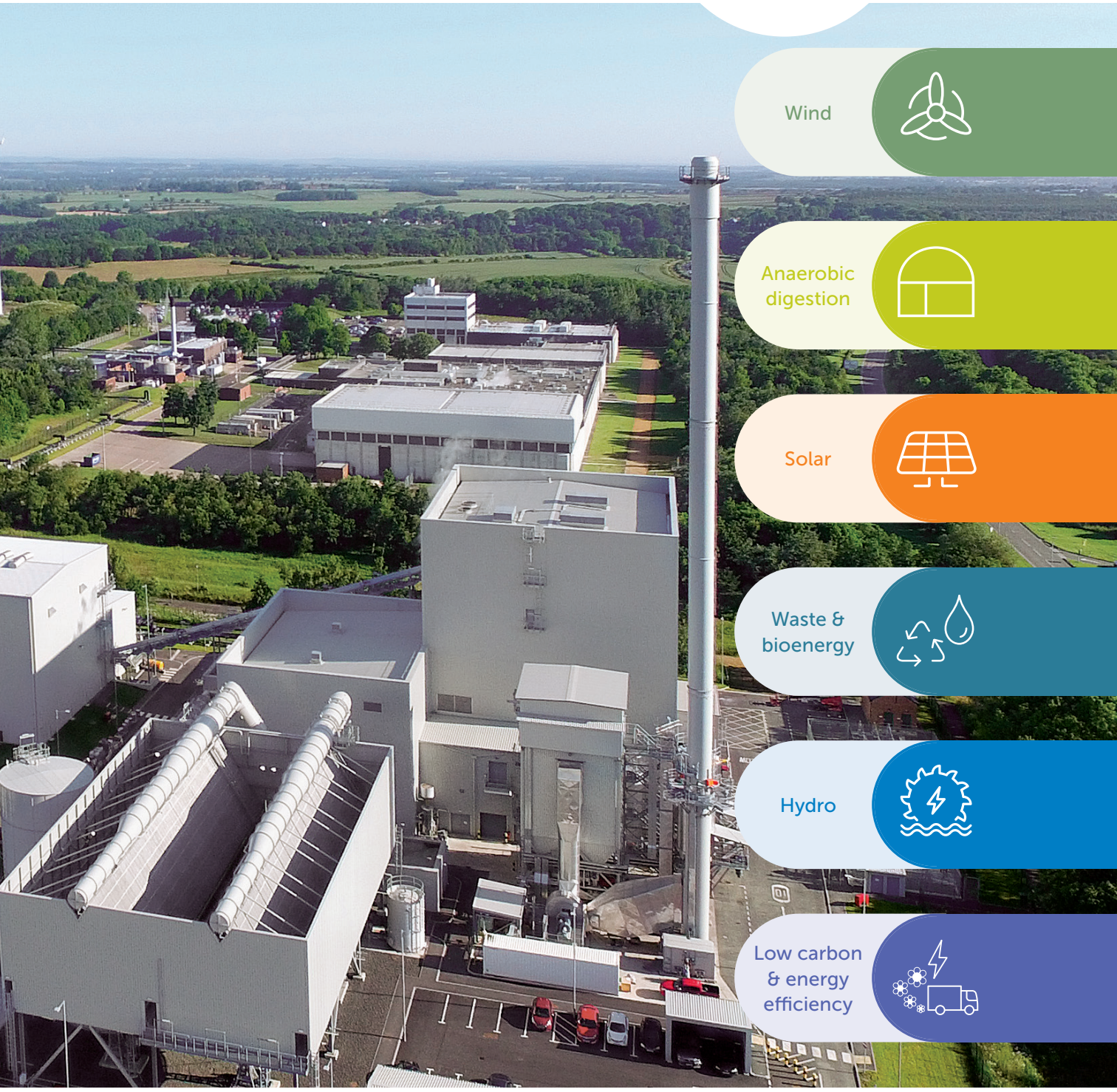
JLEN



JLEN Environmental Assets Group Limited

Half-year Report for the six months ended 30 September 2021

CONTENTS

OUR PURPOSE

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

Wind

Anaerobic digestion

Solar

Waste & bioenergy

Hydro

Low carbon & energy efficiency

ABOUT US

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

Investment policy

JLEN's investment policy is to invest in a diversified portfolio of Environmental Infrastructure. Environmental Infrastructure is defined by the Company as infrastructure assets, projects and asset-backed businesses that utilise natural or waste resources or support more environmentally friendly approaches to economic activity, support the transition to a low carbon economy or which mitigate the effects of climate change. Such investments will typically feature one or more of the following characteristics:

- long-term, predictable cash flows, which may be wholly or partially inflation-linked cash flows;
- long-term contracts or stable and well-proven regulatory and legal frameworks; or
- well-established technologies, and demonstrable operational performance.

AT A GLANCE AT 30 SEPTEMBER 2021

Our results for the six-month period ended 30 September 2021.

Market capitalisation[1]

£645.9m

FY 2021 £612.3m **+5.5%**

Share price

107.4p

FY 2021 112.0p **-4.1%**

Half-year dividend per share

3.40p

HY 2020 3.38p **+0.6%**

Net Asset Value

£591.5m

FY 2021 £504.2m **+17.3%**

Net Asset Value per share[1]

98.4p

FY 2021 92.2p **+6.7%**

Portfolio value

£678.8m

FY 2021 £571.4m **+18.8%**

- Dividend of 3.40 pence per share declared for the six months to 30 September 2021 (six months to 30 September 2020: 3.38 pence). Cash dividend cover[1] of 1.06x in the period
- Three acquisitions completed in the period, giving a total of 39 assets
- NAV per share of 98.4 pence, up from 92.2 pence per share at 31 March 2021, primarily due to the increase in near-term electricity and gas price forecasts
- Total shareholder return[1] since IPO (31 March 2014) to 30 September 2021 of 63.6% (6.8% annualised)
- Profit before tax for the period of £51.8 million (six-month period ended 30 September 2020: £10.7 million)

Total shareholder return since launch

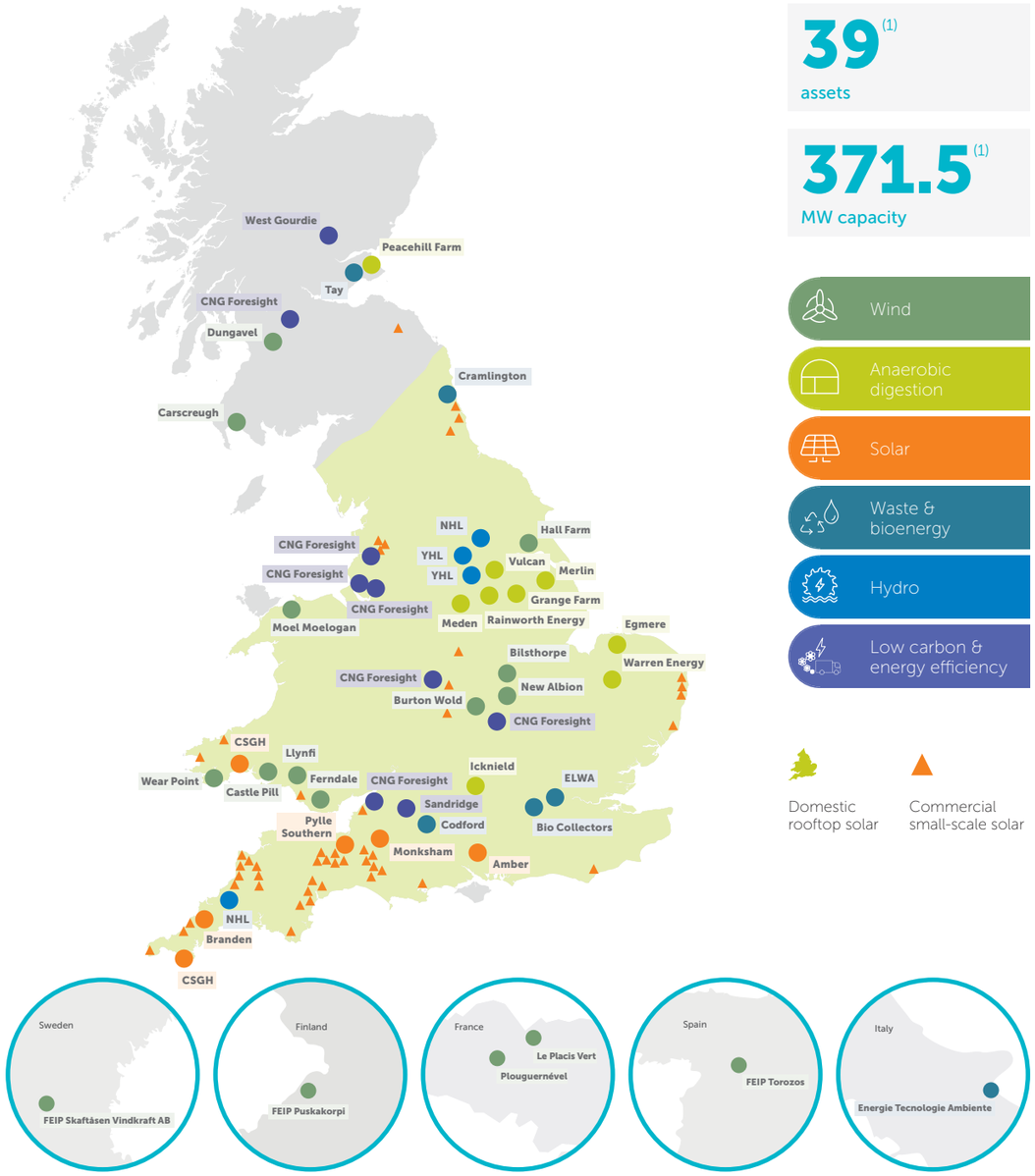
(1) The market capitalisation, Net Asset Value per share, cash dividend cover and total shareholder return are alternative performance measures ("APMs"). The APMs within the accounts are defined on page 65.

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

PORTFOLIO AT A GLANCE

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

Assets by location



39[1] assets

371.5[1] MW capacity

- Wind
- Anaerobic digestion
- Solar
- Waste & bioenergy
- Hydro
- Low carbon & energy efficiency

Domestic rooftop solar

Commercial small-scale solar

(1) Does not include investment into FEIP.

MARKET AND OPPORTUNITIES

The Board believe that the environmental infrastructure market will continue to develop and that future growth in the Company's portfolio can come from investing in a wider pool of asset classes, as allowed for through the recent change to the Company's investment policy.

Investment policy

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

Market developments

Factors including increasing global population, rising living standards, increasing urbanisation, and greater scientific, public and political focus on the effects of climate change have all served to increase the importance and scale of the environmental infrastructure market globally.

Generation of renewable energy	Global investment in the energy infrastructure market has been significant, with Bloomberg calculating investment into renewable energy in 2020 totalling $303.5 billion (up 2% on the prior year). Zero emission or low carbon energy generation continues to be central to European carbon targets and of the global decarbonisation agenda.
Low carbon and energy efficiency	The UK's national target under the Renewable Energy Directive was, by 2020, for 15% of gross final energy consumption to come from renewable sources. The final outturn was 13.6%, which consisted of 38.7% for electricity, 10.3% for transport and 6.6% for heat. This implies that both the transport and heat sectors need to make further progress in order to hit the 2030 target of 32%, with electricity already meeting this target.
Supply and treatment of water and processing of waste	The Climate Change Committee ("CCC") sixth Carbon Budget reflects on the contribution of GHG emissions from the waste sector (6% of 2018 UK emissions) and proposes measures including waste prevention, recycling and banning biodegradable waste from landfill, reducing residual waste sent to energy-from-waste facilities and exploring Carbon Capture and Storage installation on these facilities to aid in reducing emissions.
Geographic spread of investments	Opportunities to invest into environmental infrastructure stretch into multiple jurisdictions given the global demand for assets that support the transition to a low carbon economy. Using the Investment Adviser's in-country presence across Europe, further geographic diversification is anticipated.

The environmental infrastructure markets in which the Fund operates have experienced a continuous period of growth, supported by worldwide commitments to decarbonise, increasing focus on the protection of the natural environment and the treatment and process of waste, and decreasing capital costs. These trends are expected to create an attractive environment for further investment into these markets, in the UK and Europe.

Investment outlook

Renewable energy continues to be supported by the UK Government, which has published the budget for its fourth Contracts for Difference ("CfD") auction, to allocate c.£265 million to renewables development. This will also allow for onshore wind and solar to access some of the CfD funding (previously they could not). The UK has also confirmed its commitment to close coal-fired plants by 1 October 2024 (brought forward from 2025).	
Low carbon investment opportunities could encompass combined heat and power systems, battery storage and flexible generation, low carbon agriculture, co-location of battery storage with existing assets, electric vehicle and low carbon transport infrastructure such as biofuels.	
Investment activity into new waste infrastructure is likely to come from private sector led developments seeking to dispose of residual waste from households and commercial and industrial sectors.	
JLEN's mandate supports geographic diversification, reducing its exposure to the UK power market, regulatory framework and weather systems. The Investment Adviser can take advantage of in-country presence across Europe and Australia to generate investment opportunities outside of the UK.	

CHAIRMAN'S STATEMENT

The portfolio has performed well, bolstered by significant increases in projected power prices and despite exceptionally low wind speeds. The recent bioenergy acquisitions provide potential for value enhancement and the pipeline includes value accretive opportunities.

Richard Morse
Chairman

On behalf of the Board, I am pleased to present the Half-year Report of JLEN Environmental Assets Group Limited for the six months ended 30 September 2021.

Results

During the period under review, the Net Asset Value ("NAV") per share at 30 September 2021 was 98.4 pence, up from 92.2 pence at 31 March 2021, mainly as a result of an upward revision of the power price forecasts, above forecast inflation during the period, and a decrease in discount rates on the solar assets in line with observable market evidence.

There has been positive performance from several sectors of the portfolio, with agri AD, solar, hydro and our network of CNG refuelling stations all beating budget. The main detractor for the period was the wind portfolio, which was materially below budget due to low wind resource. The Company has made three investments during the period: a construction stage battery storage project located in the UK, a biomass combined heat and power plant located in the UK and an energy-from-waste plant located in Italy. These acquisitions represent further diversification within the portfolio and the biomass and energy-from-waste plants benefit from long-term subsidies, providing strong inflation-linked revenue streams.

JLEN's profit before tax for the six-month period to 30 September 2021 was £51.8 million (six months to 30 September 2020: £10.7 million) and earnings per share for the period were 8.8 pence (six months to 30 September 2020: 2.0 pence). While noting that the seasonal lack of wind is likely to have an impact on dividend cover for the year, the Board is maintaining its determination to deliver targeted dividends to shareholders and reaffirms its guidance of 6.80 pence for the year to 31 March 2022.

Cash received from the portfolio by way of distributions, which includes interest, loan repayments and dividends, was £26.7 million (six months to 30 September 2020: £24.4 million). Net cash inflows from the investment portfolio (after operating and finance costs) of £21.7 million (six months to 30 September 2020: £20.1 million) cover the interim dividends of £20.4 million paid in the half-year period by approximately 1.06 times (six months to 30 September 2020: £18.3 million; 1.1 times). On a dividend-declared basis for the half year, dividend cover was 1.06 times.

Dividends

For the year to 31 March 2021, the Company achieved its target dividend of 6.76 pence per share by the payment of four interim dividends.

In line with the total target for the year ending 31 March 2022 of 6.80 pence per share set out in our 2021 Annual Report, a quarterly dividend of 1.70 pence per share was paid in September 2021 for the quarter to 30 June 2021.

The Board has declared an interim dividend of 1.70 pence per share for the quarter to 30 September 2021, payable on 29 December 2021, to shareholders on the register as at 3 December 2021. The ex-dividend date will be 2 December 2021. This is in line with our declared dividend target of 6.80 pence for the year ending 31 March 2022.

JLEN timeline

March 2021
- Paid a dividend of 1.69 pence per share (relating to the three-month period ended 31 December 2020)

May 2021
- Acquisition of a 50% stake in Sandridge Battery Storage Limited, a construction stage 50MW battery storage project located in Wiltshire, UK
- Acquisition of a 45% stake in Energie Tecnologie Ambiente ("ETA"), a 16.8MW energy-from-waste power plant located in Manfredonia, Italy
- Announced a new ESG-linked £170 million revolving credit facility expiring in May 2024
- Raised £56.9 million in an oversubscribed placing

June 2021
- Paid a dividend of 1.69 pence per share (relating to the three-month period ended 31 March 2021)
- Announced the appointment of Alan Bates and Jo Harrison as non-executive Directors
- Acquisition of a 100% stake in Cramlington Renewable Energy Developments Limited, a biomass combined heat and power plant located in Cramlington, UK

September 2021
- JLEN annual general meeting ("AGM")
- Announced the resignation of Peter Neville as non-executive Director
- Paid a dividend of 1.70 pence per share (relating to the three-month period ended 30 June 2021)

Portfolio performance

Total generation for the period from JLEN's diverse renewables portfolio was 564GWh, 10% below budget. The shortfall is largely attributable to lower than normal generation from the wind portfolio which in some areas of the UK, during the summer, saw their lowest average wind speeds for 20 years and consequently was 32% below budget. Excluding the wind portfolio, generation from the portfolio was slightly below budget, although agri AD, solar and hydro all made positive contributions. The recently acquired thermal bioenergy projects, ETA and Cramlington, have shown good underlying performance. Recent generation from ETA, an Italian waste-to-energy project, has been very encouraging, although the plant experienced some negative effects over the summer due to high ambient temperatures. The Cramlington combined heat and power project was bought out of administration with a known backlog of maintenance tasks and the asset managers continue to work through these; some variability in performance is to be expected.

