

# JLEN ENVIRONMENTAL ASSETS GROUP LIMITED



Annual Results Presentation

15 June 2023

# THE INVESTMENT MANAGER

Foresight Group LLP

**Foresight**  
FOR A SMARTER FUTURE



**Chris Tanner**



**Edward Mountney**



**Chris Holmes**

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

**£12.2bn<sup>(1)</sup>**

Assets under management

**350+<sup>(2)</sup>**

Infrastructure assets

**700+**

investment opportunities reviewed<sup>(4)</sup>

**170+<sup>(3)</sup>**

Infrastructure professionals

**8<sup>(2)</sup>**

Countries with operation

**4.3GW<sup>(3)</sup>**

Renewable energy generation

1) Based on Foresight Group unaudited AUM as at 31 March 2023.

2) Foresight Group information as at 31 March 2023.

3) Foresight Group information as at 30 September 2022.

4) For the period 1 April 2022 - 31 March 2023.



**eden project**

Foresight's Sustainability Partner

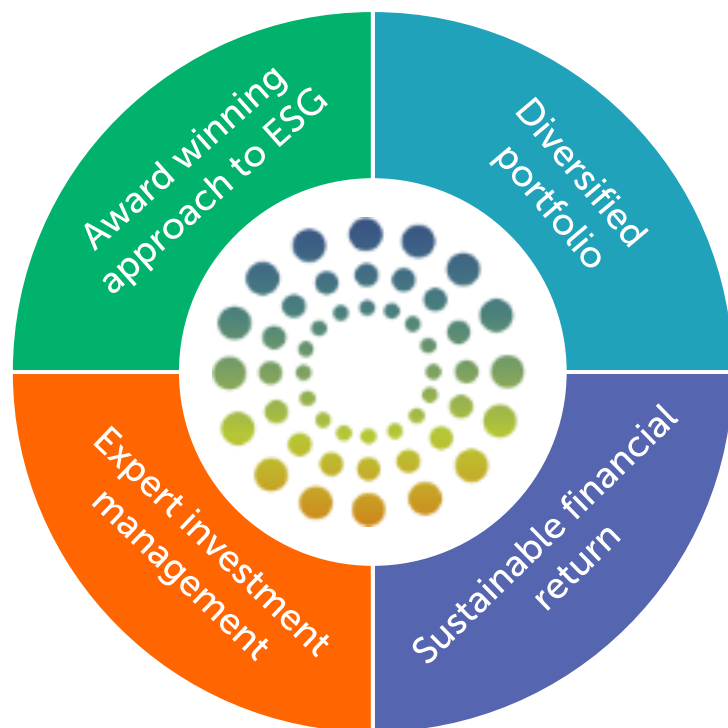


**PRI** | Principles for Responsible Investment



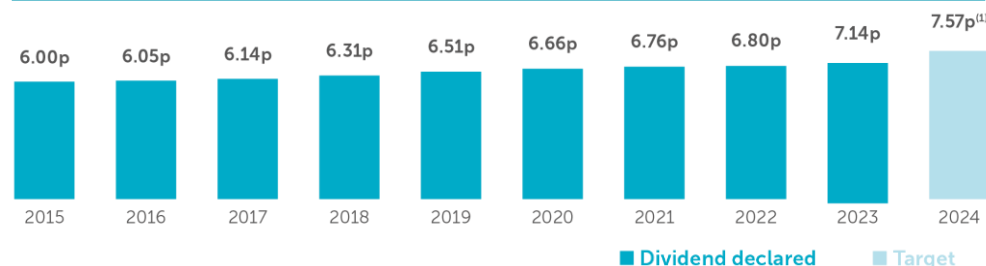
## FUND OVERVIEW

Because environmental infrastructure is more than just renewable energy



- Broad environmental infrastructure mandate allowing exposure to a wide opportunity set
- Diversified portfolio includes wind, solar, anaerobic digestion, waste facilities, wastewater treatment, bioenergy, low carbon transport, battery storage, controlled environment, hydropower and hydrogen
- High degree of inflation linkage, with 62% of lifetime portfolio revenues contractually linked to RPI<sup>1</sup>
- Targeting a sustainable, progressive dividend, with consistent annual dividend growth since IPO and 7.9% annualised Total Shareholder Return<sup>2</sup>
- Transparent and award-winning approach to ESG

### Dividend progression



(1) Calculated on an NPV basis at 31 March 2023

(2) Calculated at 31 March 2023

No representation is being made by the inclusion of the data contained herein that the Company will achieve results similar to that which it has achieved in the past or avoid losses. Past performance cannot be relied on as a guide to future performance.

## Results overview

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# PERFORMANCE HIGHLIGHTS

Demonstrating strength in the face of political and economic volatility

Net Asset  
Value

**£814.6m**

+7%

2022: £762.9m

Net Asset Value  
per share<sup>(1)</sup>

**123.1p**

+7%

2022: 115.3p

Annual dividend  
declared per share

**7.14p**

+5%

2022: 6.80p

Dividend  
cover<sup>(1,2)</sup>

**1.51x**

2022: 1.10x

Total shareholder  
return since IPO<sup>(1)</sup>

**99%**

(7.9% annualised)

2022: 77.4%

Dividend  
target<sup>(3)</sup>

**7.57p**

+6%

2022: 7.14p

Market  
capitalisation<sup>(1)</sup>

**£791.2m**

+6%

2022: £746.2m

Portfolio  
value

**£898.5m**

+13%

2022: £795.4m

Acquisitions in the  
year

**5**

2022: 3

Diversified  
portfolio

**42 assets**

2022: 37 assets

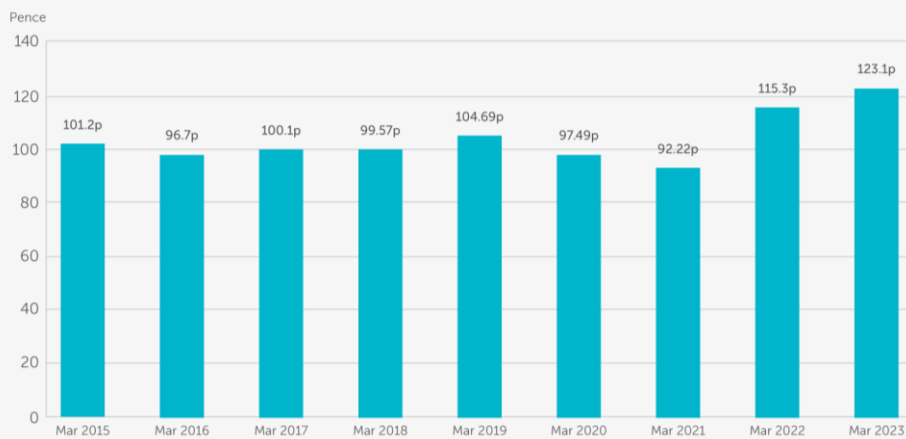
- 1) The market capitalisation, total shareholder return, Net Asset Value per share and dividend cover are alternative performance measures ("APMs"). The APMs within the accounts are defined on page [10](#).
- 2) On a paid basis.
- 3) This is a target only, there can be no guarantee this target will be met.

No representation is being made by the inclusion of the data contained herein that the Company will achieve results similar to that which it has achieved in the past or avoid losses. Past performance cannot be relied on as a guide to future performance.

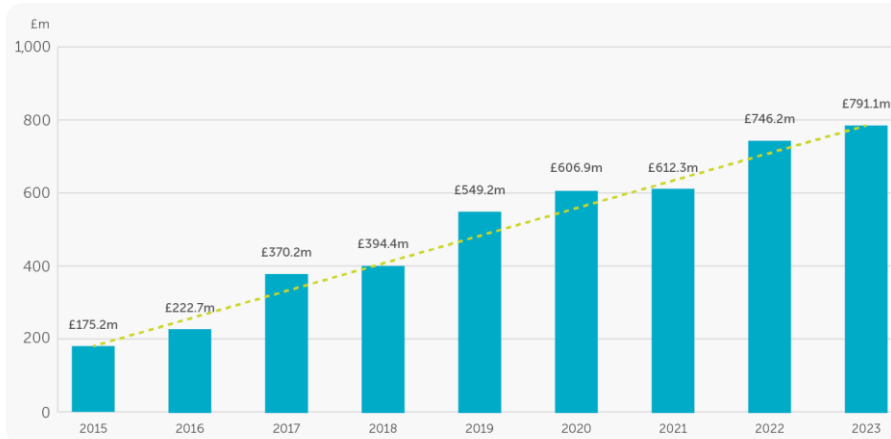
# TRACK RECORD

Diversification is the key to risk management

## Net Asset Value



## Market capitalisation



## Total shareholder return



Source: Morningstar

No representation is being made by the inclusion of the data contained herein that the Company will achieve results similar to that which it has achieved in the past or avoid losses. Past performance cannot be relied on as a guide to future performance.

