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Infinis Energy Group Holdings Limited

Annual Report and Accounts 2023

Powering the future

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Our mission is to grow into a diversified, renewable and low carbon energy business, leveraging our core expertise to play a key role in achieving the UK's net zero ambition.

Highlights

Revenue	EBITDA	Operating Profit
£159.7m	**£77.1m**	**£35.0m**
2022: £155.0m	2022: £71.6m	2022: £27.4m

Net cash generated from Operations	RIDDOR accident rate	Development Capital Expenditure
£76.1m	**0.4**	**£57.9m**
2022: £65.6m	2022: 0.3	2022: £8.8m

Infinis at a glance

Electricity generation with a positive environmental impact

Electricity generated (GWh)

1,205

2022: 1,267

Operational MWs installed (MW)

442

2022: 460

MW under development (MW)

1,040

2022: 215

Positive environmental impact ($MtCO_2$)

5.1

2022: 5.7

Our energy generation

Renewable energy

Captured Landfill Methane (CLM)

Generates baseload power through the capture of landfill methane (CH_4), which is carried out by applying suction through a network of installed pipelines and gas wells on landfill sites. Modular gas reciprocating engines use the methane as a fuel source to generate electricity. Methane is around 25 times more harmful than carbon dioxide (CO_2) as a greenhouse gas.

Fuel source

CLM through a network of pipes and gas wells

Used for

- Renewable baseload electricity generation
- 24/7 Export to Grid

Sites and installed capacity

93 sites

220 MW

Captured Mineral Methane (CMM)

Generates baseload power through the capture of mineral methane, which is a naturally occurring methane-rich gas released from closed mines. Controlled extraction through the mine openings or boreholes. The conversion to electricity uses modular reciprocating gas engines in the same way as CLM.

Fuel source

CMM through existing mine openings or boreholes

Used for

- Baseload electricity generation
- 24/7 Export to Grid during operating months

Sites and installed capacity

12 sites

41 MW

Solar

Solar energy parks use interconnected photovoltaic panels to capture sunlight, creating DC electricity which is then converted to AC by on-site invertors. Solar power is a renewable and infinite resource.

Fuel source

Sunlight

Used for

- Renewable electricity generation

Sites and installed capacity

2 sites

11 MW

Flexible energy

Power Response (PR) in FY23 (with Battery energy storage in construction)

Provides highly responsive power in local areas connected through the local distribution network closest to consumer demand, using mostly mains natural gas to power modular gas reciprocating engines. PR supports the UK's energy transition and growing intermittent renewable power generation, from wind and solar, whilst also providing back up capacity in the event of grid demand.

Fuel source

Piped natural gas

Used for

- Fast response electricity generation in periods of reduced supply and/or peak demand

Sites and installed capacity

29 sites

171 MW

Chair's statement

Growing a diversified, low carbon energy portfolio

> **The strategy of Infinis is focused and committed to growth and diversification through continued investment in renewable, and low carbon, sources of electricity."**

The last financial year has seen a seismic shift in energy markets and the electricity industry, as companies, regulators, and governments managed the consequences of Russia's invasion of Ukraine for security of supply and energy prices in the short term, and developed policies and strategies to address them for the longer term.

Not since the late 1970s, has the UK Grid experienced such a period of grid tightness and publicly stated potential risk of 'black-outs'. Concerns regarding energy shortage for Winter 22 in the UK and Europe led to markets pricing-in a significant scarcity premium with electricity pricing at its peak to around 20 times higher than its historical average. The UK Government prioritised security of supply over sustainability in the short term, as evidenced by BEIS instructing the ESO to contract to extend the life of 2.4GW of coal fired power generation this winter. Measures implemented to reduce household and business exposure to market prices, to target windfall profits of oil and gas companies to recirculate them in order to support those households and businesses.

In parallel and focused on the Long term, the US and EU have substantially increased their policy support and targets for renewables and the energy transition through the Inflation Reduction Act in the US and RePowerEU in the EU. The UK Government introduced the British Energy Security Strategy in April 2022 (as reported last year).

Infinis and the energy Trilemma

In this context, the strategy of Infinis is focused on growth and diversification through further investment in renewable, and low carbon, sources of electricity generation, squarely addressing the energy trilemma objectives:

Sustainability
Infinis' captured landfill methane (CLM) and captured mineral methane (CMM) divisions provide one of the foundations of the existing UK decarbonisation strategy by capturing methane and preventing its release into the atmosphere. Investment in new solar energy parks will make an additional strong contribution – with 96MW constructed in FY23, and further construction planned for FY24.

Security of supply
CLM and CMM electricity is generated 24/7, all year round and is not subject to the intermittency of wind or solar. Flexible Generation (FG), currently through Power Response provides electricity to the grid during periods of high demand and/or low generation. In FY23 our PR assets operated for 12 hour peak periods for a large proportion of the year.

Affordability

CLM and CMM generation is forward sold under a progressive hedging strategy. The development of solar provides one of the lowest cost forms of electricity generation on the UK Grid, and the Board and our shareholder 3iN are committed to ensure that, as far as possible, a large proportion of our new solar energy parks secure UK Government Contracts for Difference (CfD) – as evidenced by securing CfD contracts for the 92MWp capacity in CfD Auction Round 4 last June.

Regulatory and Policy

Market intervention can create positive policy frameworks under which companies invest but, of course, can also create shareholder and investor uncertainty. I have previously noted the need for careful and considered energy policy decisions, to avoid unintended consequences and stalling investment decisions. There have been positive and negative examples in FY23.

The further introduction of the Electricity Generator Levy ("EGL") as a blanket additional tax across the entire electricity generation sector is a potential negative. Whilst the need to protect consumers and balance the public finances is fully understood, the EGL has been criticised as being unfairly targeted at renewable generation, a sector not generally making windfall profits. This is a tax without equivalent reliefs for new investment as have been applied to oil and gas producers, and so at odds with the policies to deliver on the UK's net zero commitments.

The continued commitment to CfD auctions, at least annually is helpful and important to provide indexed, government backed PPAs key for managing merchant risk and attracting lower cost financing. However, we would recommend that the auction price cap should be reviewed in response to supply chain inflation to ensure sufficient projects will be secured to maintain momentum for net zero and security of supply.

We welcome the focus from HMG, Ofgem, and the ESO on network investment and on reforms to enable better and faster access, including for new renewable generation and battery projects. Nevertheless, we call for this investment and reform to be accelerated and to provide the ability to deploy capital and deliver projects on a "first ready, first connected" rather than "first come, first served".

The Review of the Electricity Market Arrangements (REMA), launched during Summer 2022, continues. The outcome of REMA may impact every corner of the market. We continue to urge policy makers not to rush such a fundamental review in the wake of the current energy crisis but rather to try to focus on what is required in the long term to secure investment in renewable generation and flexibility at lowest sustainable cost to customers.

Outlook

This is an incredibly exciting period for Infinis, the business continues to expand its strategic horizon and the management team continue to originate new opportunities aligned to strategy. The Executive have further developed the growth strategy over the year, with a stated ambition to organically develop a pipeline of over 1GW of solar and BESS projects.

There is an established culture of strong operational and financial performance, looking to continue to optimise the existing divisions. The passion, commitment and ambition of each employee is tangible.

With this growth, there is an ongoing opportunity for the development of our people in all areas of the business. I am very proud to see that within the next six months around 5% of employees will be newly hired apprentices in functions across the business.

Tony Cocker
Chair and Non-Executive Director

Our ESG focus areas

See pages 28-31

Protecting the health, wellbeing and safety of our people, and the environment.

Combating global warming by targeting the reduction of direct carbon emissions.

Proactively support society in eliminating exploitive work in the supply chain.

Achieving success through a culture of passion, energy, engagement and diversity.

Chief Executive's review

Renewed optimism in our vision

"Infinis cannot lead the energy transition, however, we are and will continue to set an example"

Few could have predicted the scale of national and international level events which have impacted over the recent years. The 'energy crisis' and associated 'cost of living crisis' have dominated the headlines this year – the targeted transition to a UK net zero energy sector by 2035 can address this.

Progress has to be quicker. Climate change is here – the immediate challenge is to slow it. Extreme heat in July 2022, delivered temperatures in parts of England above 40°C. It was concerning, but not surprising, to recently read that for the first time the UK energy sector may not meet its 2035 carbon-free electricity target.

Infinis cannot lead the energy transition however, we are, and will continue to, set an example of how the UK energy sector transition can be achieved. Our commitment to growth and development of renewable and low carbon energy generation is both evidenced by the projects we are constructing, but also visible through the ambitions and commitment of our shareholders, Board, Management Team and employees.

Financial and Commercial Performance

2023 has delivered another strong trading performance. The financial results illustrate the continued strength of the business model and the importance of this and our strategy in the UK sustainability agenda.

A detailed breakdown of our financial performance is within the Group Chief Financial Officer's Report on pages 16 to 19.

Infinis' well-established trading strategy of progressive forward hedging protected Infinis from high imbalance charges and associated credit demands during the year. Our balanced generation portfolio, and flexible generation assets, combined with flexible Power Purchase Agreements have allowed notable upside to be delivered against our budget projections.

3 new operational solar sites

We will shortly have 103 MW of operational solar sites with 96 MWp of new solar projects constructed in the year – this is a huge achievement, and I am immensely proud of how quickly our solar strategy has evolved and is now delivering new operational projects.

Our projects at Litchardon, Devon, Bishampton, Worcestershire represented 92MW of installed solar capacity. These were major construction projects which energised, shortly after the year end.

Our solar project at Winterton, while smaller, marked a landmark project with our landowner FCC Environmental being the first end to end organic project developed and constructed on an FCC landfill site. A pipeline of further projects on FCC sites are now well progressed.

Development Ambitions

A target of developing over 1GW of new solar and battery projects was established earlier this year – broadly doubling our ambitions stated in the prior year, and emphasising our ambitions for Infinis to play an important role in the energy transition, while also enhancing shareholder value.

EBITDA
£77.1m
2022: £71.6m

MW in development
1,040
2022: 215

There has been a huge effort in driving our ambition forward, with identified projects now exceeding our target, through the combination of organic development projects, acquisition of single sites and development framework agreements with third parties. The key now will be to transition these projects, moving them through planning and getting them ready to build.

Sustainable optimised operations

Good progress continues to be made against our sustainability strategy:

- Our investment to construct new low carbon projects, supports the net zero energy transition
- We continue to drive changes to our existing operating practices to ensure our assets operate as efficiently as possible, and our operational model is focused on reducing waste, transport and general carbon intensity from all possible areas of our supply chain
- Continued focus on our employees and promoting a culture of inclusion and ensuring equality for all
- Our commitment to eliminate the risk of exploitive labour in the supply chain is a continued focus and additional safeguards continue to be implemented in higher risk areas, such as solar panel procurement.

Our People and Communities

It becomes ever more difficult to put into words the passion and dedication of each and every person who works for Infinis. Our strategy is developed in consultation with, and delivered through, all who work for Infinis. It was great to see all employees at the two-day annual conference in July, our first since the pandemic. This provides an important platform to engage with everyone across the business.

Protecting our employees remain our primary focus. I am delighted to report another strong year of health and safety performance. Recognition again through the British Safety Council and RoSPA Presidents Award. Our RoSPA is the Order of Distinction for 15 consecutive Gold Awards. Only a very small proportion of companies secure this, which requires continual incremental annual improvement in health and safety - our approach to health and safety.

We continue to invest time, money and energy in supporting activities and investment which make a positive difference to our communities. Donations were awarded to local and national charities and community groups, with around a quarter of employees undertaking a series of community projects (see page 38).

Looking forward

The forward power markets appear to have now stabilised at a more sustainable level (see pages 8 to 11), although these continue to be above historical norms.

We commence the new financial year, FY24, in a very strong position. I'm grateful for the continued support and commitment of 3iN and the Board in pursuing our vision and strategy. We have a strong capital structure, further boosted with the recent injection of £30m from our shareholder.

This continues to be a very exciting time for Infinis. We are extremely well placed to deliver our strategic ambitions. Continued strong operational and financial performance within CLM, CMM and FG will allow our profits to be re-invested into new Development Projects. Optimising financial performance remains vital to ensure our strategy can be largely self-funded within projected operational cash flows.

Shane Pickering
Chief Executive Officer

Strategy

Our vision of 'generating a low carbon future' is being achieved by focusing on our strategy to grow Infinis into a diversified, renewable and low carbon energy business. Throughout the year we have been enhancing our plans for strategic growth which is focused upon:

Maintaining the strong operational and financial performance of our core business.

Accelerating the development and construction of our solar and battery pipeline.

Read more about our focus on development pages 22-24

Delivering Long term sustainable value and returns to our Shareholder.

Market view

The UK Energy Market and the transition - In conversation with Shane Pickering, James Milne and Keith Reid.

Q The fundamentals of the Energy crisis, are we through the worst?

A **Shane:** It's important to look at the market as a UK and European energy market. National Grid operates five interconnectors, connecting the UK with France, The Netherlands, Belgium and Norway with a sixth under construction which will join the UK with Denmark. Demand and supply fundamentals in each of the UK and key western European countries will collectively dictate how tight the generation system gets. The last twelve months have been a perfect storm with Russian natural gas being turned off to most of Europe, urgent safety repairs being required to several French nuclear reactors which then led to many countries, such as Norway in relation to its Hydro energy, focusing on their national energy security and stating that UK and other European interconnectors may not be supplied. Ultimately this was a relatively mild winter for the UK and Europe and action taken early in the year meant that tankered liquified natural gas (LNG) could be imported from the US and Asia into storage facilities providing backup.

James: Gas storage levels remain high, as at the end of March 2023 UK and EU gas storage was some 22% above the average for the last 5 years. This may be driving an over correction in electricity and gas market pricing, which is great for consumer energy costs although not actually a sign of underlying improvement in generation capacity across the UK and Europe. The system remains tight and any notable stress event continues to spike pricing. The UK is well positioned though, with wind generation far in excess of many EU countries. For the majority of last winter, the UK was a net exporter through the interconnectors averaging 2.9GW per day driven by wind generation – as with other countries these interconnector flows would cease in a system stress event.

Keith: The 'fear premium' reflected in market pricing this year is unlikely to repeat. Although an EU market power price based on a high mix of LNG will result in higher pricing going forward. That said, to emphasise James' point on system tightness, it is worth noting that on our 3 highest demand periods this year, the interconnectors provided an average of 3.7GWs to the UK Grid and without it, this could have been a very different, dark, winter.

Q New and evolving technologies – what is the Infinis view?

Battery Energy Storage Systems (BESS)

A **Keith**: BESS has a critical part to play in achieving a net zero UK energy sector, and ultimately allowing all consumers of electricity to be powered by low carbon energy. The more energy that can be stored in BESS when there is excess solar and wind generation, the more this unutilised power can be moved and discharged at evening peak. It goes a long way to addressing the fundamental issue of renewable intermittency so long as durations can continue to be increased.

Shane: CLM is one of the few forms of renewable baseload power on the UK Grid. The UK Grid remains very dependent on natural gas generation in periods of peak demand with 47% of this winter's evening peak demand still delivered by gas. The more offshore wind that is developed will further reduce this, but equally electricity demand is projected to continue to grow with the continued electrification of heat and transport. Residential electricity consumption profile is rapidly changing, providing new 'shoulders' to the traditional evening peak period.

James: : And that's why BESS is so critical to provide a low cost and rapid matching to the changing shape of generation and demand. It also has a critical part to play in balancing the network and ultimately the cost to the consumer.

During the last year, National Grid paid £1bn to the major UK Generators to balance the network, a cost added to each consumers cost of electricity. A significant proportion of our wind generation currently exceeds the existing transmission capability of the network. Major upgrades are now being planned for the next 15 years to support increased renewable generation. BESS has until recently been viewed as adding to transmission capacity but actually it's the solution to reducing excess transmission on the network as typically BESS will be importing during these periods. Reducing transmission costs and creating renewable power 24/7, storage has to be a win-win!

Hydrogen

A **James:** Hydrogen is a key transition gas for the delivery of net zero. For Infinis, the scale and geographic spread of our portfolio has already created a number of early-stage opportunities in the Hydrogen transition.

Shane: The practical challenges and adverse economics of switching from piped natural gas to piped hydrogen, ultimately will focus the initial users of hydrogen to major industrial consumers of natural gas (switching as part of a net zero strategy) and pockets of smaller dispersed users who can utilise existing subsidies to minimise the cost of transition.

Keith: Definitely, the initial development projects being progressed are clear examples of early adopters. Electrolyser technology is established, although more supply is required to ensure demand can be met at an appropriate cost. Like all new energy technologies, subsidy will continue to be an important mechanism to develop scale generation capability while managing cost to the consumer.

> upgrading existing transmission networks arguably is the key catalyst to scaled onshore and offshore renewable wind and solar generation being accelerated"
>
> **Shane Pickering**
> Chief Executive Officer

Q Market reform – a positive or negative ?

A **James:** REMA is focused on ensuring the cost benefits of low cost renewable energy generation pass down to consumers in the long term. Key fundamentals of the review include:

- introducing incentives for consumers to draw energy from the grid at cheaper rates when demand is low or it's particularly sunny and windy, saving households money
- reforming the capacity market so that it increases the participation of low carbon flexibility technologies, such as electricity storage, that enable a cleaner, lower cost system
- de-coupling costly global fossil fuel prices from electricity produced by cheaper renewables, a step to help ensure consumers are seeing cheaper prices as a result of lower cost clean energy sources

We certainly, like most energy generators, welcome the review and fundamentally our existing low carbon business model and committed strategy of continuing to expand our low carbon generation capacity aligns with the UK Energy Security Strategy (published in April 2022) which underpins REMA.

Shane: Building new and upgrading existing transmission networks arguably is the key catalyst to scaled onshore and offshore renewable wind and solar generation being accelerated. There is over 150GWs of projects currently being developed which are in a queue now going out to mid-2030s waiting for grid connection capacity! Certain elements of REMA would still be required, but without doubt the markets power price will naturally fall if this additional capacity was added, more than doubling existing generation.

Key market drivers

Pricing

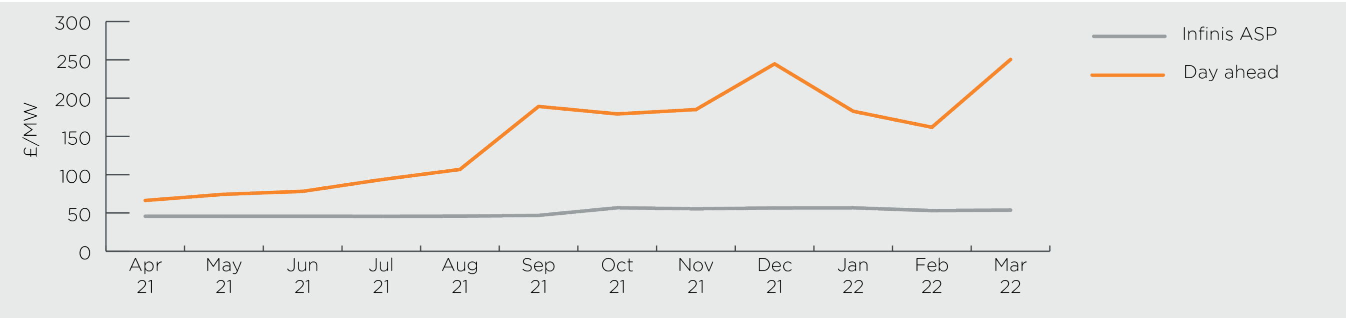
FY23 was a year in which European energy markets came to terms with life without pipeline gas from Russia. A warm winter across Europe overall alleviated the feared supply shortfalls in both gas and power. Prices tracked accordingly, peaking in August 2022 before gradually (and erratically) declining through the winter delivery period. Nervousness around French nuclear availability continued to be a major driver of winter power pricing across Europe.

Several markets are quoted for electricity pricing, from short- term within-day and day-ahead 'spot' prices to Long term seasonal markets providing positions up to three years in the future.

Infinis typically sells exported power at prices that are pre-agreed ahead of delivery for the season, with small amounts of exposure to the day-ahead market. FG output is typically sold day-ahead or within-day to take advantage of short-term price signals reflective of supply issues or other market factors impacting pricing.

Russia's continuing war against Ukraine resulted in very volatile wholesale power prices during FY23. Day-ahead prices throughout Summer 2022 averaged £224.14/MWh vs £101.40/ MWh in Summer 2021. Reduced gas consumption allowed EU countries to enter the winter season with storage 89% full – above the EU mandated target which with reduced demand (both in response to EU targets and warm weather) resulted in Winter 2022 day-ahead prices outturning below that of Summer 20, at £148.07/MWh.

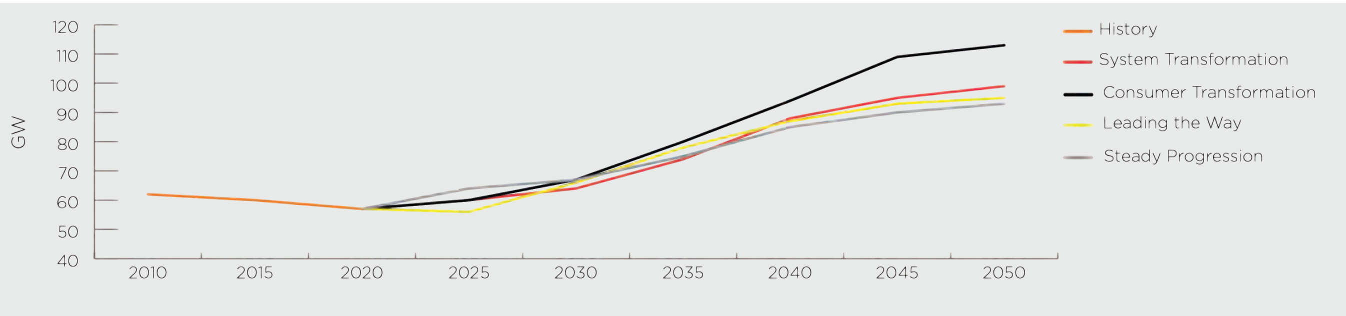
Whilst forward pricing for near seasons in particular has followed a downward trend since the 2022 highs, most commentators believe that energy prices will remain higher than historic Long term averages as a result of this re-basing of underlying gas prices and the capital costs of new generation capacity.



Demand

A mild winter, combined with a demand response to extreme power prices (particularly from industrial and commercial customers) led to overall power demand declining by c3%.

Meanwhile peak demand increased by 1.7%, likely driven by increased demand from electric vehicles and a brief particularly cold spell in December 2022. The National Grid Future Energy Scenarios suggest that we are now at an inflection point where GB annual power demand starts to increase with increased electrification of transport and heating. Annualised GB power demand peaked around 2006/07 and has subsequently broadly tracked lower with energy efficiency measures. The extent to which permanent demand destruction has occurred in response to the recent very high power prices remains to be seen and the policy response to encourage greater demand flexibility, notably through digitization, remains at the early consultation stage.



Supply

The share of electricity generated by renewables in the UK increased significantly to 41.4% in FY23. Nearly 3GW of additional offshore wind capacity came online during 2022, plus a significant amount of additional solar capacity (0.7GW) was also added.

Higher wind speeds, when compared to FY22, also contributed to the uplift from 42.7% in FY22.

Despite the winter contingency contracts entered into by Government to keep 2.4GW of coal capacity online, generation from coal fell another 18% year on year. The last remaining coal unit on the system is due to close by September 2024.

New thermal capacity continues to be met by a challenging economic environment, although we do note that EPH secured a 15 year capacity market agreement for a proposed 1.7GW new combined-cycle gas turbine at Eggborough.

5GW (nameplate capacity) of new-build batteries secured capacity market contracts in the most recent auction, which if all built would more than double the current installed battery storage capacity in the UK.

Regulation and networks

In the Government's March 2023 REMA update, following the Summer 2022 consultation, a relatively small number of options were discounted (local imbalance pricing, pay-as-bid market clearing and equivalent firm power auctions). However, a significant number of core principles underpinning the UK energy system remain under review including the splitting of markets into firm and non-firm, locational pricing, the role of CfDs and the capacity market.

A further consultation is due during 2023 which it is hoped will conclude the options stage of REMA and start to move towards decisions/ implementation. Many countries across Europe have undertaken similar reviews and reached swift conclusions on a much narrower set of options so as not to disrupt investor confidence at such a crucial stage on the journey to net-zero.

Network investment and reforms to better enable access for new projects remains critical. Developments this year included the conclusion in May 2022 of Ofgem's Access Significant Code review, the output of which from 1 April 2023 will be the reduction in connection charges as a general rule as reinforcement costs are not charged to the connecting customer but rather socialised to consumers generally through use of system charges.