Both concession-based projects have continued to perform in line with expectations. The ELWA waste management project has continued to exceed its key contractual targets for diversion from landfill. The Tay wastewater project has experienced flows broadly in line with expectations for the period as a whole while noting an increase in high rainfall events which the network will adapt to. Both projects continue to perform well financially.

The Company's investment into low carbon refuelling stations for HGVs has also performed well in the period, with good progress being made on further construction of a pipeline refuelling stations and gas dispensed being 31% ahead of budget for the period.

Acquisitions

During the period under review, the Company announced investments into three new projects:

- a 50% stake in Sandridge Battery Storage Limited, a 50MW construction stage battery storage project located in the UK;
- a 45% stake in Energie Tecnologie Ambiente S.r.l., a 16.8MW energy-from-waste plant located in Southern Italy; and
- a 100% stake in Cramlington Renewable Energy Developments, a biomass combined heat and power plant located in Cramlington, UK. The plant has a 28MW electrical capacity and 8MW heat capacity.

The new acquisitions bring the total MW capacity of the portfolio to 371.5MW and bring further diversification to the portfolio both by technology type and geography.

Share capital

In May 2021, the Company raised £56.9 million via an institutional placing, making full use of its tap issuance facility of 10% of issued share capital. This was at a price of 104 pence per share, a 12.8% premium to NAV, achieved via a book-building process. The proceeds were used to pay down amounts outstanding under its revolving credit facility.

Valuation

The Net Asset Value at 30 September 2021 is £591.5 million, comprising £678.8 million portfolio valuation, £19.1 million of cash held by the Group, together with outstanding revolving credit debt of £111.1 million and a positive working capital balance of £4.7 million.

The Investment Adviser has prepared a fair market valuation of the portfolio as at 30 September 2021. This valuation is based on a discounted cash flow analysis of the future expected equity and loan note cash flows accruing to the Group from each portfolio investment.

This valuation uses key assumptions which are recommended by the Investment Adviser using its experience and judgement, having considered available comparable market transactions and financial market data in order to arrive at a fair market value.

To provide assurance to the Board with respect to the valuation, an independent verification exercise of the methodology and assumptions applied by Foresight is performed by a leading accountancy firm and an opinion is provided to the Directors. The Directors have satisfied themselves as to the methodology used and the assumptions adopted and have approved the valuation of £678.8 million for the portfolio of 39 investments as at 30 September 2021.

The most significant factor to impact the valuation has been the marked increase in short-term gas and electricity prices, driven by the Covid-19 recovery and the macro picture for gas where supply is tight. This added £21.6 million to the valuation. Average gas prices saw a 278% increase over the past six months and the average index price over the period was up 300% over the same period last year. The Investment Adviser has been active with PPA counterparties, fixing prices for seasons up to winter 2023. This serves to insulate the Fund from future near-term power price changes, including limiting the upside if prices continue to climb.

Risks and uncertainties

The principal risks facing the Company are set out in the Annual Report 2021 and these are all still considered relevant. In the period under review and in the near term, the Investment Adviser considers that Covid-19 is an ongoing risk facing the Company with various indirect additional risks caused by the pandemic to consider. To date, the Company has proved to be resilient in this challenging environment and most assets have continued to perform well. Nevertheless, the effects of further lockdowns on supply chains and energy prices continue to be a potential risk that will continue to be monitored.

The Company is protected to some degree from electricity price volatility by its diversified portfolio, which features several revenue streams that are not connected to the electricity price. The Investment Adviser has also hedged against price risk by taking out short-term fixed price arrangements with PPA providers. The Company has seasonal fixed price arrangements in place for 100% of the solar portfolio by generation through March 2023. Likewise, fixed price arrangements are in place for 100% of the wind portfolio by generation through March 2022, after which the fixed volume tapers by season to 87% to September 2022 then 70% to March 2023, 46% to September 2023 and 40% out to March 2024.

The energy price situation has also raised the risk of energy suppliers that provide PPAs to renewable generators becoming insolvent. The Investment Adviser has reviewed the whole portfolio's exposure to this risk and has concluded that it is not material to the Fund, although it continues to monitor the market carefully. More information can be found in the risks and risk management section of this report on pages 12 and 13.

Finally, the Board and Investment Adviser continue to monitor the situation in the aftermath of Brexit. While recent issues in the UK economy on the supply side have not significantly impacted the portfolio, issues such as shortages of fuel and shortages of HGV drivers can lead to delays in parts coming to site from the supply chain. The Investment Adviser has been working with operators where necessary to identify alternative supply chains.

Environmental, social and governance

The ESG landscape is developing and gaining recognition at all levels of society, prompted, in part, by increased awareness of climate change. The UN's Intergovernmental Panel on Climate Change ("IPCC") recently published a report stating that the world is expected to pass 2C by the middle of this century in emissions scenarios that do not feature a strong near-term mitigation. However, the report also showed that reaching net-zero targets would work to stabilise and possibly reduce world surface temperatures.

Also during the period there has been increased scrutiny of modern slavery practices and supply chain oversight, prompted by the discovery of links to forced labour in the production of polysilicon – a major component of solar panels. JLEN's solar parks were built before polysilicon was linked to forced labour camps; however, the issue has prompted the Investment Adviser to engage with an external consultant to review its Modern Slavery Statement. Further information on the work that Foresight is undertaking in this regard is available on page 35.

Both of these developments highlight how important the management of ESG matters is and the Board is proud that the Company's investment activities are contributing to the transition to a net-zero economy and of the work that goes on to try to improve our ESG practices. We are conscious that our assets may not be perfect from a sustainability perspective, but we are confident that they all have a part to play in that transition. Further work on the collection and implementation of JLEN's ESG KPIs that were announced in the Annual Report 2021 is ongoing and a dedicated ESG Committee has been set up to sit alongside and complement the work already done in this area by the Risk and Audit Committees.

CHAIRMAN'S STATEMENT continued

Outlook

The Board continues to view the wider market environment as favourable for the Company's investment policy. The resilience shown during the Covid-19 pandemic has reinforced the value of established environmental infrastructure assets and now that economies have fully embarked on their fiscal and regulatory stimulus programmes, the outlook continues to appear promising.

Prompted by COP26, market discussions have been dominated by how pledges can be translated into physical infrastructure. The focus has fallen on the finance sector to facilitate a greener economy. The sector is being asked to direct their capital to help solve environmental issues and it is also being asked to "future-proof" those investments, to plan for climate change scenarios. The latest study by Climate Action Tracker ("CAT"), suggest that global greenhouse gas emissions in 2030 will be double the level needed to meet the Paris agreement target of limiting heating to 1.5C. This stresses the need for firm, irrevocable legislation and sets the tone for the renewable infrastructure market.

During the period, the Climate Change Committee ("CCC") 2021 Progress Report to Parliament has been published. This report notes that lockdown measures led to a decrease in UK emissions in 2020 of 13% from the previous year, although driving reductions in emissions requires sustained government leadership, underpinned by a strong net zero strategy.

Areas the CCC highlight that require particular attention include:

- a heat and building strategy;
- transport, hydrogen, biomass and food; and
- plans to decarbonise energy from waste.

These are all areas that JLEN has either invested into or has the potential for future investment. While power price forecasts have rebounded strongly over the short term, it remains to be seen how this will feed into market competition for core renewables. It is anticipated that wind and solar acquisitions will continue to remain challenging from a yield and return perspective. Bioenergy assets remain attractive, as shown by the recent acquisitions of ETA Manfredonia and Cramlington. We anticipate this sector to come to provide further opportunities for JLEN.

Beyond these sectors, we continue to believe that JLEN's broad investment mandate provides investors with access to a wider range of environmental infrastructure opportunities that conform to the Company's investment targets.

The Investment Adviser and the Board have been assessing opportunities in sectors such as vertical farming and aquaculture, which are good examples of new and potentially attractive sectors for JLEN. Other areas include investments into glasshouses, in particular opportunities attached to our existing AD assets where renewable heat, power and CO_2 are readily available.

We continue to view the UK as the Company's main geographical focus for capital deployment, although good opportunities continue to present themselves in other jurisdictions. The Company also aims to continue making selective direct investments into projects that feature construction risk as a measured way of enhancing returns.

Board matters

As announced in the Annual Report 2021, Peter Neville did not stand for re-election at the AGM on 2 September 2021. My fellow Directors and I wish Peter the best for his future and we are grateful for the sterling service he has provided to JLEN, having served as a Director since the Company's launch in 2014.

As part of our succession planning arrangements, Stephanie Coxon has been appointed Chair of the Audit Committee and we have formally welcomed Jo Harrison and Alan Bates to the Board. Jo, who has extensive knowledge of ESG, has been instrumental in setting up the new ESG sub-committee of the Board and has been appointed the Chair of this committee. Alan is the CEO of Guernsey Electricity and a director of the Channel Islands Electricity Grid, and brings extensive operational experience of electricity, gas and water infrastructure. Further biographical details on Alan and Jo can be found on page 103 of the Annual Report 2021.

Richard Morse
Chairman

24 November 2021

THE INVESTMENT ADVISER

JLEN is advised by Foresight Group LLP. Foresight Group is a listed infrastructure and private equity investment manager with c.£8.1 billion of assets under management and employing over 235 people worldwide.

About Foresight Group

Foresight Group was founded in 1984 and is a leading listed infrastructure and private equity investment manager. With a long-established focus on ESG and sustainability-led strategies, it aims to provide attractive returns to its institutional and private investors from hard-to-access private markets. Foresight Group manages over 300 infrastructure assets with a focus on solar and onshore wind assets, bioenergy and waste, as well as renewable energy enabling projects, energy efficiency management solutions, social and core infrastructure projects and sustainable forestry assets. Its private equity team manages eight regionally focused investment funds across the UK, supporting over 120 SMEs. Foresight Group operates from 12 offices across six countries in Europe and Australia with AUM of c.£8.1 billion as at 30 September 2021. Foresight Group Holdings Limited listed on the Main Market of the London Stock Exchange in February 2021.

www.fsg-investors.com/

Updates over the period

During the period, Foresight reported an estimated AUM of £8.1 billion at 30 September 2021 (31 March 2021: £7.2 billion), an annualised increase of 25% in the six-month period, achieved purely through organic growth.

Also during the period, Foresight closed Foresight Energy Infrastructure Partners ("FEIP"), at a level that was 70% ahead of its original target, raising €851 million in total. JLEN has committed €20 million to FEIP, equal to a percentage of 2.4% of total commitments.

Foresight values

- We act conscientiously
- We invest responsibly
- We value sustainable, attractive returns

317[1]
assets managed

>2.9[1]
GW clean energy generating capacity

(1) As at 31 March 2021.

RISKS AND RISK MANAGEMENT

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

The Company's approach to risk governance and its risk review process are set out in the risks and risk management section of the Annual Report 2021.

The principal risks to the achievement of the Company's objectives are unchanged from those reported on pages 42 to 48 of the Annual Report 2021.

Developments in relation to these principal risks, particularly those which could potentially have a short to medium-term impact during the period to 31 March 2022, are outlined below.

Covid-19

Since the start of the first lockdown in March 2020, the Company has experience of how the assets have performed in light of the challenges presented by the Covid-19 pandemic. Operationally, the portfolio has proven to be resilient; however, the pandemic has presented some specific issues to individual projects such as Bio Collectors and the Directors are of the view that these risks are understood and assessed where possible. The longer-term macro risks associated with Covid-19 are not yet clear but could include measures such as higher taxes and/or higher inflation to deal with increased government borrowing incurred to counter the pandemic.

Energy prices

Since the depths of the Covid-19 lockdowns and the associated reduction in economic activity that drove down power prices, wholesale electricity and gas prices have rebounded extremely strongly. JLEN's exposure to wholesale power prices is mitigated by the practice of having a substantial proportion of generation for both electricity and gas on fixed price arrangements for durations ranging from six months out to three years. In the recent past, that has shielded JLEN from low prices; now it prevents JLEN from fully capitalising from very high spot prices in the short term. JLEN's strategy continues to be to maintain a high level of rolling fixes as the emphasis remains on protecting the downside and the current uplift in energy prices has allowed the Investment Adviser to capitalise on opportunities to fix future seasons at prices above previous assumptions.

The energy price situation has also raised the risk of energy suppliers that provide PPAs to renewable generators becoming insolvent. JLEN contracts with a range of PPA providers. While the majority of these providers are utilities or are backed by large creditworthy institutions, one provider has shown signs of financial difficulty. The Investment Adviser has reviewed the whole portfolio and has taken steps to limit exposure to this counterparty and has concluded that the risk to the Fund is not material. The Investment Adviser continues to monitor the market carefully and has developed a plan in the event that a counterparty is unable to settle its commitments.

Brexit – political risk

Following the UK's exit from the European Union and subsequent transition period on the 1 January 2021, it is not clear at this stage what the precise impact on the UK environmental infrastructure sector will be as the UK replaces EU regulations with its own versions. Although, in some instances, such as carbon trading schemes and sustainability taxonomies, new regulations are, or are expected to be, similar to the EU ones that they replace. The UK Government remains committed to UK infrastructure development and whilst the UK Government may not in future be bound by EU-set renewable obligations, the UK is still bound by national and international renewable obligations, including the commitment to "net zero" carbon emissions by 2050.

Supply chain risks – Brexit

The Investment Adviser continues to monitor possible disruptions to UK and European supply chains, especially considering the recent fuel crisis and labour shortages in the UK. Most of JLEN's assets are operational and by the nature of the technology type only need access to new parts and labour as part of a maintenance programme. The assets which have more exposure to supply chain risks – for example the AD and waste assets – have not experienced any material disruption as a result of supply chain issues over the period.

Supply chain risks – ESG

During the period under review, links to forced labour have been discovered in the production of polysilicon – a major component of solar panels. JLEN's solar portfolio consists of 10 ground-mounted solar plants and a portfolio of rooftop solar installations in the UK and the solar portfolio accounts for around 20% of the whole JLEN portfolio by value. All of JLEN's solar assets were acquired in an operational state and JLEN has made no acquisitions of solar assets since 2017. JLEN had no involvement in the procurement of solar panels that feature in its solar assets and all plants were constructed pre-2016. Industry analysts estimate that in 2016 less than 10% of the world's solar-grade polysilicon came from Xinjiang. Nevertheless, in the life of a typical solar farm, a small proportion of panels will be replaced, in procuring any replacement panels, the Investment Adviser will endeavour to source the panels responsibly.

This is a matter which the Investment Adviser, Foresight Group, and JLEN take seriously and supply chain protocols are continually under review. Further information can be found on page 35.

Foresight Group is a signatory to and is fully supportive of Solar Energy UK's statement of 12 April 2021 which condemns any human rights abuses taking place anywhere in the global energy supply chain and which calls for the development of a supply chain transparency protocol.

Inflation

As the UK economy has recovered from the Covid-19 pandemic, inflation has been running significantly above the general target of the Bank of England ("BoE") to maintain price stability. The most recent 12-month CPI measure is 3.1% against a long-term target of 2%. RPI, which is more relevant for the Company as its subsidy revenues and concession-based payments are linked to it, has reached 4.9%. The underlying causes of this inflation are debated, with the majority of economists and the BoE Monetary Policy Committee believing that current inflation is short term in nature, connected to supply side issues in restarting the economy after Covid-19, and that the underlying trend will return to a more modest level after around two years.

Several risks for the Company stem from inflation. The most direct risk, concerning variability of costs and revenues, is positively correlated with inflation.

The portfolio has a high proportion of revenues that are linked to RPI and these will exceed any negative cash flow impacts from inflation linked costs. If higher than trend inflation is expected, then the earnings from the Company will increase, everything else being equal.

If higher inflation assumptions become embedded for the longer term, such that it becomes appropriate for the Company to revisit its long-term inflation assumption of 3% until 2030, then this will also benefit the NAV as future cash flows from the portfolio will be assumed to be higher.

However, higher long-term inflation expectations may also have impacts on other risks. If central banks believe that they need to combat high inflation, we might expect to see interest rates rise. The large majority of JLEN's debt is project finance at the project level, fully hedged against interest rate rises and so this risk is mitigated. However, the Company's RCF is not hedged and so an increase in interest rates indirectly brought about by inflation concerns would have a small negative impact on RCF interest costs depending on the level of borrowing.

Higher inflation expectations may also change investors' views on what constitutes a reasonable return from assets, including environmental infrastructure assets. This would typically manifest in an increase in the discount rates used to value such assets, causing the value of such assets to decrease, everything else being equal. The market for infrastructure assets remains very competitive, and the return differential to gilts (generally used as a proxy for a "risk free" return on capital) remains high, so the Company does not expect any material negative movement in discount rates for the foreseeable future.

