



Foresight Solar Fund Limited

Annual Report and Financial Statements
for the year ended 31 December 2025

About us

Foresight Solar is a closed-end investment company with approximately £1 billion deployed in a diversified portfolio of solar farms and battery storage assets.

The sustainability-focused fund contributes to a lower-carbon future by investing in and managing approximately 2 GW of operational and under-development renewable energy infrastructure, primarily in the United Kingdom and mainland Europe.

In this report

Chair's statement



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Investment Manager's report



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Sustainability



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Foresight Solar Fund Limited (FSFL) was awarded the Green Economy Mark in 2019. This recognises companies that derive 50% or more of their revenues from environmental solutions.

Front cover: Shotwick, UK

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Highlights

As at 31 December 2025

Continued operational excellence

A sunny UK drove output above budget in Foresight Solar's main market, partially offsetting lower generation in Spain and Australia caused by higher-than-expected curtailment.

UK review boosts outlook

Independent technical analysis validated key assumptions, raised production forecasts, supported longer asset lives, reinforcing the portfolio's reliable performance and outlook.

Resilient dividend cover

Robust operations and effective hedging contributed to 1.3x dividend cover in 2025. Production year-to-date and contracted revenues hedges are expected to provide 1.0x cover for 2026.

Balanced valuation

The UK portfolio's £0.97m/MW valuation reflects realistic assumptions supported by market evidence, giving the Board confidence in a fair and balanced methodology.

Corporate action progress

The Board delivered reduced investment management fees, active buybacks and continued the pursuit of strategic options. Divestment update expected in due course.

Investment objectives

Key performance indicators (KPIs)¹



Deliver sustainable, progressive **quarterly dividends**

8.10p

Target dividend per share for 2026
(Full year to 31 December 2025: 8.10p)

1.1x

Estimated net dividend cover for 2026²



Preserve and enhance **capital value**

£545.9m

Net asset value (NAV)
(31 December 2024: £634.4m)

99.2p

NAV per share
(31 December 2024: 112.3p)

6.4%

Annualised total NAV return since IPO
(31 December 2024: 7.4%)

2.8%

Annualised total shareholder return since IPO
(31 December 2024: 3.8%)



Develop further **portfolio diversification**

994 MW

Operational portfolio capacity
(As at 31 December 2025)

989 MWp

Proprietary development pipeline
(As at 31 December 2025)



Contribute to global **decarbonisation goals**

1,038 GWh

Renewable electricity generated³
(31 December 2024: 1,009 GWh)

0.10 tCO₂e/£m invested

Carbon footprint
(31 December 2024: 0.31 tCO₂e/£m invested)

1. Refer to the Alternative Performance Measures (APMs) shown on page 79 for more details and definitions of the terms used in this report.
2. Net dividend cover calculated solely from operating cash flow generated in the period. (See details on page 78.)
3. Generation figures have been adjusted, where relevant, for events in which compensation has been, or will be, received.

Investment proposition

Foresight Solar invests in solar and battery storage assets to build income and drive capital growth. Underpinned by a progressive dividend, the Company can hold assets to generate cash or dispose of projects to capture the financial uplift for shareholders.

Income and growth

FSFL has consistently met its target of delivering steady income with a progressive dividend and regular quarterly payments. Looking ahead, the development pipeline offers the potential to improve returns. As assets achieve planning consent and potentially progress through construction to operation, they will provide the opportunity to realise gains via sales or generate long-term yield through operations.

[Read more on page 17](#)

12.6%

dividend yield
(as at 31 December 2025)

Geographic diversification

As nations transition to lower-carbon economies, Foresight Solar's strategic focus on the UK and mainland Europe gives shareholders exposure to distinct support mechanisms, different regulatory frameworks and varying levels of irradiation. The continental footprint allows FSFL to, at the same time, maximise returns and mitigate risks.

[Read more on page 15](#)

75%

of Foresight Solar's installed capacity is in the UK

Operational excellence

The Company has outperformed its production forecasts in its core UK market most years since starting operations in 2013. The Investment Manager's dedicated portfolio team was involved in the initial acquisition and construction efforts to ensure asset quality and has since tracked and overseen performance, maintained availability and delivered value uplifts.

[Read more on page 29](#)

9 out of 12 years

outperformance for the UK portfolio

Investment Manager

Foresight Group is a leading real assets Investment Manager with offices in seven countries and more than 185 infrastructure professionals. The firm has the international scale and the local networks to play an important role in the adoption of renewables, support the energy transition and directly contribute to Foresight Solar's long-term success.

[Read more on page 11](#)

£10.9bn

of infrastructure assets under management¹

1. Data accurate as per Foresight Group's latest results.

Business model

What we do

Foresight Solar is a sustainability-focused investment company that aims to deliver an attractive yield alongside long-term NAV growth by developing, building and operating utility-scale solar and battery storage assets.

How we create value



Identify, acquire

The Investment Manager leverages its global footprint and local networks to source opportunities at different stages of development. These are screened for suitability and potential targets are subject to due diligence to assess risks, confirm valuation assumptions and review sustainability considerations. Investment approval is multi-level and culminates with Board sign-off.

Sustainability considerations

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



Develop, build

There is a focus on opportunity identification and risk mitigation to maximise risk-adjusted returns for shareholders. The Company actively manages projects, employing strategic analyses to combine development, construction and maintenance determinations with efficient balance sheet management. Foresight Solar partners with experienced counterparties to build and manage projects, and to secure future pipeline.

Sustainability considerations

Operations and maintenance providers monitor and manage the day-to-day performance, including sustainability KPIs, of each asset in the portfolio and report to the Investment Manager.



Operate, enhance

Foresight Solar seeks to ensure optimal operational availability and maximise revenue potential with an active power price hedging strategy. The portfolio is regularly assessed for opportunities to improve performance, both operational and financial, and to better meet sustainability objectives. The Investment Manager consistently seeks to capture the value identified for the benefit of shareholders and its strong operational track record has delivered tangible value since listing.

Sustainability considerations

Measuring KPIs from as early as the due diligence phase, the Investment Manager is able to continually seek and execute on improvement opportunities across the portfolio.



Hold/exit, recycle

The Company's strategy involves mostly holding assets for cash yield and delivering long-term NAV growth by bringing projects from development to construction and then operation. Foresight Solar may generate additional value by selling assets at favourable prices. The Investment Manager and the Board evaluate these opportunities carefully, reviewing assets' potential to generate returns over time.

Sustainability considerations

Sales proceeds will typically be used to repay debt or to invest in assets with attractive risk-adjusted returns, including development-stage options that grow the Company's pipeline and provide upside potential.

The value we create

Financial benefits

£92.8m

distributed from underlying assets in 2025

£438.4m

returned to shareholders in dividends and buybacks since IPO

Environmental benefits

1,038 GWh

of clean energy generated in 2025¹

381,748

UK homes powered for a year

359,880 tCO₂e

avoided compared to country-specific grid intensity

Social benefits

£254,131

contributed to local communities in 2025

1. Generation figures have been adjusted, where relevant, for events in which compensation has been, or will be, received.

Company structure

Foresight Solar Fund Limited (FSFL) is a closed-end company with an indefinite life. It was incorporated in Jersey under the Companies (Jersey) Law 1991, as amended on 13 August 2013, with registration number 113721.

The Company's Initial Public Offering on the London Stock Exchange on 24 October 2013 raised £150 million, creating the UK's largest listed solar investment trust at the time. As at 31 December 2025, there were 550,239,207 ordinary shares in circulation and another 59,719,513 were held in treasury.

As an investment company, Foresight Solar has no direct employees and outsources its operations to a few key service providers. It makes investments through intermediate holding companies and underlying project vehicles/special purpose vehicles.

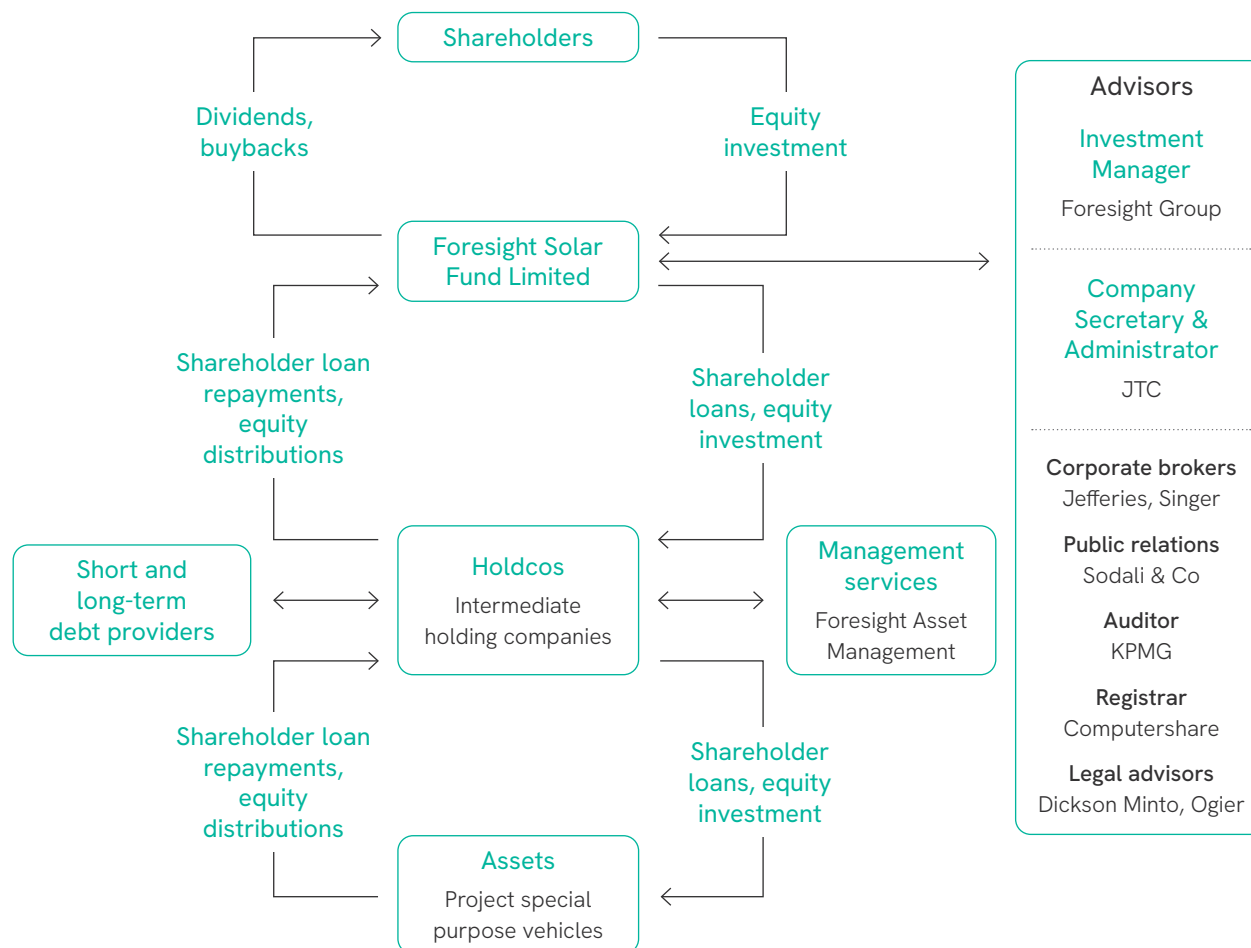
Significant shareholders

FSFL's shareholders include a mix of institutional and retail investors. Those with more than a 5% holding as at 31 December 2025 were:

Investor	Shareholding in fund %
Schroders	8.45%
Hargreaves Lansdown	6.74%
Blackmead Infrastructure ¹	6.42%
Gravis	5.68%
BlackRock	5.51%
Total	32.80%

1. Blackmead Infrastructure is a vehicle independently managed by Foresight Group for the benefit of its investors.

Operating structure and key service providers:



Company structure continued

Investment objective

Foresight Solar's objective is to provide investors with a sustainable, progressive quarterly dividend and enhanced capital value, whilst facilitating climate change mitigation and the transition to a lower-carbon economy.

Investment policy and strategy

In summary, the Company pursues its investment objective by acquiring, managing and selling solar and battery energy storage system (BESS) assets at different stages of maturity. (The full investment policy is outlined from page 103.)

FSFL's aim is to build a diversified portfolio with majority or minority ownership. When investing in a stake of less than 100%, Foresight Solar secures its rights through shareholder agreements and other legal transaction documents. Investments may be made in equity, debt or intermediate instruments but not in securities traded on an investment exchange. To optimise returns, the Company is permitted to invest money held for working capital in cash deposits, gilts and money market funds.

Operationally, each solar power plant in the portfolio enters a power purchase agreement (PPA) with a creditworthy offtaker. Under these contracts, the special purpose vehicles (SPVs) sell electricity and, in some cases, green certificates to the buyer. Not all PPAs include mechanisms such as fixed prices or price floors, allowing the Company to retain some exposure to merchant power prices.

Investment restrictions

To diversify its portfolio and spread risk, there are limitations to Foresight Solar's investment universe and approach:

- **Geography:** Investments outside the UK are limited to 25% of Gross Asset Value (GAV)
- **Leverage:** Total gearing, calculated as overall Company borrowing as a percentage of GAV, will not exceed 50% at the time of drawdown. The Board intends to limit long-term gearing to 40% of GAV
- **Portfolio composition:** No single asset shall exceed 30% of GAV post-acquisition. If the investment is an additional stake in an existing asset, the combined value should not exceed 30%
- **Stage:** Foresight Solar is allowed to deploy no more than 5% of GAV in development-stage projects. These assets are characterised as pre-construction solar or BESS opportunities that may not yet have all necessary rights for build-out and operation, but have a delivery plan and reasonable viability to secure them. Similarly, projects under construction are limited to 25% of GAV
- **Technology:** The Company may only invest in utility-scale battery storage up to a limit of 10% of GAV

Any material change to the investment policy will require the prior approval of shareholders by way of an ordinary resolution, in accordance with the Listing Rules.

Alternative Investment Fund Management Directive (AIFMD)

Although the Company is located outside the European Economic Area, its marketing activities in the UK are subject to regulation implemented under the AIFMD and the National Private Placement Regime.

The AIFMD, as implemented across the European Union (EU) and in the UK, aims to harmonise the regulation of Alternative Investment Fund Managers (AIFMs), as well as impose obligations on firms that manage or distribute alternative investment funds in the EU or the UK or that market shares in such funds to EU or UK investors.

Under the AIFMD, the Company is self-managed and acts as its own AIFM.

Chair's statement



“In 2026, we will continue to work with shareholders to find acceptable solutions and ways to improve our share price performance.”

Tony Roper
Chair

2025 was a challenging year for the renewable energy investment trust sector.

Despite regulatory headwinds and persistent discounts, Foresight Solar delivered solid operational performance and made progress on key strategic priorities. We advanced our development pipeline, strengthened our balance sheet, and took decisive steps to protect long-term value for shareholders.

Operational performance

Overall, the global portfolio delivered another year of stable operations, generating 1,038 GWh of electricity, slightly below budget – mostly due to curtailment in Spain and Australia. The UK portfolio outperformed base case by 3.4%, benefiting from above-budget irradiation. (Read more on page 14.)

With this year's results, our core UK market has now outperformed forecasts in nine of the past 12 years, a track record of operational excellence we are proud of.

To ensure our long-term assumptions remain appropriate, we commissioned independent technical experts to conduct a detailed review of the UK portfolio. Their analysis recognises the thorough operational oversight, and we have adjusted our forecasts for assumed technical performance and asset lives based on their results. Whilst some peers have revised down their production forecasts in recent years, we are proud to have third-party validation of higher-than-expected generation. These updates support the portfolio's key valuation drivers and provide confidence in future forecast production. (Read more on page 35.)

With this year's results, our core UK market has now outperformed forecasts in nine of the past 12 years, a track record of operational excellence we are proud of.

In terms of new developments, the connection of Sandridge BESS builds on the success of the Lorca portfolio in Spain. The completion of this UK battery storage project once again proves our capability to bring plants through construction into operation and creates financial upside for shareholders. (Read more on page 19.)

Financial results

Our active power price hedging strategy continues to serve us well. The approach supported an average realised price of £82.57/MWh in the UK during 2025 and supported the 1.3x dividend cover. (Read more on page 29.)

Based on our track record, I am pleased to announce a target dividend of 8.10 pence per share (pps) for 2026. Considering our latest projections, we expect dividend cover from cash generated and net of debt repayments to be 1.1x for the coming year, in line with the historic average.

Chair's statement continued

Financial results continued

On a P50 generation basis, this quarter's production and contracted revenues should be enough to provide 1.0x dividend cover for 2026. The portfolio's merchant exposure should then provide additional upside as energy prices remain elevated.

We are cognisant of the sector discussion surrounding long-term dividend sustainability. At the current share price, FSFL is yielding over 13% on a fully covered dividend. Having carefully considered the appropriateness of our payouts, we concluded that, for 2026, it was best to maintain the dividend target. We recognise the importance of cash yield to our investors and remain committed to a progressive dividend strategy. Increasing the dividend now, however, would not be sustainable or in shareholders' long-term interests. Holding the target gives us more flexibility to allocate surplus cash, including to build dividend cover for future periods.

We continued to return cash through our share buyback programme, one of the largest in the sector. It reflects our confidence in the portfolio and the benefits are threefold: it allows us to redeploy capital at attractive returns, supports stronger dividend cover over time, and delivers net asset value accretion for shareholders.

Whilst operational performance was positive, declining power prices and lower valuations of our Australian holdings resulted in a net asset value decline of 14.0% over the year. This underlines the importance of our capital allocation strategy, including balanced investment into growth opportunities to protect the NAV over the medium to long term. (Read more on page 33.)

We were disappointed to report a tax adjustment in our third quarter NAV update, in November. Since that announcement, the Investment Manager and the tax advisor finalised their reviews, and we presented the detail of the analyses in our fourth quarter update. Based on assurances from the Investment Manager and its advisors, the Board believes all our UK tax affairs have been comprehensively reviewed and our long-term projections updated accordingly.

Despite the negative impact on NAV, we believe the UK portfolio valuation of £0.97m/MW for a portfolio with inflation-linked, subsidy-backed revenues and a strong operating track record is in line with the market.

Balance sheet discipline has been a core tenet of our operations. The revolving credit facility was renegotiated to address near-term strategic priorities and improve cost efficiency, with projected savings of £1 million over the term of the facility. The portfolio-level debt's amortising schedule is aligned with the life of the subsidies, and we are diligently paying it down. We have kept gearing within the Board's 40% target and comfortably under the 50% limit set in the Company's Articles of Association. (Read more on page 70.)

Based on our consistent track record, I am pleased to announce a target dividend of 8.10 pence per share (pps) for 2026.

Foresight Solar's operating costs, especially at the asset level, are regularly reviewed and represent good value, benchmarking well against the peer group.

Market environment

The UK renewable infrastructure sector faced mixed signals in 2025. The conclusion of the UK government's Review of Electricity Market Arrangements removed the risk of zonal pricing, and new Financial Conduct Authority rules on Consumer Composite Investments may broaden the appeal of the investment trust market.

At the same time, changes to the inflation indexation mechanism for Renewables Obligation Certificates and the Feed-in Tariff, combined with a difficult economic backdrop and unsuccessful corporate actions, contributed to weaker sentiment across the sector.

Foresight Solar was not immune. Our share price reached a low of 62.4 pence in December, representing a discount of almost 40% to NAV. After trading at an average discount of more than 10% during 2025, we will hold another discontinuation vote at the upcoming Annual General Meeting in June.

The Board remains fully committed to addressing the share price discount to net asset value and delivering the best possible outcome for shareholders. This was a key part of our Board discussions during the year.

Chair's statement continued

Corporate activity

In March, we agreed a revised fee arrangement with the Investment Manager, reducing costs for investors and better aligning long-term interests. (Read more on page 78.)

In September, along with the Investment Manager, the Board determined that proceeding with the sale of the Australian assets would not offer sufficient value due to the deterioration in the local market for solar portfolios. We will wait until conditions improve to restart the sale process.

Nevertheless, the divestment programme of an additional 75 MW of operational solar is on track, and we look forward to updating investors soon. We will deploy the proceeds in accordance with our capital allocation strategy, considering, at the time, returns to shareholders, paying down debt and reinvesting in opportunities that offer higher returns.

The Investment Manager is encouraged by a steady flow of high-quality opportunities, especially in the Company's main market, that may allow us to recycle capital into new development or construction projects to enhance the portfolio's revenue profile over time. The results of Allocation Round (AR) 7 and the launch of AR8 in the UK were positive signals for the sector. They are likely to expand the pipeline of attractive early-stage investment opportunities in the country and support capital recycling over the year.

Recycling capital remains central to our ability to increase total returns whilst maintaining a dependable income stream.

Strategy and outlook

Recycling capital remains central to our ability to increase total returns whilst maintaining a dependable income stream.

I am encouraged by the progress of our development pipeline, giving us options on how best to deploy capital. We can either sell early-stage projects to capture value or build them out and operate them for yield. (Read more on page 17.)

Going forward, this will be core to our income and growth strategy. We plan to sell assets and rotate that released capital into development or construction projects that can boost the portfolio's earnings over time.

Despite the challenges of 2025, the sector fundamentals are compelling. The drive for energy security and affordability and decarbonisation continues to strengthen, and solar remains one of the most cost-effective and reliable sources of electricity. We are confident the Company is well positioned to benefit from these long-term trends.

As we drafted this report, another conflict erupted in the Middle East, threatening more tragedy, introducing renewed volatility into natural gas markets, and causing knock-on effects on electricity prices. On a business level, we were nimble to capitalise on short-term price movements and hedge production at levels that build on dividend cover. The extent of any sustained impact on prices, however, will depend on how long the conflict lasts.

Discontinuation vote

Last year, my predecessor wrote about the need for change in the renewable energy investment trust sector. The Board evaluated various opportunities which culminated in a formal proposal that we were unable to ultimately advance, and those discussions were terminated. We recognise that any public market solution inevitably involves complex considerations and differing vested interests but continue to evaluate all potential options to maximise value for shareholders.

We have considered – and continue to investigate – private market solutions. In parallel, we are also looking into options to unlock cash within the portfolio to support reinvestment and enhance our income-generating capacity.

Investors value Foresight Solar's attractive income and growth proposition, but it is clear they want larger, more liquid vehicles. A subscale investment trust without access to fresh capital to fund growth has limited options to scale and is generally restricted to merging or selling its portfolio.

It is also clear, as we and our peers are finding out, that making material disposals at attractive prices takes time, requires preparation and demands careful marketing.

Chair's statement continued

Discontinuation vote continued

A vote for discontinuation at the Company's upcoming AGM in June could, therefore, result in a sub-optimal outcome for shareholders. An immediate sale of the entire portfolio, particularly under time pressure, could be perceived as a forced process and may not achieve attractive value.

That said, the Board recognises the imperative to find a suitable solution for all shareholders in a timely manner. We plan to update investors further with the publication of our upcoming AGM circular.

Governance and leadership

We said farewell to Ross Driver in 2025. We want to thank him for his contribution and wish him well for his next chapter. The Investment Manager continues to provide strong support to the Board whilst the final arrangements are finalised for his replacement to start in April. The depth of the dedicated Foresight Solar team gives us confidence in their ability to deliver on our strategy.

We also acknowledge the long-standing service of Alex Ohlsson and Chris Ambler, who stepped down from the Board during the year. My fellow Directors and I remain committed to acting in shareholders' best interests and advancing the Company's strategic priorities.

Lastly, I want to thank our shareholders for your engagement during this challenging time. Your support is appreciated.

Closing remarks

Foresight Solar's business model remains robust. The portfolio is operating at a high standard, steadily generating cash to pay the dividend. We are increasing our capabilities to create additional value from development and construction of assets, and this is an area in which we forecast more activity this year.

We enter 2026 with clear priorities: closing the share price discount, strengthening future dividend cover, evolving our development pipeline, and continuing to manage the portfolio to maximise returns.

I look forward to working closely with my fellow Directors, the Investment Manager and our investors as we navigate the year ahead.



Tony Roper

Chair

23 March 2025



Los Picos, Spain

Investment Manager's report

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£545.9m

Net asset value
(as at 31 December 2025)

£0.97m/MW

UK portfolio valuation
(as at 31 December 2025)

6.0x

EV/EBITDA ratio
(as at 31 December 2025)

Investment Manager's report

Investment Manager

Foresight Group, the Company's Investment Manager, advises the Board on the formulation of the investment strategy and is responsible for its execution. This includes sourcing and structuring new transactions, managing assets through development, construction and operations, as well as optimising the portfolio's revenue stack and capital structure. Foresight Group is also responsible for risk management.

Founded in 1984, Foresight Group is a leading listed real assets, public and private equity investment manager. More than 55% of Foresight Group's real assets are invested in climate solutions and the firm has an established focus on responsible investing, aiming to provide attractive returns to institutional and retail investors in public and hard-to-access private markets.

Foresight Group manages hundreds of infrastructure assets with a focus on renewable energy generation, including solar, onshore wind, bioenergy and energy-from-waste. The firm also manages renewable energy-enabling sites, energy efficiency management solutions, social and core infrastructure projects, and sustainable forestry assets on behalf of its clients.

The real assets division consisted of almost 200 investment, portfolio and technical professionals as at 30 September 2025 – the latest publicly available data.¹ The team is comprised of:

- An investment management team responsible for originating, assessing and pricing assets, managing due diligence and executing transactions
- An asset management team with expertise across electrical and civil engineering, finance and legal disciplines that oversees day-to-day portfolio operations
- A sustainability team that contributes to every phase of the investment and asset management processes and is responsible for integrating and monitoring best practices

The second pillar of Foresight Group's business, private equity, manages some £2 billion in 26 investment vehicles across the UK and Ireland. The division reviews more than 3,000 business plans each year and currently supports a portfolio of over 250 small and medium-sized enterprises.

The third pillar, Foresight Capital Management, is responsible for seven differentiated strategies investing in listed companies with a sustainability focus around the world, managing £1.1 billion in assets.

Foresight Group operates in six countries in Europe and in Australia with total assets under management of £13.7 billion.

Foresight Group Holdings Limited listed on the London Stock Exchange in February 2021 and was admitted to the FTSE 250 in September 2023.

£13.7bn

assets under
management

450+

infrastructure
assets under
management

185+

investment,
commercial
and technical
professionals

5.0 GW

total green energy
technology
capacity

1. All data on this page is accurate as per Foresight Group's latest results.

Investment Manager's report continued

Investment Manager

Key people



Toby Virno
Fund Manager

Background

Toby joined Foresight Group in 2018 and brings over a decade of experience in the investment and financing of renewable energy assets and projects, particularly in solar PV and battery energy storage systems. As a core member of the full-time Foresight Solar team, he plays an integral role in supporting the successful delivery of the Company's investment mandate.



Gary Fraser
CEO of Foresight Group

Background

As CEO and a member of the Board of Directors, Gary brings more than 30 years of experience in providing and guiding specialist financial input across corporate, portfolio and investment trust decisions.

Before joining Foresight, he served as Company Secretary at F&C Asset Management, where he focused on financial, legal and tax compliance, technical and financial reporting, and corporate finance. His earlier career included roles at EY in audit and risk assurance.

Additional team members



David Goodwin
Head of Fund Finance

Background

David joined Foresight Group in 2020 and has more than 12 years of experience in renewable energy finance, including almost a decade working with listed investment vehicles. A qualified accountant, he plays a valuable role in supporting the Company's financial management and governance.



Julian Elsworth
Portfolio Director

Background

Julian joined Foresight Group in 2013. A Chartered Engineer with more than 20 years of experience in renewables, he oversees the technical and commercial performance of Foresight Solar's portfolio. Julian has been involved with the portfolio's assets from construction and now focuses on optimising performance, managing key supply chain relationships and contributing to the procurement of new solar assets. Before joining Foresight, he was a consultant at WSP Group, advising on the design, optimisation and operation of renewable energy projects.



Matheus Fierro
Head of Investor Relations
and Communications

Background

Matheus joined Foresight Group in 2023 to lead the Company's shareholder engagement, reporting and public relations activities. With more than a decade of experience across capital markets and financial services, he contributes to strengthen Foresight Solar's narrative and market positioning while broadening its reach with institutional and retail investors. Prior to Foresight, Matheus held roles at UBS Asset Management and Brunswick Group.

Investment Manager's report continued

Key investment metrics

	Year ended 31 December 2025	Year ended 31 December 2024
Net asset value (NAV)	£545.9m	£634.4m
NAV per share	99.2p	112.3p
Dividend per share declared for the year	8.10p	8.00p
Annualised total NAV return since IPO	6.4%	7.4%
Gross Asset Value (GAV)	£928.2m	£1,044.7m
Share price	64.4p	77.0p
Ordinary shares in circulation ¹	550,239,207	564,856,642
Market capitalisation	£354.4m	£434.9m
Annualised total shareholder return since IPO	2.8%	3.8%
UK portfolio valuation	£0.97m/MW	£1.10m/MW
Cash flow from operations	£56.7m	£61.7m
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	£112.2m	£105.4m
Net debt/EBITDA	2.9x	3.2x
Enterprise value (EV)/EBITDA	6.0x	7.4x

1. During the period, 14,617,435 shares were repurchased and are held in treasury. Further details on page 143.



Paddock Wood, UK

Investment Manager's report continued

Key operational metrics

	Year ended 31 December 2025					Year ended 31 December 2024				
	Operational capacity (MW) ¹	Total generation (GWh) ²	Budgeted generation (GWh)	Generation variance in relation to base case ³	Irradiation variance in relation to base case	Operational capacity (MW)	Total generation (GWh) ²	Budgeted generation (GWh)	Generation variance in relation to base case ³	Irradiation variance in relation to base case
United Kingdom	748	690	667	3.4%	10.1%	723	630	670	(6.0)%	(4.7)%
Spain	76	118	139	(15.0)%	(2.3)%	76	144	139	3.6%	(2.5)%
Australia	170	230	245	(6.2)%	(2.4)%	170	235	276	(14.7)%	(4.8)%
Global portfolio	994	1,038	1,051	(1.3)%	4.9%	969	1,009	1,085	(7.0)%	(4.5)%

1. Includes battery energy storage systems capacity.

2. Generation numbers include distribution network operators' (DNOs) outages outside Foresight Solar's control. Removing network operators' unforeseen stoppages, total generation for the global portfolio to 31 December 2025 would have been 2.6% higher at 1,064 GWh.

3. Generation figures have been adjusted, where relevant, for events in which compensation has been, or will be, received.

Investment Manager's report continued

Portfolio overview

As at 31 December 2025, Foresight Solar's global operational portfolio comprised 59 assets with a combined net peak capacity of 994 MW, supported by a growing proprietary development pipeline of solar and battery storage projects.

In the UK, the Company operated 50 solar sites with 723 MW of installed capacity and held a 50% interest in Sandridge, a 50 MW/50 MWh battery energy storage system (BESS). In addition, FSFL owned a 50% holding in one pre-construction storage project with 50 MW/50 MWh capacity. Internationally, the portfolio included stakes in four operational solar farms in Australia (equivalent to 170 MW) and in a further four in Spain (equivalent to 76 MW). (See the full portfolio composition from page 37.)

Almost all UK solar assets are accredited under the Renewables Obligation (RO) scheme, with Yardwall the sole exception under the Feed-in Tariff (FiT) scheme. Sandridge BESS operates predominantly on a merchant basis, though it has secured revenues with an attractive 15-year capacity market contract.

The Australian assets benefit from Large-scale Generation Certificates (LGCs), whilst the Spanish assets are supported by long-term power purchase agreements (PPAs) rather than subsidies. These PPAs, secured with creditworthy counterparties, provide strong revenue visibility and cover approximately 70% of the portfolio's output. Virgen del Carmen agreed a 10-year offtake contract with Shell in September 2020, and the Lorca portfolio (Los Llanos, Los Picos and Las Salinas) entered a similar agreement with Statkraft in December 2021.

Foresight Solar continued to expand its development activities, establishing a pipeline of 867 MW across multiple early-stage solar and storage projects, alongside the in-house development of 122 MW of BESS in Australia. These well-structured opportunities enhance growth potential, broaden investment optionality and support long-term shareholder value.

Country	Technology	Status ¹	Number of assets	Capacity (MW)	Primary revenue
UK	Solar	Operational	50	723	Subsidy and PPA
	BESS	Operational	1	25	Merchant sales
		Pre-construction	1	25	—
Spain	Solar	Operational	4	76	PPA
		Development	6	467	—
	BESS	Development ²	3	400	—
Australia	Solar	Operational	4	170	Subsidy and PPA
	BESS	Development	2	122	—
Total	Solar	Operational	58	969	
		Development and construction	6	467	
	BESS	Operational	1	25	
		Development and construction	6	547	
Combined total	Solar and BESS	Operational	59	994	
		Development and construction	12	1,014	

1. Development assets are characterised as pre-construction solar or BESS opportunities that may not yet have all necessary rights for build-out and operation, but have a delivery plan and reasonable viability to secure them.

2. The agreement with Chelion Iberia does not include a limit to projects leading up to a total of 400 MW target of battery storage development.

Investment Manager's report continued

Portfolio overview

Revenue structure

The Company generates income by producing and exporting electricity to the grid. Revenue is primarily earned through electricity sales to third-party offtakers, either under fixed-price arrangements or at market rates, as well as through regulatory support mechanisms available in the geographies where FSFL operates.

To manage exposure to power price volatility, Foresight Solar employs a proactive hedging strategy that combines fixed-price sales agreements with financial instruments. This approach improves revenue stability by securing prices for a portion of forecast generation over the short and medium term. For example, the Company may lock in prices for part of its summer output to help support dividend targets, whilst retaining some merchant exposure in winter months to benefit from potential seasonal price upside.

Revenues from subsidies, fixed-price power purchase agreements and hedging instruments are classified as contracted due to their high degree of certainty. Electricity sold on a day-ahead basis is considered merchant or uncontracted.

During 2025, approximately 51% of revenue was generated from subsidies, with the remaining 49% coming from electricity sales (31 December 2024: 40% and 60%, respectively). With most fixed-price arrangements secured through PPAs, 86% of revenue in the period was contracted and 14% was merchant (31 December 2024: 89% and 11%, respectively). On a net present value basis, contracted revenue accounts for 43% of total forecast income over the full investment period as at 31 December 2025.

Divestments

Battery storage

Foresight Solar sold its 50% stake in Lunanhead, a 50 MW battery storage asset in Perthshire, Scotland to an independent third party at a price in line with the 30 June 2025 carrying value. The Investment Manager continues to explore options for Clayfords, another 50 MW BESS project in which the Company has a 50% holding.

According to analyst estimates, recent regulatory changes have effectively reduced battery capacity in the connection queue to 83 GW. Of that total, 34 GW will have a connection date before 2030, with much of the rest likely to be abandoned. The Investment Manager has met all necessary planning and pre-construction milestones to secure the project's grid connection offer, ensuring it can move ahead.

The Board remains confident in the long-term investment case for battery storage, particularly when paired with intermittent solar generation. With its portfolio, FSFL is acting opportunistically to protect value and maintain its disciplined capital allocation approach.

Operational solar

The Board started a process to sell an additional 75 MW of operational solar projects. The Directors appointed financial advisors in the summer and good progress has been made, with market feedback underscoring the appeal of well-structured portfolios with attractive revenue profiles.

The divestment would crystallise value and release cash to be deployed according to the Company's capital allocation strategy, considering, at the time of closing, returning cash to shareholders, reducing debt and reinvesting in development and construction-stage projects with higher return potential.

This phase of the divestment programme underscores the Directors' commitment to protecting value for investors whilst following a strategy of selectively realising assets to recycle capital and potentially reinvesting in development or construction projects that can strengthen the portfolio's long-term revenue profile.

The Board looks forward to providing a further update in due course.

Australian portfolio

Higher bond yields and ongoing curtailment reduced appetite for renewables transactions. Investors have become more selective, favouring opportunities that offer clear follow-on deployment potential rather than standalone assets.

Although the Board received a small number of bids for the Australian portfolio, none were deemed deliverable. The Directors judged that these offers did not represent best value for shareholders and chose not to proceed with them. They remain committed to divesting this non-core portfolio to release capital in an orderly and protective manner.

In the meantime, the Investment Manager is focused on enhancing the portfolio's strategic and financial position, including progressing discussions with lenders to put the portfolio on a sustainable footing, as well as advancing the two co-located BESS developments.

Investment Manager's report continued

Portfolio overview

Development pipeline

Unlike purchasing consented rights from developers or having the right of first offer, Foresight Solar is the holder of the rights to its development pipeline. This means the Company can capture the financial benefit of projects' evolution for its shareholders.

The proprietary development pipeline is a key component of Foresight Solar's income and growth strategy. As the operational portfolio generates cash to fund the dividend, the development and construction projects provide the optionality for the Company to either sell these early-stage assets and capture value or build and operate them for yield.

The solar and battery storage plants that mature from the pipeline will have the potential to secure attractive long-term contracted revenues, such as corporate PPAs in Spain and Contracts for Difference in the UK, and contribute to enhance the global portfolio's revenue profile over time.

Chelion portfolio

Throughout the year, the Investment Manager continued to monitor node availability and submitted applications for grid capacity under its agreement with Chelion Iberia, which provides the opportunity to co-invest in up to 400 MW of development-stage battery storage projects in Spain. Under this arrangement, Foresight Solar commits capital only once projects are confirmed to be viable.

The Company has already secured capacity for four projects, totalling 80 MW, across different locations – an important milestone on the road to becoming ready to build. The Investment Manager is now reviewing the most effective pathways to progress these sites.

Spain's BESS market is evolving quickly as the government seeks to integrate additional storage into the grid and competition for connection to the network has increased materially. In response, distribution and transmission operators have opted to make offers to a bigger number of smaller projects, rather than to fewer, larger sites.

Foresight Solar recognises that not every early-stage opportunity will progress to construction and operation, and a degree of attrition is expected when building a proprietary development pipeline. Its agreements are structured to reflect those models, with conditions in place to protect the Company's interests.



Los Picos, Spain

Investment Manager's report continued

Portfolio overview

Development pipeline continued

Cuerva portfolio

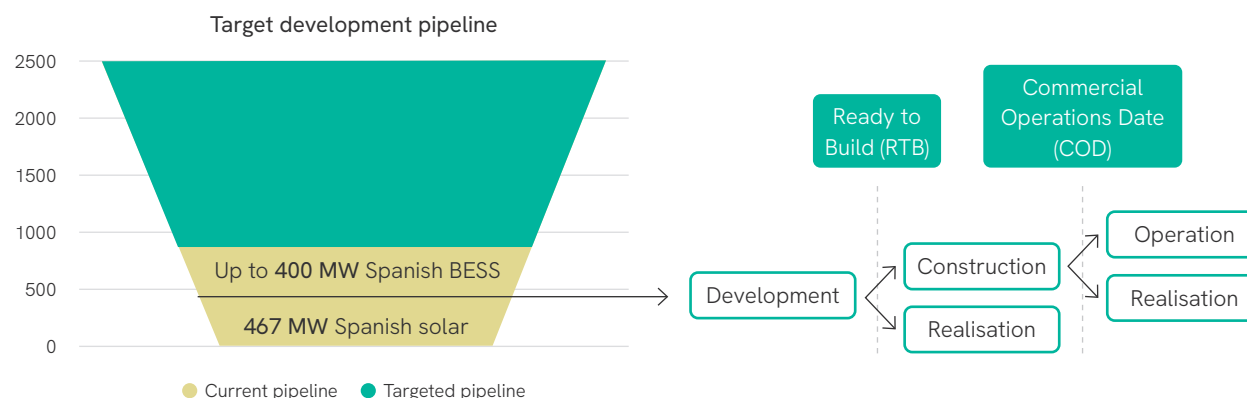
Muel, the 55 MW solar project emerging from the 467 MWp development pipeline in Spain, has been materially derisked after securing its planning and environmental approvals and is now approaching ready-to-build status. Whilst final permits are being completed, the Investment Manager is assessing the potential for battery co-location and monitoring PPA pricing to optimise the asset's long-term value.

Once the construction permit is granted, the Board will consider the most value-enhancing option, either selling the asset to crystallise returns or, subject to available funding, proceeding to construction to capture additional value once it becomes operational.

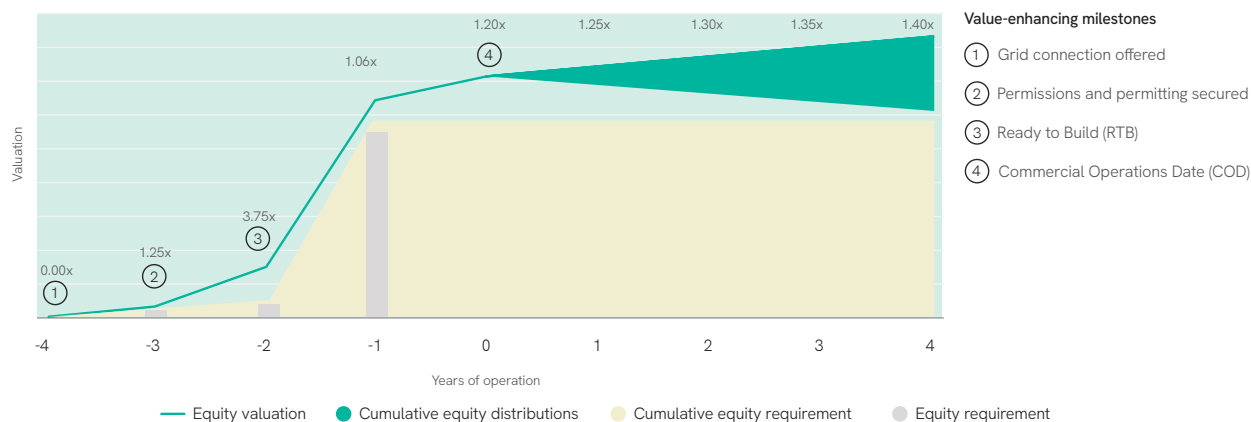
Grid auctions in Spain, which historically played a central role in allocating capacity for new renewable projects, are now unlikely to proceed under their original framework. This potentially impacts the other five projects in the Cuerva portfolio, which were awaiting grid connection offers.

Attrition is a normal feature in early-stage development and Foresight Solar accounted for this in its investment case. In an example of prudent deal structuring for downside protection, the agreement with the Company's development partner is both cross-collateralised and backdated. This structure gives Foresight Solar the option to apply its initial, low single-digit millions initial investment towards the remaining capital required to complete Muel's development, without incurring additional costs. This approach allows the project to continue progressing whilst safeguarding value for shareholders.

Proprietary development pipeline



Indicative development lifecycle: Investment and valuation



Investment Manager's report continued

Portfolio overview

Construction progress

Sandridge BESS

The 50 MW, one-hour lithium-ion battery began operating in late 2025 and is now contributing to revenues for the current year.

Located next to its namesake solar farm in Wiltshire, Sandridge BESS was Foresight Solar's first storage investment. The Company acquired a 50% stake in 2021, partnering with Foresight Environmental Infrastructure (FGEN).

Despite delays caused by the local distribution network finishing associated grid infrastructure reinforcement works, the plant is now fully energised and importing and exporting power as designed. Its performance will be reflected in upcoming reports.

Building value for income and growth

Battery energy storage systems (BESS) naturally complement intermittent renewables and are becoming essential as power systems decarbonise.

Sandridge BESS marked Foresight Solar's entry into a second technology when it was acquired at the pre-construction stage in 2021. Since then, the Investment Manager's specialist team has led the build and ran a competitive process to select the most suitable route-to-market provider.

The asset came into operation in late 2025, triggering a move in valuation from cost to a discounted cash flow. This transition generated a 0.4 pence per share uplift to the Company's net asset value.

Sandridge BESS – and the earlier Lorca portfolio, which the Company built, optimised and realised value from in Spain – exemplifies Foresight Solar's balanced income and growth strategy.

This is the opportunity that the Board targets with the proprietary development pipeline, capturing value at planning, again at construction, and once more at operations. At each stage, FSFL can choose to take profits and recycle capital or retain assets for yield to support the dividend.



Paddock Wood, UK

Investment Manager's report continued

Q&A with the Fund Manager: Foresight Solar's fundamentals remain strong



Toby Virno
Fund Manager of Foresight Solar

Toby answers the tough questions that weighed on investor sentiment. He explains there is room for optimism as the Board and the Investment Manager respond to headwinds, and highlights the steps taken to strengthen the portfolio and improve performance.

Question: You've been working on divestments and have already delivered on the first phase of the process. When should investors expect an update?

