

18 February 2025

Foresight Solar Fund Limited
("Foresight Solar", "FSFL" or the "Company")

Corporate and Strategic Update

- Revised investment management fee generating substantial cost savings
- Board succession - including future Chairman and Senior Independent Director appointments
- Ongoing Shareholder dialogue to deliver Shareholder value through strategic change

Foresight Solar, the fund investing in solar and battery storage assets to build income and growth, is pleased to announce alongside its quarterly Net Asset Value (NAV), published this morning, various corporate and strategic updates.

(1) Changes to investment manager fee basis and tiering

The Board and the Investment Manager are acutely aware of the growing preference from investors for management fee structures to more closely reflect the share price performance experienced by shareholders. To that end, the Board and the Investment Manager have re-negotiated the investment management fee arrangements to reflect this and deliver substantial cost savings to the Company.

Under the existing fee arrangements, the Investment Manager receives an annual management fee calculated at the rate of 1% p.a. of NAV up to £500m and 0.9% p.a. of NAV greater than £500m. This is payable quarterly in arrears and is calculated based on the published quarterly NAV for the period.

The new arrangements reflect two significant improvements:

- (1) rather than being applied to NAV on a standalone basis, the new management fee will be applied to an equal weighting of (i) the average of the closing daily market capitalisation during each quarter and (ii) the published NAV for the quarter; and
- (2) in addition to the change in basis, the Board has agreed that the percentage rates applied to each tier of weighted value will be reduced to 0.95% up to £500m and 0.8% over £500m.

The revised arrangements will apply from 1 March 2025. The fee calculation will be capped such that it is the lower of the new arrangement and a calculation based solely on Net Asset Value, as per the old arrangement.

The tables below reflect the old and new arrangements:

Old arrangement

<i>Up to £500m</i>	<i>Net Asset Value</i>	<i>1%</i>
<i>In excess of £500m</i>	<i>Net Asset Value</i>	<i>0.9%</i>

New arrangement

<i>Up to £500m</i>	<i>Equally weighted NAV and market capitalisation</i>	<i>0.95%</i>
<i>In excess of 500m</i>	<i>Equally weighted NAV and market capitalisation</i>	<i>0.8%</i>

Impact on the Company and further details

By way of illustration, assuming a share price of 77.7p and market capitalisation of £436.3m, being the closing values on 17 February 2025, and the current NAV as at 31 December of £634.4m, the changes represent a potential annualised saving of c.£1.2m (19%) against the old arrangement.

(2) Succession planning

Following the recruitment of two new Directors in 2024, the Board announces its intention to appoint Tony Roper as Chair in September of this year, when Alex Ohlsson will step down from his current role. As previously announced, Chris Ambler will not stand for re-election at the Annual General Meeting in June, and Paul Masterton will be appointed Senior Independent Director upon Mr Ambler's retirement.

(3) Market backdrop and strategic options

The Board is acutely aware of the unprecedented market challenges which the listed renewable infrastructure sector and Foresight Solar are currently experiencing. While the Board remains confident in Foresight Solar's portfolio and took early actions to respond to the market environment, such as undertaking a sizeable share buyback programme, the Board is aware that in the near term this by itself is unlikely to lead to a re-rating of shares.

The Board has actively engaged with Shareholders over recent months and is keen to engage further. Shareholders have expressed a range of views to the Board. While some have expressed a desire for liquidity, others are seeking ongoing exposure to the listed renewables sector through a vehicle with greater secondary market liquidity and scale to drive efficiencies. The Board's role is to balance these objectives and deliver value to Shareholders in an efficient and effective manner by exploring all options available.

Alex Ohlsson, Chairman of Foresight Solar, said: "We are pleased that we have been able to negotiate a new fee arrangement, which better reflects the current market conditions and investor sentiment.

"We are cognisant of the challenges our Shareholders face. We are urgently adapting to new, complex times and will continue to

engage with Shareholders as we consider a range of strategic options while continuing to deliver on our near-term objectives.

"I would like to thank Shareholders for their ongoing engagement and support, and the Board looks forward to updating them further in due course".

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