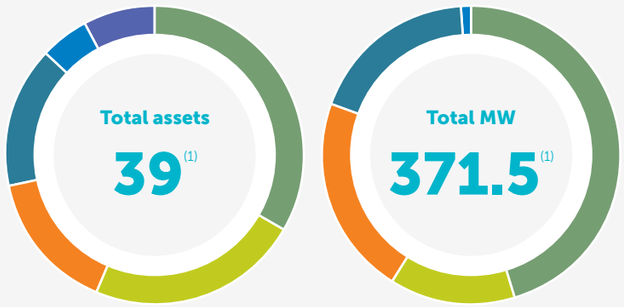
Climate risk and climate disaster

As a long-term investor, JLEN is able to manage risk with a long-term perspective. This means it can take long-term views on climate risk in its portfolio. With altering weather patterns brought on by climate change, resource availability and security of the assets is a key area of focus for the Fund. The diversification of the technologies that the Fund invests in means that the Fund is not wholly reliant on any one weather resource, which spreads the climate risk across the portfolio and helps to mitigate unpredictable weather patterns in both the short and long term. The period under review highlights the importance of this diversification, as the wind resource experienced by the wind portfolio, the largest component of the JLEN portfolio by value, was very low.

INVESTMENT PORTFOLIO AND VALUATION

Investment portfolio

At 30 September 2021, the Group's investment portfolio comprised interests in 39 project vehicles:



Number of assets		MW
13	Wind	169.0
9	Anaerobic digestion	50.2
6	Solar	80.2
6	Waste & bioenergy	68.3
2	Hydro	3.8
3	Low carbon & energy efficiency	n/a

Type	Asset	Location	Type	Ownership	Capacity (MW)	Commercial operations date
	Bilsthorpe	UK (Eng)	Wind	100%	10.2	Mar 2013
	Burton Wold Extension	UK (Eng)	Wind	100%	14.4	Sep 2014
	Carscreugh	UK (Scot)	Wind	100%	15.3	Jun 2014
	Castle Pill	UK (Wal)	Wind	100%	3.2	Oct 2009
	Dungavel	UK (Scot)	Wind	100%	26.0	Oct 2015
	Ferndale	UK (Wal)	Wind	100%	6.4	Sep 2011
	Hall Farm	UK (Eng)	Wind	100%	24.6	Apr 2013
	Le Placis Vert	France	Wind	100%	4.0	Jan 2016
	Llynfi Afan	UK (Wal)	Wind	100%	24.0	Mar 2017
	Moel Moelogan	UK (Wal)	Wind	100%	14.3	Jan 2003 & Sep 2008
	New Albion	UK (Eng)	Wind	100%	14.4	Jan 2016
	Plouguernével	France	Wind	100%	4.0	May 2016
	Wear Point	UK (Wal)	Wind	100%	8.2	Jun 2014
	Biogas Meden	UK (Eng)	Anaerobic digestion	100%	5.0(2)	Mar 2016
	Egmere Energy	UK (Eng)	Anaerobic digestion	100%	5.0(3)	Nov 2014
	Grange Farm	UK (Eng)	Anaerobic digestion	100%	5.0(3)	Sep 2014
	Icknield Farm	UK (Eng)	Anaerobic digestion	53%	5.0(2)	Dec 2014
	Merlin Renewables	UK (Eng)	Anaerobic digestion	100%	5.0(3)	Dec 2013
	Peacehill Farm	UK (Scot)	Anaerobic digestion	49%	5.0(4)	Dec 2015
	Rainworth Energy	UK (Eng)	Anaerobic digestion	100%	2.2(5)	Sep 2016
	Vulcan Renewables	UK (Eng)	Anaerobic digestion	100%	13.0(3)	Oct 2013
	Warren Energy	UK (Eng)	Anaerobic digestion	100%	5.0(3)	Dec 2015
	Amber	UK (Eng)	Solar	100%	9.8	Jul 2012
	Branden	UK (Eng)	Solar	100%	14.7	Jun 2013
	CSGH	UK (Eng)	Solar	100%	33.5	Mar 2014 & Mar 2015
	Monksham	UK (Eng)	Solar	100%	10.7	Mar 2014
	Panther	UK (Eng)	Solar	100%	6.5	2011-2014
	Pylle Southern	UK (Eng)	Solar	100%	5.0	Dec 2015

Acquisitions in the period

1

Cramlington Renewable Energy Developments ("CRED")

CRED owns a biomass combined heat and power plant and its underlying contracts and is located in Cramlington, UK. The plant has a 28MW electrical capacity and 8MW of heat capacity.

Ownership interest: 100%

2

Energie Tecnologie Ambiente ("ETA")

ETA is a 16.8MW energy-from-waste power plant which processes refuse derived fuel, located in the municipality of Manfredonia in the Apulia region of southern Italy.

Ownership interest: 45%(6)

3

Sandridge Battery Storage Limited ("SBSL")

SBSL holds the development rights to construct the Sandridge Battery Storage project, a 50MW lithium-ion battery energy storage plant based in Melksham in Wiltshire, UK.

Ownership interest: 50%

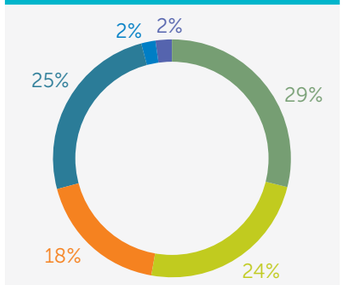
Type	Asset	Location	Type	Ownership	Capacity (MW)	Commercial operations date
	Bio Collectors	UK (Eng)	Waste management	70%	11.7(7)	Dec 2013
	Codford Biogas	UK (Eng)	Waste management	100%	3.8(5)	2014
	Cramlington Renewable Energy Developments	UK (Eng)	Biomass combined heat and power	100%	36.0(8)	2018 (1)
	ELWA	UK (Eng)	Waste management	80%	n/a	2006
	Energie Tecnologie Ambiente	Italy	Energy-from-waste	45%(6)	16.8	2012 (2)
	Tay	UK (Scot)	Wastewater	33%	n/a	Nov 2001
	Northern Hydropower	UK (Eng)	Hydropower	100%	1.8(9)	Oct 2011 & Oct 2017
	Yorkshire Hydropower	UK (Eng)	Hydropower	100%	2.0(9)	Oct 2015 & Nov 2016
	CNG Foresight	UK (Eng)	Low carbon transport	25%(10)	n/a	Various
	Sandridge Battery Storage	UK (Eng)	Battery storage	50%	n/a	Under construction (3)
	West Gourdie	UK (Eng)	Battery storage	100%	n/a	Under construction
	FEIP Skaftåsen Vindkraft AB	Sweden	Wind	n/a	n/a	Under construction
	FEIP Torozos	Spain	Wind	n/a	n/a	Dec 2019
	FEIP Puskakorpi	Finland	Wind	n/a	n/a	Under construction
				Total	371.5	

(1) Does not include investment into FEIP.
(2) MWth (thermal) and an additional 0.4MWe CHP engine for on-site power provision.
(3) MWth (thermal) and an additional 0.5MWe CHP engine for on-site power provision.
(4) MWth (thermal) and an additional 0.25MWe CHP engine for on-site power provision.
(5) Electrical exporting plant measured as MWe.
(6) Not including FEIP's ownership.
(7) 10MWth and an additional 1.7MWe capacity through two CHP engines.
(8) 28MWe (electrical) and 8MWth (thermal).
(9) Includes a 1.2MW battery storage.
(10) JLEN holds 25% of the "A" shares. "A" shares have a different economic entitlement than "B" shares, including a priority return.

INVESTMENT PORTFOLIO AND VALUATION continued

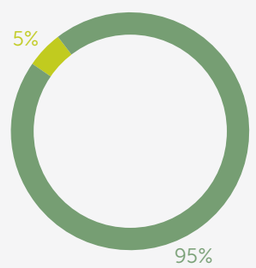
The JLEN portfolio comprises a diversified range of assets across different geographies, sectors, technologies and revenue types, as illustrated in the analysis below as at 30 September 2021 (by portfolio value and distributions from projects):

Portfolio value
split by sector



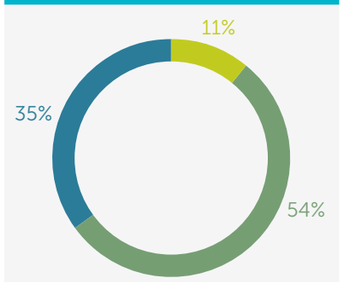
- Wind
- Anaerobic digestion
- Solar
- Waste & bioenergy
- Hydro
- Low carbon & energy efficiency

Portfolio value
split by geography



- UK
- Rest of Europe

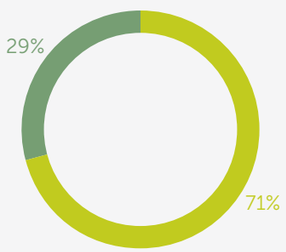
Portfolio value
split by remaining asset life



- Up to 10 years
- 11 to 20 years
- More than 20 years

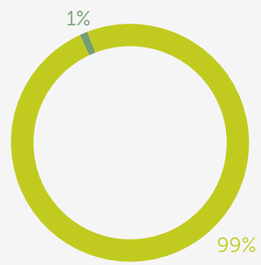
Weighted average remaining asset life of the portfolio is 17.4 years.

Portfolio distributions
split by inflation linkage[1]



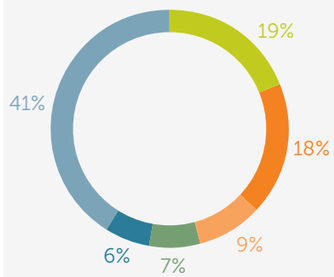
- Inflation linked
- Non-inflation linked

Portfolio value
split by operational status



- Operational
- Construction

Portfolio operator exposure
(percentage of portfolio value)



- Future Biogas
- Siemens Gamesa
- ROC Energy
- BWSC
- Vestas
- Other

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

Portfolio valuation

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

The Directors' valuation of the portfolio at 30 September 2021 was £678.8 million, compared to £571.4 million at 31 March 2021. The increase of £107.4 million is the net impact of new acquisitions, cash received from investments, changes in macroeconomic, power price and discount rate assumptions, and underlying growth in the portfolio. A reconciliation of the factors contributing to the growth in the portfolio during the period is shown in the chart below.

The movement in value of investments during the six-month period ended 30 September 2021 is shown in the table below:

	30 Sep 2021 £m	31 Mar 2021 £m
Valuation of portfolio at opening balance	**571.4**	537.1
Acquisitions in the period/year (including post-acquisition adjustments and deferred consideration)	**75.1**	62.9
Cash distributions from portfolio	**(26.7)**	(48.2)
Rebased opening valuation of portfolio	**619.8**	551.8
Changes in forecast power prices	**21.6**	(15.2)
Changes in economic assumptions	**8.4**	(26.0)
Changes in discount rates	**3.4**	11.0
Changes in exchange rates	**(0.1)**	(0.1)
Balance of portfolio return	**25.7**	49.9
Valuation of portfolio	**678.8**	571.4
Fair value of intermediate holding companies	**(87.5)**	(67.3)
Investments at fair value through profit or loss	**591.3**	504.1

Allowing for investments of £75.1 million (including post-acquisition adjustments and deferred consideration) and cash receipts from investments of £26.7 million, the rebased valuation is £619.8 million. The portfolio valuation at 30 September 2021 is £678.8 million (31 March 2021: £571.4 million), representing an increase over the rebased valuation of 9.5% during the period.

INVESTMENT PORTFOLIO AND VALUATION continued

Portfolio valuation continued

Valuation assumptions

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

Each movement between the rebased valuation and the 30 September 2021 valuation is considered below:

Forecast power prices

The project cash flows used in the portfolio valuation at 30 September 2021 reflect contractual fixed price arrangements under PPAs, where they exist, and short-term market forward prices for the next two years where they do not. The Company maintains a programme of rolling price fixes for its wind and solar projects, typically having the majority of projects on fixed price arrangements for the next six to 12 months in order to reduce the revenue risk from price volatility.

Where generating projects in the portfolio do not have a fixed price under their PPAs, JLEN has reflected the prices in the table below (gross of PPA discounts), showing the average seasonal pricing applied in the two-year period following the valuation date (comparatives shown in brackets):

Avg. £/MWh	Winter	Summer
Electricity	125 (61)	79 (52)
Gas	42 (17)	24 (14)

At 30 September 2021, 100% of the renewable energy portfolio's electricity price exposure was subject to a fixed price or a floor arrangement for the winter 2021/22 season and 90% for the summer season 2022.

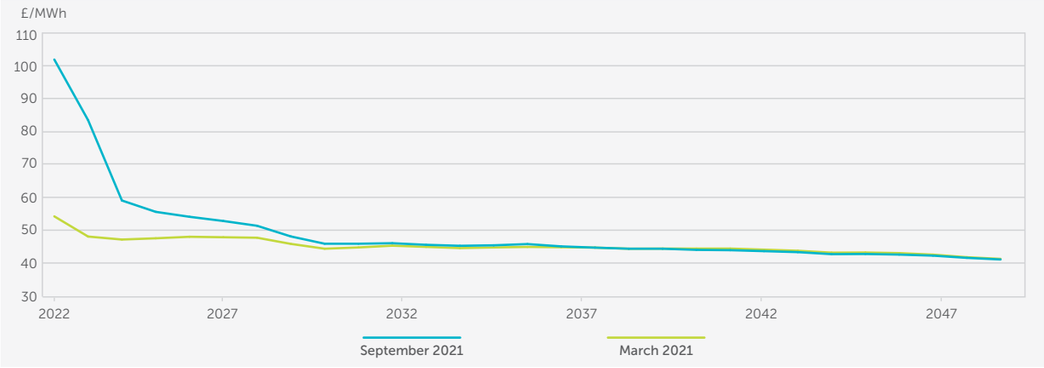
After the initial two-year period, the project cash flows assume future electricity and gas prices in line with a blended curve informed by the central forecasts from three established market consultants, adjusted by the Investment Adviser for project-specific arrangements and price cannibalisation as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

JLEN has recognised an increase in lifetime electricity price expectations across the portfolio. Compared to the assumptions used in the valuation at 31 March 2021, on a time-weighted average basis, the net increase in the electricity price assumptions is approximately 18.6% over the period to 2050 (being an average increase of 66% over the next three years compared to only 4% per annum thereafter).

The overall change in forecasts for future electricity and gas prices compared to forecasts at 31 March 2021 has increased the valuation of the portfolio by £21.6 million.

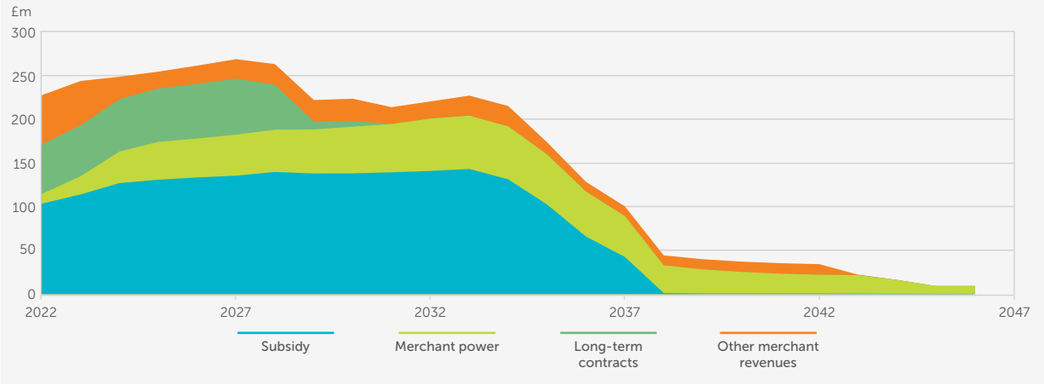
The graph overleaf represents the blended weighted power curve used by the Company, reflecting the forecast of three leading market consultants, adjusted by the Investment Adviser to reflect its judgement of capture discounts and a normalised view across the portfolio of expectations of future price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

Illustrative blended power price curve



Revenue analysis

The graph below shows the way in which the revenue mix of the renewables portfolio changes over time, given the assumptions made regarding future power prices set out above. As one would expect, merchant power revenues increase in later years as the subsidies that projects currently enjoy expire.



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

Revenue type	Contribution to portfolio value
Subsidy	60%
Merchant power	23%
Long-term contracts	7%
Other merchant revenues	10%

The proportion of Fund revenues that come from the sale of wholesale electricity and gas is 19% and 4% respectively. This is a low proportion of merchant power revenue relative to peers and reflects the broader diversification of JLEN's portfolio.

Portfolio valuation continued

Valuation assumptions continued

Economic assumptions

The 30 September 2021 valuation reflects relatively stable assumptions compared to those at 31 March 2021, with uplift in value primarily driven by a continued recent period of actual historic RPI remaining in excess of previously modelled assumptions.