In August 2022 the Government and Ofgem made further joint commitments to improve the affordability of connections through the publication of the Electricity Networks Strategic Framework. The impact of these ongoing initiatives will be assessed in the year ahead and hopefully further evolve in this key area.

The UK Government has proposed an EGL as a 45% charge on revenue attributable to the sale of renewable electricity at prices above a benchmark level of £75/MWh. The levy is proposed to have taken effect from 1 January 2023 with the enabling legislation expected in the coming months. The EGL is proposed to apply to 31 March 2028 subject to market prices remaining above the benchmark level, which will rise in line with inflation in future years with effect from April 2024. The EGL is not expected to represent a material liability either in any year, or over the period to March 2028 as a consequence of our forward hedging strategy for CLM and CMM, and new solar energy parks which anticipate receiving a CfD, which is not subject to the EGL.

Our business model

Creating Long term value and a sustainable future

1 What we need to create value

Operational assets
Over 136 operational sites across the UK using modular gas reciprocating engines and solar panels to generate electricity.

Engines

+400

Solar panels

21,640

Asset and site maintenance
A key part of our operating platform is to ensure our +400 engines are maintained in line with manufacturer guidelines.

Engine overhauls and maintenance is completed by our regional field based technicians and engineers, supported by our overhaul facility in Lancaster.

For the initial two years of the new solar project, the contractor is responsible for servicing and maintenance of all equipment. Key components have long manufacturer warranties.

Through our 24/7 Operational Performance Centre we monitor, control and optimise the performance of all our generating plant whilst also ensuring environmental compliance . .

Landowners
All sites operate through Long term contractual arrangements with our landowners.

Within CLM our site teams engage daily with the operational staff of our landowners.

Capital
A highly skilled and motivated workforce is fundamental to our ongoing success. Investment in the maintenance of our existing assets and spend on development assets generates Long term value.

Invested in 2023

£71.3m

National Grid infrastructure
Our 136 sites connect through regional grid connections managed by distribution network operations (DNOs), transmitting the electricity we generate to nearby consumers.

The reliability of this infrastructure is critical for our existing operations. New DNO grid connections support our growth ambitions.

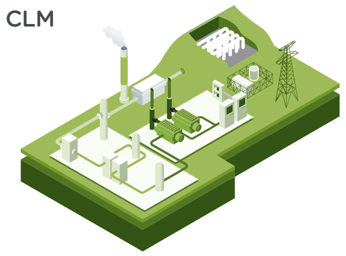
Our people
Our people, their diverse skills and our common values of Excellence, Innovation, Responsibility, Fulfilment, Commitment and Openness are all essential to our future success.

2 How we create value

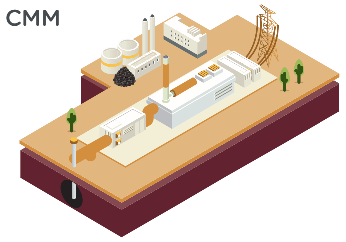
Generate low carbon power which we sell to energy offtakers

Baseload generation

CLM



CMM

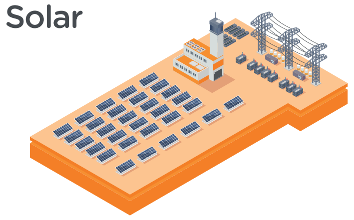


261MW

Seasonal forward contracts with fixed volume and price commitments traded through progressive hedging strategy

small number of bluechip UK energy offtakers

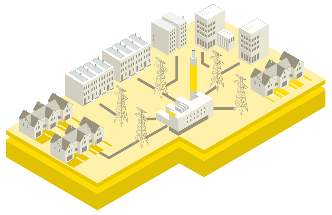
Solar



11MW

Longerterm pricing (5-15 years) secured through offtaker PPAs, corporate PPAs and CfD contracts

Flexible generation



171MW

Responsive generation traded through our PPA offtaker, Statkraft.

Fixed revenue through capacity market and STOR contracts for providing back up to the UK grid during peak demand periods.

3 The value we create for our stakeholders

Employees
Our 276 employees enjoy a workplace where they are valued and invested in to achieve their full potential in a safe environment. Where being successful is irrespective of race, gender culture or sexual orientation.

Shareholder
Our business model and strategy are focused on maximising the Long term value for our key shareholder 3i Infrastructure plc.

Shareholder loan and interest payments

£22.5m

New Shareholder Investment

£30.0m

See page 17

Suppliers
Benefit from a very fair and close working relationship to limit any issues that arise, and ensure a mutually beneficial Long term relationship with sustainable margins and on time payments.

See page 42

Communities
We work closely with the local communities that surround our sites. Listening, responding and supporting our communities is the foundation of our success.

See page 38 to 39

Offtakers
Agreements with a small number of large UK energy offtakers, benefit from our reputation of delivering on agreements, and having access to low carbon power.

See page 41

Environment
We are committed to generating low carbon energy, and we are already delivering a positive impact on the climate change and the environment at large.

Net zero

See page 28

Key performance indicators

How we measure our performance

Business priority	KPIs	definition	measurement	commentary
Safety				
Maintain high standards of health and safety compliance	**RIDDOR accident frequency rate**	Number of instances for every 100,000 hours worked	**0.38** (2022 - 0.26)	Health and Safety of all employees and those involved with Infinis operations is our primary focus. RIDDOR AFR remains low for the nature of our operations and relates to four minor RIDDORs (FY22: two) including one contractor (FY22: nil). One RIDDOR related to a reportable occupational condition identified as part of our annual health surveillance progamme.
	Total recordable injury rate (TRIR)	Other accidents requiring more than first aid or involving lost time or restricted work	**0.13** (2022 - 0.39)	The continued focus on safety observations, combined with an increased frequency of site audits has driven our TRIR KPI low with only one recordable injury (2022: four).
	Safety observations raised	Number of safety observations raised	**2,226** (2022 - 2,294)	Safety observations are a critical focus area to ensure accidents are avoided. Maintaining and encouraging a high level of safety observations from all staff across the business is one of our primary preventative controls. See page 33 for further details on how we promote this accross the organisation.
	Third party accreditations from RoSPA and BSC	Achievement of both RoSPA President's gold award and British Safety Council International Award	**Yes** (2022 - yes)	External accreditation of our Health and Safety policies and procedures provide both a validation of existing procedures and ensure we are focused on delivering and demonstrating continual improvement in these.

Growth

Find out more about our growth KPI's on **page 24**

Business priority	KPIs	definition	measurement	commentary
Operational excellence				
Maintain, protect and safeguard assets	**Reliability (%)**	Run hours/ adjusted dispatched hours	**92.09** (2022 - 92.34)	Our continued strong financial performance depends on high operational asset availability and reliability. By holding consistently high reliability we have been able to optimise revenue within CLM, CMM and PR and capture increased value within Flexible Generation.
	ISO accreditations	Accredited in ISO 45001, 9001, 14001 and 14064	**Yes** (2022 - yes)	External accreditation of our operational and business policies and procedures ensures we maintain excellence while also benefiting from potential improvements as we benchmark against our peers in the sector. The addition of the Carbon Reduction Certification (ISO 14064-1: 2018) supports our sustainability strategy and in particular progress in our supply chain Scope 3 carbon reduction.
	EBITDA (£m)	Earnings before interest, tax depreciation, amortisation and operating exceptional items	**77.1** (2022 - 71.6)	As our key financial KPI, EBITDA provides a proxy for the cash generated from our operations before financing and capital investment. EBITDA performance is detailed further within the Operating and Financial Performance review on page 16.
Sustainability and equality				
Maintain highest standards of environmental compliance	**Scope 1, 2 and 3 emissions (tonnes of CO_2 equivalent)**	Total operational carbon footprint as defined in the Greenhouse Gas Protocol	**112,981** (2022 - 64,094)	The carbon impact of our operations does not include the positive environmental impact from the capture of methane, detailed below. Emissions have increased year-on-year, as a direct result of the significant running from the power response assets within our Flexible Generation division. During the summer months, these assets operated on average 12 hours per day, broadly three times that of the prior year.
	Positive carbon impact (tonnes of CO_2) equivalent	Carbon positive impact from Infinis' operations	**5,077,454** (2022 - 5,730,546)	Infinis' CMM and CLM operations capture methane which is 25 times more damaging to the earths atmosphere than CO_2 emissions. The reduction year-on-year is merely a factor of the reducing methane produced from our CLM and CMM sites as detailed on page 18.
Attract and retain a diverse workforce	**Diversity and inclusion (%)**	Percentage of female employees	**18.1%** (2022 - 15.3%)	Good progress has been made against our objectives in this area. See page 35 for further details of the i = initiatives and training supporting continued improvement.

Operational and financial performance

Strong financial results in an unprecedented year

> **Re-investing the majority of EBITDA into organically developing and constructing new renewable projects clearly demonstrates our strategic ambitions"**
>
> **Keith Reid**
> Chief Financial Officer

Highlights

Financial Performance

Group revenue

Revenues have been stable in recent years driven by

- Our progressive hedging commercial strategy which has protected the business from market pricing downturn (COVID-19 pandemonic), while also allowing some opportunity to capture recent incremental market value.

EBITDA

Consistent EBITDA, with EBITDA margin consistently 45%+ supporting both the predictable nature of earnings and the earnings benefit from flexible and diversified assets.

Operating Profit

Gradual increase in operating profit as a consequence of increasing EBITDA and reduced depreciation, with amortisation being stable following 2021 CMM impairment.

Depreciation will continue to reduce as a proportion of operating profit as the business invests more into Solar which has an operating life in excess of 30 years and is depreciated accordingly.

Financial position

Leverage

Leverage is a primary metric for Lenders to evaluate credit risk and liquidity. This financial covenant tested at rolling six monthly intervals.

During a period of high capital investment, it is important to ensure that EBITDA is optimised to deliver and self fund a high proportion of planned growth thus both keeping leverage low, and providing the opportunity for additional borrowing should it be required.

How we performed this year

Group revenue

£159.7m

21	£148.7m
22	£155.0m
23	**£159.7m**

EBITDA

£77.1m

21	£74.2m
22	£71.6m
23	**£77.1m**

Operating profit

£35.1m

21	£22.8m
22	£27.4m
23	**£35.1m**

Leverage

2.6x

21	2.7x
22	2.6x
23	**2.6x**

Financial performance

Group revenue increased to £159.7m (2022: £155.0m). CLM revenue increased by £12.6m, while FG revenue on a reported basis dropped by £6.7m.

Following the transition of the FG optimiser to Statkraft at the start of the financial year, the structure of this contract changed with Power Response assets traded under one contract. Revenue now reflects the 'traded market margin inclusive of fuel costs' delivered by these assets compared to the prior year where fuel was accounted for in cost of sales. On a like for like basis, while gross margin of the Group or the FG segment would remain as reported for 2022, revenue of the Group and FG segment would reduce by £17.5m to £137.5m and £15.0m respectively. Group revenue has increased by £22.2m (14.3%) on this like-for-like basis.

Group EBITDA was £77.1m (2022: £71.6m), reflecting an increase in gross profit (excluding depreciation) of £8.7m, with CLM and FG gross margins increasing by £7.3m and £6.6m respectively, offset by £5.4m reduction in CMM profits as a consequence of the provision made for contractual buyback and the associated contractual losses (detailed on page 86).

An analysis of year-on-year movements is set out in the segment performance section of the report.

Group Operating profit increased to £35.0m (2022: £27.4m) with the £5.6m increase in EBITDA and £2.4m reduction in depreciation.

Group Net finance costs have increased by £2.0m to £28.4m driven by increased cost of borrowing with the all-in cost of debt increasing from 3% at March 2022 gradually across the year to 6.6% at March 2023. The Group is well protected from rising base rates with only RCF utilisations and £35m (17%) of term bank loans not covered by hedging instruments, or fixed interest.

Group Earnings before tax are £6.7m (2022: £0.9m) before reflecting a tax charge of £2.7m (2022: £11.5m) which solely relates to deferred tax movements (2022: £11.5m - which primarily related to the restatement of the opening deferred tax liability to enacted tax rate of 25%). As a result of the enhanced capital allowances which have applied over the two years ended March 2023, the Group has no corporation tax payable. Taxable losses carried forward worth £12.1m (2022: £7.0m) of cash tax liability are available.

Cashflow

Net cash generated from operations was £76.1m (2022: £65.6m) equating to 47.0% revenue to operational cash flow conversion (2022: 42.3%) with the increase in EBITDA of £5.5m combined with a £3.85m favourable movement in working capital year-on-year (2023: -£0.59m cash flow; 2022: -£4.4m cash outflow). Movement in working capital reflects and improved trade receivables position combined with the one-off provision for contractual losses within CMM, which will be settled in 2024.

Net cash used in investing activities increased to £74.7m (2022: £27.3m):

- 95.1% of EBITDA was re-invested into capital projects, with £57.9m invested into the construction of development projects (2022: £8.8m) and £1.9m (2022: £1.2m) into securing planning consent for future projects. Re-investing the majority of EBITDA into organically developing and constructing new renewable projects clearly demonstrates our strategic ambitions as outlined in this report.
- to 2022: organic development, the Group invested £0.3m (2022: £10.0m) into the acquisition of two (2022: two) development SPVs and advanced £1.8m (2022: £nil) as development loans to third parties, developing under joint development agreements.
- Maintenance CAPEX of £13.4m (2022: £10.0m) was invested in scheduled overhauls on our operational engines across CLM, CMM and PR to ensure continued high availability and reliability of these assets. Maintenance CAPEX also included £0.9m to deliver projects identified under our sustainability strategy as detailed on Pages 28-31.

Net cash used in Financing was £41.5m (£14.1m inflow). Adjusting for the £38.0m RCF repayment in the year and drawdown in the prior year net cash used in Financing would be £3.5m outflow for the year, (2022: £23.9m outflow) driven by a net receipt on shareholder loans of £7.5m in the year compared to £15.0m payment in the prior year following the £30.0m of new shareholder loan funding received in March 2023.

Net cash reduced by £40.1m during the year (2022: £52.4m increase) with closing cash of £22.5m at March 2023 (March 2022: £62.6m)

Net cash from operating activities

£76.1m

2021: £65.6m

Net debt

£191.5m

2021: £181.5m

Shareholder loan and interest payments

£22.5m

2021: £15.0m

Operational and financial performance continued

Segment performance

Exported power (GWh)	2023	2022	Variance	%
CLM	916	1,052	(92)	(9.1%)
CMM	82	100	(18)	(18.0%)
FG	200	110	90	81.8%
Solar	7	5	2	40.0%
Total	**1,205**	**1,267**	**(1.5%)**	**(18)**

Group exported power was 1,205 GWh (2022: 1,267GWh) with CLM reducing by 9.1% (2022: 7.9%) offset almost exactly by 90GWh in FG, driven by high PR running over Summer 22 with the engines operating for an average of 12 hours per weekday to support UK and EU power demand. CMM has reduced by 18GWh (-18.0%) to a level considerable maintainable for the foreseeable future reflecting site and operational asset condition.

A full year of Solar at the Ling Hall site delivered 2GWh (40%) increase in Solar exported power.

Revenue (£'000)	2023	2022	Variance	%
CLM	129,991	117,367	12,624	10.8%
CMM	3,497	4,856	(1,359)	(28.0%)
FG	25,799	32,540	(6,741)	(20.7%)
Solar	424	242	182	75.2%
Total	**159,711**	**155,005**	**4,706**	**3.0%**

Gross profit (£'000)[1]	2023	2022	Variance	%
CLM	78,049	70,733	7,316	10.3%
CMM	(3,218)	2,206	(5,424)	(245.9)%
FG	17,807	11,198	6,609	59.0%
Solar	377	189	188	99.5%
Total	**93,015**	**84,326**	**8,689**	**10.3%**

CLM

CLM revenue increased by £12.6m driven by an increase in ASP to £140.9/MWh (2022: £116.5/MWh) offset by a 9.1% volume reduction, marginally higher than experienced in the prior year, although in line with the average of the last five years, which when combined resulted in Traded Power increasing by £20.3m. ROC revenue reduced by £8.5m to £53.9m (2022: £62.4m) largely driven by reduction in recycled ROC of £5.7m as detailed in Note 6 to the Financial Statements (page 85)

Gross profit increased by £7.3m after factoring an increase in royalties payable to land owners (calculated as a percentage of revenue) and increased operating costs driven by oil, site electricity costs and general inflation increases on a number of operational costs, specifically engine parts and servicing.

CMM

CMM gross loss reflects the £4.8m provision booked for contractual buybacks under power purchase agreements. This provision combined with the 18.0% exported power reduction, to maintainable levels as noted above, are the principal drivers of the movement from a £2.2m gross profit in the prior year to a loss of £3.2m in the current year.

FG

As noted opposite, FG is required to be analysed on a like for like basis at a revenue level. Net revenue per MWh operated decreased from £166.6/MWh to £129.0/MWh, although with a corresponding increase of 90GWh more export (81.8%) increasing net like for like revenues by £10.8m and gross profit by £6.6m (59.0%).

Solar

Solar gross profit of £0.4m, an increase in £0.2m on the prior year relates to the full years margin from the Ling Hall site. In the prior year, this project was constructed and operational from June 2021 but export was limited by National Grid until October 2021.

1 a reconciliation of segment performance to the income statement is set out in note 5 on page 00.

Treasury policies and control

Liquidity risk, the risk that the Group will have insufficient funds to meet its liabilities, is managed by the Group's treasury function.

Treasury is also responsible for managing the banking and liquidity requirements of the Group, risk management relating to interest rate risk, and managing the credit risk relating to the banking counterparties with which it transacts, including ensuring compliance with any banking covenants.

Short-term liquidity is closely monitored by the treasury function, while the longerterm liquidity position is reviewed on a regular basis by the Governing Board.

The Group's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Based on the Group's forecasts and committed bank facilities with no near-term maturing dates, the Group considers it has adequate headroom and will continue to meet liabilities as they fall due.

Financial position and outlook

At March 2023 the Group had a cash balance of £22.5m (2022: £62.6m). There is no RCF cash balance held within closing cash at March 2023 (March 2022: £38.0m) which if adjusted out the prior year would have result in a consistent cash balance at March 2022 of £24.6m.

Net Current Assets are £27.6m (2022: £64.7m) the key movement year-on-year relates to the reduction in the cash balance as a result of repaying back the RCF.

Net Assets have increased to £11.8m at March 2023 (March 2022: £3.5m) reflecting comprehensive income for the year of £8.4m arising from £4.0m profit for the year and £4.4m hedging movement. The balance sheet position reflects the capital structure of the business with £228.4m (2022: £206.9m) of shareholder loans held as long term liabilities rather than equity.

Available cash under the Facility (inclusive of undrawn RCF excluding any RCF facility carve outs) is £54.5m (March 2022: £62.6m).

Projecting forward, the Group is committed to developing and constructing new renewable projects, as outlined in the CEO Report on pages 6 and 7.

With projected EBITDA remaining strong, the Group will continue to invest its net cash generated from operations to construct new solar and BESS projects, subject to minimum returns being achieved. This investment can be accelerated through using available cash resources. Net debt will naturally increase during infrastructure project construction however no new project will commence unless there exists significant operational cash and projected net debt covenant headroom.

Net current assets

£27.6m

2022: £64.7m

Cash balance

£22.5m

2022: £62.6m

Projected FY24 capital investment

£70.0m

2023: £79.7m

Our new solar sites

Litchardon and Bishampton Solar energy parks:

92MWp of Solar across two locations in Devon and Worcestershire, complete in Summer 23 and supply power for 15 years under AR4 CfD

Litchardon Solar Energy Park (60.3MWp) is located close to Barnstable, Devon. Bishampton Solar Energy Park (31.6MWp), is located close to Pershore, Worcester. The respective planning consents were granted by North Devon Council (April 21) and Wychavon District Council (May 21). As Infinis' largest projects to date, Infinis selected Utility-scale solar developer IB Vogt to lead the engineering, procurement and construction activities, supported by Ethical Power Connections to undertake the role of Independent Connections Provider and manage connection to the electricity grid.

The combined projects will have 178,000 ground-mounted solar photovoltaic (PV) modules mounted on fixed-tilt structures to which make up the 92MWp of installed capacity, enough to power more than 24,735 homes with clean, renewable energy.

The projects will deliver local benefits in the form of biodiversity gain and community funding. A 20%+ biodiversity gain will be achieved through the enhancement of grassland and hedgerows, and the planting of woodland. Funding, to be used to deliver social and environmental community projects, will be provided for the lifetime of the project, some of which is to be set aside for educational sessions and site visits with local schools. At Litchardon,the land beneath and between the panels, previously used to graze cattle, will be opened back up for the grazing of sheep by the landowners.

An independent assessment of the carbon impact of the project, estimates a carbon intensity of 0.040kg CO_2e/kWh over the projects 40-year lifespans, which compares favourably to both the current figure for electricity generated in the UK (0.18kg) and the targeted carbon intensity for 2031 (0.042kg).

Litchardon and Bishampton projects in numbers

Homes powered	Biodiversity net gain
24,735	+20%

Generation Capacity	Operational date
92MWp	Summer 2023

> This is a huge achievement and I am immensely proud of how quickly our solar strategy has evolved and is now delivering new operational projects”

Shane Pickering
Chief Executive Officer

Our focus on development

Q&A with Andrew Leeding

The UK Government is seeking to decarbonise the UK electricity system by 2035. Renewable energy development has never been more important."

Andrew Leeding
Director of Development and Construction

Moving from my role as Head of Operations, into the Director of Development and Construction role, the unique opportunity presented to deliver our growth ambitions was clear:

- The immediate ability to repurpose a proportion of spare grid connections, no longer utilised by our CLM business, for new projects
- Long standing, trusted, relationships with our land owners
- A unique opportunity to repurpose brownfield sites and deliver a new renewable purpose to these sites, while also providing land owners an income on historically challenging land
- Existing expertise at managing the environment permitting requirements and working closely with the Environment Agency on these sites

Development Capital Investment

£57.9m

2022: £8.8m

We have established an internal development team of 21 experienced professionals covering end-to-end development, grid connection, construction and operational management. The team is supported by the broader business utilising operational resource with knowledge of the sites; members of the electrical team with understanding of the shared electrical infrastructure on the site and established local relationships at the District Network Operator; and the support functions at head office which include legal, procurement and commercial team who continually look to deliver Long term Power Purchase Agreements and private wire supply arrangements. Its not a team of 21, it's a companywide team of nearly 300 all striving to deliver our objectives.

Q What has been the Focus this year?

A With the increased development ambitions, our initial focus was on establishing the internal processes, programmes and reporting to ensure we could effectively manage our pipeline of projects through a series of standard staged development phases (outlined on page 23). Investment to secure planning consent is typically in the hundreds of thousands, and only semi variable with project type and size. Strong governance from the Development Team through to Executive Reviews is essential to ensure effective use of capital, ensuring continued investment in those projects which exceed investment thresholds.

Our focus then was on 3 areas, running in parallel:

- Contracting and then delivering on programme with our key construction partners, IB Vogt and Ethical Power
- Origination of new projects through organic, acquisition and importantly joint development agreements, which supplement our internal development capacity
- Progressing projects through to final planning determination – with 3 BESS projects securing consent and 2 solar securing consent. Decisions on a further 4 solar projects is expected in the coming months

Q Acquisition v Joint Development Agreement - what is the preferred approach?

A With rising power pricing, many third party developers took consented solar and BESS projects to market in 2022. Many of these were the last of low cost, scale, early grid connection dates for both Solar and Battery. The markets became flush with cash, as European renewable funds entered the UK market with a view to establishing new levels of market returns from solar and BESS. Rising CAPEX and the announcement of the EGL subsequently took the momentum out the market. With power markets normalising over the second half of Winter 22 project returns came under further pressure which again can only bring development premiums down.

Joint Development Agreements, provide the opportunity to work with Developers and secure exclusivity over a series of projects at varying stages of the development cycle, rather than entering an auction process on a project-by-project basis. They can further offer the strategic advantage of access to projects which are further progressed in the development cycle, often with earlier grid connection dates than newly originated organic projects. I am extremely excited about the two joint development agreements entered this year which provide access to BESS projects of a scale in a relatively short timeframe.

Q Planning and Grid challenges are well publicized – how could these be addressed?

A **Planning:** UK planning process is slow, a de-centralised process administered at a district or local council level. With the climate crisis, creating renewable generation is essential but ultimately these projects simply join a long queue of projects for under resourced local planning departments, with no ability to expedite projects. DEFRA and the UK Environment Agency are major supporters of what we are trying to achieve. At present though, the national support of these organisations doesn't influence the individual local planning departments. A prioritised and/or expedited planning process is essential for the 2035 energy sector transition to be achieved.

