote, both the Investment Manager and the Directors are confident that FGEN's discount to NAV is not directly attributable to the individual performance of FGEN, its Investment Manager, or its Board of Directors.

In light of this, the Directors are satisfied that the Company has sufficient resources to continue operating for the foreseeable future, defined as a period of no less than 12 months from the date of this report. Accordingly, they have continued to adopt the going concern basis in the preparation of these condensed interim unaudited financial statements.

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2024

2. Material accounting policies continued

(c) Segmental reporting

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

(d) Statement of compliance

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

(e) Seasonality

Neither operating income nor profit are impacted significantly by seasonality. While meteorological conditions resulting in fluctuation in the levels of wind and sunlight can affect revenues of the Company's environmental infrastructure projects, due to the diversified mix of projects, these fluctuations do not materially affect the Company's operating income or profit.

3. Operating income and loss on fair value of investments

	Six months ended 30 Sep 2024 (unaudited) £'000s	Six months ended 30 Sep 2023 (unaudited) £'000s
Interest income	15,744	15,701
Dividend income	19,800	13,800
Net loss on investments at fair value through profit or loss	(31,331)	(22,617)
	4,213	6,884

4. Operating expenses

	Six months ended 30 Sep 2024 (unaudited) £'000s	Six months ended 30 Sep 2023 (unaudited) £'000s
Investment management fees	3,974	4,227
Directors' fees and expenses	175	172
Administration fee	66	56
Other expenses	535	563
	4,750	5,018

5. Tax

Income tax expense

The Company has obtained exempt status from income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. FGEN is charged an annual exemption fee of £1,600.

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

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2024

6. Dividends

	Six months ended 30 Sep 2024 (unaudited) £'000s	Six months ended 30 Sep 2023 (unaudited) £'000s
Amounts recognised as distributions to equity holders during the period (pence per share):		
Final dividend for the year ended 31 March 2024 of 1.89 (31 March 2023: 1.79)	**12,503**	11,842
Interim dividend for the quarter ended 30 June 2024 of 1.95 (30 June 2023: 1.89)	**12,858**	12,503
	25,361	24,345

A dividend for the quarter to 30 September 2024 of 1.95 pence per share was approved by the Board on 20 November 2024 and is payable on 27 December 2024. The dividend has not been included as a liability at 30 September 2024.

7. (Loss)/earnings per share

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

	Six months ended 30 Sep 2024 (unaudited) £'000s	Six months ended 30 Sep 2023 (unaudited) £'000s
(Loss)/earnings		
(Loss)/earnings for the purposes of basic and diluted earnings per share, being net profit attributable to owners of the Company	**(537)**	1,866
Number of shares		
Time weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**660,905,560**	661,531,229

The denominator for the purposes of calculating both basic and diluted earnings per share is the same, as the Company has not issued any share options or other instruments that would cause dilution. Shares held in treasury are excluded from the calculation.

	Six months ended 30 Sep 2024 (unaudited) £'000s	Six months ended 30 Sep 2023 (unaudited) £'000s
Basic and diluted (loss)/earnings per share (pence)	**(0.1)**	0.3

8. Investments at fair value through profit or loss

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

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

	30 Sep 2024 (unaudited) £'000s	31 Mar 2024 (audited) £'000s
Fair value of environmental infrastructure investments	**806,646**	891,927
Fair value of intermediate holding companies	**(84,405)**	(138,355)
Total fair value of investments	**722,241**	753,572

Reconciliation of movement in fair value of portfolio of assets

The table on the following page 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 on the following page also presents a reconciliation of the fair value of the asset portfolio to the Company's condensed unaudited statement of financial position as at 30 September 2024, by incorporating the fair value of these intermediate holding companies.

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2024

8. Investments at fair value through profit or loss continued

	Six months to 30 Sep 2024 (unaudited)			Year to 31 Mar 2024 (audited)		
	Portfolio value £'000s	Cash, working capital and debt in intermediate holding companies £'000s	Total £'000s	Portfolio value £'000s	Cash, working capital and debt in intermediate holding companies £'000s	Total £'000s
Opening balance	891,927	(138,355)	753,572	898,539	(81,739)	816,800
Acquisitions						
Portfolio of assets acquired/further investment	15,933	—	15,933	69,221	—	69,221
Disposal of assets	(68,496)	—	(68,496)	—	—	—
	(52,563)	—	(52,563)	69,221	—	69,221
Growth in portfolio[1]	13,905	—	13,905	11,181	—	11,181
Cash yields from portfolio to intermediate holding companies	(46,623)	46,623	—	(87,014)	87,014	—
Yields from intermediate holding companies						
Interest on loan notes[1]	—	(15,744)	(15,744)	—	(31,401)	(31,401)
Dividends from UK HoldCo to the Company[1]	—	(19,800)	(19,800)	—	(28,000)	(28,000)
	—	(35,544)	(35,544)	—	(59,401)	(59,401)
Other movements						
Investment in working capital in UK HoldCo	—	7,010	7,010	—	(13,425)	(13,425)
Administrative expenses borne by intermediate holding companies[1,2]	—	(9,692)	(9,692)	—	(15,008)	(15,008)
Drawdown of UK HoldCo revolving credit facility borrowings	—	45,553	45,553	—	(55,796)	(55,796)
Fair value of the Company's investment in UK HoldCo	806,646	(84,405)	722,241	891,927	(138,355)	753,572

1. The net loss on investments at fair value through profit or loss for the period ended 30 September 2024 is £31,331,000 (year ended 31 March 2024: loss of £63,228,000). This, together with interest received on loan notes of £15,744,000 (year ended 31 March 2024: £31,401,000) and dividend income of £19,800,000 (year ended 31 March 2024: £28,000,000) comprises operating income in the condensed unaudited income statement.
2. Administrative expenses borne by intermediate holding companies includes the payment of the Electricity Generator Levy.