\*This is a target only and not a profit forecast. There can be no assurances that this target will be met. No representation is being made by the inclusion of the data contained herein that the Company will achieve results similar to that which it has achieved in the past or avoid losses.

# FINANCIAL RESULTS

## Group cash flow statement

	Year ended 31-Mar	Year ended 31-Mar
All amounts presented in £million	2023	2022
Cash distributions from investments	83.6	56.5
Administrative expenses	(1.3)	(1.1)
Directors' fees and expenses	(0.3)	(0.3)
Investment Manager fees	(8.1)	(6.3)
Financing costs (net of interest income)	(3.4)	(2.6)
<b>Cash flow from operations</b>	<b>70.5</b>	<b>46.2</b>
Net proceeds from share issues	—	115.7
Expenses from previous share issues	(0.2)	—
Debt arrangement fee cost	(0.1)	(2.2)
Acquisition of assets & follow on investments	(72.5)	(86.1)
Disposal of assets	1.6	3.7
Acquisition costs	(1.9)	(3.0)
Drawdowns/(repayment) under the RCF	48.9	(27.9)
Dividends paid in cash to shareholders	(46.6)	(41.9)
<b>Cash movement in the year</b>	<b>(0.3)</b>	<b>4.5</b>
Opening cash balance	18.0	13.5
Exchange gains on cash	0.3	—
<b>Group cash balance at 31 March</b>	<b>18.0</b>	<b>18.0</b>

# FINANCIAL RESULTS cont.

## Income statement & net assets



Income statement	Year ended 31-Mar 2023	Year ended 31-Mar 2022
Presented in £m (unless noted)		
Interest received	31.4	28.8
Dividends received	23.1	21.3
<b>Sub-total</b>	<b>54.5</b>	<b>50.1</b>
Net gains on investments at fair value	53.9	142.8
<b>Operating income and gains on fair value of investments</b>	<b>108.4</b>	<b>192.9</b>
Operating expenses	(10.1)	(7.9)
<b>Profit before tax</b>	<b>98.3</b>	<b>185.0</b>
Earnings per share	14.9p	30.6p

Net assets	At 31 Mar 2023	At 31 Mar 2022
Presented in £m (unless noted)		
Portfolio value	898.5	795.4
Intermediate holding companies' cash	17.9	16.0
Revolving credit facility	(103.5)	(53.6)
Other assets	3.9	5.1
<b>Fair value of the Company's investment in UK HoldCo</b>	<b>816.8</b>	<b>762.9</b>
Company's cash	0.1	2
Company's other liabilities	(2.3)	(2.0)
<b>Net Asset Value at 31 March</b>	<b>814.6</b>	<b>762.9</b>
Number of shares	661,531,229	661,531,229
<b>Net Asset Value per share</b>	<b>123.1p</b>	<b>115.3p</b>



# LEVERAGE

## Low level of gearing



Technology	% of portfolio	Debt as a % of GAV
Wind	28%	35%
Waste & bioenergy	26%	12%
Anaerobic digestion	19%	-
Solar	15%	10%
Low carbon & sustainable solutions	7%	-
Controlled environment	4%	31%
Hydro	1%	38%
<b>Project level gearing</b>		<b>18%</b>
<b>Fund level gearing (inc. RCF)</b>		<b>27%</b>

### Project level debt

- All long-term debt fully amortising within subsidy lives
- No refinancing risk on long-term project finance debt
- Interest rate risk fully hedged on project finance

### Fund level debt

- £103m drawn on Revolving Credit Facility
- RCF margin between 195 – 205 bps depending on performance against fixed ESG targets
- Recently announced 1 year extension to May 2025 and activation of £30m accordion, bringing total facility to £200m

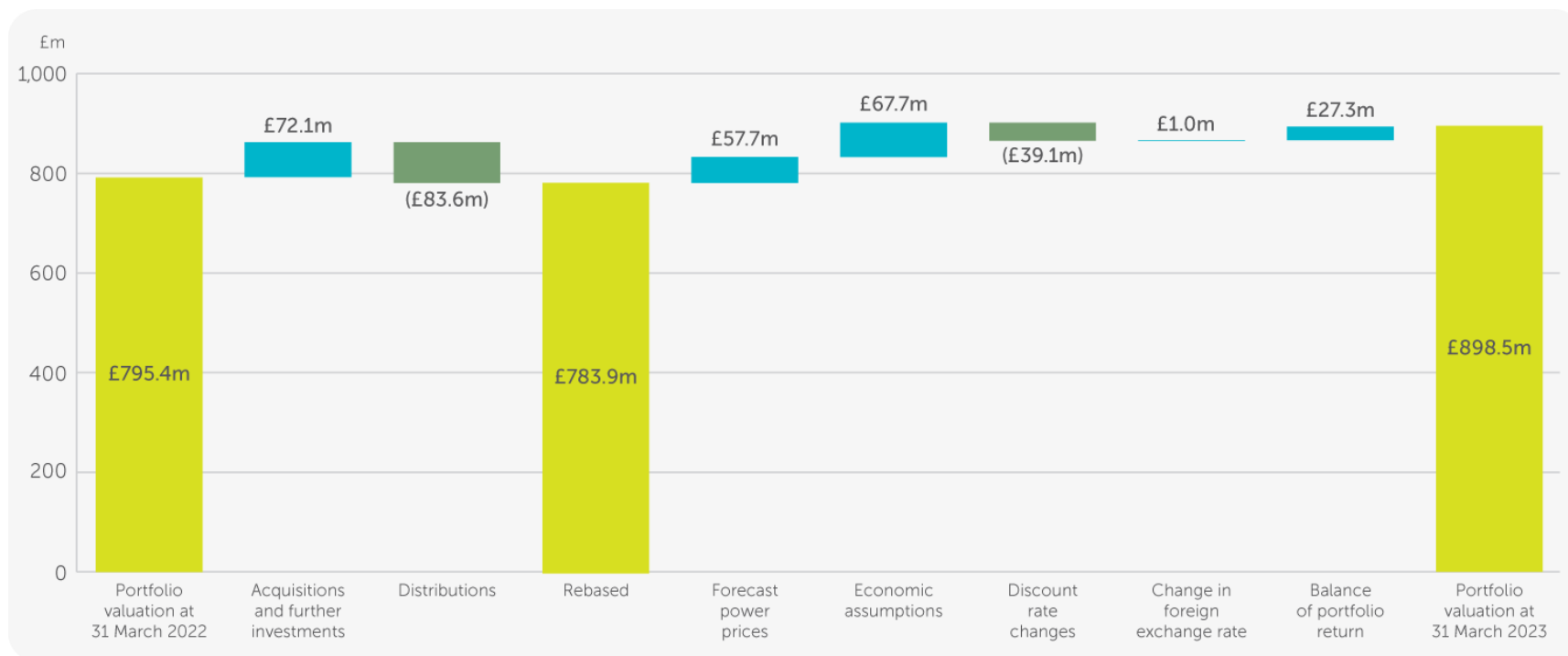


## Portfolio valuation

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## PORTFOLIO VALUATION MOVEMENT

15% increase over the rebased opening valuation



### Notable valuation movements

- Power prices up £57.7m (+8.7p). Net of £10.8m (-1.6p) from introduction of EGL during the year
- Economic assumptions up £67.7m (+10.2p) due to inflation running higher than JLEN's short term assumptions
- Discount rates down £39.1m (-5.9p) largely driven by rebasing performed at 30 September 2022 valuation in light of increases in gilt rates

# POWER PRICES

## Methodology remains unchanged

### Valuation methodology

- Approach of using market forwards or fixes where applicable for 2 years remains unchanged
- Unchanged policy of using a blended curve thereafter, adjusted for project-specific arrangements and price cannibalisation
- The graph shows the weighted power curve across the portfolio, inclusive of fixes

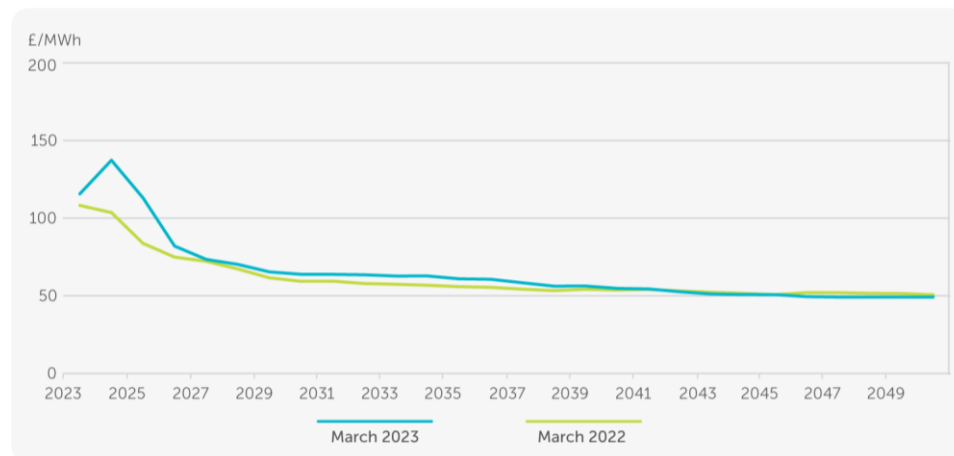
### Electricity Generator Levy ("EGL")

