

14 November 2025

FORESIGHT ENVIRONMENTAL INFRASTRUCTURE LIMITED
("FGEN" or the "Company")

Potential Impact of UK Renewable Obligation Scheme and Feed in Tariff Consultation

On 31 October 2025, the UK's Department for Energy Security and Net Zero (DESNZ) published a consultation exploring proposed changes to the inflation indexation of Renewable Obligation ("RO") Scheme and Feed-in Tariffs ("FiTs"). The consultation outlines two potential approaches, each of which may have implications for FGEN's Net Asset Value ("NAV").

Background on RO and FiT schemes

The UK Government introduced the RO and FiT schemes to incentivise investment in renewable electricity generation by offering long-term, inflation-linked revenue certainty.

- RO scheme: introduced in the UK to support large-scale generators by awarding certificates for each megawatt-hour of renewable electricity produced. Energy suppliers are required to purchase these certificates, ensuring a stable income stream for generators.
- FiT scheme: designed for small-scale generators, it provides payments for both electricity generated and surplus electricity exported to the grid, based on rates set by the Government.

Payments under the RO and FiT schemes are currently adjusted annually for inflation using the Retail Price Index ("RPI"). The adjustment is based on the previous year's RPI figure and takes effect from 1 April each year.

From 2030, both schemes will switch to using the Consumer Price Index ("CPI") instead of RPI, in line with the UK Government's decision to retire RPI. This change has already been reflected in the Company's Net Asset Value ("NAV"). As a measure of inflation, RPI has historically been higher than CPI.

These schemes have played a key role in making UK renewable energy projects financially viable. Both have now closed to new applicants and been replaced by newer mechanisms such as Contracts for Difference (CfD).

Proposed consultation

The Government consultation outlines two main options for adjusting the RO and FiT schemes:

1. To bring forward the date on which the inflation index for these arrangements moves from RPI to CPI from 2030 to 2026.
2. Temporarily freeze existing RO and FiT pricing until CPI inflation catches up with RPI, which is estimated to occur around 2034/35. After which, CPI indexation would apply.

Potential impact on FGEN's NAV

The Company invests across a broad range of environmental infrastructure assets with exposure to multiple revenue streams. As of 30 June 2025, approximately 29% of FGEN's portfolio revenues are derived from the UK's RO and FiT schemes with the remaining 71% earned from other sources of revenue - both in and out of energy markets.

Initial analysis by the Investment Manager suggests the following potential impact on the Company's NAV per share:

- **Option 1:** (RPI to CPI switch): Estimated NAV reduction of 0.5p per share (0.5% of NAV¹)
- **Option 2:** (Temporary price freeze until CPI catches up): Estimated NAV reduction of 6.6p per share (6.3% of NAV¹)

These figures are based on an assumed flat rate of CPI at 2.25%.

Estimates are based on currently available information and may evolve as the consultation progresses.

Our approach to the consultation

The Company and the Investment Manager, Foresight Group LLP, will respond to the consultation, coordinating with peers and industry bodies to build the strongest possible case for shareholders, acknowledging the goal of lowering energy costs for consumers and the transition to a more sustainable energy market.

Results for the six-months ended 30 September 2025

On Friday 28 November 2025, FGEN will publish its interim results for the six months ended 30 September 2025. More information about the analyst briefing and retail investor webinar can be accessed here: [Notice of Interim Results](#).

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About FGEN

FGEN invests into environmental infrastructure to deliver stable returns, long term predictable income and opportunities for growth, whilst driving decarbonisation and sustainability.

Investing across renewable generation, other energy infrastructure and sustainable resource management, it targets projects and businesses with an emphasis on long term stable cash flows, secured revenues, inflation linkage and the delivery of essential services. FGEN's aim is to provide investors with a sustainable, progressive dividend per share, paid quarterly, alongside the potential for capital growth.

The target dividend for the year to 31 March 2026 is 7.96 pence per share².

FGEN is an Article 9 fund under the EU Sustainable Finance Disclosure Regulation and has a transparent and award-winning approach to ESG.

Further details can be found on FGEN's website www.fgen.com and [LinkedIn page](#).

(1) Based on NAV at 30 June 2025

(2) These are targets only and not profit forecasts. There can be no assurance that these targets will be met or that the Company will make any distributions at all.

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