The balances in the table above represent the total net movement in the fair value of the Company's investment. The "cash, working capital and debt in intermediate holding companies" balances reflect investment in, distributions from or movements in working capital and are not value generating.

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2024

8. Investments at fair value through profit or loss continued

Fair value of portfolio of assets

The Investment Manager has carried out fair market valuations of the investments as at 30 September 2024. The Directors have satisfied themselves as to the methodology used and the discount rates applied for the valuation. Investments are all investments in environmental infrastructure projects and are valued using a discounted cash flow methodology, being the most relevant and most commonly used method in the market to value similar assets to the Company's. The Company's holding of its investment in UK HoldCo represents its interest in both the equity and debt instruments. The equity and debt instruments are valued as a whole using a blended discount rate and the value attributed to the equity instruments represents the fair value of future dividends and equity redemptions in addition to any value enhancements arising from the timing of loan principal and interest receipts from the debt instruments, while the value attributed to the debt instruments represents the principal outstanding and interest due on the loan at the valuation date.

Assets under construction are valued at cost (which is deemed to approximate fair value) 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.

The valuation techniques and methodology have been applied consistently with the valuation performed in the Company's latest annual audited financial statements.

Discount rates applied to the operating portfolio of assets range from 7.0% to 18.3% (weighted average 9.5%) (at 31 March 2024: from 7.0% to 17.7% – weighted average 9.4%).

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

	30 Sep 2024 (unaudited)	31 Mar 2024 (audited)
UK – RPI inflation rates	**3.5% for 2024, 3% to 2030 and 2.25% thereafter**	3.5% for 2024, decreasing to 3% until 2030, decreasing to 2.25% from 2031
Italy – inflation rates	**2% flat rate**	2.0% from 2024 onwards
UK – deposit interest rates	**2.0% for the life of each asset**	2.0% from 2024 onwards
Italy – deposit rates	**0%**	0%
UK – corporation tax rates	**25%**	25% from April 2024 onwards
Italy – corporation tax rates	**National rate of 24%, plus applicable regional premiums**	National rate of 24%, plus applicable regional premiums
Euro/sterling exchange rate	**1.20**	1.17

Refer to note 15 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 revolving credit facility debt; therefore, the Directors consider the fair value to be equal to the book values.

Details of investments made during the period

During the period, £0.9 million was invested in CNG Foresight Limited. The portfolio holds 13 natural gas refuelling stations in operation and two in construction phase.

The Group also invested £7.2 million into the Rjukan project, £2.9 million into Cramlington, £1.1 million into Vulcan gas, £1.2 million into the CE Glasshouse project, €2.9 million into FEIP and £0.6 million to other projects.

In August 2024, the Company announced the successful completion of the sale of 51% of its 45.9MW portfolio across six anaerobic digestion ("AD") sites in the UK to Future Biogas, for a total consideration of £68.1 million (the amount includes £0.2 million in stamp duty). FGEN will retain a 49% ownership stake in the AD portfolio, along with its interests in three additional AD assets that were not included in the transaction.

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2024

9. Trade and other receivables

	30 Sep 2024 (unaudited) £'000s	31 Mar 2024 (audited) £'000s
Prepayments	**38**	25
Closing balance	**38**	25

10. Trade and other payables

	30 Sep 2024 (unaudited) £'000s	31 Mar 2024 (audited) £'000s
Accruals	**2,335**	2,654
Closing balance	**2,335**	2,654

The accruals balance for the period ended 30 September 2024 includes an amount of £1,955,000 for the investment management fee for the quarter to 30 September 2024, payable to Foresight Group LLP.

11. Loans and borrowings

The Company had no outstanding loans or borrowings at 30 September 2024 (31 March 2024: none), as shown in the Company's condensed unaudited statement of financial position.

As at 30 September 2024, the Company held loan notes of £348.9 million which were issued by UK HoldCo (31 March 2024: outstanding amount of £348.9 million).

As at 30 September 2024, UK HoldCo had an outstanding balance of £113.7 million under a revolving credit facility (31 March 2024: £159.3 million). The loan bears interest between 205 bps and 215 bps over SONIA (Sterling Overnight Index Average) for sterling drawings and Euribor (Euro Interbank Offered Rate) for euro drawings. £44.4 million of the revolving credit facility balance was repaid during the period with the intention for the balance to be reduced further using available proceeds from asset disposals or future capital raises.

There were no other outstanding loans or borrowings in either the Company, UK HoldCo or HWT at 30 September 2024.

12. Share capital account

	30 Sep 2024 (unaudited)		
	Ordinary shares	Treasury shares	£'000s
Opening balance	**661,531,229**	**—**	**664,401**
Purchase of treasury shares	**—**	**(5,485,089)**	**(5,179)**
Closing balance	**661,531,229**	**(5,485,089)**	**659,222**

	31 Mar 2024 (audited)		
	Ordinary shares	Treasury shares	£'000s
Opening balance	661,531,229	—	664,401
Purchase of treasury shares	—	—	—
Closing balance	661,531,229	—	664,401

The number of voting shares at 30 September 2024 was 656,046,140 (total shares in issue 661,531,229 less 5,485,089 shares kept in treasury as a result of the share buyback programme that started on 30 August 2024).