- The average price forecast to be achieved during the EGL period is £104/MWh
- This compares against the £75/MWh CPI linked baseline price

### Key changes in year

- Short term power forecasts have increased since March 2022, this being a function of higher commodity forwards across Europe, most notably gas pricing
- Medium term pricing is slightly higher than last year as consultants revise their forecast for longer term commodity prices and energy demand in the UK

### Illustrative blended power curve



## PRICE FIXING STRATEGY

### Downside protection balanced with upside potential

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

### Proportion of portfolio on fixed price contracts

At 31 March 2023, the extent of generation subject to fixes was as follows:

	Summer '23	Winter '23	Summer'24	Winter'24
Wind	98%	98%	79%	74%
Solar	100%	100%	100%	73%
Biomass	45%	-	-	-
EfW (Italian)	-	-	-	-
AD electric	100%	100%	26%	26%
AD gas	74%	71%	17%	18%
<b>Weighted average</b>	<b>76%</b>	<b>67%</b>	<b>38%</b>	<b>35%</b>



## DISCOUNT RATES

### WADR increase to 8.4% following further investment into higher return construction assets

#### Market backdrop

- Risk-free rates declines quickly following the post mini-budget spike
- This was followed by a period of relative stability in bond yields up to the 31<sup>st</sup> March 2023
- Post the valuation date, a period of continued high inflation has resulted in a steady increase in the risk-free rate which may place upwards pressure on discount rates over the coming year

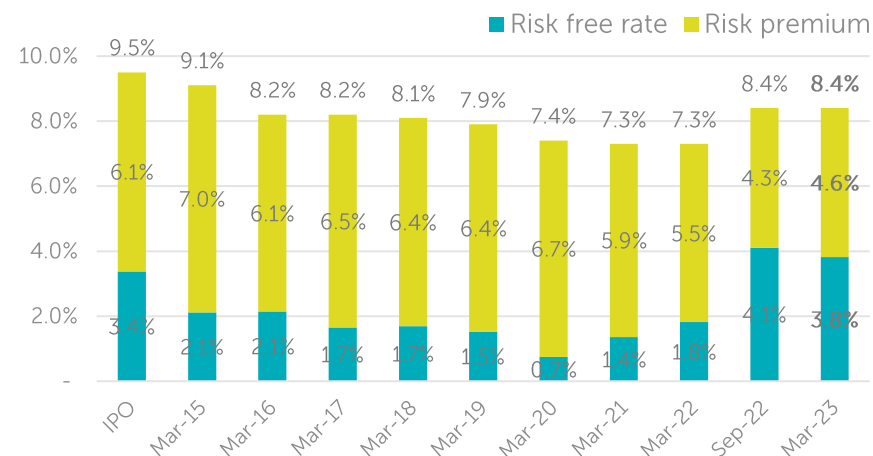
#### Valuation assumption

- 75 bps increase at 30 September valuation following uplift in gilts
- General review of rates performed again, with minimal subsequent impact to the portfolio WADR
- Project specific rate reduction at Cramlington biomass, following completion of key de-risking initiatives
- WADR 8.4% (Mar22: 7.3%). Increase >75 bps due to continued spend on higher return construction assets

#### U.K. 20 Year Gilt



#### Discount rate evolution since IPO



Source: [U.K. 20 Year Gilt Overview \(TMBMKGB-20Y\) | Barron's \(barrons.com\)](#)

Source: gilts sourced as per the graph on the left side & previous JLEN accounts



## OTHER KEY VALUATION ASSUMPTIONS

### Actual YTD 2023 inflation tracking valuation assumptions

#### 31 March 2022

##### Economic assumptions

UK – inflation rates	5% for 2022, then 3% until 2030 and 2.25% thereafter
Italy – inflation rates	1.3% for 2022, stepping to 2% from 2025
UK – deposit interest rates	0.25% for 2022, rising to 1% from 2025
Italy deposit rates	0%
UK – corporation tax rates	19% to April 2023, increasing to 25% thereafter
Italy - corporation tax rates	National rate of 24%, plus applicable regional premiums
Euro/sterling exchange rate	1.18

#### 31 March 2023

##### Economic assumptions

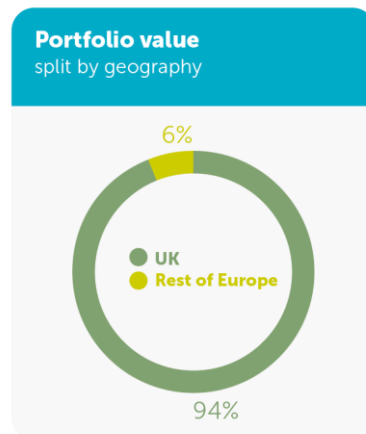
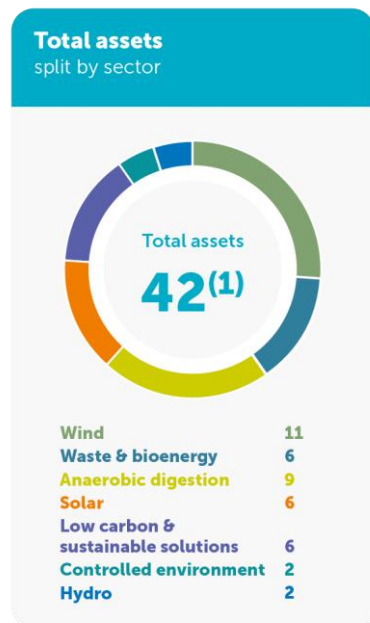
UK – inflation rates	6.5% for 2023, then 3% until 2030 and 2.25% thereafter
Italy – inflation rates	5.3% for 2023, stepping to 2% from 2028
UK – deposit interest rates	2.0% for 2023 and 1.5% thereafter
Italy deposit rates	0%
UK – corporation tax rates	25% from April 2023
Italy - corporation tax rates	National rate of 24%, plus applicable regional premiums
Euro/sterling exchange rate	1.14

## Portfolio overview

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# PORTFOLIO AT A GLANCE

Core UK portfolio with a growing European reach

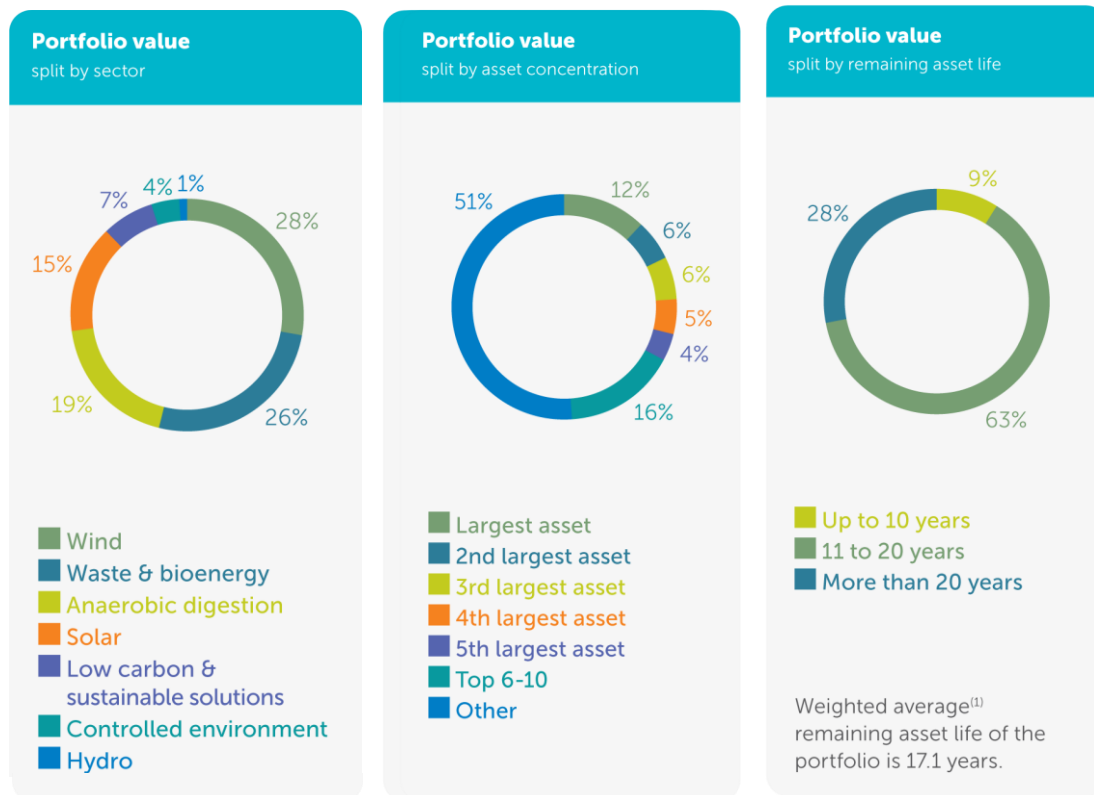


1) Does not include investment into FEIP.