Forecast RPI inflation rates assumed in the valuation at 30 September 2021 are 3% until 2030, reducing to 2.25% from 2031 onwards (31 March 2021: 3% until 2030, reducing to 2.25% from 2031 onwards), whilst CPI inflation rates assumed in the valuation at 30 September 2021 are 2.25% across all years (31 March 2021: 2.25%), 1.5% for the French assets (31 March 2021: 1.5%) and 1% for 2021, stepping to 2% from 2025, for Italian assets (31 March 2021: not applicable).

Near-term UK corporation tax rates are 19%, stepping up to 25% from April 2023 (31 March 2021: 19%, stepping up to 25% from April 2023). The equivalent rate for the French assets is 26.5% in 2021 (31 March 2021: 26.5%) stepping down to 25% from 2022 (31 March 2021: 26.5% in 2021 and stepping down to 25% in 2022) and a national rate of 24% plus the applicable regional premiums for the Italian assets (31 March 2021: not applicable).

UK deposit rates assumed in the valuation are 0.25% to 2024 and 1% thereafter (31 March 2021: 0.25% to 2024 and 1% thereafter). French deposit rates are assumed at 0.5% (31 March 2021: 0.5%) and 0% in Italy (31 March 2021: not applicable).

The euro/sterling exchange rate used to value euro-denominated investments was €1.16/£1 at 30 September 2021 (€1.17/£1 at 31 March 2021).

The overall uplift in value resulting from changes to economic assumptions in the period is £8.4 million.

Discount rates

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

During the period since 31 March 2021, there has continued to be strong demand for income-producing infrastructure assets. The Investment Adviser, based on its experience of bidding in the secondary market, has proposed a reduction in the discount rate used for valuing UK solar assets of 50 basis points. This reduction reflects market discount rate observations.

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

The overall increase in value resulting from changes to discount rates in the period is £3.4 million.

Taking the above into account and reflecting the change in mix of the portfolio during the year, the overall weighted average discount rate ("WADR") of the portfolio remains at 7.3% at 30 September 2021 (31 March 2021: 7.3%).

Balance of portfolio return

This represents the balance of valuation movements in the year excluding the factors noted above. The balance of the portfolio return mostly reflects the impact on the rebased portfolio value, all other measures remaining constant, of the effect of the discount rate unwinding and also some additional valuation adjustments from updates to individual project revenue assumptions. The total represents an uplift of £25.7 million.

Of this, the key valuation adjustments include an uplift of £1.6 million (0.3 pence per share) arising from a benchmarking exercise of JLEN's French wind investments against current transactional data points available to the Investment Adviser, an uplift of £2.4 million (0.4 pence per share) from the continued deployment of asset upgrade packages across part of the solar and AD portfolios, a £1 million (0.2 pence per share) uplift from identification of further cost savings secured across the portfolio, less a £3.3 million (0.6 pence per share) shortfall as a result of poor wind speeds during the period, offset by a £5.1 million (0.8 pence per share) uplift from strong operational performance from the other asset sectors.

Valuation sensitivities

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

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

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

The key assumptions are as follows:

Discount rate

The WADR of the portfolio at 30 September 2021 was 7.3% (31 March 2021: 7.3%). A variance of plus or minus 0.5% is considered to be a reasonable range of alternative assumptions for discount rates.

An increase in the discount rate of 0.5% would result in a downward movement in the portfolio valuation of £20.0 million (3.3 pence per share) compared to an uplift in value of £20.0 million (3.3 pence per share) if discount rates were reduced by the same amount.

INVESTMENT PORTFOLIO AND VALUATION continued

Portfolio valuation continued

Valuation sensitivities continued

Volumes

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

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

Separate P10 and P90 sensitivities are determined for each asset and historically the results presented on the basis they are applied in full to all wind and solar assets. This implies individual project uncertainties are completely dependent on one another; however, a Portfolio Uncertainty Benefit analysis performed by a third-party technical adviser identified a positive portfolio effect from investing in a diversified asset base. That is to say that the lack of correlation between wind and solar variability means P10 and P90 sensitivity results should be considered independent. Therefore, whilst the overall P90 sensitivity decreases NAV by 5.6 pence, the impact from solar and wind separately is only 1.3 pence and 4.3 pence respectively, as shown in the chart on page 23.

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

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

Electricity and gas prices

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

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

An increase in electricity and gas prices of 10% would result in an uplift in the portfolio valuation of £38.1 million (6.3 pence per share) compared to a downward movement in value of £38.3 million (6.4 pence per share) if prices were reduced by the same amount.

Feedstock prices

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

An increase in the feedstock prices of 10% would result in a downward movement in the portfolio valuation of £9.7 million (1.6 pence per share) compared to an uplift in value of £9.0 million (1.5 pence per share) if prices were reduced by the same amount.

Inflation

Each project in the portfolio receives a revenue stream which is either fully or partially inflation-linked. The inflation assumptions are described in the macroeconomic section on page 20. The sensitivity assumes a 0.5% increase or decrease in inflation relative to the base case for each year of the asset life.

An increase in the inflation rates of 0.5% would result in an uplift in the portfolio valuation of £25.9 million (4.3 pence per share) compared to a decrease in value of £25.2 million (4.2 pence per share) if rates were reduced by the same amount.

Euro/sterling exchange rates

As the proportion of the portfolio assets with cash flows denominated in euros represents a small proportion of the portfolio value at 30 September 2021, the Directors consider the sensitivity to changes in euro/sterling exchange rates to be insignificant.

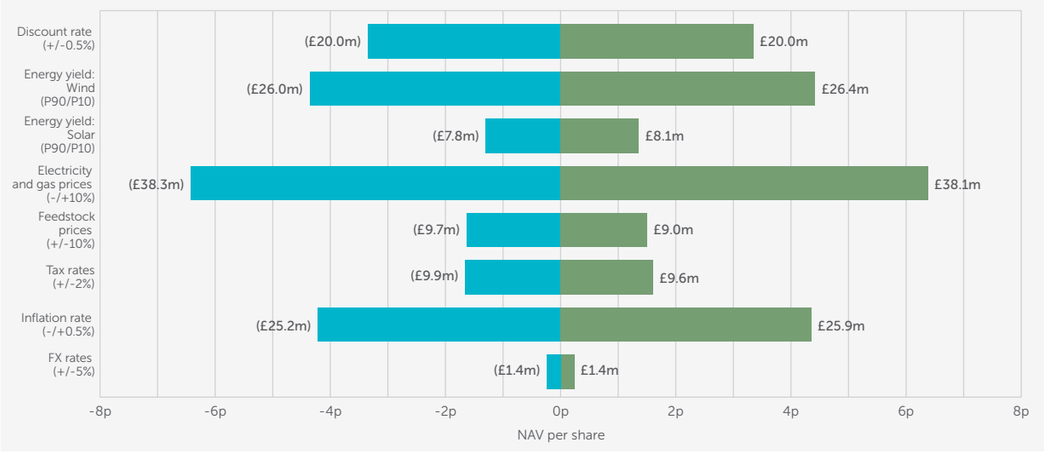
Corporation tax

The UK corporation tax assumptions applied in the portfolio valuation are outlined in the notes to the accounts on page 60. The sensitivity below assumes a 2% increase or decrease in the rate of UK corporation tax relative to the base case for each year of the asset life.

An increase in the UK corporation tax rates of 2% would result in a downward movement in the portfolio valuation of £9.9 million (1.7 pence per share) compared to an uplift in value of £9.6 million (1.6 pence per share) if rates were reduced by the same amount.

Sensitivities – impact on NAV at 30 September 2021

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



OPERATIONAL REVIEW

There has been positive performance from several sectors, with agri AD, solar, hydro and the CNG refuelling portfolio all beating budget. The main detractor was the wind portfolio, which was materially below budget due to low wind resource.

Total generation for the period from the portfolio was 564GWh, 10% below budget. This was mainly due to low wind speeds in the period which caused the wind portfolio to significantly underperform against its generation target. Excluding this, the renewable generation portfolio would have performed only slightly below target. The AD portfolio, which is the largest contributor to energy generation on a GWh basis, performed ahead of its generation target, as did the solar portfolio and the hydro portfolio.

Investment performance

The change in total NAV reflects an upward revision of the power price forecasts, above forecast inflation during the period and a reduction in solar discount rates.

The NAV per share at 30 September 2021 was 98.4 pence, up from 92.2 pence at 31 March 2021.

JLEN has announced an interim dividend of 1.70 pence per share for the quarter ended 30 September 2021, payable on 29 December 2021, in line with the full-year target of 6.80 pence per share for the year ending 31 March 2022 as set out in the 2021 Annual Report.

Operating performance of the environmental infrastructure portfolio during the six-month period ended 30 September 2021 was mixed across the portfolio, with the AD, solar and hydro portfolios outperforming their generation targets while the wind portfolio underperformed due to very low wind speeds during the period. The bioenergy assets, which include the newly acquired Cramlington and ETA, have experienced some initial operational issues that impacted performance. During the period, the renewables segment of the portfolio produced 564GWh (six months to 30 September 2020: 463GWh) of green energy. The AD portfolio was 2.5% above generation target (six months to 30 September 2020: 2% above budget). Wind generation was 32.0% below generation target (six months to 30 September 2020: 2.1% variance from budget) and solar generation was 0.9% above generation target (six months to 30 September 2020: 6.7% above budget).

Wind

Electricity generation from the wind assets of 117GWh (which represents 21% of the JLEN portfolio energy generation for the period) was 32.0% below budget due to very low wind resource during the period. Notwithstanding the lack of wind, the portfolio performed generally well, with contractual availability 2% above warranted levels and overall availability in line with expectations.

Spot market power prices increased during the second quarter due to a combination of low renewables contribution to the grid, a natural gas shortage and rising carbon prices. These pressures were also felt across the forward market, leading to significant increases in prices for future seasons. Power prices across the wind portfolio were broadly fixed so revenues were not impacted by this volatility, and the Investment Adviser capitalised on opportunities to fix future seasons at prices above previous assumptions. Price fixing arrangements are in place for 100% of the wind portfolio by generation through March 2022 which then taper down to 40% by March 2024.

Various value enhancements have taken place during the period; hardware designed to improve blade aerodynamics has been attached to all turbines at the Burton Wold site and the Investment Adviser is in the process of looking at further software upgrades that can be made.

The Investment Adviser is also systematically working through a business rates review and appeal process and to date four sites have been successfully appealed, resulting in a £183k rebate on payments already made and a £325k increase in NAV, reflecting the lower annual cost of business rates for future years.

Anaerobic digestion

The AD portfolio generation for the half year was 254GWh, 2.5% above budget in energy generation terms (representing 45% of the JLEN portfolio energy generation), continuing the trend of outperformance that has been seen since the Fund started to acquire AD assets in 2017. Notably strong performers were Peacehill Gas, Icknield and Egmere.

During the half year, wholesale gas prices have been at a record high and the Investment Adviser has hedged gas volumes for future winter and summer periods with 75% fixed until March 2022, tapering to 28% fixed by September 2023.

Following the Environment Agency's release of the regulatory position statement on the Farming Rules for Water, the AD sites are investing in additional storage capacity, to be in full compliance with these rules. New digestate storage tanks and lagoons are due to be installed in 2022 that will provide greater resilience to risks associated with digestate storage and removal.

Solar

At 56GWh, generation from the solar assets (which represents 10% of the JLEN portfolio energy generation for the period) was 0.9% above budget. Irradiation levels were above forecast levels and overall the portfolio performed satisfactorily. Notably strong performances were seen at the Branden sites and at Pylle and Crug Mawr. Monksham experienced a partial outage, due to delays in repairing a defect on one of its transformers. Associated lost revenue was compensated by the engineering, procurement and construction contractor.

A trial technical enhancement project at Amber has had positive results and so is now planned to be rolled out across both of the Amber sites. Work is due to be completed in early 2022 and is expected to result in a significant uplift in generation performance.

Portfolio performance to 30 September 2021

564GWh
green energy produced

31%
above CNG fuel dispensed target

>330,000
waste diverted from landfill (tonnes)

>16.5bn
litres of wastewater treated

Investment performance continued

Waste & wastewater concessions

Waste tonnages at the ELWA waste project have continued at levels above target. Operational performance targets are consistently exceeded with diversion from landfill at 99.98%, substantially ahead of the 67% contract target. Recycling, at 32%, is ahead of the 22% contract target due to the introduction of several recycling improvement initiatives. The tonnage of waste delivered continues to be greater than that anticipated; this is thought to be due to increased home working, rather than to commercial waste being generated in offices. The Investment Adviser and the operator of the plant have been working on enhanced fire protection measures to satisfy the requirements of insurers.

Tay Wastewater plant in Scotland has experienced flows broadly in line with expectations for the period although short periods of high rainfall have caused some issues within the network, which will be adapted to accommodate this.

Both projects continue to perform well financially.

Waste processing plants

Bio Collectors waste processing plant saw an output that was below budget for this half-year period. However, the asset has shown a strong recovery when compared to last year's position as food waste tonnages from the hospitality and commercial sectors have increased following the easing of Covid-19 restrictions. This resulted in an increase in generation and less reliance on more expensive alternative feedstocks when compared to the corresponding period in the previous year. Bio Collectors has also won a proportion of a new food waste contract that will bring in additional tonnages from September 2022.

Codford Biogas has performed reasonably well in the period, following a spate of biological issues within the digesters in early 2021. Increased competition for food waste has resulted in further falls in gate fees, although tonnages into the plant remain stable.

Bioenergy

The Cramlington biomass plant, which was acquired in June 2021, has seen variable performance since acquisition.

The plant has experienced some equipment failures that have resulted in extended shutdowns. However, during periods when the plant has been available, electrical performance has been high and generally above budget.

The Italian energy-from-waste plant, ETA, that was acquired in May 2021 has also seen some performance issues, due mainly to excessively high ambient temperatures in the region. The Investment Adviser is working alongside the operator of the plant to implement process changes that will help to alleviate the problem if similar high temperatures are experienced next summer.

Hydro

The hydro portfolio generated 2GWh, representing a 19.5% positive variance against budget. Notably strong performances were seen at Knottingley Hydro in Yorkshire, part of the Northern Hydropower Limited portfolio, and at the Thrybergh plant, which is part of the Yorkshire Hydropower Limited portfolio.

Battery storage

The recently acquired construction stage battery storage assets – Sandridge Battery Storage Limited and West Gourdie Limited – both signed Engineering, Procurement and Construction contracts and Operations and Maintenance contracts in August 2021. Both projects are on track to begin construction in early 2022 and are expected to begin operating in late 2022.

The two co-located batteries at the hydro plants continue to perform as anticipated. Commercially, the two projects provided frequency response services as their exclusive revenue stream throughout the period.

CNG Foresight

The portfolio of CNG refuelling stations continues to perform well and was 31% above budget in terms of gas dispensed for this half-year period. The construction of two new refuelling stations in Eurocentral (Scotland) and Avonmouth (England) is progressing well, and these sites are expected to be operational in early 2022. Although some stations have recently been affected by the shortage of HGV drivers in the UK, meaning fewer vehicles are on the road, several major national hauliers including Royal Mail have onboarded CNG vehicles which has resulted in greater demand for CNG.

Overall, the generation of the renewable energy assets in the portfolio since IPO is summarised as follows:

Portfolio generation	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	HY 2021/22	Total since IPO
Wind portfolio actual generation (GWhe)	82	184	217	399	406	458	432	117	2,295
Variation from budget[1]	-7%	+11%	-15%	0%	-9%	+4%	-1%	-32%	-5%
AD portfolio actual generation (GWhth/GWhe)	—	—	—	51	262	352	461	254	1,380
Variation from budget	—	—	—	+8%	+4%	+4%	+2%	+2%	+3%
Solar portfolio actual generation (GWhe)	10	30	40	64	79	75	79	56	433
Variation from budget[1]	-1%	-2%	-12%	-9%	+2%	-3%	+2%	+1%	-3%
Waste & bioenergy actual generation (GWhth/GWhe)	—	—	—	—	—	—	—	135	135[2]
Variation from budget	—	—	—	—	—	—	—	-11%	-11%
Hydro portfolio actual generation (GWhe)[3]	—	—	—	—	—	3	5	2	10
Variation from budget	—	—	—	—	—	-17%	-15%	+20%	-10%

(1) Budgets adjusted to reflect operational energy yield assessments carried out under contracted true-up mechanisms post IPO.
(2) Does not include generation in 2020/21.
(3) Includes generation from Northern Hydropower Limited from 31 March 2020.

The average all-in price received by the differing technology classes in the UK for their energy volumes generated in the six-month period ended 30 September 2021 was £96.78 per MWhe for onshore wind (year ended 31 March 2021: £84.26 per MWhe), £194.3 per MWhe for solar (year ended 31 March 2021: £196.8 per MWhe), £109.0 per MWhth for AD gas to grid (year ended 31 March 2021: £101 per MWhth), £195.5 per MWhe for AD electric and £218.39 per MWhe for hydro (31 March 2021: £222.56 per MWhe).