13. Retained earnings

	30 Sep 2024 (unaudited) £'000s	31 Mar 2024 (audited) £'000s
Opening balance	**86,813**	150,167
Loss for the period/year	**(537)**	(13,937)
Dividends paid	**(25,361)**	(49,417)
Closing balance	**60,915**	86,813

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2024

14. Transactions with the Investment Manager and related parties

Transactions between the Company and its subsidiaries, which are related parties of the Company, are fair valued and are disclosed within note 8. 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 is the Company's Investment Manager. Foresight's appointment as Investment Manager is governed by an Investment Management Agreement.

For the period under review, Foresight Group was entitled to a base fee equal to:

a) 1.0% per annum of the Adjusted Portfolio Value[1] of the Fund[2] up to and including £500 million; and

b) 0.8% per annum of the Adjusted Portfolio Value of the Fund in excess of £500 million.

The total Investment Manager fee charged to the condensed unaudited income statement for the six months ended 30 September 2024 was £3,974,000 (six-month period ended 30 September 2023: £4,227,000) of which £1,955,000 remained payable as at 30 September 2024 (31 March 2024: £2,147,000).

1. Adjusted Portfolio Value is defined in the Investment Management Agreement as:
   a. the fair value of the investment portfolio; plus
   b. any cash owned by or held to the order of the Fund; plus
   c. the aggregate amount of payments made to shareholders by way of dividend in the quarterly period ending on the relevant valuation day, less
      i. any other liabilities of the Fund (excluding borrowings); and
      ii. any uninvested cash.
2. Fund means the Company and Foresight Environmental Infrastructure (UK) Limited together with their wholly owned subsidiaries or subsidiary undertakings (including companies or other entities wholly owned by them together, individually or in any combination, as appropriate) but excluding project entities.

The Board has approved a reduction in the management fee payable to Foresight Group LLP by changing the basis of calculating the fee from adjusted NAV to NAV. With effect from 1 October 2024 the management fee will be calculated as follows:

a) 0.95% per annum of the portfolio Net Asset Value of the Fund[2] up to and including £500 million;

b) 0.80% per annum of the portfolio Net Asset Value of the Fund on the balance above £500 million up to and including £1 billion; and

c) 0.75% per annum of the portfolio Net Asset Value of the Fund in excess of £1 billion.

Other transactions with related parties

The Directors of the Company, who are considered to be key management, received fees for their services for the six-month period of £173,085 (six-month period ended 30 September 2023: £167,250). The Directors were paid expenses of £1,947 in the six-month period (six-month period ended 30 September 2023: £4,907).

The Directors held the following shares:

	Total number of shares held at 30 Sep 2024 (unaudited)	Total number of shares held at 31 Mar 2024 (audited)
Ed Warner	**75,000**	60,000
Alan Bates	**12,500**	12,500
Stephanie Coxon	**15,000**	15,000
Jo Harrison	**8,066**	8,066
Hans Joern Rieks	**—**	95,000
Nadia Sood	**—**	—

All of the above transactions were undertaken on an arm's length basis. Hans Joern Rieks retired from the Board on 13 September 2024.

The Directors were paid dividends in the period of £5,465 (six-month period ended 30 September 2023: £7,013).

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2024

15. Financial instruments

Financial instruments by category

The Company held the following financial instruments at 30 September 2024. There have been no transfers of financial instruments between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

	30 Sep 2024 (unaudited)				
	Cash and cash 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)	—	—	722,241	—	722,241
Current assets					
Trade and other receivables	—	38	—	—	38
Cash and cash equivalents	193	—	—	—	193
Total financial assets	193	38	722,241	—	722,472
Current liabilities					
Trade and other payables	—	—	—	(2,335)	(2,335)
Total financial liabilities	—	—	—	(2,335)	(2,335)
Net financial instruments	193	38	722,241	(2,335)	720,137

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2024

15. Financial instruments continued

	31 Mar 2024 (audited)				
	Cash and cash balances £'000s	Financial assets held at amortised cost £'000s	Financial assets at fair value through profit or loss £'000s	Financial liabilities at amortised cost £'000s	Total £'000s
Non-current assets					
Investments at fair value through profit or loss (Level 3)	—	—	753,572	—	753,572
Current assets					
Trade and other receivables	—	25	—	—	25
Cash and cash equivalents	271	—	—	—	271
Total financial assets	271	25	753,572	—	753,868
Current liabilities					
Trade and other payables	—	—	—	(2,654)	(2,654)
Total financial liabilities	—	—	—	(2,654)	(2,654)
Net financial instruments	271	25	753,572	(2,654)	751,214

The Company's investments at fair value through profit or loss are classified at Level 3 within the IFRS fair value hierarchy.

The Level 3 fair value measurements derive from valuation techniques that include inputs to the asset or liability that are not based on observable market data (unobservable inputs).

In the tables above, financial instruments are held at carrying value as an approximation to fair value unless stated otherwise.

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

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

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

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2024

15. Financial instruments continued

Sensitivity analysis of the portfolio

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

30 Sep 2024 (unaudited)

Discount rate	Minus 0.5%	Base 9.5%	Plus 0.5%
Change in portfolio valuation	Increases £18.2m	£806.6m	Decreases £18.1m
Change in NAV per share	Increases 2.8p	109.8p	Decreases 2.8p

31 Mar 2024 (audited)

Discount rate	Minus 0.5%	Base 9.4%	Plus 0.5%
Change in portfolio valuation	Increases £20.7m	£891.9m	Decreases £19.8m
Change in NAV per share	Increases 3.1p	113.6p	Decreases 3.0p

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

30 Sep 2024 (unaudited)

Inflation rates	Minus 0.5%	Base 3.5% (2024), 3% (to 2030), then 2.25% thereafter	Plus 0.5%
Change in portfolio valuation	Decreases £21.9m	£806.6m	Increases £21.6m
Change in NAV per share	Decreases 3.3p	109.8p	Increases 3.3p

31 Mar 2024 (audited)

Inflation rates	Minus 0.5%	Base 3.5% (2024), then 3% to 2030, then 2.25%	Plus 0.5%
Change in portfolio valuation	Decreases £18.9m	£891.9m	Increases £19.3m
Change in NAV per share	Decreases 2.9p	113.6p	Increases 2.9p

The fair value of the investments is based on a "P50" level of electricity generation for the renewable energy assets, being the expected level of generation over the long term.