Grid: Shane and Tony have both discussed the challenges on the UK Grid. By utilising our existing spare grid capacity, Infinis plans to bring on c400MWs of new solar projects on landfill sites over the next few years. However these projects could be significantly larger were new grid availability to be prioritised to existing projects, capable of being constructed quickly. Any additional capacity we request, to maximise the opportunity from the site, ultimately is treated as a new Grid Offer and goes to the bottom of the connection queue. This could be easily addressed, ensuring grid is allocated to generators focused on construction.

Q Supply chain inflation is evident in all aspects of life – how is it impacting the development of new projects

A Procurement: lead time and rising CAPEX costs are squeezing project returns. Six to nine months lead time is the norm for solar panels and BESS. We work very closely with UK and European contractors along with global equipment suppliers – these are relationships we have established and developed over the last 18 months. We recognise it's a challenging market to get a traditional 'fixed price full EPC wrap' and it is important that the contracts we enter into with our supply chain partners have a fair and appropriate margin – we therefore need to be more creative and flexible. This can include, ordering long lead time components ahead of contract (through Letter of Intent) or completely separating parts of the equipment supply from the main construction contract, something recently done on our Battery projects. Fundamentally it's about a transparent partnership and being flexible.

Q How does Infinis develop?

A Our Development methodology is outlined below. This is a standard development approach, but perhaps Stage 3 slightly differs to the norm. The pre-planning process is ultimately about engagement with key stakeholders of a project giving them early notice of a project, while also allowing an initial forum to give an overview of the project; provide a platform for questions and concerns to be raised; and adapt the project and development process accordingly project by project. Key engagement with the local community, planning department and the environment agency ensures we develop our projects collaboratively ensuring greatest chance or planning success.

Development process stages

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Project assessment	**Securing grid and land**	**Pre-planning process**	**Final planning submission**	**Construction**
Our initial project assessment evaluating technology opportunity, land owners and planning risks	Grid Offers and land exclusivity validate project opportunity, timings and indicative returns	Considered upfront engagement with key stakeholders, including local communities. Formal and informal discussions with Planning Departments	Preparation of Final Applications is a 6-12 month process, which then typically takes 12-18 months to be reviewed	Post securing planning consent, the focus is on working with our construction partners to deliver a successful new project

Our focus on development

How we measure our development performance

Business priority	KPIs	definition	measurement	commentary
Growth				
Develop 1GW of new solar and BESS projects achieving further growth and diversification. Deliver appropriate development on schedule and within budget	**Constructed MWp**	Fully constructed projects	**11.5** 2022: 7.0	Winterton solar site became operational at the end of March 23.
	Consented MW (not in construction)	Projects which have received planning consent but are not yet constructed	**113.8** 2022: 111.0	Projects secure consent and we seek to construct as quickly as possible, with Grid being the primary driver of when a project will be constructed and can commence export.
	MW in planning	Projects in planning process, including pre-planning	**367** 2022: 104	Good progress has been made adding additional projects into the planning process.
	Inhouse development team headcount	Number of employees in the development team	**21** 2022: 19	With increased 'front end' development focus to identify and secure planning projects, additional Development resource has been added.

The changing shape of Infinis

2022 - Battery storage developments commence

Infinis creates it's Flexible Generation Division taking existing PR assets and combining them with new BESS sites as they are developed and constructed

2021 - Infinis extends into solar energy

Infinis commissions and builds its first solar park at Ling Hall, Warwickshire- co-locating solar technology on a captured landfill methane site

CH_4

2018 - Methane capture and power response acquisition

Infinis acquires an independent energy generator, adding CMM and scaling up PR

3iN

2016 - 3i acquires Infinis

3i Infrastructure plc acquires Infinis Energy Group Holdings Limited and its subsidiaries comprising CLM

"BESS has a critical part to play in balancing the network and ultimately lowering the energy cost to consumers."

James Milne
Chief Commercial Officer

Future Development sites

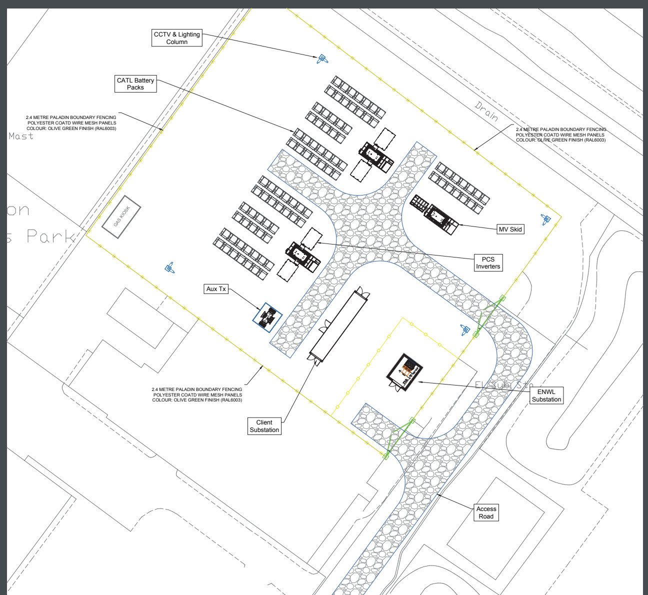
Taylor Road Battery Energy Storage

Our first BESS project, now in construction

Located in Trafford Park, Manchester, Taylor Road is Infinis' first Battery Energy Storage System (BESS) project. Originally consented as a Power Response project in 2016, a new consent to repurpose this brownfield site for the installation of BESS was secured in July 2022.

The batteries were delivered in early 2023 and placed into storage, to be installed on site later in the year. Taylor Road will consist of 73 battery racks (372.7kW/h), each rack containing eight lithium-Ion battery modules. Each rack will be enclosed within a cabinet with its own cooling and fire suppression system.

An Independent Connection Provider ("ICP") contract was signed in January 2023 for completion of all civil, mechanical and electrical work. The development will eventually comprise battery energy storage units, transformers and inverters, together with ancillary electricity sub-stations and a welfare cabin inside the secure compound.



Far Left: Taylor Road design illustrating the final site layout once constructed and operational.

Left: June 2023: Completion of the ground works; transformers on site awaiting the installation of the BESS system

Taylor Road Battery site in numbers

Installed Capacity	Duration
16MW	1.5 hours

BESS system	Operational Date
Trina (CATL technology)	Winter 2023

Sustainability in action

Infinis is amongst the leaders in the UK energy sector

"I can confidently say that the commitment to our sustainability strategy flows from Board level down."

Sue Ruthven
Head of HSQ, EC
and Sustainability

Sustainability is embedded in the Infinis DNA. With a strategy committed on renewable and low carbon energy investment, and existing operations which annually capture 228,000 tonnes of methane (equivalent to 5.1 million tonnes of CO_2).

Underpinning the success of the organisation is the passion and commitment of our employees, and their collective desire to continually improve, a mantra now underpinning our sustainability strategy.

This strategy is focused on supporting the United Nations Sustainable Development Goals and is centred around protecting the environment, our natural resources and enhancing the social and economic impact of our activities.

This strategy is delivered by ensuring that each project within the business delivers against this strategy, with all new projects now evaluated on their ability to achieve our sustainability objectives, a principle which ensures companywide focus on the strategy. Our strategy is largely ongoing, there is no set end point as we consider that each year we must look to continually evolve the strategy and seek to do more.

	FY23	FY22
Carbon intensive of operations (g CO_2 equivalent emissions per kWh generated)	**90**	52

Operational carbon footprint (tonnes CO_2 equivalent)

Scope[3]	Type[2]	FY23	FY22
1	Road mileage of our company vehicles	**987**	941
1	Fuel we purchase	**109,417**	58,755
2	Electricity we purchase		
	- Market	**-**	-
	- Location	**2,388**	3,130
3	Business travel (e.g. flights, taxi, personal car)	**188**	222
3	Supply chain	**9,578**	10,178
Scope 1,2 and 3 emissions (tCO_2e)		**122,558**	**73,226**
Positive Carbon impact (tCO_2e)		**5,077,454**	**5,730,546**

1 Scope 1,2 and 3 are as defined in the international accepted Greenhouse Gas Protocol (www.ghgprotocol.org)

2 We have reported on emission sources required under Companies Act 2006 (Strategic report and Directors' Reports) Regulations 2018. We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from UK Government's Greenhouse gas reporting: conversion factors 2019.

3 Scope 3 emisions are wde and management consider this to be a reasonable estimate

Protecting the health, wellbeing and safety of our people, customers and the environment

Goal	Status
Zero fatalities and major injuries	**See page 33**
Zero significant environmental incidents	No significant environmental incidents in the last three years.
20	With ongoing development of mental health awareness, the support in this area has expanded during the year. All Line Managers have recently completed a 'Managing Mental Health Well' programme targeted an ensuring the causes, symptoms, impacts and support for mental health challenges were understood. 20 Wellbeing Supporters are also receiving enhanced in-depth bespoke training to provide peer support for colleagues as part of our ongoing commitment to Employee Mental Health.

Achieve success through a culture of passion, energy, engagement and diversity

Goal	Status
Increase company wide diversity	
Achieve gender pay equality	Female representation within the organisation has increased to 18.14% from 15.7% at March 2022. There is a commitment to significantly increase both the proportion of females in the organisation and also those in management and Board roles. Our focus starts with recruitment; ensuring our recruitment partners are identifying a wide and varied pool of candidates. All managers complete recruitment training which includes specific training on unconscious bias. The UK gender pay gap is 14.9%* (Office of National Statistics Annual Survey of Hours and Earnings, October 2022). Infinis gender pay gap is 7.4%. We remain committed to further reducing the gender pay gap within Infinis.
Year-on-year increase in the number of hours committed to community projects and/or the value of donations to local or national charities, sports and community clubs in the UK	See our Communities section. **See pages 38 to 39**

* source Office of National Statistics Annual Survey of Hours and Earnings, October 2022 report

Sustainability in action continued

Combating global warming by targeting the reduction of direct carbon emissions

7 Affordable and clean energy | 9 Industry, innovation and infrastructure | 11 Sustainable cities and communities | 13 Climate action

Goal	Status
Remove inefficient and higher emitting plant	Projects completed in the prior year resulted in diesel and most propane engines being removed from the Power Response asset base. Engine efficiency continues to be routinely monitored, however this has now been extended to the broader efficiency of the site. Sites utilise electricity to operate ambient heating systems for engines through to gas plant on CLM and CMM sites. Various projects were completed to optimise the design of sites which included a project to right size the gas plant on seventeen sites which reduced power consumption in aggregate by 0.5MW per annum.
Target > 200MW of installed solar over the next five years, displacing higher carbon intensity generation technology from the UK Grid	Mid Summer 2023, there will be 104MW of operational solar and a clear path of identified projects, largely all within the planning process, which once consented would result in the construction of 400MW of Solar over the next five years. As outlined in the CEO Report (see pages 6 to 7) 1GW of new projects are being developed. The timing of these projects becoming operational will be dictated by a combination of the planning process; grid connection dates and access to capital. See page 31
Electrify the vehicle fleet (including those with a company car allowance) and utilise CLM and CMM sites to provide electricity generated on site to charge those vehicles	The initial order of eight Vauxhall Vivaro e vans arrived in March 2023 and are now operating within the fleet. We continue to monitor closely the development of longer range batteries for commercial fleet and expect to see developments in the coming years. As part of the ‘employee green benefits’ incentive launched in the year by working with our leasing partner LEX, those employees receiving company car allowance were offered electric vehicle leasing through a HMRC approved salary sacrifice scheme. This is hoped to encourage the transition of employee cars to electric vehicles.
Evaluate the supply chain and identify areas of carbon impact through review of raw materials used, transport and production materials	The CO_2e of supply chain, defined as Scope 3, continues to be an evolving principle with varying methodologies. Working with consultants in the prior year, a Scope 3 base line was developed. DNV, the technical advisor on the Litchardon and Bishampton solar projects, were engaged to provide a CO_2e Lifecyle assessment of the Solar construction projects which will help identify ways of reducing this for further projects. Projects have commenced during the year, working with our major engine parts and consumable suppliers, on initiatives to reduce CO_2 intensity of their supply to Infinis. These initiatives range from quick wins on reducing packaging through to more complex and multi-year projects to evaluate alternative lower CO_2e products. The new contracts supporting these suppliers will seek to include provisions supporting sustainability and our strategy.
Optimise engine efficiency on each CLM and CMM site through engine right sizing and also minimising the number of operating engines on each site	Within CLM, as methane volumes decline over time, the efficiency of the engine reduces. By ‘right sizing’ the engine, a smaller capacity engine can be installed which will operate more efficiently. 4.2MW of installed capacity was rightsized to 1.65MW in the last year, across 5 sites. In addition, following a successful trial, 7 microgens have been ordered for sites. These engines operating between 200-250KW are a highly efficient engine which provides smaller engines than currently within the Infinis fleet allowing continued efficient generation on very small sites with also operating with significantly reduced operational costs and overhaul spend, providing benefits for our Scope 3 carbon emissions.

Support society in eliminating exploitive work in the supply chain

8 Decent work and economic growth

Goal	Status
No human rights violations within our control	We continue to extensively vet our supply chain, both on the periodic renewal of existing suppliers and new suppliers. Within the Development activity, specifically the supply of solar panels, and battery energy storage systems, additional diligence is completed to manage the increased risk of modern slavery or exploitive work both within these companies and throughout their, largely Far East, supply chain. This diligence is completed irrespective of whether the contract is a “full wrap” through the Contractor or the equipment is sourced directly.
Adequate mitigation measures initiated for all human rights risks identified	We have not identified any cases of exploitive labour within our supply chain.

Buckden CLM site

In July 2023, a single CLM site at Buckden, Cambridgeshire was acquired. A historically challenging site, Infinis worked with the land owner FCC Environmental, to promptly address a number of environmental challenges on the site. Following a period of intensive management by the South Operating region combined with investment in the site (including installation of a new gas management system, carbon filtration and a full overhaul of the existing engine) the site is now performing well, as recognised by the Environment Agency.

Electric vehicle update

Work is ongoing to electrify the Infinis vehicle fleet. By switching from diesel to electric vans, there is a forecast 82 per cent reduction per vehicle in CO_2 emissions.

Eight new Vauxhall E-Vivaro recently arrived and are now in the fleet. Electric vehicle charging has been installed at 15 sites, Lancaster, and planned for the Northampton head office.

Stakeholder engagement

Our stakeholders are fundamental to our success

Stakeholder engagement
By listening to, and collaborating with, all key stakeholders Infinis can maximise shareholder value through operating in an effective and considered way with all those directly or indirectly involved in, or impacted by, operational activities.

A pro-active approach
Existing operations (CLM/CMM/FG) are established and stable operations. Effective stakeholder engagement on these operations is monitored by the Executive Team and overseen by the Board, including through a formal six-monthly review (at the Audit Committee). This will evaluate any required actions by the Company to ensure that the key considerations of stakeholders continue to be effectively managed.

New Development projects and/or the planned installation of new operational technologies on existing sites, require pro-active consideration of all stakeholders impacted, or potentially impacted, by the project. Our new projects represent shared value creation, benefiting the environment, current and future generations and delivering shareholder value.

New projects - so how do we achieve it?
Ultimately a successful project is the most acceptable baseline across a set of stakeholder diverging expectations and priorities. Irrespective of the stakeholder, we adopt a standard approach based on the following four pillars:

- Plan - Investment in careful planning before engaging stakeholders.
- Communicate - sharing information with stakeholders is important, but the first priority is listening to each stakeholder to ensure the information we share is tailored.
- Consult, early and often - Early, then regular consultation is essential to ensure that requirements are agreed and solutions developed that are acceptable to the majority of stakeholders.
- Monitor and delivery against measurable outputs – otherwise described as 'you said, we did'

Key stakeholders

The role of the Governing Board in stakeholder engagement

- Ensure that the strategy of Infinis is set in the light of the perspectives, insights and opinions of relevant stakeholders;
- Set an expectation that all key operational, investment or business decisions taken in Infinis demonstrably (including in Board papers) take account of the perspectives, insights and opinions of relevant stakeholders;
- Require Executive Directors and other senior managers to engage with relevant stakeholders in a dynamic way that ensures current and emerging perspectives, insights and opinions are understood and demonstrably taken account of; and
- Encourage all employees to take a progressive view of stakeholder engagement, embracing the spirit as well as the letter of all statutory or regulatory requirements.

Our employees

Health and wellbeing

Our commitment to employees will always be at the core of the organisation. Ensuring all employees can perform their roles in a safe working environment, with documented safe systems of work, together with the required equipment and full provision of all necessary personal protection equipment is the primary responsibility of the Board and senior management team. Our commitment now extends further and looks to ensure ongoing positive health and wellbeing outside of work, both physical and mental.

The safety pyramid (Heinrichs Law)
The safety pyramid works on the principle of minor accidents lead to major accidents and establishes the principle of focusing on injury prevention. By ensuring effective reporting of potential safety risks ("safety observations") and near miss incidents, preventative actions can be taken. Despite being developed in the 1930s these principles remain a foundation of our excellent health and safety record.

- 2,226 safety observations were raised in the last twelve month
- 2,289 safety observations have been raised per annum over the last three years

This allows continued focus and investment in operational health and safety equipment and procedures, and has resulted in continued excellent health and safety performance with only four minor RIDDORs (2022: two) and one minor recordable injury (2022: three). This safety performance, and in particular the continued commitment to continual improvement, has once again been independently recognised through:

- The Royal Society for the Prevention of Accidents (RoSPA) Order of Distinction awarded our 15th Gold President's Award
- British Safety Council's International Safety Award with Distinction

Our safe systems of work, processes, risk assessments and operational guidance was also reviewed as part of our annual ISO audit which resulted in being awarded re-accreditation for ISO45001, ISO4001 and ISO9001.

Employee wellbeing

Health Surveillance
Wellness International (our occupational health provider) completed the second annual health screening of all staff within our operational teams and working at Lancaster. Through this annual screening process we are able to ensure our employees are fit to conduct all aspects of their roles and also ensure that any underlying health concerns are identified early and addressed.

Employee Assistance Programme (EAP).
Our enhanced EAP allows employees and their immediate family members to access expert guidance and support 24 hours a day via a confidential helpline. After listening to our employees, a new product Symbio, is being launched which will provide GP appointments and mental health counselling when required, avoiding long waiting times of local GPs and specialists.

Cost of living
We recognise the challenges of the 'cost of living' crisis on all in society. For our employees, we wanted to ensure that financial pressure did not detract from their ability to deliver continued excellent operational and financial performance, while also ensuring that we continue to progress on our strategy. In addition to the annual salary uplift, all eligible employees received an additional payment within the October salary and an enhanced annual bonus payment will be paid helping employees manage these challenging times.

Stakeholder engagement continued

Achieving full potential

Diversity and Inclusion

Our strategic ambitions will only be achieved through ensuring we recruit, retain and develop all employees and offer the opportunity for each to progress to their desired level within the organisation. Our employee base should represent the communities all across the UK we operate from, recognising diverse perspectives and respecting and valuing differences.

Our commitment is that all employees at Infinis can succeed if they have passion, energy, and a desire to work for the Company, irrespective of race, gender, religion or belief, marital status, age, culture, sexual orientation, disability or background. This ensures Infinis recruit, develop and promote our employees based on the most skilled and experienced for the role.

To echo the CEO and Chair words, this is an incredibly exciting period for the organisation, opportunities for new roles, career progression and personal development across the organisation. The Board and Senior Management Team are committed to ensuring this opportunity is maximised for all employees.

Apprenticeships

Following the success of our apprenticeship programme, we have increased our commitment in this area with the target for the next twelve months to have 5% of our work force completing an apprenticeship. These are offered in all functions across the business including Operations, Lancaster and Engine Overhaul. Our community investment commitment for new developments, seeks to hire one additional apprentice within the associated region of each new development project constructed.

The business has a strong track record of developing apprentices and it is incredibly exciting to see such an array of young male and female talent join the business with a desire to learn and develop. To maximise the success of this programme, we have developed the mentoring and coaching skills within the organisation.

Graduates

By looking to hire a small number of graduates each year, the organisation ensures that it both provides an important career path while also importantly bringing fresh ideas and approaches into the business. This renewed focus has allowed a number of graduate roles to be created which are already partially filled. Programmes exist, such as with the University of Northampton, where our senior managers present on the energy sector and the possible career opportunities.

Employee Development

Enabling employees to get the most out of their careers through a strong training and development platform is fundamental to our success. 'Appraisd' the annual appraisal process platform allows appropriate development goals to be established early in the year and progress assessed throughout the year. Tailored technical and vocational training and development needs are identified and addressed as part of this process.

Management and Leadership Development

Over the last year, 15% of our employees have completed training to prepare them either for the initial stages of management ('early leadership programme') or our management leadership development programme ('Talent Accelerator'') which prepares them for senior management. These programmes, delivered by external consultants, are focused on developing the core skills of leadership, communication, task management and ensuring inclusion. The Talent Accelerator Programme delves deeper into the science of management, initially completing a self-awareness journey through Insights Discovery to help people understand themselves, understand others, and make the most of the relationships that affect them in the workplace.

Effective Communication

The updated employee intranet, The Grid, launched in February 2022 is now being extensively used to communicate information timely and effectively across the organisation – a challenge historically faced with our geographically dispersed workforce. Whether it's the introduction to all new employees, updated company policies and procedures, and financial and operational performance updates or new projects being completed, all our employees now have access to this information on a timely basis.

The Company Conference in July, spread over two days, allows our Shareholder, non-Executive Directors, and Senior Management Team to present a business and strategy update. More importantly it gives the platform either in an open Q&A forum, one to one, or post the event for all employees to ask questions but also importantly make suggestions on improving performance or expanding strategy.

The Senior Management Team pro-actively visits sites and spend time with the four operating regions and Lancaster. Informal 'meet the CEO' sessions and regional business updates further provide access to Senior Management.

Thank you to all at Infinis

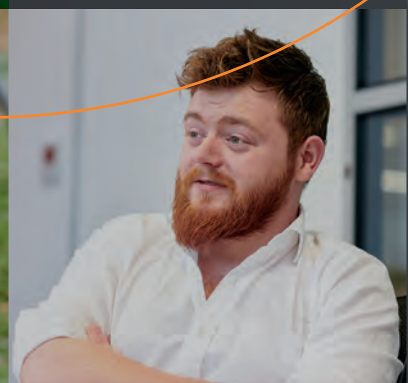
The passion, commitment and ambition of each employee is tangible”

Tony Cocker
Chair










Stakeholder engagement continued

Our employees continued

Diversity and gender pay

In prior years, we have noted the challenges of the UK energy sector in both its mix of ethnic and gender diversity – the UK has the lowest proportion of female engineers in Europe.

Our sustainability objectives included improving gender diversity within the organisation, and page 29 outlines our positive progress to date and some of the principle ways this is being achieved. Our commitment to apprentices and graduates further supports this. The focus and approach being applied will also hand in hand ensure that ethnic diversity continues to make positive progress.

Diversity: age (% as at end of period)

	2023	2022
Under 30	**14**	13
30–39	**26**	26
40–49	**27**	29
Over 50	**33**	32

Diversity: gender (% as at end of period)

	2023		2022	
	Employees	**Senior management**	Employees	Senior management
Male	**85**	**85**	84.7	100
Female	**15**	**17**	15	0
Other	**0**	**0**	0.0	0.0

Diversity: ethnic diversity (% as at end of period)

	2023	2022
White (UK)	**89**	90
White (Other)	**5**	2
Black (African)	**1**	2
Black (Caribbean)	**0**	1
Asian (Indian/Pakistan/Chinese/Bangladesh)	**1**	2
Other (Mixed background)	**1**	3
Other ethnic group (Arab)	**1**	-
Prefer to not say	**2**	-

Stakeholder engagement continued

Our communities

Our commitment to being a long standing, respectful and proactive member to each of the local communities which surround our sites applies irrespective of whether this is an existing or new development site. Established CLM, CMM or PR operations operate under long term contractual arrangements and established operating practices which ensure that noise and/or emissions from our operations are minimised to well within planning, permit and other requirements.

For new Developments, our approach is set out on page 32. With increased development activity, a Community Engagement Manager has been recruited and has recently joined the business.

Investing back into our communities

Whether time, money or energy, we are committed to continually increase our investment within our communities. This is a core objective within our sustainability strategy.

Investing time

Our employees have been actively engaged in all of our 4 operating regions, Lancaster and Northampton. Projects completed include:

- Members of the Northampton Head Office preparing meals for the homeless at the Northampton Hope Centre
- Our Controls and Electrical Team repairing a children's playground
- Lancaster Overhaul Team adopting a new overhaul approach – painting and decorating Stanleys Community Centre
- The green fingered Northern Operations Team creating accessible raised flower beds in Debdale, Manchester

Charitable Activity

Our Charity Committee, once again, have been busy, ensuring that all the funds committed from the 2,226 safety observations raised was utilised, with donations made to over 30 local and national charities, sports clubs and community groups nominated by our employees.