Acquisitions

Sandridge Battery Storage

In May 2021, JLEN acquired a 50% equity stake in Sandridge Battery Storage Limited which holds the development rights to construct the Sandridge Battery Storage project, a 50MW lithium-ion battery energy storage plant based in Melksham in Wiltshire, UK. The Sandridge project is fully consented and construction ready. The project is expected to reach energisation and start commercial operations in late 2022.

Energie Tecnologie Ambiente

In May 2021, JLEN acquired a 45% equity stake in Energie Tecnologie Ambiente S.r.l ("ETA"), a 16.8MW energy-from-waste power plant which processes refuse derived fuel, located in the municipality of Manfredonia in the Apulia region of southern Italy. The investment has been made alongside FEIP, which also acquired a 45% equity stake.

Cramlington Renewable Energy Developments

In June 2021, JLEN acquired a 100% equity stake in Cramlington Renewable Energy Developments Limited, which owns a biomass combined heat and power plant ("CHP Plant") and its underlying contracts. The CHP Plant is located to the north west of the town of Cramlington in Northumberland and utilises proven technology to process a diversified biomass fuel mix, creating up to 28MW of electrical power and 8MW of heat for export via private wire to industrial customers and the grid.

Other investments

FEIP

In January 2020, JLEN announced a commitment of €25 million to Foresight Energy Infrastructure Partners SCSp ("FEIP"), a Luxembourg limited partnership investment vehicle. At 30 September 2021, €4 million had been drawn on this commitment (net). To date, the Fund has invested in four projects – two construction stage onshore wind projects located in Sweden and Finland respectively and an operational 94MW wind farm located in Spain. FEIP also owns a 45% stake in ETA, in which JLEN is also an investor.

CNG Foresight

JLEN invested £2.0 million into CNG Foresight during the period. The portfolio now has seven natural gas refuelling stations, including two stations in construction phase. JLEN has invested a total of £8.7 million to date.

Value enhancements

During the period £0.4 million was injected into various projects for value enhancement initiatives.

Acquisitions in the period

3
acquisitions made in the period

52.8MW
capacity added to the portfolio

2
new technology sub-sectors

Financing

On 21 May 2021, JLEN announced that it had signed a new revolving credit facility with a three-year facility agreement which provides for a committed multi-currency revolving credit facility of £170 million and an uncommitted accordion facility of up to £30 million. The RCF provides an increased source of flexible funding outside of equity raisings, with both sterling and euro drawdowns available at lower rates than the previous facility. The agreement includes an uncommitted option to extend for a further year and will be used to make future acquisitions of environmental infrastructure projects to add to its current portfolio, as well as covering any working capital requirements.

The interest charged in respect of the renewed RCF is linked to the Company's ESG performance, with JLEN incurring a premium or discount to its margin and commitment fee based on performance against defined targets that also feature as part of JLEN's ESG KPIs. Performance against these targets will be measured annually with the cost of the RCF being amended in the following financial year.

Lenders to the facility include three of the four previous lenders (HSBC, ING and NIBC) plus two new participants (National Australia Bank and Royal Bank of Scotland International). The margin can vary between 195 bps and 205 bps over SONIA ("Sterling Overnight Index Average") for sterling drawings and EURIBOR for euro drawings, depending on performance against the ESG targets.

As at 30 September 2021, drawings under the RCF were £111.1 million. Under its investment policy, JLEN may borrow up to 30% of its NAV.

In addition to the revolving credit facility, several of the projects have underlying project-level debt which is not consolidated in these financial statements, instead it is recognised under the investment at fair value through profit or loss in the condensed unaudited statement of financial position. There is an additional gearing limit in respect of such debt of 85% of the aggregate gross project value (being the fair market value of such portfolio companies increased by the amount of any financing held within the projects) for PFI/PPP projects and 65% for renewable energy generation projects.

The project-level gearing at 30 September 2021 across the portfolio was 23.6% (31 March 2021: 28.4%), being 21.9% (31 March 2021: 25.1%) for the renewable energy assets and 51.3% (31 March 2021: 51.2%) for the PFI processing assets. Taking into account the amount drawn down under the revolving credit facility of £111.1 million, the overall fund gearing at 30 September 2021 was 32.1% (31 March 2021: 36.1%).

As at 30 September 2021, the Group, which comprises the Company together with its intermediate holding companies, the UK HoldCo and HWT Limited, had cash balances of £19.1 million (31 March 2021: £13.5 million).

Financing at 30 September 2021

£111.1m
drawn on RCF

32.1%
fund gearing[1]

(1) Gearing is an alternative performance measure ("APM"). The APMs within the accounts are defined on page 65.

SUSTAINABILITY AND ESG

At a glance[1]

ESG performance 2021/22: half-year results

>560,000
MWh renewable energy generated by our portfolio

New assets are forecast to avoid
>41,500
tCO_2e emissions per year

>78,000
waste recycled (tonnes)

>330,000
waste diverted from landfill (tonnes)

>16.5bn
wastewater treated (litres)

3
new investments since 31 March 2021

26
SPV health and safety audits

(1) These statistics exclude FEIP.

Shortlisted at the IR Society Best Practice Awards 2021 for Best Communication of ESG in the Small Cap category

ESG KPIs

Further to the announcement of JLEN's ESG KPIs in the Annual Report 2021, each asset is now expected to report regularly on the below ESG metrics. Asset managers at Foresight have started to collate the necessary data so that these metrics can be reported on in the Annual Report 2022. As part of the process to embed the data collection in the quarterly process, workshops have been held with the Foresight asset managers and external asset managers in the UK and internationally; Operations and Maintenance contractors have also been made aware of these requirements where appropriate.

Environmental	Social	Governance
Renewable energy generated	Community funding	Portfolio audits of health and safety practices
GHG emissions avoided	Health and safety incidents	Diversity of SPV directors[1]
Tonnes of waste treated	Community engagement procedures[1]	Portfolio audits of tax and financial practices[1]
Litres of wastewater treatment	FTE jobs supported[1]	Inclusion of ESG in SPV board agendas[1]
Environmental incidents	Accessibility of community fund documents[1]	Governance oversight[1]
Purchased energy originating from renewable sources[1]	Assessment of major contractors against ESG criteria[1]	Assessment of major contractors against ESG criteria[1]
Management of biodiversity[1]		
Assessment of major contractors against ESG criteria[1]		

Over 2021/22 the Investment Adviser intends to collect baseline data to inform these KPIs, to help with tracking and reporting going forward.

(1) New KPI for 2021.

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

The United Nations Sustainable Development Goals ("SDGs") are a set of 17 goals for sustainable development.

To be achieved by 2030, they recognise that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection and job opportunities, while tackling climate change and environmental protection. JLEN has mapped its portfolio against the SDGs and the results of this analysis are set out below.

SDG	Target	JLEN's performance
6 CLEAN WATER AND SANITATION	**6.3** Improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	>16.5 billion litres of wastewater treated in the six-month period to 30 September 2021.
7 AFFORDABLE AND CLEAN ENERGY	**7.2** Increase substantially the share of renewable energy in the global energy mix.	371.5MW capacity renewable energy assets.
8 DECENT WORK AND ECONOMIC GROWTH	**8.4** Improve progressively global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.	JLEN's portfolio is optimised to make the most of naturally available resources such as wind power. As an example, by maximising the power produced by each turbine, JLEN ensures that its assets are operating as efficiently as they can.
	8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	JLEN's KPI tracking jobs in the portfolio as full time equivalent ("FTE") will inform this target going forward.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**9.1** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all.	371.5MW capacity contributing renewable energy to the local grid.
15 LIFE ON LAND	**15.5** Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.	JLEN's KPI tracking biodiversity management plans across its portfolio will inform this target going forward.

Updates in the period

UK Government's Greening Finance: a roadmap to sustainable investing

In October, post the period end, the UK Government published a new policy document to serve as a roadmap to green the UK's finance activities. The document includes new policy measures and clarity on several areas of green finance and set the tone, ahead of COP26, for the role that the finance sector will play in addressing issues of climate risk and transparency to maintain momentum in the shift to a net-zero future.
Key takeaways relevant to JLEN involve:

- development of the UK's Sustainability Disclosure Requirements ("SDR") to build on the UK's Task Force on Climate-Related Financial Disclosures ("TCFD") implementation. The SDR will integrate new and existing sustainability and climate risk reporting requirements into one comprehensive framework and aims to clarify the extent to which economic activities are sustainable. The timeframe for the SDR is relatively open-ended but the government intends to legislate the framework and regulators will set out sector-specific requirements with these coming into force starting in 2022; and
- clarity around the UK's green taxonomy, that will be based on the EU taxonomy, and is expected to be legislated by the end of 2022. The taxonomy will focus on the outcomes of economic activities through the lens of a contribution to environmental objectives.

Foresight is monitoring these developments closely and updates will be provided in the Annual Report 2022.

EU Taxonomy

As part of the Investment Adviser's ongoing aim to improve its transparency and improve the quality of its disclosures, Foresight has undertaken an internal exercise to map JLEN's assets to the EU Taxonomy. The results of this process will be published in the Annual Report 2022.

Task Force on Climate-Related Financial Disclosures

JLEN has committed to providing full climate-related disclosures in its Annual Report due to be published in June 2022. In considering the TCFD recommendations, JLEN is largely dependent on the organisation-level strategic approaches taken by the Investment Adviser. Foresight is in the process of developing its approach and formalising its responses to the 11 recommended disclosures of the TCFD. In the interim period, Foresight has been developing its in-house capabilities and working with an external consultant to generate a TCFD reporting gap-analysis at the Group level. Also during the period, Foresight has increased its resourcing with the recruitment of a new Head of Risk, who will be responsible for co-ordinating the climate-related risk management activities at Group level, and is in the process of hiring a further sustainability professional to maintain and enhance Foresight's capabilities in these areas as they become increasingly complex.

ENVIRONMENTAL

Objective: Promote the efficient use of resources

Portfolio electricity and carbon performance

This year, JLEN's portfolio projects have generated 564GWh electricity, equivalent to the annual electricity demand of 151,247 households. Detailed information on portfolio energy performance is provided on page 27 of this report.

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

	Greenhouse gas emissions reduction tCO_2e	
	Average annual emissions avoided	Remaining lifetime emissions avoided
New assets: forecast performance	41,969	1,259,058

New assets are forecast to avoid
>41,500
tCO_2e emissions per year

equivalent to
>17,500
cars off the road per annum

New assets are forecast to deliver
>277,000
MWh electricity equivalent per year

New assets are forecast to avoid
>1,259,000
tCO_2e lifetime emissions

Forecasts are not a reliable indicator of future performance.

The carbon avoidance associated with all of JLEN's assets is independently assessed and these reports are available on the JLEN website.

Methodology

JLEN's calculations of CO_2 savings are provided by Aardvark Certification Limited and are based on the IFI Approach to GHG Accounting for Renewable Energy Projects. Baseline emission factors used in this analysis for UK assets are taken directly from the Department for Business, Energy & Industrial Strategy greenhouse gas reporting which prevailed at the time the asset was individually analysed. Baseline emission factors used in the analysis of the Italian asset are taken directly from the European Environment Agency. Energy usage statistics are taken from Ofgem. Mileage travelled per vehicle in the UK was taken from the RAC Foundation.

SOCIAL

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

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

- health and wellbeing;
- local economic impact;
- local social impact; and
- legal, employment and human rights compliance.

JLEN contributes upwards of £350k to community benefit funds in the areas in which it works, on an annual basis. During the period, particular attention has been paid to improving the accessibility of community benefit funds arising from the AD portfolio and, as a result, greater uptake of funds has been seen.

Case study

Reducing the risk of forced labour in our supply chain

During the period, there has been increased scrutiny of modern slavery practices and supply chain oversight, prompted by the discovery of links to forced labour in the production of polysilicon – a major component of solar panels.

Although JLEN's portfolio of solar assets were built pre-2016 – before polysilicon was extensively sourced from the Xinjiang region of China, which has links to forced labour – this is an issue which Foresight is taking very seriously.

In response to this, Foresight has signed a statement issued by the trade association, Solar Energy UK. This statement condemns any human rights abuses taking place anywhere in the global energy supply chain and calls for the development of a supply chain transparency protocol. Signed by many of the UK's leaders in solar energy, the aim is to raise the profile of this issue and encourage greater transparency throughout the broader supply chain. Foresight is also a member of Solar Energy UK's "Responsible Sourcing Task Group".

Foresight has developed a questionnaire requesting information directly around modern slavery policies, practices and responsible procurement processes. This will be sent to all key counterparties with the intention to identify risk areas and suppliers that require further support to ensure that their processes are more robust.

In addition to this, Foresight is engaging with two external agencies which offer ESG due diligence across the supply chain. Where risks or poor performance from counterparties is identified, further information is requested so that Foresight can make an informed decision as to how to rectify the issue. In cases where a counterparty either cannot, or will not, address a concern regarding the ethical treatment of its supply chain, JLEN is prepared to replace that counterparty.

GOVERNANCE

Objective: Ensure effective, ethical governance across the portfolio

The Fund's principles and governance are aligned with the UK Corporate Governance Code (the "UK Code"), via the Company reporting against the Code of Corporate Governance (the "AIC Code"), issued by the Association of Investment Companies. The FRC has confirmed that AIC member companies who report against the AIC Code will be meeting their obligations in relation to the UK Code. Third-party service providers are required to provide confirmation that appropriate controls are in place to promote effective governance across the Fund's investments.

JLEN holds Board positions for each of its assets, which are fulfilled by Foresight on its behalf. The Board members work to promote good governance as part of the Fund's active engagement with projects.

JLEN expects its third-party service providers to implement, and to regularly review, anti-bribery policies and practices for each asset within its portfolio.

JLEN typically considers the following governance criteria during due diligence and ongoing monitoring of assets:

- anti-bribery and corruption;
- modern slavery;
- audit and tax practices; and
- Board composition.

Additionally, JLEN commissions independent audits and reviews of core governance processes such as tax and health and safety management.

Case study

Foresight's ongoing monitoring of ESG risk

At an investment level, Foresight assesses the sustainability credentials and performance of all assets under management in accordance with a set of 12 assessment parameters underlying the five key areas of Foresight's proprietary Sustainability Evaluation Tool ("SET"):

1. **sustainable development contribution:** the contribution towards the global sustainability agenda;
2. **environmental footprint:** the environmental impacts of an investment;
3. **social welfare:** the interaction with local communities and the welfare of employees;
4. **governance:** the compliance with relevant laws and regulations; and
5. **third-party interactions:** the sustainability of key counterparties and the broader supply chain.

The SET draws on IRIS+ indicators, which are an aggregation of several widely recognised, external sustainability and ESG-focused frameworks.

Foresight adopts an active approach to asset management and ESG risk is managed in the following ways:

- performance against the SET is assessed and monitored on an annual basis by Foresight asset managers;
- the asset management team work closely with key counterparties to promote management of ESG risks and to encourage engagement with Foresight's sustainability strategy;
- regular site visits by the Foresight asset management team;
- regular third-party health and safety audits of all assets and key counterparties;
- ESG as an agenda item at all SPV board meetings to identify and monitor any risks arising;
- dedicated portfolio management system that tracks operational and financial KPIs, insurance, contractual management, H&S and ESG performance; and
- ongoing monitoring of potential performance and management enhancements to the assets.

Environmental and health and safety compliance

JLEN takes its environmental and health and safety responsibilities very seriously and seeks to ensure effective management of these issues in both its own operations and in its investment portfolio. JLEN aims to manage risks and incidents in a fair and transparent manner with appropriate action to reduce risk wherever possible. This report identifies the material environmental and health and safety incidents in the JLEN portfolio in the half-year period 2021/22.

During the period under review, there has been one reportable health and safety event. This involved an operator at one of JLEN's waste plants who required time off work when an improperly secured lever struck him on the head.

30 Sep 2021	
H&S incidents	1
Environmental incidents	0

26

health and safety audits have been carried out on JLEN's assets in the first half of the year

FINANCIAL REVIEW

Analysis of financial results

The financial statements of the Company for the six-month period ended 30 September 2021 are set out on pages 44 to 63.

The Company prepared the condensed unaudited financial statements for the six-month period to 30 September 2021 in accordance with IAS 34 as adopted by the UK and issued by the International Accounting Standards Board. In order to continue providing useful and relevant information to its investors, the financial statements also refer to the "Group", which comprises the Company, its wholly owned subsidiary (JLEN Environmental Assets Group (UK) Limited ("UK HoldCo")) and the indirectly held wholly owned subsidiary HWT Limited (which holds the investment interest in the Tay project).

Net assets

Net assets increased from £504.2 million at 31 March 2021 to £591.5 million at 30 September 2021.

The net assets of £591.5 million comprise £678.8 million portfolio value of environmental infrastructure investments and the Company's cash balances of £1.9 million, partially offset by £87.5 million of intermediate holding companies' net liabilities and other net liabilities of £1.7 million.

The intermediate holding companies' net liabilities of £87.5 million comprise a £111.1 million credit facility loan, partially offset by cash balances of £17.2 million and other net assets of £6.4 million.