Toby Virno: We moved quickly on the first phase with the sale of a 50% stake in Lorca, which delivered a 21% premium to the then holding value and helped us reduce debt. We were disciplined in disposing of one of our pre-construction BESS projects that did not meet the threshold to be taken through construction.

Market conditions have evolved, especially in Australia, where it simply is not a seller's market today. As Australia is no longer core for us, we will return to that sale when conditions improve and value is clearer.

We have committed to selling a further 75 MW of capacity and look forward to updating shareholders soon.

The goal is always to act when the timing supports value, not just speed.

Q: You've built a development pipeline of almost 1 GW and have stated interest in growing it to as much as 3 GW. Will you develop and build all that capacity?

TV: Our pipeline is a strategic asset, but it is not a commitment to build everything. To continue delivering dependable income whilst increasing returns, we need to recycle capital and the pipeline creates those opportunities.

Our development model is capital-light by design. We'll originate and derisk projects, but we won't necessarily construct or hold all of them. The strength of the pipeline is that it gives us choices. We can sell early to crystallise value or selectively build and hold for yield.

We should also be clear that not every project will progress, and that's built into our expectations. Even with ordinary attrition, we target double-digit returns across the programme. The proprietary development pipeline is key to our model of efficient capital recycling. It will provide new projects to be funded with gains from sales of optimised assets.

Investment Manager's report continued

Q&A with the Fund Manager: Foresight Solar's fundamentals remain strong

Q: Below-zero electricity prices, especially at peak renewable generation periods, are becoming more common. Are you concerned about curtailment in Spain or England?

TV: Curtailment in Spain has increased as more solar has come online. 2025 saw record levels, and forecasts suggest it could reach around 50% of renewable generation by 2028. It's something we monitor closely, and we're working proactively to mitigate the risk.

Our Spanish assets benefit from long-term PPAs covering roughly 70% of production, which protects revenue during volatile market periods. Spain is also moving fast to integrate storage, and we're leaning into that, prioritising standalone options and exploring hybridisation of our operational solar assets to improve returns and flexibility.

In the UK, curtailment is less of a concern for our operational portfolio. Production variations in our portfolio tend to reflect irradiation fluctuations or local distribution network operator (DNO) issues rather than structural constraints. The UK's rapid battery rollout is also helping stabilise the system and limit curtailment risk.

Q: The government in the UK recently changed the inflation indexation mechanism for its flagship support schemes. Are you concerned about the long-term sustainability of the dividend?

TV: Unfortunately, the move from RPI to CPI indexation from April 2026 does soften the inflation uplift on RO and FIT revenues to the end of this decade, when a change to CPIH was already scheduled. That has been reflected in our NAV and dividend cover projections. Even so, the Board remains confident in the sustainability of the dividend under our current model.

That said, we need to be realistic about the structural environment. Lower long-term power price expectations and the gradual run-off of subsidy revenues are both likely to affect dividend cover.

Income is central to why investors own Foresight Solar shares, and with the fund already yielding close to 13%, large increases would not be prudent. Keeping dividend growth limited in the near term allows us to preserve flexibility and protect the long-term income profile.

This challenging backdrop also underlines the importance of continuing to invest to promote future revenue growth – something our capital recycling programme looks to address.

Q: What does the future of the Foresight Solar team look like?

TV: Ross Driver stepped down in November 2025 to pursue new opportunities, and we are grateful for his contribution over the years. The core team remains in place, and our commitment to delivering strong outcomes for shareholders has not changed.

We are already advanced in the process to appoint a senior replacement. Will Morgan, a fund manager with over 20 years of experience and extensive expertise in renewable energy, will join us in April 2026. We look forward to working with him and introducing him to our investors.



Trehawke, UK

Investment Manager's report continued

Q&A with the Fund Manager: Foresight Solar's fundamentals remain strong

Q: It has been a challenging period for renewable energy investment trusts. Looking forward, what can investors get excited about with Foresight Solar?

TV: It has certainly been a tough market, but the fundamentals of our portfolio are strong. Our assets are generating power, producing cash and supporting an attractive dividend.

We are taking the right steps to enhance that resilience, repowering sites where it adds value, strengthening revenue visibility through hedging, and maintaining discipline on costs. Our operating expenses remain among the lowest in the sector, and the benefits of that efficiency flow directly to shareholders.

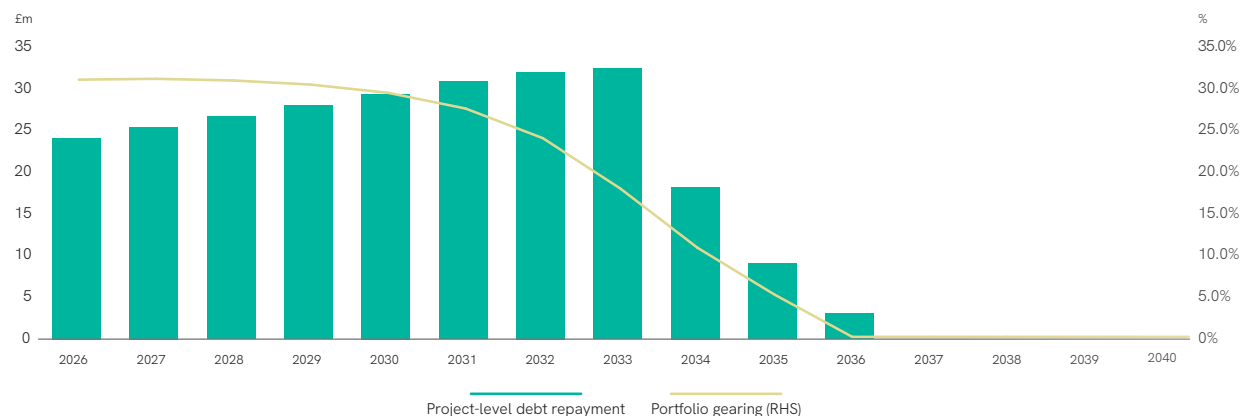
We have also improved the balance sheet with a resized and extended revolving credit facility and gearing closed the year at 41.2% of GAV, comfortably below the 50% policy limit. Combined with diligent capital recycling, that puts us in a solid position relative to peers.

Looking ahead, we are assessing construction opportunities in the UK to reposition the portfolio and capture the advantages of attractive revenue structures, such as Contracts for Difference. Foresight Solar continues to benefit from access to Foresight Group's pipeline and we are encouraged by a steady flow of high-quality opportunities, especially in the Company's core markets. We are intent on delivering on the capital recycling programme to then access opportunities that enhance portfolio revenues and, ultimately, shareholder returns.

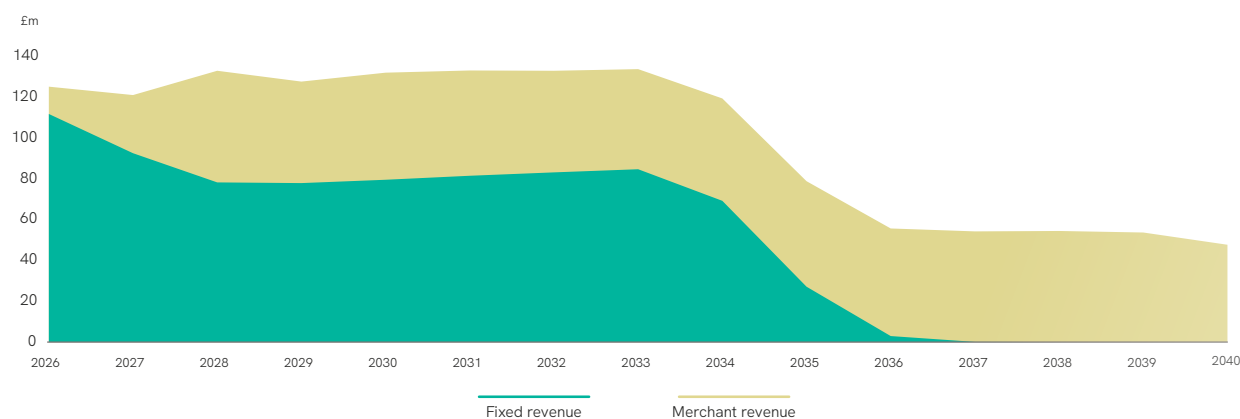
Taken together, our strong operational delivery and our ongoing corporate actions to narrow the share price discount to NAV place us in a robust and competitive position in the sector. (Read more about the efforts to reduce the discount in the Chair's statement from page 6.)

Stepping back, the energy transition is only accelerating. We have the team, the development pipeline and the operational platform to capture that long-term opportunity whilst continuing to deliver the dependable income our shareholders expect.

UK portfolio gearing profile¹



UK portfolio revenue profile¹



1. Graphs show assets operating for their entire useful lives with no reinvestment into the portfolio.

Investment Manager's report continued

Market context

United Kingdom

The UK solar sector moved forward during a year shaped by mixed policy adjustments, evolving market structures and wider economic uncertainty. Momentum on new-build solar remained solid, even as the government moved to update legacy support schemes and refine how the power system should operate.

A major milestone was the government's decision on the Renewables Obligation and Feed-in Tariff consultation, confirming an immediate switch from Retail Price Index (RPI) to Consumer Price Index (CPI) indexation from April 2026. This avoided the more damaging "freeze-and-catch-up" proposal but still marked a meaningful retrospective change that has unsettled parts of the industry and its observers. The outcome underscored concerns about confidence, with investors mindful of historic international precedents where sudden rule changes proved disruptive.

Long-delayed electricity market reforms also took shape, with the government concluding its Review of Electricity Market Arrangements and choosing to retain a single national electricity price rather than moving to locational pricing. Efforts will focus instead on more predictable network charges and stronger system operations, measures aimed at improving efficiency whilst keeping the investment environment coherent and investable.

Progress on grid reform also continued, with Ofgem, the energy regulator for Great Britain, approving measures to clear inactive projects from the connections queue and introducing firmer readiness assessments. These steps are designed to reduce delays and speed up delivery of projects that are genuinely ready to build.

On the financial support front, solar enjoyed strong success in the Contract for Difference Allocation Round (AR) 6, which awarded 3.3 GW of new capacity. In February 2026, the government announced results for AR 7, procuring a record 4.9 GW of solar capacity with a cleared strike price of £65.23/MWh (in 2024 figures).

For investors, broader market conditions created headwinds. The run-up to the Autumn Budget brought heightened volatility across UK assets, with uncertainty over tax and fiscal policy widening discounts across many investment trusts as gilt yields rose and risk appetite weakened. Escalating tensions in the Middle East from late February 2026 introduced renewed volatility into natural gas markets. Short-term prices rose but longer-term impacts will depend on how long disruption to energy supply routes last.

At the macro level, market consensus anticipated a gradual decline in interest rates through 2026, assuming inflation continued easing. This expected shift should, in time, help support valuations and financing conditions across the infrastructure sector. The airstrikes in Iran and other countries in the region, however, made market participants second-guess early assumptions and blurred the path forward for the year.

Regardless of the temporary turbulence, opportunities remain strongest for investors and developers with scale, technical capability and diversified revenue models. The government's launch of AR8 in March was a positive signal for the sector, expected to expand the pipeline of attractive early-stage UK investment opportunities and support capital recycling over the year.



Paddock Wood, UK

Investment Manager's report continued

Market context

United Kingdom continued

Combining solar with storage, improving operational performance, and pursuing repowering or life-extension strategies will help to sustain returns, especially as indexation changes refocus attention on efficient asset management. Those able to target higher-value projects and maintain a balanced income mix will be best positioned to capture stable, inflation-related returns as the UK continues its shift towards cleaner energy.

Spain

April's blackout was the defining factor in Spain's electricity market in 2025. The outage revealed structural weaknesses in voltage control, system flexibility and grid stability that the government has committed to resolve.

Policymakers have responded decisively, signalling a pivot towards ensuring renewable generation is accompanied by storage, advanced grid management technologies and new operational standards.

This supportive policy and regulatory environment have shaped the country's renewable investment landscape, driving record installation volumes.

New renewable capacity reached 11.1 GW, of which solar accounted for nearly 90%. Total installed solar capacity reached 49 GW, establishing the technology as the main contributor to the country's generation mix for the first time. Renewable energy now represents more than 70% of the country's total installed capacity, with solar the leading contributor.

Spain is on track to achieve the government's target of 76 GW of installed solar capacity by 2030. Investment in grid connection infrastructure will be key to avoid network congestion and accelerate the process.

The high solar penetration has led to increased curtailment and more frequent negative wholesale prices, particularly during periods of peak production. Revenue cannibalisation is becoming more pronounced, reflecting the maturity of the market and emphasising the importance of storage, route-to-market optimisation and diversified generation profiles.

For investors, these conditions underscore the transition underway: Spain is moving from a market driven primarily by headline capacity growth to one in which system integration, flexibility and operational excellence create the strongest investment advantages.

Experienced investors with a local presence and strong technical, operational and regulatory capabilities are best placed to capture opportunities in this complex landscape.

Australia

By late 2025, Australia had installed more than 4.3 million small-scale solar systems, delivering almost 28 GW of rooftop capacity nationwide. This rapid expansion, combined with the slower-than-anticipated retirement of coal-fired power stations, has reshaped daytime demand patterns.

As rooftop arrays continued to surge, regulators increasingly shifted their focus towards self-consumption and grid flexibility measures. State governments tightened export incentives in an effort to manage midday oversupply, a move designed to alleviate pressure on the network and, over time, reduce the persistent curtailment faced by utility-scale generators.

Despite these interventions, the market remained volatile. Negative wholesale prices became more frequent across the National Electricity Market, and several regions set new minimum demand records. South Australia's grid even dipped to -14 MW, a globally rare occurrence that underscores the scale of solar penetration.

Against this backdrop, hybrid solar plus battery portfolios have emerged as a central pillar of Australia's decarbonisation strategy. Their ability to mitigate price volatility, reduce exposure to curtailment, and deliver renewable output has made them an increasingly attractive proposition for investors seeking resilient, future-proofed infrastructure assets.

Investment Manager's report continued

Power prices

Subsidy revenue

The buy-out price for Renewables Obligation Certificates, one of the United Kingdom's main support mechanisms for large-scale renewable electricity projects, for the 2025/26 annual compliance period increased to £67.06 (2024/25: £64.73). The change reflected the average monthly percentage move in the Consumer Price Index, a common measure of inflation, during 2025. On average, Foresight Solar received 1.39 ROC/MWh across the UK portfolio.

Meanwhile, the 2025/26 Feed-in Tariff rate for Yardwall, the only UK asset to which the RO scheme does not apply, was £98.70/MWh (2024/25: £95.30/MWh).

In January 2026, the UK government released the outcome of its consultation on changing the inflation indexation for the RO and FiT schemes. From April, annual adjustments will move from RPI to the CPI. According to the Department for Energy Security and Net Zero, this shift brings these schemes in line with other government contracts and is expected to save households about £4 a year on their electricity bills.

In Australia, the average Large-scale Generation Certificate price secured by the portfolio in 2025 was A\$10.47 per certificate, lower than the A\$18.60 registered in the prior year. The drop was fundamentally caused by a supply and demand imbalance.

United Kingdom

Throughout the year, Foresight Solar benefited from its active hedging strategy, securing attractive power prices and strengthening income visibility to support the dividend. PPA fixes agreed in 2022 still provided valuable price certainty, with fixed rates above the prevailing wholesale market. As a result, the UK portfolio achieved an average realised price of £82.57/MWh across both fixed arrangements and merchant exposure – slightly above the 2025 N2EX average but below the £91.00/MWh the UK portfolio realised in 2024.



Paddock Wood, UK

Investment Manager's report continued

Power prices

United Kingdom continued

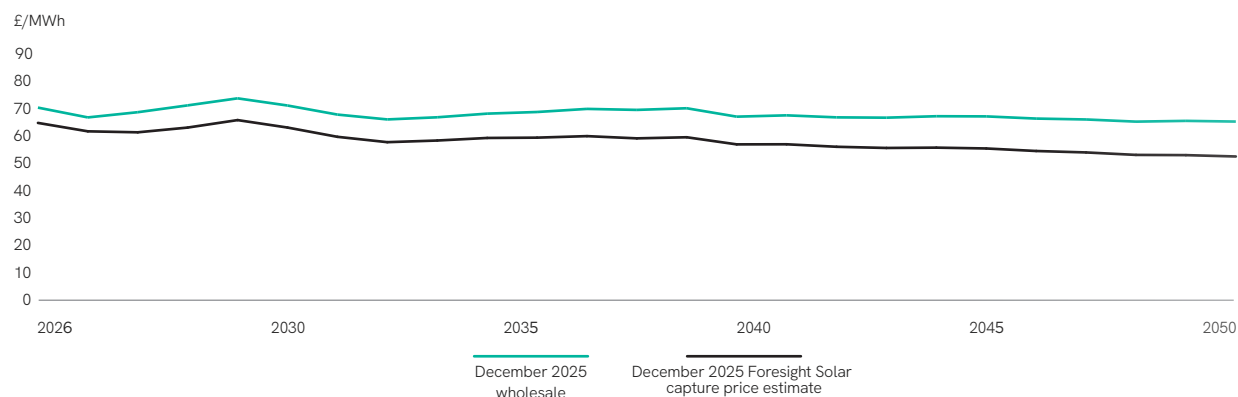
Price forecasts

The Investment Manager uses forward-looking power price forecasts to estimate the portfolio's future income for valuation. For UK solar assets, this is based on a blended average of three independent consultants' forecasts, adjusted to reflect the Investment Manager's expected capture price discounts for solar generation.

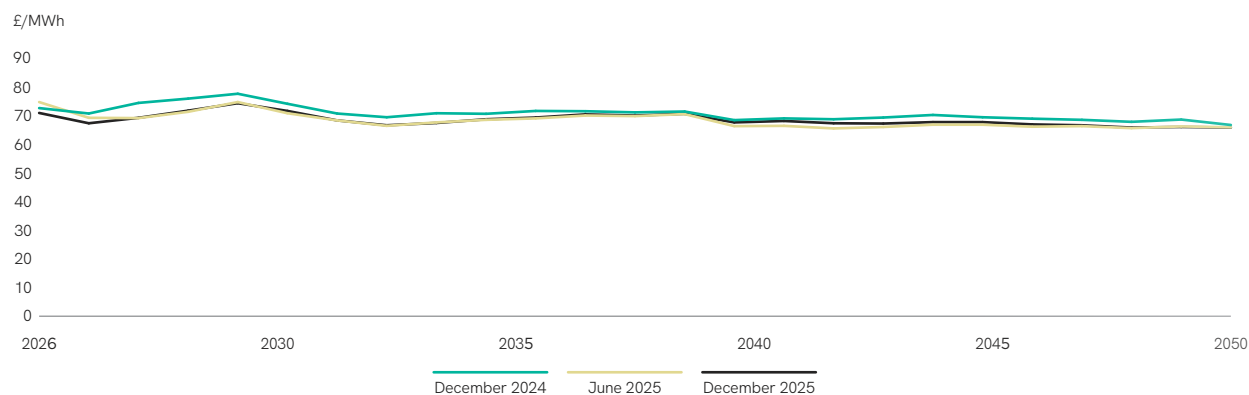
Where fixed-price contracts are in place, those contracted rates replace the blended forecast for the duration of the agreement. For sites with subsidy guarantees that end before the asset's assumed economic life, the blended forecast is applied for the remaining years.

In the UK, power price forecasts decreased because of the fall in natural gas prices. The most significant drop happens between 2026 and 2030, a period for which the Company is actively seeking to increase its contracted revenues at prices accretive to dividend cover.

UK wholesale vs solar capture power price forecasts¹



UK wholesale power price forecasts¹



Source: Foresight Solar Fund Limited.

1. Power price forecasts reflect real 2025 prices.

Investment Manager's report continued

Power prices

Spain

The first half of 2025 brought sustained low – and often negative – midday wholesale prices as exceptional early-year rainfall pushed hydro reservoirs near capacity, forcing hydro generation into the market and amplifying oversupply alongside rising solar output. This combination created strong price compression in midday hours and led to increased curtailment of solar plants. Negative or zero prices are becoming structural: Spain recorded more than 500 hours of zero or negative pricing across the year.

As temperatures rose in summer, demand increased but midday softness persisted, whilst tighter evening conditions created wider intraday swings. In the second half of the year, volatility intensified, negative price events remained frequent, and daily swings reached extremes – up to €228/MWh on 17 September, when prices ranged from €27/MWh to €255/MWh. Average wholesale prices for the year, however, remained around €65/MWh, well below historical norms, underscoring that price weakness extended beyond isolated negative events.

On the positive side, market design reforms began to reshape trading behaviour. Spain's shift to 15-minute settlement in intraday markets in March and in the day-ahead market from June sharpened price signals around the solar ramp. This created clearer opportunities for storage to arbitrage between negative midday prices and higher evening peaks, with spreads surpassing €150/MWh at times.

Price forecasts

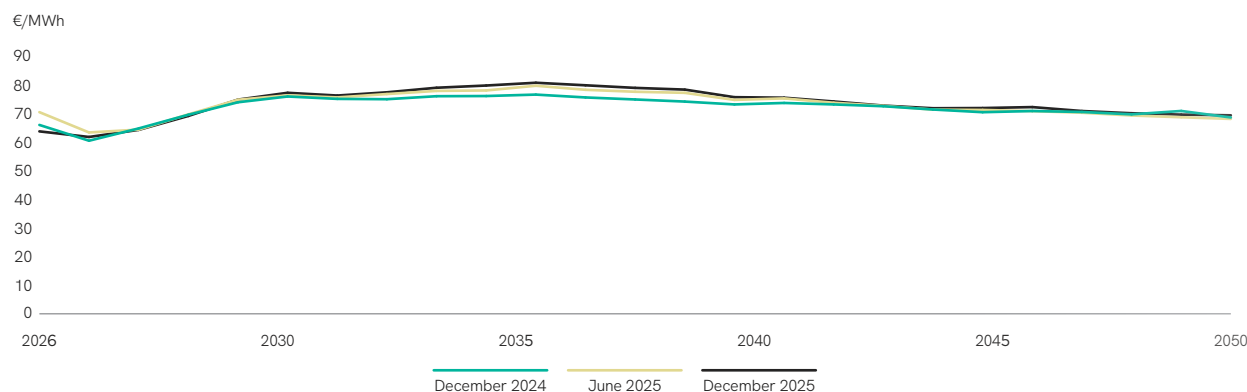
Near and medium-term forecasts for the Spanish power market weakened due to changes in natural gas price expectations. As renewable capacity continues to grow, consultants have refined their view of capture price discounts. Whilst estimates still vary widely, the consensus is that discounts will rise over time, and this is increasingly reflected in the modelling. At the year end, the average capture discount forecast for the life of the Spanish portfolio stood at 48%.

The Investment Manager will continue to base assumptions on independent consultants' forecasts. Once sufficient operating data has been collected, the Company will begin to incorporate the portfolio's realised capture discounts into its modelling.

Over the three years that Foresight Solar's Spanish assets have been operational, these realised discounts have steadily increased – though they remain in line with consultants' forecasts.

The rising share of renewables on the grid reinforces the case for accelerating the deployment of battery storage. BESS can help smooth network imbalances and capture the growing spread between low midday prices and higher evening peaks, supporting both system stability and value creation.

Spain wholesale power price forecasts¹



Source: Foresight Solar Fund Limited.

1. Power price forecasts reflect real 2025 prices.

Investment Manager's report continued

Power prices

Australia

The National Electricity Market (NEM) saw a pronounced easing in wholesale electricity prices over 2025. By December, the NEM-wide average price for the year had fallen to A\$48/MWh, almost 50% lower than the A\$91.80/MWh recorded in 2024, reflecting strong renewable generation, higher daytime curtailment and softer gas prices.

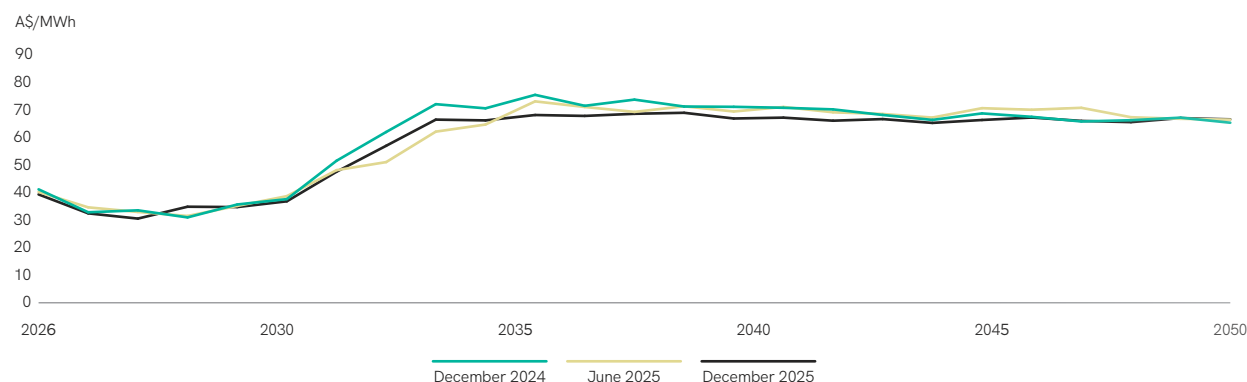
Queensland and New South Wales experienced some of the steepest year-on-year declines, driven by lower gas generation costs and the continued rise of rooftop solar, which reduced daytime operational demand. In Victoria, periods of weaker-than-expected wind output contributed to sharper price movements during evening peaks.

Price forecasts

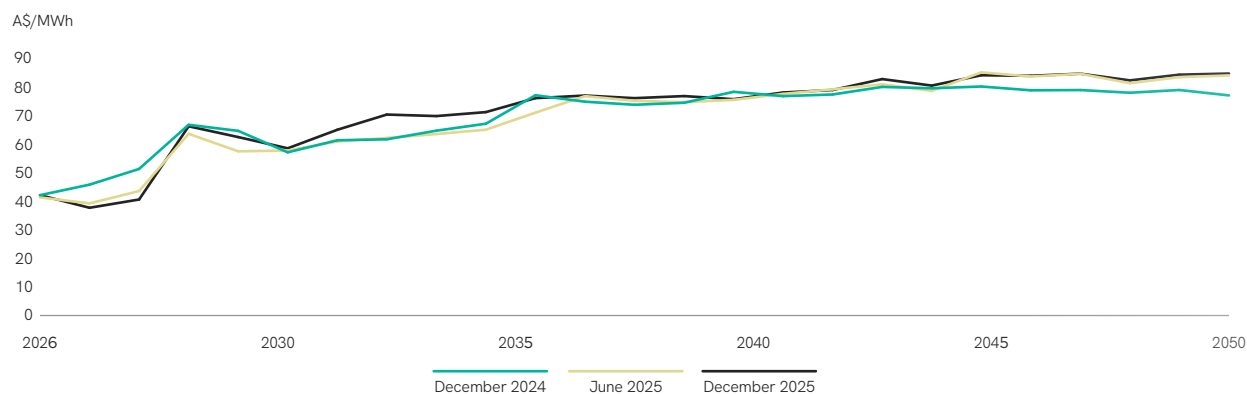
Lower solar dispatch-weighted average price forecasts for 2025 reflect both structural shifts in the NEM and the pace of recent market developments. Stronger supply expectations are a key factor: several gigawatts of new solar capacity advanced to financial close or early construction during the year, supported by accelerated project commitments and state-led procurement programmes. This growing pipeline points to increasing midday oversupply, particularly in Queensland, where solar penetration is already high.

Forecasts also now capture curtailment risk more explicitly. Grid congestion in parts of Queensland and Victoria, coupled with delays to planned network upgrades, has raised concerns about the consistency of network access for solar generators. At the same time, slow progress on approvals for large-scale storage has tempered short-term expectations for value capture. Batteries remain essential to the system's evolution, playing a critical role in shifting excess midday generation into higher-value evening periods and helping the market absorb rising renewable output.

Queensland wholesale power price forecasts¹



Victoria wholesale power price forecasts¹



Source: Foresight Solar Fund Limited.

1. Power price forecasts reflect real 2025 prices.

Investment Manager's report continued

Operational review

Global portfolio performance

Strong solar resource in the UK contributed to irradiation 4.9% above the base case, helping keep generation for the global portfolio only 1.3% below expectations. Performance would have been even stronger were it not for grid outages in Foresight Solar's main market, along with below-budget irradiation and curtailment issues in Spain and Australia.

Status of contracted revenues

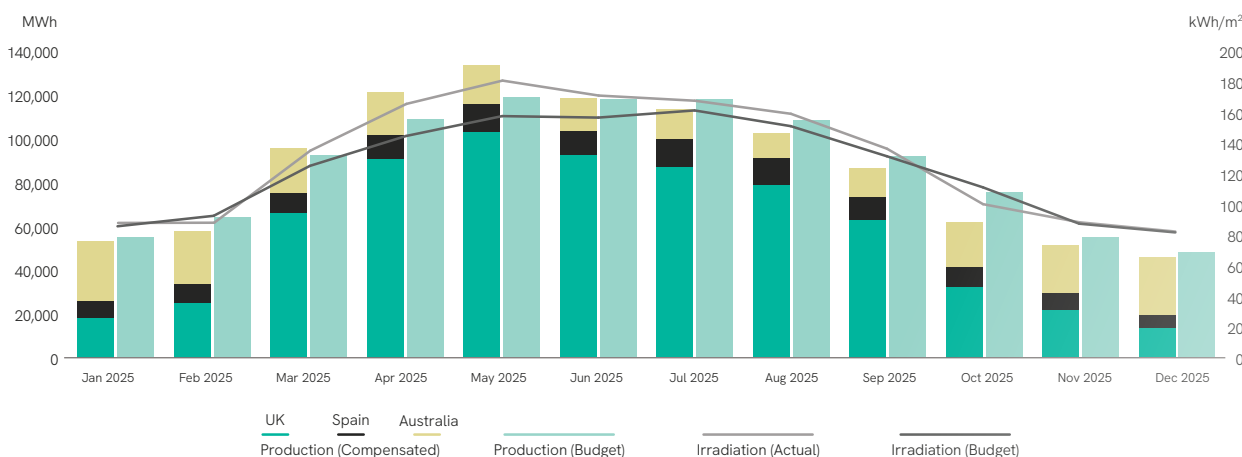
The Investment Manager monitors opportunities to enter new arrangements to fix and to hedge prices for years ahead. This active approach to power price management is designed to provide revenue certainty and to support dividend cover, whilst preserving some exposure to market upside.

In the 12 months to 31 December 2025, the Company continued to secure dividend-accretive hedges for years ahead, building on its existing subsidy income. The Investment Manager took advantage of market volatility in February and March 2026 to further the hedged position, lifting total contracted revenues to 87% for 2026, 75% for 2027 and 63% for 2028 at average prices of £75.76/MWh, £70.51/MWh and £74.27/MWh, respectively. Of the total now hedged, part of the position is under fixed-volume baseload agreements, with the remainder structured as pay-as-produced.

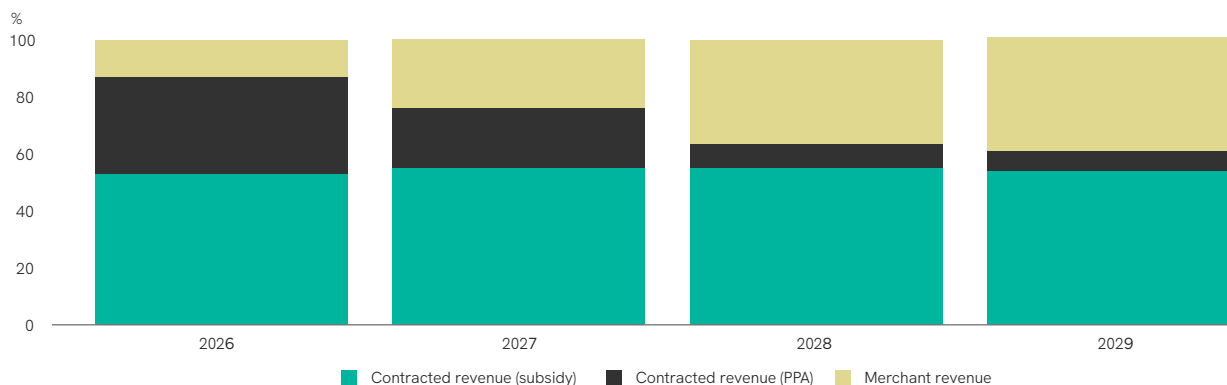
On a P50 basis, the Company expects to achieve 1.0x dividend cover for 2026 solely from production so far in the first quarter and the 87% of contracted revenues for the year. The remaining 13% of uncontracted revenues will provide market exposure and potential upside at a time of higher energy prices.

Longer term, as power prices drift back towards historic averages, Foresight Solar's dividend cover is likely to settle around the 1.0x to 1.1x range seen before the pandemic.

Global portfolio: Monthly production and irradiation



Revenue profile breakdown



Investment Manager's report continued

Operational review

United Kingdom portfolio performance

The UK assets outperformed expectations, with electricity generation 3.4% ahead of base case after adjusting for minor compensation payments received from operation and maintenance (O&M) counterparties and insurance providers. If not for unplanned network outages, production would have been even better. Strong solar resource contributed to the above-budget generation. Irradiation was 10.1% higher than expected during the period.

Irradiation and production against budget	Year ended 31 December 2014	Year ended 31 December 2015	Year ended 31 December 2016	Year ended 31 December 2017	Year ended 31 December 2018	Year ended 31 December 2019	Year ended 31 December 2020	Year ended 31 December 2021	Year ended 31 December 2022	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
Irradiation	+1.8%	+0.6%	+0.2%	(2.2)%	+6.4%	+3.8%	+8.5%	+0.6%	+9.4%	+2.1%	(4.7)%	+10.1%
Production	+1.4%	+4.5%	(4.0)%	(4.6)%	+4.9%	+3.9%	+8.4%	+1.0%	+8.6%	+0.7%	(6.0)%	+3.4%

In the UK, distributed generators cannot claim compensation for lost revenue during network outages under the terms of their connection agreements. Compensation rules are designed for end users, and payments are triggered when customers lose supply, not when producers are unable to export. Outages are treated as an operational risk and there is no route to recover losses from periods when the grid is unavailable.

That is partly why the Management Services provider continues to build strong working relationships with DNOs, regularly negotiating to shorten planned outages or shift them to periods of lower irradiation. When longer interruptions are expected and pose a risk of significant disruption, the Management Services provider increases engagement and, where necessary, escalates the issue – as occurred throughout 2025.

Excluding network outages, UK production during the period would have been better at 7.4% above base case.

As more assets move beyond their first decade of operation, targeted initiatives to uphold operational excellence become increasingly important. As part of this preventative approach, FSFL is upgrading inverters across several sites. Following a successful first phase, the next stage of works began in the autumn of 2025, complemented by a rolling repairs programme.

Pen Y Cae: Revamping for efficiency

When Foresight Solar listed in 2013, it was the largest fund of its kind and quickly built a 50-site UK portfolio, including some of the country's biggest solar plants at the time. As several sites now enter their 13th year of operation, the Management Services provider is addressing the natural technical challenges that come with long-life infrastructure.

As assets age, key components, such as inverters and modules, may need replacing. That's when a lifecycle investment strategy becomes even more critical to maximising generation assets' performance.

Replaced inverters are being repurposed to strengthen performance and maintain availability across the portfolio in a spare parts strategy that has benefited the Company.

In parallel, the Investment Manager is carrying out panel replacements at a couple of sites after successfully resolving warranty claims with module manufacturers. (Read more in the Pen Y Cae case study below.)

This is what is underway at Pen Y Cae, a 7 MW plant in Wales. The project claimed new, more efficient panels under warranty. The installations will boost performance and prepare the site for the end of its subsidy period in the next 10 years. With half the work complete, Pen Y Cae recorded its best monthly performance in three years in December 2025.

Current UK rules limit capacity changes at subsidy-backed sites, meaning capacity must be kept in line with original specifications for any repowering that happens during the support period. These constraints will lift once subsidies end, creating potential future upside across the portfolio.

Investment Manager's report continued

Operational review

United Kingdom portfolio performance continued

Health and safety

There were five reportable accidents across the portfolio in 2025. The Management Services provider addressed them all promptly and there were no injuries or material damage to equipment.

Incidents are reviewed regularly, with insights used to raise awareness, inform operational improvements and help mitigate future risks.

Security

During the year, three thefts affected asset performance and a fourth site experienced a minor break-in. At Welbeck, Copley and Gedling, significant amounts of DC string cable were stolen. At Shotwick, intruders entered the site but caused no damage.

Remediation plans were developed for the affected plants, and the O&M providers completed the necessary works. Insurance claims have been submitted to cover material damage and any associated production losses for the three impacted sites.

The Management Services provider continues to work closely with service providers to ensure security systems offer appropriate protection and that response times remain effective. Where needed, upgrades to site security are being prioritised.

On cyber security, the Management Services provider upgraded specific hardware across assets in 2024 to strengthen resilience. Protecting the portfolio remains an ongoing priority. The provider is now working with a third-party consultant to assess potential risks across sites, and any vulnerabilities identified through this process will be addressed promptly.



Bilthorpe, UK

Investment Manager's report continued

Operational review

Spain portfolio performance

Operational performance across the four Spanish sites was impacted by growing curtailment, with electricity generation 15% below budget as recorded irradiation was 2.3% lower than expected.

Despite resilient operational performance in the first quarter of 2025, negative prices forced plants to disconnect from the grid.

The implementation of the Automatic Power Reduction System, a management protocol designed to enhance flexibility and stability in the Spanish network as renewable penetration increases, limited the impact of DNO outages and allowed the portfolio to continue generating with small capacity reductions.

Battery storage is a natural complement to intermittent renewables and will play a key role in Spain's transition to a lower-carbon economy. The Board and the Investment Manager are looking for opportunities to future-proof assets and improve returns. This includes the analysis of co-located BESS on operating plants and the development of a proprietary pipeline of storage projects.

With the Lorca portfolio's Final Acceptance Certificate secured, a new O&M contract was agreed, reducing the running costs for the three assets.

Australia portfolio performance

Although production met expectations in the first half of 2025, the four Australian plants finished the year 6.2% below budget, with irradiation 2.4% under forecasts. The shortfall was driven mainly by higher-than-expected curtailment across the portfolio.

Curtailment occurs when the network cannot absorb all the electricity a plant produces, forcing it offline and reducing revenues.

Lower near-term revenues have put pressure on the plants' debt cover ratios, and several projects breached their covenants related to facilities of approximately £34.4 million and net asset value of roughly £13.5 million. This was proactively addressed through engagement with lenders, providing stability to negotiate a solution that works for all parties.

The Board remains confident of reaching a solution and the Investment Manager is working closely with the banks to put the portfolio on a sustainable footing ahead of a planned refinancing at the expiry of the mini-perm facilities. (The loans subject to refinancing in 2026 and 2027 are disclosed in the debt position table on page 72.) An element of uncertainty has been considered in the year-end valuation, including additional curtailment assumptions.

The challenging environment for utility-scale solar has affected a multitude of projects in the country and many are in a similar position.

At the same time, the Investment Manager is assessing the best way to progress the development of the two co-located BESS projects. Batteries can help mitigate curtailment and would improve the long-term appeal and resilience of the Australian portfolio.



Las Salinas, Spain

Investment Manager's report continued

Net asset value

Valuation methodology

The Investment Manager provides the Board with fair value estimates of Foresight Solar's assets each quarter. These valuations draw on long-term forecasts and a wide set of assumptions, which means they are generally unaffected by short-term market movements, economic volatility or temporary operational issues. It is material shifts in long-term expectations that tend to drive the most significant changes in value.

Fair value is assessed using discounted cash flow (DCF) analysis from the start of operations or the date of acquisition. For assets still in development or under construction, valuations are held at the lower of cost or net realisable value until commissioning. Any revenues or costs incurred during construction or commissioning are excluded from the DCF calculation when determining fair value.

The Board reviews and challenges the Investment Manager's recommended assumptions before approving the portfolio valuation.

This methodology follows IFRS 13 and aligns with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines. (See page 125 for more detail.)

The changes to assumptions made during 2025, including to energy yields, lifecycle investments, useful economic lives and capture discounts, are described in the Movements in NAV section, starting on this page.

Discount rates

The Investment Manager regularly reviews the portfolio's discount rates to ensure they reflect the Company's risk profile and remain aligned with market conditions. This assessment draws on comparable transaction data, analysis of the risk premium above the risk-free rate, and advice from independent third-party experts.

Following this review, the weighted average levered discount rate for the portfolio increased to 8.12% (31 December 2024: 7.88%). The change was driven by a 195-basis points (bps) uplift in the rate applied to the Australian assets to reflect the challenging market for solar portfolios and long-term increases in government bond yields, taking them to 10.23% (31 December 2024: 8.29%). The discount rates for the Spanish assets were also raised by 75bps to 7.27% (31 December 2024: 6.52%) to adjust for local market conditions.

Discount rates for the UK remained unchanged at 8.00%.

Asset lives

At 31 December 2025, the UK portfolio had an expected weighted average life of 36.8 years from commissioning (31 December 2024: 31.3 years). After accounting for time already in operation, this equates to a remaining useful life of around 26 years (31 December 2024: 21 years).

The assumed useful economic lives for the international portfolio remained stable at 40 years for the Spanish assets (31 December 2024: 40 years) and 37 years for the Australian sites (31 December 2024: 37 years)¹.

The Investment Manager has a successful track record of securing lease extensions across the portfolio, and it will continue this work in the years ahead. Extending leases unlocks longer operating lives for assets, which in turn supports higher asset values and strengthens the Company's long-term outlook. This proactive approach reflects the Board's commitment to safeguarding and enhancing shareholder value over time.

Inflation

Income from the portfolio, particularly in the UK, is correlated to inflation both through subsidies and exposure to energy prices.

For valuation purposes, the Company forecasts CPI will be 2.5% to 2030, falling to 2.25% from 2031; and RPI will be 3.5% in 2026, dropping to 3% between 2027 and 2030, and then to 2.25% from 2031.

Movements in NAV

Foresight Solar's NAV per share decreased to 99.2 pence in 2024 from 112.3 pence in the previous year. A breakdown in the movement is shown in the graph on the next page and described below.

Dividends paid

The Company paid £44.9 million in dividends during the year to 31 December 2025.

Fund costs

Total costs were £8.9 million, mainly driven by management fees and finance costs.

The Investment Manager's new fee structure resulted in more than £1.0 million in savings for shareholders in 2025.

Other adjustments

Working capital movements resulted in a £2.9 million outflow.

1. Technical asset lives for the Spanish and Australian assets are measured from the date of commissioning. As a result, the annual roll-forward in the DCF model does not affect the remaining asset life assumptions.

Investment Manager's report continued

Net asset value

Movements in NAV continued

Share buybacks

Foresight Solar deployed £11.2 million in the year to repurchase more than 14.5 million shares. Because this stock bought below holding value, the buybacks were accretive to NAV per share.

Time value

Updating the valuation to reflect the passage of time resulted in a £45.9 million uplift, as future cash flows were discounted over a shorter period.

Project actuals

This reflects actual portfolio performance versus the modelled forecast. Most of the £4.8 million negative movement relates to revenue underperformance across the four Australian assets.

Macroeconomic movements

Macroeconomic movements are made up of currency rate fluctuations, which increased the sterling value of Australian and Spanish assets, the inclusion of actual inflation rates into valuations, and updated CPI and RPI forecasts. Combined, these changes added £7.0 million.

Australian portfolio write-down

Given market challenges, the Company increased discount rates by 195bps and applied an additional 30% curtailment for the next three and a half years, above consultants' forecasts, leading to the £16.9 million downside.

Power price forecasts

The Company uses a blended average of quarterly consultant forecasts to estimate long-term power prices, adjusted to reflect the Investment Manager's expected capture price discounts for solar generation. Updated forecasts across the UK, Australia and Spain resulted in a £19.5 million lower valuation impact.

ROC/FiT inflation indexation

The UK government changed the inflation indexation mechanism for its RO and FiT support schemes to CPI from RPI starting in April 2026. The move affects assumed inflation to the end of the decade, when a transition to CPIH was already planned. As CPI is typically lower than RPI, this decision reduced the valuation by £9.5 million, in line with the Company's original estimate.