Wind, solar and hydro assets are subject to electricity generation risks.

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

30 Sep 2024 (unaudited)

Energy yield: wind	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £27.7m	£806.6m	Increases £26.8m
Change in NAV per share	Decreases 4.2p	109.8p	Increases 4.1p
Energy yield: solar	**P90 (10 year)**	**Base P50**	**P10 (10 year)**
Change in portfolio valuation	Decreases £8.3m	£806.6m	Increases £8.2m
Change in NAV per share	Decreases 1.3p	109.8p	Increases 1.3p
Energy yield: hydro	**P90 (10 year)**	**Base P50**	**P10 (10 year)**
Change in portfolio valuation	Decreases £1.3m	£806.6m	Increases £1.4m
Change in NAV per share	Decreases 0.2p	109.8p	Increases 0.2p

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2024

15. Financial instruments continued

31 Mar 2024 (audited)

Energy yield: wind	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £28.3m	£891.9m	Increases £27.0m
Change in NAV per share	Decreases 4.3p	113.6p	Increases 4.1p
Energy yield: solar	**P90 (10 year)**	**Base P50**	**P10 (10 year)**
Change in portfolio valuation	Decreases £9.3m	£891.9m	Increases £9.5m
Change in NAV per share	Decreases 1.4p	113.6p	Increases 1.4p
Energy yield: hydro	**P90 (10 year)**	**Base P50**	**P10 (10 year)**
Change in portfolio valuation	Decreases £1.3m	£891.9m	Increases £1.4m
Change in NAV per share	Decreases 0.2p	113.6p	Increases 0.2p

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

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

30 Sep 2024 (unaudited)

Energy prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Decreases £39.0m	£806.6m	Increases £41.1m
Change in NAV per share	Decreases 5.9p	109.8p	Increases 6.3p

31 Mar 2024 (audited)

Energy prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Decreases £37.4m	£891.9m	Increases £37.0m
Change in NAV per share	Decreases 5.7p	113.6p	Increases 5.6p

Waste & bioenergy assets (excluding Bio Collectors) do not have significant volume and price risks and therefore are not included in the above volume and price sensitivities.

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

In light of this change, the Investment Manager has provided a sensitivity extending the useful economic lives of its AD portfolio by up to five years – capped at the duration of land rights already in place. Such an extension would result in an uplift in the portfolio valuation of £21.9 million (3.3 pence per share).

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2024

15. Financial instruments continued

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

30 Sep 2024 (unaudited)

Feedstock prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Increases £7.0m	£806.6m	Decreases £7.0m
Change in NAV per share	Increases 1.1p	109.8p	Decreases 1.1p

31 Mar 2024 (audited)

Feedstock prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Increases £8.7m	£891.9m	Decreases £8.9m
Change in NAV per share	Increases 1.3p	113.6p	Decreases 1.3p

The sensitivity of the portfolio to movements in corporation tax rates is as follows:

30 Sep 2024 (unaudited)

Corporation tax	Minus 2%	Base 25%	Plus 2%
Change in portfolio valuation	Increases £13.4m	£806.6m	Decreases £12.7m
Change in NAV per share	Increases 2.0p	109.8p	Decreases 1.9p

31 Mar 2024 (audited)

Corporation tax	Minus 2%	Base 25%	Plus 2%
Change in portfolio valuation	Increases £13.6m	£891.9m	Decreases £13.9m
Change in NAV per share	Increases 2.1p	113.6p	Decreases 2.1p

Euro/sterling exchange rate sensitivity

As the proportion of the portfolio assets with cash flows denominated in euros represents a small proportion of the portfolio value at 30 September 2024, the Directors consider the sensitivity to changes in euro/sterling exchange rates to be insignificant.

The Directors consider that the carrying value amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements are approximately equal to their fair values.

Uncontracted revenues on non-energy generating portfolio sensitivity

Non-energy generating assets, such as batteries and controlled environment agriculture and aquaculture, are not materially affected by either scarcity of natural resource or power price markets. Therefore, the Investment Manager has presented a sensitivity illustrating an assumed 10% change in 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 £18.3 million (2.8 pence per share) compared to a decrease in value of £14.2 million (2.2 pence per share) if those revenues were reduced by the same amount.

16. Guarantees and other commitments

As at 30 September 2024, the Company has provided a guarantee over the Company's wholly owned subsidiary UK HoldCo's obligations under the £200 million revolving credit facility refinanced on 13 June 2024 with a three-year agreement with ING, HSBC, National Australia Bank, Royal Bank of Scotland International and Clydesdale Bank. The contract includes an uncommitted accordion facility of up to £30 million and an uncommitted option to extend for a further year.