Analysis of the Group's net assets at 30 September 2021

All amounts presented in £million (except as noted)	**At 30 Sep 2021**	At 31 Mar 2021
Portfolio value	**678.8**	571.4
Intermediate holding companies' cash	**17.2**	11.6
Intermediate holding companies' revolving credit facility	**(111.1)**	(82.0)
Intermediate holding companies' other assets	**6.4**	3.1
Fair value of the Company's investment in UK HoldCo	**591.3**	504.1
Company's cash	**1.9**	1.9
Company's other liabilities	**(1.7)**	(1.8)
Net Asset Value	**591.5**	504.2
Number of shares	**601,392,027**	546,720,025
Net Asset Value per share	**98.4p**	92.2p

At 30 September 2021, the Group (the Company plus intermediate holding companies) had a total cash balance of £19.1 million (31 March 2021: £13.5 million), including £1.9 million in the Company's statement of financial position (31 March 2021: £1.9 million) and £17.2 million in the intermediate holding companies (31 March 2021: £11.6 million), which is included in the Company's statement of financial position within "investments at fair value through profit or loss".

At 30 September 2021, UK HoldCo had drawn £111.1 million of its revolving credit facility (31 March 2021: £82.0 million) which is included in the Company's statement of financial position within "investments at fair value through profit or loss".

The movement in the portfolio value from 31 March 2021 to 30 September 2021 is summarised as follows:

All amounts presented in £million (except as noted)	**Six months ended 30 Sep 2021**	Year ended 31 Mar 2021
Portfolio value at start of the period/year	**571.4**	537.1
Acquisitions/further investments (net of post-acquisition price adjustments)	**75.1**	62.9
Distributions received from investments	**(26.7)**	(48.2)
Growth in value of portfolio	**59.0**	19.6
Portfolio value	**678.8**	571.4

Further details on the portfolio valuation and an analysis of movements during the year are provided in the investment portfolio and valuation section on pages 14 to 23.

Profit before tax

The Company's profit before tax for the six-month period was £51.8 million (six-month period ended 30 September 2020: £10.7 million), generating earnings of 8.8 pence per share (six-month period ended 30 September 2020: 2.0 pence per share).

All amounts presented in £million (except as noted)	**Six months ended 30 Sep 2021**	Six months ended 30 Sep 2020
Interest received on UK HoldCo loan notes	**14.4**	14.4
Dividend received from UK HoldCo	**10.1**	7.2
Net gains/(losses) on investments at fair value	**31.1**	(7.7)
Operating income	**55.6**	13.9
Operating expenses	**(3.8)**	(3.2)
Profit before tax	**51.8**	10.7
Earnings per share	**8.8p**	2.0p

In the six months to 30 September 2021, the operating income was £55.6 million, including the receipt of £14.4 million of interest on the UK HoldCo loan notes, £10.1 million of dividends also received from UK HoldCo and a net gain on investments at fair value of £31.1 million.

The operating expenses included in the income statement for the period were £3.8 million, in line with expectations. These comprise £3.2 million of Investment Adviser fees and £0.6 million operating expenses. The details on how the Investment Adviser fees are charged are set out in note 14 to the condensed unaudited financial statements.

Ongoing charges

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

For the year ended 31 March 2021, the ratio was 1.24% and it is anticipated that the full-year ratio for the year ended 31 March 2022 will continue to decrease. The ongoing charges percentage is calculated on a consolidated basis and therefore takes into consideration the expenses of UK HoldCo as well as the Company's.

Cash flow

The Company had a total cash balance at 30 September 2021 of £1.9 million (31 March 2021: £1.9 million). The breakdown of the movements in cash during the period is shown below.

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

	Six months ended 30 Sep 2021	Six months ended 30 Sep 2020
Cash balance at 1 April	**1.9**	1.8
Net proceeds from share issue/(expenses from previous issues)	**55.9**	(0.2)
Investment in UK HoldCo (equity and loan notes)	**(56.1)**	—
Interest on loan notes received from UK HoldCo	**14.4**	14.4
Dividends received from UK HoldCo	**10.1**	7.2
Directors' fees and expenses	**(0.1)**	(0.1)
Investment Adviser fees	**(3.0)**	(2.7)
Administrative expenses	**(0.8)**	(0.5)
Dividends paid in cash to shareholders	**(20.4)**	(18.3)
Company cash balance at 30 September	**1.9**	1.6

The Group had a total cash balance at 30 September 2021 of £19.1 million (31 March 2021: £13.5 million) and borrowings under the revolving credit facility of £111.1 million (31 March 2021: £82.0 million). The breakdown of the movements in cash during the period is shown overleaf.

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

	Six months ended 30 Sep 2021	Six months ended 30 Sep 2020
Cash distributions from environmental infrastructure investments	**26.7**	24.4
Administrative expenses	**(0.6)**	(0.6)
Directors' fees and expenses	**(0.1)**	(0.1)
Investment Adviser fees	**(3.0)**	(2.7)
Financing costs (net of interest income)	**(1.3)**	(0.9)
Cash flow from operations[1]	**21.7**	20.1
Net proceeds from share issues	**55.9**	—
Expenses from previous share issues	**—**	(0.2)
Acquisition of investment assets and further investments	**(75.6)**	(22.6)
Acquisition costs (including stamp duty)	**(1.7)**	(0.7)
Short-term projects debtors	**(1.1)**	(0.5)
Debt arrangement fee cost	**(2.2)**	—
Proceeds from borrowings under the revolving credit facility	**29.0**	13.0
Dividends paid in cash to shareholders	**(20.4)**	(18.3)
Cash movement in the period	**5.6**	(9.2)
Opening cash balance	**13.5**	22.0
Group cash balance at 30 September	**19.1**	12.8

During the period, the Group received cash distributions of £26.7 million from its environmental infrastructure investments, in line with the distributions expected by the Group after adjusting for acquisitions during the period.

Cash received from investments in the period adequately covered the operating and administrative expenses and financing costs, as well as the dividends declared to shareholders in respect of the six-month period ended 30 September 2021. Cash flow from operations of the Group of £21.7 million covered dividends paid in the six-month period to 30 September 2021 of £20.4 million by 1.06x. The dividend cover based on dividends declared in respect of the six-month period to 30 September 2021 was 1.06x.

The Group anticipates that future revenues from its environmental infrastructure investments will continue to be in line with expectations and therefore will continue to cover future costs as well as planned dividends payable to its shareholders[2].

Dividends

During the period, the Company paid a final dividend of 1.69 pence per share in June 2021 (£10.2 million) in respect of the quarter to 31 March 2021. Interim dividends of 1.70 pence per share were paid in September 2021 (£10.2 million) in respect of the quarter to 30 June 2021.

On 24 November 2021, the Company declared an interim dividend of 1.70 pence per share in respect of the quarter ended 30 September 2021 (£10.2 million), which is payable on 29 December 2021.

In line with the 2021 Annual Report, the target dividend for the year to 31 March 2022 is 6.8 pence per share[2].

(1) "Cash flow from operations" is an alternative performance measure ("APM"). The APMs within the accounts are defined on page 65.
(2) These are targets only and not profit forecasts. There can be no assurance that these targets will be met.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- the condensed set of unaudited financial statements has been prepared in accordance with United Kingdom adopted International Accounting Standard 34 Interim Financial Reporting as issued by the IASB and in accordance with the accounting policies set out in the audited Annual Report to 31 March 2021; and
- the Chairman's statement and Investment Adviser's report meet the requirements of an interim management report and include a fair review of the information required by:
  a) DTR 4.2.7R, being an indication of important events during the first six months of the financial year and a description of principal risks and uncertainties for the remaining six months of the year; and
  b) DTR 4.2.8R, being the disclosure of related parties' transactions and changes therein.

This responsibility statement was approved by the Board of Directors on 24 November 2021 and is signed on its behalf by:

Richard Morse
Chairman

24 November 2021

INDEPENDENT REVIEW REPORT

to the members of JLEN Environmental Assets Group Limited

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2021 which comprises the condensed income statement, condensed statement of financial position, the condensed statement of changes in equity, the condensed cash flow statement and related notes 1 to 18. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

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

As disclosed in note 2, the annual financial statements of the Company will be prepared in accordance with United Kingdom adopted IFRS as issued by the IASB. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34 Interim Financial Reporting as issued by the IASB.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2021 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Use of our report

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

Deloitte LLP
Recognised Auditor
Guernsey, Channel Islands

24 November 2021

CONDENSED UNAUDITED INCOME STATEMENT

for the six months ended 30 September 2021

	Notes	**Six months ended 30 Sep 2021 (unaudited) £'000s**	Six months ended 30 Sep 2020 (unaudited) £'000s
Operating income	8	**55,615**	13,879
Operating expenses	4	**(3,831)**	(3,164)
Operating profit		**51,784**	10,715
Profit before tax		**51,784**	10,715
Tax	5	**—**	—
Profit for the period		**51,784**	10,715
Earnings per share			
Basic and diluted (pence)	7	**8.8**	2.0

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

All results are derived from continuing operations.

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

CONDENSED UNAUDITED STATEMENT OF FINANCIAL POSITION

as at 30 September 2021

	Notes	**30 Sep 2021 (unaudited) £'000s**	31 Mar 2021 (audited) £'000s
Non-current assets			
Investments at fair value through profit or loss	8	**591,318**	504,093
Total non-current assets		**591,318**	504,093
Current assets			
Trade and other receivables	9	**242**	14
Cash and cash equivalents		**1,884**	1,874
Total current assets		**2,126**	1,888
Total assets		**593,444**	505,981
Current liabilities			
Trade and other payables	10	**(1,914)**	(1,780)
Total current liabilities		**(1,914)**	(1,780)
Total liabilities		**(1,914)**	(1,780)
Net assets		**591,530**	504,201
Equity			
Share capital account	12	**604,780**	548,848
Retained earnings	13	**(13,250)**	(44,647)
Equity attributable to owners of the Company		**591,530**	504,201
Net assets per share (pence per share)		**98.4**	92.2

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

The condensed set of unaudited financial statements were approved by the Board of Directors and authorised for issue on 24 November 2021.

They were signed on its behalf by:

Richard Morse
Chairman

Stephanie Coxon
Director

CONDENSED UNAUDITED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2021

	Notes	Six months ended 30 Sep 2021 (unaudited) Share capital account £'000s	Retained earnings £'000s	Total £'000s
Balance at 1 April 2021		**548,848**	**(44,647)**	**504,201**
Profit and total comprehensive income for the period		**—**	**51,784**	**51,784**
Issue of share capital	12	**56,859**	**—**	**56,859**
Expenses of issue of equity shares	12	**(927)**	**—**	**(927)**
Dividends paid	6, 13	**—**	**(20,387)**	**(20,387)**
Balance at 30 September 2021		**604,780**	**(13,250)**	**591,530**

	Notes	Six months ended 30 Sep 2020 (unaudited) Share capital account £'000s	Retained earnings £'000s	Total £'000s
Balance at 1 April 2020		548,943	(15,929)	533,014
Profit and total comprehensive income for the period		—	10,715	10,715
Expenses of issue of equity shares	12	(95)	—	(95)
Dividends paid	6, 13	—	(18,343)	(18,343)
Balance at 30 September 2020		548,848	(23,557)	525,291

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

CONDENSED UNAUDITED CASH FLOW STATEMENT

for the six months ended 30 September 2021

	Notes	Six months ended 30 Sep 2021 (unaudited) £'000s	Six months ended 30 Sep 2020 (unaudited) £'000s
Profit from operations		**51,784**	10,715
Adjustments for:			
Interest received		**(14,390)**	(14,390)
Dividends received		**(10,100)**	(7,200)
Net (gain)/loss on investments at fair value through profit or loss		**(31,125)**	7,711
Operating cash flows before movements in working capital		**(3,831)**	(3,164)
Increase in receivables		**(228)**	(11)
Increase/(decrease) in payables		**134**	(184)
Net cash outflow from operating activities		**(3,925)**	(3,359)
Investing activities			
Investments in subsidiaries		**(56,100)**	—
Interest received		**14,390**	14,390
Dividends received		**10,100**	7,200
Net cash generated from investing activities		**(31,610)**	21,590
Financing activities			
Proceeds on issue of share capital		**56,859**	—
Expenses relating to issue of shares	12	**(927)**	(95)
Dividends paid	6	**(20,387)**	(18,343)
Net cash outflow from financing activities		**35,545**	(18,438)
Net decrease in cash and cash equivalents		**10**	(207)
Cash and cash equivalents at beginning of period		**1,874**	1,762
Cash and cash equivalents at end of period		**1,884**	1,555

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

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS

for the six months ended 30 September 2021

1. General information

JLEN Environmental Assets Group Limited (the "Company" or "JLEN") is a closed-ended investment company domiciled and incorporated in Guernsey, Channel Islands, under Section 20 of the Companies (Guernsey) Law, 2008. The shares are publicly traded on the London Stock Exchange under a premium listing. The condensed unaudited financial statements of the Company are for the six-month period ended 30 September 2021 and have been prepared on the basis of the accounting policies set out below. The financial statements comprise only the results of the Company as its investment in JLEN Environmental Assets Group (UK) Limited ("UK HoldCo") is measured at fair value as detailed in the significant accounting policies below. The Company and its subsidiaries invest in environmental infrastructure projects that utilise natural or waste resources or support more environmentally friendly approaches to economic activity.

2. Significant accounting policies

(a) Basis of preparation

The condensed set of financial statements were approved and authorised for issue by the Board of Directors on 24 November 2021. The condensed set of financial statements included in this Half-year Report have been prepared in accordance with United Kingdom adopted International Accounting Standard 34 Interim Financial Reporting as issued by the IASB.

As a result of adopting the amendments to IFRS 10, IFRS 12 and IAS 28 first adopted in the Company's Annual Report to 31 March 2015, the Company is required to hold its subsidiaries that provide investment services at fair value, in accordance with IFRS 9 Financial Instruments: Recognition and Measurement, and IFRS 13 Fair Value Measurement.

The Company accounts for its investment in its wholly owned direct subsidiary UK HoldCo at fair value. The Company, together with its wholly owned direct subsidiary UK HoldCo and the intermediate holding subsidiary HWT Limited, comprise the Group (the "Group") investing in environmental infrastructure assets.

The net assets of the intermediate holding companies (comprising UK HoldCo and HWT Limited), which at 30 September 2021 principally comprise working capital balances, the bank loan and investments in projects, are required to be included at fair value in the carrying value of investments.

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

The accounting policies and significant judgements are consistent with those used in the latest audited financial statements to 31 March 2021 and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 March 2021.

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

- Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. The fair value of environmental infrastructure investments is calculated by discounting at an appropriate discount rate future cash flows expected to be received by the Company's intermediate holdings, from investments in both equity (dividends and equity redemptions), shareholder and inter-company loans (interest and repayments). Estimates such as the cash flows are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the fair value of assets not readily available from other sources. Actual results may differ from these estimates.

Discount rates used in the valuation represent the Investment Adviser's and the Board's assessment of the rate of return in the market for assets with similar characteristics and risk profile. The discount rate is deemed to be one of the most significant unobservable inputs and any change could have a material impact on the fair value of investments.

The forward-looking power price forecasts are also a source of key estimation uncertainty. The Board uses a blended forward curve from three market consultants with an adjustment for price cannibalisation.

As a significant proportion of the revenue received in the portfolio is either fully or partially inflation-linked, the Directors deem it appropriate to add the inflation rates used in calculating the investment at fair value as a key source of estimation uncertainty.

Underlying assumptions and discount rates are disclosed in note 8 and sensitivity analysis for these key sources of estimation uncertainty is disclosed in note 15.

(b) Going concern

The Directors, in their consideration of going concern, have reviewed comprehensive cash flow forecasts prepared by the Company's Investment Adviser, Foresight Group, which are based on prudent market data, a reasonable worst case and a reverse stress test scenario and believe, based on those forecasts and an assessment of the Company's subsidiary's banking facilities, that it is appropriate to prepare the financial statements of the Company on the going concern basis.

In arriving at their conclusion, the Directors assessed the impact of the Covid-19 pandemic on operations, the potential risks of the recent energy market disruption that has led to very high energy prices and the risk of energy suppliers that provide PPAs to renewable generators becoming insolvent. The Investment Adviser has reviewed the portfolio's exposure to this risk and has concluded that it is not material to the Fund, although it continues to monitor the market attentively.

The Directors also considered that the Company has adequate financial resources, and were mindful that the Group had unrestricted cash of £19.1 million (including £1.9 million in the Company) as at 30 September 2021 and a revolving credit facility (available for investment in new or existing projects and working capital) of £170 million. As at 30 September 2021, the Company's wholly owned subsidiary UK HoldCo had borrowed £111.1 million under the facility, and as such £58.9 million is available to draw. All key financial covenants under this facility are forecast to continue to be complied with for at least 12 months from the date of signing of the condensed unaudited financial statements.

As at 30 September 2021, the Group has the following future investment obligations: €21 million to Foresight Energy Infrastructure Partners SCSp ("FEIP"), a Luxembourg limited partnership investment vehicle; and £11.3 million to the CNG Foresight project to fund the construction of a further pipeline of CNG refuelling stations as part of a national network.

The Directors are satisfied that the Company has sufficient resources to continue to operate for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparation of these financial statements.