# PORTFOLIO ANALYSIS

A diversified mix of environmental assets, with low exposure to individual risk factors



- Low single technology risk
- Low single asset concentration
- Weighted average remaining asset life of 17.1 years<sup>(1)</sup>

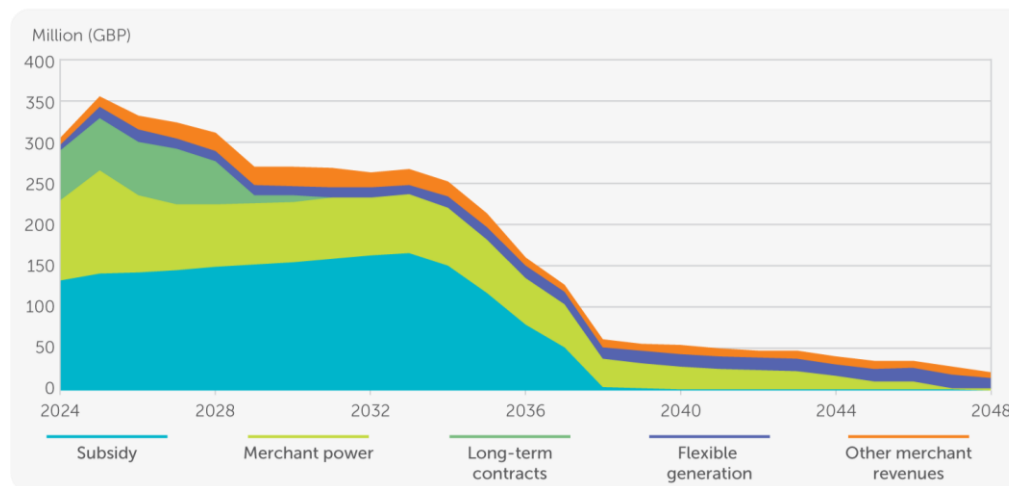
1) Based on project revenues from volumes/generation during the period and assumes project cash flow distributions reflect revenue split at each project.

# PORTFOLIO REVENUE ANALYSIS

## Revenue evolution and inflation linkage

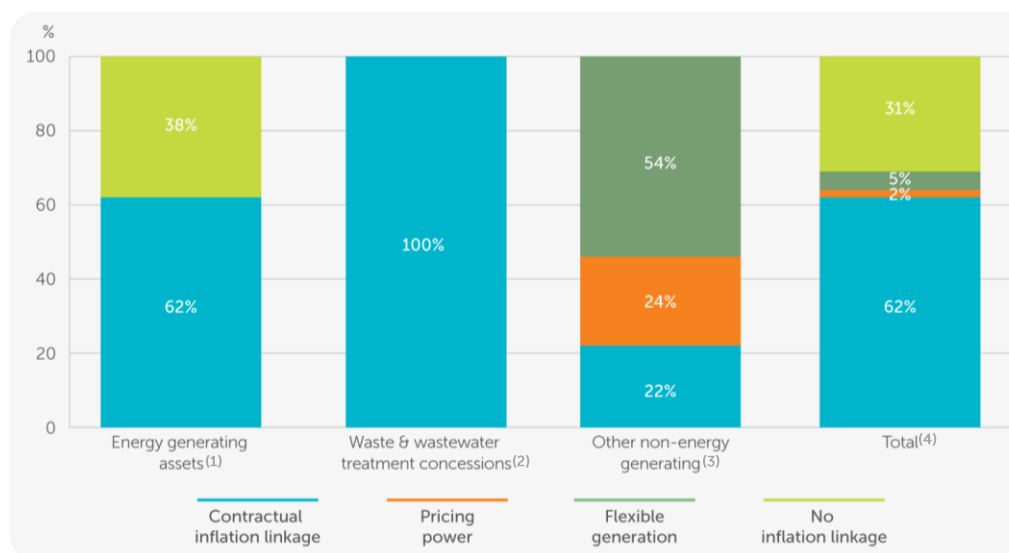
### Revenue evolution

- The chart overleaf shows the proportion of different revenue categories on an NPV basis
- Other merchant revenues include non-energy generating assets such as JLEN's controlled environment investments



### Inflation linkage

- 62% of portfolio revenues on an NPV basis are either subsidy based or derived from contracts that feature contractual inflation linkage



- 1) Wind, solar, hydro, AD, biomass & EfW
- 2) Waste & wastewater treatment PFI concessions
- 3) Battery storage, CNG fuels & controlled environment
- 4) Portfolio weighted average figures



# CONSTRUCTION MANAGEMENT

## Investment allowance of 25% into construction assets

- Gradual increase in construction assets to 10% of portfolio value
- JLEN sees key advantages in construction investment. These may include:
  - Higher entry IRRs;
  - Discount rate compression and capital growth once in operations; and
  - Less competition and opportunities to build relationships with developers to secure pipeline
- Continued focus on developing a balanced portfolio over time to maintain a suitable overall risk profile

### CNG refuelling stations

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

### Battery Energy Storage System ("BESS")

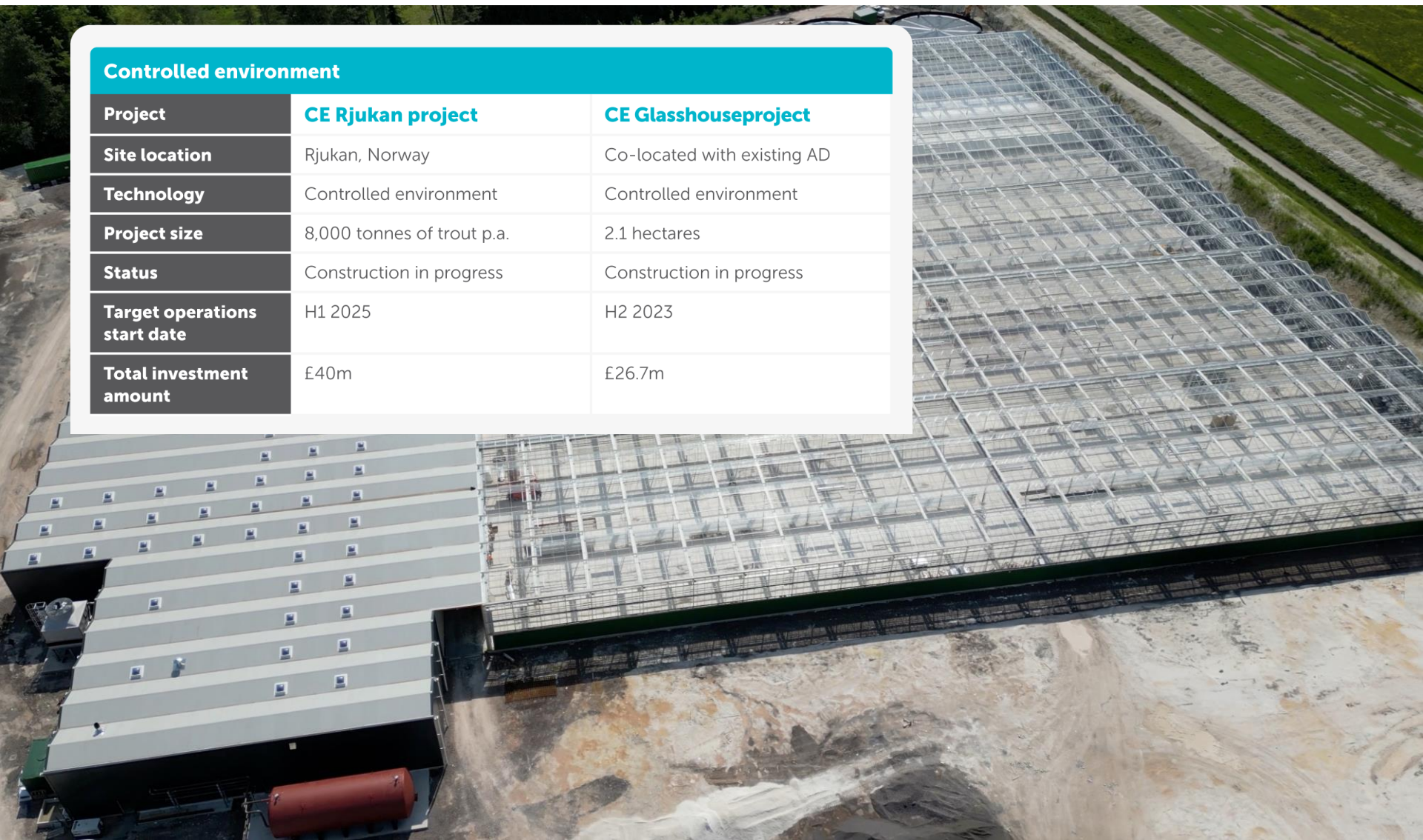
Project	West Gourdie	Sandridge	Lunanhead	Clayfords
Site location	Dundee	Wiltshire	Angus	Buchan
Technology	Lithium-ion	Lithium-ion	Lithium-ion	Lithium-ion
Project size	50MW	50MW	50MW	50MW
Status	Operational	Construction in progress	Ready to build	Ready to build
Target operations start date	June 2023	H1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