As at 30 September 2024, the Group has the following future investment obligations over a 12-month horizon: €4.5 million (equivalent to £3.8 million) to FEIP, £1.6 million to the CNG Foresight project, £4.1 million to the CE Rjukan project, £2.7 million to the Cramlington capex programme, £3.9 million to Sandridge battery storage, £1.2 million to Vulcan gas shipping, £0.3 million into Vulcan D2 feeder value enhancements, £0.7 million in working capital loans for AD assets and £0.7 million in various small projects.

The Company had no other commitments or guarantees.

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2024

17. Subsidiaries and associates

The following subsidiaries and associates have not been consolidated in these financial statements as a result of applying the requirements of "Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 27)":

Subsidiaries	Category	Place of business	Registered office	Ownership interest	Voting rights
Foresight Environmental Infrastructure (UK) Limited[1]	Intermediate holding	UK	A	100%	100%
HWT Limited	Intermediate holding	UK	B	100%	100%
JLEAG Solar 1 Limited	Operating subsidiary	UK	C	100%	100%
Easton PV Limited	Project holding company	UK	A	100%	100%
Pylle Solar Limited	Project holding company	UK	A	100%	100%
Second Energy Limited	Operating subsidiary	UK	A	100%	100%
JLEAG Wind Holdings Limited	Project holding company	UK	A	100%	100%
JLEAG Wind Limited	Project holding company	UK	A	100%	100%
Amber Solar Parks (Holdings) Limited	Project holding company	UK	D	100%	100%
Amber Solar Park Limited	Operating subsidiary	UK	D	100%	100%
Bilsthorpe Wind Farm Limited	Operating subsidiary	UK	E	100%	100%
Ferndale Wind Limited	Project holding company	UK	L	100%	100%
Castle Pill Wind Limited	Project holding company	UK	L	100%	100%
Wind Assets LLP	Operating subsidiary	UK	E	100%	100%
Hall Farm Wind Farm Limited	Operating subsidiary	UK	E	100%	100%
Branden Solar Parks (Holdings) Limited	Project holding company	UK	A	100%	100%
Branden Solar Parks Limited	Operating subsidiary	UK	A	100%	100%
KS SPV 3 Limited	Operating subsidiary	UK	A	100%	100%
KS SPV 4 Limited	Operating subsidiary	UK	A	100%	100%
Carscreugh Renewable Energy Park Limited	Operating subsidiary	UK	E	100%	100%

1. Foresight Environmental Infrastructure (UK) Limited ("UK HoldCo", formerly known as JLEN Environmental Assets Group (UK) Limited)

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2024

17. Subsidiaries and associates continued

Subsidiaries	Category	Place of business	Registered office	Ownership interest	Voting rights
Wear Point Wind Limited	Operating subsidiary	UK	E	100%	100%
Monksham Power Ltd	Project holding company	UK	A	100%	100%
Frome Solar Limited	Operating subsidiary	UK	A	100%	100%
BL Wind Limited	Operating subsidiary	UK	E	100%	100%
New Albion Wind Limited	Operating subsidiary	UK	E	100%	100%
Dreachmhor Wind Farm Limited	Operating subsidiary	UK	E	100%	100%
France Wind GP Germany GmbH[2]	Project holding company	DE	F	100%	100%
France Wind Germany GmbH & Co. KG[2]	Project holding company	DE	F	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	A	100%	100%
Crug Mawr Solar Farm Limited	Operating subsidiary	UK	A	100%	100%
Golden Hill Solar (UK) Limited	Project holding company	UK	D	100%	100%
Golden Hill Solar Limited	Operating subsidiary	UK	A	100%	100%
Shoals Hook Solar (UK) Limited	Operating subsidiary	UK	A	100%	100%
CGT Investment Limited	Project holding company	UK	G	100%	100%
CWMNI GWYNT TEG CYF	Operating subsidiary	UK	G	100%	100%
Moelogan 2 (Holdings) Cyfyngedig	Project holding company	UK	G	100%	100%
Moelogan 2 C.C.C.	Operating subsidiary	UK	G	100%	100%
Llynfi Afan Renewable Energy Park Limited	Operating subsidiary	UK	E	100%	100%

2. Underlying French wind assets were disposed of in January 2022.

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2024

17. Subsidiaries and associates continued

Subsidiaries	Category	Place of business	Registered office	Ownership interest	Voting rights
Bio Collectors Holdings Limited	Project holding company	UK	J	100%	100%
Bio Collectors Limited	Operating subsidiary	UK	J	100%	100%
Riverside Bio Limited	Operating subsidiary	UK	J	100%	100%
Riverside AD Limited	Operating subsidiary	UK	J	100%	100%
Yorkshire Hydropower Holdings Limited	Project holding company	UK	E	100%	100%
Yorkshire Hydropower Limited	Operating subsidiary	UK	E	100%	100%
Northern Hydropower Holdings Limited	Project holding company	UK	E	100%	100%
Northern Hydropower Limited	Operating subsidiary	UK	E	100%	100%
Codford Biogas Limited	Operating subsidiary	UK	M	100%	100%
Rainworth Energy Limited	Operating subsidiary	UK	K	100%	100%
FS West Gourdie Limited	Operating subsidiary	UK	A	100%	100%
Spruce Bioenergy Limited	Project holding company	UK	A	100%	100%
Cramlington Renewable Energy Developments Limited	Operating subsidiary	UK	L	100%	100%
Fryingdown Solar Park Limited	Non-trading entity	UK	D	100%	100%
Five Oaks Solar Park Limited	Non-trading entity	UK	D	100%	100%
Warren Power Limited	Project holding company	UK	H	100%	100%
ELWA Holdings Limited	Project holding company	UK	L	80%	80%
ELWA Limited[3]	Operating subsidiary	UK	L	80%	81%[3]
Green Gas Oxon Limited	Project holding company	UK	I	52.6%	52.6%
Icknield Gas Limited	Operating subsidiary	UK	I	52.6%	52.6%
Cross Solar PV Limited	Operating subsidiary (dormant)	UK	C	100%	100%
Domestic Solar Limited	Operating subsidiary (dormant)	UK	C	100%	100%
Residential PV Trading Limited	Operating subsidiary (dormant)	UK	C	100%	100%