Working with our partner, the Trussell Trust, we learned of the rapid increase in the use of foodbanks across the UK as cost of living pressure was felt by a much broader spectrum of society. In response, we donated £60,000 to six organisations UK wide providing essential community services at this time.

The conflict in the Ukraine has created a humanitarian crisis with families, particularly women and children, escaping the country for safety while many family members remain behind. It is impossible to comprehend the trauma and anguish this creates but through donating £30,000 to Save the Children we hope that the families and children involved can access some of the basics which will make their temporary new life, just that little bit better.

Community Investment Strategy - new developments

A standard community investment strategy has been developed and will be applied to all new projects entering the planning process.

Community Investment Strategy - new developments

£2.5k Financial Commitment £2.5k per MWp of Solar

Committed at planning consent and placed into a separate trust administered by independent body. Fund can be utilised for capital projects or services accessible by the wider community.

Local Community Investment - Construction

During the period of Construction the Contractors will be asked to ensure that staff requiring to stay overnight do so in the local area and that all possible purchases for the project are sourced within the local area, or the closest location of national companies to the site.

Post Construction

Renewable education sessions with local primary schools.

Job Creation

One Apprentice hired for each 20MW project consented and constructed.

Local Community Investment - Operation

Certain site maintenance activities will be procured from local service providers where possible.

We’re supporting mind

Supporting Mind as our Charity of the Year

At Infinis, we operate an employee wellness programme to help and support our teams across the UK. Our employees have voted to appoint Mind as our business Charity of the Year to support them in the fight for mental health.

Even though 1 in 4 of us will experience a mental health problem during our lifetime, most of us don't get the help we need. Mind are changing minds across England and Wales by making mental health an everyday priority and providing support by offering help, information, advice and local services.

Mind shares information and support through their website, online community 'Side by Side' and information helplines to ensure everyone experiencing a mental health problem gets the support and respect they need. With over 130 local Minds across England and Wales, Mind also offer specialized support and care based on the needs of the communities they support.

Stakeholder engagement continued

Shareholder

Our strategy is focused on maximising the Long term value creation for our shareholder, 3i Infrastructure Plc ("3iN"). The relationship with our shareholder, 3iN is one of openness and honesty. The Board and Senior Management Team work in partnership with 3iN Partners, Directors and Associates on all new aspects of strategy together with key near-term business matters.

Our Corporate Governance statement (on pages 60 to 62) outlines our formal process for engaging with the Shareholder and Non-Executive Directors to provide effective management, governance and control of the business. Importantly, interaction with 3iN is as frequent as required, with Executive Directors typically engaging at least weekly with one of the 3i team. With the scale of development and other growth opportunities, major construction projects, a volatile energy market; REMA and more generally BEIS and HMG battling with managing energy costs, the Executives have been engaging frequently with the Board and Shareholder over the last twelve months ensuring alignment on all key matters.

The benefit of accessing the knowledge of 3iN portfolio companies supports the effective delivery of our strategy. One example is our collaboration with East Surrey Pipelines, a 3iN portfolio company working as an IDNO and with extensive ICP knowledge and experience. With new grid connections becoming ever more complex having the ability to leverage the expertise of this portfolio company significantly extends our development capability, while also further de-risking successful project delivery. The recent acquisition of Future Biogas into the 3iN portfolio will provide insight into green gas to grid. This is a model operated in many countries, in particular the US, for landfill gas (rather than converting the gas to electricity).

Continued strong shareholder's loans of £22.5m (2022: £15.0m), through repayment of loan notes and capital, were offset by £30m of new 3iN loan note investment into the business in March 2023 (March 2022: nil). This new funding supported the development of the new project pipeline while supporting the initial investment in BESS.

Landowners

All sites operate through Long term contractual agreements with our landowners. In CLM, our land owners require Infinis to effectively manage the methane produced from the landfill to avoid environmental emissions and ensure that the land owners fulfil their permit obligations to the Environment Agency. In all of our CLM agreements, Infinis maintains provisions for terminating the agreement early should the site become uneconomic, a key provision ensuring no site operates with a negative cash flow. The Estates team proactively works with landowners on lower generation sites to ensure that we are able to support them for as long as economically viable.

Extensive contractual arrangements exist which for the majority of sites cover the expected life of methane generation from the site. A number of smaller sites have agreements which expire sooner and these are proactively negotiated and renewed with the landowner by our estates team.

Our site teams engage daily with the operational staff of our landowners, with operational management meeting on a quarterly basis. This is a true Long term partnership and we have built, and continue to actively promote, a culture of trust by ensuring we perform all our duties to the best of our abilities and where needed, go the extra mile to support our landowners' activities.

CMM and PR sites operate via standard compound lease agreements, aligned with a standard commercial property lease and are based on market terms. New Development in BESS requires similar lease arrangements to PR.

Development in Solar, if on landfill is more complex with typically a 40 year lease supported by a suite of interrelated documents which govern the interface of the solar project, landfill gas management and operational/aftercare landfill management by the landowner.

Property leases, limited to Northampton Head Office and the two facilities in Lancaster, are on 20 and 10 year leases respectively. We are delighted to have renewed our lease of the Lancaster facility during the year, committing to the area for the next 10 years.

Offtakers

The majority of electricity generated by Infinis is sold under Power Purchase Agreements to a small number of large, high credit worthy, UK energy Offtakers. Electricity is typically forward sold up to three years ahead on a fixed volume and price commitment, with trading decisions governed by our Board approved trading strategy. Markets are monitored hourly by the Commercial department with at least one weekly session with the Executive Directors to evaluate and conclude on appropriate trading decisions for each of the next six seasons. Offtaker interaction is frequent, weekly as a minimum.

The volatile energy market of the past 12 months have placed significant financial challenges on our Offtakers; while the cost of imbalance within a rising power market requires increased scrutiny and proactive management to avoid the significant costs. The need to deliver the contracted reference volumes within PPAs was never more important. Through enhancing our reporting within the business, we were able to monitor output on a daily basis and respond accordingly if required, providing routine forecasts and data to the Offtakers and avoiding imbalance risk.

As detailed on page 48, our CMM projections for the year ahead indicate challenges in delivering the contracted reference volume. We proactively decided to buyback the projected shortfall on the forecast to the PPA reference volume one year before the season of delivery. While a significant cost to the business, this ensures the Offtaker is not exposed to any potential shortfall in exported power allowing them to effectively manage the position with their energy consumers. While very much a one-off, proactive action such as this is the foundation of why we have trusted, long standing, 10 year+ relationships with our Offtakers.

Statkraft has now operated the PR assets for just over 12 months, over which time our Commercial Team have worked very closely to refine the trading decisions, and associated performance, from their AI based trading algorithm which has delivered excellent financial performance.

From the outset of the Ukraine conflict, no new trades were placed with the former Gazprom. During April 2022, the German State took full ownership of Gazprom Marketing and Trading GmbH, severing ties with Russia, recapitalising the business and rebranding it SEFE.

Through securing 92MW of CfD contracts, this introduced the Low Carbon Contracts Company (owned by the UK Government) as a key counter party going forward. Following the AR4 CfD auction a series of extensive conditions precedent were successfully satisfied. Acting essentially as a fixed hedge to the day ahead solar price, each CfD project requires an Offtaker PPA which meets with all the requirements of LCCC. Through working closely with LCCC and Statkraft, PPAs were signed for the two projects with first power under the CfD PPA due in January 2025.

Capacity Market and STOR, contracted with National Grid, provide emergency back-up power to the UK Grid. With concerns over supply of power over Winter 22, there was increased focus and dialogue with National Grid to ensure that contracted MWs could be effectively delivered when called. This is a relationship underpinned by trust, with National Grid reliant on Infinis to ensure engines are well maintained and ready when needed. Failure to effectively operate when called will result in financial penalties initially and potentially the loss of the relevant contracts.

To end the year, ARLA Foods signed a PPA to take all of the power from two of our new solar development sites planned for construction in FY24. Developing our relationships with a high credit grade corporate such as ARLA, seeking to support this net zero transition, provide a new and exciting route to market for our new and existing projects.

Energy Network Operators

This category includes DNOs, ESO, National Grid Transmission, gas distribution and transmission companies. Grid connections are required to export the electricity we generate both in the existing business and for new grid connections for development projects.

The existing UK Grid network is robust. However with the scale of Grid investment being undertaken, this does lead to an increasing frequency of grid outages. This can range from connecting major upgrade work, through to connecting major infrastructure projects like HS2 which resulted in a 2 week grid outage at our Calvert site this year. Within CLM, and particularly larger sites, it is essential to work closely with each DNO to ensure that there is adequate warning of any grid outages to ensure that environmental compliance can be maintained during the period of lost generation.

The challenges of securing new grid connections are noted in the CEO Report (page 6 to 7) and in our Development section (page 22 to 23). While a standard process, this is a process where local relationships are key. Going forward, as the process hopefully transitions to give priority to 'ready to connect' projects there will be an increased importance in this regular contact with each DNO, while also ensuring commitments are delivered against.

Stakeholder engagement continued

Suppliers

Our supply base supporting our CLM, CMM and PR operations is long standing. The majority of spend is contracted under preferred supplier multi-year frameworks historically covering three years. A robust tender process, either when onboarding or on contractual renewal, ensures:

- the scope of services is fully understood and capable of being delivered,
- pricing is secured at a sustainable margin; and
- compliance and governance is achieved through a rigorous review of all appropriate policies and procedures, ultimately ensuring safety, quality and compliance with all Infinis policies.

Inflation challenges
Inflationary pressure is being experienced by all of our supply chain. While differing for each supplier, a combination of wage inflation, foreign exchange, fuel or transport cost inevitably has, and continues, to increases the cost of supply.

We recognise this and are committed to ensuring the new contracts we enter into have an appropriate mechanism for altering the price based on appropriate metrics and benchmarks which subject to the specific contract are re-assessed periodically. In establishing these principles across the supply base, we ensure sustainable supply margins which ultimately retains existing, and attracts new, suppliers.

Lead Times
Certain suppliers have experienced significant deterioration in their supply chains and the associated lead times. Through our strong supplier relationship, this is something suppliers have openly presented which has then allowed proactive management across our Procurement and Operations teams. By providing these supplier extensive forward forecasts, the suppliers are then able to proactively manage Infinis requirements for the next twelve months with their supply chain which is gradually reducing lead times from the peak earlier this year.

For certain items, some suppliers are unable to commit to any accurate lead time. While a challenge never previously faced, we have worked with suppliers to purchase additional stock holdings to ensure no business interruption. More generally, we have made the decision on key parts held within our stores, to increase the minimum re-order amount and carry more stock holding to reduce the pressure on the supply chain.

New Developments
Major Construction Contracts were entered into in the year with Ethical Power and IB Vogt for the construction of Litchardon, Bishampton and Winterton. These are extensive contractual documents where it is essential that the scope of each party is well defined, the programme well considered and a contractual liability structure for late delivery or unresolved performance issues post completion is fair to both parties. These negotiations are progressive and often take several months of extensive project team and legal involvement for both parties.

Increasing lead time and rising CAPEX, combined with general inflation pressure make it difficult for these Contractors to commit to a traditional 'fixed price full EPC wrap' and it is important that the contracts we enter into with our supply chain partners have a fair and appropriate margin – we therefore need to be more creative and flexible. This includes, ordering long lead time components ahead of contract (through Letter of Intent) or completely separating parts of the equipment supply from the main construction contract, something recently done on our Battery projects and providing extensions of time beyond the contracted end date with either no, or reduced, damages payable for late delivery.

After the success of this year's construction projects, we are committed to establishing these relationships and looking to secure preferred construction framework agreements which provide a pipeline of projects to our preferred Contractors while ensuring delivery risk is effectively managed.

Supplier tenure and payment terms
Our top 20 supplier spend equated to £102.2m of total spend (direct costs (ex-royalty), overheads and CAPEX) with an average length of tenure of 9.1 years. Our payment pattern has remained consistent with suppliers paid on time and normally 30 days from month end. Our procurement model is designed to deliver appropriate and sustainable margins.

Trade Associations

As outlined with the Regulator section, organisations such as the REA or the Flexible Generator Group allow each, often smaller, part of the energy sector to have a collective voice which can input into policy discussions and ensure these are designed appropriately.

Lenders

Our capital structure is a blend of shareholder equity (through shareholder loans) and also Long term debt. Having refinanced the business in January 2021, the existing £246m debt facility (£65m, 11-year institutional debt and £181m, five-year senior bank facility inclusive of a £40m RCF) remains appropriate to support our planned development and construction over the coming years.

Our annual budget and prior year trading updates was provided to the Lenders in May 2022. There is a regular flow of information on current year performance and future projections, provided in accordance with the Facilities Agreement – this includes annual and half year financial statements for Infinis Energy Management Limited together with covenant compliance certificates every six months.

FX hedging arrangements are being established with three of our existing lenders to allow the business to have the ability to forward hedge FOREX cash flows for either battery or solar supply contracts.

The Board includes experienced financial professionals and through both this experience, and consideration of key lender metrics, we seek to ensure that any new strategic project or shareholder payment does not prejudice the position of our lenders. Importantly, as a Board, where we consider equity investment is required our Shareholder has historically demonstrated its commitment to inject further equity, as demonstrated again this year with the recent investment.

Regulators

Ofgem & BEIS
As outlined in the Chair's Report (pages 4 to 5) and Market Review (pages 8 to 9), REMA continues and various responses have been submitted in the year on a series of topics.

HMG evaluated various ways of offsetting the Energy costs to residential customers during the year. This included the principle of voluntary CfDs on baseload power and a revenue cap for renewable generators ("Energy Prices Bill"), which has passed into primary legislation – aligned with a similar approach adopted by the EU. Ultimately this was superseded by the EGL. The ability to influence these processes was challenging with the focus very much on consulting the larger energy generators delivering GWs. As a member of sector groups, such as the Renewable Energy Association (REA) these provided a platform for key sector messages to be delivered which proved important particularly in shaping the EGL specifically for CLM.

As outlined in the market report, there has been no significant Ofgem regulatory reform applicable to Infinis in the year. As with prior years, Ofgem continue their rolling audit CLM ROC accreditation sites to ensure compliance with the required legislation, with no significant deficiencies in any site noted to date.

BEIS completed a c18 month project to understand the importance of retaining CLM generation on the grid post the end of the ROC subsidy. While initially looking at all ROC technologies collectively, a subsequent analysis focused on the landfill gas sector was completed by their consultant, ARUP. Infinis worked with other members of the REA to outline the importance of various options for continuing to support the sector post the expiry of existing ROCs and maintain/repower operational assets as required.

Environment Agency
Infinis works closely with the Environment Agency (EA), reflecting the key environmental compliance role performed by the CLM division. While permits are held by our land owners, it is vital to operate to the highest standard and best practice in providing our services to them. The EA are proactively encouraged to visit our sites and we have strong relationships regionally and nationally. With the acquisition of the Buckden site in the year (see page 31), there was an additional level of EA scrutiny on this site, which included frequent emissions and air quality monitoring. Through the excellent work of our Compliance and Operating Teams, the EA have confirmed the site is now operating to the required permitted level.

Our larger PR assets require Medium Combustion Plant Directive (MCPD) permits which ensure that emissions are within acceptable levels. All the required permits are held for our sites and our run hours are controlled to permit levels. Following updated analysis, prepared by our consultant SLR, revised permits have been issued for a number of sites in the year, significantly increasing the maximum run hours permitted on a number of sites.

As we increase our development of Solar on landfill and other brownfield sites across the UK, there is increased proactive engagement with the EA both as part of the development process and through the pre-construction stage. The EAs primary focus is to ensure that the construction and operation of the solar project preserves the existing landfill cap. With caps designed to different depths and of different materials the solution proposed on each project can, and does, vary. We work closely with each local EA officer and our technical advisors to ensure solutions are appropriate for each site.

Risk management

We adopt a continuous, structured and disciplined approach to risk management

Approach to risk management

The Group has a Risk Management Policy, approved by the Board, which defines its approach to risk management. Our approach is continuous, collaborative and designed to protect and enhance value. Our processes aim to support the Group's strategy, whilst ensuring appropriate systems and controls are in place to operate within the defined risk appetite levels.

The Governing Board exercises oversight of the risk management process at Board and Audit Committee meetings.

The aim of our Risk Management Policy is to:

- improve decision-making and increase the likelihood that the Group's objectives will be achieved;
- reduce the probability that damaging events will occur; and
- if damaging events do occur, minimise their impact.

Risk management process

Pertinent risks are reported to the Board at least monthly and more frequently if required. Our formal risk management process is summarised below:

The current economic and market conditions, creates a more dynamic risk environment for the energy sector than in recent years. The Board are consequently monitoring risks on a more dynamic and ongoing basis.

Internal control

Infinis has well-defined systems and controls that are supported by policies and documented levels of authority that encourage appropriate accountability for decision-making in the business. Internal controls are key to mitigating the likelihood or impact of a risk adversely affecting the business.

The Board defines those matters which are required to be brought to it for a decision, below which authority is delegated through the Executive Committee to a combination of subcommittees and management enabling them to make decisions on a day-to-day basis. The internal control system is designed to ensure that the Directors and executives maintain effective oversight and direction for all material strategic, operational, financial and organisational issues.

The main elements of the Group's internal control system comprise:

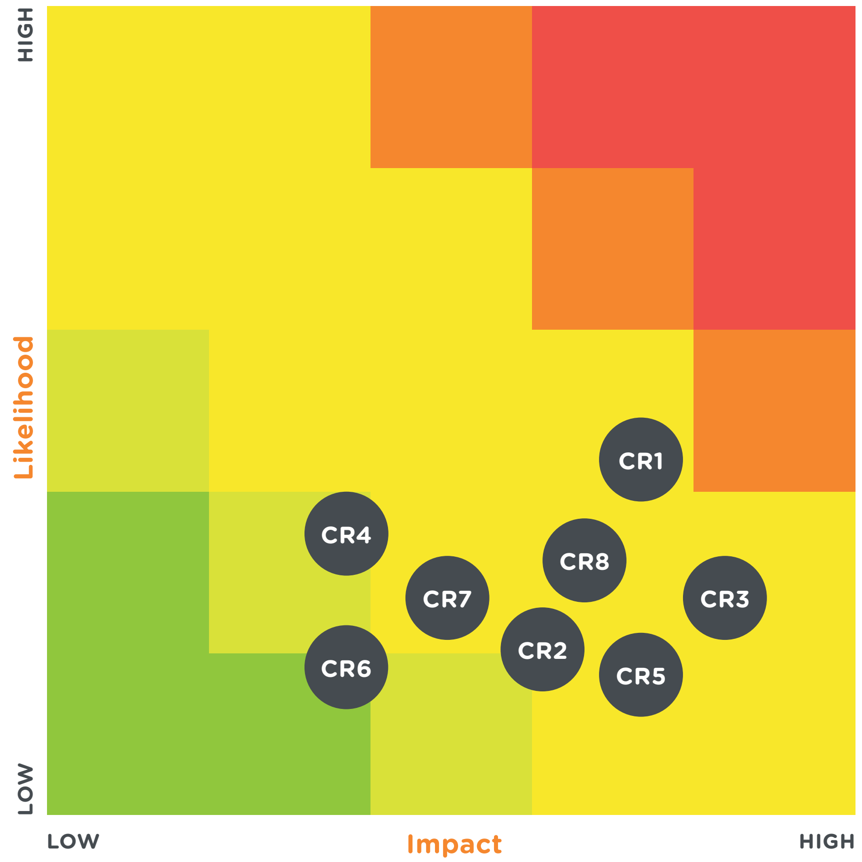
A well-defined governance structure within which the Group operates

Clearly-defined delegated levels of authority	Plans and annual budgets developed which will deliver the Group's strategy	Promotion of an open culture	Assurance arrangements to ensure that policies and procedures are adhered to
Documentation and communication of policies and key business processes	Regular reporting of performance against these plans and budgets to the Board. This includes both financial and non-financial measures	A culture of continuous improvement which ensures that we learn from any incidents or control weaknesses identified	Internal and external audit

Risk management process

Six-monthly functional risk review	Corporate risk register	Board review and assessment of controls	Company-wide employee awareness
Each business function has responsibility for proactively managing its applicable risks and maintaining its own risk register to formally identify and manage risk. These registers identify inherent risk, mitigating controls and residual risk after taking account of those control measures. Business functions formally review the management of risks under their ownership on a half-yearly basis.	The individual functional risk registers are consolidated into a corporate risk register, through which key risks can be monitored.	A consolidated Group risk report is presented to the Audit Committee and the Governing Board. This highlights material changes in risk profile, any recent material events which have tested the risk management process, and responses to those events. Executive Directors consider whether any new risks have materialised or deteriorated on an ongoing basis and, if required, these are reported on more frequently.	To ensure that understanding and managing risk is at the core of how we operate, results of the risk management process are embedded in the Group's systems and procedures where appropriate, and periodic briefings are made to our management teams.

Overall risk assessment



Set out below are the principal risks reflected in the Group's risk assessement process:

Key

CR1	Macro-economic impact on pricing
CR2	Imbalance risk
CR3	Lower than expected exported power
CR4	Growth and Diversification
CR5	Availability of funds to achieve business objectives
CR6	Loss or expiry of land options and leases
CR7	Business continuity including cyber risk
CR8	Energy offtaker default risk
CR9	Macro-economic risk - inflation

Principal risks and uncertainty

We proactively monitor our key risks

In the table below the key risks with mitigating actions and monitoring are set out:

Key

- Risk assessed to have increased
- Risk assessed as unchanged
- Risk assessed to have decreased

Risk description | **Mitigation and monitoring**

1. Macro-economic impact on pricing

Both regulation and market pricing risk could result in lower revenues, operating profit and cash flows being generated.

Regulatory Review

(i) REMA

The UK Government has set out several strategic ambitions to de-carbonise the UK energy sector and ensure security of supply in April 2022 including a commitment to undertake REMA. As outlined in the Market report on page 11, REMA remains at consultation stage with a significant number of core principles underpinning the UK energy system. Further consultations are planned over Summer 23. Infinis will continue to respond to REMA.

(ii) UKETS – small emitter carbon tax exemption for PR assets.

Currently sites > 8MW installed PR capacity pay UK ETS. Infinis only has one PR site which is currently subject to UK ETS, with all other sites being subject to this exemption.

BEIS have stated that this exemption is likely to be removed. Our PR projection within our FG division now reflect all PR sites being subject to UKETS from FY25. 50% of the assumed cost of carbon has been reflected within projected margins on the principle that in periods of high demand PR will be the margin setting plant, and hence can add all/part of UKETS cost to margin.

(iii) Capacity Market

Capacity Market rules continue to tighten with each annual auction in respect of engine efficiency and emissions. There is a risk an increasing number of older PR engines may become increasingly challenging to pre-qualify.

Conversely, there is increased focus by National Grid to ensure all assets with a Capacity Market contract are truly flexible and can be called in a 'stress event' with inter-connectors now ineligible and solar expected to be shortly removed. Delays in Battery projects being constructed, largely driven by delays on new grid, have further reduced annual auction volume in recent years which has led to the T-1 auction in clearing close to the cap of £65k/MW.

Regulatory

Infinis closely monitors developments in the energy industry, which has enabled the business to identify any changes that could impact the Group.

In order to mitigate regulatory risk, we ensure that we have a close working relationship with industry trade associations to remain informed and influence decisions. Having foresight of pending decisions also enables informed investment decisions to be made.

The alignment of our strategy with Government Energy Policy should ensure that any regulatory impact is of limited adverse impac.

Risk description | **Mitigation and monitoring**

1. Macroeconomic impact on pricing continued

Market risk

As a price taker, the business is impacted by wholesale power prices which generate a significant proportion the Group's revenue.

(i) Baseload power (CLM and CMM)

The majority of baseload power is currently forward sold to UK energy Offtakers based on market pricing for each respective liquid season. As noted on pages 8 to 11, entering S23, gas storage levels remain high and power market have continued to gradually trend downwards from the peaks of the last twelve months – however, all liquid seasons remain broadly twice that of historical averages.

The latest longer term projections by the primary market commentators (Baringa and Aurora) have uplifted the medium to longer term price curves due to (i) higher commodity pricing driven by US LNG (ii) supply chain inflation pressure and (iii) increased decarbonisation efforts across EUA driving increased electricity demand and sustained higher pricing.

The revenues and gross margin of CLM and CMM benefit from higher pricing and reduces in a period of lower pricing. A period of prolonged low pricing (defined as twelve months or more) may represent a material risk to group revenues, operating profits and cashflows.