## CONSTRUCTION MANAGEMENT cont.

Controlled environment builds progressing well

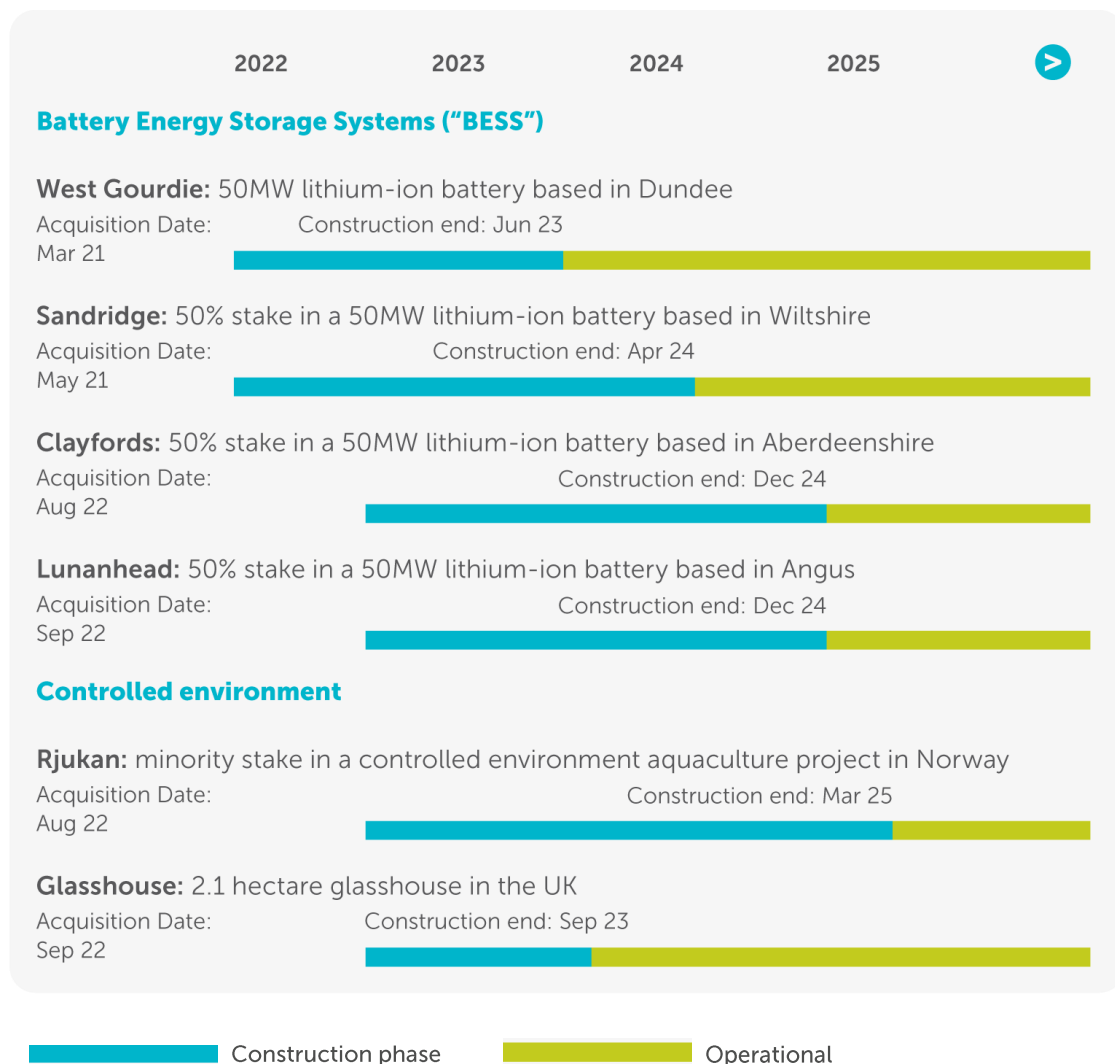
### Controlled environment

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



# CONSTRUCTION PROGRESS

## Remaining commitments well covered



### Investment obligations <12 months:

- West Gourdie: £3.0m
- Sandridge: £8.0m
- CNG Fuels: £6.2m
- Rjukan: 167.9m NOK (c.£14.3m)
- Glasshouse: £6.3m
- FEIP: €7.0m (c.£6.1m)
- Thierbach devex: €4.5m (c.£3.9m)
- **Total <12 months: £47.8m**
- **RCF headroom: £97m**

### Further rights, but not commitments, to develop:

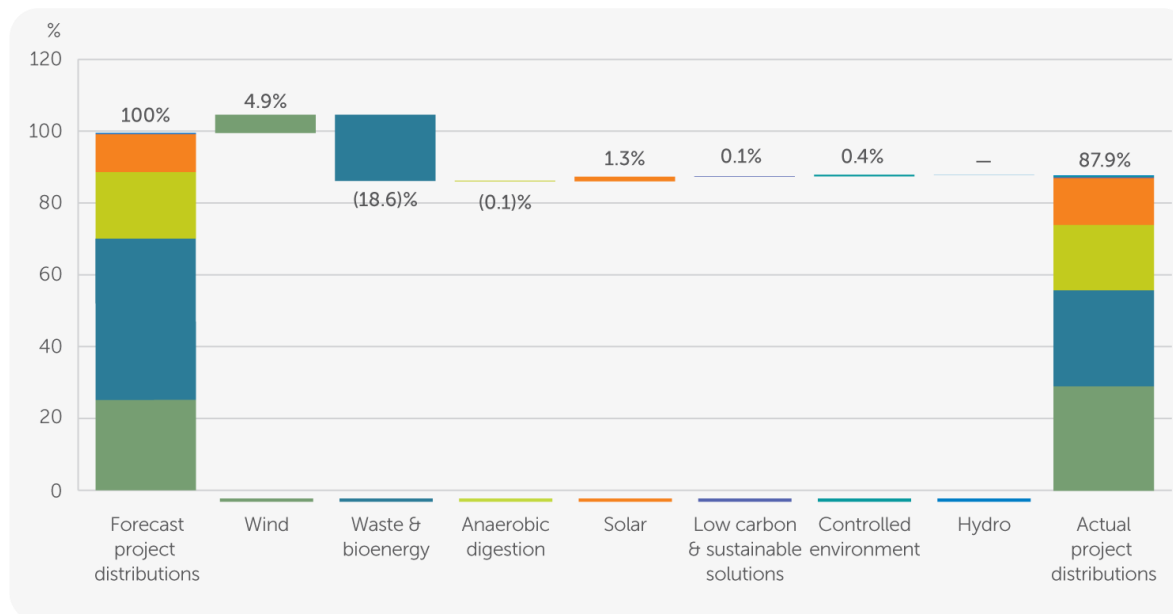
- Clayfords & Lunanhead BESS
- Thierbach capex