3. ELWA Holdings Limited holds 81% of the voting rights and a 100% share of the economic benefits in ELWA Limited.

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2024

17. Subsidiaries and associates continued

Associates	Category	Place of business	Registered office	Ownership interest	Voting rights
Foresight Biomass Holding Italy S.r.l.	Project holding company	IT	N	45%	45%
Energie Tecnologie Ambiente S.r.l.	Operating associate	IT	N	45%	45%
Foresight Rjukan Holding Limited	Project holding company	UK	A	43%	43%
Catchment Tay Holdings Limited	Project holding company	UK	O	33.3%	33.3%
Catchment Tay Limited	Operating associate	UK	O	33.3%	33.3%
Foresight Hydrogen HoldCo GmbH	Project holding company	DE	P	40.1%	40.1%
Hima Seafood Rjukan AS	Operating associate	NO	Q	25%	25%
HH2E Werk Thierbach GmbH	Operating associate	DE	R	23%	23%
HH2E Werk Lubmin GmbH	Operating associate	DE	R	23%	23%
HH2E AG	Project holding company	DE	R	23%	23%
Sandridge Battery Storage Limited	Operating associate	UK	A	50%	50%
Clayfords Energy Storage Limited	Operating associate	UK	S	50%	50%
AD Holdco 1 Limited	Project holding company	UK	H	49%	49%
Egmere Energy Limited	Operating associate	UK	H	49%	49%
Warren Energy Limited	Operating associate	UK	H	49%	49%
Vulcan Renewables Limited	Operating associate	UK	H	49%	49%
Grange Farm Energy Limited	Operating associate	UK	H	49%	49%
Merlin Renewables Limited	Operating associate	UK	H	49%	49%
Biogas Meden Limited	Operating associate	UK	H	49%	49%

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2024

17. Subsidiaries and associates continued

Associates	Category	Place of business	Registered office	Ownership interest	Voting rights
Foresight Battery Storage Holdings Limited	Project holding company	UK	A	50%	50%
Lunanhead Energy Storage Limited	Operating associate	UK	A	50%	50%
JLEAG AD Limited	Project holding company	UK	A	49%	49%
Peacehill Gas Limited	Operating associate	UK	T	49%	49%
CNG Foresight Holdings Limited	Project holding company	UK	A	25%	25%
CNG Foresight Limited	Operating associate	UK	U	25%	25%
CNG Newton Aycliffe Limited	Operating associate	UK	U	25%	25%
CNG Eurocentral Limited	Operating associate	UK	U	25%	25%
CNG Avonmouth North Limited	Operating associate	UK	U	25%	25%
CNG Corby Limited	Operating associate	UK	U	25%	25%
CNG Doncaster Limited	Operating associate	UK	U	25%	25%
CNG Bracknell Limited	Operating associate	UK	U	25%	25%
CNG Bangor Limited	Operating associate	UK	U	25%	25%
CNG Aylesford Limited	Operating associate	UK	U	25%	25%
CNG Station Holdings Limited	Operating associate	UK	U	25%	25%
CNG Leyland Limited	Operating associate	UK	U	25%	25%
CNG Knowsley Limited	Operating associate	UK	U	25%	25%
CNG Castleford Limited	Operating associate	UK	U	25%	25%
Lavant Down Northampton Limited	Operating associate	UK	U	25%	25%
Oxford Erdington Limited	Operating associate	UK	U	25%	25%
Hams Warrington Limited	Operating associate	UK	U	25%	25%
Nexus Newark Limited	Operating associate	UK	U	25%	25%

Notes to the condensed unaudited financial statements continued

for the six months ended 30 September 2024

17. Subsidiaries and associates continued

Registered offices

A) The Shard, C/O Foresight Group Llp, 32 London Bridge Street, London, SE1 9SG
B) 50 Lothian Road, Festival Square, Edinburgh, Midlothian, EH3 9WJ
C) 1 Filament Walk, Suite 203, Wandsworth, London, SW18 4GQ
D) The Long Barn, Manor Courtyard, Stratton-On-The-Fosse, Radstock, BA3 4QF
E) C/O RES White Limited, Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire, WD4 8LR
F) Steinweg 3-5, Frankfurt Am Main, 60313, Germany
G) Cae Sgubor Ffordd Pennant, Eglwysbach, Colwyn Bay, Conwy, LL28 5UN
H) 10-12 Frederick Sanger Road, Guildford, Surrey, GU2 7YD
I) Friars Ford, Manor Road, Goring, Reading, RG8 9EL
J) 10 Osier Way, Mitcham, Surrey, CR4 4NF
K) C/O Material Change, The Amphenol Building, 46-50 Rutherford Drive, Park Farm Industrial Estate, Wellingborough, NN8 6AX
L) 8 White Oak Square, London Road, Swanley, BR8 7AG
M) C/O External Services Limited, 20 Central Avenue, St Andrews Business Park, Norwich, NR7 0HR
N) Piazza Barberini 52, 00187, Rome, Italy
O) C/O Infrastructure Managers Limited, 2nd Floor Drum Suite, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN
P) C/O Intertrust (Deutschland) GmbH, Eschersheimer Landstraße 14, 60322 Frankfurt am Main
Q) Skriugata 26, 3660, Rjukan
R) Kaiser-Wilhelm-Straße 93, 20355 Hamburg
S) Foresight Group LLP, Clarence House, 133 George Street, Edinburgh, EH2 4JS
T) Peacehill Farm, Wormit, Fife, DD6 8PJ
U) C/O Flb Accountants Llp, 1010 Eskdale Road, Winnersh Triangle, Wokingham, RG41 5TS

18. Events after statement of financial position

A dividend for the quarter ended 30 September 2024 of 1.95 pence per share was approved by the Board on 20 November 2024. Please refer to note 6 for further details. The interim dividend will be paid on 27 December 2024.

