

5 March 2026

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

**Q4 2025 Trading Update and Net Asset Value**

Foresight Solar, the fund investing in solar and battery storage assets to build income and growth, announces its unaudited net asset value (NAV) was £545.9 million at 31 December 2025 (30 September 2025: £564.5 million). This results in a NAV per Ordinary Share of 99.2 pence (30 September 2025: 102.1 pence).

**Highlights**

- Strong irradiation in the UK during 2025 contributed to electricity production 3.4% above budget in Foresight Solar's main market.
- Independent advisors reviewed the UK portfolio's operational performance, concluding in a revised energy yield forecast with an increase of 2.8% in expected annual production.
- Completion of the detailed UK tax review resulted in an additional 5.5pps downside, providing clarity over historical and future tax liabilities.
- Commissioning of the first battery storage project provided a NAV uplift and reinforced the Company's capability to bring plants through construction for the benefit of shareholders.
- Strong operational performance and robust hedging gave the Board confidence to declare the final interim dividend relating to 2025 on 13 February, with cover of 1.3x for the year.

**Summary of key changes to NAV**

| Item                                      | p/share movement |
|---|------------------|
| <b>NAV on 30 September 2025</b>           | <b>102.1p</b>    |
| Interim dividends                         | -2.0p            |
| Time value                                | +1.9p            |
| Energy yield assessment                   | +3.9p            |
| Lifecycle investments                     | +1.5p            |
| Asset lives                               | +3.3p            |
| Capture price discounts                   | -1.9p            |
| Tax review                                | -5.5p            |
| Sandridge BESS commissioning              | +0.4p            |
| Power price forecasts                     | -0.3p            |
| Project actuals                           | -0.4p            |
| Australian curtailment                    | -1.4p            |
| ROC/FIT inflation indexation <sup>1</sup> | -1.7p            |
| Share buybacks                            | +0.2p            |
| Other movements                           | -0.9p            |
| <b>NAV on 31 December 2025</b>            | <b>99.2p</b>     |

<sup>1</sup> Despite being a post-period move, Foresight Solar has decided to include the adjustment in this update.

**Portfolio review and valuation**

In the second half of 2025, the Company commissioned an independent technical advisor to undertake a comprehensive review of the UK assets. Given the portfolio's 12 year operating history - and the ongoing divestment programme targeting an additional 75 MW of operational solar - this assessment was both timely and valuable.

The review updated the long term energy yield forecast and provided external validation of key assumptions, including asset availability, lifecycle investment requirements and useful economic lives. These findings will be incorporated into future budgets, with future performance monitored against the revised production targets.

This independent review reaffirmed Foresight Solar's longstanding view that the portfolio operates to a high standard, with expected production increasing 2.8% relative to previous forecasts. The portfolio remains well positioned to deliver reliable, clean power for many years to come.

Reflecting this strengthened outlook, the valuation now assumes that most UK sites will operate for the shorter of their planning expiry or 40 years. Foresight Solar remains confident in its ability to extend leases to support this targeted operating life. The remaining UK portfolio useful life is now 26 years.

The Company also increased its assumed long-term solar capture discount rates, reducing expected captured prices in light of higher expected renewable penetration in the UK in coming years.

Together, these valuation and assumption changes contributed 6.8 pence per share (pps) to NAV in the fourth quarter.

**Tax review**

The Company reported a tax adjustment in the third quarter NAV update, transparently disclosing the investment manager's and a leading advisor's best estimate of the impact on NAV at the time, for which the Board sought as much assurance as was available at the time. As acknowledged then, further analysis was required. The work is now finished, resulting in higher tax liabilities and a further downside of 5.5pps.

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

The investment manager recognises this is an extremely unwelcome outcome. However, Gary Fraser, CEO of Foresight Group, assured Directors this adjustment concludes the matters arising from the Company's voluntarily agreed position with HM Revenue & Customs, and the investment manager is confident it brings clarity to both past and future tax liabilities.

### **Other valuation movements**

Sandridge BESS began commercial operations during the period and is expected to contribute to distributions in 2026. As the project moved from a cost based valuation to a discounted cash flow methodology, the Company recorded a positive impact of 0.4pps. The valuation uplift demonstrates FSFL's capability to deliver projects through construction and capture value for shareholders. It also highlights the strategic benefits of the allocation to battery storage, which adds a complementary revenue stream to the generation portfolio and supports the energy transition.