## Portfolio performance

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# FINANCIAL PERFORMANCE

## Budget vs actual project distributions



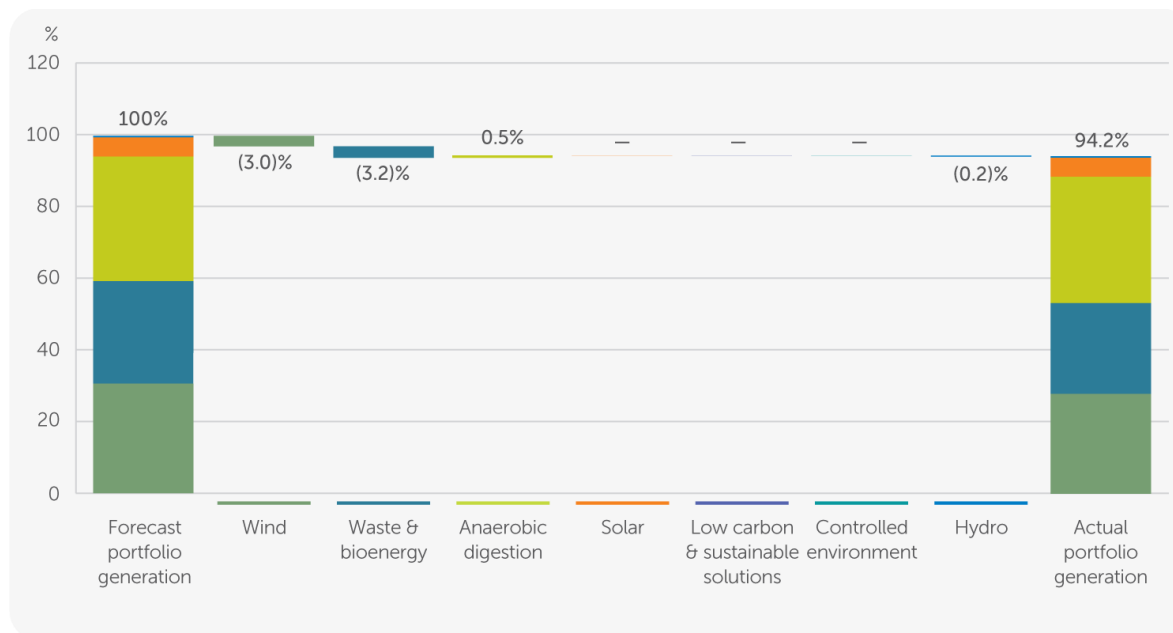
Highest dividend cover  
since IPO of 1.51x

- Chart shows budgeted project distributions at the start of the financial year, alongside the relative over/under-performance from each of JLEN's sectors
- All bar one sector reported satisfactory or good financial performance, with distributions at or above budget
- Underperformance from waste and bioenergy sector due to 12 week unplanned outage between November to February at Cramlington
- Solid year of financial performance



# OPERATIONAL PERFORMANCE

## Budget vs actual energy generation



1,325 GWh generated by the energy generation assets, 5.8% below target

- Volatile power prices mean energy generation and cash distributions are not always correlated
- For example, wind outperformed its cash budget but underperformed against P50 due to low wind speeds
- Unplanned outage at Cramlington drove underperformance in the Waste & Bioenergy sector. Plant operating above generation targets before downtime and has continued to out-perform since reenergizing
- All other sectors performed in line with budgets

## VALUE ENHANCEMENTS

Growth through active asset management

### Biomethane Injection Hub

- Vulcan AD has open-ended RHI accreditation
- Additional capacity available at Vulcan's connection point
- VE underway to facilitate biogas produced off-site being injected at Vulcan



### Cramlington Fuel Preparation Area

- Prior to JLEN's ownership, mixing of different wood supplies on site was limited, leading to inconsistency of fuel fed into the plant.
- Inconsistency led to blockages and inconsistent boiler firing, impacting on plant availability and efficiency
- New FPA has led to improved consistency and plant operations



### AD to Glasshouse Private Wire

- The Glasshouse is co-located with one of JLEN's ADs
- Private wire providing green electricity from the AD to the Glasshouse enables both parties to benefit from better prices than grid
- AD also transfers heat, generating a RHI subsidy revenue stream



## ESG

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## ESG AT A GLANCE

Article 9 Fund, with an award-winning approach to ESG

### Environmental performance



**1,325**

GWh renewable energy generated



**212,263**

tonnes CO<sub>2</sub>e avoided<sup>(1)</sup>



**35.6**

wastewater treated (billion litres)



**684,181**

waste diverted from landfill (tonnes)



**129,114**

waste recycled (tonnes)



**355,191**

organic fertiliser produced (tonnes)

### Governance performance



**36**

health and safety audits



**95%**

assets alignment with EU Taxonomy



**92%**

primary suppliers underwent Ethixbase due diligence checks

### Social performance



**£432,756**

community funding



**>347**

full-time equivalent jobs supported

- Article 9 fund, committed to environmental infrastructure
- Progress made on voluntary TCFD disclosures, with integrated transition and physical risk scenario modelling
- Award winning approach to ESG

**TCFD** TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

**PRI** Principles for Responsible Investment

**SUSTAINABLE DEVELOPMENT GOALS**



## ESG KPIs

Improved or stable performance on 13 out of 20 KPIs

### Environmental

Renewable energy generated

GHG emissions avoided

Tonnes of waste treated

Litres of wastewater treatment

Environmental incidents

Purchased energy originating from renewable sources

Management of biodiversity

Assessment of major contractors against ESG criteria

### Social

Community funding

Health and safety incidents

Community engagement procedures

FTE jobs supported

Accessibility of community fund documents

Assessment of major contractors against ESG criteria

### Governance

Portfolio audits of health and safety practices

Diversity of SPV directors

Portfolio audits of tax and financial practices

Inclusion of ESG in SPV board agendas

Governance oversight

Assessment of major contractors against ESG criteria



## Outlook & opportunities

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# JLEN OUTLOOK AND PIPELINE

Assessing the wider market for risk-adjusted returns

	Future growth		JLEN outlook
	UK	Europe	
Wind	✓	✓	<ul style="list-style-type: none"> <li>Not a priority given likely returns</li> <li>Possible interest in construction stage assets</li> </ul>
Solar	✓	✓	<ul style="list-style-type: none"> <li>Not a priority given likely returns</li> <li>Possible interest in development pipelines</li> </ul>
AD	?	✓	<ul style="list-style-type: none"> <li>Limited suitable UK pipeline</li> <li>New subsidy regimes in Europe are attractive, but likely to involve construction risk</li> </ul>
Biomass & EfW	✓ With BECCS	?	<ul style="list-style-type: none"> <li>Interested in additional assets with operating track records</li> <li>Sustainability of feedstock important factor</li> </ul>

## JLEN OUTLOOK AND PIPELINE cont.

Assessing the wider market for risk-adjusted returns

	Future growth		JLEN outlook
	UK	Europe	
Controlled environment	✓	✓	<ul style="list-style-type: none"> <li>Significant pipeline of opportunities seeking capital, but many early stage</li> <li>Focus on build-out of existing CE assets</li> </ul>
Low carbon transport	✓	✓	<ul style="list-style-type: none"> <li>Significant market opportunity with adjacencies to existing operations</li> <li>Focus on build-out of further CNG stations</li> </ul>
Battery storage	✓	✓	<ul style="list-style-type: none"> <li>GB market active and competitive; European markets less developed</li> <li>JLEN will consider operational performance and state of the market before further investment</li> </ul>
Hydrogen	✓	✓	<ul style="list-style-type: none"> <li>Major sector-spanning opportunity</li> <li>Likely to be a key area for JLEN</li> </ul>

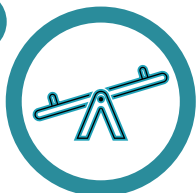
## Hydrogen

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# HYDROGEN AS PART OF THE ENERGY TRANSITION

It provides a flexible, complementary energy medium alongside intermittent renewables

1



## Renewable energy storage

- Hydrogen offers low cost grid balancing by utilising excess, variable renewable energy to generate hydrogen for storage responding to peaks in demand
- In larger volumes, hydrogen can also serve as longer term energy store responding to monthly or seasonal demand fluctuations.