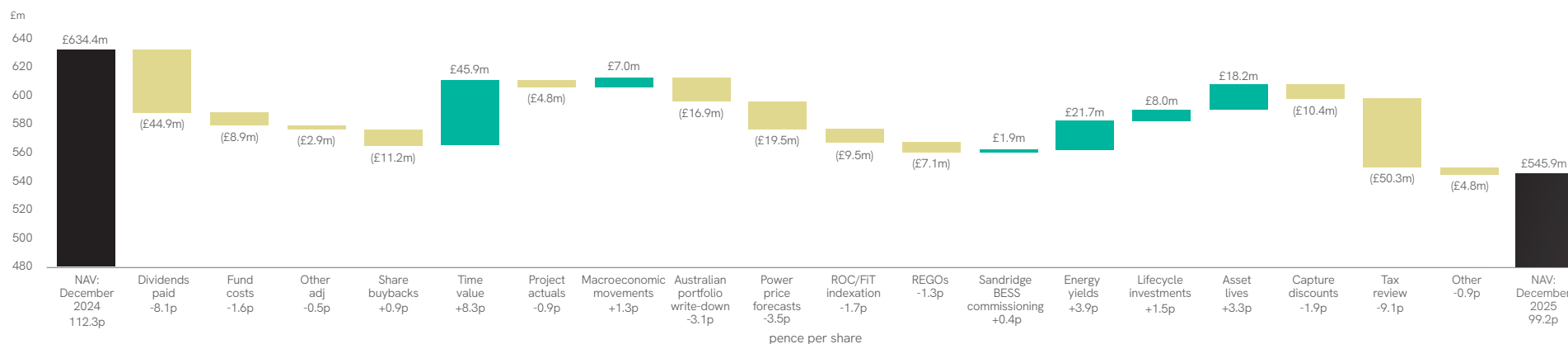
REGOs

The Company reduced near and long-term REGO price assumptions due to softer market conditions, culminating in the £7.1 million change. Near-term revenues remain protected by fixed-price PPAs.

Sandridge BESS commissioning

Valuing Foresight Solar's first operational battery storage asset on a discounted cash flow added £1.9 million.

Movements in net asset value



Investment Manager's report continued

Net asset value

Movements in NAV continued

Energy yields

In the second half of 2025, the Company commissioned an independent technical advisor to undertake a detailed review of UK solar performance data and produce an updated long-term energy yield forecast. The results supported Foresight Solar's long-standing view that the portfolio continues to operate to a high standard, with expected production increasing relative to previous forecasts and translating to a £21.7 million upside to NAV.

The findings will be incorporated into future budgets, with performance monitored against the revised production targets.

Lifecycle investments

The independent technical review also assessed the portfolio's expected lifecycle capital expenditure, including planned investments required to maintain performance and support long-term operational reliability.

Updated site-specific forecasts were produced for the UK portfolio, reflecting installed equipment specifications and local environmental conditions. These revised assumptions have been incorporated into the valuation models and indicate a reduction in forecast lifecycle costs, resulting in a positive impact of £8.0 million on valuation.

Asset lives

The independent technical review highlighted that, with continued focus on operational excellence, Foresight Solar's UK solar portfolio remains well positioned to deliver reliable, clean power for many years to come.

Reflecting this strengthened outlook, which added £18.2 million to NAV, the valuation now assumes that most UK assets will operate for the shorter of their planning expiry or 40 years. The Company remains confident in its ability to extend leases to support this targeted operating life.

Additional consideration was applied by factoring associated transaction costs for lease extensions and excluding life extensions with a low completion probability.

Capture discounts

Foresight Solar reviews its capture price discounts regularly. Near-term discounts are based on Investment Manager expectations informed by realised portfolio data. Expectations of increased solar build-out in the coming years led to a higher long-term discount and a downside of £10.4 million.

Tax review

Foresight Solar, with the support of a leading advisor, engaged with HMRC about its group tax structure. This process concluded with an agreement covering historic submissions, as well as the methodology to be applied over coming years. The terms strengthened certainty around transfer pricing arrangements.

As part of the review, however, it became clear that forecast tax payments needed to be increased to reflect higher-than-expected taxable income under the agreed approach. The analysis also showed that tax payable for prior years exceeded the amounts previously paid on account.

These additional historical tax liabilities will be settled with cash already reserved within the structure and operational cash flows. Dividends are still expected to remain fully covered.

The total negative impact of the tax review on Foresight Solar's net asset value was £50.3 million.

Other portfolio valuation adjustments

Other updates across the portfolio, including minor working capital movements, resulted in a £2.8 million reduction.

Technical inputs: Yields and asset values

An energy yield assessment estimates how much electricity a solar farm will generate each year by modelling long-term irradiance, technical performance and operational losses. Meanwhile, an economic life assessment determines how many years assets can continue operating profitably after accounting for degradation, O&M costs, reinvestment needs, expected revenue, planning permission and leases.

These analyses are generally undertaken by reputed independent technical advisors to gauge how and how long a plant can operate, ensuring valuations reflect realistic asset longevity and informed decisions on sales, reinvestment, refinancing, and end-of-life strategy.

If these technical inputs are revised upward, there are expected benefits for investors. Higher forecast generation increases expected annual cash flows, whilst a longer economic life extends those potential cash flows further into the future, lifting NAV, improving dividend cover, and strengthening resilience under downside scenarios.

Foresight Solar's UK portfolio has a track record of strong operational performance, providing practical evidence that the assets have consistently met or exceeded expectations. The updated technical analysis is based on those years of operational performance data.

This information helps reduce forecasting uncertainty, validates assumptions around degradation and availability, and supports confidence in both higher forward yields and longer economic lives.

The upward net asset value revisions are, therefore, grounded in demonstrated performance, enhancing credibility and generating value for investors.

Investment Manager's report continued

Net asset value

Valuation sensitivities

Where possible, assumptions are based on observable market and technical data. In many cases, such as forward power prices, independent advisors are used to provide evidenced information, enabling the Investment Manager to adopt a reasonable approach.

The chart on this page shows the impact per share of changes in key valuation assumptions on NAV. All sensitivities are calculated independently of each other.

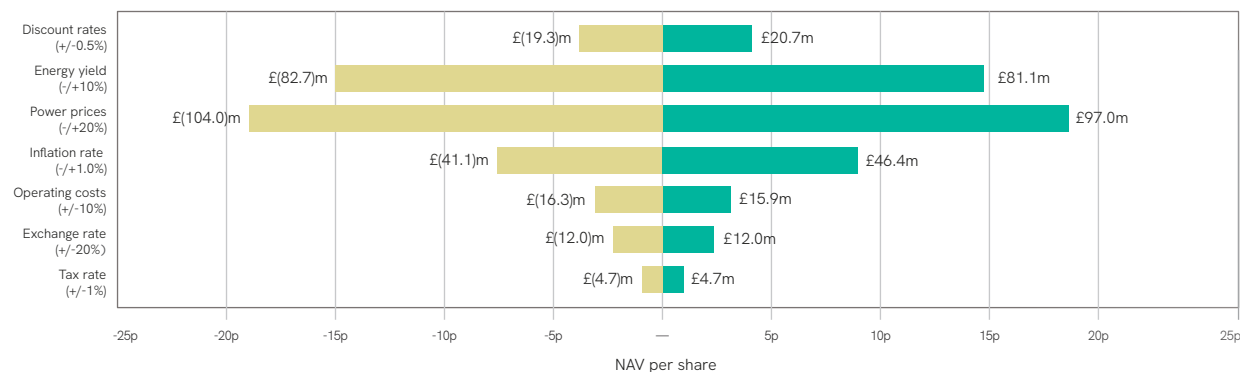
The Investment Manager has set out the inputs which it has ascertained would have a material effect on the NAV in note 16 to the Financial Statements.

United Kingdom portfolio valuation

The table on this page demonstrates the breakdown of Foresight Solar's UK portfolio valuation in £m/MW over recent periods.

The reduction in 2025 was driven by a lower portfolio value, which was affected by changes to power price forecasts, inflation indexation of subsidies and the tax review. There were also repayments of amortising and revolving debt facilities.

Impact on NAV and NAV per share



	31 December 2025	30 June 2025	31 December 2024	30 June 2024
Portfolio value	£480.7m	£536.0m	£543.7m	£584.2m
Cash held	£25.4m	£16.1m	£18.9m	£25.4m
Portfolio equity valuation	£455.3m	£519.9m	£524.8m	£558.8m
Debt	£248.8m	£265.0m	£271.7m	£283.1m
Enterprise valuation	£704.1m	£784.9m	£796.5m	£841.9m
Capacity (MWp)	723.1 MW	723.1 MW	723.1 MW	723.1 MW
£m/MWp	0.97	1.09	1.10	1.16

Investment Manager's report continued

Portfolio

Asset	Capacity (MW)	Status	Connection date	Revenue type
UK solar				
Abbey Fields	5	Operational	March 2016	ROC/Electricity sales
Abergelli	8	Operational	March 2015	ROC/Electricity sales
Atherstone	15	Operational	March 2015	ROC/Electricity sales
Bilsthorpe	6	Operational	November 2014	ROC/Electricity sales
Bournemouth	37	Operational	September 2014	ROC/Electricity sales
Bulls Head	5	Operational	September 2014	ROC/Electricity sales
Castle Eaton	18	Operational	March 2014	ROC/Electricity sales
Coombeshead	10	Operational	December 2014	ROC/Electricity sales
Copley	30	Operational	December 2015	ROC/Electricity sales
Crow Trees	5	Operational	February 2016	ROC/Electricity sales
Cuckoo Grove	6	Operational	March 2015	ROC/Electricity sales
Field House	6	Operational	March 2016	ROC/Electricity sales
Fields Farm	5	Operational	March 2016	ROC/Electricity sales
Gedling	6	Operational	March 2015	ROC/Electricity sales
High Penn	10	Operational	March 2014	ROC/Electricity sales
Highfields	12	Operational	March 2014	ROC/Electricity sales
Homeland	13	Operational	March 2014	ROC/Electricity sales
Hunter's Race	10	Operational	July 2014	ROC/Electricity sales
Kencot Hill	37	Operational	September 2014	ROC/Electricity sales
Landmead	46	Operational	December 2014	ROC/Electricity sales
Lindridge	5	Operational	January 2016	ROC/Electricity sales
Manor Farm	14	Operational	October 2015	ROC/Electricity sales
Marsh Farm	9	Operational	March 2015	ROC/Electricity sales
Membury	16	Operational	March 2015	ROC/Electricity sales
Misson	5	Operational	March 2016	ROC/Electricity sales
Nowhere	8	Operational	March 2015	ROC/Electricity sales
Paddock Wood	9	Operational	March 2015	ROC/Electricity sales
Park Farm	13	Operational	March 2015	ROC/Electricity sales
Pen Y Cae	7	Operational	March 2015	ROC/Electricity sales



Shotwick, UK

Investment Manager's report continued

Portfolio

Asset	Capacity (MW)	Status	Connection date	Revenue type
UK solar				
Pitworthy	16	Operational	March 2014	ROC/Electricity sales
Playters	8	Operational	October 2015	ROC/Electricity sales
Port Farm	35	Operational	March 2015	ROC/Electricity sales
Roskrow	9	Operational	March 2015	ROC/Electricity sales
Sandridge	50	Operational	March 2016	ROC/Electricity sales
Sawmills	7	Operational	March 2015	ROC/Electricity sales
Sheepbridge	5	Operational	December 2015	ROC/Electricity sales
Shotwick	72	Operational	March 2016	ROC/Electricity sales
Southam	10	Operational	March 2015	ROC/Electricity sales
Spriggs Farm	12	Operational	March 2014	ROC/Electricity sales
Steventon	10	Operational	June 2014	ROC/Electricity sales
SV Ash	8	Operational	March 2015	ROC/Electricity sales
Tengore	4	Operational	February 2015	ROC/Electricity sales
Trehawke	11	Operational	March 2014	ROC/Electricity sales
Upper Huntingford	8	Operational	October 2015	ROC/Electricity sales
Verwood	21	Operational	February 2015	ROC/Electricity sales
Wally Corner	5	Operational	March 2017	ROC/Electricity sales
Welbeck	11	Operational	July 2014	ROC/Electricity sales
Wymeswold	34	Operational	March 2013	ROC/Electricity sales
Yarburgh	8	Operational	November 2015	ROC/Electricity sales
Yardwall	3	Operational	June 2015	FIT/Electricity sales
UK BESS				
Clayfords	25 ¹	Pre-construction	—	Merchant
Sandridge BESS	25 ²	Operational	August 2025	Merchant
Operational sub-total	748			
Construction and pre-construction sub-total	25			



Sandridge, UK

Investment Manager's report continued

Portfolio

Asset	Capacity (MW)	Status	Connection date	Revenue type
Spain solar				
Cuerva pipeline	467	Development	—	Merchant
Lorca portfolio				
Los Llanos	25 ³	Operational	August 2022	Long-term PPA/ Electricity sales
Los Picos	10 ³			
Las Salinas	15 ³			
Virgen del Carmen	26	Operational	November 2022	Long-term PPA/ Electricity sales
Spain BESS				
Chelion pipeline	400	Development	—	Merchant
Operational sub-total	76			
Development sub-total	867			
Australia solar				
Bannerton	53 ⁴	Operational	July 2018	LGC/Long-term PPA
Longreach	17	Operational	March 2018	LGC/Long-term PPA
Oakey 1	30	Operational	February 2019	LGC/Long-term PPA
Oakey 2	70	Operational	May 2019	LGC/Electricity sales
Australia BESS				
Bannerton BESS	42 ⁴	Development	—	Merchant
Oakey 1 BESS	80	Development	—	Merchant
Operational sub-total	170			
Development sub-total	122			
Operational total	994			
Construction and pre-construction total	25			
Development total	989			



1. Accounts for the 50% stake the Company holds of Clayfords (50 MW).
2. Accounts for the 50% stake the Company holds of Sandridge BESS (50 MW).
3. Accounts for the 50% stake the Company holds in the Lorca portfolio (100 MW).
4. Accounts for the 48.5% stake the Company holds of Bannerton (110 MW).

Sustainability

What's in this section:

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- 45 Environment
- 45 Key sustainability metrics
- 46 Case studies
- 49 Local communities
- 50 Supply chain

Highlights to 31 December 2025

1,038 GWh
of clean electricity
generated

381,748
UK homes powered

359,880
tCO₂e
avoided compared to
country-specific grid

Sustainability

Foreword from the Chair



Tony Roper

Chair

1.89 kWh/
share

of energy generated
from renewable
sources

654.04
tCO₂e/share

avoided compared
to country-specific
grid intensity

This marks my first sustainability foreword as Chair, and I am pleased to reflect on Foresight Solar's strong progress throughout 2025. They were 12 months defined by disciplined operational performance, a maturing sustainability strategy and a continued contribution to the energy transition. I am proud of what the Company has achieved.

Foresight Solar delivered another robust year of clean energy generation – a clear measure of success of our sustainability strategy. Based on UK benchmarks, our contribution to the decarbonised power system supported electricity demand equivalent to almost 400,000 typical UK homes. Our assets continued to operate at good availability, benefiting from rigorous asset management and targeted optimisation measures. Alongside our operating portfolio, our development pipeline is starting to yield results, delivering on the potential to enhance long-term value creation and positioning the Company strongly for the years ahead.

Reporting and integration

Sustainability is fully embedded in our investment processes, asset operations and Board oversight. Environmental, social and governance (ESG) factors guide our decisions, ensuring resilience and long-term value for shareholders. The Investment Manager is strengthening data collection and analysis to support transparent reporting and informed decision-making.

Whilst the FCA's Sustainability Disclosure Requirements do not apply to FSFL, we maintained our commitment to equivalence, reflecting the expectations of our investors. We also continue to prepare for the forthcoming UK Sustainability Reporting Standards. As market expectations continue to rise, we await the results of the ongoing consultation with the expectation that the new rules will apply from 1 January 2027.

Biodiversity and natural capital

Our biodiversity initiatives continued to move forward during the year. After reviewing the 50 assets in the UK portfolio and prioritising 13 for detailed ecological assessment, we are now moving towards the design and implementation of site-specific enhancements, capable of generating biodiversity units aligned with England's Biodiversity Net Gain requirement. These efforts not only support nature recovery but also reinforce the long-term stewardship of our sites.

Board diversity and governance

Strong governance is central to our long-term success. I am pleased that our Board composition reflects an equal balance of perspectives, with two female and two male Directors, a gender split that highlights the breadth of experience and insight guiding Foresight Solar. Diversity in backgrounds and viewpoints strengthens decision-making, supporting resilience and accountability.

Sustainability continued

Foreword from the Chair

Sustainability-linked revolving credit facility (RCF)

We concluded the refinancing of our sustainability-linked RCF. The facility's KPI-dependent structure strengthens the alignment between financial outcomes and ESG performance and demonstrates our commitment to embedding sustainability within the capital framework. The resized and extended facility will also deliver savings of approximately £1 million over its term.

Looking ahead

We enhanced the credibility of our reporting, moving to reasonable assurance of key sustainability data in 2025, which we intend to maintain annually. (Read more on page 45.)

We also undertook emissions lifecycle assessments across representative assets to better quantify the embedded carbon associated with manufacturing, transport, operations and end-of-life processes. This work confirmed the significant net contribution of the portfolio and validated the metrics used in the calculations of our environmental footprint.

As this is my first sustainability foreword, I want to emphasise how encouraged I am by Foresight Solar's achievements. Our approach to ESG integration, nature stewardship and reporting demonstrates our commitment to best practices and accountability.

With a development pipeline, disciplined governance and an unwavering commitment to delivering positive societal outcomes, I am confident that Foresight Solar will continue to build on its success.

Tony Roper

Chair

23 March 2026



Paddock Wood, UK

Sustainability continued

Approach to sustainability

Sustainability and environmental considerations are central to Foresight Solar's strategy, shaping both its investment decisions and day-to-day asset management. FSFL supports climate change mitigation whilst identifying sustainability-related risks and opportunities across the portfolio. A core part of this approach is the ability to quantify, measure and enhance the impact of its activities.

To track and evaluate progress, the Investment Manager's Sustainable Infrastructure Investment Strategy focuses on:

- Developing investment strategies informed by long-term global sustainability themes, including climate risks and nature-related opportunities
- Conducting sustainability due diligence aligned with regulatory standards and frameworks
- Monitoring and managing sustainability performance using portfolio-level data and analysis
- Reporting transparently to all relevant stakeholders

Tracking progress

Given the nature of its operations, the Company is well positioned to meet the expectations of investors seeking positive environmental and social outcomes alongside attractive financial returns.

These inherent sustainability characteristics, combined with FSFL's London listing and shareholder profile, led the Board to pursue equivalency with the Financial Conduct Authority's Sustainability Focus label – even though the Sustainability Disclosure Requirements currently apply only to UK-domiciled vehicles. Foresight Solar has voluntarily sought alignment as a matter of best practice and has published its pre-contractual and consumer-facing disclosures on its website.

To obtain a label, the FCA requires investment trusts to define clear, measurable KPIs that evidence the contribution of their assets to sustainability objectives.

Foresight Solar invests exclusively in solar and battery storage assets, both recognised as eligible activities under the EU Taxonomy. The Company's Taxonomy alignment, set out below, is based on an internal assessment of each project against the technical screening criteria, including the Do No Significant Harm and Minimum Safeguards requirements.

At portfolio level, the metrics quantify Foresight Solar's contribution to decarbonising the electricity system. The Company intends to grow its operational solar and BESS capacity, and as its proprietary development pipeline matures, FSFL will bring additional renewable energy assets onto the grid.

Alongside the KPIs that track progress against its investment objective, Foresight Solar also reports quantitatively against the UN Sustainable Development Goals (SDGs) and their underlying targets, demonstrating its commitment to creating environmental and social value. The SDGs, a set of 17 global objectives to be achieved by 2030, are a key driver of the Company's investment activities.

The tables on this and the following page show FSFL's performance against the KPIs linked to its investment objective and its contributions to the relevant SDGs and associated targets.

Investment objective KPIs

Company

Maintain a minimum 70% alignment with an authoritative taxonomy which will demonstrate the sustainability of the underlying assets	100%
--	------

Portfolio (in MW)		Solar	Battery storage
Operational (total renewable energy capacity added)	United Kingdom	723	25
	Spain	125 ¹	—
	Australia	170	—
	Total		1,043
Developed (total renewable energy capacity enabled)	United Kingdom	—	—
	Spain	—	—
	Total		—

1. Includes the 50 MW stake sold in the Lorca portfolio.

Sustainability continued

Approach to sustainability

Sustainable impact reporting

Foresight Solar's contributions to the SDGs reflect the size of its portfolio and the renewable energy it generates over any given period. Fluctuations in these factors directly influence the KPIs shown below, as higher electricity production results in greater impact, whilst lower output reduces it.



Good health and well-being

Foresight Solar contributes by reducing pollution and emissions through the installation and management of clean energy generation assets.

556,589kg

NOx (nitrous oxide) avoided vs energy generation from gas
(FY 2024: 535,820kg)

9,689kg

PM10 (µm10 particulate matter) avoided
(FY 2024: 9,327kg)

408,165kg

SOx (sulphur dioxide) avoided
(FY 2024: 392,935kg)

4,432kg

PM2.5 (µm2.5 particulate matter) avoided
(FY 2024: 4,266kg)



Affordable and clean energy

Foresight Solar contributes by reducing reliance on fossil fuels through investment in renewable energy generation.

1,038 GWh

Renewable energy generated
(FY 2024: 1,009 GWh)

381,748

UK homes powered for a year
(FY 2024: 367,504)



Industry, innovation and infrastructure

Foresight Solar contributes by future-proofing energy systems through investment in generation assets using the latest technologies to maximise electrical output.

994 MW

Renewable energy capacity connected to the electricity grid
(FY 2024: 969 MW)



Climate action

Foresight Solar contributes by raising awareness and improving institutional knowledge on climate change mitigation.

359,880 tCO₂e

Emissions avoided compared to country-specific grid intensity
(FY 2024: 351,451 tCO₂e)



Life on land

Foresight Solar contributes by preserving the integrity of land it uses through investment in low-polluting technologies and introducing active asset management initiatives that improve biodiversity.

88,626 TOE avoided

Tonnes of oil equivalent contributed to the avoidance of fossil fuel use
(FY 2024: 85,319 TOE)

Sustainability continued

Environment

Emissions reporting

Although Foresight Solar's assets deliver a significant and measurable contribution to the energy transition, industrial decarbonisation and nature recovery, the operation and maintenance of the portfolio still generate emissions.

To minimise its carbon footprint, the Company continues to reduce Scope 1 and Scope 2 emissions, which are under its direct control. As a result, avoided emissions remain more than three times higher than FSFL's own greenhouse gas output, creating a substantial net benefit.

Operational performance in 2025 was as planned and Scope 1 emissions were, therefore, negligible. The Company also sources electricity for most of its assets from green sources. Whilst the sites generate renewable power, they still require grid electricity to run on-site equipment, and the move to clean tariffs has sharply reduced emissions since Scope 2 reporting began in 2021. In recent years, Scope 2 emissions have stabilised at a low level and are expected to fluctuate modestly as the portfolio evolves.

Further work is underway to better understand and reduce Scope 3 emissions, those associated with third-party providers. The Investment Manager is engaging with Foresight Solar's partners to measure their carbon footprints and assess their plans for emissions reduction.

Data assurance

The Investment Manager worked with Aardvark Certification to undertake independent, third-party reasonable assurance in accordance with ISAE 3000. The analysis centred on the processes in place to collect sustainability data and analyse the validity of the information being presented.

Key sustainability metrics

GHG emissions

0.00 tCO₂e

Scope 1
(FY 2024: 4.56 tCO₂e)

76.53 tCO₂e

Scope 2
(FY 2024: 194.81 tCO₂e)

101,164.82 tCO₂e

Scope 3¹
(FY 2024: 102,567.54 tCO₂e)

Environmental footprint

0.10 tCO₂e/£m invested

Carbon footprint
(FY 2024: 0.31 tCO₂e/£m invested)

0.26 tCO₂e/£m revenue

Weighted Average Carbon Intensity (WACI)
of investee companies
(FY 2024: 1.03 tCO₂e/£m revenue)

Share of renewable energy consumption and production

98%

of assets with a renewables tariff
for on-site consumption
(FY 2024: 98%)

94%

of overall portfolio consumption
from renewable sources
(FY 2024: 85%)

100%

of energy generated from
renewable sources
(FY 2024: 100%)

Sustainability metrics per outstanding share

1.89 kWh/share

(FY 2024: 1.79 kWh/share)

654.04 gCO₂e avoided/share

(FY 2024: 622.2 gCO₂e avoided/share)

1. Data quality is assessed to be Data Quality 4.

Sustainability continued

Case study: Measuring the full carbon impact of solar power

As expectations around climate reporting continue to rise, investors are looking beyond operational emissions to understand the full carbon footprint of renewable infrastructure. To meet shareholder expectations and strengthen the transparency of its disclosures, Foresight Solar commissioned a lifecycle carbon assessment (LCA) of two of its UK solar farms.

The study aimed to:

- Quantify the full lifecycle emissions of two contrasting solar farms
- Test how closely real-world performance aligns with global benchmarks
- Provide additional confidence in the environmental benefits we report on

An independent advisor was commissioned to conduct detailed LCAs of Sandridge, in Wiltshire, and Misson, in South Yorkshire. Together, these sites offer a representative view of the Company's portfolio in a core market, reflecting variations in size, geography and generation.

Historically, Foresight Solar used the Intergovernmental Panel on Climate Change's median lifecycle emissions factor for utility-scale solar, widely regarded as a trusted benchmark, to estimate avoided emissions. However, as investors' requirements evolve, a more detailed picture of our assets' carbon performance became necessary.

The LCA followed ISO 14040 and ISO 14044 standards with a full "cradle-to-grave" review, covering raw material extraction, component manufacturing, construction, operation and end-of-life treatment. Primary Foresight Solar data was supplemented with established secondary datasets, ensuring a robust, best practice methodology.

Two sites, one story

Sandridge (50 MW, Wiltshire): A large site benefiting from economies of scale and strong irradiation levels.

Misson (5 MW, South Yorkshire): A smaller northern asset included in the analysis to capture the higher end of potential lifecycle emission intensities.

These contrasting sites were selected to reflect the widest realistic range of carbon performance across the Company's UK operations.

Despite differences between the two plants, the overall conclusions are clear:

- Lifecycle carbon intensities fall comfortably within established IPCC ranges, reinforcing solar PV's strong low-carbon profile
- Larger assets tend to achieve lower emissions per unit of electricity, benefiting from scale efficiencies
- Both plants deliver meaningful net carbon savings over their lifetime, with embedded emissions offset through clean generation
- Most lifecycle emissions originate in manufacturing, highlighting the importance of supply chain decarbonisation

A clear conclusion

The carbon performance of Sandridge and Misson aligns closely with international benchmarks, reinforcing confidence in FSFL's reporting and the long-term climate benefits of solar power. This study confirms that solar continues to be a scalable, resilient and genuinely low-carbon solution, supporting the ongoing transition towards cleaner energy.

Sustainability continued

Case study: Geospatial data supporting nature and climate risk management

Foresight Group partnered with consultancy Frontierra to develop a nature and climate reporting platform designed to enhance investment due diligence, portfolio management and sustainability disclosures.

Supported by the UK Space Agency's Unlocking Space for Business programme, the platform brings together satellite imagery, geospatial analytics, and proprietary algorithms to assess nature and climate-related opportunities and risks at both asset and portfolio levels.

Key capabilities include:

- Satellite and geospatial data to identify climate and nature-related opportunities and risks
- Proprietary algorithms, enabling rapid analysis across single assets or entire portfolios
- Reportable metrics aligned with recognised industry frameworks

Benefits and applications

The platform enables more proactive and informed decision-making by delivering:

- Comprehensive risk assessments using diverse datasets across assets and portfolios
- Enhanced sustainability compliance, with tools to identify and manage material climate and nature-related opportunities and risks
- Improved reporting aligned with frameworks such as TCFD and TNFD
- Instant, site-specific insights through automated asset-level reports

Foresight Solar's portfolio is now integrated into the platform. This ensures outputs directly support investment and management decisions, from identifying climate risks during due diligence to mapping which assets face the highest exposure to hazards, such as flooding. The location-based approach helps teams target mitigation measures, protect value and prioritise strategic action.

Opportunities and risks assessment

The platform assesses a wide range of inputs, including:

- Physical climate hazards
 - Water-related risks such as drought, flooding, changing precipitation and sea level rise
 - Temperature-related risks, including heat stress and wildfires
 - Soil-related risks like erosion, degradation and landslides
 - Wind-related risks such as storms and shifting wind patterns
- Nature-related aspects
 - Protected areas
 - Biodiversity hotspots
 - Critical habitats
 - Habitat connectivity

Portfolio-level insights

Fund-level reports compare assets in relation to nature-positive opportunities and risks, helping teams prioritise management actions. These insights highlight where opportunities exist to enhance biodiversity value and where mitigation is needed.

Asset-level insights

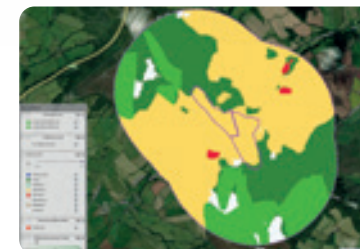
Detailed site-specific reports assess exposure to physical climate risks, nature-related pressures and opportunities for nature-positive land management. Interactive mapping layers show proximity to protected areas, surrounding land use, biodiversity intactness and forest loss – supporting clear, evidence-based decision-making at a granular level.

Sawmills

The 31.19-hectare solar farm in Devon is surrounded mainly by agricultural land and has relatively low exposure to physical climate hazards.

The image below illustrates how the platform's mapping and reporting tool operates. It shows the geospatial overview of climate and nature-related factors in and around the asset, allowing the Investment Manager to view key hazards identified, associated risks, recommended mitigations and potential nature-positive opportunities.

Together, these outputs demonstrate how complex spatial data is transformed into clear, actionable insights, supporting stronger risk management and long-term value protection across the portfolio.



Sustainability continued

Case study: Conservation-led habitat enhancements

At the Lorca sites in Granada, southern Spain, Foresight Solar is enhancing local biodiversity through practical, nature-positive measures.

These interventions, which include the installation of ponds and purpose-built bird nesting houses, support surrounding ecosystems and strengthen operational resilience. During the dry summer months, for example, the ponds help suppress the dust that risks reducing efficiency by settling on panels.

A major focus of this work has been the recovery of the lesser kestrel (*Falco naumanni*), a small migratory falcon whose population in the region has declined sharply due to habitat loss, reduced prey availability and the disappearance of traditional nesting sites.

In partnership with conservation specialists DEMA and the Junta de Andalucía, Foresight Solar is contributing to a structured seven-year programme to establish a self-sustaining colony within the Lorca portfolio.

The programme uses DEMA's "Ambiente de Colonia" method, in which captive-bred chicks are introduced into a purpose-built colony and supported by non-releasable adult females that help replicate natural social cues. The site is equipped with CCTV and monitored daily, allowing conservation experts to study behaviour, fledging rates and habitat use.

The first full release season in 2025 delivered encouraging results:

- 50 captive-bred chicks introduced
- 50 chicks successfully fledged
- Wild lesser kestrels observed visiting as soon as the first nest boxes opened, indicating strong habitat suitability

Early co-benefits are already emerging. A pair of European rollers successfully used an artificial nest installed alongside the kestrel infrastructure, demonstrating that well-designed enhancements can benefit multiple species without affecting energy generation.

These outcomes highlight the potential for targeted conservation measures to be integrated directly into operational solar assets. As monitoring continues and returning kestrels are tracked in future seasons, the programme will offer valuable evidence on how long-term, nature-positive management can improve biodiversity whilst supporting resilient asset performance.



Sustainability continued

Local communities

Local impact with community benefits payments

In 2025, Foresight Solar contributed over £254,000 to local communities in the UK. This money is used in myriad ways by regional authorities to improve the lives of residents near the Company's operational sites.

From education and wellbeing to nature, heritage, community infrastructure and essential services, these contributions reflect a long-term commitment, delivering community value for up to 40 years through the power of clean energy.

Culture and entertainment

Three Legged Cross is a village in Dorset, situated between Verwood to the north and West Moors to the south. Part of the wider Verwood civil parish, the residential community is surrounded by countryside, with a distinct village centre and nearby greenbelt land shaped by its rural setting.

Foresight Solar continued to support a wide range of local initiatives, benefiting residents through its partnership with the 3LX Community Fund.

During 2025, the project donated more than £20,000, enabling grants that strengthened educational, cultural, and environmental projects across the area.

Funding supported the Friends of Three Legged Cross First & Nursery School with new notebooks and data loggers, improving learning resources for students. Grants also benefited Verwood Concert Brass and the Verwood Pantomime Society, promoting music and the performing arts in the community. Additional support went to Verwoodians on Waste and the Verwood Foodbank, reinforcing sustainability efforts and providing essential warm-product assistance to vulnerable households.

Since its creation in 2014, the 3LX Community Fund has distributed over £168,000 to 29 local groups, evidencing Foresight Solar's long-term commitment to fostering community wellbeing.

Education and opportunity

Foresight Solar has continued to strengthen its commitment to education and community impact through its partnership with Earth Energy Education, an organisation that delivers hands-on learning focused on renewable energy, climate change and biodiversity.

Earth Energy Education works with schools, colleges and universities across the UK, providing site visits, workshops, and curriculum-linked Science, Technology, Engineering and Mathematics (STEM) resources designed to help students understand how renewable energy systems work and why they matter. Their programmes emphasise experiential learning, taking pupils out of the classroom to see real-world engineering and environmental management in action.

In 2025, the partnership enabled over 1,200 students to deepen their understanding of renewable energy and biodiversity through immersive educational experiences. Fifteen primary schools and one college engaged directly with learning programmes that showcased how FSFL's solar assets are powering a more sustainable future. Twenty on-site visits were hosted across eight sites, giving students a unique opportunity to explore solar infrastructure first-hand. In addition, 29 in-school, hands-on STEM sessions were delivered, bringing interactive and practical learning directly to classrooms.

Through Earth Energy Education, Foresight Solar continues to inspire the next generation of engineers, scientists and environmental stewards, ensuring young people gain the skills and knowledge necessary to thrive in a low-carbon world.

Sustainability continued

Supply chain

Solving the complex sustainability risks present in global supply chains is not straightforward. To address these challenges effectively, the Investment Manager applies a layered and proactive approach that combines strategic decision-making, rigorous due diligence and collaborative industry engagement. Key elements include:

- **Selected geographies** – Prioritising markets with strong regulatory frameworks that support responsible business practices
- **Robust internal due diligence** – Assessing key counterparties and their governance structures at project level to ensure risks are understood and managed early
- **Supplier Code of Conduct** – Contractually requiring suppliers to adhere to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises
- **Direct supplier engagement** – Working closely with primary, secondary and tertiary suppliers to understand their own supply chain oversight and risk mitigation processes
- **Enhanced due diligence** – Commissioning specialist third-party auditors to undertake on-site assessments of higher-risk suppliers and facilities

- **Collaboration** – Partnering with industry peers to drive more consistent and effective engagement with key suppliers
- **Ethixbase** – Using this specialised service to assess and monitor suppliers’ regulatory and sustainability risk profiles through independent data and analysis

As an investment trust managed by Foresight Group, the Company’s policies and practices relating to modern slavery and human trafficking are covered by the Investment Manager’s Modern Slavery Act statement. The statement outlines Foresight Group’s approach to supply chain due diligence, staff training, recruitment and employee welfare and is available on the firm’s website.



Click or scan to read
the statement



Lorca, Spain

Risk and risk management

Foresight Solar operates in a dynamic environment where a range of risks can influence its valuation, reputation and operational performance. The Board defines the level of risk the Company is willing to take in pursuit of its investment objectives, and the Directors regularly reflect on how these risks may evolve over time.

The Investment Manager and the Administrator have a comprehensive risk management framework to reduce the likelihood and the potential impact of principal and emerging risks. The Company relies on the Investment Manager's internal systems and controls and on external providers, such as the Administrator, to effectively manage risk across the portfolio and maintain an up-to-date risk register.

The Audit and Risk Committee oversees the risk management framework and reviews the risk register and risk management throughout the year. Key developments are reported to the Board each quarter, and the Directors undertake a comprehensive review of the framework at least annually to ensure it remains effective and appropriate.

Principal risks

The most significant risk continues to be market sentiment towards the renewable energy infrastructure investment trust sector, which affects the Company's ability to access capital. Higher interest rates and the relative attractiveness of fixed-income markets have placed sustained pressure on share prices across the sector, and Foresight Solar's shares have traded at a discount to NAV for three years. Whilst the Board remains confident in the underlying valuation of the portfolio, the discount signals a demand for higher returns and contributes to the cost and availability of financing.

To mitigate these pressures, the Board has prioritised capital allocation decisions that support shareholder value, including debt reduction and returning cash.

The Company continues to monitor potential changes in the UK's energy policy environment. Although the result of the Review of Electricity Market Arrangements and the new Consumer Composite Investment regulations were seemingly favourable, the decision to change the inflation indexation mechanism for the Renewables Obligation and Feed-in Tariff schemes was damaging to renewables. The upcoming consultation on Fixed Price Certificates brings further uncertainty.



Risk and risk management continued

Principal risks continued

Electricity price forecasts remain mixed. Although the portfolio's exposure is mitigated against short-term volatility through its active hedging approach, the Company continues to manage future exposure to maintain revenue visibility and support dividend cover.

The ongoing discount to NAV restricts the Company's ability to raise new equity to invest for growth. The proprietary development pipeline is key to delivering on Foresight Solar's investment objective. Recycling capital from asset sales will better support the portfolio's long-term revenue as FSFL targets investments into development or construction-stage projects. There is, however, a natural period before new assets are able to contribute to dividend cover – potentially putting pressure on dividend cover – and highlighting the relevance of timing of execution.

The table below outlines the most relevant principal risks as at 31 December 2025. A summary of each principal risk and related mitigations appears in the following pages.

Principal risk	Risk trend
Access to capital	↑
Regulatory change, including changes to subsidies	—
Near and long-term energy prices	↑
Dividend pressure	↑
Portfolio performance	—
Liquidity of investments	—
Fund performance	—
Counterparty risk	—
Financial gearing	↑
Development and construction	—

Additional information that should be considered before investing can be found in the Company's prospectus at foresightsolar.com/reports-and-publications.



Click here or scan to
read the prospectus

Emerging risks

Emerging risks are less predictable but can have meaningful long-term implications. The Board reviews these risks regularly with support from the Investment Manager, the Administrator and external advisors.

Geopolitical developments remain a significant area of uncertainty. Recent shifts in policy in the United States – characterised by more protectionist trade measures and sudden pivots – have the potential to heighten global tensions, disrupt supply chains, and affect the cost of equipment and the appetite for renewable energy projects. These pressures compound an already challenging macroeconomic backdrop in the UK. Market volatility and steep discounts to NAV across the investment trust sector have also created opportunities for activist investors, a trend the Board continues to monitor.

Escalating tensions in the Middle East from late February 2026 have had an impact in natural gas markets, influencing electricity prices. Whilst short-term price movements were observed, the extent of any sustained impact on gas prices and on inflation will depend on how long disruption to regional energy supply routes persists.

Climate-related risks are an increasingly prominent area of focus. Changing weather patterns and more frequent extreme events may affect asset performance over time. As part of the Company's climate-related financial disclosures, the Board is deepening its assessment of how these changes could influence operational outcomes and long-term value. (See the Task Force on Climate-related Financial Disclosures section, from page 60, for more details.)

Risk and risk management continued

Principal risk outline

Risk	Risk summary	Mitigation	Trend and outlook
Access to capital 	Market conditions remained difficult. Weak investor sentiment pushed sector share prices to record lows and most renewable infrastructure trusts, including Foresight Solar, currently have limited access to new equity. From 2021 to 2023, central banks raised interest rates rapidly to curb inflation. Higher risk-free returns made fixed-income assets more attractive, shifting investor demand away from listed infrastructure. This widened the gap between asset values and the returns investors expected, contributing to sustained share price discounts. Prolonged weakness in demand for FSFL shares may restrict the Company's ability to raise capital, limiting growth opportunities and putting long-term pressure on NAV.	The Company continues to take a disciplined approach to capital allocation. The Board paused significant new investment activity and is prioritising strengthening the balance sheet. This includes reducing debt and returning capital to shareholders through buybacks, which enhance value for existing investors. The Investment Manager is overseeing a capital recycling programme. Proceeds from the first phase were used to repay the RCF and future divestment proceeds will be directed to further debt reduction, returns to shareholders and selected reinvestment opportunities.	The Board and the Investment Manager are comfortable the Company's valuations reflect realistic assumptions. Elevated interest rates continue to influence investor behaviour, and discounts across the listed renewables sector remain wide. The Company aims to remain well positioned relative to peers, and any future reduction in UK benchmark rates would likely support an improvement in the share price, subject to the Bank of England's assessment of inflation and growth. The recent conflict in the Middle East, however, has made rate cuts in 2026 less likely. The Investment Manager and the Board remain focused on reducing the share price discount to NAV. Directors continue to analyse all options available, including consolidation.
Regulatory change, including changes to subsidies 	Shifts in political priorities can influence the level and stability of subsidies for renewable energy. Changes – whether prospective or applied retrospectively – could materially affect renewable assets' returns. Although subsidy regimes are supported by government policy, they remain exposed to political pressures. The UK government has recently decided to change the inflation indexation mechanism for RO and FiT schemes. Its upcoming consultation on Fixed Price Certificates risks further damage to the sector. Adverse policy changes, particularly with retrospective effect, can negatively impact the valuation of the Company's assets and its ability to achieve targeted returns.	The Investment Manager closely monitors regulatory and political developments. The Investment Manager holds regular discussions with peers and government stakeholders to anticipate potential changes and mitigate downside risk. Recognising that direct influence on policy may be limited, the Investment Manager participates in industry groups and trade associations that represent the sector's interests and engage proactively with policymakers.	Energy policy continues to attract significant political attention, influenced by energy affordability, security of supply and net zero commitments. Substantial investment is required to deliver decarbonisation goals, and the government elected in July 2024 has signalled broad support for renewable deployment. Whilst this reduces the likelihood of major market upheaval, economic pressures may still prompt policymakers to consider measures – such as the ones leading to inflation indexation changes for the RO and FIT schemes – that affect the sector.

Risk and risk management continued

Principal risk outline

Risk	Risk summary	Mitigation	Trend and outlook
Near-term energy prices 	The market sets price received for electricity generated by solar assets. Short-term movements can, therefore, affect the Company's revenues and, in turn, its ability to maintain dividend payments. Power prices respond to a range of factors, including changes in supply, demand and regulatory conditions. If market prices fall, the value of electricity sold by Foresight Solar's assets may decline, affecting financial performance. A sharp drop in unhedged power prices could reduce cash generation, limiting the Company's capacity to fully fund dividends.	To manage near-term price volatility, FSFL actively hedges a significant portion of expected production. The strategy aims to reduce sensitivity to fluctuating wholesale prices by securing fixed-price sales agreements and using financial instruments. The Company targets: • Minimum 60% of expected annual revenue to be contracted • Target of 75% contracted on a rolling two-year basis Foresight Solar has already secured more than the 60% minimum threshold for several years ahead, and the Board considers there to be limited downside risk in locking in additional volumes at attractive rates.	Forward electricity prices have stabilised and are now closer to long-term averages following the volatility triggered by Russia's invasion of Ukraine. However, the market remains vulnerable to external shocks and geopolitical tensions could still drive prices higher.
Long-term energy prices 	Reductions in long-term power price forecasts could materially affect the Company's NAV and its ability to meet future obligations, including dividend payments. Forecasts typically assume that large-scale deployment of renewable generation will limit real power price growth over time. A greater-than-expected fall in long-term power curves could significantly reduce Foresight Solar's NAV in the near term and weaken dividend cover over the medium to long term.	The Company uses a range of tools to manage long-dated price exposure, including PPAs and financial hedges. Whilst power purchase agreements allow prices to be fixed several years ahead, liquidity drops beyond a certain point. Financial hedges provide access to counterparties with differentiated appetites and a broader set of structures. A growing corporate PPA market offers longer-term offtake agreements. Despite these avenues, a substantial decline in long-term curves would be reflected in both PPA prices and financial hedges. To ensure a balanced outlook, FSFL bases its assumptions on a blend of forecasts from three specialist long-term power price providers, projecting out to 2050.	Long-term forecasts remain inherently uncertain given their sensitivity to future supply, demand and market design. Continued investment in renewable generation will require sufficiently strong long-term price signals, particularly as the UK works towards its net zero goals.