(ii) Solar - CfD

As stated in the Chair Report (page 4) Infinis is committed to securing CfD contracts as the primary route to market for new Solar projects. AR4 CfD support regime for renewables was re-opened, and as noted on page 20, 92MWp of contracts were secured on two solar sites. While no projects have been pre-qualified for AR5, AR6 will be an important auction for the planned Solar projects achieving planning consent in the coming year.

The CfD is a key mechanism to ensure lower cost financing of new projects. There is collective industry pressure for the clearing price to be increased in response to the significant increase in CAPEX costs for wind and solar projects without which there is concern that the auction process will not secure the required GWs of new project, putting at risk their construction.

With wind and solar in the same auction lot, we have previously highlighted the risk that wind could suppress the clearing price through a combination of the scale of pre-qualified wind projects to solar, and reflecting the economies of scale for large wind construction projects. While this risk remains in the medium term, the noted CAPEX pressure is likely to result in all assets looking to clear at the cap rather than below.

Pricing risk

Infinis, developed and documented Board approved Trading strategy outlines the agreed route to market for each division, and technologies within, where applicable. The progressive hedging strategy for CLM and CMM, and CfD route to market for Solar ensures the majority of revenues for these divisions is forward sold removing risk of market volatility to revenues.

Our inhouse Commercial team monitors the markets daily and trading recommendations are made to the Executive in weekly trading meetings. Trades are completed in small incremental volumes frequently for each liquid season.

Over 80% of volume is forward sold on CLM and CMM for the next two years, through the end of Winter 25 largely removing any market risk to revenues.

Long Term price fixing is regularly reviewed, and in the last year has had increased focus reflecting increased demand by corporateS for renewable and low carbon CPPAs to reflect increased ESG focus, and in particular deliver carbon reductions under Net Zero strategies. Whether through the CfD or a Corporate PPA, long term index linked PPAs are a key strategic focus and provide long term fixed revenues, far in excess of the 3 year period of the liquid seasons.

Principal risks and uncertainty continued

Risk description | **Mitigation and monitoring**

2. Imbalance risk

(i) Baseload power
Higher power pricing creates an increased risk of financial liabilities should exported power be below PPA reference volumes. Delivery under the minimum tolerance on a PPA requires power to be bought back at market pricing.

CMM has incurred liabilities of £4.8m and £1.5m in the last two financial years, to buyback power to honour reference volumes for Winter 23 and Winter 22 PPAs respectively.

(ii) Flexible Generation
PR assets are typically forward sold in the day ahead market. If any asset is forward sold and then unable to deliver the committed MWhs, then there is a liability to fulfil any deficit through buying the power at the market price for the specific period of delivery, measured at half hourly intervals across the day. In periods of high demand, market pricing can spike resulting in high costs for each MWh not delivered which reduces the overall gross margin.

(iii) Solar
Solar is sold against a historical irradiation profile. The shape of solar generation creates half hourly imbalance which each Offtaker manages and charges a higher PPA fee to absorb their associated additional costs. Imbalance risk is therefore negligible on completed and operational projects.

The key risks on imbalance relate to new construction projects:

- Power cannot be exported by the start of the PPA due to a construction delay. In these situations, PPAs will typically terminate requiring at least the PPA volume for that season to be bought back in the market.
- Should a new project commence exporting and then a technical issue/equipment failure be identified which results in the PPA reference volume not being achieved, then only the shortfall between the exported power and the PPA reference volume would normally be required to be bought back in the market, the liability for which will significantly vary based on the period of reduced generation – summer months have high generation and lower market prices; winter months have lower generation at higher market prices.

Baseload power
PPAs for CLM are allocated over multiple Offtakers, with no Offtaker having more than 30% of any season's volume. Each PPA is structured with a minimum tolerance threshold, below the reference volume, which allows for site outages or other notifiable events which may reduce generation without the requirement to buyback power shortfalls, so long as the minimum threshold for the PPA is not exceeded for the season. Individual PPA volume is allocated over multiple sites, and engines on each site, to ensure that the loss of a site for a prolonged period would represent a risk to exceeding minimum thresholds of PPAs.

Within CMM, all power is sold to a single Offtaker – a historic arrangement inherited on acquisition. This combined with the lower portfolio of operational sites are the principal factors which resulted in the contractual buybacks noted opposite. Going forward, c50% of volume for FY25 and all volume for FY26 onwards remains unfixed, mitigating imbalance risk.

Commercial, Operational and Executive management review PPA performance versus reference volume on a weekly basis for all Offtakers.

PR
PR assets are typically sold day ahead. There is daily engagement between the commercial and operational teams of the business to ensure the MW position sold each day aligns with those assets which are available to despatch. In periods of high market pricing, a proportion of assets may be held back and traded intra-day for system pricing to act as a hedge on any reliability issues on forward sold volume day ahead.

Solar
Power is not forward sold until the Contractor issues the Practical Completion Certificate for a new project, confirming the project is complete and performance tests confirming exported power output is as expected, unless for seasons more than 12 months after the programmed energisation date. No power would be sold before a Construction contract is signed and work is substantially progressed on site.

Solar is constructed under a 'full wrap' EPC contract. Following Practical Completion being achieved, a two year performance period commences. Should any issue arise in this period which restricts output below the contractual minimum, the Contractor is liable for performance damages which are aligned with the expected % reduction in exported power arising during the period the defect remains unresolved. These damages would offset any required contractual buyback of partial PPA volume for a season. After this period, the operational team of Infinis are responsible for promptly resolving issues and where component related, sourcing replacement equipment under the long term warranties (see Corporate Risk 3).

Risk description | **Mitigation and monitoring**

3. Lower than expected exported power

Lower than expected exported power is primarily a risk for CLM and CMM. Within season, this may result in Imbalance liabilities (see Corporate Risk 2) and longer term will result in lower revenues, operating profit and cash flows. The risk is a combination of:

- Reduced methane generation from land fill sites (CLM) or disused mines (CMM)
- Engine availability reducing
- Engine reliability reducing

The risk is focused within the CLM and CMM divisions which operate baseload, 24/7:

- PR earnings while a combination of exported power and market margin (revenue less cost of fuel), the market margin is a larger driver of earnings and will dictate whether the assets operate or not. If an asset is being overhauled or requires servicing, the asset will be removed from the available MW which are traded. Long Term unavailability of assets will reduce revenues
- Solar generation is an annual average based on the site capacity and historic solar irradiation for the specific location. Solar carries a load factor of c12% that of baseload power, which means the generation is 12% that of CLM and CMM on an annualised basis. The reduced revenues of each site, mean that even larger sites being off for a prolonged period have a reduced impact to Group revenues, operating profits and cash flows. However, the seasonality of revenues makes annual earnings highly concentrated around June, July and August.

Weather, in particular prolonged periods of high temperatures or flooding, has been deemed to represent a low risk to projected earnings for the reasons noted in the Climate Risk Assessment (see page 54).

Methane volumes may be lower in specific years on sites due to changes in waste mix on new sites; land owner activity (such as leachate management) and for CMM flooding or issues within the mine shaft.

All sites are remotely monitored and controlled by the Operational Performance centre. Many site issues can be remotely actioned through the communications and data links that exist for remote management. More complex issues may require our UK wide team of field based technicians to be despatched to a site – technicians are focused on sites with significant environmental considerations first, then those in order of the value of lost revenue to date, as calculated by our Insite software application.

All medium and large CLM and CMM sites have spare engine capacity which can be started remotely should an engine be taken out of operation.

All CLM, CMM and PR engines are routinely serviced at fixed maintenance and overhaul intervals, with an overhaul occurring typically at each increment of 10,000 hours. Engines on CLM sites with highly corrosive gases within the methane, such as hydrogen sulphide (H_2S), will require more frequent servicing and replacement of key parts such as pistons and liners. A combination of remote monitoring of engine performance combined with frequent engine inspections manages this risk.

Through our inhouse overhaul facility, the time period of a major overhaul is reduced relative to utilising engine manufacturers or other third parties for the same service. In addition, with over 30 skilled engineers on site, major unplanned engine issues can be prioritised and engines repaired/rebuilt within weeks which simply would not be possible without an inhouse facility.

As noted in Corporate risk 3, new development (Solar and BESS) are constructed under major construction contracts which provide an initial performance warranty for the initial two years post the site being completed. Manufacturers provide Long term product warranties on solar panels, mounting structures, inverters, transformers and battery cells which provide contractual recourse for replacement product and/or financial compensation should products under perform.

Methane availability
CLM
Our in-depth understanding of the composition of CLM sites enables us to take a data driven approach to forecasting gas output. Forecasting assumptions are periodically benchmarked with third party specialists every two years. Our estimates are updated at least annually in line with the annual reporting cycle to reflect site performance, waste operator activity and for open sites, new waste volume to site. Our strong relationships with landfill operators enable us to understand how their activity may impact levels of waste and composition.

There is a strong track record of accurate forecasting of available gas. Over the last five years output from across the CLM portfolio has varied between +/- 2% compared with budget, with FY23 -1% (FY22: +1%).

CMM
CMM follows a similar process to project methane and exported power for each site for each year. Volumes are more challenging to project, given the smaller portfolio, limited operational experience (acquired in March 2018) and the lack of an established third party methodology for calculating methane volume and rate of production per annum – Infinis operates the only CMM portfolio of scale in the UK. Knowledge of the sites increased each year.

Principal risks and uncertainty continued

Risk description | Mitigation and monitoring

4. Growth and Diversification

Methane volumes in both CLM and CMM slowly reduce over time. Through the addition of new operating sites (such as Buckden during the year) and the growth and diversification into Solar and Flexible Generation, the business is able to grow its revenues, operating profit and cash flows.

Development risks
The challenges of identifying and developing new organic sites - grid, land, planning and procurement, are outlined on pages 22 and 23.

Supply chain risks
Contractor and global equipment supplier base have notably developed in the last year. As Infinis' reputation develops, Contractors understand our strategy and commitment to build out projects which helps bring more Contractors into Tender discussions. Pricing remains challenging, with significant increases in panel and BESS system procurement costs and grid equipment over the last six months. There are some initial signs of panel pricing stabilising, with polysilicon, the key raw material cost now falling, should lead to a lower cost. BESS however, continues to be in high demand, with limited global, pricing remains high and lead times now average 9 months. More suppliers are coming to market which should provide improvements on pricing and lead time over the next few years.

Capital
The ability to deploy capital to develop and construct projects is subject to market conditions to justify an appropriate return on investment, while ensuring that each project can achieve the minimum investment hurdle. As noted in Corporate Risk 1, market pricing is projected to remain higher than historical averages which helps in offsetting higher CAPEX. As noted in the Chair Report on page 5, the CfD is the key metric to access lower cost financing to deliver these projects. High credit grade, index linked, corporate PPAs also make projects highly bankable. However rising interest rates (Corporate Risk 9) create a significant additional finance cost for each project.

Infinis strategy is based on investing in established and proven technology.

The Development team has been scaled up in recent years to successfully deliver the strategy. The team now includes 21 professionals (2022: 19) covering planning, design, grid and construction. Our Joint Development Agreements further expand the skilled and experienced resource working to deliver new consented solar and battery projects under an agreed scope.

Each new development project to progress into the staged development process must exceed the minimum project return hurdle. After which a Grid Offer and Land Option are secured and reviewed. A planning risk assessment is then completed. Subject to the project being approved by the Development Team, the CFO (as Executive Sponsor) will review and approve all projects before the Grid Offer is accepted and planning costs start to be incurred.

Monthly Development reviews will be held with the Executive and the Director of Development and Construction. The status of Development is discussed with the Board each month, and a separate session held with the Shareholder.

Further details of the Development approach are detailed on pages 22 and 23.

5. Availability of funds to achieve business objectives

To retain our debt funding Infinis is required to ensure it does not default on the lending facilities. The Group has a £246m financing facility, comprising a £141m term loan expiring January 2026 and a £65m 11 year institutional loan expiring January 2032, with a further £40m revolving credit facility (RCF) to fund growth. Further details of the Facility are set out in Note 15 to the Financial Statements on page 93.

In order to grow the business, Infinis may require additional funding.

The business operates, and is projected to operate comfortably within its financial covenants of leverage and interest cover. As at 31 March 2023, the Group has available cash including available RCF of £54.5m (March 2022: £63.6m) with leverage of 2.6x.

Compliance with our financing facilities is closely monitored on both an actual and forecast basis. Cash generated from operations and net debt are key performance metrics and the Governing Board reviews covenant compliance on a routine basis with six-monthly reporting to the senior lenders.

There is regular engagement and dialogue with current and future lenders to ensure financing options are understood and assessed. Our Shareholder has extensive experience in financing to support these activities.

With the ongoing focus on reinvesting the majority of EBITDA into Development CAPEX, this will place an increased focus on managing cash flow and facility headroom. This investment will only be made to the extent available cash exists to fund each new project.

Risk description | Mitigation and monitoring

6. Loss or expiry of land options and leases

Existing operations
Infinis is dependent on Long term lease and gas agreements for the majority of its operational sites. Within CLM, operational sites operate under a gas management agreement and compound lease, with a royalty payable to certain landowners calculated as a percentage of the revenue from the site. These agreements are long and typically cover the majority of the operating life of the site. Each year, a small number of operational sites approaching the end of their initial projected operational life will expire. Each site will be reviewed and if economically viable, a new gas agreement and compound lease will be negotiated. If these negotiations are unsuccessful then the sites may be returned to the landowner.

Higher power prices increase the value of CLM revenues and may make landfill operators more focused on an inhouse CLM operating model. By nature of our leases tenure covering the majority of the economic life of the site, most of our lease negotiations are sites approaching end of life and the loss of any individual site does not represent a material risks to revenues, operating profits and cash flows.

Failure to capture methane and operate a CLM site within its Environment Agency permit, may result in Infinis being removed from site.

New Developments
There is an increased need to secure new land options for site development. Where a new development is collocated with existing, a new lease is required for the new project which is independent to any arrangement of the existing operations.

Prior to accepting a grid offer for a new development, a land option is typically required to ensure exclusivity is secured over the site to allow the site to progress into the planning process. Typically, a one-off fee secures a period of exclusivity sufficient to cover planning and a period thereafter ahead of construction. Before construction commencing, leases will be drafted and executed in accordance with the key terms of the land option. With grid connections moving later, the period between planning consent and construction is increasing and extended option periods are required to be negotiated with landowners, which can be challenging to secure given the landowner value (being the annual rental income under the lease) is deferred until the lease is executed.

Solar and BESS leases typically have a long tenure consistent with CLM, CMM and PR. However, given the benign nature of the technology and the lack of requirement for other services, such as environmental compliance, the risk of a lease being ended early is minimal.

Periodic meetings are held with all landowners. These are more frequent on CLM sites and are designed for both parties to openly discuss any site related issues or future activity which requires consideration and planning, such as landfill capping work.

There is an effective process for discharging payment obligations and monitoring lease expiries to enable us to engage promptly with landowners.

The average remaining lease duration on site leases is 19 years for CLM, CMM and PR sites. New Solar sites are all entered on 40 year leases of either fixed term, or tenant exercisable extensions.

The business has site exit procedures which ensures all of our obligations are met at the end of the lease.

New Developments
The Head of Development and his team will work with landowners to initially secure heads of terms, which are then converted into a lease option. The development process can also require a series of wayleave agreements, typically for import and/or export cables to run to the nearest grid substation, to be secured with third party land owners with no ongoing investment in the new project. Third party consultants support this process where required.

Principal risks and uncertainty continued

Risk description | **Mitigation and monitoring**

7. Business continuity including cyber risk

Adverse events, such as weather or fire, may impact the export from a site. This may be a direct impact on the Infinis site, or a grid fault at either the local district, or transmission network.

On CLM sites, each site operates under a specific landowner permit with the Environment Agency which defines how long generation can be off before this become a 'notifiable event'. Continual events may result in fines and penalties to the land owner, and potentially Infinis being removed from operating the site.

There are also potential reputational and financial losses from responding to any adverse business continuity events.

IT applications and communications
Failure of IT equipment and communication links to sites could result in lack of visibility of the site to operational management and the loss of the ability to remotely manage the site.

Cyber risk
Cyber crime is the primary fraud loss now for corporates. Cyber-attacks can range from lock-out of operational systems (ransomware) to lower-level mass phishing emails for payment fraud, or gathering sensitive personal information.

Malicious cyber-attacks on our IT infrastructure continue to become more sophisticated, requiring corporates to continually invest in physical and IT application cyber controls, while also extensively training all staff creating an increasing recurring cost to managing the risk.

Insurers are tightening the minimum level of cyber controls which businesses must have to access cover, emphasising the need for continual investment and development for all organisations' in this area.

Our sites are geographically dispersed across the UK, with no site contributing more than 7.9% of revenue in FY23 (FY22: 7.7%). Unlike many in the energy sector, Infinis is not significantly exposed by the loss of a single site. Business interruption and property damage insurance cover is maintained up to a limit of £25m, for loss of profit and reinstatement of any site.

Engines are monitored and controlled remotely via the Operational Performance centre. Site monitoring and remote site management, including engine load balancing, is also centralised through the centre.

The business has a Business Continuity Plan that would be implemented in the event of a catastrophic event. The business continues to operate a hybrid working model for all head office staff, continually evidencing the ease of remote working and the robustness of sites, operating practices, IT and management systems.

IT applications and Communications
All core applications are now externally hosted on cloud-based servers. This ensures resilient application landscape which can be accessed easily from anywhere in the UK. Continual real-time back-up is completed for each server and application.

IT disaster recovery plan is documented and tested six monthly. Backup procedures are tested quarterly for all key servers and applications.

Cyber risk
Our IT security systems and controls are routinely tested against the threats of malicious attacks and security breaches using expert third parties.

Significant investment has been made over the last six years to continually upgrade our cyber security including removal of all external IP addresses from sites, implementation of multi factor authentication for all core applications, inbound email scanning and a complex multiple firewall network structure. Application security patching is routinely completed and carried out immediately should urgent patch updates be required for identified major security weaknesses.

Phishing emails are issued quarterly along with mandatory cyber training through the KnowBe4 platform for all employees. The Group also maintains appropriate insurance policies.

Risk description | **Mitigation and monitoring**

8. Energy Offtaker credit risk

The electricity Infinis generates is sold to a small number of UK counterparties under a variety of contractual arrangements. In recent years, the rising price of power and increasing market credit requirements to trade, has resulted in the majority of the UK retail energy sector suppliers have failed.

Infinis is not an energy supplier and therefore is not exposed to the above risks, As a baseload generator, it is long power and relies on an active energy market of buyers to purchase that power.

Infinis' Offtakers are mainly asset backed and part of large blue chip, UK or Global energy groups with high credit rating. Following a period of high energy supplier failure, the credit risk of those who remain has stabilised supported by lower power pricing and reduced credit requirements.

Infinis enters into contracts with creditworthy counterparties. The trading strategy limits no more than 30% of a season, being placed with a single Offtaker without Governing Board approval.

With the exception of ROC Recycle and Triad income, the majority of revenue is received within 30 days of the applicable month end to which it is recognised.

The credit worthiness of all Offtakers is monitored on an ongoing basis using Creditsafe software, and reported on quarterly to the Audit Committee. Credit ratings have remained consistent over the last year. All Offtakers operate well within recommended credit limits.

Guarantees through either parent company, or banks, are typically secured on all Offtaker contracts which cover both the loss of book debt and also the loss of future margin for the period post default.

All PPAs are structured, such that these terminate on insolvency and the business can recontract the power immediately with no financial penalties. Where market pricing exceeds the traded ASP at the point of default, such as in the current market, this would result in a potential notable trading gain which typically will cover any losses on invoiced and accrued debt unpaid.

9. Macro-economic risk – Inflation, foreign exchange and interest rates

The UK is experiencing the highest inflation in 40 years. CPI was 10.1% year-on-year to March 2023. Successive base rate increases, combined with reduction in oil pricing have stabilised inflation (peaking at 11.1% in October 2022). Continued interest rate rises are expected to increase the base rate to above 5% (from 4.25% in March 2023) although the reduced cost of energy may provide an equivalent boost. High cost base inflation can reduce operating profits and cashflows, with higher interest costs increasing financing costs and reducing cash flows.

High inflation, and economic uncertainty, will also impact the Currency markets. Over the period from September to December 2022 the currency markets experienced one of their most turbulent periods in recent history with the dollar and euro at almost parity to the pound, although markets have subsequently recovered closer to recent historical averages. With Solar panels and BESS systems typically invoiced in dollar, a weak pound significantly increases the cost of new developments reducing project returns, or preventing projects progressing.

ROC buy-out, Capacity Market, STOR and GDUoS currently benefit from uncapped indexation mechanisms linked to CPI or RPI providing full margin and operating cash flow protection.

Continued inflation protection for long term PPAs on Development projects remains a key part of our commercial strategy. AR4 CfD has an uncapped inflation mechanism and ARLA CPPA has an annual CPI uplift mechanism.

Borrowing costs remain well protected through hedging on 75% of senior debt and fixed interest on institutional. £75m of facility (including RCF assumed to be fully drawn) is unhedged resulting in £0.7m of additional borrowing costs per 1% base rate rise. Existing hedges are providing c£2.0m of income per annum which continue through to the end of January 2026 locking in an all-in cost of debt of 2.35% on £106m of senior.

With currency markets stabilising, the financial impact of lower exchange rates on CAPEX projects is reduced, decreasing the financial impact of the risk.

Statement on Climate change (TCFD)

Our activities today and future investments create a low risk from any change in climate

The Board recognises the Task force on climate related financial disclosures (TCFD), and the potential risks and opportunities posed by climate change to the business.

The Group is not seeking to fully comply with the TCFD requirements nor is it yet required to comply with TCFD requirements, but we have drawn on and will continue to draw on emerging best practice in this area. This section of the Strategic report sets out how we incorporate climate-related risks and opportunities into our governance, strategy, risk management and targets, and is guided by the recommendations of the TCFD.

1 Governance

The Group has a Risk Management Policy, approved and monitored by the Board, which defines its approach to risk and considers the potential impact of climate change on the Group. It feeds into the Group's strategy, and ensures appropriate systems and controls are in place to operate within the defined risk appetite levels.

In assessing climate risk, the Board have evaluated the impact of likely climate change scenarios on both the existing and planned future generation mix of the business (post 2040) to ensure it is designed for projected climatic conditions.

2 Strategy

Infinis' operations are based solely within the UK and we are committed to growth and diversification through continued investment in renewable, and low carbon, sources of electricity generation.

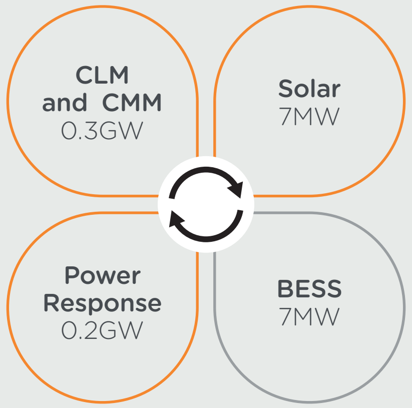
Our strategy is outlined on page 7 and is focused in the near to medium term on developing, constructing and operating an increasing Solar and BESS portfolio.

When focusing on our strategy, we have a unique opportunity to future proof the design of all new projects for the projected change in climate. The technologies we are investing in are proven to operate in areas of the globe with significantly warmer, and more volatile, climates to the UK. This gives us confidence in our ability to deliver robust predictable earnings despite a changing UK climate.

All new projects undergo a thorough design process which factors in the risk of climate change in addition to the more standard planning requirements, such as flood risk assessments. By definition, new investment is designed around climate change risk to protect future generation and earnings.

As detailed in the Chair Report (pages 4 to 5), UK, EU and US legislation is focused on substantially increasing policy support and targets for renewables. Societal pressure further continues to increase, making the Energy sector transition to net zero front and centre of each parties election manifesto. By the clear alignment of Infinis strategy with net zero policy, there is by definition, a low risk of any material adverse strategy, or earnings, impact.

Generation mix - 2023



Indicative generation mix - post 2040

3 Risk management

Infinis has well-defined systems and controls that are in place to identify risks to the business. Any pertinent risks are reported to the Board at least monthly and more frequently if required and their important assessed and acted on.