2



## Energy carrier and transporter

- Electricity grids have limitations such as high cost, losses over long distance, and planning/development complexity
- Hydrogen offers an alternative method of moving energy from A to B

3



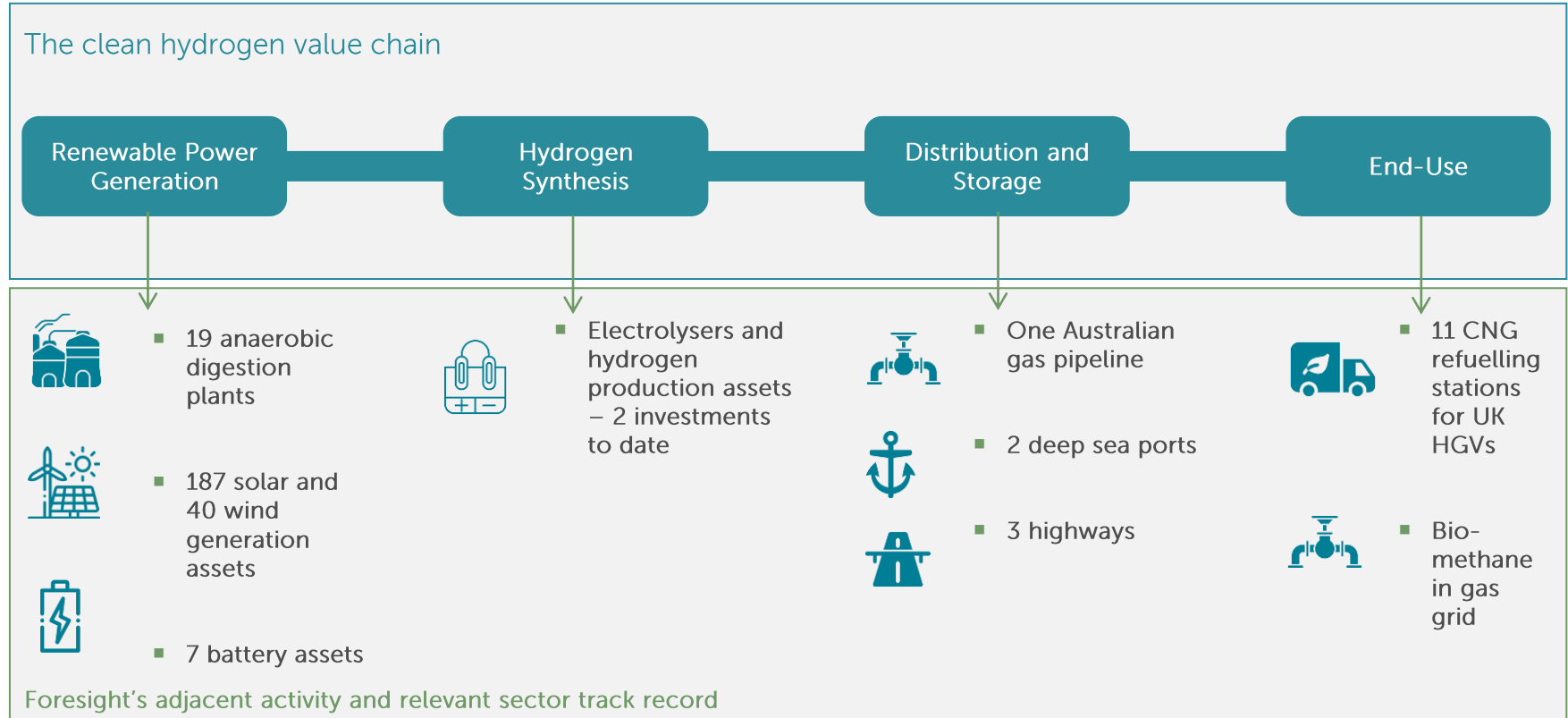
## Decarbonisation of hard-to-abate sectors

- Some parts of the economy, such as steel, chemicals, or heavy transport, are not suitable for electrification
- Hydrogen offers an energy profile suitable for many of these purposes and is usable in a way that is highly comparable to natural gas

# 35 THE HYDROGEN VALUE CHAIN & FORESIGHT'S INDUSTRIAL NETWORK



Foresight has a strong presence in adjacencies of the hydrogen value chain coupled with high profile industrial partnerships or collaboration



Foresight's key industrial relationship and collaboration partners





## High quality assets in industrial Germany with large pipeline



**Credible, well connected  
Management Team**

*Alex Voigt, CEO.* Cofounder and CEO of Solon; founder of Q-cells; founder and CEO Younicos

*Mark Page, CFO.* Global board member at AT Kearney. Sector expertise in infrastructure & Tech

*Andreas Schierenbeck, Executive Vice Chairman.* Former Uniper CEO, Thyssenkrupp, Siemens



**Strong pipeline of H2  
projects across Germany**

JLEN has preferential rights to finance 5 projects under a development finance agreement.

Thierbach, is progressing to Financial Close

HH2E plans to install production facilities in Germany with a total capacity of at least 4 GW by 2030 and has identified more than 15 ideal locations.



**Use of batteries to maximise  
electrolyser load factor**

HH2E's plants are designed to use its HH2E-Werk concept – this allows production of hydrogen and steam to occur when wind or solar output is high and hence electricity prices are low.

Electrolyser technology is established and first contract placed with Nel for 120MW electrolyser equipment.



**Infrastructure characteristics  
with potential for strong  
returns**

Projects targeting users in industry hubs with revenues likely to be contracted through high quality corporate offtakers

Continued national and local authority regulatory support for hydrogen

Higher returns anticipated than for any of JLEN's established renewable energy sectors



## Summary

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## SUMMARY

### Disciplined diversification underpins stable return to investors

- Disciplined approach to **five acquisitions** completed during the year, giving a total of **42 assets**
- **Further diversification** into controlled environments and green hydrogen
- Outlook supports the continued build out of a **resilient and diversified portfolio** of assets
- **Annualised total shareholder return of 7.9%**
- Dividend cover of **1.51x** – highest since IPO
- 6% uplift in **FY24 dividend target 7.57p**



No representation is being made by the inclusion of the data contained herein that the Company will achieve results similar to that which it has achieved in the past or avoid losses. Past performance cannot be relied on as a guide to future performance.



**Thanks for listening**

**Q&A**



**TCFD** TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES

**SUSTAINABLE  
DEVELOPMENT  
GOALS**

**PRI** Principles for  
Responsible  
Investment



## Appendices

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# FUND OBJECTIVES



## Financial objectives



### Predictable income growth for shareholders

Provide investors with a progressive dividend.



### Preservation of capital over the longer term

To preserve the capital value of the portfolio over the long term on a real basis through active management of the portfolio and the reinvestment of cash flows not required for the payment of dividends.



### Investment, growth and diversification

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

## ESG objectives



### Promote the efficient use of resources

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



### Develop positive relationships with communities in which JLEN works

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



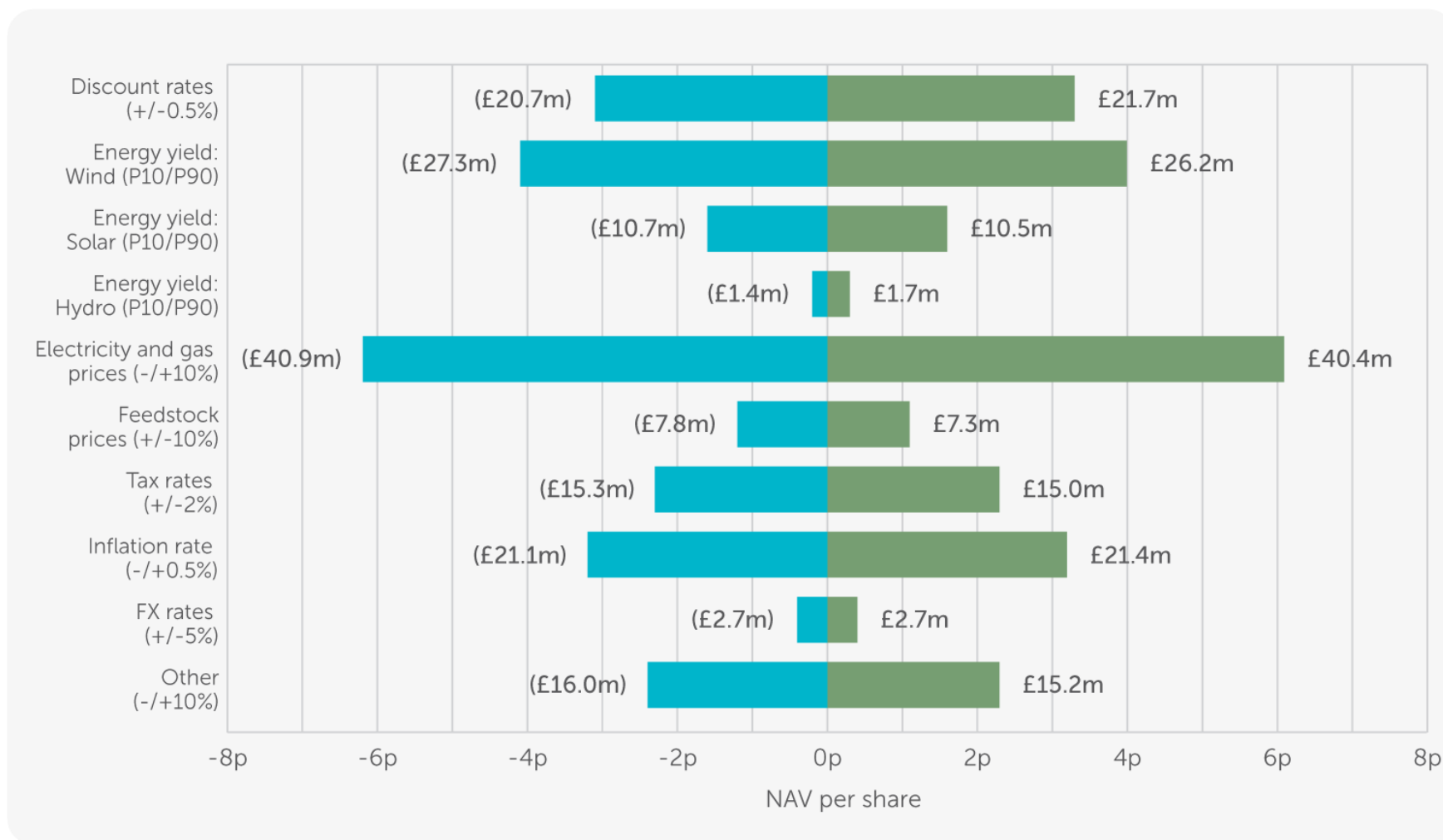
### Ensure effective, ethical governance across the portfolio