Risk and risk management continued

Principal risk outline

Risk	Risk summary	Mitigation	Trend and outlook
Dividend pressure 	Foresight Solar is committed to delivering a sustainable, progressive dividend. A shortfall in cash, driven by lower revenues or higher costs, could challenge its ability to meet payments. The Company has paid every quarterly dividend since listing in 2013. Missing a payment would likely erode investor confidence, put downward pressure on the share price, and weaken the Company's ability to execute its strategy.	The Investment Manager routinely evaluates factors that could influence dividend sustainability and regularly reports to the Board. The Directors review the Company's financial position and assess short to medium-term solvency before declaring each dividend. When recommending any financial commitment, the Investment Manager considers the potential impact on dividend capacity. The Investment Manager also undertakes forward-looking analysis of annual dividend increases, taking account of market conditions, performance and the macroeconomic environment, before making recommendations to the Directors.	The Company's active hedging strategy supports short-term dividend cover. However, forward power prices are normalising following Russia's invasion of Ukraine. Gas and power market outlooks suggest dividend increases are likely to remain modest. From April 2026, UK subsidy indexation will shift to CPI. The Consumer Price Index has historically been lower than RPI, reducing revenues in comparison to previous budgets. The government will also consult on fixed-price contracts, and its decision may have a negative effect on the renewable infrastructure investment trust sector. Success in the Company's divestment programme may lead to lower dividend cover in the near term.
Portfolio performance 	The Company's operating assets may underperform against budgeted expectations. A range of factors can affect asset performance, including technical issues, grid constraints, low irradiation or assumptions that prove overly optimistic. Localised problems can sometimes have an outsized impact, particularly in specific regions. If a material share of the portfolio underperforms or experiences prolonged downtime, Foresight Solar may face reduced cash generation, affecting its ability to meet commitments to shareholders and creditors.	Diversification remains the primary defence against systemic underperformance. The portfolio is diversified across geographies, technologies, revenue sources, equipment providers and offtakers, reducing reliance on any single factor. The Investment Manager closely monitors the performance of O&M contractors, uses multiple providers and periodically re-tenders services to maintain quality standards. Active asset management also includes a structured spare parts strategy and regular engagement with distribution network operators to minimise downtime.	As the UK portfolio operates into its second decade, the Company is undertaking essential lifecycle works, including major component replacements. A robust lifecycle plan and well-developed spare parts strategy help manage expected downtime and preserve long-term performance. Maintaining strong oversight of these works will remain a key focus as the portfolio matures.
Liquidity of investments 	Infrastructure assets are inherently illiquid, and their saleability depends on factors outside the Company's control, including market conditions, buyer demand and regulatory developments. The Company's investments may be difficult to sell or realise at the desired price or time. This could hinder execution of planned exits, delay capital redeployment and limit progress against strategic objectives.	Shareholders have expressed a desire for FSFL to exit Australia, making successful divestment a key objective. The Company has launched a broader divestment programme, creating heightened expectations for timely realisations. The Investment Manager keeps the Board regularly informed of liquidity considerations. Multiple sale processes are progressing across markets to increase the likelihood of successful exits.	Regular disposals are expected to play an increasingly important role in FSFL's strategy by supporting capital recycling and strengthening the portfolio's contracted revenue profile. High-quality solar assets, particularly those with inflation-linked revenues, continue to remain attractive to long-term investors. However, certain markets have faced reduced investor appetite for solar portfolios. The Board hopes to have an update for investors soon.

Risk and risk management continued

Principal risk outline

Risk	Risk summary	Mitigation	Trend and outlook
Fund performance 	The Company may underperform its peer group, leading to reduced investor confidence. Delivering the investment objective in a competitive market requires strong strategic decision-making by the Investment Manager and close oversight from the Board. Recent market conditions have intensified comparisons between funds, increasing scrutiny of corporate actions and heightening calls for consolidation and takeover risk. If investor confidence weakens, demand for FSFL shares may fall further, limiting the ability to raise capital for new investments. This would constrain growth and add long-term pressure on NAV.	The Investment Manager is responsible for executing the Company's mandate, with ongoing Board oversight. Foresight Group continuously tracks performance relative to peers, supported by brokers and the Administrator, and reports regularly to the Directors. The Board also reviews delivery through the Management Engagement Committee. Despite challenging macroeconomic conditions, the Board and the Investment Manager have taken proactive steps that differentiate FSFL from peers. These include disciplined capital allocation, targeted asset disposals, meaningful debt reduction and returning capital to shareholders.	Investor sentiment remains weak, with sector-wide share prices reaching record lows and persistent discounts. This environment affects all peers and has contributed to a rise in investor activism and calls for further action. In response, the Directors have expanded the divestment programme and are evaluating all available options to deliver the best outcome for shareholders. The Company will face a discontinuation vote at the June 2026 AGM, following a period of trading at a discount of more than 10% during 2025. Should shareholders vote in favour of change, the Board will be required to bring forward proposals within three months. The recent tax review negatively impacted NAV and may affect demand for FSFL shares.
Counterparty risk 	The Company's key contractual counterparties may fail or underperform, limiting their ability to meet their obligations. Foresight Solar relies on third-party specialists for construction, operations and maintenance, PPAs and financial hedging. Higher interest rates have increased borrowing costs for many businesses, placing pressure on balance sheets and heightening the need to monitor counterparties for signs of financial stress. If a counterparty fails and contractual protections prove insufficient, Foresight Solar may need to assume responsibility for services at additional cost, potentially affecting financial performance and timelines.	Counterparty risk is a central consideration when the Investment Manager structures procurement and contracting. Contractor selection includes assessment of credit ratings, financial strength and payment history, and contracts often include parent company guarantees or performance bonds to provide downside protection. Whilst these measures limit exposure, the failure of a contractor during construction would still likely result in delays. The Investment Manager regularly benchmarks service providers and re-tenders key contracts. Agreements contain termination clauses for insolvency or poor performance and are typically limited to terms of no more than five years without a review. Replacement risk is mitigated by strong market competition. In the event of a PPA provider failing, for example, the Company could likely secure a new agreement quickly, albeit potentially at less favourable prices. Financial hedges also provide access to counterparties with differentiated appetites and a broader set of structures. Supplier diversification is also maintained to avoid over-reliance on any single counterparty.	As existing debt arrangements mature, the impact of higher borrowing costs is expected to become more visible in counterparties' financial positions. UK tax increases – including higher employment-related costs – may also be passed through in pricing. Counterparty risk is likely to remain elevated if interest rates stay higher for longer, with weaknesses potentially emerging over the next few years.

Risk and risk management continued

Principal risk outline

Risk	Risk summary	Mitigation	Trend and outlook
Financial gearing 	The Company's subsidiaries and investments use third-party debt facilities. If project cash flows fall short, there is a greater risk of difficulty meeting repayments or losses. Foresight Solar may also be unable to refinance existing borrowings on comparable terms, if at all. Shareholder returns are partly supported by the availability of project finance. Any shift in lender appetite or pricing can influence returns. The recent rise in interest rates increased refinancing risk and the cost of variable rate debt, including the RCF. A material rise in interest rates could make short-term facilities, such as the RCF, significantly more expensive at refinancing. Higher discount rates also reduce portfolio valuations, increasing gearing as a proportion of NAV and GAV. Lower cash generation at asset level may affect the ability to service debt, resulting in lock-ups, defaults or repossessions. At an extreme, it may reduce the Company's capacity to fund dividends.	The Investment Manager uses interest rate hedging to limit exposure to benchmark rate movements, with at least 80% of outstanding debt hedged to reduce cash flow volatility. All long-term debt is fully hedged. For short-term variable rate borrowings, the Company extended the multi-currency RCF to 2028 and reduced its size, estimating savings of £1 million during the facility's term. It has also substituted sterling exposure for euro, capturing lower Euribor rates. A detailed review has confirmed that existing debt terms remain favourable, and the Investment Manager does not expect to secure better rates in a "higher-for-longer" environment. Once facilities are in place, the Investment Manager closely monitors covenants across all debt structures to identify and mitigate risks early.	Although interest rates began to ease in late 2024, they are not expected to return to the unusually low levels seen in the 2010s. The Investment Manager reflects this in refinancing assumptions to ensure a prudent, forward-looking approach. The Australian portfolio's non-recourse facilities are approaching expiry in 2026 and 2027 (as disclosed in the debt position table on page 72) against a challenging market backdrop. As renewable electricity generation capacity grows, zero or negative price instances are likely to increase, putting pressure on standalone solar assets' revenues and, consequently, debt repayments. The Investment Manager and Board are conscious of the portfolio's refinancing risk.
Development and construction 	Early-stage projects naturally carry higher risk than operational assets. They face several challenges outside the Company's control, including securing land rights and permits, delays to construction, workmanship issues, and grid connection delays. These factors can prevent projects from generating power – and revenue – on schedule. Failure to obtain permits can render a project unviable, whilst prolonged construction or grid delays may reduce returns. Some projects may also have debt service obligations or PPA commitments during the build phase, which could create financial pressure if revenues are delayed.	The Company has allocated limited capital to secure its proprietary development pipeline. Agreements are often success-based and cross-collateralised to reduce downside risk. The Investment Manager has set realistic expectations for project progression and does not assume full conversion across the pipeline. Development and construction activities are delivered by specialist third parties, which introduces a degree of delegated risk. This is mitigated through carefully negotiated contracts that place responsibility for delivery on the contractor. Protections include performance bonds, milestone-linked payments and retention mechanisms. However, these measures cannot address delays in grid connections, which remain the responsibility of the distribution network operator. The Investment Manager employs experienced in-house development and construction management professionals to oversee project delivery, monitor milestones and ensure specifications are met. As the portfolio increasingly incorporates early-stage assets, additional resources have been added to strengthen oversight.	Government support for renewable generation in the UK and mainland Europe continues to stimulate a strong supply of development-stage projects, although prices have risen alongside demand. Encouragingly, more contractors have returned to the UK market as deployment accelerates, increasing competition and helping support delivery capacity.

Going concern and viability statement

Going concern

The Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for the going concern assessment period and have, therefore, prepared the Financial Statements on a going concern basis. The Directors can also confirm no material uncertainties in relation to going concern exist.

The Directors have considered the discontinuation vote to be proposed at the Company's AGM in June 2026, triggered by the shares trading at an average discount to NAV greater than 10% for the year, in line with the Company's Articles of Association. The Directors have listened to shareholder feedback, assessed the possible outcomes of the vote and, as a result, are satisfied with the basis of preparation of the Financial Statements. The Directors continue to actively engage with shareholders and, regardless of the discontinuation vote outcome, will continue to engage with shareholders beyond the AGM in June 2026. The Directors will continue to refine the strategy of the Company to deliver results to shareholders, whilst targeting a reduction to the trading discount to NAV.

The going concern assessment has been prepared over a period of 18 months from the balance sheet date of the audited Annual Financial Statements in March 2026 (the going concern assessment period).

Foresight Solar's business activities, together with the factors likely to affect its future development, performance and position, are set out in this report. The Company's financial position, including its financial performance, cash flows, liquidity and borrowing facilities, are referred to in the Chair's statement (from page 6), Investment Manager's report (starting on page 10) and Notes to the Financial Statements (see page 120).

The Financial Statements (from page 116) also include Foresight Solar's objectives, policies and procedures for managing its capital, its financial risk management objectives and its exposure to credit and liquidity risks.

A detailed evaluation of the cash flow impact for the going concern assessment period took into consideration the following individual scenarios:

1. All investments consistently generate a P90 level (90% probability of exceeding expected production over a 10-year period) of electricity output. The Directors deem this is an appropriate, market standard stress test, with a relevant example being historically low irradiation in the UK throughout the year. This is corroborated by data from the Department of Energy Security and Net Zero showing that 2024 had the lowest number of sun hours since the Company's IPO in 2013.
2. Power prices reduce by 20% across the portfolio. Despite the current conflict in the Middle East and its impact on global oil and power prices, this downside scenario represents decreasing merchant power prices and historic oil, gas and electricity price volatility.

3. The PPA provider that the Group is most exposed to fails to settle merchant revenue under the PPA contract. This downside scenario represents the risk of insolvencies of PPA counterparties in response to the high number of energy company insolvencies during the last three years because of the high power price market.

4. A combination of scenarios 1 and 2.

If any of these sensitivities or scenarios were to materialise, the Company could still meet its target dividend per share for 2026. However, the Directors would continue to periodically review whether paying the dividend would be appropriate considering the potential for reduced cash flow.

The sensitised forecasts show that operating costs would still be covered, but the cash balance would fall gradually during the going concern assessment period, albeit without causing any operational issues.

The evaluation demonstrated that Foresight Solar would be able to meet its liabilities without breaching any debt covenants and could continue to satisfy the dividend target for 2026.

Going concern and viability statement continued

Viability statement

The Directors confirm that they have a reasonable expectation the Company will be able to continue operating and meet its liabilities as they fall due through to 2030. In accordance with the UK Corporate Governance Code, the Board has assessed Foresight Solar's viability over a five-year period to 31 December 2030 on the basis that it has significant long-term fixed, power-price-hedged and subsidised revenues and long-term debt in place. The Directors have also considered the refinancing of the revolving credit facility, which matures in February 2028. The Board are confident the facility will be refinanced ahead of the maturity date.

This is the period the Directors focused on during the strategic planning process and is considered reasonable for a business of the Company's size and nature. Whilst the Board has no reason to believe the Company will not be viable over a longer period, the Directors believe this presents readers of the Annual Report with a reasonable degree of confidence whilst still providing a longer-term perspective.

The Board considers the Company's ability to raise debt and equity and deploy capital. As part of this process, the Directors have considered the ongoing viability of Foresight Solar's long-term and short-term debt strategies.

The current macroeconomic environment in which the Company operates has challenged the long-term sustainability of the traditional business model. Specifically, high interest rates and access to capital. Due to the Company's shares trading at a discount to NAV, there is an inability to raise capital due to unacceptable dilution of existing shareholders. As such, it is no longer viable to apply the business model of using the RCF to fund acquisitions and subsequently repay the RCF with raised equity. To address the reduced access to capital, FSFL has an ongoing divestment programme implemented to recycle capital through asset sales and also deploys a development pipeline to bring projects through to construction or completion to generate cash upon sale. The intention is to use the divestments and development portfolio to fund future developments or acquisitions without the need to draw on additional debt.

The Directors have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity. The Directors have considered the emerging and principal risks, identified from page 51, in relation to the Company's resilience over a five-year period. In doing so, the Board believes the key direct principal risks to Foresight Solar's financial viability are: changes to the level of political support for subsidies across the Company's markets, energy prices and the impact of climate and changes to weather patterns.

In addition to these principal risks, the Directors have also specifically reviewed the share price performance of Foresight Solar, which could trigger further discontinuation votes during the five-year period, as well as sustainability-related risks that consider environmental, social and governance factors in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), discussed in detail from page 60.

Task Force on Climate-related Financial Disclosures



Climate change-related risk

Climate change, once viewed as a non-financial matter, carries clear implications for long-term investment performance. Foresight Solar's portfolio contributes meaningfully to the UK's decarbonisation efforts, and the Investment Manager continues to assess how climate-related risks and opportunities may affect the Company's assets over time.

Climate considerations are embedded across FSFL's governance, strategy and risk management frameworks. For the year ended 31 December 2025, the Company has prepared disclosures aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

With the International Sustainability Standards Board's standards now in place, national regulators are determining how and when to adopt them. The government is progressing work on the UK Sustainability Reporting Standards, intended to support consistent disclosures going forward. A consultation on the new regulation closed in March 2026 and final rules are expected in the second half of the year. The new regime is slated to take effect for accounting periods beginning on or after 1 January 2027.

Until these new requirements are fully implemented, organisations are encouraged to continue reporting in line with the established TCFD framework.

Governance

Board governance

The Board works closely with the Investment Manager to set FSFL's strategy, monitor performance and approve new initiatives. A core part of its role is ensuring that sustainability considerations – and the frameworks used to manage them – are embedded throughout investment and operational decision-making.

The Directors hold ultimate responsibility for the Company's climate-related risks and opportunities. They determine the risk appetite for new investments and oversee how risks within the existing portfolio are managed. As part of this oversight, the Management Engagement Committee reviews the Investment Manager's approach to tracking climate-related risks and opportunities each year.

The Board meets at least quarterly with the Investment Manager to discuss strategic opportunities and risks. Climate-related risks are included in the Business Risk Assessment, monitored regularly, and reflected in both Company strategy and day-to-day asset operations.

Role of the Investment Manager

When assessing new opportunities, the Investment Manager's Investment Committee evaluates climate-related market, regulatory and physical risks, as well as any associated opportunities. Each potential investment is reviewed through a series of increasingly detailed meetings before approval.

The Investment Manager is responsible for monitoring sustainability and climate-related issues across the portfolio and ensuring these are incorporated into investment, asset management and reporting processes. Foresight Group's in-house sustainability team supports due diligence, engaging third-party specialists when needed, for example, to audit supply chains.

Material sustainability topics are assessed at the asset level for all potential infrastructure investments. Pre-investment due diligence and ongoing monitoring follow regulatory requirements and recognised sustainability frameworks.

Role of Management Services

Foresight Solar's management services team monitors performance and associated risks, including climate-related factors that may create new opportunities or affect long-term forecasts. This involves site inspections and escalation of any issues that may signal broader systemic risk.

The team also takes proactive steps to mitigate emerging risks. For example, on certain sites, it has installed cooling systems on transformers in response to higher temperatures and changing irradiation patterns.

The Investment Manager is responsible for collecting the portfolio's sustainability performance data, including Scope 1 and Scope 2 emissions, enabling the Company to track aspects of its climate impact.

Understanding and reducing Scope 3 emissions remains a developing area. As these emissions arise from third-party suppliers, progress relies on working with partners to measure and reduce their carbon footprints. For this report, Scope 3 emissions have been calculated using the Partnership for Carbon Accounting Financials (PCAF) methodology and its sector and geography-specific emissions factors.

Task Force on Climate-related Financial Disclosures continued



Strategy

Impacts of climate-related risks and opportunities

Climate change brings both risks and opportunities. Foresight Solar aims to capture the benefits of the energy transition, particularly through the growth of solar and battery storage technologies.

The table on the following pages outlines the key climate-related risks and opportunities identified across the short, medium and long term.

Strategy

In the near and medium term, renewable energy is expected to continue receiving political and public support as economies shift away from fossil fuels in a bid to ensure energy affordability and security – especially in Europe. Regulatory and planning environments for solar and battery storage in Foresight Solar’s core markets are also progressing favourably.

The transition to a lower-carbon economy provides a supportive backdrop for growth, assuming the Company can continue sourcing investments with attractive returns and balanced risk profiles. However, rapid deployment of renewable generation can also create challenges. Too much solar and wind capacity may lead to network congestion, curtailment, or price cannibalisation. FSFL’s active power price hedging strategy helps manage these risks, but they remain important considerations.

Financial planning

Financial performance can be affected by climate-related impacts. They may cause, for example, greater power price volatility. A prolonged fall in electricity prices would affect merchant revenues from the generating portfolio. The Company secures a significant portion of income through fixed-price agreements up to five years ahead, whilst maintaining some merchant exposure to benefit from potential price rises.

A rapid build-out of renewable generation could contribute to price cannibalisation, and forecasters currently expect limited real power price growth over the medium to long term. If prices were to fall below expectations, many new projects could become uneconomic, prompting a natural rebalancing of development.

Foresight Solar’s sustainability-linked credit facility also presents an opportunity to reduce borrowing costs by meeting specific criteria. As investor interest in sustainability strengthens, enhanced reporting and strong performance may help clean energy companies differentiate themselves and attract more capital.

Existing portfolio

More frequent extreme weather events present physical risks to Foresight Solar’s assets. In the UK, the higher potential for severe flooding has become a concern in recent years, whilst Spain is expected to face more frequent droughts. To address this, the Investment Manager undertakes flood risk assessments and detailed geolocation analysis as part of ongoing due diligence and site management.

Higher temperatures also affect solar performance, as panel efficiency falls and equipment can experience heat stress. FSFL has already seen such impacts at certain sites, where additional cooling equipment has been installed on inverters and transformers. The Investment Manager anticipates similar interventions will be required elsewhere as temperatures continue to rise.

At the same time, the retirement of coal and nuclear baseload generation – and their replacement with intermittent renewables – will likely increase power price volatility. This volatility is beneficial for battery storage projects, which depend on price differentials for arbitrage revenue.

Over the long term, the Company monitors technological innovation to ensure its assets remain competitive.

Task Force on Climate-related Financial Disclosures continued



Climate-related opportunities				
Opportunity	Description	Time period	Impact	Investment Manager response
UK and European PPA markets mature further	Driven by the potential to lock in prices whilst supporting climate action, a stronger competitive market for offtakers emerges, offering more opportunities and selection.	S M	S F E	- The Company would enter new, advantageous contracts to sell its electricity production and capitalise on demand for corporate PPAs. - Countries are growing their solar capabilities. The Investment Manager has strong presence, deep expertise and extensive networks to help the Company capitalise on these opportunities.
Continued build-out of renewables leads to mature battery storage markets	- Need for infrastructure to help balance renewables' intermittent generation and offer more grid flexibility may drive demand for BESS. - Increased penetration of renewable generation leads to more volatility in electricity markets, resulting in the need for more battery storage to balance and stabilise the grid.	S M	S F	- More volatile wholesale energy prices may provide additional revenue opportunities via arbitrage trading for BESS. - Growth will result in more established business models and reliable revenues around the globe.
Technological developments complement the existing portfolio	Advances in new and existing technologies, both in solar generation and battery storage, improve scale and/or efficiency of current installed capacity.	M L	S E	- Innovations may have a direct effect on existing projects, improving revenues, extending asset lives and/or lowering costs. - The Company could also benefit from improvements for future projects, realising better returns for shareholders.
Climate emergency sparks more supportive regulatory and planning frameworks	A favourable regulatory environment with lower barriers to building renewable infrastructure may facilitate optimisations and extensions of existing assets and open the door to even more opportunities.	M L	S E	- Initiatives such as BESS co-location, lease extensions and plant updates can lead to NAV growth and lengthen asset life. - Ultimately, making these easier to deliver can provide more resilience and ensure longevity of the Company.
Electrification of the economy happens faster than expected	Regulatory support and technological developments accelerate the electrification of industrial processes and of residential infrastructure, increasing the demand for renewable electricity.	M	S E	- A reliable installed portfolio with a strong track record is a competitive advantage for the Company to capitalise on increased demand. - The Investment Manager's experience with power purchase agreements and other offtake structures is another positive factor.

Task Force on Climate-related Financial Disclosures continued



Climate-related risks				
Risk	Description	Time period	Impact	Investment Manager response
Warmer winters lead to lower power prices	- Climate-driven changes in prevailing seasonal temperatures may result in permanent changes in electricity demand for heating, for example, reducing demand across seasons and impacting prices at times of the year. - This could result in less predictable, more volatile market pricing.	M L	S F E	- The portfolio's geographic diversification and strategic composition, with two technologies, provide some resilience to changing power prices. - Increased market volatility promotes the case for storage assets, which realise greater trading revenues during periods of heightened volatility.
Over-deployment of renewables disrupts electricity networks	- Favourable policy and regulatory support leads to overbuild of renewable capacity, resulting in a backlog of projects waiting for connection to the grid and, later, lower electricity prices. - Low power prices might affect investor appetite because of insufficient returns, limiting capital available to continue the build-out of renewables. - Regulators and policymakers may intervene in markets, changing the established pricing structures due to new dynamics.	S M	S F E	- The portfolio's composition and its geographic dispersion reflect a diversified set of solar and battery storage assets by location and points of connection. - Foresight Solar participates in regulatory discussions to try to influence policy and minimise potential negative effects.
Technological developments displace existing renewables assets	Government and commercial incentives drive breakthrough innovation and cause existing assets to be outdated or displaced because of obsolescence or inefficiency.	M L	S E	- Innovations would take time to deploy at sufficient scale to render the portfolio obsolete. The Investment Manager follows these advances closely and would be able to explore updated opportunities in that period. - New, more efficient renewable generation or storage systems also present an opportunity. The Company has the experience to invest in these technologies once they are market proven.
More frequent extreme weather events cause damage to assets or negatively impact production	Climate change is making extreme weather events, such as storms, floods, droughts, bush fires and high heat, more frequent, potentially causing delays to site construction or resulting in damage that reduces generation at operational plants.	S M L	S F E	- The Investment Manager assesses the full range of physical weather risks during due diligence prior to the closing of transactions and during the acquisition process. - A location's susceptibility to impacts from weather events are taken into consideration during the investment process to limit the effects from extreme events.
Changing climate patterns fundamentally alter the availability of renewable resource	Unpredictable and unprecedented changes to weather patterns affect the provision of sunlight because of, for example, excessive cloud cover or smoke from wildfires.	S M L	S F	- Before any investment decision is made, the Investment Manager maps sustainability risks and opportunities. - Construction decisions take into consideration geographical diversity, which ensures the portfolio's exposure to any one market is limited. If chronic patterns persist, models can be updated and markets can be reviewed.

Task Force on Climate-related Financial Disclosures continued

Climate-related scenarios and resilience

Overview

Since the 2022 Annual Report, Foresight Solar has worked with S&P Global Climonomics to assess a range of potential future climate scenarios. The platform provides comprehensive modelling across four options, incorporating both physical and transition risks as well as climate-related opportunities.

Climonomics bases its analysis on the Intergovernmental Panel on Climate Change's (IPCC) Shared Socioeconomic Pathways (SSPs). The SSPs outline how greenhouse gas emissions, socioeconomic trends and demographic changes may evolve and what these combined factors could mean for global temperature rises.

The four core scenarios can be summarised as:

- **SSP 1:** Aggressive mitigation, global emissions fall to Net Zero by 2050; temperatures rise by 1.3°C to 2.4°C by 2100
- **SSP 2:** Emissions stabilise to 2050 before declining; temperatures rise by 2.1°C to 3.5°C
- **SSP 3:** Limited mitigation, emissions double by 2100; temperatures rise by 2.8°C to 4.6°C
- **SSP 4:** Low mitigation, emissions triple by 2075; temperatures rise by 3.3°C to 5.7°C

Methodology

Climonomics integrates high-resolution geographic, climate, economic and sector-specific data with the SSPs to quantify climate risk. The platform assesses both risks and opportunities for each scenario and produces asset-specific outputs that can be fed into the Company's valuation model to estimate potential financial impacts.

Risk and opportunity categories align fully with the TCFD framework:

Physical risk: Assesses exposure to acute and chronic hazards including extreme temperatures, drought, wildfire, flooding, water stress and tropical storms

Transition risk: Evaluates hazards linked to the shift to a low-carbon economy, including litigation, reputational, technological and market changes

Opportunity modelling: Identifies potential benefits from improved resource efficiency, energy sourcing, market changes and resilience measures

Climonomics estimates the direct financial impact of each hazard on each asset type. Vulnerability is defined through detailed "impact functions", derived from peer-reviewed and government-published research. These functions reflect how a given technology responds to specific climate variables.

Although scenario analysis continues to evolve, Foresight Solar remains committed to using leading methodologies and will update its approach in line with advances in science and climate data.



Verwood, UK

Task Force on Climate-related Financial Disclosures continued

Governance Strategy Risk management Metrics and targets

Climate-related scenarios and resilience continued Estimates

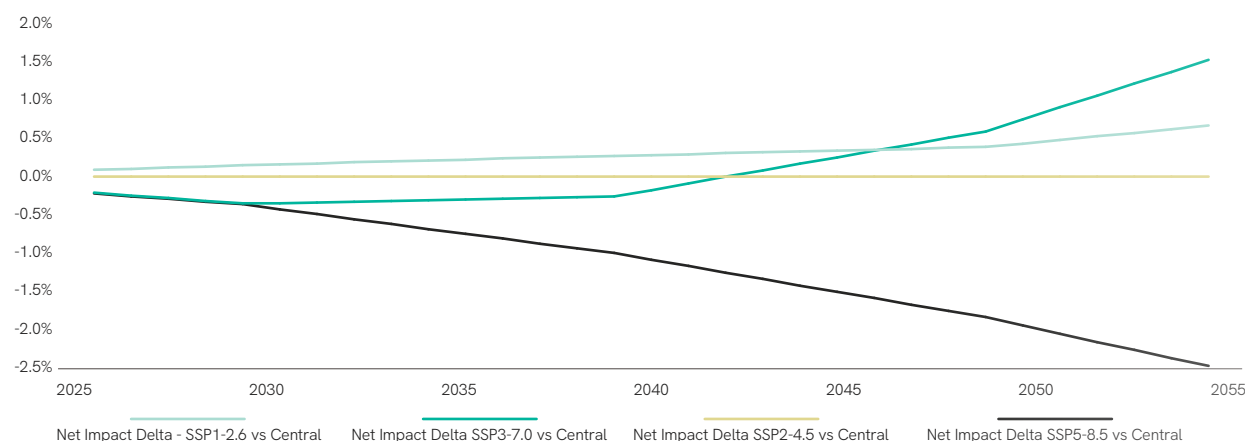
Using SSP 2 as the central case, considered the most likely pathway based on current global emissions, the chart illustrates the estimated financial impacts under the remaining three scenarios in relation to the central case¹:

Under the SSP 2 central case, global temperatures rise by more than 2°C by 2100. Whilst this would have grave global implications, the modelling suggests a limited financial effect on the portfolio. A less severe but now unlikely SSP 1 scenario would result in a gain of 1.35pps to NAV. Under SSP 3, in which temperatures approach a 3°C rise, impacts turn negative, with a projected downside of 1.41pps. In the most extreme forecast, SSP 4, the potential loss steepens to 4.22pps to net asset value.

Results for 2025 should be interpreted in the context that the proportion of assets exposed to physical climate risk remains unchanged from 2024. The year-on-year movement in quantified potential financial impact is driven primarily by updated underlying asset valuations, which alter the monetary value at risk without signalling any change in the underlying risk profile.

1. The opportunity scenario analysis results tend to be less variable than the risk data results, so using the latest Coupled Model Intercomparison Project 5 information will not have materially influenced estimates.

Projected climate change-related impact on Foresight Solar's portfolio



Source: Foresight Solar Fund Limited.

Task Force on Climate-related Financial Disclosures continued



Risk management

Risk framework

The Investment Manager is responsible for developing and maintaining the framework that ensures climate-related opportunities and risks are systematically identified, assessed and managed.

This framework is built around a robust three lines of defence model, ensuring that asset resilience is considered from the earliest stages of due diligence:

- **First line:** Foresight Group's real assets team regularly monitors risks, identifying, assessing and mitigating issues through established controls
- **Second line:** The Investment Manager's risk function oversees the overall risk management approach, maintaining the risk taxonomy and register, determining material risks and managing risk events through the Risk Committee
- **Third line:** An internal audit function is being established and is expected to become operational in due course. Until then, the existing arrangements remain effective in identifying, monitoring and reporting risks

Risks are also captured in the Company's Business Risk Assessment and reviewed by the Audit and Risk Committee. Relevant physical risks are mapped on a heatmap, and a suite of analytical tools is used to assess vulnerability and determine appropriate mitigation measures.

As is industry standard, Foresight Solar's climate-related risks can be categorised in two principal ways:

Transition risks: Related to the transition to a lower-carbon economy

	Policy and legal	Technology	Market	Reputation
Description	- Increased pricing of greenhouse gas emissions - Enhanced emissions reporting obligations - Mandates on, and regulation of, existing products and services - Exposure to litigation	- Substitution of existing products and services with lower emissions options - Costs to transition to lower emissions technology	- Changing customer behaviour - Uncertainty in market signals - Increased cost of raw materials - Increased competition for solar and battery assets	- Shifts in consumer preferences - Stigmatisation of sector - Increased stakeholder concern or negative stakeholder feedback

Physical risks: Related to the physical impacts of climate change

	Temperature related	Wind related	Water related	Solid mass related
Chronic	- Changing temperatures - Heat stress	Changing wind patterns	Changing precipitation patterns	Landslide
Acute	- Heat wave - Wildfire	Storm	- Heavy precipitation - Flood	

Probability	5 Almost certain					
	4 Likely		Changing precipitation patterns	Changing temperatures Heat wave	Heat stress	
	3 Possible		Storm	Changing wind patterns		
	2 Unlikely			Heavy precipitation Wildfire	Flood	
	1 Rare			Landslide		
		1 Negligible	2 Minor	3 Major	4 Hazardous	5 Catastrophic
		Impact				

Task Force on Climate-related Financial Disclosures continued

Risk management continued

Managing climate risk

All potential investments are assessed to ensure they meet the Investment Manager's definition of sustainable infrastructure and that climate-related risks are fully understood and managed.

Every solar or battery storage asset must contribute to measurable sustainability objectives and demonstrate that its climate resilience has been evaluated.

Pre-investment due diligence is structured around rigorous regulatory requirements and recognised frameworks, including the SASB Standards, EU Taxonomy and the Paris Agreement.

During the investment process, the Investment Manager establishes each asset's sustainability credentials. Climate-related risks must be clearly assessed and appropriately addressed in the final submission to the Investment Committee, accompanied by any necessary risk re-profiling or mitigation measures.

Once an investment is completed, the asset is formally handed over to the management services team, which assumes responsibility for ongoing identification, assessment and management of climate-related risks and opportunities.



Shotwick, UK

Task Force on Climate-related Financial Disclosures continued



Metrics and targets

TCFD core metrics

Foresight Solar reports its quantitative exposure to climate-related risk using internationally recognised core metrics.

In line with the Financial Conduct Authority's guidance, these metrics are calculated using Scope 1 and Scope 2 emissions. Applying the core metrics enables the Company to compare performance across its assets and benchmark against its wider peer group.

Absolute emissions

The Greenhouse Gas Protocol categorises emissions into Scope 1, 2 and 3. Quarterly sustainability data collected at asset level allows FSFL to calculate Scope 1 and Scope 2 emissions accurately.

Scope 1	Scope 2	Scope 3
- All direct emissions from the activities under the Company's control. - Includes fuel combustion on site such as gas boilers, fleet vehicles and air-conditioning leaks.	- Emissions from the production of energy the Company uses. - Indirect emissions from the Company's electricity purchases and use.	- All other indirect emissions occurring from sources that are not owned or controlled. - Includes purchased goods and services, business travel, employee commuting, waste disposal, use of sold products, transportation, distribution and investments.

The Investment Manager continues to strengthen engagement with key suppliers to improve visibility of the Company's Scope 3 emissions, which originate within the supply chain. For this report, Scope 3 has been estimated using the PCAF methodology, applying sector and geography-specific emissions factors. (The full Scope 1, 2 and 3 emissions calculations are outlined on page 45.)

Sustainable impact reporting

Foresight Solar tracks its sustainable impact against the UN Sustainable Development Goals. The metrics (presented on page 44) highlight the environmental and social benefits generated by the Company's investments.

The analysis includes estimates of the portfolio's decarbonisation impact, aligned with the IFI Harmonised GHG Accounting methodology. It also draws on lifecycle emissions intensity data from the IPCC's Special Report on Renewable Energy¹, which provides median lifecycle CO₂ intensity figures for renewable technologies, measured in kgCO₂e/MWh.

The Company intends to grow its sustainable impact alongside its portfolio, ensuring it continues to contribute meaningfully to the decarbonisation agenda.

1. Annex III: https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_annex-iii.pdf.

Targets

Foresight Solar regularly evaluates the sustainability performance of its assets, tracking trends over time and identifying where operational improvements may be required. This ongoing assessment helps build a deeper understanding of the portfolio's sustainability profile.

Short-term targets

The Investment Manager set two key goals for the year ended 31 December 2025:

- Complete Scope 3 emissions calculations
- Conduct a full climate scenario analysis with external consultants (the results from this exercise are available on page 65)

Both objectives were achieved. The insights gained are helping the Company better understand its environmental footprint and the potential effects of climate change on its portfolio. These conclusions will inform the development of future targets relating to climate-related risks and opportunities.

Financial review

Foresight Solar applies IFRS 10 and the Investment Entities: Amendments to IFRS 10, IFRS 12 and IAS 28. Under this framework, investment entities measure all subsidiaries that are themselves investment entities at fair value. In line with this requirement, the Company recognises its wholly owned direct subsidiary, Foresight Solar (UK Hold Co) Limited, as an investment measured at fair value through profit or loss.

This approach means that, rather than consolidating the intermediate holding companies, their working capital balances and borrowings are reflected within the overall fair value of the Company's investments.

The Group's intermediate holding companies carry out activities that directly support the management of the investment portfolio and are considered incidental to the Company's broader investment operations.

Together, the Company and its intermediate holdings (the Group) held interests in 60 assets. These assets generate returns through interest on loans, equity dividends, loan repayments and equity redemptions.

For the full Financial Statements – including the profit and loss account and cash flow statement – please refer to page 116 of this report.

Further details on the basis of accounting and the Company's structure can be found in the Notes to the Financial Statements, starting on page 120.

Net assets

Net assets as at 31 December 2025 decreased 14.0% to £545.9 million, from £634.4 million at 31 December 2024. The reduction was driven by lower power price forecasts, inflation indexation changes to UK subsidies and a tax review for the country's portfolio, as well as lower valuations for the Australian sites. A detailed breakdown of the NAV movements is provided in the Investment Manager's report from page 33.

The Company's net assets comprise a £871.2 million portfolio of solar and battery storage assets across the UK, Australia and Spain, and £61.9 million of Group cash balances. These are offset by £309.6 million of long-term debt, £72.7 million drawn under the revolving credit facility, and other net liabilities of £4.9 million.

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

All amounts presented in £million (except when noted)	31 December 2025	31 December 2024
Gross portfolio value ¹	871.2	981.2
Intermediate holding companies' cash	60.3	66.3
Intermediate holding companies' long-term debt	(309.6)	(336.9)
Intermediate holding companies' revolving credit facility	(72.7)	(73.4)
Intermediate holding companies' other liabilities	(4.4)	(4.6)
Fair value of the Company's investment in portfolio²	544.8	632.6
Company's cash	1.6	2.0
Company's other net liabilities	(0.5)	(0.2)
Net asset value	545.9	634.4
Ordinary shares in circulation	550,239,207	564,856,642
Net asset value per share	99.2p	112.3p

1. Classified as the gross fair value of the underlying assets in the portfolio.

2. Equal to investments held at fair value through profit or loss and interest receivable as per the statement of financial position on page 117.

Financial review continued

Third-party debt arrangements and gearing position

Total outstanding debt including the RCF was £382.3 million, representing 40.0% of GAV. The net debt position, after deducting existing cash balances, was £320.4 million.

Summary of cost of capital and gearing

	Year ended 31 December 2025	Year ended 31 December 2024
NAV (£m)	545.9	634.4
Long-term debt (£m)	309.6	336.9
Short-term RCF debt (£m)	72.7	73.4
Outstanding debt (£m)	382.3	410.3
GAV (£m)	928.2	1,044.7
Cash (£m)	61.9	68.3
Gearing	41.2%	39.3%
Long-term gearing	33.4%	32.3%
Net debt gearing (after deducting cash)	34.5%	32.7%
Weighted cost of long-term debt	3.6%	4.1%
Weighted cost of short-term RCF debt	5.2%	6.6%

Long-term facilities

As at 31 December 2025, of the £309.6 million long-term debt, a total of £76.5 million was linked to inflation (31 December 2024: £336.9 million and £84.7 million).

The cost of these inflation-linked facilities is expected to increase over time according to the Company's annual Retail Price Index expectations of 3.0% in the medium term and 2.25% from 2030 onwards.

FSFL's long-term debt is fully hedged against interest rate risk through the use of swaps.

Revolving credit facility

As at 31 December 2025, Foresight Solar had drawn £72.7 million of its revolving credit facility, leaving £26.1 million undrawn. Of this remaining headroom, £1.2 million was allocated to letters of credit.

In May 2025, the RCF was both reduced and extended. The multi-currency facility was resized from £150.0 million to £100.0 million, and its maturity was extended by two years to 2028. The lower overall commitment is expected to deliver fee savings of approximately £1.0 million over the life of the facility.

The RCF is drawn in both sterling and euro to manage exposure to SONIA and to benefit from the lower interest costs on the euro tranche compared with the sterling tranche. The size of the euro drawdown aligns with the valuation of the Spanish operational portfolio, providing a natural hedge against currency movements.

During the year, the RCF balance decreased by £0.7 million, reflecting repayments of £3.0 million and the impact of £2.3 million of adverse currency movements.

Financial review continued

Foreign exchange

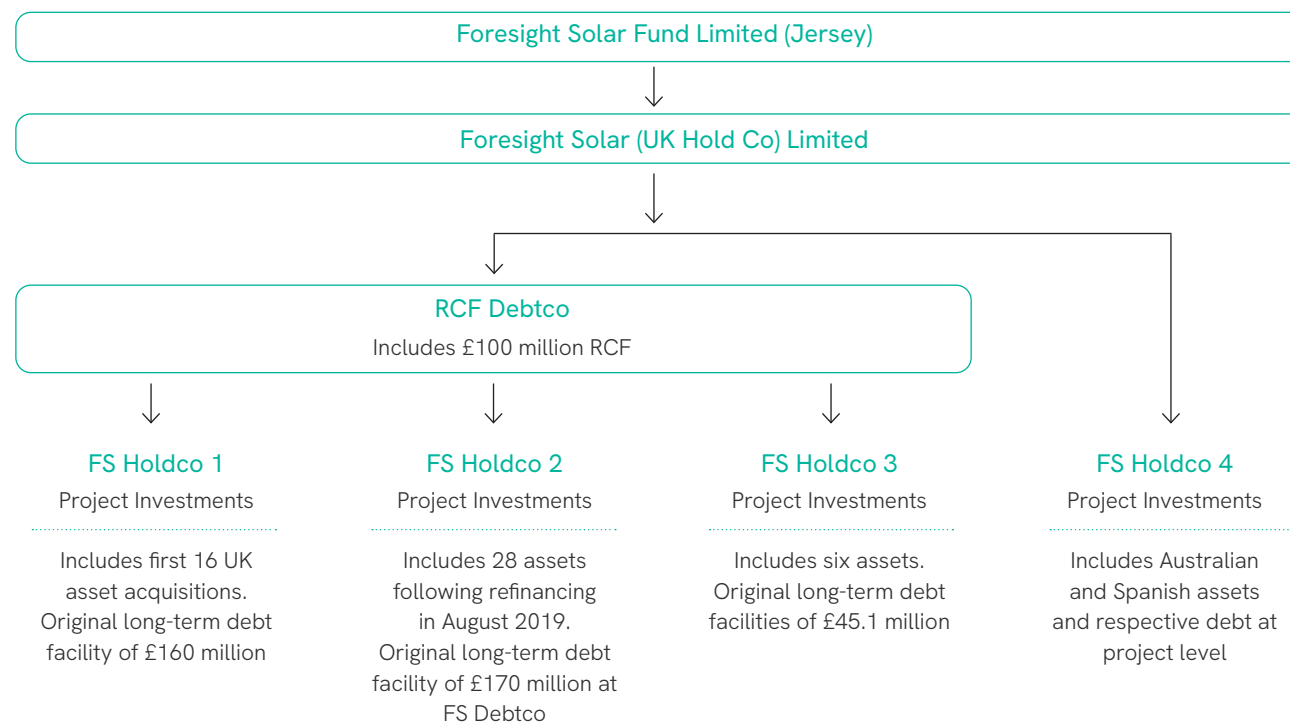
The Company is exposed to foreign exchange movements arising from its investments in Australia and Spain. To help manage this risk, it implements an economic hedging strategy designed to limit the impact of currency fluctuations and reduce volatility in both equity returns and distributable cash flows.

Foreign exchange hedging is not applied to the underlying cost of equity investments, reflecting Foresight Solar's long-term investment horizon. However, a natural hedge exists through the euro-denominated tranche of the RCF, which offsets part of the exposure linked to the Spanish portfolio.

For the Australian assets, FSFL has implemented a rolling two-year forward-contract strategy, covering approximately 75% of the expected distributable foreign currency cash flows at project level. No cash flow hedges are currently in place for the Spanish assets, as their euro-denominated cash flows are utilised to service interest payments on the euro tranche of the RCF.

The Company reviews its foreign exchange strategy on a regular basis to mitigate short-term volatility in sterling-denominated cash flows and to ensure that hedging instruments remain cost-effective.