Moderately lower power price forecasts in the UK and Spain, especially in the near term - when Foresight Solar is largely hedged - resulted in a 0.3pps reduction in NAV.

Between October and December, network outages in the UK and higher than expected curtailment in Spain and Australia limited electricity production. This resulted in a modest negative impact of 0.4pps from actual performance in the quarter.

Reflecting the challenging market conditions, the Company has adopted more conservative curtailment expectations in Australia, reducing NAV by 1.4pps.

The proposed change to Renewables Obligation and Feed in Tariff inflation indexation, shifting from RPI to CPI from April 2026, remains subject to legislation. Once implemented, it will lead to a downside of 1.7pps and is, therefore, reflected in this valuation despite being a post-period decision. The move is consistent with the estimate issued last November.

The Company continued with share buybacks, delivering 0.2pps of NAV accretion in the last quarter of 2025. FSFL has now deployed almost £55 million of its £60 million allocation, resulting in a cumulative uplift of 3.1pps since the start of repurchases.

Other movements include macro factors, such as realised 2025 inflation, foreign exchange movements and updated business rates, as well as working capital adjustments and mark-to-market of financial hedges.

### **UK portfolio valuation**

The Board remains confident that Foresight Solar's realistic assumptions are supported by transactional evidence and market data, resulting in a balanced valuation for the UK portfolio.

| UK portfolio valuation | 31 December 2025 | 30 June 2025 |
|------------------------|------------------|--------------|
| £m/MWp                 | 0.97             | 1.09         |

### **Trading update**

A sunny year in the UK drove electricity production 3.4% above budget. Output would have been higher without network outages in the Company's main market. This outperformance partially offset below-budget generation in Spain and Australia, where curtailment exceeded expectations.

Overall, global generation was 1.3% below base case with irradiation 4.9% higher than forecast for 2025.

The investment manager continued to implement the Company's active hedging strategy to secure advantageous prices, ensure revenue visibility and support dividend cover. Foresight Solar has capitalised on recent market moves to secure additional hedges, taking the total contracted revenues in the UK to 84% for 2026 and 65% for 2027, at an average price of 76/MWh for both years, and enhancing dividend cover. As elevated pandemic-era fixes roll off, FSFL has processes in place to maintain an attractive revenue profile and covered income for shareholders.

Strong operational performance and robust hedging gave the Board confidence to declare the final interim dividend relating to 2025, with cover of 1.3x for the year.

The dividend target for 2026 will be confirmed alongside FSFL's full year results. The Board recognises the importance of cash yield to shareholders and remains committed to a progressive income strategy. It will consider whether an increase is appropriate and aligned with shareholders' interests. Maintaining the dividend at its current level may help build cover for future periods. At the latest price, FSFL shares yield close to 13%.

### **Gearing**

The gross asset value (GAV) on 31 December 2025 was £928.2 million (30 September 2025: £969.4 million), with total outstanding debt of £382.3 million. This represented 41.2% of GAV (30 September 2025: £404.9 million and 41.8%), comfortably within the 50% limit.

The RCF balance was £72.7 million drawn (30 September 2025: £91.7 million).

### **Commenting on the update, Tony Roper, chair of Foresight Solar, said:**

*"Today's results underline Foresight Solar's operational resilience in a challenging year for the renewable energy investment trust sector, with a difficult macro environment, a volatile regulatory landscape and frustrating share price performance."*

*"Our underlying operations remain strong and that reliable track record, combined with our active power price hedging strategy, allowed us to close the year with a dividend cover of 1.3x."*

*"Sandridge BESS, our first operational battery storage asset, entering operations at the end of 2025 was another landmark. It exemplifies the Company's expertise in bringing assets from construction into operations and creating upside for investors."*

*"The investment manager and a leading tax advisor finalised the UK tax review. They have presented their detailed analyses, and the Board has sought assurances from them. While we are clearly disappointed with the outcome, this update concludes the work to provide clarity on past and future tax liabilities."*

*"We were frustrated by the government's decision to change the inflation indexation standard for RO projects. Even as the least disruptive of the two options originally set out, the move still reneges on previous commitments and represents a short-sighted step backwards."*

*"As previously announced, addressing the share price discount to NAV remains a key priority for the Directors and me. We look forward to updating you in due course."*

### **2025 annual results date**

Foresight Solar expects to publish its annual results for the full year to 31 December 2025 on 24 March 2026. A Notice of Results with more details has been published today.

For more information, follow Foresight Solar on [LinkedIn](#) or contact:

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