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

# NAV SENSITIVITY ANALYSIS AT 31 MARCH 2023



## Sensitivities – impact on NAV at 31 March 2023





## ASSESS, MONITOR, ENGAGE

### Assess

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

### Monitor

Third-party service providers, sometimes with the assistance of technical advisers, monitor and manage the ongoing performance of each asset in the JLEN portfolio.

### Engage

Engagement with stakeholders occurs through a combination of formal (e.g. contractual obligations or industry events) and informal channels (e.g. ongoing meetings and discussions).

### Case study: The Foresight Sustainability Evaluation Tool ("SET")

The SET is made up of five criteria that cover the key areas of sustainability and ESG considerations to be assessed:

#### Sustainable Development Contribution:

The contribution made towards the global sustainability agenda, including an assessment of its resilience to climate change-related risk and opportunity

#### Environmental Footprint:

The environmental impacts of an investment

#### Social Welfare:

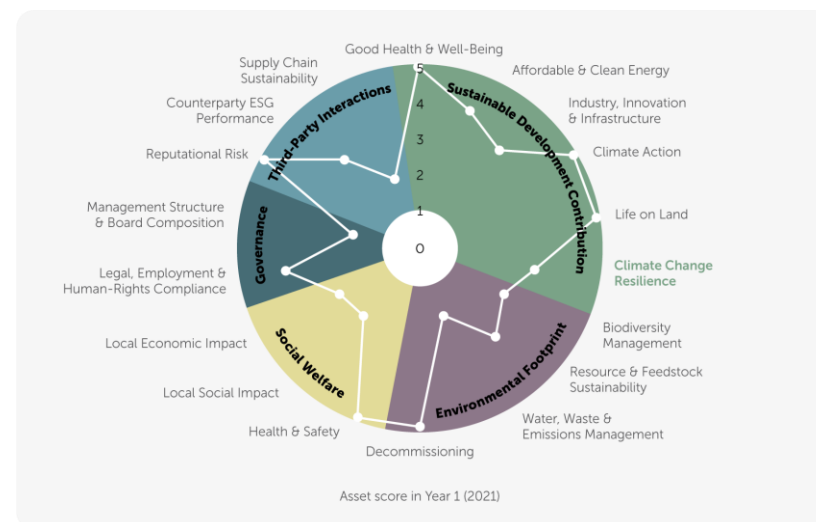
The interaction with local communities and the welfare of employees

#### Governance:

The compliance with relevant laws and regulations

#### Third-Party Interactions:

The sustainability of key counterparties and the broader supply chain



# BOARD OF DIRECTORS

**Foresight**  
FOR A SMARTER FUTURE



**Ed Warner**  
Board Chair



**Steph Coxon**  
Senior Independent  
Director & Chair of  
Audit Committee



**Hans Joern Rieks**  
Director



**Alan Bates**  
Director & Chair of  
Risk Committee



**Jo Harrison**  
Director & Chair of  
ESG Committee



**Nadia Sood**  
Director

## Board structure as at 31 March 2023 <sup>(1)</sup>



Chair 1  
Senior Independent Director 1  
Directors 5



Male 4  
Female 3

1) Mr Richard Ramsay retired from the Board, effective 1 April 2023.

## FUND GOVERNANCE AND TERMS

<b>The Fund</b>	<ul style="list-style-type: none"> <li>• Domiciled in Guernsey</li> <li>• Independent Board of Directors</li> <li>• Premium listing on the LSE (Chapter 15)</li> </ul>
<b>Alternative Investment Fund Manager</b>	<ul style="list-style-type: none"> <li>• Foresight Group LLP</li> <li>• Authorised and regulated by the Financial Conduct Authority ("FCA") under firm reference number 198020</li> <li>• Monitors and reviews projects</li> </ul>
<b>Base Fee</b>	<ul style="list-style-type: none"> <li>• Up to and including £0.5bn of Adjusted Portfolio Value* - 1.0%</li> <li>• Over £0.5 bn – 0.8%</li> </ul>
<b>Performance Fee</b>	<ul style="list-style-type: none"> <li>• No performance fee</li> </ul>
<b>Asset Origination Fee</b>	<ul style="list-style-type: none"> <li>• No origination fee</li> </ul>
<b>Alternative Investment Fund Manager Term</b>	<ul style="list-style-type: none"> <li>• Rolling one year notice</li> </ul>
<b>Discount Control</b>	<ul style="list-style-type: none"> <li>• The Company can buy up to 14.99% p.a. of the ordinary shares in issue at prices below the estimated prevailing NAV per ordinary share where the Directors believe such purchases will result in an increase in the NAV per ordinary share</li> </ul>
<b>Continuation Vote</b>	<ul style="list-style-type: none"> <li>• Would take place if shares trade at a significant discount to Net Asset Value per share for a prolonged period of time</li> </ul>

\* "Adjusted Portfolio Value" means the sum of the Fair Market Value of the Investment Portfolio, plus any cash owned by or held by or to the order of the Fund plus the aggregate amount of payments made to Shareholders by way of dividend in the quarterly period ending on the relevant Valuation Day, less any other liabilities (excluding any borrowings) and any Uninvested Cash (each to the extent that it has not already been deducted). Uninvested Cash refers to the net proceeds of any equity or debt capital raising by the Company that is held in cash or near cash instruments until such time as such net proceeds are invested by the Fund in Investment Interests.

# INVESTMENT POLICY



<b>Sector</b>	<ul style="list-style-type: none"> <li>• The Company seeks to achieve its objectives by investing in a diversified portfolio of environmental infrastructure</li> <li>• JLEN defines environmental infrastructure as infrastructure assets, projects and asset-backed businesses that utilise natural or waste resources or support more environmentally friendly approaches to economic activity, support the transition to a low carbon economy or which mitigate the effects of climate change</li> <li>• Environmental infrastructure that the Company invests in typically has one or more of the following characteristics: <ul style="list-style-type: none"> <li>• long-term, predictable cash flows, which may be wholly or partially inflation-linked cash flows;</li> <li>• long-term contracts or stable and well-proven regulatory and legal frameworks; or</li> <li>• well-established technologies, and demonstrable operational performance</li> </ul> </li> </ul>
<b>Geography</b>	<ul style="list-style-type: none"> <li>• At least 50% of the portfolio by value will be based in the UK</li> <li>• Will only invest in environmental infrastructure located in the UK, member states of the European Union or OECD countries</li> </ul>
<b>Operational</b>	<ul style="list-style-type: none"> <li>• The substantial majority of investments in the portfolio by value and number will be operational. The Company will not acquire investment interests in any investment if, as a result of such investment: <ol style="list-style-type: none"> <li>(i) 5% or more of the NAV is attributable to environmental infrastructure in the development phase (including in developers or development funding structures); or</li> <li>(ii) 25% or more of the NAV is attributable to projects that are either in the development phase (including in developers or development funding structures) or are in construction and are not yet fully operational</li> </ol> </li> </ul>
<b>Single Asset Limit</b>	<ul style="list-style-type: none"> <li>• No more than 30% of NAV invested in a single asset post-acquisition</li> </ul>
<b>Gearing</b>	<ul style="list-style-type: none"> <li>• Asset level: no more than 65% of Gross Project Value** for Renewable Energy projects and no more than 85% of Gross Project Value for PFI/PPP projects</li> <li>• Fund level: no more than 30% of NAV immediately post-acquisition; any acquisition debt intended to be repaid periodically by equity raising</li> </ul>

\*\* "Gross Project Value" means in respect of each Project Entity, the Fair Market Value of the Investment Interests in such Project Entity acquired or to be acquired by the Fund as increased by the amount of any financing held within the relevant Project Entity.

## CONTACTS



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### Fund Administrator and Company Secretary

#### **Sanne Fund Services (Guernsey) Limited**

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