Since the date of the condensed unaudited statement of financial position, 4,913,591 of the Company's shares were bought back for the total consideration of £4.2 million and average price paid of 84.92 pence per share.

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 Company)	Since IPO: closing share price as at 30 September 2024 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, expressed as a percentage	**69.4%** (HY23: 70.1%)	Calculation for total shareholder return since IPO: closing share price as at 30 September 2024 as per key investments metrics on page 42 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, expressed as a percentage
		Annualised: closing share price as at 30 September 2024 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, to the power of one over the number of years since IPO, expressed as a percentage	**5.1% annualised** (HY23: 5.7%)	Calculation for annualised total shareholder return: closing share price as at 30 September 2024 as per key investment metrics on page 42 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	**109.8 pence** (FY24: 113.6 pence)	The calculation divides the net assets as per the statement of financial position on page 49 by the closing number of ordinary shares in issue as per note 12 on page 58
Market capitalisation	Provides an indication of the size of the Company	Closing share price as at 30 September 2024 multiplied by the closing number of ordinary shares in issuance	**£595.4 million** (FY24: £619.9 million)	The calculation uses the closing share price as at 30 September 2024 as per the key investment metric table on page 42 and the closing number of ordinary shares as per note 12 of the financial statements on page 58
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	**£1,010.5 million** (FY24: £1,091.8 million)	This is the total debt (RCF drawn: £113.7 million plus project level debt: £176.6 million) plus the Net Asset Value as per the statement of financial position on page 49
Gearing	Ascertain financial risk in the Group's balance sheet	Total debt of the Group and underlying investments as a percentage of GAV	**28.7%** (HY23: 28.7%)	The calculation uses the total debt (RCF drawn: £113.7 million plus project level debt: £176.6 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	**£46.6 million** (HY23: £46.2 million)	As per "Cash flows of the Group for the period", also titled "Cash distributions from environmental infrastructure investments" on page 44

Alternative performance measures ("APMs") continued

APM	Purpose	Calculation	APM value	Reconciliation to IFRS
Cash flow from operations of the Group	Gauges operating revenues and expenses of the Group	As per the "Cash flows of the Group for the period" table on page 44, 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)	**£31.3 million** (HY23: £32.2 million)	Detailed breakdown as per page 44 in the "Cash flows of the Group for the period"
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	**1.23x** (HY23: 1.32x)	The calculation uses the cash flows from operations as per "Cash flows of the Group for the period" on page 44 and the dividends paid in cash to shareholders as per the cash flow statement on page 51
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 and Directors' fees	**1.26%** (FY24: 1.24%)	Annualised ongoing charges for the period ended 30 September 2024 have been calculated as £9.3 million. The ongoing charges ratio divides this by the published average Net Asset Value over the last two quarters to the calculation date (including 30 September 2024)
NAV total return since IPO	Measure of financial performance (annualised), which indicates the movement of the value of the Company since IPO	Closing NAV per ordinary share as at 30 September 2024 plus all dividends since IPO assumed reinvested, divided by the NAV at IPO, to the power of 1, over the number of years since IPO	**7.6%** (HY23: 8.7%)	Calculated as the closing NAV per ordinary share as per the statement of financial position on page 49

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)
bps	basis points
business day	means any day (other than a Saturday, Sunday or bank holiday) on which commercial banks are open for non-automated business in London and Guernsey
the Company or FGEN	Foresight Environmental Infrastructure Limited (formerly JLEN Environmental Assets Group Limited)
controlled environment	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
discontinuation vote	As part of the Company's discount management policies, the Board has to propose a discontinuation vote if the ordinary shares trade at a significant discount to Net Asset Value per share for a prolonged period of time. If, in any financial year, the ordinary shares have traded, on average, at a discount in excess of 10% to the Net Asset Value per share, the Board will propose a special resolution at the Company's next Annual General Meeting that the Company ceases to continue in its present form. If such vote is passed, the Board will be required to formulate proposals to be put to shareholders within four months to wind up or otherwise reconstruct the Company, bearing in mind the illiquid nature of the Company's underlying assets. The discount prevailing on each business day will be determined by reference to the closing market price of ordinary shares on that day and the Net Asset Value per share
DNO	distribution network operator
EGL	Electricity Generator Levy
ESG	environmental, social and governance
EU	European Union
FEIP	Foresight Energy Infrastructure Partners
Foresight Group or Foresight	Foresight Group LLP
FPCs	Fixed Price Certificates
GHG	greenhouse gas
GPA	Gas Purchase Agreement
Group	Foresight Environmental Infrastructure Limited and its intermediate holding companies UK HoldCo and HWT Limited
GWh	gigawatt hour
intermediate holding companies	companies within the Group which are used as pass-through vehicles to invest in underlying environmental infrastructure assets, namely UK HoldCo and HWT Limited
Investment Manager	Foresight Group
IPO	Initial Public Offering
Mt	metric tonne
MWe	megawatt electric
MWh	megawatt hour
MWhth	megawatt hours of heat
MWth	megawatt thermal
NAV	Net Asset Value
Net Asset Value per share	the net assets of the Company divided by the number of ordinary shares in issuance
NOx	nitrogen oxides
Offtakers	Offtakers in project financings are buyers of the resources produced by completed and operating projects. Offtakers contractually agree in an Offtake Agreement to purchase all or substantially all of the future production from the project