Debt structure¹



1. Simplified for illustrative purposes. For outstanding debt balances please refer to the table on page 72.

Financial review continued

Debt structure¹ continued

The following table summarises debt position as at 31 December 2025:

Borrower	Holding vehicle	Provider	Facility type	Outstanding (m)	Maturity	Hedging	Applicable rate
FS Holdco	FS Holdco	MIDIS	Fixed rate, fully amortising	£43.8	Mar-34	N/A	3.78%
		MIDIS ¹	Inflation linked, fully amortising	£53.7	Mar-34	N/A	RPI Index + 1.08%
Total				£97.5			
FS Debtco		SMBC/Helaba	Term loan, fully amortising	£126.0	Mar-36	100%	SONIA + 1.30% (margin step to 1.35% in 2029)
Total ²				£126.0			
Second Generation Portfolio 1	FS Holdco 3	MIDIS	Fixed rate, fully amortising	£2.5	Aug-34	N/A	4.40%
			Inflation linked, fully amortising	£22.8	Aug-34	N/A	RPI Index + 1.70%
Total				£25.3			
Global Solar Energy 27 SL (Lorca)	FS Holdco 4	BayernLB ^{3,6}	Term loan	€10.8	Dec-31	100%	Double tranche: €8.7m at 1.61% fixed rate, €2.4m at Euribor + 210bps
Foresight Solar Australia Pty Ltd		CEFC ⁴	Term loan	A\$34.3	Jun-26	N/A	Base rate (0.96375%) + margin (2.00%)
Longreach	FS Holdco 4	ANZ/Deutsche	Term loan	A\$16.4	Apr-27	100%	BBSY Base rate + margin (1.20%)
Oakey 1		ANZ/Deutsche	Term loan	A\$26.6	Apr-27	100%	BBSY Base rate + margin (1.20%)
Oakey 2 Finco Pty Ltd		CEFC	Term loan	A\$26.3	Mar-26	N/A	Base rate (4.30%) + 2.25%
Total ⁵				A\$103.6			
Total long-term debt ^{3,5}				£309.6			
FS RCF Debtco	FS (UK Hold Co)	AIB, Barclays, Lloyds	Revolving credit	£28.8	May-28	0%	SONIA + 1.9%
				€50.3	May-28	0%	EURIBOR + 1.9%
Total short-term debt				£72.7			
Total outstanding debt				£382.3			

1. Nominal loan balance as at 31 December 2025 with the applicable RPI applied.

2. Interest rate swap for 100% of the outstanding debt.

3. EUR/GBP exchange rate of 0.8731 as at 31 December 2025.

4. Bannerton debt prorated for Company's share of asset ownership.

5. AUD/GBP exchange rate of 0.4958 as at 31 December 2025.

6. Lorca portfolio debt prorated for Company's share of asset ownership.

Financial review continued

Debt structure¹ continued

Foresight Solar has no exposure to benchmark interest rate movements in the UK, Australia or Spain on its long-term debt, as these facilities are fully hedged through interest rate swaps. Exposure to interest rate volatility is limited to the revolving credit facility, which represents 19.0% of total debt.

In the UK, the sterling-denominated long-term facility priced over SONIA is fully hedged, with interest rate swaps in place covering 100% of the outstanding balance for the duration of the loan.

In Australia, the CEFC-provided debt facilities carry no exposure to the Bank Bill Swap Bid Rate (BBSY), as interest rates were fixed at financial close or at the point of loan extension. The remaining Australian debt facilities are also hedged with interest rate swaps, structured over a notional tenor of 20 years and decreasing in nominal value over time.

Lower near-term revenues have put pressure on the plants' debt cover ratios, and several projects breached their covenants related to facilities of approximately £34.4 million and net asset value of roughly £13.5 million. This was proactively addressed through engagement with lenders, providing stability to negotiate a solution that works for all parties.

The Board remains confident of reaching a solution and the Investment Manager is working closely with the banks to put the portfolio on a sustainable footing. (The loans subject to refinancing in 2026 and 2027 are disclosed in the debt position table on the previous page.) An element of uncertainty has been considered in the year-end valuation, including additional curtailment assumptions.

In Spain, the Euribor-linked facility is similarly protected, with swaps in place hedging 100% of the outstanding balance throughout the term of the loan.

Company profit and loss

For the year ended 31 December 2025, the Company recorded a loss after tax of £32.4 million, equivalent to 5.8 pence per share (31 December 2024: profit of £3.0 million or 0.5 pence per share).

The operating loss on the fair value of investments for the period was £18.7 million.

This reflected £28.9 million of interest received on the Foresight Solar (UK Hold Co) loan notes and £47.5 million of net losses on investments held at fair value.

Operating expenses totalled £6.9 million, in line with expectations. These comprised £5.0 million of investment management fees and £1.8 million of other operating expenses.

Financial review continued

Combined profit and loss of the underlying investments

The underlying investments in the UK, Spain and Australia generated earnings before interest, taxes, depreciation and amortisation (EBITDA) of £112.2 million for the year to 31 December 2025, in line with expectations.

Across the global portfolio, the assets delivered £139.9 million of revenue. In the UK, subsidised revenue was supported by generation 3.4% above forecast. Wholesale revenue, meanwhile, was 1% lower than expected. Favourable irradiance in the UK was offset by weaker performance in Spain and Australia, largely driven by network outages, economic curtailment and instances of low or negative pricing.

Operating expenditure for the year totalled £27.7 million, broadly in line with contractual arrangements, several of which were renegotiated during the period.

For the year ended 31 December 2025	Dividend cover reference	UK £m	Australia \$m ¹	Spain €m ²	Combined £m	2024 Combined £m
Revenue of underlying investments						
Wholesale revenue		59.1	8.7	4.0	66.8	66.9
Subsidised revenue ³		69.2	2.0	0.0	70.2	63.3
Other income		2.8	0.3	0.0	2.9	2.8
Total revenue of underlying investments		131.1	11.0	4.0	139.9	133.0
Operating expenditure						
O&M contracted		(6.2)	(1.7)	(0.4)	(7.4)	(6.7)
O&M variable		(2.1)	(0.6)	—	(2.4)	(1.5)
Other operating expenditure		(15.1)	(3.1)	(1.5)	(17.9)	(19.4)
Total operating expenditure		(23.4)	(5.4)	(1.9)	(27.7)	(27.6)
EBITDA	A	107.7	5.6	2.1	112.2	105.4

1. The profit and loss accounts of the Australian assets are combined based on the Company's ownership, using an average AUD/GBP exchange rate of 0.4958.

2. The profit and loss accounts of the Spanish assets are combined using an average EUR/GBP exchange rate of 0.8731.

3. Subsidised revenue consists of ROCs, ROC recycle, Feed-in Tariff, embedded benefits and LGCs.

Financial review continued

EBITDA to cash distributions

The table in this section reconciles EBITDA to the cash distributions from the underlying SPVs by adjusting for working capital movements and timings of working capital.

There is typically a lag of up to three months between revenue being earned and the cash being received from the SPVs. As a result, working capital movements naturally create differences between earnings measures and cash measures. In periods of rising energy prices, these working capital balances tend to increase as receivables grow, widening the gap between earnings and cash. The opposite effect occurs when energy prices fall.

During the year, working capital movements mainly reflected cash retained within UK projects to support upcoming lifecycle works, partly offset by cash injections into the Australia portfolio.

Movements in retained cash for lifecycle and capital expenditure amounted to £2.6 million. In the prior year, they were driven by a comprehensive review and re-profiling of the portfolio's long-term lifecycle requirements and expected future capital expenditure. This exercise was validated by an independent technical advisor, who confirmed the appropriateness of the revised profile.

Other cash adjustments were driven by the timing of VAT and other tax payments in the UK and Spain.

Project debt service reflects the principal and interest payments made by SGP 1, Lorca, and the Australian assets.

All amounts presented in £million	Dividend cover reference	Year ended 31 December 2025	Year ended 31 December 2024
EBITDA	A	112.2	105.4
Adjustments:			
Corporation tax		(10.0)	(6.4)
Interest earned		0.6	0.8
Working capital		1.6	3.1
Movement in retained cash for lifecycle and capex		(2.6)	6.5
Other		1.9	0.7
Free cash before project debt service		103.7	110.1
Project debt service		(10.9)	(9.4)
Cash distributions from underlying investments	B	92.8	100.7

Financial review continued

Company and intermediate holding companies' cash flows

During the year to 31 December 2025, the underlying investments distributed £92.8 million to the intermediate holding companies.

These cash distributions fund long-term debt servicing, financing costs, and the operating and administrative expenses of the Company and its intermediate holding companies. They also support the dividends paid to shareholders.

The revised investment management fee structure came into effect from 1 March 2025, resulting in approximately £1 million of investor savings in relation to the previous arrangement.

Acquisition costs of £2.0 million relate to investment in the operational UK battery storage project Sandridge BESS, the development-stage Spanish solar pipeline asset Muel, and the Spanish BESS development pipeline.

Debt arrangement fees of £0.8 million were paid in May 2025 following the refinancing of the RCF. The remaining £1.3 million reflects transaction costs associated with the divestment of the Australian portfolio and fees for implementing power hedges during the year.

Debt resizing payments of £1.1 million reduced the loan principals for Oakey 1 and Longreach to support covenant compliance. Elevated curtailment and grid outages during the year put pressure on near-term project revenues, making the pre-payments necessary.

Over the course of 2025, Foresight Solar repurchased 14.6 million shares under its £60 million buyback programme. The repurchases delivered 0.5 pence per share of NAV accretion. Since the programme began in May 2023, the Company deployed approximately £53.0 million to 31 December 2025, resulting in a cumulative 3.1 pence per share uplift to NAV.

All amounts presented in £million

	Dividend cover reference	Year ended 31 December 2025	Year ended 31 December 2024
Cash distributions from underlying investments	B	92.8	100.7
Administrative expenses		(2.3)	(2.7)
Directors' fees and expenses		(0.4)	(0.3)
Investment management fees		(5.0)	(6.3)
Financing costs		(9.1)	(10.3)
Repayments of long-term debt facilities		(19.4)	(19.4)
Cash flow from operations	C	56.6	61.7
Acquisition and disposals of assets		(2.0)	(4.1)
Debt arrangement, refinancing, performance and transaction fees		(2.1)	(4.1)
Gross divestment proceeds		1.2	—
Net drawings and repayments of RCF		(3.0)	—
Share buyback		(11.2)	(22.5)
Other		(1.1)	0.9
Dividends paid in cash to shareholders	D	(44.9)	(44.7)
Cash movement in the period		(6.4)	(12.8)
Opening Group cash balance		68.3	81.2
Closing Group cash balance		61.9	68.3

Financial review continued

Dividend cover

Total dividends of £44.9 million were paid during the year ended 31 December 2025. Compared with the relevant net cash flows from operations of £56.7 million and net of debt repayments, these dividends were covered 1.26 times (31 December 2024: 1.38 times).

As energy prices settle back towards historic norms, Foresight Solar's dividend cover is expected to return to pre-pandemic levels of around 1.0x to 1.1x. The exceptional price volatility seen between 2020 and 2023 – first during the COVID-19 pandemic and later following Russia's invasion of Ukraine – led to swings in the Company's revenues and reduced income visibility, making this expected normalisation a consequence of a return to stability.

Dividend payments

Foresight Solar has met all its dividend targets since its initial public offering and maintains a progressive dividend policy, aiming to deliver sustainable growth in shareholder payouts over time.

For the 2025 financial year, the Board has declared a payout of 8.10 pence per share. To date, it has paid the first three interim dividends of 2.025 pence per share, amounting to £33.6 million.

Including the distributions made during the year, FSFL has returned £385.5 million to shareholders since listing on the London Stock Exchange in 2013. Considering dividend payments made after year end, total distributions since IPO amount to £396.6 million.

Dividend cover	Dividend cover reference	2025 £m	2024 £m
Cash flow from operations	C	56.6	61.7
Dividends paid in cash to shareholders	D	(44.9)	(44.7)
Dividend cover	C/-D	1.26	1.38

Dividend timetable for the 2025 financial year

Dividend	Amount	Status	Payment date
Interim 1	2.025p	Paid	22 August 2025
Interim 2	2.025p	Paid	24 November 2025
Interim 3	2.025p	Paid	20 February 2026
Interim 4	2.025p	Targeted	22 May 2026
Total	8.100p		

On 13 February 2026, the Company announced its final interim dividend relating to 2025 of 2.025 pence per share.

Dividend timetable - Final	Date
Ex-dividend date	23 April 2026
Record date	24 April 2026
Dividend payment date	22 May 2026

Financial review continued

Ongoing charges

The ongoing charges ratio for the year to 31 December 2025 was 1.15% (31 December 2024: 1.17%). This has been calculated in accordance with the methodology recommended by the Association of Investment Companies.

Management services fees charged at project level on an arm's-length basis by Foresight Asset Management Limited, a subsidiary of Foresight Group LLP, are excluded from the ongoing charges ratio.

Ongoing charges	FSFL £'000	UK Hold Co £'000	Total £'000
Investment management fees	5,020	—	5,020
Directors' fees	321	—	321
Administration fees	257	18	275
Audit and tax fees	219	58	277
Other legal and professional fees	469	34	503
Other ongoing expenses	302	—	302
Total	6,588	110	6,698
Average NAV (£m)			583.8
Ongoing charges ratio			1.15%

Net asset value (NAV)	£m
31 March 2025	620.9
30 June 2025	603.8
30 September 2025	564.5
31 December 2025	545.9
Average	583.8

Alternative Performance Measures (APMs)

The Directors assess Foresight Solar's performance using a number of APMs that are not defined under IFRS. These measures are not always comparable with similar companies, and, therefore, the table below connects them to relevant GAAP definitions in the Financial Statements from page 116.

APM	Purpose	Calculation	APM value	Reconciliation to IFRS (where applicable)
Annualised total NAV return since IPO	Annualised measure of financial performance, indicating the movement of the value of the Company's assets since IPO and expressed as a percentage.	Closing NAV per ordinary share as at 31 December 2025 plus all dividends paid since IPO assumed reinvested, divided by the NAV at IPO, to the power of one over the number of years since IPO.	6.4%	The calculation uses the closing NAV per ordinary share as per the statement of financial position on page 117.
Annualised total shareholder return since IPO	Annualised measure of financial performance, indicating the total return derived from holding the stock since IPO and expressed as a percentage.	Closing share price as at 31 December 2025 plus all dividends paid since IPO assumed reinvested, divided by the share price at IPO, to the power of one over the number of years since IPO.	2.8%	The calculation does not have an IFRS equivalent, but uses the closing share price as per the key investment metrics table on page 13.
Cash distributions from underlying investments	A measure of financial performance from the underlying portfolio.	Total cash received from investments in the period.	£92.8 million	The calculation uses combined cash flows of the Company and Group entities and, therefore, does not have an IFRS equivalent.
Dividend cover	A measure of excess cash generated by the Company's investments after payment of the dividend.	Net operating cash flow relating to the period divided by dividend paid within the period, including potential scrip dividend impact.	1.26x	The calculation uses the dividend paid as shown in the statement of changes in equity divided by cash flow from operations. The calculation uses cash flows of the Company and Group entities and, therefore, does not have an IFRS equivalent.
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	A measure to indicate cash flow and business performance, allowing for a comparable figure between businesses.	Operating revenue minus operating expenses, with total operating profit as a proxy for EBITDA.	£112.2 million	The calculation uses total combined revenue of underlying investments and subtracts total expenditure, as per the combined profit and loss of the underlying investments on page 74.

Alternative Performance Measures (APMs) continued

APM	Purpose	Calculation	APM value	Reconciliation to IFRS (where applicable)
Enterprise value (EV)	A measure to determine a company's total value, a more comprehensive alternative to market capitalisation.	The sum of market capitalisation as at 31 December 2025 and total outstanding debt minus cash (and cash equivalents).	£674.8 million	The calculation uses Group entities' debt and Group-wide cash balances and, therefore, does not have an IFRS equivalent. The calculation uses market capitalisation from page 13, the total outstanding debt on page 70 and the closing cash balance on page 76.
Gearing	A measure of financial risk on the Company's balance sheet.	Total third-party debt of the Group entities as a percentage of GAV.	41.2%	The calculation uses the net asset value as per the statement of financial position on page 117. It also uses the total outstanding debt on page 70, which does not have an IFRS equivalent.
Gross Asset Value (GAV)	A measure of the value of the Company's total assets.	The sum of the Company's total assets as shown on the statement of financial position and the total debt of the Group and underlying investments.	£928.2 million	The calculation uses the net asset value as per the statement of financial position on page 117. It also uses the total outstanding debt on page 70, which does not have an IFRS equivalent.
Market capitalisation	Provides an indication of the size of the Company.	Closing share price as at 31 December 2025 multiplied by the closing number of ordinary shares in circulation.	£354.4 million	The calculation uses the closing share price as per the key investment metrics table on page 13 and the closing number of ordinary shares as per note 17 of the Financial Statements on page 143.
NAV per ordinary share	A measure of the value of one ordinary share.	The net assets divided by the number of ordinary shares.	99.2 pence	As per the closing NAV per ordinary share and as per the statement of financial position on page 117.
Ongoing charges ratio	A measure of the annual reduction in shareholder returns because of operational expenses based on historical data.	Total ongoing expenses including Investment Manager fees, legal and professional fees, administration fees, Directors' fees and audit fees expressed as a percentage of average NAV through the period.	1.15%	The calculation does not have an IFRS equivalent. Detailed calculation on page 80 of Foresight Solar's 2024 Annual Report.

Alternative Performance Measures (APMs) continued

APM	Purpose	Calculation	APM value	Reconciliation to IFRS (where applicable)
Total NAV return	A measure of financial performance indicating the movement of the value of the Company's assets in the year and expressed as a percentage.	Closing NAV per share as at 31 December 2025 plus all dividends paid in the year assumed reinvested, divided by the NAV at 31 December 2024, expressed as a percentage.	(4.8)%	The calculation uses the net asset value as per the statement of financial position on page 117 and the cash dividends paid as per the statement of changes in equity on page 118.
Total shareholder return	Annualised measure of financial performance, indicating the total return derived from holding the stock in the year and expressed as a percentage.	Closing share price as at 31 December 2025 plus all dividends paid in the year assumed reinvested, divided by the share price at 31 December 2024, expressed as a percentage.	(7.5)%	The calculation uses the closing share price as per the key investment metrics table on page 13 and the cash dividends paid as per the statement of changes in equity on page 118.

Governance

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Board of Directors

The Directors are responsible for setting Foresight Solar's investment policy, providing overall oversight of the Company's activities and monitoring its performance.



Anthony (Tony) Roper
Chair

Background

Mr Roper has 30 years of experience making and managing infrastructure investments. He was part of the team that created InfraRed Capital Partners and oversaw the launch of TRIG on the London Stock Exchange.

Tony was appointed to Foresight Solar's Board on 21 November 2024.

External directorships

abrdn European Logistics Income plc (public),
SDCL Efficiency Income Trust plc (public).

Committees



[Click here or scan for the full Board biographies](#)



Paul Masterton
Senior Independent Director

Background

Mr Masterton has nearly 20 years' experience as a non-executive director and chair covering finance, infrastructure, property development and insurance, including a decade with 3i Infrastructure.

Paul was appointed to Foresight Solar's Board on 21 November 2024.

External directorships

Intact Insurance, Jersey Water (public).

Committees



Ann Markey
Non-Executive Director

Background

Ms Markey is an experienced business leader and NED with a strong financial background. She has deep expertise in the electricity industry, particularly in thermal and renewable generation.

Ann was appointed to Foresight Solar's Board on 4 September 2020.

External directorships

The Land Development Agency DAC.

Committees



Lynn Cleary
Non-Executive Director

Background

Ms Cleary is an experienced senior executive with vast financial knowledge. The former CFO of the Royal Bank of Scotland International, she is an influential member of the Channel Islands' business community.

Lynn was appointed to Foresight Solar's Board on 18 September 2023.

External directorships

Treasury Advisory Panel for the Government of Jersey, Board of the Ports of Jersey, Jersey Financial Services Commission.

Committees



Corporate Governance report

Board leadership and company purpose



“Foresight Solar’s Board drives long-term, sustainable value for shareholders and society. Directors set strategy, oversee performance and key providers, and ensure compliance and transparent reporting.”

Tony Roper
Chair

On behalf of the Board, I am pleased to introduce Foresight Solar’s Corporate Governance Statement for the year ended 31 December 2025.

Board leadership

The Board has overall responsibility for managing the Company’s affairs and ensuring its long-term sustainable success.

The Board is made up of four Independent Non-Executive Directors. (Their profiles are set out on page 83). Following a detailed review, the Nomination Committee has confirmed the Board’s independence and autonomy. (More detail on this analysis can be found from page 93.)

The Board evaluates its effectiveness each year. As part of this process, Directors confirm they have sufficient time to discharge their duties, with further detail provided in the Nomination Committee report. The Directors believe they collectively bring the right balance of skills, experience and knowledge to oversee Foresight Solar’s affairs and act in the best interests of its stakeholders. Diversity of background and perspective is a key consideration in new appointments.

Board operation

The Board is accountable to shareholders for the effective management of the Company. Meetings take place at least quarterly, with additional sessions scheduled as required. During the year under review, 10 ad hoc meetings were held in addition to the four regular quarterly sessions.

The uncustomary number of ad hoc meetings in 2025 was to ensure Directors responded to developments and explored ways to deliver the best possible outcome for shareholders. These discussions covered a range of topics, from corporate action to divestments, from capital recycling to capital allocation priorities. The Board also reviewed internal controls and debated the tax review.

At each regular meeting, the Board reviews Foresight Solar’s performance against its investment objectives and assesses activity since the previous gathering to ensure adherence to the investment policy and guidelines. When changes are required, the Directors review and, if so decided, approve them.

Typical quarterly meeting agenda:

- Investment Manager update:
 - Market commentary, including economic and political developments
 - Portfolio overview and performance, including hedging book management
 - Independent power price forecasts
 - Financial performance, including cash flow analysis and dividend cover forecasts
 - Pipeline activity, acquisitions and disposals
 - Health and safety
 - Gearing and debt compliance
 - Shareholder and analyst feedback
 - Sustainability reporting
 - Changes to the risk register
- Broker commentary:
 - Market update
 - Share price performance versus peers
 - Sales and trading insights
- Compliance and governance updates:
 - Compliance monitoring
 - Regulatory and governance developments

The Investment Management Agreement sets out the matters delegated to the Investment Manager, such as day-to-day portfolio management and the thresholds above which Board approval is required.

Corporate Governance report continued

Board leadership and company purpose

Board operation continued

New Directors receive a formal induction, and all Directors participate in an annual training programme covering relevant business and regulatory topics. Details of Directors' duties are provided on appointment and updated as required.

Purpose and culture

Foresight Solar's purpose is to provide investors with a sustainable, progressive quarterly dividend and long-term capital growth, whilst contributing to climate change mitigation and the transition to a lower-carbon economy.

The Company's culture is built around openness, integrity and transparency. It supports constructive challenge of the Investment Manager, encourages active engagement with stakeholders and ensures key service providers are held accountable. With support from the Investment Manager, the Board aims to continually strengthen FSFL's ability to deliver attractive financial returns alongside positive environmental and social outcomes.

Governance

The Board continues to enhance its governance framework, working closely with the Company Secretary to ensure policies and procedures remain current and effective.

Statement of compliance with the AIC Code

Foresight Solar is a member of the Association of Investment Companies (AIC) and reports against the AIC Corporate Governance Code. The AIC Code incorporates the relevant requirements of the UK Corporate Governance Code whilst addressing the specific needs of investment companies.

The Board considers the AIC Code, endorsed by the Financial Reporting Council and supported by the Jersey Financial Services Commission, to be more relevant to shareholders than the UK Code. FSFL has, therefore, applied the principles and complied with the provisions of the AIC Code.

AIFM Directive

Foresight Solar is classified as a self-managed non-EEA AIF under the Alternative Investment Fund Managers Regulation 2013 and the AIFM Directive. Neither the Company nor the Investment Manager is required to seek authorisation. The Board retains responsibility for most risk management and portfolio management functions, exercised through its committee structure.

Foresight Solar's governance structure supports its purpose and bolsters its culture and sustainability initiatives.

Governance framework:

The role of the Board and division of responsibilities

Foresight Solar's Board of Directors oversees the Investment Manager in delivering the Company's purpose, engages with key stakeholders to understand how it can best represent their interests, and works closely with the main service providers to maintain strong operational performance.

Whilst meeting their statutory responsibilities, Directors seek to balance scrutiny, challenge and support of the Investment Manager to deliver exceptional performance.

Board roles	Role overview
Chair	Leads the Board and is responsible for its overall effectiveness.
Senior Independent Director (SID)	Provides a sounding board for the Chair and serves as an intermediary for the other Directors and shareholders.
Non-Executive Director (NED)	Offers constructive challenge and strategic guidance, as well as delivering specialist advice and holding service providers to account.
Company Secretary	Supports the Board and ensures the Company has the policies, processes, information, time and resources needed to function effectively and efficiently.

Corporate Governance report continued

Board leadership and company purpose

Board committees

The Board has four standing committees – Audit and Risk, Management Engagement, Remuneration and Nomination – each with formal terms of reference. These set out how recommendations should be made to the Board. Copies are available on request from the Company Secretary.

The responsibilities and memberships of each committee are described below:

Audit and Risk	Management Engagement
Ensures Foresight Solar maintains the highest standards of integrity, financial reporting, internal and risk management systems, sustainability reporting and corporate governance.	Reviews the performance of the Investment Manager, as well as evaluating other key service providers.
Composition: Ann Markey (Chair) Lynn Cleary Paul Masterton	Composition: Tony Roper (Chair) Ann Markey Paul Masterton Lynn Cleary
Nomination	Remuneration
Leads the process for appointments, evaluation, succession planning, and ensuring a diverse candidate pipeline.	Develops remuneration policies and practices that support the Company's strategy and promote its long-term success.
Composition: Lynn Cleary (Chair) Ann Markey Tony Roper Paul Masterton	Composition: Paul Masterton (Chair) Lynn Cleary Ann Markey Tony Roper

Reports from the Company's committees are available from page 91.

Directors' attendance at the regular Board, committee and ad hoc meetings:

	Board	Audit and Risk	Management Engagement	Remuneration	Nomination	Ad hoc
Tony Roper	4/4	9/10 ³	2/2	1/1 ³	1/1 ³	10/10
Paul Masterton	4/4	10/10	2/2 ⁴	1/1	1/1 ³	10/10
Ann Markey	4/4	10/10	2/2	1/1 ³	1/1	10/10
Lynn Cleary	4/4	10/10	2/2	1/1	1/1	9/10
Alex Ohlsson ¹	3/4	5/10 ³	1/2	1/1 ³	1/1	7/10
Chris Ambler ²	2/4	5/10	1/2	1/1	1/1	6/10

1. Alex Ohlsson stepped down from the Board on 16 September 2025.

2. Chris Ambler stepped down from the Board on 17 June 2025.

3. Committee meeting attended by invitation.

4. One committee meeting attended by invitation and another as a committee member.

Corporate Governance report continued

Board leadership and company purpose

The Board encourages a culture of integrity and openness, one that values diversity and that is responsive to the views of the Company's stakeholders.

Stakeholders

Directors must act in good faith and promote Foresight Solar's long-term success for the benefit of its stakeholders. Fostering strong relationships and considering various perspectives is central to decision-making and is expected to enhance shareholder value over time.

Although the Company does not have employees, the Board has identified its key stakeholder groups and allocates appropriate resources to understanding their views. The Investment Manager, brokers and Company Secretary act as the primary points of contact, gathering feedback and ensuring relevant insights are communicated to the Directors.

On a regular basis, the Board considers matters relating to:

- Long-term consequences of decisions
- Fair and equal treatment of shareholders
- Relationships with suppliers, customers and other stakeholders
- The Company's impact on local communities and the environment
- The importance of maintaining high standards of conduct

A description of Foresight Solar's main stakeholder groups, their interests and how the Board has considered them when making determinations is provided in the following pages.

Engaging with shareholders

Shareholders are the Company's primary stakeholders, and Board decisions are made with a clear focus on their long-term interests. Foresight Solar maintains regular dialogue with investors, relying on the Investment Manager and the brokers. Directors actively welcome views and have routinely made themselves available to meet and speak with shareholders.

During the year, the Board, the Investment Manager and the brokers held multiple meetings with existing shareholders representing more than 40% of the issued share capital, as well as with prospective investors. Discussions centred on the challenging macroeconomic environment, its impact on the business, the actions being taken to address the share price discount to net asset value, and the prospect of sector consolidation.

Investors expressed concern about FSFL's business model in a higher interest rate environment, noting that the discount has widened over the past three years. In response, the Company outlined its income and growth strategy, provided updates on its phased divestment programme, including the rationale for pausing the sale of the Australian portfolio, and expanded on the benefits of its share buyback programme. Company representatives also reinforced the importance of capital recycling to enhance the portfolio's revenue profile over time and highlighted the benefits of refocusing on the core markets of UK and mainland Europe.

The average share price discount of more than 10% during 2024 triggered a discontinuation vote at the Annual General Meeting in June 2025. The result reflected the dissatisfaction of some shareholders seeking a faster return of capital. In response, the Board expanded the buyback programme and accelerated its review of strategic options.

Under the Company's Articles, another discontinuation will happen at the upcoming AGM in 2026. The Board is remains mindful of the share price discount and is committed to providing the best possible outcome for a majority of investors. The Directors expect to provide further details to the market in due course. More information about the resolutions will be provided in the Notice of AGM to be published soon.

In addition to gathering feedback through regular meetings, Foresight Solar again engaged an independent consultant in 2025 to conduct a perception audit. The survey covered a range of topics, including performance, governance and strategy, and offered shareholders an impartial channel to express their views. The Board considers these insights a valuable planning tool, helping to strengthen communication with the market and providing an objective assessment of how the Company's investment proposition is understood. The findings inform decision-making and strategy development, particularly in the context of Directors' work to address the share price discount relative to NAV.

Corporate Governance report continued

Board leadership and company purpose

Engaging with shareholders continued



Shareholders

- Institutional and retail shareholders

75

meetings with investors

Engagement and communication

- Hosted the Annual General Meeting.
- Held regular conversations, attended investor meetings and conducted roadshows.
- Addressed current and prospective retail investors with exclusive meetings and ad hoc messages.
- Responded to queries on financial, strategic and sustainability topics.
- Commissioned an independent investor survey to assess shareholders' views.
- Presented financial updates, including Annual and Interim reports and factsheets.
- Published announcements via RNS.
- Updated the dedicated Foresight Solar website.
- Maintained the Company's LinkedIn page to foster two-way, digital communication.

Results and decisions

- Declared dividend target of 8.10pps for 2025.
- Expanded a share buyback programme of up to £60 million.
- Returned £56 million to shareholders between dividends and stock repurchases.
- Announced a new investment management fee structure, delivering significant savings for investors and more closely aligning interests with shareholders.
- Continued to analyse – and actively explore – options to address shareholder concerns, return capital and improve liquidity.
- Progressed the phased divestment programme of more than 200 MW of solar and BESS projects.



Lenders

- Banks

10

debt providers to the Company and its SPVs

Engagement and communication

- Updated regularly on covenant compliance and cash flow positioning.
- Engaged in refinancing discussions.

Results and decisions

- Reduced the RCF to £100 million and extended its maturity date to February 2028.
- Delivered positively on the RCF's sustainability metrics.



Investment Manager

- Foresight Group

12-year

partnership with the Investment Manager

Engagement and communication

- Communicated the need for a revised fee agreement to reflect market conditions and further align interests with shareholders.
- Assessed the Investment Manager's contractual relationship and its performance.
- Monitored the effectiveness of the parameters for delegated authority to make investment decisions.
- Oversaw internal controls arrangements.
- Held regular and ad hoc meetings to discuss Company business.
- Hosted a Strategy Day to discuss and agree Foresight Solar's position and measures to further its competitiveness.
- Debated the potential impacts of government measures, such as inflation indexation changes to ROCs.

Results and decisions

- Agreed a revised fee arrangement to lower costs for shareholders.
- Established the Investment Manager maintains robust internal controls.
- Confirmed the continued appropriateness of the Investment Manager's delegated authority to make investment decisions.
- Determined the continued appointment of Foresight Group was in the best interest of shareholders.

Corporate Governance report continued

Board leadership and company purpose

Engaging with shareholders continued



Service providers

7

service provider reviews

- Administrator and Company Secretary
- Joint corporate brokers
- Legal advisors
- Public relations agency
- Tax advisors

Engagement and communication

- Held regular meetings, calls and interactions on strategic actions.
- Consulted on regulatory, governance, accounting and taxation matters.
- Monitored the internal controls of the Administrator and of the Company Secretary.
- Engaged with journalists, built brand awareness and enhanced Foresight Solar's reputation.
- Highlighted the Company's resilient operational and financial performance to incentivise investors to buy shares.
- Conducted annual service provider performance reviews.

Results and decisions

- Retained services of all key service providers.



Regulators

22

interactions with the JFSC

- Jersey Financial Services Commission

Engagement and communication

- Oversaw service providers to ensure successful operations and regulatory reporting.
- Interacted with the JFSC to ensure legal and financial compliance.

Results and decisions

- Took appropriate measures and guaranteed compliance.



Asset-level counterparties

60+

different providers

- Supply chain counterparties
- Landowners
- O&M contractors
- PPA offtakers

Engagement and communication

- Focused engagement on value-enhancement opportunities, including rationalisation of service provision for cost savings and/or improved services.
- Hosted calls with O&M providers to ensure adequate oversight of portfolio operations.
- Maintained contact with the owners of the land on which Foresight Solar's assets operate.
- Kept emphasis on internal control frameworks to ensure they are robust and effective.
- Maintained scrutiny of, and resource allocated to, emerging risks.

Results and decisions

- Re-evaluated contracts to improve service levels and reduce costs.
- Implemented value-enhancement projects to improve portfolio operations.
- Engaged with select landowners to extend asset leases.
- Grew commercial relationships through development opportunities.

Corporate Governance report continued

Board leadership and company purpose

Engaging with shareholders continued



Local communities

- Local authorities and agencies
- Area residents

£254,131

contributions made
to communities

Engagement and communication

- Interacted with local authorities to ensure safe and compliant asset operations.
- Conducted educational site visits for schools and colleges.

Results and decisions

- Contributed £254,131 to local community funds.

Tony Roper

Chair

23 March 2026



Wymeswold, UK

Management Engagement Committee report



“The Committee is responsible for reviewing the performance of key service providers, especially the Investment Manager, to ensure the Company is effectively supported.”

Tony Roper

Chair of the Management Engagement Committee

Membership:

Tony Roper	Ann Markey
Paul Masterton	Lynn Cleary

Overview

The Management Engagement Committee meets at least once a year to review the performance, terms of appointment and fees of the Investment Manager and key service providers. In doing so, the Committee supports the Board in ensuring high-quality service delivery, value for money and alignment with shareholder interests.

Roles and responsibilities

The Committee is responsible for:

- Reviewing the Investment Manager’s terms of appointment and remuneration
- Assessing the Investment Manager’s performance and holding it accountable for service delivery under the Investment Management Agreement
- Reviewing the terms of appointment and fees of key service providers, including the Company Secretary, Administrator, registrar, legal advisors, public relations advisors, and brokers
- Monitoring the performance of key service providers and ensuring that agreed service levels are met

Review of the Investment Manager

In assessing the Investment Manager’s performance, the Committee considers a range of qualitative and quantitative factors, including:

- The Company’s performance relative to peers
- The Investment Manager’s fees and overall value for money
- The Investment Manager’s stewardship of the portfolio and delivery against the Company’s income, growth and dividend objectives

- The effectiveness of Foresight Group in supporting the Board and contributing to the fulfilment of Foresight Solar’s purpose

Following a detailed review, the Committee concluded that ongoing retention of Foresight Group remains in the Company’s best interests, whilst recognising the importance of continued constructive challenge.

Against a testing macroeconomic backdrop, the Committee placed particular emphasis on the alignment of the Investment Manager’s remuneration with shareholder interests. The Board engaged with Foresight Group on the fee structure early in the year and agreed a revised arrangement, effective from 1 March 2025. The new fee is calculated using an equal weighting of market capitalisation and NAV, strengthening alignment with shareholder value creation. A new Investment Management Agreement was signed and the new structure resulted in savings of more than £1 million in the first year.

Throughout 2025, the Directors heard clearly from investors that they wished the Company to exit Australia and refocus on the UK and mainland Europe. The divestment of the Australian portfolio will be a central part to the 200 MW of disposals currently in train. In agreement with the Investment Manager, the Board concluded it was best to pause that process to preserve value. We will return to the market once conditions improve.

Management Engagement Committee report continued

Review of the Investment Manager continued

In March 2025, we unveiled another phase of the divestment programme, committing to sell 75 MW of operational solar. That is progressing and the Board will provide an update soon. Once completed, proceeds will be deployed in accordance with the Company's capital allocation policy, which balances capital returns, debt repayments and recycling cash into development or construction opportunities offering higher returns.

Following guidance from the Investment Manager and a leading tax advisor, the Company concluded voluntary discussions with HM Revenue & Customs on the appropriate tax treatment of certain historic financing matters within its structure. HMRC indicated that additional historical tax should be recognised and forecast future tax payable needed to be increased. These adjustments were reflected in the NAV reductions announced in Foresight Solar's third and fourth quarter trading updates, totalling a £50.3 million downside. After the period end, the Investment Manager and advisor finalised their analyses and provided assurances to the Board that the agreed adjustments bring this matter to a close and provide clarity over both past obligations and the tax position going forward.

The persistent share price discount to NAV remains a key concern for shareholders and for Directors. Working with the Investment Manager and the brokers, the Board has introduced several initiatives aimed at addressing the discount and creating the conditions for future growth. Whilst the broader market environment continues to weigh on investor sentiment, the Investment Manager and the brokers are actively developing further actions as the Board assesses all options to reduce the discount.

Review of key service providers

The Committee also reviewed the performance and fees of the Company Secretary and Administrator, brokers, legal advisors, public relations advisors, and registrar. As part of this work, the Committee oversaw the review, update and signing of a new services agreement with JTC, ensuring the Company's secretarial and administrative support remains robust. The Committee was satisfied that services met expectations and that fees remained in line with budget and contractual terms. In the cases in which potential performance improvements were identified, these have been and are being addressed collaboratively.

Overall, the Committee considered that fees were broadly in line with market rates for comparable listed investment companies.

Conclusion

Taking account of its detailed assessments, the Committee determined that continuing the Investment Manager's appointment is in the best interests of the Company and its shareholders. The Board has ratified this decision.

Tony Roper

Chair of the Management Engagement Committee

23 March 2026

Nomination Committee report

Composition, succession and evaluation



“The Committee is responsible for ensuring rigorous and transparent procedures, along with objective selection criteria for Board appointments and succession plans.”

Lynn Cleary

Chair of the Nomination Committee

Membership:

Lynn Cleary
Ann Markey

Tony Roper
Paul Masterton

Overview

The Nomination Committee leads the selection and appointment of new Directors, oversees succession planning and ensures that Foresight Solar maintains a diverse pipeline of candidates. The Committee also leads the annual Board performance evaluation and monitors the balance of skills, experience and knowledge among Directors.

Roles and responsibilities

The Committee is responsible for:

- Leading the process for new Board appointments
- Ensuring orderly succession for the Board and its committees
- Developing a diverse and inclusive candidate pipeline
- Managing the annual Board, committee and Director effectiveness review

Introduction

The Committee ensures that the Company applies formal, rigorous and transparent processes when considering new appointments. Succession planning is underpinned by objective and merit-based criteria, supporting diversity of gender, social and ethnic backgrounds, as well as a broad range of skills and personal strengths.

To maintain an effective Board, the Directors undertake an annual review of their collective skills, experience and knowledge, allowing the Committee to plan for future needs.

Appointments and succession planning

During the year, Chris Ambler decided not to stand for re-election at the AGM, and Alex Ohlsson confirmed his intention to retire in September 2025 after more than a decade as Chair and Non-Executive Director. The Board is extremely grateful to both for their long-standing service, commitment and contribution to Foresight Solar’s development.

As part of the Board’s phased succession plan, Paul Masterton and Tony Roper were appointed to the Board in November 2024 and elected by shareholders at the June 2025 AGM. Upon Chris’ and Alex’s planned retirements, Paul and Tony succeeded them as Senior Independent Director and Chair, respectively, in line with the previously outlined succession plan. These transitions were managed to ensure continuity and support an orderly handover.

The Committee is satisfied that the Board’s current composition, balance of skills and breadth of competencies remain appropriate to support Foresight Solar’s strategic priorities. In due course, and in line with the next phase of our succession plan, the Committee will oversee a search for a fifth, Jersey-based Non-Executive Director, with timing and details to be announced when appropriate.

Nomination Committee report continued

Composition, succession and evaluation

Board and committee composition

The Committee reviewed the Board's composition and concluded that the Directors work effectively together and provide the right balance of skills, experience and expertise to support the Company's strategy.

Directors' and Investment Manager's skills matrix

	Skills and expertise									
	Strategy	Listed investment companies	Capital markets and corporate finance	Renewable energy industry	Infrastructure transactions and investments	Development and construction	Risk management	Health and safety	Sustainability	Stakeholder engagement
Tony Roper	●	●	●	●	●	●	●	●	●	●
Paul Masterton	●	●	●	●	●	●	●	●	●	●
Ann Markey	●	●	●	●	●	●	●	●	●	●
Lynn Cleary	●	●	●	●	●	○	●	●	●	●
Foresight Group	●	●	●	●	●	●	●	●	●	●

Key ● Expertise ● Experience ○ Limited experience

To maintain this balance, the Committee recommended the following changes during the year.

- Ann Markey to join the Remuneration Committee
- Paul Masterton to join the Nomination and Management Engagement committees
- Tony Roper to chair the Management Engagement Committee and join the Nomination and Remuneration committees

The Board is currently comprised of four Non-Executive Directors. The aim is to increase to five and, on achieving this, committee composition will be reviewed to ensure an appropriate balance of responsibilities and perspectives. In the interim, all Directors serve on the Nomination and Remuneration committees, supporting efficient decision-making and ensuring that relevant insights are shared across the Board.

In any case, committee composition is regularly reviewed to ensure alignment with Foresight Solar's evolving needs and Directors' workloads.

To support effective oversight, the Committee considered the expected time commitment for Directors. Based on scheduled meetings and committee attendance, as well as preparation time, the anticipated commitment for each Director is between 12 and 15 days per year, which remains appropriate for the Company's size, structure and governance needs. However, the challenging macroeconomic environment has demanded substantially greater involvement in 2025. Directors dedicated considerable additional time to ensure decisions resulted in the best possible outcome for shareholders, and this elevated level of engagement will continue whilst sector-wide pressures persist.

The Committee also reviewed Directors' external appointments to ensure each member has sufficient capacity to carry out their duties. In this context, the Committee is mindful of Tony Roper's wider responsibilities and is aware that some stakeholders consider the number of external positions when assessing capacity. abrdn European Logistics Income plc has announced its managed

Nomination Committee report continued

Composition, succession and evaluation

wind-down, with directors overseeing the final stages of an orderly sale of assets and return of capital to shareholders expected to complete in 2026. The associated workload is expected to lessen as the process evolves. Since joining the Board of Foresight Solar in 2024, Tony has made a meaningful contribution to its oversight and decision-making, attending all regular and ad hoc meetings. The Committee is satisfied he continues to have the time and focus required to serve FSFL effectively.

Board performance review

The Board conducts an annual evaluation of its own performance and that of its committees and individual Directors. In 2025, the review was externally facilitated by Cyclico, a specialist consultancy, and undertaken by means of a structured questionnaire, one-to-one interviews and observation of a quarterly cycle of meetings.

The Committee was pleased to note positive conclusions:

- Focus on Board effectiveness, particularly in strategic oversight and shareholder engagement
- Realistic perception of external challenges, such as share price discount and capital constraints
- Commitment to maximising long-term shareholder value

The review highlighted areas for development, including streamlining administrative processes, advancing succession planning, strengthening valuation oversight and deepening senior-level engagement with the Investment Manager. The Committee will monitor progress on these priorities throughout 2026 and will provide an update in next year's report. In line with best practice, the Board intends to commission its next externally facilitated evaluation in 2028, with internal reviews taking place in the intervening years.

Overall, the evaluation confirmed the Board continues to operate effectively despite a challenging external environment. Directors were found to display strong leadership, high levels of engagement and a clear strategic focus. The review also reinforced the strength of the working relationship with the Investment Manager. The Board, its committees and individual Directors, including the Chair, were all assessed as performing well and contributing constructively to the Company's long-term objectives.

Directors' professional development

Directors receive full information on their duties and obligations on appointment and are kept informed of changes in relevant regulation and governance expectations.

A structured induction programme ensures new Directors quickly gain an understanding of the Company, its policies and regulatory environment. Ongoing updates on internal controls, risk management and statutory requirements form part of regular Board business.

Directors also participate in an annual training programme and attend external seminars as appropriate.

As Directors of a Jersey-regulated fund, each Board member must undertake at least 25 hours of continuing professional development each year. All Directors met this requirement in 2025.