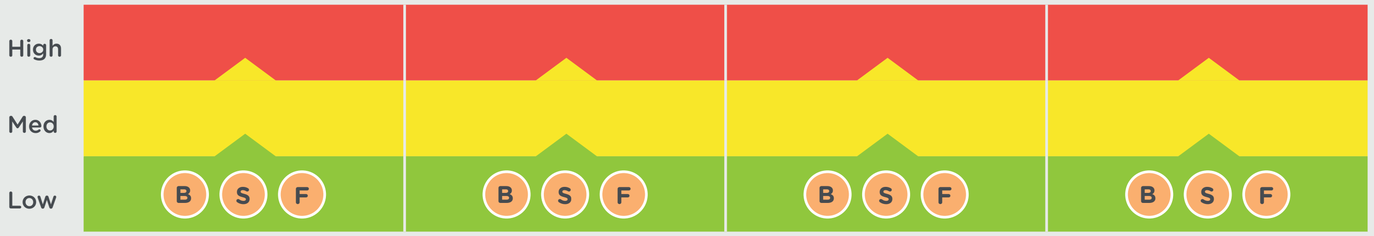
Looking specifically at potential risk from future changes in climate, and given the planned change in the generation mix, transitional climate risks create a larger focus area for Infinis than physical climate risk.

Key

- **B** Baseload Generation (CLM and CMM)
- **S** Solar
- **F** Flexible Generation (PR and BESS)

Physical risks

Temperature	Flooding	Wind speeds	Extreme weather
Operational site infrastructure performance issues from increased summer temperatures.	Flooding of operational sites from wetter winters, higher intensity of rainfall or river levels or sea storm surges.	Operational site infrastructure issues from increased wind speeds across all technologies resulting in loss of revenue.	Damage to third party transmission and distribution infrastructure due to extreme weather events can prevent the export and import of power.



Temperature

B Over time as methane levels reduce, this increases spare asset capacity on site and allows more assets to be operated for shorter periods at lower temperatures.

S Solar technology is designed to operate within high temperatures.

F BESS have integrated cooling systems (air and liquid) and this technology is continually being improved. PR engines typically operate intermittently, often only for 2-4 hours per day in the summer months and hence naturally cool between operating.

Flooding

B There is no major history of flood events, and flood detectors are installed on sites with an elevated flood risk.

S F Flood risk is factored into the development and construction process. New Development will not be constructed in areas of high flood risk.

Wind speeds

B Minimal historic issues. Multiple sites spread across the UK provide portfolio earnings protection.

S Solar panels are particularly susceptible to damage from flying objects and also stress-related damage on the mounting system.

S Our investment models assume an element of replacement CAPEX for panel damage over time. During construction, significant technical evaluation is completed on the impact of wind and the design is specific for each site.

Extreme weather

B S F Grid outages result in a loss of export capacity and a direct loss of revenue. There is no recourse back to DNOs for periods of major outage, with business interruption insurance the only available compensation. However, Grid outages are typically limited to single sites for periods up to a week and are therefore not considered significant.

Natural gas infrastructure (which may transport an element of hydrogen in the future) is typically below ground and less susceptible to weather related damage. Outages of natural gas pipelines are extremely rare, with no occurrences in the last three years.

Telecoms infrastructure is important to ensure the ability to remotely communicate to all sites. But the infrastructure to all sites is fibre, satellite and/or 4G and therefore less susceptible to weather related damage.

Statement on Climate change (TCFD) continued

3 Risk management continued

Key

B Baseload Generation (CLM and CMM)

S Solar

F Flexible Generation (PR and BESS)

Transitional climate risk and opportunity assessment risks

Policy and legal

B S F

Decarbonisation of the energy sector is likely to see energy generated through engine technology be exposed to increased greenhouse gas emission legislation and compliance scrutiny.

- Enhanced emissions reporting is likely across all applicable technologies, which may capture all existing technologies with the exception of Solar adding a small annual compliance cost.
- The removal of the small generator exemption for UKETS (carbon taxing) is possible in the coming years. This is considered in more detail within the Corporate Risk review detailed on page 46.
- Existing, and planned reform to, capacity market revenue is focused on ensuring increased engine efficiency and the use of lower carbon fuel sources.

While the risks above are only assessed as low impact to the business, we continue to work with regulatory bodies such as the Environment Agency and trade associations such as the REMA to ensure that the position of smaller generators such as Infinis is appropriately understood, in particular with regard to ensuring the key environmental compliance role provided by CLM and CMM is not adversely impacted.

The energy transition is at risk due to Grid delay. Rising CAPEX costs further put the investment in the scale of required new projects at risk. As noted in the Chair report, the CfD is a key subsidy metric for new renewable investment but more is needed, in particular to ensure that existing renewable technology on the Grid secures sufficient capital to be maintained/re-powered to extend its life. We welcome the work undertaken by BEIS over the last eighteen months understanding the landfill gas sector economics and encourage a proactive approach to support ongoing subsidy of wind and landfill gas technology post the expiry of existing ROCs.

Markets

B S F

Net Zero is central to all corporate agendas. The last year has also demonstrated the importance of stable and predictable long term energy pricing to avoid earnings and cash flow impacts for larger corporate energy users. The demand for renewable CPPAs, in particular those which can demonstrate additionality of supporting new projects being developed and constructed, is high and growing. This creates a significant opportunity for all existing divisions as evidenced by the Pulse Energy (for CLM) and ARLA (for Solar) CPPAs which have been signed recently.

Reputation

B S F

Infinis is not a retail energy supplier and delivers a small proportion of UK energy generation. Public perception of the brand is limited and therefore the business needs to align with the energy transition rather than be at the leading edge.

Being a renewable and clean energy, low carbon generator presents a unique opportunity to secure the next generation of talent for the organisation. The Infinis strategy is aligned with the required transition to Net Zero and the de-carbonisation of the UK Energy Sector. Stakeholder perception is consequently positive.

4 Metrics

There are a number of climate related metrics which evaluate the impact of climate change to our operations, and also evidence the delivery of our sustainability and overall strategy.

(i) Revenue lost in the last 12 months to high temperatures;

£0.1m of revenue was lost in FY23 as a consequence of reduced exported power due to heat related constraints within baseload power (CLM and CMM). Projecting this forward under a range of temperature scenarios projects £0.1m to £0.3m of annual earnings impact.

(ii) Annual tonne's of CO_2 equivalent prevented by the methance capture of our baseload CLM and CMM operations (see page 15)

(iii) The Scope 1, 2 and 3 CO_2 emission of our operations and associated supply chain (see page 15).

(iv) The carbon impact assessment of each of our new developments over their operational life, see page 20 for the impact of Litchardon and Bishampton projects. The estimated carbon intensity of 0.040kg CO_2e/kWh over the projects 40-year lifespan compares favourably to both the current figure for electricity generated in the UK (0.18kg).

Board of Directors

An experienced leadership team

Shane Pickering
Chief Executive Officer

Committee membership
E

Appointed to the Board
Infinis Energy Group Holdings Limited – 13 January 2017

Infinis Energy Management Limited – 13 January 2017

Other key appointments
None

Shane joined the Infinis Board as CEO following the acquisition of the CLM business by 3i. From May 2015, he held the position of Infinis Director of Operations, responsible for both the wind and CLM portfolio. Prior to that, Shane was Regional Director of Operations at Intergen.

James Milne
Chief Commercial Officer

Committee membership
E

Appointed to the Board
Infinis Energy Group Holdings Limited – 13 January 2017

Infinis Energy Management Limited – 13 January 2017

Other key appointments
None

James worked as Head of Legal for Infinis from March 2011. He leads the Group's commercial and legal activities. Prior to Infinis, James was a partner at the international law firm, Herbert Smith, specialising in corporate advisory work.

Keith Reid
Chief Financial Officer

Committee membership
E

Appointed to the Board
Infinis Energy Group Holdings Limited – 25 April 2019

Infinis Energy Management Limited – 26 March 2019

Other key appointments
None

Keith joined Infinis in March 2019 as Chief Financial Officer. He is a KPMG qualified chartered accountant and has held Group CFO roles in both UK and International private equity backed businesses.

Tony Cocker
Chair and Non-Executive Director

Committee membership
R A

Appointed to the Board
Infinis Energy Management Limited – 1 August 2017

Other key appointments
Senior Independent Director, SSE plc; Visiting Professor, Aston University; Non-Executive Director and Chair of Future Biogas Holdco Limited.

Tony was appointed Chair and Non-Executive Director on 1 August 2017. He previously worked for E.ON and Powergen in a number of roles from 1996 to 2017, including Chair and CEO of E.ON UK plc, CEO of E.ON Energy Trading SE and Managing Director of E.ON UK Energy Wholesale.

Tim Short
Shareholder Director

Committee membership
R A

Appointed to the Board:
Infinis Energy Group Holdings Limited – 17 October 2016

Infinis Energy Management Limited – 18 October 2016

Other key appointments
Supervisory Board member of Scandlines Infrastructure ApS; Director of Future Biogas Holdco Limited; Director of GCX Topco Limited.

Tim is a Partner in 3i's infrastructure division focused on the origination, execution and financing of infrastructure investments. His transaction experience includes Attero, Elenia, ESVAGT, Future Biogas, Ionisos, Global Cloud Xchange, Joulz, Oystercatcher, Scandlines, Tampnet and TCR.

Matthew Edwards
Shareholder Director

Committee membership
R A

Appointed to the Board:
Infinis Energy Management Limited – 25 February 2020

Other key appointments
Holds a number of directorships for 3iN portfolio companies; Director of Future Biogas Holdco Limited.

Matt is a Director in 3i's Infrastructure team focusing on the infrastructure and energy sectors in the UK and continental Europe. Prior to joining 3i, Matt was Investment Director at Innisfree Limited.

Scott Longhurst
Non-Executive Director

Committee membership
R A

Appointed to the Board
Infinis Energy Management Limited – 10 May 2017

Other key appointments
Non-Executive Director of FCC Aqualia; Non-Executive Director and Audit Chair of the Supervisory Board of Evos BV; Director of Water Meadows Consulting Limited; Senior Adviser to First Sentier Investments; Non-Executive Director and Audit Chair of Arqiva Group.

Scott joined the Infinis Board on 10 May 2017. He holds a number of non-executive director positions in the UK and Europe. He was formerly Group Finance Director of Anglian Water Group (AWG) and Managing Director of its non-regulated business. Prior to AWG, he spent most of his career with Shell.

Richard Lewis
Non-Executive Director

Committee membership
R A

Appointed to the Board
Infinis Energy Management Limited – 1 September 2019

Other key appointments
Founder of Delta Energy Capital Sarl, an investment advisory business; Non-Executive Director of the energy hedge funds, Nanook Energy Fund and Nanook Systematic Fund; Non-Executive Director of Future Biogas Holdco Limited; and advisor to Squeaky Clean Energy Limited.

Richard has 25 years of experience in the energy industry, specialising in trading, investing and origination in the power, gas, fuels, biofuels and renewables sectors. He previously held senior roles at RWE, Barclays and Enron.

Key
- A Audit Committee
- R Remuneration Committee
- E Executive Committee
- Committee Chair

Corporate governance statement

A robust and effective governance framework supporting our strategy

The Infinis Group's corporate governance structure is set by the Board of Directors of Infinis Energy Management Limited.

Governance structure

The Board of Directors (the 'Governing Board') of Infinis Energy Management Limited (the 'Governing Company'), the Company's wholly-owned subsidiary, is responsible for establishing, overseeing and managing the delivery of the strategy and the corporate governance structure of the Infinis Group. These governance arrangements are formalised in the Corporate Governance Policy as approved by the Governing Board.

The operating subsidiaries of the Infinis Group are owned by the Governing Company. The Directors are responsible for implementing the Group's strategy and business plans and have delegated the oversight of the day-to-day management of the Infinis Group to the Executive Committee.

The Infinis Group maintains an active dialogue with its Shareholder, as set out in the Stakeholder engagement section on page 40. The Shareholder Directors have weighted voting rights and de facto control of the Boards of the Company and the Governing Company.

The Governing Company is committed to achieving highly effective and relevant standards of corporate governance and to comply with the Walker Guidelines for Disclosure and Transparency in Private Equity.

Set out below are further details of the main governance structures of the Infinis Group and key terms of the Corporate Governance Policy. Details of directorships and committee memberships set out below are as at the date of this report.

Board composition

Biographies and other details of the members of the Company Board and the Governing Board can be found on pages 58 and 59.

Board meetings

The Governing Board meets regularly, generally on a monthly basis, with other meetings being convened where circumstances require. In FY23 the Governing Board held eleven meetings.

Board committees

The Governing Board has established the Executive Committee, Audit Committee and Remuneration Committee, each of which operates under clearly defined terms of reference.

No one other than the committee chair and members is entitled to be present at a committee meeting and vote on matters. The chair may request others to attend by invitation as referred to below.

Board and sub committees

Board committees

Executive Committee

Day-to-day management of the Infinis Group in accordance with the authorities delegated to it by the Governing Board.

Shane Pickering (Chair)

James Milne

Keith Reid

Audit Committee

Responsible for ensuring a robust control environment and that the audit processes are properly conducted.

Scott Longhurst (Chair)

Tony Cocker

Tim Short

Matthew Edwards

Richard Lewis

Remuneration Committee

Optimising the organisational structure and employment policies.

Tony Cocker (Chair)

Tim Short

Matthew Edwards

Scott Longhurst

Richard Lewis

Board procedure

The Directors of the Infinis Group take decisions for the Long term and aim to uphold the highest standards of conduct. The Directors recognise the importance of understanding and respecting the views and needs of our stakeholders, including customers, employees, the communities in which we operate, our suppliers and our Shareholder, to further the success of our business.

The Governing Board conducts a regular review of business issues and key performance metrics in a timely and structured way. The Company's and the Governing Company's Directors discharge their responsibilities in accordance with Group policy, set strategy and business plans of the Infinis Group, provide leadership to the Infinis Group within a framework of prudent and effective controls, and assess and manage risk. The Directors understand their duty to disclose any conflict of interest as and when it may arise. The articles of association of the Governing Company contain provisions to allow the Governing Board to authorise potential conflicts of interest so that a Director is not in breach of his or her duty under company law. Directors consider whether they are aware of any conflict of interest at the start of every meeting of the Board of the Governing Company.

An agenda and briefing pack are prepared for all Governing Board meetings, which includes routine business items for monthly scheduled meetings, including health and safety, financial and operational performance, a review of commercial activities, stakeholder engagement and an overview of operations and development opportunities.

All members of the Governing Board receive sufficient information in a timely manner on agenda items, whether or not they are able to attend, and minutes are prepared and approved as an accurate record of proceedings. This ensures a regular update to the Governing Board on all key matters and enables Board members to discharge their duties. Regular updates on risk management are also given to the Governing Board by the Executive Directors.

The agreed principles of corporate governance applicable to the Infinis Group, including terms of reference for committees of the Governing Board, are set out in the Corporate Governance Policy and record the overarching internal policies by which the Infinis Group should operate, without restricting the legal independence of any Group Company and whilst ensuring that key policy and strategic decisions relating to the Infinis Group are made by the Governing Board. The Governing Board's formal schedule of delegated authorities, reviewed annually by the Governing Board, sets out the financial authorities delegated to its committees, the Chief Executive Officer and other directors, officers and employees (the 'Delegated Authorities'). Matters which must be brought to the Governing Board for approval in accordance with the Delegated Authorities include, but are not limited to, strategy, the annual business plan, the Infinis Group budget, power trading strategy, all acquisitions and disposals and any proposed change to the capital structure.

Internal control and risk management

The Governing Board understands its responsibilities to present a fair, balanced and understandable assessment of the Group's position and prospects and to provide the information necessary for the Shareholder to assess the Group's performance, business model and strategy.

The Group's approach to risk management is set out in further detail in the risk management section on pages 44 and 45.

The Group's risk management and internal controls processes are designed to ensure that the risks associated with conducting our business activities are effectively controlled in line with the Group's risk appetite. The Governing Board believe the processes provide reasonable, but not absolute, assurance against material misstatement or loss.

The Governing Board, through the Audit Committee, has reviewed the assessment of risks and the risk management process, and has considered the effectiveness of the system of internal controls for the year and up to the date of approval of this report by the Governing Board. There are established procedures and controls in place to identify entities whose results must be consolidated with the Group's results.

The process followed by the Governing Board in reviewing the system of internal controls reflects the Governing Board's responsibility for determining the nature and extent of the risk it is willing to take in achieving its strategic objectives. The Governing Board provides oversight to help ensure that the Group maintains sound risk management and internal control systems.

Board and sub committee attendance

	Company	Governing Company	Executive Committee	Audit Committee	Remuneration Committee
Tony Cocker	–	10 of 11	–	4 of 4	5 of 5
Matthew Edwards	–	11 of 11	–	4 of 4	5 of 5
Richard Lewis	–	11 of 11	–	4 of 4	5 of 5
Scott Longhurst	–	11 of 11	–	4 of 4	5 of 5
James Milne	3 of 3	11 of 11	11 of 11	–	–
Shane Pickering	3 of 3	11 of 11	10 of 11	–	–
Keith Reid	3 of 3	11 of 11	11 of 11	–	–
Tim Short	3 of 3	10 of 11	–	4 of 4	5 of 5

Corporate governance statement continued

Audit Committee

The Audit Committee comprises the Shareholder Directors and the Non-Executive Directors. In addition, the Group Corporate Governance Policy provides that the Executive Directors may be invited to attend meetings but may not vote. The Audit Committee meets as often as required and at least twice annually. In FY23 there were four meetings of the Audit Committee.

The Audit Committee is responsible for ensuring that internal and external audit processes are carried out in the best interests of the Infinis Group's stakeholders.

In assisting the Governing Board to fulfil its duties, specific duties and responsibilities of the Committee include:

- overseeing the Group's relationship with the external auditors;
- agreeing the nature and scope of the audit and reviewing the audit plan;
- advising the Governing Board regarding the appointment and re-appointment of the external auditors of the Company and Group Companies;
- recommending to the Governing Board the remuneration and terms of engagement of the external auditors of the Company and Group Companies;
- reviewing with the Governing Company's, and any Group Company's, external auditor, the annual financial statements of the Group before submission to the Governing Board;
- discussing audit findings with the external auditors, including any major issues or reservations which arose during the course of the audit and their resolution;
- reviewing recommendations made to management by the auditors and management's response;
- deciding on the implementation of the Group's internal audit programme;
- ensuring coordination between the internal and external auditor;
- ensuring that the internal audit function is adequately resourced;
- recommending to the Governing Board appropriate policies of risk and internal control and ensuring that the implementation of such policies is formulated, operated and monitored;
- internal and external reporting and adoption of suitable risk control measures, and shall specifically include a review by the Committee of the Chief Financial Officer's report on risks affecting the Group (which the Chief Financial Officer shall make no less frequently than twice each year); and
- considering other topics relating to the audit of the financial systems or records of the Group as determined by any member of the Committee.

Since the year end, the Committee met on 28 June 2023 and 26 July 2023 to consider the consolidated report and accounts of the Company and of the Governing Company.

The final form of the report and accounts of the Group and Company was approved by the Directors on 26 July 2023. For good governance, the Committee met with the auditors in June 2023 without the presence of the Executive Directors to discuss the audit and the relationship with the finance team.

Remuneration Committee

The Remuneration Committee comprises the Shareholder Directors and the Non-Executive Directors. The Corporate Governance Policy provides that the Chief Executive Officer shall have the right to attend but not vote at meetings of the Remuneration Committee. The Committee meets at least once a year and at such other times as the Governing Board requires. In FY23 the Committee met five times.

The Remuneration Committee's specific duties and responsibilities include discretions or authorities in respect of:

- the organisational structure of the Governing Company and any Group Company and the Group as a whole;
- the appointment and termination of any Executive Director and Senior Management Team members of any Group Company and terms and conditions of appointment or employment;
- any policies and terms and conditions of employment of any employees of the Governing Company or senior Senior Management Team member of any Group Company;
- any significant changes to the role of any Executive Director or Senior Management Team member;
- any recommendation from the Executives in respect of the implementation of material redundancies;
- the structure, eligibility of participants and the performance against the Long Term Incentive Plan;
- the remuneration and benefits of any Executive Director or Senior Management Team members; and
- approval of annual salary increases, bonuses and incentive programmes and overall bonus levels for all staff.

In addition, the Remuneration Committee engages with the Executive Team to discuss succession planning, talent development, and diversity initiatives and targets.

Key Board activities in FY23

Financial performance

The Executive Committee present the performance of the business to the Governing Board monthly. Key risks and opportunities are considered during these meetings.

EBITDA

£77.1m

2022: £71.6m

Diversity and inclusion

The Gender Pay Report was presented to the Board with actions identified to continue to promote equality of opportunity.

Risk management

The corporate risk register is presented biannually. Risk updates are also provided monthly.

Sustainability

The sustainability strategy was presented to the Board. Infinis are well placed to be a market leader in the UK's push for Net Zero.

Growth

The Group's growth plans through investing in Solar and BESS have been at the forefront of the Board's discussions.

MW under development

1,040 MW

2022: 215 MW

Strategy

The Governing Board ran two strategy workshops in the year that sets out in detail the future plans for the business.

Directors' report

The Directors present their report and the audited consolidated financial statements for the year ended 31 March 2023.

Strategic report

The Companies Act 2006 requires the Directors to present a fair, balanced and understandable perspective of the Company's and Group's business during the year ended 31 March 2023 and of the position of the Group at the end of the financial year, together with a description of the principal risks and uncertainties facing the Group.

The Directors' business review is set out as part of the Strategic report which can be found on pages 1 to 57.

Corporate governance statement

A corporate governance statement can be found on pages 60-62 and is incorporated into the Directors' report by reference.

Private equity ownership

The Company heads a group of companies (the 'Infinis Group') and was incorporated in October 2016 with its subsidiary, Infinis Energy Management Limited, by 3i Infrastructure plc (3iN).

3iN, part of 3i Group, is an economic infrastructure business which invests for the Long term of between 20 and 30 years in utilities, energy, transport and communications and is listed on the London Stock Exchange.

Shareholder loan notes were listed on The International Stock Exchange for the Channel Islands until 28 April 2023 when they were delisted.

Going concern

When considering the going concern assertion, the Directors review several factors including the ability of the Group to meet its banking covenants and operate within its banking facilities based on current financial plans. A series of more pessimistic trading scenarios, that were deemed severe but plausible, were also reviewed. These included consideration of pricing and volume reductions, as well as construction and energisation delays.

The Group and Company statements of financial position, which can be found on page 76 and 100, respectively, both reflect overall net assets.

The Company generated a loss in the year of £0.2m due to tax charges as a consequence of restrictions on interest deductibility. The Company has net current liabilities at 31 March 2023 due to this tax liability, settlement of the liability will be facilitated through group settlement arrangement.

The Group generated a profit in the year of £4.0m. Included within this number are £42.1m of non-cash expenses relating to amortisation and depreciation as well as a £2.7m tax charge. Adjusting for this, the reported performance for the year was a £48.8m profit. Net cash from operating activities was £76.1m with strong closing cash and notable covenant headroom on senior secured debt.

The Group has a financing facility that provides certainty over future funding arrangements to support growth, as detailed in note 15 on page 93.

The Directors consider that the Group and parent Company have adequate resources to continue in operation for the foreseeable future, and that it is therefore appropriate to adopt the going concern basis in preparing the consolidated and individual financial statements of the Company.

Financial risk management

Details of financial instruments and the Group's approach to capital management and financial risk are provided in note 20 on pages 96 to 98 of the accounts.

Directors

Biographical details of the Directors of the Company and of the Governing Company currently serving on the Boards and their dates of appointment are set out on pages 58 to 59.

A summary of all Directors who served in the year and up to the date of signing the financial statements, is set out in the Corporate governance statement on page 60.

Results and dividends

The results for the year ended 31 March 2023 are set out on page 74 to 75.

No dividend was proposed or paid for the year ended 31 March 2023 (FY2022: nil).

Employee involvement

Details of the Company's policies on employment, training, career development and promotion of disabled persons, and a statement on employee involvement in the financial year, are set out on pages 33 to 37.

Sustainability

Details of the Company's commitment to the progressive introduction of appropriate measures to limit the adverse effects of its operations upon the environment are set out on pages 28 to 31.

Stakeholder engagement and key decisions

Details of the key decisions and discussions of the Governing Board during the year and the main stakeholder inputs into those decisions are set out in the Strategic report.

Disclosures relating to s172 of the Companies Act require the Directors to identify the issues, factors and stakeholders they consider relevant to comply with their duty to have regard to stakeholders.

This consideration of our stakeholders is reflected in our values. The Governing Board considers the effect of s172 in all of its decisions and the impact on any of the specified groups.

The Governing Board considers the interests of the Group's employees and other stakeholders, including the impact of its activities on the community, environment and the Group's reputation, when making decisions. The Governing Board, acting fairly between members, and acting in good faith, considers what is most likely to promote the success of the Group for its shareholders in the Long term. Further information in relation to the specific considerations of the Governing Board are set out below:

	Consideration	Information
A	Likely consequences of any decision in the Long term	**See pages 2 to 57**
B	Interests of the Company's employees	**See pages 33 to 37**
C	Need to foster the Company's business relationships with suppliers, customers and others	**See pages 40 to 43**
D	Impact of the Company's operations on the community and the environment	**See pages 28 to 31 and 38 to 39**
E	Desirability of the Company maintaining a reputation for high standards of business conduct	**See pages 32 to 43**
F	Need to act fairly as between members of the Company	**See pages 32 to 43**

Policy and practice on payment of creditors

Infinis' payment policy and practices are outlined on page 42.