Glossary of key terms continued

ordinary shares	means ordinary shares of no par value each in the capital of the Company
portfolio	the 42 assets in which FGEN had a shareholding as at 30 September 2024
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
RCF	revolving credit facility
REMA	review of electricity market arrangements
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
ROCs	Renewables Obligation Certificates
RPI	Retail Price Index
SFDR	Sustainable Finance Disclosure Regulation
SONIA	Sterling Overnight Index Average
SPV	special purpose vehicle
TCFD	Task Force on Climate-related Financial Disclosures
total shareholder return	total shareholder return combines the share price movement and dividends since IPO expressed as an annualised percentage
UK HoldCo	Foresight Environmental Infrastructure (UK) Limited, wholly owned subsidiary of Foresight Environmental Infrastructure Limited
WADR	weighted average discount rate


Energie Tecnologie Ambiente energy-from-waste

Company summary

Company information	Foresight Environmental Infrastructure Limited is a Guernsey-registered closed-ended investment company (registered number 57682) with a premium listing on the London Stock Exchange and a constituent of the FTSE 250 index
Registered address	1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey GY1 2HL
Ticker/SEDOL	FGEN/BJL5FH8
Company year end	31 March
Dividend payments	Quarterly in March, June, September and December
Investment Manager	Foresight Group LLP, No OC300878, registered in England and Wales and authorised and regulated by the Financial Conduct Authority
Company Secretary and Administrator	Sanne Fund Services Limited, a company incorporated in Guernsey on 13 April 2005 (registered number 43046)
Market capitalisation	£595.4 million at 30 September 2024
Investment Manager fees	The Investment Manager is entitled to receive a fee for the provision of the services accruing and calculated quarterly in arrears as at each Valuation Day at the annual rate of: (a) 0.95% of that part of the Net Asset Value up to and including £500 million; (b) 0.8% of that part of the Net Asset Value that exceeds £500 million up to and including £1 billion; and (c) 0.75% of that part of the Net Asset Value that exceeds £1 billion, calculated by reference to the Net Asset Value as at the relevant Valuation Day.
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 pooled investment products
FATCA	The Company has registered for FATCA and has a GIIN number 2BN95W.99999.SL.831
Investment policy	The Company's investment policy is set out on pages 65 to 67 of the Annual Report 2024 and can also be found on the Company's website: **fgen.com**.
Website	**fgen.com**

Directors and advisers

Directors

Ed Warner (Chair)
Stephanie Coxon (Senior Independent Director)
Alan Bates
Jo Harrison
Nadia Sood

Administrator to the Company, Company Secretary and registered office

Sanne Fund Services (Guernsey) Limited

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
34 Beckenham Road
Beckenham
Kent B43 4TU
United Kingdom

Auditor

KPMG Channel Islands Limited

Glategny Court
Glategny Esplanade
St Peter Port
Guernsey GY1 1WR
Channel Islands

Investment Manager

Foresight Group LLP

The Shard
32 London Bridge Street
London SE1 9SG
United Kingdom

Public relations

SEC Newgate

14 Greville Street
London EC1N 8SB
United Kingdom

Corporate broker

Winterflood Securities Limited

The Atrium Building
Cannon Bridge House
25 Dowgate Hill
London EC4R 2GA
United Kingdom

Corporate bankers

HSBC

PO Box 31
St Peter Port
Guernsey GY1 3AT
Channel Islands

Cautionary statement

The inside front cover to page 45 of the Half-year Report, including about FGEN, our value proposition, our investment case, performance highlights, our portfolio at a glance, the Chair's statement, the Investment Manager's report, investment portfolio and valuation, operational review, sustainability and ESG, and the financial review (together, the review section) have been prepared solely to provide additional information to shareholders to assess FGEN's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

The review section may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "forecasts", "projects", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this report and include statements regarding the intentions, beliefs or current expectations of the Directors and the Investment Manager concerning, amongst other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, opportunities and distribution policy of the Company and the markets in which it invests.

These forward-looking statements reflect current expectations regarding future events and performance and speak only as at the date of this report. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not guarantees of future performance or results and will not necessarily be accurate indications of whether or not or the times at or by which such performance or results will be achieved. The Company's actual investment performance, results of operations, financial condition, liquidity, prospects, opportunities, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this report.

Subject to their legal and regulatory obligations, the Directors and the Investment Manager expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

In addition, the review section may include target figures for future financial periods. Any such figures are targets only and are not forecasts.

This Half-year Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Foresight Environmental Infrastructure Limited and its subsidiary undertakings when viewed as a whole.

FSC®
www.fsc.org
RECYCLED
Paper made from recycled material
FSC® C022913

Designed and produced by **lyonsbennett.com**

This report is printed on Nautilus which is made from FSC® recycled certified post-consumer waste pulp. The FSC® label on this report ensures responsible use of the world's forest resources. Printed sustainably in the UK by Pureprint, a CarbonNeutral® company with FSC® chain of custody and an ISO 14001 certified environmental management system recycling over 100% of all dry waste.

Foresight Environmental Infrastructure Limited

1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey GY1 2HL
Channel Islands

fgen.com