(c) Segmental reporting

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

2. Significant accounting policies continued

(d) Statement of compliance

Pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 the Company is a registered closed-ended investment scheme. As a registered scheme, the Company is subject to certain ongoing obligations to the Guernsey Financial Services Commission, and is governed by the Companies (Guernsey) Law, 2008 as amended.

3. Seasonality

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

4. Operating expenses

	Six months ended 30 Sep 2021 (unaudited) £'000s	Six months ended 30 Sep 2020 (unaudited) £'000s
Investment advisory fees	**3,213**	2,672
Directors' fees and expenses	**149**	133
Administration fee	**57**	52
Other expenses	**412**	307
	3,831	3,164

5. Tax

Income tax expense

The Company has obtained exempt status from income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. JLEN is charged an annual exemption fee of £1,200.

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

6. Dividends

	Six months ended 30 Sep 2021 (unaudited) £'000s	Six months ended 30 Sep 2020 (unaudited) £'000s
Amounts recognised as distributions to equity holders during the period (pence per share):		
Final dividend for the year ended 31 March 2021 of 1.69 (31 March 2020: 1.665)	**10,164**	9,103
Interim dividend for the quarter ended 30 June 2021 of 1.70 (30 June 2020: 1.690)	**10,224**	9,240
	20,387	18,343

A dividend for the quarter to 30 September 2021 of 1.70 pence per share was approved by the Board on 24 November 2021 and is payable on 29 December 2021. The dividend has not been included as a liability at 30 September 2021.

7. Earnings per share

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

	Six months ended 30 Sep 2021 (unaudited) £'000s	Six months ended 30 Sep 2020 (unaudited) £'000s
Earnings		
Earnings for the purposes of basic and diluted earnings per share, being net profit attributable to owners of the Company	**51,784**	10,715
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**586,753,076**	546,720,025

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

	Six months ended 30 Sep 2021 (unaudited) £'000s	Six months ended 30 Sep 2020 (unaudited) £'000s
Basic and diluted earnings per share (pence)	**8.8**	2.0

8. Investments at fair value through profit or loss

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

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

	30 Sep 2021 (unaudited) £'000s	31 Mar 2021 (audited) £'000s
Fair value of environmental infrastructure investments	**678,842**	571,414
Fair value of intermediate holding companies	**(87,524)**	(67,321)
Total fair value of investments	**591,318**	504,093

8. Investments at fair value through profit or loss continued

Reconciliation of movement in fair value of portfolio of assets

The table below shows the movement in the fair value of the Company's portfolio of environmental infrastructure assets. These assets are held through other intermediate holding companies. The table below also presents a reconciliation of the fair value of the asset portfolio to the Company's condensed unaudited statement of financial position as at 30 September 2021, by incorporating the fair value of these intermediate holding companies.

	Six months to 30 Sep 2021 (unaudited)			Year to 31 Mar 2021 (audited)		
	Portfolio value £'000s	Cash, working capital and debt in intermediate holding companies £'000s	Total £'000s	Portfolio value £'000s	Cash, working capital and debt in intermediate holding companies £'000s	Total £'000s
Opening balance	**571,414**	**(67,321)**	**504,093**	537,094	(4,153)	532,941
Acquisitions						
Portfolio of assets acquired/further investment	**75,091**	**—**	**75,091**	62,962	—	62,962
	75,091	**—**	**75,091**	62,962	—	62,962
Growth in portfolio[1]	**58,993**	**—**	**58,993**	19,588	—	19,588
Cash yields from portfolio to intermediate holding companies	**(26,656)**	**26,656**	**—**	(48,230)	48,230	—
Yields from intermediate holding companies						
Interest on loan notes[1]	**—**	**(14,390)**	**(14,390)**	—	(28,701)	(28,701)
Dividends from UK HoldCo to the Company[1]	**—**	**(10,100)**	**(10,100)**	—	(14,900)	(14,900)
	—	**(24,490)**	**(24,490)**	—	(43,601)	(43,601)
Other movements						
Investment in working capital in UK HoldCo	**—**	**10,118**	**10,118**	—	(10,327)	(10,327)
Administrative expenses borne by intermediate holding companies[1]	**—**	**(3,378)**	**(3,378)**	—	(4,835)	(4,835)
Drawdown of UK HoldCo revolving credit facility borrowings	**—**	**(29,109)**	**(29,109)**	—	(52,635)	(52,635)
Fair value of the Company's investment in UK HoldCo	**678,842**	**(87,524)**	**591,318**	571,414	(67,321)	504,093

(1) The net gain on investments at fair value through profit or loss for the period ended 30 September 2021 is £31,125,000 (year ended 31 March 2021: loss of £28,848,000, six-month period ended 30 September 2020: loss of £7,711,000). This, together with interest received on loan notes of £14,390,000 (year ended 31 March 2021: £28,701,000, six-month period ended 30 September 2020: £14,390,000) and dividend income of £10,100,000 (year ended 31 March 2021: £14,900,000, six-month period ended 30 September 2020: £7,200,000) comprises operating income in the condensed income statement.

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

Fair value of portfolio of assets

The Investment Adviser has carried out fair market valuations of the investments as at 30 September 2021. The Directors have satisfied themselves as to the methodology used and the discount rates applied for the valuation. Investments are all investments in environmental infrastructure projects and are valued using a discounted cash flow methodology, being the most relevant and most commonly used method in the market to value similar assets to the Company's. The Company's holding of its investment in UK HoldCo represents its interest in both the equity and debt instruments. The equity and debt instruments are valued as a whole using a blended discount rate and the value attributed to the equity instruments represents the fair value of future dividends and equity redemptions in addition to any value enhancements arising from the timing of loan principal and interest receipts from the debt instruments, while the value attributed to the debt instruments represents the principal outstanding and interest due on the loan at the valuation date.

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

Discount rates applied to the portfolio of assets range from 5.0% to 13.0% (weighted average 7.3%) (at 31 March 2021: from 5.5% to 13.0% – weighted average 7.3%).

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

	30 Sep 2021 (unaudited)	31 Mar 2021 (audited)
UK – inflation rates	**3% for 2021, decreasing to 2.25% from 2031**	3% for 2021, decreasing to 2.25% from 2031
France – inflation rates	**1.5%**	1.5%
Italy – inflation rates	**1% for 2021, increasing to 2% from 2025**	n/a
UK – deposit interest rates	**0.25% for 2021, rising to 1% from 2025**	0.25% for 2021, rising to 1% from 2025
France – deposit rates	**0.5%**	0.5%
Italy – deposit rates	**0.0%**	n/a
Euro/sterling exchange rate	**1.16**	1.17

The UK corporation tax rate assumed in the 30 September 2021 portfolio valuation is 19%, stepping up to 25% from 2023 (31 March 2021: 19%, stepping up to 25% from 2023). The equivalent rate for the French assets is 26.5%, stepping down to 25% from 2022 (31 March 2021: 26.5% in 2021, stepping down to 25% in 2022) and a national rate of 24% plus the applicable regional premiums for the Italian assets (31 March 2021: not applicable).

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

8. Investments at fair value through profit or loss continued

Details of investments made during the period

In May 2021, the Group acquired a 50% equity stake in Sandridge Battery Storage Limited, which holds the development rights to construct a 50MW lithium-ion battery energy storage plant based in Wiltshire, UK. The acquisition will see JLEN invest up to £12.7 million over the next 12-18 months.

In May 2021, the Group acquired a 45% equity stake in Energie Tecnologie Ambiente S.r.l. ("ETA"). ETA is a 16.8MW energy-from-waste power plant which processes refuse derived fuel, located in the municipality of Manfredonia, Italy. The total consideration paid was €26.8 million.

In June 2021, the Group acquired a 100% equity stake in Cramlington Renewable Energy Developments Limited, a biomass combined heat and power plant project, based in Northumberland, UK.

During the period, £2.0 million was injected into CNG Foresight Limited. The portfolio now holds seven natural gas refuelling stations, of which two are in construction phase.

The Group also invested £0.9 million into the Vulcan Renewables upgrade and £0.4 million to various projects for value enhancement initiatives.

9. Trade and other receivables

	30 Sep 2021 (unaudited) £'000s	31 Mar 2021 (audited) £'000s
Prepayments	**242**	14
Closing balance	**242**	14

10. Trade and other payables

	30 Sep 2021 (unaudited) £'000s	31 Mar 2021 (audited) £'000s
Accruals	**1,914**	1,780
Closing balance	**1,914**	1,780

11. Loans and borrowings

The Company had no outstanding loans or borrowings at 30 September 2021 (31 March 2021: none), as shown in the Company's condensed statement of financial position.

As at 30 September 2021, the Company held loan notes of £318.9 million which were issued by UK HoldCo (31 March 2021: outstanding amount of £318.9 million).

On 21 May 2021, the UK HoldCo successfully refinanced its revolving credit facility with a three-year agreement with ING, HSBC, RBSI, NAB and NIBC which provides for a committed facility of £170 million. The consortium of lenders includes three existing lenders (ING, HSBC and NIBC) and two new participants (RBSI and NAB). The margin can vary between 195 bps and 205 bps over SONIA ("Sterling Overnight Index Average") for sterling drawings, and over EURIBOR for euro drawings, depending on the Company's performance against pre-defined ESG targets. The facility will be used to finance the acquisitions of environmental infrastructure projects and to cover working capital requirements.

As at 30 September 2021, UK HoldCo had an outstanding balance of £111.1 million under the facility (31 March 2021: £82.0 million). The loan bears interest of SONIA + 195 to 205 bps and is intended to be repaid by proceeds from future capital raises.

There were no other outstanding loans and borrowings in either UK HoldCo or HWT at 30 September 2021.

12. Share capital account

	30 Sep 2021 (unaudited)		31 Mar 2021 (audited)	
	Number of shares	**£'000s**	Number of shares	£'000s
Opening balance	**546,720,025**	**548,848**	546,720,025	548,943
Shares issued in the period/year	**54,672,002**	**56,859**	—	—
Expenses of issue of equity shares	**—**	**(927)**	—	(95)
Closing balance	**601,392,027**	**604,780**	546,720,025	548,848

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

13. Retained earnings

	30 Sep 2021 (unaudited) £'000s	31 Mar 2021 (audited) £'000s
Opening balance	**(44,647)**	(15,929)
Profit/(loss) for the period/year	**51,784**	8,104
Dividends paid	**(20,387)**	(36,822)
Closing balance	**(13,250)**	(44,647)

14. Transactions with Investment Adviser and related parties

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

This note also details the terms of the Company's engagement with Foresight Group as Investment Adviser.

Transactions with the Investment Adviser

The Investment Adviser, Foresight Group, is entitled to a base fee equal to:

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

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

The total Investment Adviser fee charged to the condensed unaudited income statement for the six months ended 30 September 2021 was £3,213,284 (six-month period ended 30 September 2020: £2,672,000) of which £1,675,156 remained payable as at 30 September 2021 (31 March 2021: £1,440,832).

(1) Adjusted Portfolio Value is defined in the Investment Advisory Agreement as:
   a) the fair value of the investment portfolio; plus
   b) any cash owned by or held to the order of the Fund; plus
   c) the aggregate amount of payments made to shareholders by way of dividend in the quarterly period ending on the relevant valuation day, less
      i. any other liabilities of the Fund (excluding borrowings); and
      ii. any uninvested cash.

(2) Fund means the Company and JLEN Environmental Assets Group (UK) Limited together with their wholly owned subsidiaries or subsidiary undertakings (including companies or other entities wholly owned by them together, individually or in any combination, as appropriate) but excluding project entities.

Other transactions with related parties

The Directors of the Company, who are considered to be key management, received fees for their services for the six-month period of £148,420 (six-month period ended 30 September 2020: £132,254). The Directors were paid expenses of £368 in the six-month period (six-month period ended 30 September 2020: £355).

The Directors held the following shares:

	Total number of shares held at 30 Sep 2021 (unaudited)	Total number of shares held at 31 Mar 2021 (audited)
Richard Morse	**103,535**	103,535
Peter Neville (resigned on 2 September 2021)	**n/a**	29,896
Richard Ramsay	**53,813**	53,813
Hans Joern Rieks	**—**	—
Stephanie Coxon	**—**	—
Alan Bates	**—**	n/a
Jo Harrison	**—**	n/a

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

The Directors were paid dividends in the period of £5,839 (six-month period ended 30 September 2020: £7,367).

15. Financial instruments

Financial instruments by category

The Company held the following financial instruments at fair value at 30 September 2021. There are no non-recurring fair value measurements.

	30 Sep 2021 (unaudited)				
	Cash and bank balances £'000s	**Financial assets held at amortised cost £'000s**	**Financial assets at fair value through profit or loss £'000s**	**Financial liabilities at amortised cost £'000s**	**Total £'000s**
Non-current assets					
Investments at fair value through profit or loss	**—**	**—**	**591,318**	**—**	**591,318**
Current assets					
Trade and other receivables	**—**	**242**	**—**	**—**	**242**
Cash and cash equivalents	**1,884**	**—**	**—**	**—**	**1,884**
Total financial assets	**1,884**	**242**	**591,318**	**—**	**593,444**
Current liabilities					
Trade and other payables	**—**	**—**	**—**	**(1,914)**	**(1,914)**
Total financial liabilities	**—**	**—**	**—**	**(1,914)**	**(1,914)**
Net financial instruments	**1,884**	**242**	**591,318**	**(1,914)**	**591,530**

	31 Mar 2021 (audited)				
	Cash and bank balances £'000s	Financial assets held at amortised cost £'000s	Financial assets at fair value through profit or loss £'000s	Financial liabilities at amortised cost £'000s	Total £'000s
Non-current assets					
Investments at fair value through profit or loss	—	—	504,093	—	504,093
Current assets					
Trade and other receivables	—	14	—	—	14
Cash and cash equivalents	1,874	—	—	—	1,874
Total financial assets	1,874	14	504,093	—	505,981
Current liabilities					
Trade and other payables	—	—	—	(1,780)	(1,780)
Total financial liabilities	—	—	—	(1,780)	(1,780)
Net financial instruments	1,874	14	504,093	(1,780)	504,201

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

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

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

15. Financial instruments continued

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

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

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

Sensitivity analysis of the portfolio

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

30 Sep 2021 (unaudited)			
Discount rate	**Minus 0.5%**	**Base 7.3%**	**Plus 0.5%**
Change in portfolio valuation	**Increases £20.0m**	**£678.8m**	**Decreases £20.0m**
Change in NAV per share	**Increases 3.3p**	**98.4p**	**Decreases 3.3p**
31 Mar 2021 (audited)			
Discount rate	Minus 0.5%	Base 7.3%	Plus 0.5%
Change in portfolio valuation	Increases £18.8m	£571.4m	Decreases £17.8m
Change in NAV per share	Increases 3.4p	92.2p	Decreases 3.3p

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

30 Sep 2021 (unaudited)			
Inflation rates	**Minus 0.5%**	**Base 3% then 2.25%**	**Plus 0.5%**
Change in portfolio valuation	**Decreases £25.2m**	**£678.8m**	**Increases £25.9m**
Change in NAV per share	**Decreases 4.2p**	**98.4p**	**Increases 4.3p**
31 Mar 2021 (audited)			
Inflation rates	Minus 0.5%	Base 3% then 2.25%	Plus 0.5%
Change in portfolio valuation	Decreases £19.0m	£571.4m	Increases £19.7m
Change in NAV per share	Decreases 3.5p	92.2p	Increases 3.6p

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

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

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

30 Sep 2021 (unaudited)			
Energy yield: wind	**P90 (10 year)**	**Base P50**	**P10 (10 year)**
Change in portfolio valuation	**Decreases £26.0m**	**£678.8m**	**Increases £26.4m**
Change in NAV per share	**Decreases 4.3p**	**98.4p**	**Increases 4.4p**
Energy yield: solar	**P90 (10 year)**	**Base P50**	**P10 (10 year)**
Change in portfolio valuation	**Decreases £7.8m**	**£678.8m**	**Increases £8.1m**
Change in NAV per share	**Decreases 1.3p**	**98.4p**	**Increases 1.4p**
31 Mar 2021 (audited)			
Energy yield: wind	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £24.4m	£571.4m	Increases £25.0m
Change in NAV per share	Decreases 4.5p	92.2p	Increases 4.6p
Energy yield: solar	P90 (10 year)	Base P50	P10 (10 year)
Change in portfolio valuation	Decreases £6.4m	£571.4m	Increases £7.1m
Change in NAV per share	Decreases 1.2p	92.2p	Increases 1.3p

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

The Directors have assessed that a reasonable possible long-term movement of energy prices continues to be +/-10% given the long-term nature of the portfolio, notwithstanding that significant short-term energy price movements have occurred in the period due to the recent energy market disruption.