Diversity

The Company has adopted a Board Diversity Policy, reviewed annually by the Committee, to support Foresight Solar's commitment to improving representation. Diversity is a key consideration in Board appointments and committee leadership. Notably, the Chair of the Audit and Risk Committee is a female Director.

Following Chris' and Alex's resignations, the Board now comprises 50% women. However, the Board currently lacks ethnic diversity – a fact that was raised by shareholders during the year. The Committee recognises this imbalance and will seek to address it during the next recruitment round, subject to the availability of suitably qualified candidates.

Nomination Committee report continued

Composition, succession and evaluation

Diversity continued

Earlier phases of the succession plan focused on UK and European candidates. For the next appointment, the Committee intends to secure a Jersey-resident Director. Despite the narrower pool, the Committee remains committed to attracting the strongest and most diverse field of candidates possible.

Board member diversity

	Number of Board members	Percentage of the Board	Number of senior positions ¹
Male	2	50%	2
Female	2	50%	1

	Number of Board members	Percentage of the Board	Number of senior positions ¹
White British or other White (including minority-white groups)	4	100%	3

1. Chair, Senior Independent Director and Chair of the Audit and Risk Committee.

Conflicts of interest

Directors are required to notify the Company Secretary of any actual or potential conflicts of interest as soon as they arise. Only Directors without a material interest in a matter take part in related decisions.

External appointments are monitored and Directors must seek approval before taking on new roles. The Board also reviews Directors' shareholdings in the Company at each scheduled meeting and remains satisfied that these holdings do not compromise their independence or objectivity.

Re-election of Directors

At the 2025 AGM, Ann, Paul, Tony and I were elected or re-elected, each receiving more than 95% of votes in favour. The Directors will stand for re-election at the upcoming June Annual General Meeting.

Lynn Cleary

Chair of the Nomination Committee

23 March 2026

Audit and Risk Committee report

Audit, risk and internal control



“The Committee ensures Foresight Solar maintains the highest standards of integrity, financial reporting, internal and risk management systems, and corporate governance.”

Ann Markey

Chair of the Audit and Risk Committee

Membership:

Ann Markey
Lynn Cleary

Paul Masterton

Overview

The Audit and Risk Committee supports the Board by providing independent oversight of Foresight Solar’s financial reporting, risk management and internal control framework. The Committee reviews the quarterly net asset value and the integrity of the Annual and Interim Financial Statements, oversees the external audit, and monitors the effectiveness of the Company’s risk and control environment. It also reviews FSFL’s sustainability practices and reporting. In doing so, it seeks to ensure that Foresight Solar maintains high standards of governance, transparency and accountability.

Roles and responsibilities

The Committee is responsible for:

- Reviewing the quarterly net asset value and recommending its approval
- Monitoring the integrity of the Financial Statements and recommending their approval
- Reviewing the effectiveness of the Company’s internal control and risk management systems
- Recommending the appointment or reappointment of the external Auditor
- Overseeing the external Auditor’s performance and independence
- Implementing and reviewing the policy on non-audit services
- Reviewing Foresight Solar’s sustainability practices and related reporting

Introduction

The Committee operates under terms of reference approved by the Board, which are reviewed annually to reflect updates to the AIC Code and the UK Corporate Governance Code. The Committee Chair is a Chartered Accountant, and the Board is satisfied that she brings recent and relevant financial experience. All members are independent and are not involved in the preparation of Foresight Solar’s Financial Statements.

The Committee met 10 times in 2025, in line with the Company’s reporting cycle. Regular attendees include other Directors, representatives of the Investment Manager, the Administrator and the external Auditor. Whilst the Committee reports to the Board, ultimate responsibility for the Annual and Interim Financial Statements remains with the full Board.

During the year, the Committee continued to strengthen the Company’s risk management and internal control framework. It also began assessing the impact of recent changes to governance codes and is working with the Investment Manager, Administrator and Compliance Officer to further enhance assurance processes. The Committee maintains an open and constructive relationship with the external Auditor.

KPMG LLP completed the 2025 external audit and has not provided non-audit services. JTC (Jersey) Limited prepares tax returns following approval of the Financial Statements.

Audit and Risk Committee report continued

Audit, risk and internal control

Significant issues considered

The Committee focused on the following key areas of judgement in relation to the Annual Financial Statements:

- Valuation of unquoted investments: This is the principal area of audit risk and was discussed with the Investment Manager and the Auditor at both planning and completion stages. The Committee also considers it in the reviews of the quarterly NAV and Financial Statements
- Taxation: A material issue arose during the valuation process for the third quarter net asset value and a first adjustment was made. A second material adjustment was necessary in the fourth quarter. The Committee oversaw the output of the tax review and related assurances
- Going concern and the viability statement: These documents were reviewed against the Company's financial position, capital resources and operating environment

Valuation of unquoted investments

The Company's unquoted investment represents a 100% controlling interest in Foresight Solar (UK Hold Co) Limited, a non-consolidated subsidiary measured at fair value. The majority of UK Hold Co's underlying assets are held in companies for which no quoted market prices are available.

All of the Company's controlling interests are held through UK Hold Co, which in turn holds investments in FS Top Holdco 1 Limited (FS Topco 1), FS Top Holdco 2 Limited (FS Topco 2), FS Holdco 3 Limited (FS Holdco 3) (held through RCF Debtco Limited), FS Holdco 4 Limited (FS Holdco 4) and a 50% interest in Foresight Battery Storage Holdings Limited (FBSHL). Further detail is provided in Note 1 to the Financial Statements.

FS Topco 1 holds an indirect 100% controlling interest in FS Holdco Limited (FS Holdco). FS Topco 2 holds an indirect 100% controlling interest in FS Debtco Limited (FS Debtco). FS Holdco 3 holds an indirect 100% controlling interest in Second Generation Portfolio 1 Limited (SGP1). Each of these entities is also a non-consolidated subsidiary measured at fair value, with valuations based on the fair value of their net assets.

The assets of FS Holdco, FS Debtco, SGP1, and FS Holdco 4 comprise investments for which there are no quoted market prices. These valuations are, therefore, derived using discounted cash-flow methodologies. Meanwhile, FBSHL's pre-construction investment is carried at the lower of cost or net realisable value.

The Committee reviewed and challenged valuation assumptions, methodologies and sensitivities prepared by the Investment Manager (summarised in note 16 to the Financial Statements). This involved considerations of changes to several assumptions, including useful economic lives, energy yield assessments, lifecycle investments and solar capture discounts. It also involved considerations of the valuation of non-UK assets and appropriate discount rates for its portfolio.

The Investment Manager confirmed the underlying valuation has been calculated on a consistent basis throughout the year – other than when there was a change in assumptions – and in accordance with industry guidelines, taking account of the latest available information about investee companies and current market data.

The Committee was satisfied that valuations were prepared consistently, appropriately and in line with industry guidance.

Taxation

The Investment Manager informed the Directors of a tax issue that required an adjustment in the third quarter NAV. At that stage, the proposed change reflected the best available estimate, based on ongoing work with a leading tax advisor. Recognising that further analysis was still needed, the Board sought as much assurance as could reasonably be provided at the time.

Once the review was completed, a further adjustment was required in the fourth quarter to reflect higher tax liabilities, both historical and projected. This outcome has been extremely disappointing.

When the issue first emerged in the third quarter NAV, the Directors requested a series of actions by the Investment Manager to fully understand its extent and ensure it was addressed appropriately. This included reviewing relevant processes, undertaking a root-cause analysis, and commissioning an independent audit of tax treatment within the valuation model, as well as a review of the overall financial model. This work has now substantially concluded, and the Committee has received the necessary assurances. The Investment Manager has implemented improved processes and is continuing to strengthen internal controls in response.

In addition, the Committee met directly with the tax advisors that contributed to the review and received assurance over the material accuracy of historical liabilities and the appropriateness of the tax treatment reflected in the fourth quarter valuation.

Audit and Risk Committee report continued

Audit, risk and internal control

Annual Financial Statements

The Investment Manager confirmed it was unaware of any material misstatements in the Company's financial reporting.

After reviewing reports from both the Investment Manager and the Auditor, the Committee concluded that key areas of judgement were properly addressed and that the significant assumptions used in determining the value of assets and liabilities have been properly appraised and are sufficiently robust.

The Committee also reviewed the Annual Report, including the use of Alternative Performance Measures, to improve presentation and facilitate understanding.

The Committee determined that the Annual Report and Financial Statements are fair, balanced and understandable, and provide shareholders with the information needed to assess Foresight Solar's position, performance, business model and strategy.

External Auditor

In reviewing the effectiveness of the external audit, the Committee:

- Discussed audit planning, scope and key areas of focus
- Assessed the level of challenge applied by the Auditor
- Reviewed the quality of engagement between the Auditor, the Investment Manager and the Administrator

The Committee concluded KPMG delivered a high-quality and effective audit, demonstrating appropriate professional scepticism and sector understanding. KPMG's independence and objectivity were confirmed through their internal declarations and the absence of non-audit work to the Company or any other entity in the Group.

The Committee confirms that Foresight Solar complied with the requirements of the Statutory Audit Services for Large Companies Market Investigation Order 2014 throughout the year. All matters relating to the external audit – including the appointment of the Auditor, audit engagement terms, and the approval of non-audit services – were overseen in line with the order's provisions. No compliance issues were identified.

On the Committee's recommendation, the Board will propose KPMG's reappointment at the June 2026 AGM.

Internal control and risk management

The Board retains overall responsibility for the Company's internal controls and for the review of their effectiveness. These internal control systems are designed to meet the Company's needs and to manage, rather than eliminate, risk.

Financial administration is delegated to JTC, as accountant and administrator, supported by documented controls and processes to ensure accuracy of financial information and safeguarding of assets.

The Investment Manager operates a continuous process for identifying, assessing and managing risks, including those managed by the Company's Compliance Officer. A detailed Business Risk Assessment and risk matrix are maintained and reviewed regularly by the Committee and the Board. These cover strategic, operational, financial, reporting and compliance risks, including emerging risks.

The Investment Manager also operates a system of internal controls that support key processes relevant to the Company and its subsidiaries.

Audit and Risk Committee report continued

Audit, risk and internal control

Internal control and risk management continued

The Committee reviewed the effectiveness of the internal control and risk management systems and reported its conclusions to the Board, which was satisfied with their overall effectiveness – other than in relation to the tax review, for which the Investment Manager has assured the Board has been addressed. In 2026, the Committee will continue to work with the Investment Manager, Administrator and Compliance Officer to further enhance reporting and assurance processes.

The Committee also assessed the need for an internal audit function and concluded that existing arrangements, including controls operated by the Investment Manager and Administrator and oversight from the Committee provide adequate assurance at this time. It noted that the Investment Manager is establishing an internal audit function and the Committee will explore how this unit can assist with assurance for the Company.

Implementation of Provision 34 of the AIC Code

The Committee already oversees Foresight Solar's risk management and internal control framework. During 2025, it began preparing for the new requirements introduced under Provision 34 of the AIC Corporate Governance Code, which will apply for the 2026 year end. Provision 34 requires the Board to describe how it monitors internal controls and risk management processes, and to provide an explicit declaration on the effectiveness of material controls at the balance sheet date.

In anticipation of issuing this first declaration, the Committee is undertaking a structured review of the Company's principal and emerging risks, together with the material controls spanning financial, operational, reporting and compliance areas. This work also includes reviewing the related assurances that support the Board's assessment. Through this process, the Committee aims to ensure that Foresight Solar is well prepared to deliver a clear, evidence-based statement that fully meets the expectations of Provision 34.

Other matters

The Committee remains committed to continuously enhancing the quality and transparency of the Company's reporting. As part of this commitment, an independent firm conducted a limited assurance review of the sustainability disclosures included in the 2024 Annual Report, in line with ISAE 3000.

For the 2025 reporting year, the same firm was engaged to perform a reasonable assurance review of the key sustainability metrics presented in this report. Their conclusion was that these sustainability metrics were, in all material respects, prepared in accordance with the relevant standards, methodologies and recommendations. (Read more on page 45.)

Ann Markey

Chair of the Audit and Risk Committee

23 March 2026



Southam, UK

Directors' Remuneration report

Remuneration



“The Committee has responsibility for reviewing and establishing Directors’ remuneration, specifically reflecting the responsibilities and time commitment of their roles.”

Paul Masterton

Chair of the Remuneration Committee

Membership:

Paul Masterton
Lynn Cleary

Ann Markey
Tony Roper

Overview

The Remuneration Committee is responsible for setting and overseeing the policy on Non-Executive Director compensation. In carrying out its work, the Committee ensures that remuneration is transparent, fair, aligned with Foresight Solar’s strategy and sufficient to attract and retain Directors with the skills and experience needed to support the Company’s long-term success.

Roles and responsibilities

The Committee’s key responsibilities are to:

- Set remuneration policies and practices that support the Company’s strategy
- Determine the remuneration policy for Non-Executive Directors
- Decide individual Director fees within the limits set out in the Articles of Association

Introduction

This Remuneration Report has been prepared in accordance with the AIC Code. An ordinary resolution to approve it will be put to shareholders at the Annual General Meeting in June 2026.

Remuneration policy

Remuneration for Non-Executive Directors is set to:

- Reflect the complexity of the Company’s operations
- Recognise the time commitment and responsibilities associated with the role
- Support the recruitment and retention of high-calibre individuals
- Remain transparent and aligned with best practice

The Committee recommends the remuneration policy, oversees its implementation and ensures that all payments are made in accordance with the agreed framework. Consistent with UK investment company practice, Director remuneration does not include share options or performance-related elements.

Foresight Solar’s Articles of Association cap total aggregate annual fees at £400,000. Directors are paid quarterly in arrears and are entitled to reimbursement of reasonable expenses incurred on FSFL business. The Company also maintains directors’ and officers’ liability insurance.

Directors do not have service contracts. Under their letters of appointment, they may resign by mutual consent and no compensation is payable upon leaving office. As they are not appointed for a fixed term, there is no unexpired contractual period.

Approach to setting fees

Foresight Solar’s policy is to favour smaller, incremental fee adjustments over large, infrequent increases. When considering changes, the Committee takes account of:

- The macroeconomic environment and inflation
- The increasingly complex regulatory landscape
- Market benchmarks for FTSE 350 companies and other investment trusts

Shareholders approved the previous remuneration policy at the 2025 AGM for the financial year ended 31 December 2025. The Committee reviewed the policy during the year and proposed minor updates to enhance transparency and align with the AIC Code and other relevant frameworks. The updated policy will be put to shareholders at the 2026 AGM to apply for subsequent years.

Directors' Remuneration report continued

Remuneration

Remuneration considerations

The Committee reviews Board fees at least annually and undertakes external comparisons to ensure they remain appropriate. In 2025, the Committee considered commissioning an independent consultant but concluded that the peer benchmarking undertaken, supported by analysis from the Investment Manager, was sufficient.

Benchmarking confirmed that overall Board fees remain at or below the mid-point of the renewable energy investment trust peer group. In light of the challenging macroeconomic environment, the Committee recommended no changes to remuneration for 2025.

Throughout the year, the Board maintained a strong commitment to delivering the best outcomes for shareholders. This led to extensive deliberation, with Directors meeting 28 times between the regular schedule and ad hoc engagements. The Committee expects this heightened level of involvement to continue given ongoing sector-wide pressures and remains open to granting one-off fee payments to reflect the extra work.

Following its review and detailed discussions, the Committee has recommended a 3.5% increase in fees for 2026.

Individual Directors' fees

Details of Directors' fees for the year, and those forecast for 2026, are provided below. No other remuneration was paid or is payable for the period.

	Anticipated fees for the year ending 31 December 2026 (Unaudited)	Fees for the year ended 31 December 2025 (Audited)	Fees for the year ended 31 December 2024 (Audited)
Tony Roper (Chair) ¹	£86,000	£62,081	£5,966
Paul Masterton ²	£55,500	£53,508	£5,966
Ann Markey	£68,000	£65,520	£65,520
Lynn Cleary	£55,500	£53,508	£53,508
Alex Ohlsson ³	—	£59,087	£82,992
Chris Ambler ⁴	—	£24,696	£53,508
Monique O'Keefe ⁵	—	—	£47,692
Total	£265,000	£318,400	£315,152

1. Tony Roper was appointed to the Board on 21 November 2024 and became Chair on 16 September 2025. Had he been Chair for the full year, he would have received £82,992.
2. Paul Masterton was appointed to the Board on 21 November 2024.
3. Alex Ohlsson stepped down from the Board on 16 September 2025.
4. Chris Ambler stepped down from the Board on 17 June 2025.
5. Monique O'Keefe stepped down from the Board on 21 November 2024.

Directors' interests

Directors' shareholdings as at 31 December 2025 are set out below. As noted earlier, Directors do not hold share options as part of their roles.

	Shares held on 31 December 2025	Shares held on 31 December 2024
Tony Roper (Chair) ⁶	129,725	49,725
Paul Masterton	—	—
Ann Markey	10,000	10,000
Lynn Cleary	15,000	15,000

6. 95,000 shares held directly, and 34,725 shares held via a family investment company. Whilst Mr Roper controls the decision-making of the latter shares, the economic benefit is solely for his children.

Approval of report

The Board will propose a resolution at the forthcoming AGM for shareholders to approve this Remuneration Report, including the Directors' fees for the year ending 31 December 2026.

Paul Masterton

Chair of the Remuneration Committee

23 March 2026

Directors' report

The Directors present their report and the audited Financial Statements of the Company for the year ended 31 December 2025.

Overview

The Directors' report summarises key information about Foresight Solar's structure, share capital, authorities, dividend arrangements and compliance with relevant regulatory frameworks. It also outlines the Company's approach to financial risk management and confirms its adherence to applicable governance and legal requirements.

The Company

Foresight Solar Fund Limited (FSFL) is a closed-end investment company with an indefinite life. It was incorporated in Jersey on 13 August 2013 under the Companies (Jersey) Law 1991 (as amended) with registration number 113721.

The Company is authorised as a collective investment fund under the Collective Investment Funds (Jersey) Law 1988 and is regulated as a Jersey listed fund under the JFSC's Listed Fund Guide.

The registered office is: 28 Esplanade, St. Helier, Jersey, JE4 2QP.

Share capital and voting rights

Details of Foresight Solar's capital structure and movements in share capital during the year are provided in note 17 to the Financial Statements.

As at 23 March 2026, the Company had 609,958,720 ordinary shares of nil par value in issue. The shares are listed on the Main Market of the London Stock Exchange.

Investment objective

Foresight Solar's objective is to provide investors with a sustainable, progressive quarterly dividend and enhanced capital value, whilst facilitating climate change mitigation and the transition to a lower-carbon economy.

Investment policy

The Company pursues its investment objective by investing in a diversified portfolio of ground-based solar power plants and utility-scale battery energy storage systems (BESS) predominantly located in the UK, contributing to the growth of renewable energy generation capacity available and the production of more clean power over the long term.

The Company is permitted to invest in BESS up to a limit of 10% of the GAV of the Company and its subsidiaries, calculated at the time of investment, supporting the transition to low-carbon electricity networks.

The Company will invest in operational ground-based solar power plants and BESS but will also be able to invest in pre-operational assets which are either in the development stage or the construction stage of their lifecycle, enabling the Company to contribute to the deployment of new renewable energy generation capacity and flexible electricity storage over time whilst supporting its financial objectives.

Investments in assets which are in the development stage of their lifecycle, which have not yet secured all necessary project rights for construction and operation but have a delivery plan and have established reasonable viability to secure such necessary project rights, will be limited to 5% of the GAV of the Company and subsidiaries, calculated at the time of investment.

Investments outside the UK and in assets which are, when acquired, still under construction, will be limited to 25% respectively of the GAV of the Company and subsidiaries, calculated at the time of investment.

The Company will seek to acquire majority or minority stakes in individual ground-based solar assets. When investing in a stake of less than 100% in a solar power plant special purpose vehicle (SPV), the Company will secure its shareholder rights through shareholders' agreements and other legal transaction documents.

Directors' report continued

Investment policy continued

Power purchase agreements (PPAs) will be entered into between each of the individual solar power plant SPVs in the portfolio and creditworthy offtakers. Under the PPAs, the SPVs will sell solar-generated electricity and, if applicable, green benefits to the designated offtaker. The Company may retain exposure to power prices through PPAs that do not include mechanisms such as fixed prices or price floors.

Investment may be made in equity, debt or intermediate instruments but not in instruments traded on any investment exchange.

The Company is permitted to invest cash held for working capital purposes and awaiting investment in cash deposits, gilts and money market funds.

In order to spread risk and diversify its portfolio, at the time of investment, no single asset shall exceed 30% of the Company's GAV post-acquisition.

If the investment is an additional stake in an existing investment, the combined value of both the existing stake and the additional stake acquired should also not exceed 30%. The GAV of the Company will be calculated based on the last published gross investment valuation of the Company's portfolio, including cash, plus acquisitions made since the date of such valuation at their cost of acquisition. The Company's portfolio will provide diversified exposure through the inclusion of not less than five individual solar power plants and the Company will also seek to diversify risk by ensuring that a significant proportion of its expected income stream is derived from regulatory support (which will consist of, for example, without limitation, ROCs and FiTs for UK assets).

Diversification will also be achieved by the Company using a number of different third-party providers such as developers, engineering, procurement and construction (EPC) contractors, operations and maintenance (O&M) contractors, panel manufacturers, landlords and distribution network operators.

The Articles provide that gearing, calculated as Group borrowing (including any asset-level gearing) as a percentage of the Company's GAV, will not exceed 50% at the time of drawdown. It is the Board's current intention that long-term gearing (including long-term, asset-level gearing), calculated as Group borrowings (excluding intra-group borrowings (i.e. borrowings between members of the Group) and revolving credit facilities) as a percentage of the Company's GAV will not exceed 40% at the time of drawdown.

Allotment of shares

Shareholders have authorised the Directors to issue new shares up to 10% of the Company's issued share capital. The Board intends to seek renewal of this authority at the forthcoming AGM.

Shareholders have also authorised the Directors to disapply pre-emption rights, also up to 10% of issued share capital, as permitted by the Company's Articles of Association, the Listing Rules and the Financial Services and Markets Act 2000. A special resolution will be proposed at the AGM to renew this authority.

No shares were allotted under these authorities during the year.

Purchase of own shares

The Company is authorised to make market purchases of up to 14.99% of its issued ordinary shares (excluding treasury shares), subject to specified pricing parameters and compliance with the Articles:

- (a) The Company may purchase up to 14.99% of the ordinary shares that were in issue on 23 May 2025, which is 83,488,221 shares
- (b) The minimum price the Company may pay for an ordinary share is £0.01
- (c) The maximum price the Company may pay, excluding expenses, is the higher of: (i) 14.99% above the average middle-market price for an ordinary share over the five business days before the purchase is agreed; and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue where the purchase takes place
- (d) This authority is in addition to any existing share purchase authorities and will expire at the next AGM, or 18 months after the date it was granted, whichever comes first, unless renewed, varied or revoked by shareholders
- (e) The Company may enter into contracts to buy back shares before the authority expires, even if the purchases are completed after the authority has ended
- (f) The Directors will provide a statement of solvency, as required under Articles 55 and 57 of the Companies (Jersey) Law

Directors' report continued

Purchase of own shares continued

The Company will only buy back shares through the market, for cash, and at prices below the prevailing net asset value per share. Purchases will only be made when the Directors believe they will increase the NAV per share and are in shareholders' best interests, for example when buybacks help correct an imbalance between supply and demand for the Company's shares.

On 4 May 2023, the Company announced a £10 million share buyback programme to address the discount between the share price and asset values implied by third-party transactions. The programme was extended twice to £40 million. On 8 August 2024, the Board increased the allocation to £50 million and, again, on 16 July 2025, the total was raised to up to £60 million.

As at the date of this report, 62,334,393 ordinary shares had been repurchased. The authority expires at the next AGM. The Board will continue to assess whether further buybacks remain in shareholders' best interests.

Treasury shares

Under Jersey law, companies may hold repurchased shares in treasury rather than cancel them. Issued shares may be held in treasury and may be later cancelled or sold for cash.

Holding treasury shares gives the Company flexibility to reissue shares efficiently and support market liquidity. As at the date of this report, 62,334,393 shares were held in treasury.

Dividends

Under the Articles of Association, the Board may approve interim dividends without shareholder approval. However, in line with best practice, the Company seeks annual shareholder approval for its policy to pay four interim dividends per year. This authority was renewed at the AGM held on 12 June 2025.

Scrip dividend option

At the 2019 AGM, shareholders authorised the Directors to offer dividends in the form of new ordinary shares (a Scrip Dividend Scheme). This authority was renewed for three years at the 2022 AGM.

To date, approximately 6.1 million new ordinary shares have been issued under the scheme, resulting in a net cash saving of £5.9 million.

The Board has suspended the scrip dividend alternative to protect shareholder value whilst the Company's shares trade at a discount to net asset value. Issuing new shares now would be dilutive to NAV per share and inconsistent with prudent capital management, particularly when the Directors are focused on supporting a recovery in the stock's rating. The scheme remains under review for reinstatement when appropriate.

Share dealing code, policy and manual

In accordance with the UK Market Abuse Regulations, the Company has adopted a share dealing code, policy and manual to ensure compliance by Directors and other Persons Discharging Managerial Responsibilities.

Directors' report continued

Financial risk management

Information on the Company's financial risk management objectives and policies is provided in note 19 to the Financial Statements.

Bribery Act 2010

Foresight Solar is committed to conducting business fairly, honestly and transparently. The Investment Manager maintains policies and procedures designed to prevent bribery within its operations.

Criminal Finances Act 2017

The Company has adopted a zero-tolerance approach to the facilitation of tax evasion, whether under UK or foreign law. It is committed to acting with integrity in all business dealings and maintains systems and controls to prevent tax evasion facilitation across all jurisdictions in which it operates.

Requirements of the Listing Rules

Listing Rule 6.6.4 requires certain information to be disclosed in a single identifiable section of the Annual Report or via a cross-reference table. The Directors confirm that no disclosures are required in relation to Listing Rule 6.6.4 for this reporting period.

Directors' indemnity

The Company maintains a directors' and officers' liability insurance policy, providing cover for certain liabilities incurred in the course of their duties. This policy does not cover fraudulent or dishonest acts.

The Company has also kept standard-form indemnity agreements with each of its Directors, in line with applicable laws and regulations. These agreements provide protection for Directors against liabilities arising in connection with the performance of their duties, including any actions, costs, losses, damages, expenses or claims made against them in their role. The indemnities include the usual exclusions and limitations, such as when liabilities may arise from negligence, fraud, wilful acts or defaults, breaches of duty or trust, or relate to liabilities incurred in defending claims brought by the Company, criminal proceedings, criminal fines or regulatory penalties. They are designed to supplement statutory protections and do not cover any liabilities that legislation prohibits or that arise from criminal acts.

The indemnities help ensure that Directors can carry out their responsibilities with appropriate protection, subject to the Board's ongoing oversight and review.

Articles of Association

The Company's Articles of Association are available from the Company Secretary and at the AGM.

Website publication

The Board is responsible for ensuring that the Annual Report and Financial Statements are published on the Company's website in accordance with relevant legislation. Directors are also responsible for the maintenance and integrity of the website and the information it contains. Jersey requirements for the preparation and dissemination of financial statements may differ from those in other jurisdictions.

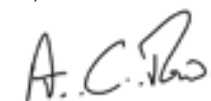
Post balance sheet events

Further information on post balance sheet events is provided in note 25 to the Financial Statements.

Annual General Meeting

The AGM is expected to be held on 3 June 2026 at the Company's registered office at 28 Esplanade, St. Helier, Jersey, JE2 3QA. Details on how shareholders may participate will be included in the Notice of Annual General Meeting, to be published in due course.

By order of the Board.



Tony Roper

Chair

For and on behalf of
Foresight Solar Fund Limited

23 March 2026

Statement of Directors' responsibilities

In respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the Financial Statements in accordance with applicable law and regulations.

Jersey Company Law requires Directors to prepare financial statements that give a true and fair view of the Company's affairs and of its profit or loss for each financial year. Under this law, and as permitted by the UK Disclosure Guidance and Transparency Rules, the Financial Statements have been prepared in accordance with the International Accounting Standards Board's standards and all applicable legislation.

In preparing the Financial Statements, the Directors must:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable, relevant and reliable
- Confirm compliance with applicable accounting standards, except for any material departures that are disclosed and explained in the Financial Statements
- Assess the Company's ability to continue as a going concern and disclose any related uncertainties where appropriate
- Prepare the statements on a going concern basis, unless they intend to liquidate the Company, cease trading, or have no realistic alternative but to do so

The Directors are responsible for keeping adequate accounting records that show the Company's financial position with reasonable accuracy and that ensure compliance with the Companies (Jersey) Law 1991. They must also put in place internal controls that they consider necessary to produce financial statements that are free from material misstatement, whether caused by fraud or error, and take reasonable steps to safeguard the Company's assets and prevent and detect irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information published on the Company's website. The Auditor's responsibilities do not extend to this information, and KPMG LLP accepts no responsibility for any changes that may have occurred to the Financial Statements or the audit report since 23 March 2026. KPMG LLP has carried out no procedures of any kind after that date.

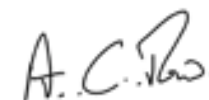
Legislation in Jersey governing the preparation and distribution of financial statements may differ from that in other jurisdictions. The Directors remain responsible for establishing and overseeing the process for preparing the Financial Statements and ensuring that the published documents are complete and unaltered.

The Board has voluntarily chosen to prepare a Directors' Remuneration Report in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as if those UK requirements applied to Foresight Solar.

Responsibility statement of the Directors

In respect of the annual financial report, we confirm that to the best of our knowledge:

- The Financial Statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the Company's assets, liabilities, financial position and profit or loss
- The Annual Report includes a fair review of the development and performance of the Company's business and its position, together with a description of the principal risks and uncertainties it faces
- We consider the Annual Report and Financial Statements, taken as a whole, to be fair, balanced and understandable, and to provide shareholders with the information necessary to assess Foresight Solar's position and performance, business model and strategy



Tony Roper

Chair

For and on behalf of
Foresight Solar Fund Limited

23 March 2026

Financial Statements

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Independent Auditor's report

To the members of Foresight Solar Fund Limited

1. Our opinion is unmodified

We have audited the financial statements of Foresight Solar Fund Limited ("the Company") for the year ended 31 December 2025, which comprise the Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union, of the state of the Company's affairs as at 31 December 2025, and of its loss and cash flows for the year then ended; and
- have been properly prepared in accordance with the Companies (Jersey) Law, 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matter (unchanged from 2024), in arriving at our audit opinion above, together with our key audit procedures to address that matter and our findings from those procedures in order that the Company's members, as a body, may better understand the process by which we arrived at our audit opinion. This matter was addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

Independent Auditor's report continued

To the members of Foresight Solar Fund Limited

Valuation of unquoted investments	Subjective valuation:	Our procedures included:
(£543.5 million; 2024: £632.3 million) Refer to page 97 (Audit and Risk Committee Report), page 125 (accounting policy) and page 130 (financial disclosures). Risk level remains unchanged from prior year	As at 31 December 2025, 99% (December 2024: 99%) of the Company's total assets (by value) were held in investments where no quoted market price is available. The unquoted investment held at fair value through profit or loss represents a 100% holding in Foresight Solar (UK Holdco) Ltd. This entity in turn makes its investments through intermediate holding companies and underlying Special Purpose Vehicles. As these investments are unquoted and illiquid, in order to determine the fair value, the Company has made a number of assumptions which are unobservable in the market. These included: Significant assumptions: The discount rate and power price curve assumptions have a high degree of complexity and subjectivity. Non-significant assumptions and data points: We do not consider other assumptions and data points to be at a significant risk of material misstatement due to lower complexity and subjectivity. However, these assumptions are important as they can have a material impact on the overall valuation. • Useful economic life assumption • Inflation assumption • Production and operating costs data • Tax assumptions The effect of these matters is that, as part of our risk assessment, we determined that the valuation of unquoted investments has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 16) disclose the sensitivity estimated by the Company.	We performed the procedures below rather than seeking to rely on any of the Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: Involvement of our valuation specialists: • With the assistance of our valuation specialists, we critically evaluated and challenged significant assumptions affecting the valuation of the underlying assets, specifically discount rates and power price curves (including the capture discount curve) and non-significant assumptions (useful economic life and inflation rates) Our procedures for significant assumptions included: Benchmarking assumptions: • We assessed whether the discount rates and power price curves are within a reasonable range based on relevant market data • We agreed the subsidy and wholesale power price to agreements in place, such as Power Purchase Agreements Our procedures in respect of the non-significant assumptions and data points included: Test of detail: • We agreed production data to due diligence reports prepared by third-party engineers. We evaluated the competence, objectivity and independence of the third-party engineers • We assessed the reasonableness of forecast operating costs with reference to historic actual operating costs and, where possible, underlying agreements for leases, asset management, operations and maintenance contracts • We evaluated the appropriateness of the useful economic life for individual assets, taking into consideration factors such as the life cycle of the asset, expiry of planning permissions, probability of lease extensions and available market information • We compared the inflation rates assumption to relevant external forecasts • With the assistance of our tax and transfer pricing specialists, we evaluated key assumptions and methodology adopted for incorporating tax in the valuation model and agreed the calculation on a sample basis. Historical comparison: • We compared actual to previously budgeted production and considered this in our challenge of future production forecasts Assessing transparency: • We considered the appropriateness, in accordance with relevant accounting standards, of the disclosures in respect of unquoted investments and the effect of changing one or more inputs to reasonably possible alternative valuation assumptions Our findings: • We found the Company's valuation of unquoted investments to be mildly optimistic (2024: mildly optimistic).

Independent Auditor's report continued

To the members of Foresight Solar Fund Limited

3. Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £6.0 million (2024: £6.5 million), determined with reference to a benchmark of net assets (2024: net assets), of which it represents 1.1% (2024: 1.0%). We continued to select the Company's net assets as the benchmark in the current year owing to the focus of the users of the financial statements on the net assets as a measure of performance of the underlying renewable energy infrastructure assets.

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2024: 75%) of materiality for the financial statements as a whole, which equates to £4.5 million (2024: £4.9 million). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £0.3 million (2024: £0.3 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality and performance materiality levels specified above and was performed by a single audit team.

Impact of controls on our audit

As disclosed within the Audit and Risk Committee Report on page 97, administrative and accounting operations of the Company are provided by JTC (Jersey) Limited (the 'Administrator'). We therefore identified that the financial reporting system operated by the Company's Administrator to be the main IT system relevant to our audit. We obtained and read the Administrator's type two service organisation controls report to assist us in evaluating the design of the general IT controls of the main finance system.

Consistent with our approach noted within the key audit matter in section 2 of our report, we did not plan to rely on any of the Company's controls in relation to any areas of our audit. This is because the nature of the majority of the Company's balances (including cash and cash equivalents, interest income and receivable and management fees) is such that we would expect to obtain audit evidence primarily from external confirmations (for cash and cash equivalents) and independent recalculations based on the contractual arrangements (for interest income and receivable and management fees). This is considered more efficient and therefore the scope of the audit work performed was fully substantive in all aspects of the audit for the year ending 31 December 2025.

4. The impact of climate change on our audit

In planning our audit, we have considered the potential impacts of climate change on the Company's business and its financial statements.

Climate change impacts the Company principally through the valuation of investments and through potential reputational risk associated with the Company's strategy. The Company's exposure to climate change is primarily through its indirect investment in the underlying renewable energy infrastructure assets, as the key valuation assumptions and estimates could be impacted by climate risks, for example where a new legislation on solar farms is introduced and have an impact on the forecast cash flows.

Given the nature of the current investment portfolio, the impact of climate change is inherently built in the valuations of the solar farms of the Company. We have performed a risk assessment of how the impact of climate change may affect the financial statements and our audit, in particular over the valuation of unquoted investments and our related key audit matter in section 2 above.

We have read the disclosure of climate related information in the front half of the Annual Report and considered consistency with the Financial Statements and our audit knowledge.

Independent Auditor's report continued

To the members of Foresight Solar Fund Limited

5. Going concern

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

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources, metrics relevant to debt covenants and its ability to operate over this period were:

- The discontinuation vote at the Annual General Meeting in June 2026, which is triggered by the level of discount between the Company's Net Asset Value and its share price; and
- The impact of a significant reduction in the valuation of the assets in the portfolio, driven predominately by decreases in revenue and production, which impacts the Company and its subsidiaries' cash flows and ability to meet the covenants in place.

In relation to the discontinuation vote, we considered the likely outcome of the discontinuation vote with reference to the following information:

- The outcome of the recent survey of investors commissioned by the Company and conducted by an independent third party;
- The performance of the Company, with reference to the performance of the underlying assets considering the current macroeconomic conditions and compared to comparable asset funds in the same sector;
- The voting history in the Company's Annual General Meetings;
- The profile of the Shareholders; and
- Our knowledge of the industry and market the Company operates in.

In relation to the valuation of the assets and the liquidity of the investment portfolio, we considered whether these risks could plausibly affect the liquidity and covenant compliance of the Company and its subsidiaries in the going concern period by comparing severe but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Company's financial forecasts.

We considered whether the going concern disclosure in note 2.2 to the Financial Statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and related sensitivities.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the Directors' statement in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period, and we found the going concern disclosure in note 2 to be acceptable.

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

Independent Auditor's report continued

To the members of Foresight Solar Fund Limited

6. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of the Directors and Administrator as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Directors, the Administrator and the Company's Investment Manager; and
- Reading Board minutes and Audit & Risk Committee minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular to the risk that management may be in a position to make inappropriate accounting entries. We evaluated the design of the controls over journal entries and other adjustments and made inquiries of the Administrator as to whether they were aware of any inappropriate or unusual activity relating to the processing of journal entries and other adjustments.

Based on these risk assessment procedures, we assessed the opportunities for management override of controls in the context of this Company. We compared all material post-closing entries and, to incorporate an element of unpredictability, a haphazard selection of other entries to supporting documentation. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue, which in this context is interest income, is non judgemental and straightforward, with limited opportunity for manipulation. We did not identify any additional fraud risks.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related Companies legislation) and distributable profits legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery, data protection, anti-money laundering, market abuse regulations and certain aspects of Company legislation recognising the financial and regulated nature of the Company's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

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

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

Independent Auditor's report continued

To the members of Foresight Solar Fund Limited

7. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Directors' remuneration report

In addition to our audit of the financial statements, the Directors have engaged us to audit the information in the Directors' Remuneration Report that is described as having been audited, which the Directors have decided to prepare as if the Company were required to comply with the requirements of Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008 No. 410) made under the UK Companies Act 2006.

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the UK Companies Act 2006, as if those requirements applied to the Company.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the viability statement on page 58 that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal and Emerging risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and

- the Directors' explanation in the viability statement of how they have assessed the prospects of the Company, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the Directors' statement that they consider that the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable, and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy;
- the section of the Annual Report describing the work of the Audit and Risk Committee, including the significant issues that the Audit and Risk Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the Annual Report that describes the review of the effectiveness of the Company's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in this respect.

Independent Auditor's report continued

To the members of Foresight Solar Fund Limited

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

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- proper accounting records have not been kept by the company, or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 107, the Directors are responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

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

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991 and the terms of our engagement by the Company. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Company, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Rahim Butt

for and on behalf of KPMG LLP

Chartered Accountants and Recognised Auditor

15 Canada Square
Canary Wharf
London
E14 5GL

24 March 2026

Statement of profit and loss and other comprehensive income

For the year ended 31 December 2025

	Notes	31 December 2025 £'000	31 December 2024 £'000
Revenue			
Interest earned on cash in bank		26	60
Interest income	4	28,828	31,368
Loss on investments held at fair value through profit or loss	14	(54,423)	(20,311)
Total revenue		(25,569)	11,117
Expenditure			
Administration fees	6	(257)	(251)
Directors' fees	7	(318)	(315)
Management fees	5	(5,020)	(6,348)
Other expenses	8	(1,263)	(1,197)
Total expenditure		(6,858)	(8,111)
(Loss)/profit before tax for the year		(32,427)	3,006
Taxation	2.7	—	—
(Loss)/profit for the year		(32,427)	3,006
Other comprehensive income		—	—
(Loss)/profit and other comprehensive income for the year		(32,427)	3,006
(Loss)/earnings per ordinary share (pence per share)	9	(5.83)	0.52

All items above arise from continuing operations. There have been no discontinued operations during the period.

The accompanying notes on pages 120 to 153 form an integral part of these Financial Statements.

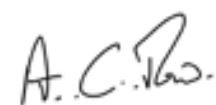
Statement of financial position

As at 31 December 2025

	Notes	31 December 2025 £'000	31 December 2024 £'000
Assets			
Non-current assets			
Investments	14	543,504	632,329
Total non-current assets		543,504	632,329
Current assets			
Interest receivable	10	1,242	197
Trade and other receivables	11	319	304
Cash and cash equivalents	12	1,646	2,018
Total current assets		3,207	2,519
Total assets		546,711	634,848
Equity			
(Accumulated deficit)/retained earnings		(84,010)	4,470
Ordinary share capital and treasury shares	17	629,892	629,892
Total equity		545,882	634,362

	Notes	31 December 2025 £'000	31 December 2024 £'000
Liabilities			
Current liabilities			
Trade and other payables	13	829	486
Total current liabilities		829	486
Total liabilities		829	486
Total equity and liabilities		546,711	634,848
Net asset value per ordinary share	18	99.2	112.3

The Financial Statements on pages 116 to 119 were approved by the Board and signed on its behalf on 23 March 2026 by:



Tony Roper

Chair

The accompanying notes on pages 120 to 153 form an integral part of these Financial Statements.

Statement of changes in equity

For the year ended 31 December 2025

	Notes	Issued ordinary shares ¹ £'000	Treasury shares ² £'000	Accumulated deficit £'000	Total £'000
Balance as at 1 January 2025		588,184	41,708	4,470	634,362
Total comprehensive profit/loss for the year:					
Loss for the year		—	—	(32,427)	(32,427)
Transactions with owners, recognised directly in equity:					
Dividends paid in the year	21	—	—	(44,867)	(44,867)
Purchase of treasury shares ²	17	(11,186)	11,186	(11,186)	(11,186)
Balance as at 31 December 2025		576,998	52,894	(84,010)	545,882

For the year ended 31 December 2024

	Notes	Issued ordinary shares ¹ £'000	Treasury shares ² £'000	Retained earnings £'000	Total £'000
Balance as at 1 January 2024		609,983	19,909	67,997	697,889
Total comprehensive profit for the year:					
Profit for the year		—	—	3,006	3,006
Transactions with owners, recognised directly in equity:					
Dividends paid in the year	21	—	—	(44,734)	(44,734)
Purchase of treasury shares ²	17	(21,799)	21,799	(21,799)	(21,799)
Balance as at 31 December 2024		588,184	41,708	4,470	634,362

1. The stated capital of the Company comprises issued ordinary shares, share premium and treasury shares.

2. Represents the cash payments made to Jefferies International Limited by year end.

The accompanying notes on pages 120 to 153 form an integral part of these Financial Statements.

Statement of cash flows

For the year ended 31 December 2025

	Notes	31 December 2025 £'000	31 December 2024 £'000
(Loss)/profit for the year after tax adjustments for:		(32,427)	3,006
Unrealised loss on investments	14	54,423	20,311
Operating cash flows before changes in working capital		21,996	23,317
(Increase)/decrease in interest receivables	10	(1,044)	13,454
Increase in trade and other receivables	11	(15)	(14)
Increase/(decrease) in trade and other payables	13	342	(711)
Net cash inflow from operating activities		21,279	36,046
Investing activities			
Repayment of shareholder loan		34,402	30,464
Net cash inflow from investing activities		34,402	30,464
Financing activities			
Purchase of treasury shares ¹		(11,186)	(21,799)
Dividends paid	21	(44,867)	(44,734)
Net cash outflow from financing activities		(56,053)	(66,533)
Net decrease in cash and cash equivalents		(372)	(23)
Cash and cash equivalents at the beginning of the year		2,018	2,041
Cash and cash equivalents at the end of the year	12	1,646	2,018

1. This figure represents the cash payments made to Jefferies International Limited by year end.

The accompanying notes on pages 120 to 153 form an integral part of these Financial Statements

Notes to the Financial Statements

For the year ended 31 December 2025

1. Company information

Foresight Solar Fund Limited (the Company) is a closed-ended public company with an indefinite life and was incorporated in Jersey under the Companies Law (Jersey) 1991, as amended, on 13 August 2013, with registered number 113721. The address of the registered office is: 28 Esplanade, St. Helier, Jersey, JE4 2QP.