Political and charitable donations

No political donations were made during the year. The Infinis Group made charitable donations of £114,000 (FY2022: £78,000) during the year.

Significant agreements

The Infinis Group has several contractual relationships with customers, operational counterparties and banks, which are essential to our business and with whom we work proactively.

(i) Customers

The Infinis Group has a relatively small customer base, the majority of which consists of energy offtakers with investment grade ratings. Contracts are for the delivery of power for a season (six months) with a minimum and maximum threshold for exported MWhs under each contract.

(ii) Operational counterparties

Our primary operational counterparties for the CLM business are the waste companies or local authorities with whom we work, most notably FCC Environment, Veolia and Biffa. The business also operates under licenses from the Oil and Gas Authority for operating the CMM business.

(iii) Banks

The Governing Company has a total financing facility of £246m which is provided by a syndicate of financial institutions (further details are set out on page 93).

Directors' indemnities

During the financial year the Governing Company has agreed to indemnify past and present Directors in accordance with and subject to the terms of the Corporate Governance Policy for the Infinis Group, against liability and all expenses reasonably incurred or paid by them in connection with any claim, action suit or proceeding in which they become involved in the performance of their duties as a Director and against amounts paid or incurred by them. These are qualifying third party indemnity provisions for the purposes of section 234 of the Companies Act 2006 and are in place at the date of approval of the Directors' report.

The Company has also arranged directors' and officers' liability insurance.

Auditors

The auditors, PricewaterhouseCoopers LLP (PwC), have indicated their willingness to continue in office and, pursuant to section 487 of the Companies Act 2006, PwC are deemed to be reappointed as auditors and will therefore continue in office.

Directors' report continued

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and Accounts 2023 and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

The Directors' report was approved by the Governing Board on 26 July 2023. By order of the Board.

Keith Reid
Director

Independent Auditors' report to the members of Infinis Energy Group Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- Infinis Energy Group Holdings Limited's Group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2023 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the consolidated statement of financial position and company statement of financial position as at 31 March 2023; the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement, consolidated statement of changes in equity and company statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- Our responsibility is to form an opinion on the Group and Company Financial Statements of Infinis Energy Group Holdings Limited for the financial year ended 31 March 2023

Key audit matters

- Impairment of goodwill and other intangible assets (Group)
- Recognition for and valuation of recycled ROC's (Group)
- Carrying value of investments (Company)

Materiality

- Overall Group materiality: £1,874,000 (2022: £1,790,000) based on 2.5% of EBITDA.
- Overall Company materiality: £1,780,000 (2022: £1,412,000) based on 1% of Total assets.
- Performance materiality: £1,405,000 (2022: £1,341,000) (Group) and £1,335,000 (2022: £1,059,000) (Company).

Independent Auditors' report to the members of Infinis Energy Group Holdings Limited continued

The scope of our audit
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters
Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Acquisition accounting, which was a key audit matter last year, is no longer included as the current year acquisitions are a lower individual and aggregate quantum, reducing the risk of material misstatement. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill and other intangible assets (Group) The value of the goodwill and other intangible assets per note 12 of the annual report are material to the financial statements and the carrying value relies on significant management judgements and estimates in considering whether the carrying value of those assets or cash generating units are recoverable. The output of these impairment reviews are sensitive to the assumptions. Determining the recoverable amount involves significant estimation including: - forecasting future cash flows; - forecasting future generation profiles; - forecasting future commodity prices; - estimating gas reserves; and - determining an appropriate discount rate. As disclosed in note 12, the total book value of goodwill and other intangible assets is £325.2 million and following management's impairment testing, there was no impairment required in the year. The Group considers this as an area of critical estimates as mentioned in note 3. The Group has modelled and disclosed the key sensitivities in note 12.	– We have evaluated management's processes and controls associated with the annual impairment assessment. – In relation to audit of the goodwill and other intangible assets impairment, we evaluated and challenged the Director's assumptions and estimates used to determine the recoverable value of the goodwill and other intangible assets. – This included assessing management's experts with regard to gas volume data and short and long-term pricing assumptions. We also assessed these assumptions by reference to third party documentation where available, such as power price forecasts and inquiry with operational management. – We used PwC valuation specialists to help us assess the reasonableness of the price curves and discount rates used by management. – We tested and challenged the disclosed sensitivities to ensure appropriate judgement had been applied. – We performed further sensitivities around key drivers of cash flow forecasts, including output volumes, power prices, operating costs including royalties, capex and expected life of assets. – We assessed the appropriateness of financial statement disclosures relating to impairment testing. – Based on our analysis we did not identify any material issues with the impairment conclusions and the valuation of the goodwill and other intangible assets.

Key audit matter	How our audit addressed the key audit matter
Recognition for and valuation of recycled ROC's (Group) The value of the recycled ROC revenue as disclosed in note 6 of the annual report relies on judgements and assumptions. This includes a number of factors (some of which are unknown at the time of estimating the price, and/or outside of the Group's influence), including expected electricity demand, targets set for renewable generation in the UK and estimates of the actual amount of renewable energy generated in the year. In the current year due to increased demand driving higher prices and certainty of future payment, recognition criteria for revenue has been met. Management have estimated the value of recycled ROC revenue in FY23, based on their estimates of the key variables and recognised revenue based on the certainty of future receipts to the value of £5.7 million. The Group has recognised the recycled ROC from FY20 to FY22 to the value of £1.4 million in the current year which has all been received.The Group considers this as an area of critical estimates as mentioned in note 3. The total ROC revenue has been disclosed in note 6.	– We have assessed and challenged management's methodology to estimate the recycled ROC price, including the expected electricity demand, targets set for renewable generation in the UK, reviewing management's expert assessment of the price and estimates of the actual amount of renewable energy generated in the year. – We have validated 99.6% of the certificates to the Ofgem website, recognising the remaining certificates are in the process of being validated by Ofgem at the time of finalisation of our testing. – We have assessed the accuracy of management's historical forecasting in this area. We have considered the extent that it is highly probable that there will be no significant subsequent reversal in the cumulative amount of recognised recycled ROC revenue, and seen evidence to support the factors outside of the entity's influence. – The accounting is In line with the Group's stated accounting policy and is considered appropriate for this revenue to be recognised as per this criteria. – We assessed the appropriateness of financial statements relating to valuations and the disclosures in this area. – We did not identify any exceptions in respect of recycled ROC recognition and disclosure.
Carrying value of investments (Company) An investment in subsidiary undertakings of £261.2 million is recognised in the Company financial statements. We have focussed on this area given the balance is material and there is a risk of possible impairment to the carrying value of investments held. The Group considers this as an area of critical estimates as mentioned in note 3. This has been disclosed in note 26.	– We have verified the carrying value of the investments at year end and assessed whether there were any impairment triggers identified. None have been noted. – In addition, we have also challenged management's assumptions included in their future cash flows. – From our testing performed, there has been no indication that an impairment of the carrying value of investments has been identified and this has been appropriately disclosed in the financial statements.

Independent Auditors' report to the members of Infinis Energy Group Holdings Limited continued

How we tailored the audit scope
We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

Our audit has focused on the Group consolidated financial statements of Infinis Energy Group Holdings Limited, auditing the underlying trade in the subsidiary companies that we deem to be significant to the Group. The coverage from our audit procedures is 92% of Group EBITDA, 92% of revenue, 99% of total assets and 98% of net assets.

The impact of climate risk on our audit
As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Group's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the Group's and Company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - Group	Financial statements - Company
Overall materiality	£1,874,000 (2022: £1,790,000).	£1,780,000 (2022: £1,412,000).
How we determined it	2.5% of EBITDA	1% of Total assets
Rationale for benchmark applied	EBITDA is the primary measure used by the shareholders in assessing the performance of the Group.	We believe that total assets is the primary measure used by the shareholders in assessing the performance of the Company, and is a generally accepted auditing benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was £28,300 to £1,874,000. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to £1,405,000 (2022: £1,341,000) for the Group financial statements and £1,335,000 (2022: £1,059,000) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £93,000 (Group audit) (2022: £89,000) and £89,000 (Company audit) (2022: £70,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Assessing management's base case scenario, challenging assumptions, agreeing to board approved budgets and checking mathematical accuracy;
- Assessing management's stress test scenarios including considering a severe but plausible scenario to demonstrate the financial resilience of the Group and mitigating actions available to management in such a scenario;
- Challenging management on the key assumptions included in the scenarios and confirming management's mitigating actions are within their control; and
- Reading disclosure related to going concern to ensure consistency with our understanding.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Independent Auditors' report to the members of Infinis Energy Group Holdings Limited continued

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the statement of director's responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety, employment legislation, Data Protection Act 2018, OFGEM regulations and the listing rules for TISE (The International Stock Exchange for the Channel Islands), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management's posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- enquiry of management around actual and potential frauds, litigations or claims against or by the Company;
- understanding and evaluating the key elements of the Company's internal controls relating to estimates and journal entries;
- testing of journals posted in the year that have unusual account combinations;
- assessing significant accounting estimates for bias and validating the support behind the assumptions and judgments made by management, and evaluating the business rationale of significant or unusual transactions outside the normal course of business; and
- incorporating elements of unpredictability into our audit procedures.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Andrew Lyon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

26 July 2023

Consolidated income statement

For the year ended 31 March 2023

	Note	2023 £'000	2022[1] £'000
Revenue	6	159,711	155,005
Cost of sales		(92,353)	(98,573)
Gross profit		**67,358**	**56,432**
Administrative expenses		(32,312)	(29,011)
EBITDA		**77,124**	**71,553**
Depreciation of property, plant and equipment	7a	(26,243)	(28,679)
Amortisation of intangible fixed assets	7a	(15,835)	(15,453)
Operating profit		**35,046**	**27,421**
Finance costs	9	(28,540)	(26,512)
Finance income	9	166	3
Net finance costs		**(28,374)**	**(26,509)**
Profit/(loss) before income tax		**6,672**	**912**
Income tax expense	10	(2,689)	(11,509)
Profit/(loss) for the year		**3,983**	**(10,597)**

[1] There were no significant one-off items in the year ended 31 March 2023 and 31 March 2022.

The notes on pages 78 to 99 form part of these financial statements.

Consolidated statement of comprehensive income

For the year ended 31 March 2023

	2023 £'000	2022 £'000
Profit/(loss) for the year	**3,983**	**(10,597)**
Other comprehensive income/(expense)		
Items that may be reclassified subsequently to the profit or loss:		
Impact of discontinued hedges	432	432
Amounts recycled to profit and loss	(932)	1,194
Fair value movement on cash flow hedges	6,100	5,584
Tax on movement in cash flow hedges	(1,255)	(1,802)
Remeasurement of defined benefit liability	40	-
Total other comprehensive income/(expense)	**4,385**	**5,408**
Total comprehensive expense for the year	**8,368**	**(5,189)**

The notes on pages 78 to 99 form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 31 March 2023

	Share capital £'000	Hedging reserve £'000	Accumulated losses £'000	Total £'000
At 1 April 2021	**35,000**	**(2,056)**	**(24,296)**	**8,648**
Loss for the year	–	–	(10,597)	(10,597)
Impact of discontinued hedges	–	432	–	432
Amounts recycled to profit and loss	–	1,194	–	1,194
Fair value movement on cash flow hedges	–	5,584	–	5,584
Tax on movement in cash flow hedges	–	(1,802)	–	(1,802)
Total comprehensive income/(expense) for the year	**–**	**5,408**	**(10,597)**	**(5,189)**
At 31 March 2022	**35,000**	**3,352**	**(34,893)**	**3,459**
Profit for the year	–	–	3,983	3,983
Impact of discontinued hedges	–	432	–	432
Remeasurement of defined benefit liability	–	–	40	40
Amounts recycled to profit and loss	–	(1,081)	149	(932)
Fair value movement on cash flow hedges	–	6,100	–	6,100
Tax on movement in cash flow hedges	–	(1,255)	–	(1,255)
Total comprehensive income/(expense) for the year	**–**	**4,196**	**4,172**	**8,368**
At 31 March 2023	**35,000**	**7,548**	**(30,721)**	**11,827**

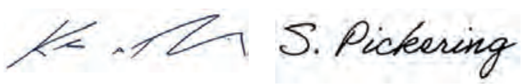
The notes on pages 78 to 99 form part of these financial statements.

Consolidated statement of financial position

At 31 March 2023

	Note	31 March 2023 £'000	31 March 2022 £'000
Non-current assets			
Property, plant and equipment	11	161,152	102,593
Goodwill	12	68,230	68,230
Other intangible assets	12	256,725	270,322
Derivative financial assets	20	10,301	5,282
		496,408	**446,427**
Current assets			
Inventories	13	6,677	4,237
Trade and other receivables	14	34,379	33,076
Cash and cash equivalents		22,533	62,649
		63,589	**99,962**
Total assets		**559,997**	**546,389**
Current liabilities			
Interest-bearing loans and borrowings	15	357	422
Trade and other payables	18	35,658	34,827
		36,015	**35,249**
Non-current liabilities			
Interest-bearing loans and borrowings	15	440,842	448,907
Deferred tax	16	50,636	46,536
Provisions	17	18,130	8,711
Other payables	18	2,547	3,527
		512,155	**507,681**
Total liabilities		**548,170**	**542,930**
Net assets		**11,827**	**3,459**
Equity			
Share capital	19	35,000	35,000
Hedging reserve		7,548	3,352
Accumulated losses		(30,721)	(34,893)
Total equity		**11,827**	**3,459**

The financial statements on pages 74 to 77 were approved by the Board of Directors on 26 July 2023 and were signed on its behalf by



K Reid
Director

S S Pickering
Director

Company number: 10432005

The notes on pages 78 to 99 form part of these financial statements.

Consolidated cash flow statement

For the year ended 31 March 2023

	2023 £'000	2022 £'000
Cash flow used in operating activities		
Profit/(loss) for the year	3,983	(10,597)
Adjustments for:		
Depreciation of tangible fixed assets	26,243	28,679
Amortisation of intangible fixed assets	15,835	15,453
Finance costs	28,540	26,512
Finance income	(166)	(3)
Taxation	2,689	11,509
Operating cash flow before changes in working capital and provisions	**77,124**	**71,553**
Decrease/(increase) in trade and other receivables	670	(4,577)
(Increase)/decrease in inventories	(2,441)	132
Increase in trade and other payables	2,169	936
Increase/(decrease) in provisions	(979)	(917)
Cash generated from operations	**76,543**	**67,127**
Interest paid on leases	(445)	(101)
Tax paid	–	(1,475)
Net cash generated from operating activities	**76,098**	**65,551**
Cash used in investing activities		
Interest received	166	3
Acquisition of intangibles	(2,238)	(11,268)
Acquisition of property, plant and equipment	(70,940)	(16,008)
Loan for development projects	(1,726)	
Net cash used in investing activities	**(74,738)**	**(27,273)**
Cash generated from/(used in) financing activities		
Proceeds from borrowings	30,000	38,000
Repayment of borrowings	(38,000)	–
Repayment of shareholder loans	(8,476)	–
Interest paid on borrowings	(10,093)	(8,054)
Interest paid on shareholder loans	(14,024)	(15,000)
Principal elements of lease payments	(883)	(821)
Net cash generated from/(used in) financing activities	**(41,476)**	**14,125**
Net increase/(decrease) in cash and cash equivalents	**(40,116)**	**52,403**
Cash and cash equivalents at the beginning of the year	62,649	10,246
Cash and cash equivalents at the end of the year	**22,533**	**62,649**

The notes on pages 78 to 99 form part of these financial statements.

Notes forming part of the financial statements

For the year ended 31 March 2023

1. General information

Infinis Energy Group Holdings Limited (the 'Company') is a private company limited by shares, incorporated and domiciled in the UK and registered in England and Wales.

The Group financial statements consolidate the results of the Company and its subsidiaries (together referred to as the 'Group') for the year ended 31 March 2023. The Company financial statements present information about the Company as a separate entity and not about its Group.

1.1 Basis of preparation and consolidation

The Group financial statements have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. The Company has elected to prepare its Company financial statements in accordance with FRS 101. These are presented on pages 100 to 101. Having made enquiries, the Directors consider that the Company and its subsidiaries have adequate resources to continue in operation for the foreseeable future and it is therefore appropriate to adopt the going concern basis in preparing these financial statements. Further information regarding the Directors assessment of the going concern basis of preparation is set out on page 64.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial results of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealised income and expense arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The principal accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, except where mentioned otherwise. The financial statements are prepared on the historical cost basis except for certain financial instruments which are stated at their fair value. All values are rounded to the nearest thousand (£'000) except where otherwise indicated.

1.2 Alternative Performance Measures (APM)

The Group presents APMs on the face of the Income Statement that are not defined terms under IFRS. The Directors believe that these APMs provide useful additional information on business performance. These measures are used for both internal and external performance reporting purposes.

EBITDA: earnings before interest, tax, depreciation, amortisation, impairment of non-current assets and exceptional items. EBITDA is included as a key performance measure used by the Group's key stakeholders, including lenders, to evaluate business performance and allow a clear evaluation of performance year-on-year.

To further aid the transparency of the financial performance, where applicable, the Group splits its EBITDA and Operating profit between business performance and significant one-off items, which aggregate to the overall reported results for the year.

Significant one-off items are material items which because of their size and nature, merit separate presentation in the income statement to allow a better understanding of the Group's financial performance. These items are typically one-off in nature and are disclosed within EBITDA if they relate to the core business activity or disclosed within exceptional if they relate to significant non-core, non-recurring items. Impairment of non-current assets is included in significant one-off items.

2. New standards and interpretations

Standards, amendments and interpretations in issue but not yet effective

There are a number of amendments to standards which will be effective in the following year's financial statements, however none of these are expected to have a material impact on the financial reporting of the Group.

3. Critical accounting estimates and judgments

In the process of applying the Group's accounting policies, management makes judgments and estimates that have a significant impact on the values recognised in the financial statements. Changes in the assumptions underlying these judgments and estimates could result in a significant impact to the financial statements. The most critical of these accounting judgments and estimates are explained below.

Accounting estimates

Acquisition accounting

When the Group completes a business combination the date of acquisition is the date at which control of the acquired business passes to the Group. This can involve a degree of judgment. The fair values of the identifiable assets and liabilities acquired, including intangible assets, are recognised at their fair value. The determination of the fair value of acquired assets and liabilities is based, to a considerable extent, on management's judgment. In estimating fair value, particularly in relation to identifiable intangible assets, management is required to estimate the useful economic life of each asset and the future cash flows expected to arise from each asset and apply a suitable discount rate.

Gas rights acquired are initially valued based on the net present value of expected cash flows from electricity generation. A number of assumptions are made in arriving at such a valuation which include price, method and uniformity of gas production, gas availability and methane content. The judgments applied, and the assumptions underpinning them, are considered to be appropriate at the time of valuation.

Where sites are acquired with existing planning permission the rights to develop solar/battery on these sites are considered to constitute an intangible asset.

The carrying value of the intangible assets is disclosed in note 12.

Joint Development Agreements

Where the Group acquires an option to secure a development project, the option is considered to be a financial asset. The accounting treatment is covered in "financial instruments" section of this note.

Impairment

In assessing impairment, judgment is required to establish whether there have been any indicators of impairment, either internal or external, for all amortising and depreciating non-current assets. Goodwill is tested annually for impairment.

Where there is the need to determine the recoverable value of an asset, this requires judgments and assumptions on the expected future cashflows of the Group's divisions. Further details regarding impairment testing and the applied assumptions can be found in note 12.

ROC Recycle revenue

ROC Recycle is separately identified as a component of revenue. It is intrinsically linked to the generation of power and is therefore recognised as it accrues. The pricing is variable, therefore ROC Recycle revenue is recognised to the extent that it is highly probable there will be no significant subsequent reversal in the cumulative amount of revenue recognised. The Group considers that ROC Recycle revenue can be estimated reliably using a standard methodology including key market information.

ROC mutualisation, which is a component of ROC Recycle and covers suppliers who have ceased trading in the current year is paid over a 12-month period commencing from the November, 18 months following the year end to the extent it is collectable by Ofgem and consequently is recognised on receipt.

Provision for decommissioning costs

The Group recognises provisions for decommissioning assets and restoring sites at the end of their expected useful life. These provisions are the discounted estimated costs of the work required at the expected date of decommissioning. Significant judgments and estimates are required about both the costs and the expected dates. The Group's estimates are based on limited experience of actual decommissioning to date.

Long term incentives

The Group operates a cash-settled Long Term Incentive Plan for selected senior management and directors. The calculation is based on Total Shareholder Return (TSR) over a three-year period. Each year an accrual is made equating to a third of the expected pay-out. In calculating this accrual, a forecast equity valuation at the end of the scheme is calculated using a discounted cashflow forecast methodology consistent with that used in the impairment review.

Infinis operates other long term incentive schemes for the broader employee base. These schemes are cash settled at the end of a three year period with the payout calculated as a fixed percentage of salary. A third of the expected payment is accrued each year.

Critical judgments

There are no additional material judgments in the financial statements.

Notes forming part of the financial statements continued

For the year ended 31 March 2023

4. Significant accounting policies

Business combinations

The Group accounts for business combinations, using the acquisition method, when control is obtained by the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill arising is tested immediately for impairment. Any gain on a bargain purchase is recognised in the income statement immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Revenue from contracts with offtakers

The Group's three main revenue streams are as follows:

i. Traded power

Revenue relating to the sale of electricity produced by baseload power, power response and solar is recognised at the point in time that electricity is exported, i.e. when the offtakers obtains control. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the supply.

ii. Power Response variable revenue

Power responses revenue now represents the net position of the revenue earned in the market less natural gas cost margin, inclusive of applicable carbon and environmental taxes. In the prior year, natural gas cost inclusive of applicable carbon and environmental taxes was presented within cost of sale in accordance with the structure of the previous Optimiser contract.

iii. Renewable Obligation Certificates (ROCs)

ROCs are a product related to government initiatives to encourage investment in renewable energy sources. ROCs are certificates issued where electricity has been sourced from renewable energy sources. Revenue arises from two elements:

- the 'Buy Out' price - the sale of the certificate itself (almost always to the customer purchasing the electricity); and
- the 'Recycle' price - a share of a central fund comprising aggregate penalty payments Ofgem receives from electricity suppliers who did not meet their obligations to obtain supply from renewable sources.

Revenue from ROC Buy Out certificates is recognised as exported. The customer does not receive the certificate until confirmation is received from Ofgem but control relating to the certificates passes from the Group at export and the customer is contractually obliged to accept it.

Where ROC Recycle revenue is recognised, it is in line with exported power. ROC Recycle revenue is estimated as outlined in note 3 and is accrued each year end and then invoiced when the final ROC Recycle figure is announced in October following the year end. Revenue is accrued based on the ROC Recycle amount for the current year less the amount to be paid by mutualisation which is accounted for on a cash basis when received due to its less certain nature.

iv. Other revenue

Other revenue includes Capacity Market revenue, embedded benefits such as Triad, Generator Distribution Use of System (GDUoS) and Short Term Operating Reserve and other income including the disposal of generating infrastructure.

- Capacity Market revenue is received for providing available capacity to the National Grid that can be called upon when it is needed. Fixed monthly payments are received for assets entered into the Capacity Market on a per MW basis. Revenue is recognised at a point in time as the revenue accrues according to the contract.
- Short Term Operating Reserve (STOR) is a contracted Balancing Service, whereby the Company is contracted to delivers a set level of power when instructed by National Grid, within pre-agreed parameters. Revenue is recognised at a point in time as the revenue accrues according to the contract.
- Triad periods are the three 30-minute time periods with the highest energy demand across the grid between the start of November and the end of February each year. National Grid incentivises high power production during these periods. Prices for the year are announced by National Grid in March and attract an income premium. Triad income is recognised once the Triad periods and the associated prices are announced.
- GDUoS income is received for generating in the local network and revenue is recognised in line with exported power.
- The sale of site infrastructure may occur when Infinis exits a site, revenue is recognised at the point in time that the asset is transferred.

Royalty payments

Royalty payments to land owners are recognised in the income statement as they accrue, based on the level of electricity generation at each site and according to specific site agreements.

Finance income and costs

Finance income arises on cash deposits and funds invested and is recognised in the income statement as it accrues, using the effective interest method.