30 Sep 2021 (unaudited)			
Energy prices	**Minus 10%**	**Base**	**Plus 10%**
Change in portfolio valuation	**Decreases £38.3m**	**£678.8m**	**Increases £38.1m**
Change in NAV per share	**Decreases 6.4p**	**98.4p**	**Increases 6.3p**
31 Mar 2021 (audited)			
Energy prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Decreases £24.8m	£571.4m	Increases £25.0m
Change in NAV per share	Decreases 4.5p	92.2p	Increases 4.6p

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

15. Financial instruments continued

Sensitivity analysis of the portfolio continued

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

30 Sep 2021 (unaudited)			
Feedstock prices	**Minus 10%**	**Base**	**Plus 10%**
Change in portfolio valuation	**Increases £9.0m**	**£678.8m**	**Decreases £9.7m**
Change in NAV per share	**Increases 1.5p**	**98.4p**	**Decreases 1.6p**
31 Mar 2021 (audited)			
Feedstock prices	Minus 10%	Base	Plus 10%
Change in portfolio valuation	Increases £8.9m	£571.4m	Decreases £9.3m
Change in NAV per share	Increases 1.6p	92.2p	Decreases 1.7p

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

30 Sep 2021 (unaudited)			
Corporation tax	**Minus 2%**	**Base 19% then 25%**	**Plus 2%**
Change in portfolio valuation	**Increases £9.6m**	**£678.8m**	**Decreases £9.9m**
Change in NAV per share	**Increases 1.6p**	**98.4p**	**Decreases 1.7p**
31 Mar 2021 (audited)			
Corporation tax	Minus 2%	Base 19% then 25%	Plus 2%
Change in portfolio valuation	Increases £8.4m	£571.4m	Decreases £8.3m
Change in NAV per share	Increases 1.5p	92.2p	Decreases 1.5p

Euro/sterling exchange rate sensitivity

As the proportion of the portfolio assets with cash flows denominated in euros represented 5% of the portfolio value at 30 September 2021, the Directors consider the sensitivity to changes in the euro/sterling exchange rate to be insignificant.

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

16. Guarantees and other commitments

As at 30 September 2021, the Company has provided a guarantee under the Company's wholly owned subsidiary UK HoldCo's £170 million revolving credit facility. The facility was successfully refinanced in May 2021 and is now due to expire in May 2024.

As at 30 September 2021, the Company's wholly owned subsidiary UK HoldCo has future investment obligations of €21 million to FEIP and £11.3 million to the CNG Foresight project.

The Company had no other commitments or guarantees.

17. Subsidiaries

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

Name	Category	Place of business	Registered office	Ownership interest	Voting rights
JLEN Environmental Assets Group (UK) Limited[1]	Intermediate holding	UK	A	100%	100%
HWT Limited	Intermediate holding	UK	B	100%	100%
JLEAG Solar 1 Limited	Operating subsidiary	UK	C	100%	100%
Croft Solar PV Limited	Operating subsidiary	UK	C	100%	100%
Cross Solar PV Limited	Operating subsidiary	UK	C	100%	100%
Domestic Solar Limited	Operating subsidiary	UK	C	100%	100%
Ecossol Limited	Operating subsidiary	UK	C	100%	100%
Hill Solar PV Limited	Operating subsidiary	UK	C	100%	100%
Share Solar PV Limited	Operating subsidiary	UK	C	100%	100%
Tor Solar PV Limited	Operating subsidiary	UK	C	100%	100%
Residential PV Trading Limited	Operating subsidiary	UK	C	100%	100%
South-Western Farms Solar Limited	Operating subsidiary	UK	C	100%	100%
Angel Solar Limited	Operating subsidiary	UK	C	100%	100%
Easton PV Limited	Project holding company	UK	D	100%	100%
Pylle Solar Limited	Project holding company	UK	D	100%	100%
Second Energy Limited	Operating subsidiary	UK	D	100%	100%
ELWA Holdings Limited	Project holding company	UK	E	80%	80%
ELWA Limited[2]	Operating subsidiary	UK	E	80%	81%[2]
JLEAG Wind Holdings Limited	Project holding company	UK	A	100%	100%
JLEAG Wind Limited	Project holding company	UK	A	100%	100%
Amber Solar Parks (Holdings) Limited	Project holding company	UK	F	100%	100%
Amber Solar Park Limited	Operating subsidiary	UK	F	100%	100%
Fryingdown Solar Park Limited	Operating subsidiary (dormant)	UK	F	100%	100%
Five Oaks Solar Parks Limited	Operating subsidiary (dormant)	UK	F	100%	100%
Bilsthorpe Wind Farm Limited	Operating subsidiary	UK	G	100%	100%
Ferndale Wind Limited	Project holding company	UK	G	100%	100%
Castle Pill Wind Limited	Project holding company	UK	G	100%	100%
Wind Assets LLP	Operating subsidiary	UK	G	100%	100%
Hall Farm Wind Farm Limited	Operating subsidiary	UK	G	100%	100%
Branden Solar Parks (Holdings) Limited	Project holding company	UK	F	100%	100%
Branden Solar Parks Limited	Operating subsidiary	UK	F	100%	100%
KS SPV 3 Limited	Operating subsidiary	UK	F	100%	100%
KS SPV 4 Limited	Operating subsidiary	UK	F	100%	100%
Carscreugh Renewable Energy Park Limited	Operating subsidiary	UK	G	100%	100%
Wear Point Wind Limited	Operating subsidiary	UK	G	100%	100%
Monksham Power Ltd	Project holding company	UK	F	100%	100%
Frome Solar Limited	Operating subsidiary	UK	F	100%	100%
BL Wind Limited	Operating subsidiary	UK	G	100%	100%
Burton Wold Extension Limited	Operating subsidiary	UK	G	100%	100%

(1) JLEN Environmental Assets Group (UK) Limited is the only entity directly held by the Company.

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

17. Subsidiaries continued

Name	Category	Place of business	Registered office	Ownership interest	Voting rights
New Albion Wind Limited	Operating subsidiary	UK	G	100%	100%
Dreachmhor Wind Farm Limited	Operating subsidiary	UK	G	100%	100%
France Wind GP Germany GmbH	Project holding company	DE	K	100%	100%
France Wind Germany GmbH & Co. KG	Project holding company	DE	K	100%	100%
Parc Eolien Le Placis Vert SAS	Operating subsidiary	FR	I	100%	100%
Energie Eolienne de Plouguernével SAS	Operating subsidiary	FR	J	100%	100%
CSGH Solar Limited	Project holding company	UK	A	100%	100%
CSGH Solar (1) Limited	Project holding company	UK	A	100%	100%
sPower Holdco 1 (UK) Limited	Project holding company	UK	D	100%	100%
sPower Finco 1 (UK) Limited	Project holding company	UK	D	100%	100%
Higher Tregarne Solar (UK) Limited	Operating subsidiary	UK	D	100%	100%
Crug Mawr Solar Farm Limited	Operating subsidiary	UK	D	100%	100%
Golden Hill Solar (UK) Limited	Project holding company	UK	D	100%	100%
Golden Hill Solar Limited	Operating subsidiary	UK	D	100%	100%
Shoals Hook Solar (UK) Limited	Operating subsidiary	UK	D	100%	100%
CGT Investment Limited	Project holding company	UK	L	100%	100%
CWMNI GWYNT TEG CYF	Operating subsidiary	UK	L	100%	100%
Moelogan 2 (Holdings) Cyfyngedig	Project holding company	UK	L	100%	100%
Moelogan 2 C.C.C.	Operating subsidiary	UK	L	100%	100%
Vulcan Renewables Limited	Operating subsidiary	UK	M	100%	100%
Llynfi Afan Renewable Energy Park (Holdings) Limited	Dormant	UK	G	100%	100%
Llynfi Afan Renewable Energy Park Limited	Operating subsidiary	UK	G	100%	100%
Bio Collectors Holdings Limited	Project holding company	UK	H	70%	70%
Bio Collectors Limited	Operating subsidiary	UK	H	70%	70%
Riverside Bio Limited	Operating subsidiary	UK	H	70%	70%
Riverside AD Limited	Operating subsidiary	UK	H	70%	70%
Green Gas Oxon Limited	Project holding company	UK	N	52.6%	52.6%
Icknield Gas Limited	Operating subsidiary	UK	N	52.6%	52.6%
Egmere Energy Limited	Operating subsidiary	UK	M	100%	100%
Grange Farm Energy Limited	Operating subsidiary	UK	M	100%	100%
Biogas Meden Limited	Operating subsidiary	UK	M	100%	100%
Yorkshire Hydropower Holdings Limited	Project holding company	UK	G	100%	100%
Yorkshire Hydropower Limited	Operating subsidiary	UK	G	100%	100%
Northern Hydropower Holdings Limited	Project holding company	UK	G	100%	100%
Northern Hydropower Limited	Operating subsidiary	UK	G	100%	100%
Warren Power Limited	Project holding company	UK	M	100%	100%
Warren Energy Limited	Operating subsidiary	UK	M	100%	100%
Merlin Renewables Limited	Operating subsidiary	UK	M	100%	100%
JLEN Holdings (Sky Blue) Limited	Dormant	UK	A	100%	100%
FS 3 Holdco Limited	Dormant	UK	A	100%	100%
Codford Biogas Limited	Operating subsidiary	UK	O	100%	100%
Rainworth Energy Limited	Operating subsidiary	UK	P	100%	100%
FS West Gourdie Limited	Operating subsidiary	UK	F	100%	100%
Spruce Bioenergy Limited	Project holding company	UK	A	100%	100%
Cramlington Renewable Energy Developments Limited	Operating subsidiary	UK	Q	100%	100%

Registered offices

A. C/O Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG, United Kingdom
B. 50 Lothian Road, Festival Square, Edinburgh, Midlothian EH3 9WJ, United Kingdom
C. C/O Freetricity, 1 Filament Walk, Suite 203, Wandsworth, London SW18 4GQ, United Kingdom
D. Long Barn, Manor Farm, Stratton-on-the-Fosse, Radstock BA3 4QF, United Kingdom
E. Dunedin House, Auckland Park, Mount Farm, Milton Keynes MK1 1BU, United Kingdom
F. Long Barn, Manor Courtyard, Stratton-on-the-Fosse, Radstock BA3 4QF, United Kingdom
G. C/O Res White Limited, Beaufort Court, Egg Farm Lane, Kings Langley WD4 8LR, United Kingdom
H. 10 Osier Way, Mitcham, Surrey CR4 4NF, United Kingdom
I. Parc Eolien le Placis Vert, Rue du Pre Long 35770 Vern Sur Seiche, France
J. 3 Rue Benjamin Delessert, 56104 Lorient Cedex 04, France
K. Steinweg 3-5, Frankfurt am Main, 60313, Germany
L. Cae Sgubor Ffordd Pennant, Eglwysbach, Colwyn Bay, Conwy LL28 5UN, United Kingdom
M. 10-12 Frederick Sanger Road, Guildford, Surrey GU2 7YD, United Kingdom
N. Friars Ford, Manor Road, Goring, Reading RG8 9EL, United Kingdom
O. Upton Wold, Moreton-in-Marsh, Gloucestershire GL56 9TR, United Kingdom
P. C/O Material Change, The Watering Farm, Creeting St. Mary, Ipswich, Suffolk IP6 8ND, United Kingdom
Q. 8 White Oak Square, London Road, Swanley BR8 7AG, United Kingdom

18. Events after balance sheet date

A dividend for the quarter ended 30 September 2021 of 1.70 pence per share was approved by the Board on 24 November 2021. Please refer to note 6 for further details.

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

GLOSSARY OF KEY TERMS

AD
anaerobic digestion

agri AD
anaerobic digestion plant that accepts agricultural feedstocks such as grain and/or animal manure

AIFM Directive
the EU Alternative Investment Fund Managers Directive (No. 2011/61/EU)

APMs
alternative performance measures are financial measures that are not currently defined or specified in the applicable financial reporting framework

bps
basis points

Brexit
the withdrawal of the UK from the EU on 31 January 2020

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

CPI
Consumer Price Index

EU
European Union

Foresight Group or Foresight
Foresight Group LLP

gross project value
the fair market value of the investment interests held in a project as increased by the amount of any financing in the relevant project entity

Group
JLEN Environmental Assets Group Limited and its intermediate holding companies UK HoldCo and HWT Limited

GWh
gigawatt hour

intermediate holding companies
companies within the Group which are used as pass-through vehicles to invest in underlying environmental infrastructure assets, namely UK HoldCo and HWT Limited

Investment Adviser
Foresight Group (since 1 July 2019)

IPO
Initial Public Offering

MWe
megawatt electric

MWh
megawatt hour

MWth
megawatt thermal

NAV
Net Asset Value

portfolio
the 39 assets in which JLEN had a shareholding as at 30 September 2021

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

PPAs
Power Purchase Agreements

PPP/PFI
the Public Private Partnership procurement model

price cannibalisation
the depressive influence on the wholesale power price at timings of high output from intermittent weather-driven generation such as solar and wind

PV
photovoltaic

RCF
revolving credit facility

RPI
Retail Price Index

SPV
special purpose vehicle

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

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

WADR
the weighted average discount rate

ALTERNATIVE PERFORMANCE MEASURES ("APMs")

APM	Purpose	Calculation
Total shareholder return (since IPO & annualised)	Measure of financial performance, indicating the amount an investor reaps from investing since IPO and expressed as a percentage (annualised or total since IPO of the Fund)	Since IPO: closing share price as at 30 September 2021 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, expressed as a percentage Annualised: closing share price as at 30 September 2021 plus all dividends since IPO assumed reinvested, divided by the share price at IPO, to the power of 1 over the number of years since IPO, expressed as a percentage
Net Asset Value per share	Allows investors to gauge whether shares are trading at premium or a discount by comparing the Net Asset Value per share with the share price	The net assets divided by the number of ordinary shares in issuance
Market capitalisation	Provides an indication of the size of the Company	Closing share price as at 30 September 2021 multiplied by closing number of ordinary shares in issuance
Gearing	Ascertain financial risk in the Group's balance sheet	Total debt in the Company and its Group as a percentage of the sum of the Company's and its Group net asset plus debt
Cash flow from operations	Gauge operating revenues and expenses of the Group	Cash flow of the Group. Breakdown can be observed on page 41 (financial review)
Cash dividend cover	Investors can gauge the ability of the Group to generate cash surplus after payment of dividend	Net operating cash flow divided by dividend declared within the reporting period

COMPANY SUMMARY

Below are the Company key facts, advisers and other information.

Company information	JLEN Environmental Assets Group Limited is a Guernsey-registered closed-ended investment company (registered number 57682) with a premium listing on the London Stock Exchange
Registered address	Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 1GR
Ticker/SEDOL	JLEN/BJL5FH8
Company year end	31 March
Dividend payments	Quarterly in March, June, September and December
Investment Adviser	Foresight Group LLP, No OC300878, registered in England and Wales and authorised and regulated by the Financial Conduct Authority
Company Secretary and Administrator	Praxis Fund Services Limited, a company incorporated in Guernsey on 13 April 2005 (registered number 43046)
Market capitalisation	£645.9 million at 30 September 2021
Investment Adviser fees	1.0% per annum of the Adjusted Portfolio Value of the investments up to £0.5 billion, falling to 0.8% per annum for investments above £0.5 billion. No performance or acquisitions fees
Investment Adviser term	Rolling one-year notice
ISA, PEP and SIPP status	The ordinary shares are eligible for inclusion in PEPs and ISAs (subject to applicable subscription limits) provided that they have been acquired in the market, and they are permissible assets for SIPPs
AIFMD status	The Company is classed as an internally managed Alternative Investment Fund under the Alternative Investment Fund Managers Regulations 2013 and the European Union's Alternative Investment Fund Managers Directive
Non-mainstream pooled investment status	The Board conducts the Company's affairs, and intends to continue to conduct the Company's affairs, such that the Company would qualify for approval as an investment trust if it were resident in the United Kingdom. It is the Board's intention that the Company will continue to conduct its affairs in such a manner and that independent financial advisers should therefore be able to recommend its ordinary shares to ordinary retail investors in accordance with the FCA's rules relating to non-mainstream investment products
FATCA	The Company has registered for FATCA and has a GIIN number 2BN95W.99999.SL.831
Investment policy	The Company's investment policy is set out on pages 52 to 55 of the 2021 Annual Report
Website	**www.jlen.com**

DIRECTORS AND ADVISERS

Directors
Richard Morse (Chairman)
Alan Bates (appointed on 10 June 2021)
Stephanie Coxon
Jo Harrison (appointed on 10 June 2021)
Peter Neville (resigned on 2 September 2021)
Richard Ramsay
Hans Joern Rieks

Administrator to the Company, Company Secretary and registered office
Praxis Fund Services Limited
Sarnia House
Le Truchot
St Peter Port
Guernsey GY1 1GR
Channel Islands

Registrar
Link Registrars (Guernsey) Limited
Mont Crevelt House
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St Sampson
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Channel Islands

UK transfer agent
Link Asset Services
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United Kingdom

Auditor
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Corporate bankers
HSBC
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Channel Islands

CAUTIONARY STATEMENT

Pages 01 to 41 of the Half-year Report, including about us, our purpose, at a glance, portfolio at a glance, market and opportunities, the Chairman's statement, the Investment Adviser, risks and risk management, investment portfolio and valuation, operational review, sustainability and ESG, and the financial review (together, the review section) have been prepared solely to provide additional information to shareholders to assess JLEN's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

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

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

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

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

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

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

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

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