The Company has one investment, Foresight Solar (UK Hold Co) Limited (UK Hold Co). The principal activity of the Company through its direct and indirect subsidiaries, as per the structure chart, is investing in operational and development-stage ground-based solar power plants and battery storage systems in the UK, Australia and Spain.

UK Hold Co has three investments: FS RCF Debtco Limited (RCF Debtco), FS Holdco 4 Limited (FS Holdco 4) and Foresight Battery Storage Holding Limited (FBSHL).

RCF Debtco has three investments: FS Top Holdco 1 Limited (FS Topco 1), FS Top Holdco 2 Limited (FS Topco 2) and FS Holdco 3 Limited (FS Holdco 3).

FS Topco 1 has one investment in FS Intermediate Holdco Limited (FIHC). FIHC in turn has one investment in FS Holdco Limited (FS Holdco).

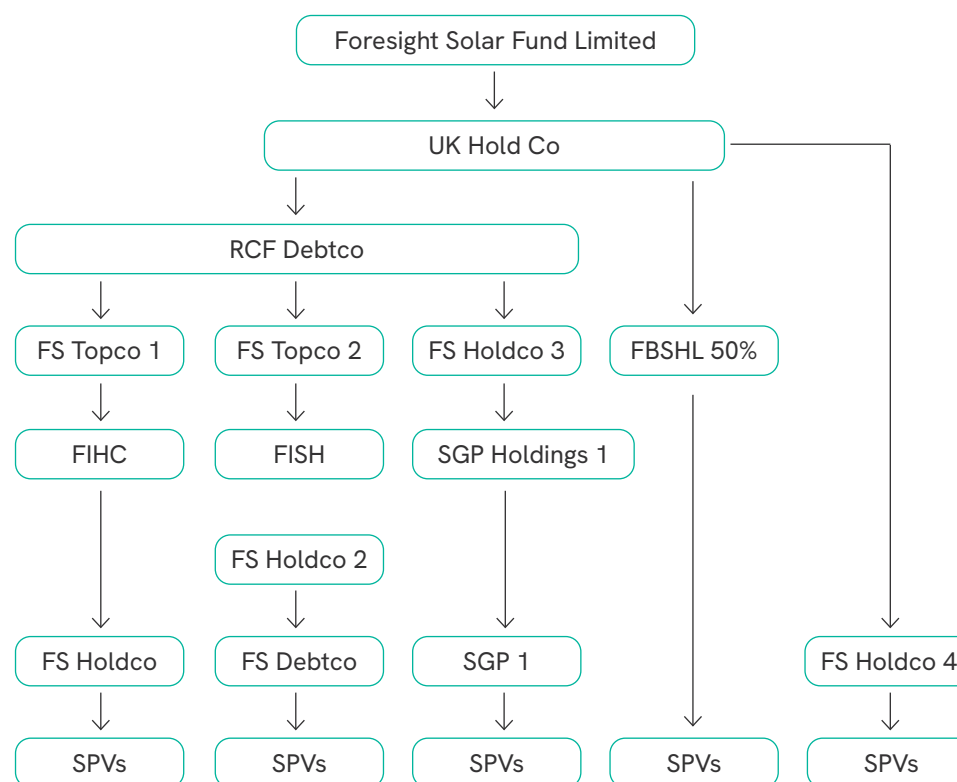
FS Topco 2 has one investment in Foresight Intermediate Solar Holdings Limited (FISH). In turn, FISH has one investment in FS Holdco 2 Limited (FS Holdco 2) which has one investment in FS Debtco Limited (FS Debtco).

FS Holdco 3 has one investment in Second Generation Portfolio 1 Holdings Limited (SGP Holdings 1). SGP Holdings 1 in turn invests in Second Generation Portfolio 1 (SGP 1) which invests directly into underlying solar investments.

FS Holdco, FS Debtco and FS Holdco 4 invest in further holding companies (the SPVs) which then invest in the underlying solar and battery storage investments.

Structure chart

The following chart shows the Group structure as at 31 December 2025:



Notes to the Financial Statements continued

For the year ended 31 December 2025

2. Summary of significant accounting policies

2.1 Basis of presentation

The Financial Statements for the year ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) which comprise standards and interpretations issued by the International Accounting Standards Board (IASB). The Financial Statements have been prepared on the historical cost convention as modified for the measurement of certain financial instruments at fair value through profit or loss and in accordance with the provisions of the Companies (Jersey) Law 1991. The investment in UK Hold Co is held at net asset value on the statement of financial position in line with the International Private Equity and Venture Capital 2022 (IPEV) Valuation Guidelines.

2.2 Going concern

Discontinuation vote:

As set out in the Company's Articles of Association, as the Company's share price traded at more than a 10% discount to NAV during 2025, shareholders will have the opportunity to vote on a special resolution at the June 2026 AGM of the Company on whether the Company should cease to continue in its present form. The Company's shares traded at a 26% discount to NAV, on average, during 2025. Similar to peers in the renewable infrastructure sector, the Company continues to trade at a discount as investors demand higher returns against a backdrop of higher levels of inflation and higher interest rates. The Board and Investment Manager continue to actively implement strategies to mitigate this and to enhance the appeal of the shares to investors. The Board continues to actively engage with shareholders and is considering a range of strategic options while continuing to deliver on the Company's near-term objectives.

FSFL's June 2025 discontinuation vote resulted in 86% of votes cast being in favour of FSFL continuing in its present form, which was an improvement from the prior year result of 76%.

The Directors are focused on balancing the objectives expressed by shareholders in order to deliver value to shareholders in an efficient and effective manner by exploring all options available. The Directors are keen to engage further with Shareholders up until the AGM and beyond. Actions taken to date have responded promptly to the market environment and further strategic action will be taken in efforts to reduce the trading discount to NAV, which has grown since the prior year, across the sector as a whole.

Recent interactions with shareholders have not indicated that the special resolution in respect to discontinuation will pass. During December 2025 and January 2026, the Investment Manager commissioned an independent specialist consultancy to survey shareholders representing 28% of ordinary shares outstanding at 31 December 2025. The objective was to understand views on the Company, covering many topics, including the views on the upcoming vote.

The poll was conducted through meetings and direct conversations. The results showed that a minority of individual respondents indicated they intend to vote for the discontinuation of the Company. A majority of individual respondents would not openly share their intentions, but suggested that, if Foresight Solar delivered on its stated goals, they saw clear reasons for continuance. These investors indicated that they will refrain from making a decision until speaking to the Board. Most shareholders interviewed did not consider discontinuation the best option to maximise value.

The Directors have considered the improved result against discontinuation in June 2025 and the Board's and the Investment Manager's efforts to address the discount to NAV the shares trade at through a disciplined capital allocation strategy. Based on the most recent assessment of the shareholders' sentiment, the Directors are comfortable with a successful result against discontinuation in the vote to be held at the June 2026 AGM.

Background:

The going concern assessment has been prepared over a period of 18 months from the balance sheet date of the audited Annual Financial Statements in March 2026 (the going concern assessment period). The Company's exposure to wholesale energy prices is reduced in the medium term through a combination of fixed price forward sales arrangements covering 67% of PPA revenues until 31 March 2026 and then financial hedging arrangements covering 48% of PPA revenues until 30 June 2027. This provides some protection if merchant power prices continue to decline. The Company's power purchase agreements are all contracted across a pool of five UK, five Australian and two Spanish energy suppliers. Insolvency of PPA offtakers presents a key risk for the Company due to the high proportion of revenues that are contracted with these energy suppliers, including concentration risk with one accounting for 59%. Accordingly, the Investment Manager monitors the counterparty risk on the Company's energy suppliers and will consider new PPAs if the counterparty risk of existing energy suppliers is of concern. Similarly, the credit risk of financial hedging counterparties is monitored and managed in accordance with Company policies.

Notes to the Financial Statements continued

For the year ended 31 December 2025

2. Summary of significant accounting policies continued

2.2 Going concern continued

Background: continued

In July 2025, the UK government announced its decision to maintain a single national wholesale electricity price, while implementing reforms to network charging and balancing incentives to improve locational investment signals. This means the government will not proceed with zonal pricing, a previously considered option. Reformed national pricing involves significant reforms to network charging and balancing incentives to better guide investment in generation and storage, encouraging them to locate where they are most needed on the network.

The implementation of the reformed national pricing plan is expected to be published in 2026, including cost-benefit analysis, after which, the government will work with Ofgem, the National Energy System Operator (NESO) and the industry to develop and implement these changes. The recent updates that the UK government is publishing provide investors with clarity, particularly for the next Contracts for Difference allocations.

The Investment Manager acknowledges the upcoming Fixed Price Certificates (FPCs) consultation, aiming to stabilise the pricing of ROC-based subsidies. This consultation has not launched yet but is expected later this year.

The Investment Manager expects any market changes will take years to implement and will therefore fall outside of the going concern assessment period.

The Investment Manager has forecast ROC prices being inflated by CPI following a government consultation on inflation indexation for ROC/FiT schemes, which means, from April 2026, the subsidies will rise annually according to CPI rather RPI or CPIH. The December 2025 NAV of FSFL includes CPI inflation on ROC prices in future.

Cash flow analysis:

Cash flow analysis was prepared for the going concern assessment period.

An evaluation of going concern was prepared by the Company's Investment Manager, then approved by the Audit and Risk Committee and subsequently by the Board.

Cash flow analysis was completed to consider the following individual downside scenarios, each of which has been linked to quantifiable risks identified in the Risk and risk management section of this audited Annual Report and Financial Statements:

All investments consistently generate a P90 level (90% probability of exceeding expected production over a 10-year period) of electricity output. The Directors deem this to be an appropriate, market-standard stress test, with a relevant example being historically low irradiation in the UK throughout 2024 and the first two months of 2025. This is corroborated by data from the Department for Energy Security and Net Zero, showing that 2024 had the lowest number of sun hours since the Company's IPO in 2013

- (1) Power prices were reduced by 20% across the portfolio. This downside scenario represents decreasing merchant power prices and historic oil and electricity price volatility
- (2) The PPA provider that the Group is most exposed to fails to settle revenue under the PPA contract. This downside scenario represents the risk of insolvencies of PPA counterparties in response to the high number of energy company insolvencies during the last three years because of the high power price market
- (3) A combination of scenarios 1 and 2

Severe but plausible cash flow analysis was also completed to consider a scenario in which the three highest yielding project companies in the portfolio simultaneously have operational restrictions and reduced capacity and therefore pay reduced distributions (15% less than base case) in the going concern assessment period.

If any of the scenarios described above were to materialise, the Company could still settle all liabilities falling due and there would be no instances of non-compliance of debt covenants during the going concern assessment period.

The Board would continue to review on a periodic basis whether the dividend paid per share is appropriate considering the reduced cash flow. The cash flow forecasts show that operating costs would be settled as they fall due, but the cash balance would reduce gradually during the going concern assessment period.

Notes to the Financial Statements continued

For the year ended 31 December 2025

2. Summary of significant accounting policies continued

2.2 Going concern continued

Covenant compliance:

Three Group subsidiaries, FS Holdco, FS Debtco and RCF Debtco, are all required to complete semi-annual debt compliance reporting. The covenants that FS Holdco and FS Debtco are required to report on are the look-back debt service cover ratio, the look-forward debt service cover ratio and the loan life cover ratio. The debt service cover ratio (DSCR), calculated at investment entity subsidiaries level, is a measure of how each portfolio can use its generated cash to repay its debt obligations in any given six-month calculation period. It is calculated as the cash generated from operations and available to pay debt service divided by the debt principal and interest in any given six-month period.

RCF Debtco is required to report an interest cover ratio (ICR) and a Loan to Value (LtV) ratio. These must be compliant semi-annually to permit the movement of UK project company distributions to UK Hold Co and FSFL. Without these project distributions, FSFL would unlikely be able to pay quarterly dividends to investors at the current dividend per share.

A breach at RCF Debtco would restrict more cash moving up the structure than a breach at either FS Holdco or FS Debtco. While the Investment Manager considers non-compliance of the RCF covenants as unlikely, it was considered prudent to investigate this via two reverse stress tests, which also addressed financial gearing risk.

- (1) The base case SONIA and Euribor interest rates were gradually increased until the increased finance costs caused the ICR threshold to be breached. Variable interest rates would have to increase approximately eight times by June 2027 to lead to a breach of the ICR, which is deemed highly unlikely
- (2) The valuation of the RCF Debtco qualifying portfolio was gradually decreased until the LtV covenant was breached. This investigation has been deemed necessary considering falling merchant energy prices, rising discount rates and associated falling project valuations. UK project valuations would need to fall by 71% to lead to a breach of the LtV ratio, which represents a severe decrease deemed highly unlikely

The Directors are pleased to confirm that there were no instances of non-compliance of debt covenants throughout the going concern assessment period in any of the scenarios.

Basis of preparation:

The Directors and the Investment Manager do not consider the prospect of the June 2026 discontinuation vote will impact the Company's ability to continue as a going concern or give rise to a material uncertainty.

The Directors are confident that the cash flows have been appropriately challenged and therefore the Company will have sufficient funds to continue to meet its liabilities as they fall due for the going concern assessment period and have therefore prepared the Financial Statements on a going concern basis.

2.3 Changes in accounting policies and disclosures

New and revised IFRSs adopted by the Company

The accounting policies adopted are consistent with those of the previous financial year. Management have assessed all new standards and amendments to standards and interpretations that are effective for annual periods after 1 January 2025 and considered none to be applicable to the Company.

The following standards have been issued but are not effective for this accounting period and have not been adopted early:

- **Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments**
– The amendments clarify the timing for recognising and derecognising certain financial assets and liabilities, introduce additional guidance for the solely payments of principal and interest (SPPI) criterion, add new disclosure requirements for instruments with cash flow changes linked to ESG targets, and update disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI) – effective from 1 January 2026. The Board considered the impact of this on the Company and concluded that this is not material to the Company
- **Amendment to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity** –
The amendments apply only to contracts referencing nature-dependent electricity in which a company is exposed to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions. A company may apply the own-use exemption to certain PPAs under the amendments and therefore would not recognise these PPAs in its statement of financial position. Where this is the case, the company is required to disclose clearly to reflect the effects of contracts referencing nature-dependent electricity on an entity's Financial Statements – effective 1 January 2026. The Board considered the impact of this on the Company and concluded that this is not material to the Company

Notes to the Financial Statements continued

For the year ended 31 December 2025

2. Summary of significant accounting policies continued

2.3 Changes in accounting policies and disclosures continued

New and revised IFRSs adopted by the Company continued

- **IFRS 18 Presentation and Disclosure in Financial Statements** – The new standard introduces updates to the presentation and disclosure in financial statements. Management's assessment of the standard is that it is considered to be immaterial due to the nature of the business and compliance with current IFRSs, minimal changes will be required to ensure that the presentation is consistent with the standard. Key changes expected include categorisation of income and expenses in the statement of profit or loss, mandatory disclosures for management-defined performance measures reported outside the financial statements, and enhanced principles for aggregation and disaggregation in primary Financial Statements and notes – effective from 1 January 2027. The Board considered the impact of this on the Company and concluded that this will not result in a material change to the Financial Statements of the Company. The Company will early adopt IFRS 18 in the 2026 accounting period such that comparative data for 1 January 2027 will be aligned and no restatement of the comparative period will be necessary in the subsequent reporting period
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** – The standard permits qualifying companies to apply IFRS accounting standards with reduced disclosure requirements. The Board considered the impact of this on the Company and concluded that this is not applicable to the Company – effective 1 January 2027

There are no standards, amendments or interpretations in issue at the reporting date which are effective and not yet adopted that are deemed to have a material impact on the Financial Statements.

2.4 Consolidation

Subsidiaries

Subsidiaries are entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Associates

Associates are entities over which the Company has significant influence, being the power to participate in the financial and operating policy decisions of the investee (but not control or joint control).

Investment entity exemption

Qualifying entities that meet the definition of an investment entity are not required to produce a consolidated set of Financial Statements and instead account for subsidiaries, joint ventures and associates at fair value through profit or loss.

Under the definition of an investment entity, the entity should satisfy all three of the following tests:

- Obtains funds from one or more investors for the purpose of providing those investors with investment management services
- Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both (including having an exit strategy for investments)
- Measures and evaluates the performance of substantially all of its investments on a fair value basis

In assessing whether the Company meets the definition of an investment entity set out in IFRS 10, the Directors note that:

- The Company is an investment company that invests funds obtained from multiple investors in a diversified portfolio of solar energy infrastructure assets and related infrastructure assets and has appointed the Investment Manager to manage the Company's investments
- The Company's purpose is to invest funds for investment income and potential capital appreciation and will exit its investments at the end of their economic lives or when their planning permissions or leasehold land interests expire (unless it has repowered their sites) and may also exit investments earlier for reasons of portfolio balance or profit
- The Board evaluates the performance of the Company's investments on a fair value basis as part of the quarterly management accounts review. The Company values its investments on a fair value basis twice a year for inclusion in its Annual and Interim Financial Statements with the movement in the valuations taken to the income statement and, therefore, is measured within its earnings

Taking these factors into account, the Directors are of the opinion that the Company has all the typical characteristics of an investment entity and meets the definition set out in IFRS 10.

The Directors believe the treatment outlined above provides the most relevant information to investors.

As UK Hold Co is not consolidated, its subsidiaries – plus their underlying investments – are not separately presented at fair value through profit or loss in the Company's accounts.

Notes to the Financial Statements continued

For the year ended 31 December 2025

2. Summary of significant accounting policies continued

2.4 Consolidation continued

Investment entity exemption continued

The Directors have evaluated whether the subsidiaries are investment entities and have concluded that they meet the definition set out in IFRS 10. Should subsidiaries fail to meet the definition of an investment entity, the Company would have to consolidate its subsidiaries.

2.5 Revenue

Revenue comprises interest income (loan interest) and income in the form of realised and/or unrealised gains on investments held at fair value through profit or loss. Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Loan interest income is recognised on an accruals basis by reference to the principal outstanding and at the effective interest rate applicable.

Bank interest income on cash deposits is recognised on an accruals basis using the effective interest rate method. Unrealised gains arising from changes in the fair value of the investments held at fair value through profit or loss are recognised in the period in which they arise.

2.6 Expenses

Operating expenses are the Company's costs incurred in connection with the ongoing management of the Company's investments and administrative costs. Operating expenses are accounted for on an accruals basis.

The Company's operating expenses are charged through the statement of profit and loss and other comprehensive income.

Acquisition costs of assets are capitalised on purchase of assets. Costs directly relating to the issue of ordinary shares are charged to the Company's share capital and share premium reserve.

2.7 Taxation

The Company is currently registered in Jersey. The Company is taxed at 0%, which is the general rate of corporation tax in Jersey. No tax has been charged in the current year (2024: £nil).

2.8 Treasury shares

The Company recognises the purchase of its own equity instruments in treasury shares, which are deducted from retained earnings. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.9 Functional and presentational currency

The Directors consider the Company's functional currency to be pounds sterling (GBP) as this is the currency in which the majority of the Company's assets and liabilities and significant transactions are denominated. The Directors have selected GBP as the Company's presentation currency.

Indirect subsidiaries of the Company may have assets and liabilities relating to foreign operations which will impact the investment value on the Company's balance sheet. The assets and liabilities relating to these foreign operations, including fair value adjustments arising on investments, are translated into GBP at the exchange rates at the reporting date. The income and expenses relating to foreign operations are translated into GBP at the exchange rates at the dates of the transactions.

2.10 Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Investments held at fair value through profit or loss

The investments held at fair value through profit or loss consist of one investment in UK Hold Co. The asset in this category is classified as non-current.

Fair value is defined as the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Notes to the Financial Statements continued

For the year ended 31 December 2025

2. Summary of significant accounting policies continued

2.10 Financial instruments continued

Classification and subsequent measurement continued

Investments held at fair value through profit or loss continued

The fair value of UK Hold Co is made up of the fair value of its net assets, which are in turn determined by the fair value of its underlying assets. The subsidiaries of UK Hold Co are disclosed in note 1 Company information. FS Holdco and FS Debtco are fair valued using their net asset value as reported at year end, with adjustments to their long-term external debt to reflect the fact that the carrying value at amortised cost is not considered to be the best approximation of its fair value. FS Holdco 3, FS Holdco 4, FS Topco 2, FISH, FS Holdco 2, FS Topco 1, FIHC, FBSHL and RCF Debtco are fair valued using their net asset value as reported at year end.

The fair values of the underlying investments held by the Company's subsidiaries, which impact the value of the Company's subsidiaries, are determined by using valuation techniques. The Directors oversee the fair value of the investments based on information received from the Investment Manager, which calculates the value. In accordance with IFRS 13 the Investment Manager's assessment of fair value of investments is determined in accordance with the International Private Equity and Venture Capital 2022 (IPEV) Valuation Guidelines, using a discounted cash flow valuation methodology.

The Board and the Investment Manager consider that the discounted cash flow valuation methodology used in deriving a fair value of the underlying assets is in accordance with the fair value requirements of IFRS 9. Investments not yet operational are measured at cost less any impairment as this is considered the best approximation of fair value. Gains or losses arising from changes in the fair value of the "investments held at fair value through profit or loss" are presented in the statement of profit and loss and other comprehensive income within "gains/(losses) on investments held at fair value through profit or loss" in the period in which they arise.

Other financial instruments at amortised cost

The financial instruments at amortised cost are non-derivative financial assets and liabilities with fixed or determinable payments that are not quoted in an active market. They comprise trade and other receivables, interest receivable, cash and cash equivalents and trade and other payables.

Trade and other receivables are rights to receive compensation for goods or services that have been provided in the ordinary course of business to customers. Accounts receivable are classified as current assets if receipt is due within one year or less. If not, they are presented as non-current assets.

Interest receivable is the right to receive payments at fixed or variable interest rates on loans issued by the Company. Interest receivable is classified as current if the receipt is due within one year or less. If not, it is presented as a non-current asset.

Cash and cash equivalents comprise cash on hand.

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire. The Company also derecognises a financial asset when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

Lastly, the Company also derecognises the financial asset when it neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows or the modified liability are subsequently different, in which case a new financial liability based on the modified terms is recognised at fair value. Any gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

The Company applies the simplified approach to measuring expected credit losses, as permitted by IFRS 9, which uses a 12-month expected loss allowance for all trade receivables and interest receivable.

Notes to the Financial Statements continued

For the year ended 31 December 2025

2. Summary of significant accounting policies continued

2.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds. Ordinary shares have a nil par value.

2.12 Dividend distribution

Dividend distributions to the Company's shareholders are recognised through equity in the Company's Financial Statements in the period in which the dividends are approved by the Company's shareholders.

Under Jersey law, the Company can pay dividends in excess of its retained earnings provided it satisfies the solvency test prescribed under the Companies Law (Jersey) 1991. The solvency test considers whether the Company is able to pay its debts when they fall due, and whether the value of the Company's assets is greater than its liabilities. The Company satisfied the solvency test in respect of all dividends declared or paid in the year.

3. Critical accounting estimates and judgements

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The Board considers that the only areas where management make critical estimates that may have a significant effect on the Financial Statements are in relation to the valuation of investments held at fair value through profit and loss; the most significant judgement is related to the determination that the Company meets the definition of an investment entity.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and underlying assumptions are reviewed on an ongoing basis.

Key judgements

The Board considers that the determination that the Company meets the definition of an investment entity involves significant judgement. The Board has concluded that the Company continues to meet the definition of an investment entity, as its strategic objective of investing in portfolio investments and providing investment management services to investors for the purpose of generating returns in the form of investment income and capital appreciation remains unchanged.

Key source of estimation uncertainty: Investments at fair value through profit or loss

The Company recognises its investment in UK Hold Co at fair value, which requires the determination of fair value of the underlying investments. The Board considers that determining the fair value of the underlying investments not quoted in an active market involves critical accounting estimates. The discount rate, power price curve, inflation and useful economical life of assets are considered the most significant unobservable inputs through which an increase or decrease would have a material impact on the fair value of the investments at fair value through profit or loss.

The discount rates are subjective and therefore it is feasible that a reasonable alternative assumption may be used, resulting in a different value. The discount rates applied to the cash flow are reviewed by the Investment Manager and approved by the Board on a quarterly basis, taking into consideration market transactions with similar nature.

Independent advisors are used to provide evidenced forward power price curves and therefore it is feasible that a reasonable alternative assumption may be used, resulting in a different value. The Investment Manager uses forward-looking power price forecasts to estimate the portfolio's future income for valuation. For UK solar assets, this is based on a blended average of three independent consultants' forecasts, adjusted to reflect management's experienced view on capture price discounts for solar generation. The power price curves are reviewed by the Investment Manager and approved by the Board on a quarterly basis.

Inflation forecasts, such as that of the Office for Budget Responsibility, are used alongside in-house views of the Investment Manager to determine this assumption and therefore it is feasible that a reasonable alternative assumption may be used, resulting in a different value. The inflation assumptions are reviewed by the Investment Manager and approved by the Board on a quarterly basis.

Notes to the Financial Statements continued

For the year ended 31 December 2025

3. Critical accounting estimates and judgements continued

Key source of estimation uncertainty: Investments at fair value through profit or loss continued

Useful economic lives (UELs) of assets are based on the Investment Manager's estimates of the period over which the assets will generate revenue, which is approved by independent technical experts. They are periodically reviewed for continued appropriateness. The UELs of the assets will be limited by the sooner of planning and 40 years for UK assets and will not be limited by actual lease terms secured. The UK UEL assumption has changed in 2025 to better reflect the UEL of the underlying assets. The resulting impact on NAV was £18.2 million. In Spain and Australia, UELs of the assets are based on the underlying lease contract of the individual assets. The Investment Manager fully expects to be able to renew any lease contracts of the underlying investments. The expected weighted average life of the UK portfolio as at 31 December 2025 is 37 years from the date of commissioning. The UEL of the Australian portfolio is 37 years. The UEL of the Spanish portfolio is 40 years.

These key assumptions used in determining the fair value of the underlying investment and the associated sensitivities are disclosed in note 16.

4. Interest income

	31 December 2025 £'000	31 December 2024 £'000
Interest on loan notes	23,661	25,430
Interest on shareholder loans	5,167	5,938
	28,828	31,368

Loan notes were issued by the Company to UK Hold Co for the purchase of investments. Interest accrues at 9% per annum in arrears on each Interest Payment Date (28/29 February and 31 August each year).

Where interest is not paid on the payment date, it will compound and future interest shall accrue at 11% per annum from the due date up to the date of actual payment, compounding on each Interest Payment Date. The loan notes balance at period end on which interest is charged is £250,000,000 (2024: £250,000,000), due to be repaid on 1 November 2038. These loans form part of the fair value of the investments as per note 14. On 28 February 2025, all outstanding interest up to date was paid, resulting in no compounding interest. On 31 August 2025, UK Hold Co had unpaid interest which therefore compounded and changed the interest rate to 11%.

A shareholder loan is created when the total amount paid by the Company on behalf of UK Hold Co to acquire the underlying investments is more than the total loan notes issued by the Company to UK Hold Co. Interest accrues at 2% per annum, and is repayable on demand. The shareholder loan balance at year end is £239,450,269 (31 December 2024: £273,852,906). These loans form part of the fair value of the investments as per note 14.

5. Management fees

The Investment Manager of Foresight Solar is Foresight Group LLP.

From 1 January 2025 to 28 February 2025, the Investment Manager of the Company received an annual fee of 1% of the net asset value (NAV) of the Company up to £500 million – NAV in excess to this was charged at 0.9% per annum. This was payable quarterly in arrears and calculated based on the published quarterly NAV.

During the year, the Board and Investment Manager re-negotiated the Investment Manager fee. Effective from 1 March 2025, the new management fee is applied to an equal weighting of the average of the closing daily market capitalisation during each quarter and the published NAV for the quarter. In addition to the change in basis, it was agreed that the percentage rates applied to each tier of weighted value will be reduced from 1% to 0.95% up to £500 million. The fee for NAV in excess to this is reduced from 0.9% to 0.8%.

For the year ended 31 December 2025, the Investment Manager was entitled to a management fee of £5,020,361 (31 December 2024: £6,347,915) of which £nil was outstanding as at 31 December 2025 (31 December 2024: £69,094).

6. Administration fees

Under an Administration Agreement, the Administrator of the Company, JTC (Jersey) Limited, is entitled to receive minimum annual administration and accountancy fees of £205,000 (2024: £200,000) payable quarterly in arrears. For the year ended 31 December 2025, total administration and accountancy fees, including disbursements, were £257,089 (2024: £251,363) of which £60,750 was outstanding as at 31 December 2025 (2024: £50,000).

Notes to the Financial Statements continued

For the year ended 31 December 2025

7. Staff costs and Directors' fees

No members of staff were employed during the year (2024: nil).

Total Directors' fees were £318,400 (2024: £315,152).

8. Other expenses

	31 December 2025 £'000	31 December 2024 £'000
Legal and professional fees	1,091	793
Other expenses	172	404
	1,263	1,197

Included within legal and professional fees is £197,650 (2024: £192,250) relating to the accrual of the 2025 audit fees.

Audit fees paid to KPMG LLP in relation to the audit of the Group are £402,069 for the year ended 31 December 2025 (2024: £375,765). There were no fees paid to the Auditor for non-audit services during the year (2024: £nil).

9. Loss per ordinary share – basic and diluted

The basic and diluted loss per ordinary share is £5.83 per share (2024: basic profit of 0.52 pence per share). This is based on the loss for the period of £32,427,840 (2024: £3,005,954 profit) and on 556,380,504 (2024: 573,946,152) ordinary shares, being the weighted average number of shares in issue during the year, excluding treasury shares.

10. Interest receivable

	31 December 2025 £'000	31 December 2024 £'000
Interest receivable on loan notes	688	197
Interest receivable on shareholder loans	554	—
	1,242	197

Information about the Company's exposure to credit and market risk and impairment losses for interest receivable is included in note 19.

Information about the interest receivable balance is included in note 4.

11. Trade and other receivables

	31 December 2025 £'000	31 December 2024 £'000
Prepaid expenses	62	47
Other receivables	257	257
	319	304

Information about the Company's exposure to credit and market risk and impairment losses for trade and other receivables is included in note 19.

12. Cash and cash equivalents

	31 December 2025 £'000	31 December 2024 £'000
Cash at bank	1,646	2,018
	1,646	2,018

Information about the Company's exposure to credit and market risk and impairment losses for cash and cash equivalents is included in note 19.

Notes to the Financial Statements continued

For the year ended 31 December 2025

13. Trade and other payables

	31 December 2025 £'000	31 December 2024 £'000
Accrued expenses	582	211
Amounts due to subsidiaries ¹	187	187
Unsettled treasury shares	60	88
	829	486

1. Amounts due to subsidiaries are unsecured, interest free and repayable on demand.

14. Investments held at fair value through profit or loss

The following table presents the Company's investments at fair value through profit or loss:

	31 December 2025			31 December 2024		
	Equity £'000	Loan £'000	Total investment £'000	Equity £'000	Loan £'000	Total investment £'000
Opening balance	108,478	523,851	632,329	128,789	554,315	683,104
Additions	—	—	—	—	—	—
Repayments	—	(34,402)	(34,402)	—	(30,464)	(30,464)
Loss on investments held at fair value through profit or loss	(54,423)	—	(54,423)	(20,311)	—	(20,311)
Investments held at fair value through profit or loss	54,055	489,449	543,504	108,478	523,851	632,329

The Company measures its investment in UK Hold Co at fair value through profit or loss. This investment consists of both debt and equity and is not quoted in an active market.

The fair value of the Company's interests in UK Hold Co is derived from the net assets of UK Hold Co which holds the underlying investments at fair value. The debt portion of the investment is measured at principal (as this approximates the fair value of the debt). The full terms of the debt are included in note 4. The fair value of the equity portion is based on the net assets of UK Hold Co and reflects the fair value of underlying solar assets plus working capital less the borrowings in the structure. The underlying investments are valued using a discounted cash flow methodology, if operational. Assets in construction are valued at cost or cost less impairment.

The accrued interest on the debt at the year end of £3,228,000 (2024: £197,000) is shown separately as a current asset on the balance sheet as it reflects earned interest that will be recovered in the next 12 months.

In turn, UK Hold Co has three investments in RCF Debtco, FS Holdco 4 and FBSHL. RCF Debtco has three investments in FS Topco 1, FS Topco 2 and FS Holdco 3. FS Topco 1 has one investment in FIHC. FIHC has one investment in FS Holdco. FS Topco 2 has one investment in FISH. FISH has one investment in FS Holdco 2. FS Holdco 2 has one investment in FS Debtco. FS Holdco 3 has one investment in SGP Holdings 1 which in turn has one investment in Second Generation Portfolio 1 (SGP 1). These investments also consist of both debt and equity and are not quoted in an active market. FS Holdco and FS Debtco are fair valued using their net asset value as reported at year end, with adjustments to their long-term external debt to reflect the fact that the carrying value at amortised cost is not considered to be the best approximation of their fair value. FS Topco 1, FS Topco 2, FS Holdco 4, FIHC, FS Holdco 3 and FISH are fair valued using their net assets.

FS Holdco, FS Debtco, SGP Holdings 1 and FS Holdco 3's investment portfolios consist of unquoted investments in solar projects, the valuations of which are based on a discounted cash flow methodology (as set out in note 16) for solar projects that are operational. FS Holdco 4 consists of operational Australian and Spanish assets, the valuations of which are also based on a discounted cash flow methodology, and also a development pipeline of Spanish solar and BESS projects, which are held at cost less impairment to reflect current fair value based on market pricing.

FBSHL consists of an operational BESS asset, the valuations of which are based on a discounted cash flow methodology, and also a development BESS asset, which is held at cost less impairment to reflect current fair value based on market pricing.

Notes to the Financial Statements continued

For the year ended 31 December 2025

14. Investments held at fair value through profit or loss continued

Fair value hierarchy

IFRS 13 Fair Value Measurement requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement.

Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. The following table shows investments recognised at fair value, categorised between those whose fair value is based on:

- (a) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (b) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (c) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

All investments held at fair value through profit or loss are classified as level 3 within the fair value hierarchy.

As UK Hold Co's net asset value is not considered observable market data, the investment in UK Hold Co has been classified as level 3. There were no movements between levels during the period, categorised between those whose fair value is based on:

As at 31 December 2025:	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments held at fair value through profit or loss	—	—	543,504	543,504
As at 31 December 2024:	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments held at fair value through profit or loss	—	—	632,329	632,329

Sensitivity analysis

Due to the nature of the Group structure and the underlying valuation basis of UK Hold Co, RCF Debtco, FS Topco 1, FIHC, FS Holdco, FS Topco 2, FS Debtco, FS Holdco 3, FS Holdco 4 and the underlying solar project investments, the valuation of the Company's investment at fair value through profit or loss is directly linked to the valuation of the underlying solar and battery storage investments. Therefore, the unobservable inputs driving the valuation of the Company's investments in UK Hold Co are directly attributable to the valuation of the unquoted investments in FS Holdco, FS Debtco, FS Holdco 3 and FS Holdco 4, which are discussed further in note 16.

Notes to the Financial Statements continued

For the year ended 31 December 2025

15. Subsidiaries and associates

Investments in subsidiaries

Name	Direct or indirect holding	Country of incorporation	Principal activity	Proportion of shares and voting rights held
Foresight Solar (UK Hold Co) Limited (UK Hold Co)	Direct	UK	Holding Company	100%
FS Holdco Limited (FS Holdco)	Indirect	UK	Holding Company	100%
FS Top Holdco 2 Limited (FS Topco 2)	Indirect	UK	Holding Company	100%
Foresight Intermediate Solar Holdings Limited (FISH)	Indirect	UK	Holding Company	100%
FS Holdco 2 Limited (FS Holdco 2)	Indirect	UK	Holding Company	100%
FS Debtco Limited (FS Debtco)	Indirect	UK	Holding Company	100%
FS Holdco 3 Limited (FS Holdco 3)	Indirect	UK	Holding Company	100%
FS Holdco 4 Limited (FS Holdco 4)	Indirect	UK	Holding Company	100%
FS RCF Debtco Limited (RCF Debtco)	Indirect	UK	Holding Company	100%
FS Top Holdco 1 Limited (FS Topco 1)	Indirect	UK	Holding Company	100%
FS Intermediate Holdco Limited (FIHC)	Indirect	UK	Holding Company	100%
FS Wymeswold Limited	Indirect	UK	SPV Holding Company	100%
FS Castle Eaton Limited	Indirect	UK	SPV Holding Company	100%
FS Pitworthy Limited	Indirect	UK	SPV Holding Company	100%
Foresight Solar Germany Holding GmbH	Indirect	Germany	SPV Holding Company	100%
FS Highfields Limited	Indirect	UK	SPV Holding Company	100%
FS High Penn Limited	Indirect	UK	SPV Holding Company	100%
FS Hunter's Race Limited	Indirect	UK	SPV Holding Company	100%
FS Spriggs Limited	Indirect	UK	SPV Holding Company	100%
FS Bournemouth Limited	Indirect	UK	SPV Holding Company	100%
FS Landmead Limited	Indirect	UK	SPV Holding Company	100%

Notes to the Financial Statements continued

For the year ended 31 December 2025

15. Subsidiaries and associates continued

Investments in subsidiaries continued

Name	Direct or indirect holding	Country of incorporation	Principal activity	Proportion of shares and voting rights held
FS Kencot Limited	Indirect	UK	SPV Holding Company	100%
FS Copley Limited	Indirect	UK	SPV Holding Company	100%
FS Port Farms Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Membury Limited	Indirect	UK	SPV Holding Company	100%
FS Southam Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Atherstone Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Paddock Wood Solar Farm Limited	Indirect	UK	SPV Holding Company	100%
Southam Holdco Limited	Indirect	UK	SPV Holding Company	100%
Atherstone Holdco Limited	Indirect	UK	SPV Holding Company	100%
Paddock Wood Holdco Limited	Indirect	UK	SPV Holding Company	100%
FS Shotwick Limited	Indirect	UK	SPV Holding Company	100%
FS Sandridge Limited	Indirect	UK	SPV Holding Company	100%
FS Wally Corner Limited	Indirect	UK	SPV Holding Company	100%
FS Holdco 5 Limited	Indirect	UK	SPV Holding Company	100%
FS Welbeck Limited	Indirect	UK	SPV Holding Company	100%
FS Trehawke Limited	Indirect	UK	SPV Holding Company	100%
FS Homeland Limited	Indirect	UK	SPV Holding Company	100%
FS Marsh Farm Limited	Indirect	UK	SPV Holding Company	100%
FS Steventon Limited	Indirect	UK	SPV Holding Company	100%
FS Fields Farm Limited	Indirect	UK	SPV Holding Company	100%
FS Gedling Limited	Indirect	UK	SPV Holding Company	100%

Notes to the Financial Statements continued

For the year ended 31 December 2025

15. Subsidiaries and associates continued

Investments in subsidiaries continued

Name	Direct or indirect holding	Country of incorporation	Principal activity	Proportion of shares and voting rights held
FS Sheepbridge Limited	Indirect	UK	SPV Holding Company	100%
FS Cuckoo Limited	Indirect	UK	SPV Holding Company	100%
FS Field House Limited	Indirect	UK	SPV Holding Company	100%
FS Upper Huntingford Limited	Indirect	UK	SPV Holding Company	100%
FS Abergelli Limited	Indirect	UK	SPV Holding Company	100%
FS Crow Trees Limited	Indirect	UK	SPV Holding Company	100%
FS Yarburgh Limited	Indirect	UK	SPV Holding Company	100%
FS Nowhere Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Bilsthorpe Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Bulls Head Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Roskrow Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Abbeyfields Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Lindridge Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Misson Solar Limited	Indirect	UK	SPV Holding Company	100%
FS Playters Solar Limited	Indirect	UK	SPV Holding Company	100%
FS PS Manor Farm Solar Limited	Indirect	UK	SPV Holding Company	100%
FS SV Ash Solar Park Limited	Indirect	UK	SPV Holding Company	100%
FS Pen Y Cae Solar Limited	Indirect	UK	SPV Holding Company	100%
Second Generation Portfolio Holdings 1 (SGP Holdings 1)	Indirect	UK	SPV Holding Company	100%
Second Generation Portfolio 1 (SGP 1)	Indirect	UK	SPV Holding Company	100%
Foresight Solar Spain Holding S.L (FSSH)	Indirect	Spain	SPV Holding Company	100%

Notes to the Financial Statements continued

For the year ended 31 December 2025

15. Subsidiaries and associates continued

Investments in subsidiaries continued

Name	Direct or indirect holding	Country of incorporation	Principal activity	Proportion of shares and voting rights held
Wymeswold Solar Farm Limited (Wymeswold)	Indirect	UK	Investment	100%
Castle Eaton Solar Farm Limited (Castle Eaton)	Indirect	UK	Investment	100%
Pitworthy Solar Limited (Pitworthy)	Indirect	UK	Investment	100%
Highfields Solar Limited (Highfields)	Indirect	UK	Investment	100%
High Penn Solar Limited (High Penn)	Indirect	UK	Investment	100%
Hunter's Race Solar Limited (Hunter's Race)	Indirect	UK	Investment	100%
Spriggs Solar Limited (Spriggs)	Indirect	UK	Investment	100%
Bournemouth Solar Limited (Bournemouth)	Indirect	UK	Investment	100%
Landmead Solar Farm Limited (Landmead)	Indirect	UK	Investment	100%
Kencot Hill Solar Farm Limited (Kencot)	Indirect	UK	Investment	100%
Copley Solar Limited (Copley)	Indirect	UK	Investment	100%
Port Farms Solar Limited (Port Farms)	Indirect	UK	Investment	100%
Membury Solar Limited (Membury)	Indirect	UK	Investment	100%
Atherstone Solar Farm Limited (Atherstone)	Indirect	UK	Investment	100%
Southam Solar Farm Limited (Southam)	Indirect	UK	Investment	100%
Paddock Wood Solar Farm Limited (Paddock Wood)	Indirect	UK	Investment	100%
Shotwick Solar Limited (Shotwick)	Indirect	UK	Investment	100%
Sandridge Solar Power Limited (Sandridge)	Indirect	UK	Investment	100%
Wally Corner Solar Limited (Wally Corner)	Indirect	UK	Investment	100%
Second Generation Yardwall Limited (Yardwall)	Indirect	UK	Investment	100%
Second Generation Verwood Limited (Verwood)	Indirect	UK	Investment	100%

Notes to the Financial Statements continued

For the year ended 31 December 2025

15. Subsidiaries and associates continued

Investments in subsidiaries continued

Name	Direct or indirect holding	Country of incorporation	Principal activity	Proportion of shares and voting rights held
Second Generation Park Farm Limited (Park Farm)	Indirect	UK	Investment	100%
Second Generation Coombeshead Limited (Coombeshead)	Indirect	UK	Investment	100%
Second Generation Sawmills Limited (Sawmills)	Indirect	UK	Investment	100%
Welbeck Solar Limited (Welbeck)	Indirect	UK	Investment	100%
Trehawke Solar Limited (Trehawke)	Indirect	UK	Investment	100%
Homeland Solar Limited (Homeland)	Indirect	UK	Investment	100%
Marsh Farm Solar Limited (Marsh Farm)	Indirect	UK	Investment	100%
Steventon Solar Limited (Steventon)	Indirect	UK	Investment	100%
Fields Farm Solar Limited (Fields Farm)	Indirect	UK	Investment	100%
Gedling Solar Limited (Gedling)	Indirect	UK	Investment	100%
Sheepbridge Solar Limited (Sheepbridge)	Indirect	UK	Investment	100%
Tengore Solar Limited (Tengore)	Indirect	UK	Investment	100%
Cuckoo Solar Limited (Cuckoo)	Indirect	UK	Investment	100%
Field House Solar Limited (Field House)	Indirect	UK	Investment	100%
Upper Huntingford Solar Limited (Upper Huntingford)	Indirect	UK	Investment	100%
Abergelli Solar Limited (Abergelli)	Indirect	UK	Investment	100%
Crow Trees Solar Farm Limited (Crow Trees)	Indirect	UK	Investment	100%
Yarburgh Solar Limited (Yarburgh)	Indirect	UK	Investment	100%
Nowhere Solar Limited (Nowhere)	Indirect	UK	Investment	100%
Bilsthorpe Solar Limited (Bilsthorpe)	Indirect	UK	Investment	100%
Bulls Head Solar Limited (Bulls Head)	Indirect	UK	Investment	100%

Notes to the Financial Statements continued

For the year ended 31 December 2025

15. Subsidiaries and associates continued

Investments in subsidiaries continued

Name	Direct or indirect holding	Country of incorporation	Principal activity	Proportion of shares and voting rights held
Roskrow Solar Limited (Roskrow Solar)	Indirect	UK	Investment	100%
Lindridge Solar Limited (Lindridge)	Indirect	UK	Investment	100%
Misson Solar Limited (Misson Solar)	Indirect	UK	Investment	100%
Playters Solar Limited (Playters)	Indirect	UK	Investment	100%
PS Manor Farm Solar Limited (PS Manor Farm)	Indirect	UK	Investment	100%
SV Ash Solar Park Limited (SV Ash)	Indirect	UK	Investment	100%
Pen Y Cae Solar Limited (Pen Y Cae)	Indirect	UK	Investment	100%
Bailey Solar Limited	Indirect	UK	Investment	100%
True Blue Solar Limited	Indirect	UK	Investment	100%
Shotton Grid Company Limited	Indirect	UK	Investment	100%
Abbeyfields Solar Limited (Abbeyfields)	Indirect	UK	Investment	100%
Virgen del Carmen Solar S.L (Virgen del Carmen)	Indirect	Spain	Investment	100%
Foresight Energy Storage Spain 1 S.L.0	Indirect	Spain	Investment	100%
Foresight Energy Storage Spain 2 S.L.0	Indirect	Spain	Investment	100%
Foresight Energy Storage Spain 3 S.L.0	Indirect	Spain	Investment	100%
Foresight Energy Storage Spain 4 S.L.0	Indirect	Spain	Investment	100%
Foresight Energy Storage Spain 5 S.L.0	Indirect	Spain	Investment	100%
Foresight Energy Storage Spain 6 S.L.0	Indirect	Spain	Investment	100%
San Isidro Solar 10 S.L	Indirect	Spain	Investment	100%
Longreach New Holdco Pty Limited	Indirect	Australia	SPV Holding Company	100%
Oakey 1 New Holdco Pty Limited	Indirect	Australia	SPV Holding Company	100%

Notes to the Financial Statements continued

For the year ended 31 December 2025

15. Subsidiaries and associates continued

Investments in subsidiaries continued

Name	Direct or indirect holding	Country of incorporation	Principal activity	Proportion of shares and voting rights held
FS Oakey 2 Pty Limited	Indirect	Australia	SPV Holding Company	100%
RE Oakey Pty Limited	Indirect	Australia	Investment	100%
Oakey Networks Pty Limited	Indirect	Australia	SPV Holding Company	100%
Longreach Asset Company Pty Limited	Indirect	Australia	SPV Holding Company	100%
RE Oakey Pty Limited	Indirect	Australia	SPV Holding Company	100%
Oakey 1 Hold Company Pty Limited	Indirect	Australia	SPV Holding Company	100%
Longreach Hold Company Pty Limited	Indirect	Australia	SPV Holding Company	100%
Oakey 1 Asset Company Pty Limited	Indirect	Australia	SPV Holding Company	100%
Oakey 1 FinCo Pty Limited	Indirect	Australia	SPV Holding Company	100%
Oakey 1 Op Hold Company Pty Limited	Indirect	Australia	SPV Holding Company	100%
Oakey 1 Op Company Pty Ltd	Indirect	Australia	Investment	100%
Longreach FinCo Pty Limited	Indirect	Australia	SPV Holding Company	100%
Longreach Op Hold Company Pty Limited	Indirect	Australia	SPV Holding Company	100%
Longreach Op Company Pty Ltd	Indirect	Australia	Investment	100%

Notes to the Financial Statements continued

For the year ended 31 December 2025

15. Subsidiaries and associates continued

Investments in associates

Name	Direct or indirect holding	Country of incorporation	Principal activity	Proportion of shares and voting rights held
Kiamco Hanwha Foresight Bannerton Pty Limited	Indirect	Australia	SPV Holding Company	48.5%
Foresight Solar Australia Pty Limited	Indirect	Australia	Investment	48.5%
Lunanhead Energy Storage Limited	Indirect	UK	SPV Holding Company	50%
Clayfords Energy Storage Limited	Indirect	UK	SPV Holding Company	50%
Sandridge Battery Storage Limited	Indirect	UK	SPV Holding Company	50%
Global Solar Energy Veintisiete, S.L	Indirect	Spain	Investment	50%
Solar de la Contraviesa 5 S.L.0	Indirect	Spain	Investment	50%
Solar de la Contraviesa 6 S.L.0	Indirect	Spain	Investment	50%
Solar de la Contraviesa 7 S.L.0	Indirect	Spain	Investment	50%
Foresight Battery Storage Holding Limited (FBSHL)	Indirect	UK	Holding Company	50%

16. Fair value of the investments in unconsolidated entities

Valuation process

Valuations are the responsibility of the Board of Directors. The Investment Manager is responsible for submitting fair market valuations of Group assets to the Directors. The Directors review and approve these valuations following appropriate challenge and examination. Valuations are carried out quarterly. The current portfolio consists of non-market traded investments and valuations are based on a discounted cash flow methodology. The Investment Manager's assessment of fair value of investments is determined in accordance with the revised International Private Equity and Venture Capital 2022 (IPEV) Valuation Guidelines, using levered and unlevered discounted cash flow principles. The Investment Manager and Directors consider that the discounted cash flow methodology used in deriving a fair value is in accordance with the fair value requirements of IFRS 13. The assets in construction were valued at cost or cost less impairment at 31 December 2025 and have therefore been omitted from the sensitivity analysis on the following pages.

Notes to the Financial Statements continued

For the year ended 31 December 2025

16. Fair value of the investments in unconsolidated entities continued

Sensitivity analysis of significant changes in unobservable inputs within level hierarchy of underlying investments

The majority of the Company's underlying investments (indirectly held through its unconsolidated subsidiaries FS Holdco, FS Debtco, FS Holdco 3 and FS Holdco 4) are valued with reference to the discounted value of future cash flows. The Directors consider the valuation methodology used, including the key assumptions and discount rate applied, to be appropriate. The Board reviews, at least annually, the valuation inputs and, where possible, makes use of observable market data to ensure valuations reflect the fair value of the investments. A broad range of assumptions are used in the valuation models. The Investment Manager has adjusted the sensitivities calculation methodology from an asset-level cash flows only basis to a calculation based on asset-level cash flow less holding company level debt cash outflows. This has resulted mainly in a reduction of the discount rate sensitivity disclosed below.

The base valuation of £528.5 million represents the levered discounted value of future cash flows of the underlying operational assets with assets under construction held at cost, less the discounted cash flows of the long-term debt held at holding company level. The valuation of the Australian assets is net of debt. The base valuation of £528.5 million is equal to the NAV of £528.5 million adjusted by items deemed not subject to the sensitivities applied.

	31 December 2025 £m
Base case for sensitivities	528.5
Items not subject to sensitivities:	
Cash in underlying assets	27.1
Assets in construction valued at cost or net realisable value	6.1
Company and intermediate holding companies' cash	61.9
RCF outstanding	(72.7)
Company and intermediate holding companies' net liabilities	(0.4)
Compensation liability	(4.6)
Net asset value at 31 December 2025	545.9

Notes to the Financial Statements continued

For the year ended 31 December 2025

16. Fair value of the investments in unconsolidated entities continued

The Directors consider the following to be the most significant inputs to the discounted cash flows (DCF) calculation.

Power price

Power price DCF models assume power prices that are consistent with the power purchase agreements and financial hedges currently in place. At the PPA end date, the model reverts to the power price forecast. The power price forecasts are updated quarterly and based on power price forecasts from relevant independent sources, adjusted by the Investment Manager for the expected capture price discounts for solar generation as considered appropriate.

The forecast assumes an average annual decrease in power prices in real terms of approximately 1.0% (2024: 0.7%). During the year, c.51% (2024: 47%) of the investments' operational revenues came from regulatory support mechanisms. The remaining c.49% (2024: 53%) of revenue is derived from electricity sales which are partially subject to power price movements. On a net present value basis, future electricity sales which are subject to price movements represent c.55% (2024: 52%) of total revenues.

	-20.0%	-10.0%	Base	+10.0%	+20.0%
Portfolio valuation (£m)	424.5	478.0	528.5	576.3	625.5
Change in portfolio valuation (£m)	(104.0)	(50.4)	0	47.8	97.0
NAV per share change (pence)	(18.9)	(9.2)	99.2	8.7	17.6

Production

Base case production is a function of multiple assumptions including irradiation levels, availability of the sites and technical performance of the equipment. A sensitivity of +/-10% is considered reasonable given historical stable levels of irradiation, contractual availability guarantees and understanding of future performance levels of the equipment.

	-10.0%	Base	+10.0%
Portfolio valuation (£m)	445.7	528.5	609.6
Change in portfolio valuation (£m)	(82.7)	0	81.1
NAV per share change (pence)	(15.0)	99.2	14.7

Inflation

A variation of 0.5% to 1.0% is considered reasonable given the long-term inflation rate of 3.5% for 2026, 3.00% from 2027 to 2030, after which it is 2.25% (2024: 3.00% for 2024, 3.00% from 2025 to 2030, after which it is 2.25%).

	-1.0%	-0.5%	Base	+0.5%	+1.0%
Portfolio valuation (£m)	487.4	507.0	528.5	550.8	574.9
Change in portfolio valuation (£m)	(41.1)	(21.4)	0	22.3	46.4
NAV per share change (pence)	(7.5)	(3.9)	99.2	4.1	8.4

Discount rate

The global weighted average discount rate used is 8.12% (2024: 7.88%). The Directors do not expect to see a significant change in the discount rates applied within the solar infrastructure sector. Therefore, a variance of +/-0.5% is considered reasonable to be factored into the analysis. In terms of the climate change risk, the discount rate is benchmarked against a similar asset base to ensure the underlying climate risk exposure is factored into the analysis.

	-0.50%	-0.25%	Base	+0.25%	+0.50%
Portfolio valuation (£m)	549.2	538.6	528.5	518.6	509.1
Change in portfolio valuation (£m)	20.7	10.2	0	(9.8)	(19.3)
NAV per share change (pence)	3.8	1.8	99.2	(1.8)	(3.5)

Notes to the Financial Statements continued

For the year ended 31 December 2025

16. Fair value of the investments in unconsolidated entities continued

Operating costs (investment level)

The Directors also consider the following to be important inputs to the discounted cash flows calculation.

Operating costs include operating and maintenance (O&M), insurance and lease costs. Other costs are fixed and are, therefore, not considered to be sensitive to changes in unobservable inputs. Base case costs are modelled on current commercial agreements. The Directors would not expect these costs to fluctuate widely over the life of the assets and are comfortable that the base case is appropriate. A variance of +/- 5.0% is considered reasonable, a variable of 10.0% is shown for information purposes.

	-10.0%	-5.0%	Base	+5.0%	+10.0%
Portfolio valuation (£m)	544.4	536.4	528.5	520.0	512.2
Change in portfolio valuation (£m)	15.9	8.0	0	(8.5)	(16.3)
NAV per share change (pence)	2.9	1.4	99.2	(1.5)	(3.0)

Exchange rate

The Company's investments are directly exposed to fluctuations in foreign currency due to its holdings in Australian dollar and euro denominated assets. Whilst the Group mitigates its exposure to fluctuations in Australian dollars through the use of forward contracts, and in euros through the natural hedge of Spanish distributions offsetting with the euro debt service, the valuations of these assets will be directly impacted.

The DCF valuations of the Spanish assets may vary as a result of exchange rates; however, this is offset by the exchange rate movements in the equivalent balance of the euro denominated RCF loan. The EUR/GBP table below does not consider the offsetting exchange rate movements on the RCF.

Whilst the Directors would not expect to see fluctuations quite this large, a variable of 20% is considered appropriate.

EUR/GBP	-20.0%	-10.0%	Base	+10.0%	+20.0%
Portfolio valuation (£m)	520.2	524.3	528.5	532.6	536.8
Change in portfolio valuation (£m)	(8.3)	(4.1)	0	4.1	8.3
NAV per share change (pence)	(1.6)	(0.8)	99.2	0.8	1.6

AUD/GBP	-20.0%	-10.0%	Base	+10.0%	+20.0%
Portfolio valuation (£m)	524.8	526.6	528.5	530.3	532.2
Change in portfolio valuation (£m)	(3.7)	(1.9)	0	1.9	3.7
NAV per share change (pence)	(0.7)	(0.4)	99.2	0.4	0.7

Tax rate

From 1 April 2023, the UK corporation tax increased from 19% to 25%. The valuations of the assets will be directly impacted by any changes to corporation tax rates. On that basis, a variable of 1.0% is considered reasonable given historic information.

	-1.0%	Base	+1.0%
Portfolio valuation (£m)	533.2	528.5	523.7
Change in portfolio valuation (£m)	4.7	0	(4.7)
NAV per share change (pence)	0.9	99.2	(0.9)

Notes to the Financial Statements continued

For the year ended 31 December 2025

16. Fair value of the investments in unconsolidated entities continued

Useful economic lives

The valuation of the Company's investments is determined based on the discounted value of future cash flows of those investments over their UELs. The UEL of the assets will be limited by the sooner of planning and 40 years for UK assets and will not be limited by actual lease terms secured. In Spain and Australia, UELs of the assets are based on the underlying lease contract of the individual assets. Similarly, if the assets did not operate for the duration of the fixed contractual period, this would reduce the value of those assets.

	-1 year	Base	+1 year
Portfolio valuation (£m)	524.8	528.5	531.6
Change in portfolio valuation (£m)	(3.7)	0	3.2
NAV per share change (pence)	(0.7)	99.2	0.6

Interest rate

The interest rate received on UK bank deposits is subject to reassessment in respect of fluctuations in the Bank of England's base rate. The valuations of the assets will be directly impacted by any changes to the bank deposit rate. Whilst the Directors would not expect to see fluctuations quite this large, a variable of 1% is considered appropriate.

	-1.0%	-0.5%	Base	+0.5%	+1.0%
Portfolio valuation (£m)	527.5	528.0	528.5	529.0	529.5
Change in portfolio valuation (£m)	(1.0)	(0.5)	0	0.5	1.0
NAV per share change (pence)	(0.2)	(0.1)	99.2	0.1	0.2

17. Stated capital and share premium

The Company issued shares of nil par value and therefore the stated capital relates only to share premium. The stated capital of the Company consists of ordinary shares and treasury shares. At any General Meeting of the Company each shareholder will have, on a show of hands, one vote and on a poll one vote in respect of each ordinary share held. As at the year end the total number of voting rights in the Company is 550,239,207 (2024: 564,856,642) which excludes 59,719,513 (2024: 45,102,078) ordinary shares held in treasury.

Stated capital is the net proceeds received from the issue of ordinary shares (net of issue costs capitalised). The holders of the ordinary shares are entitled to receive dividends from time to time.

Authorised ordinary shares

	31 December 2025 Shares	31 December 2024 Shares
Ordinary shares - nil par value	Unlimited	Unlimited

Ordinary shares in circulation

	31 December 2025		31 December 2024	
	Ordinary shares	Treasury shares	Ordinary shares	Treasury shares
Opening balance	564,856,642	45,102,078	589,239,345	20,719,375
Purchase of treasury shares	(14,617,435)	14,617,435	(24,382,703)	24,382,703
Closing balance	550,239,207	59,719,513	564,856,642	45,102,078

Issued ordinary share capital and treasury shares

	31 December 2025		31 December 2024	
	Ordinary shares £'000	Treasury shares £'000	Ordinary shares £'000	Treasury shares £'000
Opening balance	588,184	41,708	609,983	19,909
Less: Purchase of treasury shares	(11,186)	11,186	(21,799)	21,799
Closing balance	576,998	52,894	588,184	41,708

Notes to the Financial Statements continued

For the year ended 31 December 2025

17. Stated capital and share premium continued

Issued ordinary share capital and treasury shares continued

On 4 May 2023, the Company announced a share buyback programme and allocated an initial £10,000,000 from its available cash reserves to the programme. On 16 November 2023, the Company announced that this allocation of available cash would be increased to a potential £40 million. On 8 August 2024, the Company announced that this allocation of available cash would further be increased to a potential £50 million. On 16 July 2025, the Company announced that this allocation of available cash would further be increased to a potential £60 million. There is no certainty that the full buyback allocation will be utilised.

Share buybacks under the engagement will be made pursuant to the authority granted to the Company at its General Meeting held on 3 June 2026, which limits purchases of ordinary shares by the Company in the market to up to 14.99% of its issued capital.

18. NAV per ordinary share

The net asset value (NAV) per redeemable ordinary share for the Company is 99.2 (2024: 112.3) pence per ordinary share. This is based on the net asset value at the reporting date of £545,881,914 (2024: £634,362,015) and on 550,239,207 (2024: 564,856,642) redeemable ordinary shares, being the number of ordinary shares in issue at 31 December 2025 excluding ordinary shares held in treasury.

19. Financial instruments and risk profile

The Company holds cash and liquid resources as well as having receivables and payables that arise directly from its operations. The underlying investments of the Company's investment activities indirectly expose it to various types of risk associated with solar power. The main risks arising from the Company's financial instruments are market risk, liquidity risk, credit risk and interest rate risk.

The Directors regularly review and agree policies for managing each of these risks and these are summarised below:

19.1 Market risk

(a) Foreign currency risk

Foreign currency risk, as defined in IFRS 7, arises as the values of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to movements in foreign exchange rates. Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to pounds sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in income.

The Company has no direct exposure to foreign currency risk. However, through its underlying investment in FS Holdco 4 and RCF Debtco, it has indirect exposure.

FS Holdco 4 is directly exposed to fluctuations in foreign currency due to its investments in assets and cash denominated in EUR and AUD. The relevant holding companies mitigate the exposure to fluctuations in foreign currency through the use of forward exchange contracts.

The carrying amount of FS Holdco 4's foreign currency exposure at the reporting date is as follows:

		31 December 2025 £'000	31 December 2024 £'000
AUD	Investments	18,234	40,677
EUR	Investments	46,806	44,333
AUD	Cash	2,241	1
EUR	Cash	1,192	2,099

The RCF euro denominated tranche of €50,320,596 was chosen to align with the valuation of the operational Spanish portfolio of projects. The distributions of these operational projects act as a hedge to offset the currency exposure of the EUR RCF debt service.

Notes to the Financial Statements continued

For the year ended 31 December 2025

19. Financial instruments and risk profile continued

19.1 Market risk continued

(a) Foreign currency risk continued

The carrying amount of RCF Debtco's foreign currency exposure at the reporting date is as follows:

	31 December 2025 £'000	31 December 2024 £'000
EUR Loan	43,933	41,591
EUR Cash	26	57

The FX rate applied at 31 December 2025 was AUD/GBP 0.4958 (2024: 0.4942) and EUR/GBP 0.8731 (2024: 0.8265).

The sensitivities linked to the assets denominated in AUD and EUR are set out in note 16 as these assets are held in the underlying investment.

(b) Price risk

The Company's investments are susceptible to market price risk arising from uncertainties about future values of the instruments. The Investment Manager provides the Company with investment recommendations. The Investment Manager's recommendations are reviewed and approved by the Board before the investment decisions are implemented. To manage the market price risk, the Investment Manager reviews the performance of the investments on a regular basis and is in regular contact with the management of the non-current investments for business and operational matters.

Price risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. At 31 December 2025, the Company's only investment was valued at net assets excluding the outstanding loans issued by the Company. Were this value to increase or decrease by 10%, the increase or decrease in net assets attributable to shareholders for the year would be £54,350,432 (2024: £63,232,907). The impact of changes in unobservable inputs to the underlying investment is considered in note 16.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term borrowing to its subsidiary. At the year end the Company had no long-term borrowings with third parties (2024: £nil).

	Total portfolio 31 December 2025 £'000	Weighted average interest rate 31 December 2025 %	Weighted average time for which rate is fixed 31 December 2025 Days
Loan notes	250,000	9.68	2,603
Shareholder loans ¹	239,450	2.00	3,835
Cash	1,646	0.05	—
	491,096		

	Total portfolio 31 December 2024 £'000	Weighted average interest rate 31 December 2024 %	Weighted average time for which rate is fixed 31 December 2024 Days
Loan notes	250,000	9.00	2,238
Shareholder loans ¹	273,853	2.00	3,470
Cash	2,018	0.05	—
	525,871		

1. The weighted average interest rate is calculated on a time-apportioned basis for the period. The interest rate on the loan notes increased from 9% to 11% effective 31 August 2025, following a step-up provision triggered by the partial non-payment of interest due on 31 August 2025.

Notes to the Financial Statements continued

For the year ended 31 December 2025

19. Financial instruments and risk profile continued

19.1 Market risk continued

(c) Interest rate risk continued

The Company is also indirectly exposed to interest rate risk through its investment in UK Hold Co. Details of the indirect interest rate risk exposure are as follows:

	Total indirect exposure 2025 £'000	Weighted average interest rate 2025 %	Weighted average time for which rate is fixed 2025 Days
Investments RCF Debtco ¹	642,105	7.09	1,461
Investments FS Holdco 4 ¹	93,401	5.64	3,512
Cash and cash equivalents	255	0.05	—
Total indirect exposure interest rate risk	735,761		

	Total indirect exposure 2024 £'000	Weighted average interest rate 2024 %	Weighted average time for which rate is fixed 2024 Days
Investments RCF Debtco ¹	642,105	7.09	1,096
Investments FS Holdco 4 ¹	93,401	5.64	3,147
Cash and cash equivalents	4,446	0.05	—
Total indirect exposure interest rate risk	739,952		

1. Although interest is charged on the loan portion of the investments, the risk is low as the loans are inter-group and therefore not subject to significant fluctuations. These loans do not have a repayment date and are repayable on demand. However, the Directors do not intend to demand repayment within at least 12 months after year end.

19.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due as a result of the maturity of assets and liabilities not matching. An unmatched position potentially enhances profitability but can also increase the risk of losses. Liquidity could be impaired by an inability to access secured and/or unsecured sources of financing to meet financial commitments. The Board monitors the Company's liquidity requirements to ensure there is sufficient cash to meet the Company's operating needs.

The following are the expected maturities of the financial assets and liabilities at the year end based on contractual undiscounted payments:

31 December 2025	Carrying amount £'000	Contractual total £'000	Less than 6 months £'000	6 to 12 months £'000	Greater than 12 months £'000
Financial assets					
Investments	543,504	543,504	—	—	543,504
Trade and other receivables	319	319	—	64	255
Interest receivable	1,242	1,242	—	1,242	—
Cash and cash equivalents	1,646	1,646	1,646	—	—
Total financial assets	546,711	546,711	1,646	1,306	543,759
Financial liabilities					
Trade and other payables	829	829	545	—	284
Total financial liabilities	829	829	545	—	284
Net position	545,882	545,882	1,101	1,306	543,475

Notes to the Financial Statements continued

For the year ended 31 December 2025

19. Financial instruments and risk profile continued

19.2 Liquidity risk continued

31 December 2024	Carrying amount £'000	Contractual total £'000	Less than 6 months £'000	6 to 12 months £'000	Greater than 12 months £'000
Financial assets					
Investments	632,329	632,329	—	—	632,329
Trade and other receivables	304	304	17	65	222
Interest receivable	197	197	—	197	—
Cash and cash equivalents	2,018	2,018	2,018	—	—
Total financial assets	634,848	634,848	2,035	262	632,551
Financial liabilities					
Trade and other payables	486	486	269	—	217
Total financial liabilities	486	486	269	—	217
Net position	634,362	634,362	1,766	262	632,334

19.3 Credit risk

(a) Exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss for the Company. Foresight Solar places cash with authorised deposit-takers and is, therefore, potentially at risk from such institutions' failures.

In respect of credit risk arising from other financial assets and liabilities, which mainly comprise of cash and cash equivalents, exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments. In order to mitigate such risks, cash is maintained with major international financial institutions. During the year and at the reporting date, the Company maintained relationships with the following financial institutions:

	Moody's credit rating	31 December 2025 £'000
Cash in bank:		
Royal Bank of Scotland International Limited	P2	1,646
Total cash and cash equivalents		1,646

	Moody's credit rating	31 December 2024 £'000
Cash in bank:		
Royal Bank of Scotland International Limited	P2	2,018
Total cash and cash equivalents		2,018

Notes to the Financial Statements continued

For the year ended 31 December 2025

19. Financial instruments and risk profile continued

19.3 Credit risk continued

(a) Exposure to credit risk continued

The Company is also indirectly exposed to credit risk through its investment in UK Hold Co. The Board of UK Hold Co has determined that the maximum exposure to credit risk in relation to investments is £765,269,357 (2024: £735,506,149), being the portion of UK Hold Co investments that are made up of loans as at 31 December 2025. Included within this are the related party loans as disclosed within note 22 as well as debt facilities entered into by FS Holdco, FS Debtco and RCF Debtco with Santander UK plc, NatWest Group plc, Allied Irish Banks plc, Lloyds Bank plc, Macquarie Group Limited, Landesbank Hessen-Thüringen Girozentrale, Sumitomo Mitsui Banking Corporation, London Branch and Barclays plc respectively. The balance of the external debt facilities as at year end amounted to £296,190,530 (2024: £297,759,940).

The Group's ability to meet the debt covenants described in note 2.2 is directly impacted by power prices. If the debt covenants were not met, the Company may not be able to repatriate cash through the structure. On the debt calculation date before the date of this report, the DSCR for FS Holdco was 3.44:1 and for FS Debtco it was 3.64:1. The ratios must higher than 1.20:1 and 1.10:1, respectively, to be compliant.

On the debt calculation date for RCF Debtco, the interest cover ratio was 23.52:1. This ratio must remain higher than 3.00:1 to be compliant.

RCF Debtco has additional debt covenants in relation to its Environmental, Social and Governance performance against three metrics. The current interest margin applied to the RCF is 1.90%. If all three covenants are compliant, the margin will be decreased by 0.05%; however, if no covenants are compliant, then the margin will be increased by 0.05%. These metrics are listed below:

- (i) An increase in total operational and developed capacity (disregarding any divestments) above the operational and developed capacity for the previous financial year – not compliant
- (ii) Total community benefit spend of at least equal to 0.025% of the net asset value of the FSFL Group at year end – compliant
- (iii) Desktop biodiversity analysis across 100% of FSFL's operational assets in all geographies for assets still held at the end of the year – compliant

The Investment Manager is pleased to confirm that two of the three covenants were compliant at year end, and as such, the existing interest margin of 1.90% will not be adjusted.

(b) Expected credit loss assessment

Investments held at fair value through profit or loss are not subject to IFRS 9 impairment requirements.

The Company applies the simplified approach to measuring expected credit losses, as permitted by IFRS 9, which uses a lifetime expected credit loss allowance for all trade receivables. The expected credit loss on trade receivables and the balance at period end was deemed not to be material and, therefore, no impairment adjustments were accounted for.

(c) Power hedging financial instruments

As part of its risk management strategy, the Group hedges its UK electricity market exposure through a combination of physically-settled and non-physically-settled hedging instruments.

Due to the relationship with external counterparties, there is an associated credit risk related to settlements and mark-to-market positions of trades FS Topco 1, FS Topco 2 and FS Holdco 3 (the Holdcos) enter. The Group monitors and manages its counterparty credit exposure in accordance with its hedging policy.

Whilst the Holdcos with no direct commodity exposure hold trades at fair value, these values are eliminated on consolidation with internal trades.

19.4 Other risks

The value of ordinary shares may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, taxation or interest rates, currency repatriation and other political and economic developments in law or regulations and, in particular, the risk of expropriation, nationalisation, and confiscation of assets and changes in legislation relating to the level of foreign ownership.

Governmental authorities are actively involved in the promulgation and enforcement of regulations relating to taxation, land use and zoning, planning restrictions, environmental protection, safety and other matters. The introduction and enforcement of such regulations could have the effect of increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Company's assets.

Notes to the Financial Statements continued

For the year ended 31 December 2025

19. Financial instruments and risk profile continued

19.4 Other risks continued

Specific risks to the value of ordinary shares, as per the Risk and risk management section of this report:

Access to capital

Difficult market conditions, weak investor sentiment and elevated interest rates have restricted access to new equity capital. Persistent discounts to NAV limit the Company's ability to raise funds and may constrain growth and long-term financial flexibility. The Board is prioritising balance sheet strengthening through debt reduction, capital recycling and share buybacks.

Regulatory change, including changes to subsidies

Returns remain exposed to political and regulatory decisions. Recent changes to inflation indexation for ROC and FIT schemes (moving from RPI to CPI) and upcoming consultations on fixed price certificates may negatively affect asset valuations and future revenue stability.

Near-term energy prices

Short-term power price volatility impacts revenue and may reduce cash generation available for dividends. The Company hedges a significant proportion of expected production, targeting at least 60% contracted revenue and aiming for 75% on a rolling two-year basis.

Long-term energy prices

Long-term power price forecasts significantly influence asset valuations and NAV. Reductions in long-term curves could materially weaken future returns. Power purchase agreements and long-dated power price hedges are used to manage uncertainty.

Dividend pressure

Foresight Solar is committed to delivering a sustainable, progressive dividend. Dividend capacity is sensitive to cash generation, power prices, inflation indexation changes and divestment timing. A shortfall in cash, driven by lower revenues or higher costs, could challenge its ability to meet payments. Success in the Company's divestment programme may lead to lower dividend cover in the near term. The Company has paid every quarterly dividend since listing in 2013. Missing a payment would likely erode investor confidence, put downward pressure on the share price, and weaken the Company's ability to execute its strategy.

Portfolio performance

Operational underperformance due to technical issues, grid constraints, irradiation variability or ageing equipment can reduce cash flows. Mitigation includes monitoring and diversification of O&M providers, asset management and lifecycle planning.

Liquidity of investments

Infrastructure assets are naturally illiquid, making disposals dependent on market conditions and buyer demand. Difficulty selling assets may delay exits and limit capital redeployment, affecting strategic progress. Shareholders want FSFL to exit Australia, increasing pressure for timely realisations. Multiple sale processes are underway to improve the chances of successful exits. Solar assets remain attractive to long-term investors, though sentiment varies across markets.

Fund performance

Underperformance versus peers can damage investor confidence and reduce demand for FSFL shares. Competitive market conditions heighten scrutiny and increase consolidation and takeover risk. Weak sentiment and broad sector discounts continue to weigh on share prices. The Board and Manager actively monitor performance and have taken steps such as asset sales and debt reduction. A discontinuation vote in June 2026 poses a further strategic risk if shareholders demand change.

Counterparty risk

The Company's key contractual counterparties may fail or underperform, limiting their ability to meet their obligations. This is underscored by the portfolio's revenue concentration, with approximately 59% of revenues attributable to a single PPA offtaker. Higher interest rates are pressuring counterparties' balance sheets, and heightening the need to monitor counterparties for signs of financial stress. The Investment Manager regularly benchmarks service providers and retenders key contracts. Financial hedging counterparties are required to have a minimum credit rating set out in the Company's hedging policy. Agreements contain termination clauses for insolvency or poor performance and are typically limited to terms of no more than five years without a review. Additionally, counterparty diversification helps reduce reliance on any single counterparty as risks remain elevated. Counterparty risk is likely to remain elevated if interest rates stay higher for longer, with weaknesses potentially emerging over the next few years.

Notes to the Financial Statements continued

For the year ended 31 December 2025

19. Financial instruments and risk profile continued

19.4 Other risks continued

Financial gearing

The Company's use of debt facilities exposes it to risks if project cash flows weaken. Rising interest rates increase refinancing risk, reduce valuations and raise the cost of variable-rate borrowing. Lower cash generation could lead to covenant breaches, defaults or reduced dividend capacity. Interest rate hedging limits volatility, with at least 80% of debt hedged and long-term facilities fully hedged. The Australian portfolio faces refinancing challenges between 2026 and 2027 due to difficult market conditions.

Development and construction

Early-stage projects face risks such as planning delays, construction issues and grid connection setbacks. Such delays can reduce returns or create financial pressure where debt or PPA obligations exist during construction. Protections include performance bonds, retention mechanisms and milestone-linked payments. In-house development experts oversee project delivery and ensure specifications and milestones are met. Demand for renewable projects continues to support the pipeline, though higher competition has pushed up prices.

20. Capital management

The Company's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares (up to its authorised number of shares) or sell assets to reduce debt. The Company is permitted to purchase up to 14.99% of its own issued share capital.

21. Dividends

	2025		2024	
	£'000	Pence/ ordinary share	£'000	Pence/ ordinary share
Quarter 1	11,266	2.000	11,027	1.880
Quarter 2	11,166	2.000	10,942	1.895
Quarter 3	11,253	2.025	11,412	2.000
Quarter 4	11,182	2.025	11,353	2.000
	44,867		44,734	

On 21 November 2025, the Company announced the third interim dividend, in respect of the period 1 July 2025 to 30 September 2025, of 2.025 pence per ordinary share. The shares went ex-dividend on 29 January 2026 and the dividend was paid on 20 February 2026 to shareholders on the register as at the close of business on 30 January 2026.

No shares were issued in lieu of cash dividends during the year.

Notes to the Financial Statements continued

For the year ended 31 December 2025

22. Related party disclosures

For the purposes of these Financial Statements, a related party is an entity or entities who are able to exercise significant influence directly or indirectly on the Company's operations.

As noted in note 2, the Company does not consolidate its subsidiaries. However, the Company and its subsidiaries (direct and indirect) are a Group and, therefore, are considered to be related parties.

Transactions with UK Hold Co

	Opening balance as at 1 January 2025 £'000	Movements during the year £'000	Closing balance as at 31 December 2025 £'000
For the year ended 31 December 2025:			
Interest-bearing loans and outstanding interest	523,853	(34,403)	489,450
Non-interest-bearing loans	187	—	187

	Opening balance as at 1 January 2024 £'000	Movements during the year £'000	Closing balance as at 31 December 2024 £'000
For the year ended 31 December 2024:			
Interest-bearing loans and outstanding interest	567,966	(44,113)	523,853
Non-interest-bearing loans	187	—	187

Transactions between UK Hold Co and its underlying subsidiaries

There were no transactions between UK Hold Co, Topco 1, FIHC, FS Holdco, Topco 2, FISH, FS Holdco 2, FS Debtco, FS Holdco 3, FS Holdco 4 and SGP Holdings 1 during the current or prior year.

Transactions with RCF Debtco

	Opening balance as at 1 January 2025 £'000	Movements during the year £'000	Closing balance as at 31 December 2025 £'000
For the year ended 31 December 2025:			
Interest-bearing loans and outstanding interest	640,517	42,255	598,262
Non-interest-bearing loans	(261,001)	128,407	(389,408)

	Opening balance as at 1 January 2024 £'000	Movements during the year £'000	Closing balance as at 31 December 2024 £'000
For the year ended 31 December 2024:			
Interest-bearing loans and outstanding interest	638,828	1,689	640,517
Non-interest-bearing loans	(306,279)	45,278	(261,001)

Notes to the Financial Statements continued

For the year ended 31 December 2025

22. Related party disclosures continued

Transactions with FS Holdco 4

	Opening balance as at 1 January 2025 £'000	Movements during the year £'000	Closing balance as at 31 December 2025 £'000
For the year ended 31 December 2025:			
Interest-bearing loans and outstanding interest	123,755	(30,354)	93,401
Non-interest-bearing loans	23,232	(5,184)	18,048

	Opening balance as at 1 January 2024 £'000	Movements during the year £'000	Closing balance as at 31 December 2024 £'000
For the year ended 31 December 2024:			
Interest-bearing loans and outstanding interest	147,778	(24,023)	123,755
Non-interest-bearing loans	(15,152)	38,384	23,232

Transactions with FBSHL

	Opening balance as at 1 January 2025 £'000	Movements during the year £'000	Closing balance as at 31 December 2025 £'000
For the year ended 31 December 2025:			
Interest-bearing loans and outstanding interest	15,670	(1,629)	14,041

	Opening balance as at 1 January 2024 £'000	Movements during the year £'000	Closing balance as at 31 December 2024 £'000
For the year ended 31 December 2024:			
Interest-bearing loans and outstanding interest	8,040	7,630	15,670

Transactions between FS Holdco, FS Debtco, FS Holdco 3, FS Holdco 4 and their SPVs

All of the SPVs are cash-generating solar farms (except for the non-operational Spanish investments). On occasion, revenues are received and expenses are paid on their behalf by FS Holdco, FS Holdco 2, FS Debtco, FS Holdco 3 and FS Holdco 4. All of these transactions are related party transactions.

	Amounts paid on behalf SPV 2025 £'000	Amounts received from SPV 2025 £'000
For the year ended 31 December 2025:		
FS Holdco and its SPVs	28	47,913
FS Debtco and its SPVs	206	37,271

	Amounts paid on behalf SPV 2024 £'000	Amounts received SPV 2024 £'000
For the year ended 31 December 2024:		
FS Holdco and its SPVs	11	48,428
FS Debtco and its SPVs	26	47,973

Notes to the Financial Statements continued

For the year ended 31 December 2025

22. Related party disclosures continued

Transactions with the Investment Manager

The Investment Manager of Foresight Solar is Foresight Group LLP.

During the year, the Investment Manager charged marketing service fees of £8,000 (2024: £15,000) and power hedging service fees of £180,000 (2024: £nil) to the Company. The Investment Manager, through its management services subsidiary, Foresight Asset Management Limited, charged management services fees to the underlying projects of £3,080,000 during the year (2024: £2,923,000). The Investment Manager also charged management services fees of €289,000 through its Spanish subsidiary Foresight Group Iberia, S.L (2024: €167,000).

23. Commitments and contingent liabilities

There are no commitments or contingent liabilities (2024: £nil).

24. Controlling party

In the opinion of the Directors, there is no controlling party as no one party has the ability to direct the financial and operating policies of the Company with a view to gaining economic benefits from its direction.

25. Post balance sheet events

There were no post balance sheet events requiring disclosure.

AIFMD disclosures (unaudited)

Overview of investment activities

The Company's investment activities during the year are disclosed in full in the Investment Manager's report from page 11.

The performance of Foresight Solar's portfolio during the year is also disclosed in full in the Operational review from page 29.

Meanwhile, a list of FSFL's portfolio investments is included from page 37.

Leverage and borrowing

Leverage is defined as any method by which the Company increases its exposure through debt, borrowed capital or the use of derivatives.

The Company and its subsidiaries' leverage position and third-party debt arrangements are disclosed in full in the Financial review from page 69.

"Exposure" is defined in two ways – "gross method" and "commitment method" – and the Company must not exceed maximum exposures under both methods.

The Directors are required to calculate and monitor Foresight Solar's leverage, expressed as a ratio between the exposure of the Company and its net asset value (Exposure/NAV), under both the gross method and the commitment method.

"Gross method" exposure is calculated as the sum of all Company positions (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes.

"Commitment method" exposure is also calculated as the sum of all Company positions (both positive and negative), but after netting off derivative and security positions as specified by the Directive.

For the "gross method", the following has been excluded:

- The value of any cash and cash equivalents which are highly liquid investments held in the Company's local currency that are readily convertible to a known amount of cash, subject to an insignificant risk of changes in value and which provide a return no greater than the rate of the three-month high quality government bond
- Cash borrowings that remain in cash or cash equivalents as defined above and where the amounts of that payable are known

The total amount of leverage calculated as at 31 December 2025 is:

- Gross method: 33%
- Commitment method: 43%

Liquidity

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due because of the maturity of assets and liabilities not matching. An unmatched position potentially enhances profitability but can also increase the risk of losses. Liquidity could be impaired by an inability to access secured and/or unsecured sources of financing to meet financial commitments. The Board monitors Foresight Solar's liquidity requirements to ensure there is sufficient cash to meet operating needs.

The Company's financial position, its cash flows, liquidity position and borrowing facilities are referred to in the Chair's statement (see page 6), Strategic Report (see page 1) and Notes to the Financial Statements (see page 120). In addition, the Financial Statements (see page 116) include the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, and its exposures to credit risk and liquidity risk.

Foresight Solar has sufficient financial resources together with investments and income generated. Consequently, the Directors believe it is able to manage its business risks.

Risk management policy note

Please refer to the Principal risks section from page 51.

Remuneration

As an AIFM, the Company is subject to a remuneration code which is consistent with the requirements of the Financial Conduct Authority. The remuneration policy is designed to ensure that any relevant conflicts of interest can be always managed appropriately and that the remuneration of the Directors and of senior management are in line with the risk policies and objectives of the funds managed by the AIFM.

The Company does not directly employ any staff members. These services are provided by Foresight Group LLP employees.

In accordance with the AIFMD, information in relation to the remuneration of the Company's AIFM is required to be made available to investors. In accordance with the Directive, the AIFM's remuneration policy and the numerical remuneration disclosures in respect of the AIFM's relevant reporting period (year ended December 2025) are available from the AIFM on request.

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Glossary of terms

AGM	Annual General Meeting
AIC	The Association of Investment Companies
AIC Code	The Association of Investment Companies Code of Corporate Governance
AIFs	Alternative Investment Funds
AIFMs	Alternative Investment Fund Managers
AIFMD	The Alternative Investment Fund Managers Directive
APM	Alternative Performance Measure
BBSY	Bank Bill Swap Bid Rate
BESS	Battery energy storage system
CEFC	The Clean Energy Finance Corporation
CfD	Contracts for Difference
Company	Foresight Solar Fund Limited
Contracted revenues	Revenue with a high degree of certainty, both from subsidies or from electricity sales hedged or fixed under power price agreements
CPI	Consumer Price Index
DCF	Discounted cash flow
DESNZ	Department for Energy Security and Net Zero
DNO	Distribution network operator
DSCR	Debt service cover ratio
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EPC	Engineering, procurement and construction
Euribor	The Euro Interbank Offered Rate is based on the average interest rates at which a panel of European banks borrow funds from one another
EV	Enterprise Value

FCA	Financial Conduct Authority
FIT	Feed-in Tariff. The Feed-in Tariff scheme is the financial mechanism introduced on 1 April 2010 by which the UK government incentivises the deployment of renewable and low-carbon electricity generation of up to 5 MW of installed capacity
FPC	Fixed Price Certificate
GAV	Gross Asset Value on investment basis including debt held at SPV level
GHG	Greenhouse gas
Group borrowing	Group borrowing refers to all third-party debt by the Company and its subsidiaries
GWh	Gigawatt hour
IAS	International Accounting Standard
IC	Investment Committee
IFRS	International Financial Reporting Standards as adopted by the EU
Investment Manager	Foresight Group LLP
IPEV Valuation Guidelines	International Private Equity and Venture Capital Valuation Guidelines
IPCC	Intergovernmental Panel on Climate Change
IPO	Initial Public Offering
ISSB	International Sustainability Standards Board
KPI	Key performance indicator
KPMG LLP	KPMG is the Company's Auditor
LGC	Large-scale Generation Certificate
Listing Rules	The set of FCA rules which must be followed by all companies listed in the UK
Main Market	The main securities market of the London Stock Exchange

Glossary of terms continued

Management services	The Company's underlying investments have appointed Foresight Asset Management Limited, a subsidiary of Foresight Group LLP, to act as their management services provider
MIDIS	Macquarie Infrastructure Debt Investment Solutions
MWh	Megawatt hour
N2EX	Power market in London
NAV	Net asset value
NEM	National Electricity Market
Net zero	A target of completely negating the amount of greenhouse gases produced by human activity, to be achieved by reducing emissions and implementing methods of absorbing carbon dioxide from the atmosphere
NSW	New South Wales
Ofgem	Office of Gas and Electricity Markets (UK government regulator)
O&M	Operation and maintenance
PCAF	Partnership for Carbon Accounting Financials
PNIEC	Plan Nacional Integrado de Energía y Clima, Spain's local implementation of the EU-wide National Energy and Climate Plan
PPA	Power Purchase Agreement
PRI	Principles for Responsible Investment
QLD	Queensland
RCF	Revolving credit facility
RCPs	Representative Concentration Pathways
REGO	Renewable Energy Guarantees of Origin

REMA	Review of Electricity Market Arrangements
RO Scheme	The financial mechanism by which the UK government incentivises the deployment of large-scale renewable electricity generation by placing a mandatory requirement on licensed UK electricity suppliers to source a specified and annually increasing proportion of electricity they supply to customers from eligible renewable sources or pay a penalty
ROC	Renewables Obligation Certificates
RPI	Retail Prices Index
SDG	United Nations Sustainable Development Goal
SDR	Sustainability Disclosure Requirements
SONIA	Sterling Overnight Index Average
SPVs	The special purpose vehicles which hold the Company's investment portfolio of underlying operating assets
SSPs	Shared Socioeconomic Pathways
TCFD	Task Force on Climate-related Financial Disclosures
UEL	Useful economic life
UK	The United Kingdom of Great Britain and Northern Ireland
VIC	Victoria



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