Finance costs are recognised in the income statement as they accrue, using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

Finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are ready for use. Where instruments have been taken out to hedge against interest rate risk, capitalised borrowing costs will reflect the interest rate after taking into account the effect of the hedging instrument.

Costs incurred in raising finance are capitalised and amortised over the length of the borrowing. Additional costs incurred due to the redemption of a facility are charged to the income statement in the year in which they are incurred.

Exceptional items

Exceptional items are income or expenditure including but are not limited to significant reorganisation costs; income/expenditure related to significant restructuring of the organisational design, changes in investment in subsidiaries (including acquisition and disposal of all or part of a shareholding) and capital structure of the Group (including refinancing related costs). Directly related costs to these activities including professional fees, transaction costs and employee related costs are included within exceptional items. Exceptional items are excluded from the calculation of EBITDA.

Inventories

Inventory is measured at the lower of cost and net realisable value. Cost is based on average costs and includes expenditure in acquiring the stocks and bringing them to their existing location and condition.

Employee benefits

Pension arrangements

The Group provides pension arrangements for employees and certain Directors who are members of the Aviva Stakeholder or Aviva Group Personal defined contribution schemes. Contributions to these schemes are charged to the income statement as they accrue.

Long term incentives

The Group recognises a provision in respect of long term incentives as the amount of the future benefit that employees have earned in return for their service in the current and prior periods. Obligations are measured at their present value and included in emolument disclosures when paid.

Income Tax

Income tax comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year and any adjustment to the tax payable or receivable in previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

The UK Government released draft legislation for the Electricity Generator Levy in January 2023. This tax is payable to the extent that qualifying revenue exceeds the threshold after deducting specific allowances. Any tax payable is recognised in accordance with current tax but disclosed separately to the extent payable.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the year end.

Notes forming part of the financial statements continued

For the year ended 31 March 2023

4. Significant accounting policies continued

Property, plant and equipment (PP&E)

PP&E is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and attributable borrowing costs during its construction. During the construction phase these assets are held separately with depreciation commencing once the asset is commissioned and ready for use.

Depreciation is charged to the income statement on a straight-line basis, assuming assets have no residual value, over the estimated useful life of the asset.

The cost of replacing an item of PP&E is capitalised if it is probable that the future economic benefits will flow to the Group. The carrying amount of the asset replaced is then de-recognised. The costs of the day-to-day servicing of PP&E are recognised in the income statement as incurred.

PP&E include plant, equipment and gas assets used in running the operating sites. Solar and BESS sites are capitalised as PP&E once construction begins. The cost of decommissioning the sites is included within plant and equipment. Engines are subject to overhauls and are depreciated over the period between each overhaul.

The estimated useful lives are as follows:

Plant and equipment	Over the shorter of the minimum lease term of each specific operating site and the expected life of the asset, being 2–20 years
Decommissioning	Over the expected life of the operating site
Engine overhauls	2–4 years
Solar	25 years

Intangible assets and goodwill

Goodwill on acquisition is initially measured as the excess of the cost of the business combination over the fair value of the net assets acquired.

Goodwill is stated at cost less any accumulated impairment. Goodwill is allocated to the relevant cash generating unit (CGU) of the business and is not amortised but is tested annually for impairment.

Other intangible assets are stated at cost less accumulated amortisation and impairment. Other intangible assets include CLM generation rights, STOR contracts, technology, brand, BESS and Solar development.

Solar and Battery Energy Storage development costs include internal costs of the Development team, along with third party incurred to progress the Group's organic development of projects from initial feasibility to securing planning, land and grid and being ready for construction. Costs are capitalised as an intangible asset if, on a project-by-project basis, the Directors consider that each project is highly probable of securing planning consent, has land options signed and has Grid offers accepted (where required).

The premium for acquired consented development projects is classified as an intangible asset.

Details of the accounting estimates and judgments made in the valuation of these assets are disclosed in [note 3]

There are no internally generated intangible assets

Amortisation of intangible assets

Generation rights

Amortisation of CLM generation rights allocates the cost of the asset over its estimated useful life using a profile that reflects the decline in available methane reserves.

Technology & brand

Technology and brand are amortised on a straight-line basis over five and ten years, respectively.

Development projects

Acquired or internally developed intangible assets for each development project are written off over a 30 year period or the minimum period of the site lease, whichever is shorter.

Impairment

The carrying amounts of the Group's non-current non-financial assets, other than goodwill and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment, based on the judgment techniques explained in note 3. Where an indication of impairment exists on such assets, testing for impairment is undertaken. Any impairment loss is expensed immediately to the income statement. Further details regarding impairment testing can be found in note 12.

Throughout the period of solar and battery project development, there are quarterly reviews the evaluate the carrying value of development costs and the probability of the project securing planning consent. Should any project be considered no longer viable to develop, the costs incurred to date will be expensed within administration costs within the income statement.

Provisions

Provisions are determined by discounting the future expected cash flows at a pre-tax rate that reflects the time value of money. The unwinding of the discount is recognised as a finance cost.

Provisions for the decommissioning of assets and site restoration are recognised where a legal or contractual obligation exists. An equivalent amount of the provision is captured within property, plant and equipment.

Where the Group has concluded that a contract will be loss making, the estimated impact of the loss is included in full when it is considered probable the loss will arise.

Leases

The Group leases its head office, engine overhaul facility, vehicles and some office equipment. All operational vehicles are typically leased for 3 to 4 years. Office contracts are typically 5 to 10 years in duration.

With the development of solar and battery, the Group will enter into a land lease covering the expected operational period of the project, which typically will cover the period of the planning consent which is typically 40 years. During the development phase, lease options or heads of terms granting land rights will be secured for a one-off payment which is included as a Development cost. Immediately prior to construction commencing on a project, a lease will be entered into. Leases will vary in nature between a fixed term with a break, or a shorter term with an extension period exercisable solely at the option of the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- payments expected to be made under reasonably certain extension options;
- amounts expected to be payable by the group under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

Right-of-use assets

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a term of 12 months or less.

The Group enters into lease-like arrangements with land owners for the long term right to capture methane and use it as a fuel source for generation of electricity. The legal form of these arrangements is a lease or a licence with an annual rental or royalty payment based on electricity output. The use of the methane as a fuel source in electricity production does not constitute a lease for the purpose of IFRS 16 as the methane itself is not a leased asset.

Notes forming part of the financial statements continued

For the year ended 31 March 2023

4. Significant accounting policies continued

Financial instruments

The classification and subsequent measurement of the Group's financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The group classifies financial assets as either of the following:

- Financial assets held at amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are subsequently measured at amortised cost.
- Financial assets held at fair value through profit and loss: Assets that are held with the purpose of selling the financial asset, or where the assets' cash flows do not represent solely payments of principal and interest, are subsequently measured at fair value and movements are recognised within the profit and loss account.

The group classifies and subsequently measures all financial liabilities at amortised cost, unless they are required to be measured at fair value through profit or loss.

Derivative financial instruments – cash flow hedges

The Group utilises derivative financial instruments in the normal course of business to hedge its exposure to fluctuations in interest rates. The Group adopts a policy of ensuring that it has limited exposure to changes in interest rates on borrowings. The Group enters into and designates interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the income statement when incurred. Subsequent to initial recognition, derivatives used as cash flow hedges are measured at fair value and changes in the fair value are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in equity is transferred to the income statement in the same year that the hedged item impacts the income statement.

Investments and other financial assets - Impairment

Financial assets are assessed for impairment using the expected credit loss model which requires expected credit losses and changes to expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. Financial assets measured at amortised cost or fair value through other comprehensive income ('FVOCI') will be subject to the impairment provisions of IFRS 9. The Group applies the simplified model to recognise lifetime expected credit losses for its trade receivables and other receivables by making an accounting policy election.

Investments and other financial assets - Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, accrued income, cash and cash equivalents, loans and borrowings and trade and other payables. Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, they are measured as described below:

(i) Trade and other receivables are carried at original invoice amount less any allowance for uncollectable amounts. An estimate for doubtful debts is made under the expected credit loss model which assesses the expected loss rates based on historical credit losses experienced. Bad debts are written-off in the income statement when identified.

(ii) Cash and cash equivalents comprise cash balances and call deposits. Cash and cash equivalents may include restricted cash balances, which principally relate to the debt service requirements of certain borrowings undertaken by the Group.

(iii) Interest-bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(iv) Trade and other payables are carried at cost. Due to their short-term nature, their carrying value approximates their fair value.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the year end, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, discounting is applied.

5. Segmental information

In the year ended 31 March 2023 the Group reports four divisions: Captured Landfill Methane (CLM), Captured Mineral Methane (CMM), Flexible Generation (FG) (previously known as Power Response (PR)) and Solar (SOL). Information regarding the results of each operating segment is included below and is reported information provided to the Senior Management Team and the Board for the reportable segments for the year ended 31 March 2023:

£'000	CLM	CMM	FG	Solar	2023 Total	CLM	CMM	FG	Solar	2022 Total
Revenue	**129,991**	**3,497**	**25,799**	**424**	**159,711**	**117,367**	**4,856**	**32,540**	**242**	**155,005**
Operating expenses	(51,942)	(6,715)	(7,992)	(47)	(66,696)	(46,634)	(2,650)	(21,342)	(53)	(70,679)
Gross profit	**78,049**	**(3,218)**	**17,807**	**377**	**93,015**	**70,733**	**2,206**	**11,198**	**189**	**84,326**
Administrative expenses[1]	(8,721)	(1,125)	(2,719)	(188)	(12,753)	(6,711)	(1,074)	(1,947)	(67)	(9,799)
Segment EBITDA	**69,328**	**(4,343)**	**15,088**	**189**	**80,262**	**64,022**	**1,132**	**9,251**	**122**	**74,527**
Maintenance capital expenditure	(11,681)	(342)	(1,328)	-	(13,351)	(7,818)	(518)	(1,646)	-	(9,982)
Segment EBITDA after maintenance capital expenditure	**57,647**	**(4,685)**	**13,760**	**189**	**66,911**	**56,204**	**614**	**7,605**	**122**	**64,545**
Development capital expenditure	**(1,156)**	**-**	**(12,374)**	**(44,408)**	**(57,938)**	**(457)**	**-**	**(1,943)**	**(6,878)**	**(9,278)**

Reconciliation to the income statement:

£'000	2023	2022
Segment EBITDA	**80,262**	**74,527**
Amounts not allocated to segments:		
Management expenses	(1,826)	(1,332)
Development expenditure	(1,312)	(1,642)
Depreciation, amortisation and impairment	(42,078)	(44,132)
Operating profit	**35,046**	**27,421**

Depreciation, amortisation, impairment, LTIP, development expenditure, other gains and operating exceptional items are not allocated to segments as this type of activity is driven centrally, and not reported segmentally. Administrative expenses, which exclude management expenses and development expenses, are allocated according to the number of sites in each division.

6. Revenue

A description of the principal revenue streams is set out in the accounting policies. All revenue is generated in the UK. The Group recognises all revenue from the transfer of goods and services at a point in time in the following revenue types:

Revenue from contracts with customers by type

	2023 £'000	2022 £'000
Traded power	94,317	82,877
Renewable Obligation Certificates	53,839	62,377
Other revenue	11,555	9,751
Total	**159,711**	**155,005**

Total ROC revenue was £53.8m (FY22: £62.4m) split ROC buy-out £46.7m (FY22: £49.6m) and Recycled ROC £7.1m (FY22: 12.8m). The basis for Recycled ROC income is outlined in note 3 and relies on a series of estimates and judgments which are not confirmed by Ofgem until the following October. FY23 ROC Recycle revenue comprises £5.7m current year (CP21) ROC Recycle (FY22: £7.3m) and ROC Recycle revenue related to prior year of £1.4m (FY22: £5.5m). In the year ended 31 March 2021, the Directors did not consider it possible at the date of signing the financial statements to accurately calculate, nor be sufficiently certain, of ROC Recycle revenue related to that year, therefore ROC Recycle revenue related to FY21 was recognised in the year ended 31 March 2022.

The trading strategy of the Group defines that no more than 34% of a season may be forward sold to any customer without additional Board consent. Consequently, the Group has a number of customers that may contribute more than 10% of revenue in the financial year. In the year ended 31 March 2023 four (2022: four) customers that contributed more than 10% of revenue, ranging from 12% to 34% (2022: 11% to 28%).

Notes forming part of the financial statements continued

For the year ended 31 March 2023

7. Expenses

Included in operating profit are the following:

	2023 £'000	2022 £'000
Business performance		
Depreciation of property, plant and equipment	25,614	27,818
Depreciation of right of use assets	629	861
Amortisation of intangible fixed assets	15,835	15,453
Inventories recognised as an expense	7,366	5,896
Payments to landlords for royalties	24,121	21,708

Significant one-off items
In the year ended 31 March 2023 and 31 March 2022, there were no significant one-off items.

A provision of £4.8m (2022: £1.5m) was recognised for the cost of buying back power to honour contractual commitments with CMM Power Purchase Agreements for future seasons. This cost, whilst uncommon is considered operating cost of business performance with the quantum amplified as a consequence of high power pricing at the point of the trade.

(a) Operating profit reconciliation
A reconciliation from EBITDA (an APM) to operating profit (a GAAP measure) is presented in the table below:

	2023 £'000	2022 £'000
EBITDA	77,124	71,553
Depreciation of property, plant and equipment	(26,243)	(28,679)
Amortisation of intangible fixed assets	(15,835)	(15,453)
Operating profit	**35,046**	**27,421**

(b) Auditors' remuneration

	2023 £'000	2022 £'000
Fees payable to the Company's auditors for the audit of the Company and the consolidated financial statements of Infinis Energy Group Holdings Limited	76	54
Audit of the financial statements of subsidiaries	259	257
Prior year audit fees	5	15
	340	**326**

No non-audit services have been provided by the auditors during the current or prior year.

8.Staff numbers and costs

The monthly average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	2023 number	2022 number
Operational staff	194	193
Administration and management	82	77
	276	**270**

The aggregate payroll costs of these persons was as follows:

	2023 £'000	2022 £'000
Charged to operating expenses		
Wages and salaries	20,608	17,918
Social security costs	2,195	1,760
Pension costs - defined contribution plans	808	819
	23,611	**20,497**

Refer to note 23 for details of the directors remuneration.

Long Term Incentive Plan (LTIP) charges of £2.1m were incurred in the year ended 31 March 2023 (FY22: £1.2m) and are included in wages and salaries.

Pensions and other post employment benefit plans
The Group operates a number of defined contribution pension schemes on behalf of eligible employees. The total expenses and amounts owed relating to these plans was as follows:

	2023 £'000	2022 £'000
Pension scheme contributions	808	819
Outstanding pension scheme contributions	137	126

The assets of the scheme are held separately from those of the Group in independently administered funds.

9. Finance costs and income

	2023 £'000	2022 £'000
Finance costs		
Interest on secured loans	9,938	8,398
Interest on shareholder loans	16,422	16,553
Amortisation of arrangement fees	952	952
Impact of discontinued hedges	432	432
Provisions: unwinding of discount	81	76
Interest on lease liabilities	481	101
Exchange losses	234	-
Total finance costs	**28,540**	**26,512**
Finance income		
Bank and other interest receivable	(166)	(3)
Total finance income	**(166)**	**(3)**
Net finance costs	**28,374**	**26,509**

10. Income tax expense

Recognised in the income statement:

	2023 £'000	2022 £'000
Current tax		
Current year	-	(1,565)
Adjustments in respect of prior years	154	(707)
Total current tax credit/(charge)	**154**	**(2,272)**
Deferred tax		
Origination and reversal of temporary differences	(3,397)	964
Adjustments in respect of prior years	554	433
Increase in corporation tax rate	-	(10,634)
Total deferred tax (charge)/credit	**(2,843)**	**(9,237)**
Total tax charge	**(2,689)**	**(11,509)**
Reconciliation of effective tax rate		
Profit/(loss) before tax	6,672	912
Tax credit at the UK corporation tax rate of 19% (2021: 19%)	(1,268)	(175)
Non-taxable income	-	850
Non-deductible expenses	(2,129)	(1,276)
Adjustments in respect of prior years	708	(274)
Impact of change in corporation tax rate	-	(10,634)
Total tax charge	**(2,689)**	**(11,509)**

Notes forming part of the financial statements continued

For the year ended 31 March 2023

11. Property, plant and equipment

	Property, plant and equipment £'000	Right-of-use assets £'000	Assets under construction £'000	Total £'000
Cost				
At 1 April 2021	**228,995**	**3,765**	**6,904**	**239,664**
Additions	–	737	15,796	16,533
Disposals	(2,966)	–	(31)	(2,997)
Transfers	14,228	–	(14,228)	–
At 31 March 2022	**240,257**	**4,502**	**8,441**	**253,200**
Additions	5,964	7,876	69,554	83,394
Acquisitions through business combinations	1,500	–	–	1,500
Disposals	(2,788)	–	–	(2,788)
Transfers	11,527	–	(11,527)	–
At 31 March 2023	**256,460**	**12,378**	**66,468**	**335,306**
Accumulated depreciation and impairment				
At 1 April 2021	**121,968**	**1,847**	**455**	**124,270**
Depreciation	27,818	861	–	28,679
Impairment	(35)	–	–	(35)
Disposals	(2,307)	–	–	(2,307)
At 31 March 2022	**147,444**	**2,708**	**455**	**150,607**
Depreciation	25,614	629	-	26,243
Impairment	–	-	-	–
Disposals	(2,696)	-	-	(2,696)
At 31 March 2023	**170,362**	**3,337**	**455**	**174,154**
Net book value				
At 31 March 2023	**86,098**	**9,041**	**66,013**	**161,152**
At 31 March 2022	**92,813**	**1,794**	**7,986**	**102,593**

The basis of impairment testing is set out in note 12.

Right-of-use assets comprise property with a net book value at 31 March 2023 of £9.0m (FY2022: £1.5m) and vehicle leases with a net book value at 31 March 2023 of £0.1m (FY2022: £0.3m).

12. Goodwill and other intangible assets

		Other intangible assets			
	Goodwill £'000	CLM and CMM gas rights £'000	Development costs £'000	Other £'000	Total £'000
Cost					
At 1 April 2021	**68,230**	**364,624**	**1,719**	**14,171**	**448,744**
Acquisitions	–	–	10,555	–	10,555
Additions	–	–	2,664	–	2,664
At 31 March 2022	**68,230**	**364,624**	**14,938**	**14,171**	**461,963**
Acquisitions	–	500	300	–	800
Additions	–	–	1,438	–	1,438
At 31 March 2023	**68,230**	**365,124**	**16,676**	**14,171**	**464,201**
Accumulated amortisation					
At 1 April 2021	**–**	**100,208**	**–**	**7,750**	**107,958**
Amortisation	–	13,727	–	1,726	15,453
At 31 March 2022	**–**	**113,935**	**–**	**9,476**	**123,411**
Amortisation	–	14,616	–	1,219	15,835
At 31 March 2023	–	**128,551**	**–**	**10,695**	**139,246**
Net book value					
At 31 March 2023	**68,230**	**236,573**	**16,676**	**3,476**	**324,955**
At 31 March 2022	**68,230**	**250,689**	**14,938**	**4,695**	**338,552**

The Group tests the carrying amounts of goodwill annually as described in note 3.

A value in use model is used to determine the recoverable amount of assets subject to impairment testing. The discounted estimated future operating cash flows are compared to the net carrying value of the CGU's assets. The Group's operating segments, as reported internally to management, form the basis of determining the CGU's for the assessment, with allocations required for unallocated costs (e.g. overheads).

Goodwill balance of £68.2m is allocated £19.4m CLM and £48.8m FG consistent with the prior year. Other intangible assets of £3.5m include brand (£2.4m) and STOR contracts (£1.1m). Brand and STOR contracts have four and two years of amortisation remaining, respectively.

Gas rights are amortised over the remaining life of the sites which can be up to 40 years.

Property, plant and equipment are separately tested at an individual asset level when there is an impairment trigger.

Impairment
In the year ended 31 March 2023 no impairment has been recognised by the Group (FY2022: nil).

Impairment testing
The Group forecasts CGU cash flow to the earlier of the CGU's useful economic life, or 40 years. Future cash flows are calculated at operational site level for each segment. The calculation of future cash flows varies subject to the status of each site:

- Existing operational sites: are project based on the projected gross margin over their operational life;
- Development Projects in construction: are projected based on the project gross margin from the estimated energisation date less committed projected CAPEX to complete the construction and energisation of the project;
- Development Projects not in construction: are projected based on the project gross margin from the estimated energisation date less all costs to construct and energise the project.

The future cash flows are discounted by the post-tax discount rate of each CGU which equates to CLM 6.0% (2022: 5.0%); CMM 6.25% (5.5%); FG 7.25% (2022: 6.0%) and Solar 6.0% (2022: 4.5%). This discount rate reflects Infinis' estimated weighted average cost of capital with a specific risk premium applied to each CGU to reflect the specific risk profile.

An impairment loss is recognised if the carrying amount of a single CGU exceeds its recoverable amount, which is equal to the value of the future discounted cash flows. Any impairment losses are recognised in the income statement should they arise. An impairment loss previously recorded in respect of goodwill is not reversed. For all other assets, an impairment loss is only reversed to the extent that it does not exceed the carrying value at the balance sheet date of the CGUs assets, net of depreciation or amortisation, were no impairment loss to have been recognised.

Notes forming part of the financial statements continued

For the year ended 31 March 2023

The impairment tests for goodwill and other intangibles is based on the approved FY24 Budget for the initial twelve months, with outer years reflecting the latest Long Term Plan projections, which reflects the following key assumptions:

12. Goodwill and other intangible assets continued

- Methane volumes (CLM and CMM) are based on existing site by site performance, reflecting known or projected changes for the next twelve months and independently assessed projections for the medium and longer term
- Solar exported power is based on yield assumptions as calculated by third party software, which reflects the specific location, design of the site, photovoltaic panel capacity and loss and historic P50 irradiation data
- Revenue for CLM, CMM or Solar is based on contracted pricing per MWh (for all trades completed to the Balance Sheet date) and then the latest Baringa projection for the medium to long term
- Flexible generation is based on an estimate of annual market returns per installed MW from operating in the markets, rather than the exported power multiplied by an ASP per MWh. Specific to BESS, this will vary subject to the capacity of each system. Projects are on a net margin basis from trading (reflecting revenue less either natural gas cost (PR) or import power cost (BESS). Data is based on the latest quarterly margin projections from Baringa
- Other revenue reflects existing contracted revenue under STOR and Capacity Market contracts within certain CMM, and Flexible generation sites. When existing Capacity Market contracts end, it is assumed these are renewed at the current T-4 rate of £30/MW derated accordingly by each technology. When CLM ROC subsidy ends, it is assumed these assets will be eligible for the Capacity Market and secure contracts in the T-4.
- CLM royalties are calculated based on existing royalty agreements, specific to each site. The royalty percentage applied to revenue reduces in the period post the end of CLM ROC subsidy reflecting the provisions within existing agreements for all sites which allow for agreements to be exited/renegotiated when site economics materially alter
- Operational costs (excluding royalties) are specific to each division. The FY24 budget cost is calculated for each key operational cost line as a cost per MWh for each CGU and then projected forward, adjusted for the specific inflationary factors noted below
- Overheads are projected based on the expected future business requirements
- Corporation Tax liability is calculated 19% per note 10, being the rate applicable to the business from 1 April 2023. Additional tax is also payable under the Energy Generator Levy ("EGL") in the period through to March 2028 (when the levy legislation expires). The EGL remains in draft legislation. The benefit of enhanced capital allowances, announced in the March 2023 budget, has not been reflected in the calculations as this legislation was not enacted at the Balance Sheet date
- Maintenance CAPEX is based on the forecast profile based on projected exported MWh, based on the current cost per MWh adjusted for CPI. When CLM ROC subsidy ends, a revised maintenance schedule is implemented with a reduced annual cost per MWh
- Development CAPEX reflects existing rates for procurement of key components, balance of system construction costs for small, medium and large Solar and Battery projects based on existing procurement and known grid costs from accepted grid offers for each project, where applicable. Inflation is not applied on the basis like for like costs have increased by some 30% in the a two year period driven a series of near term factors which are expected, but not projected, to normalise.

Uncontracted revenue within CLM, CMM and Solar is uplifted by CPI. Contracted revenue is not adjusted for CPI unless the contracts contain express provisions for indexation based on RPI or CPI. Solar CfD contracts (within traded power); ROC buy-out; GDUoS, STOR and Capacity Market revenue all contain inflationary uplift. CPI assumptions for the next 3 years are 6%, 4% and 3% held flat for all future years. RPI is assumed to be 8%, 6% and 3% held flat for all future years – RPI is only applicable to ROC revenue which is projected to end subject to the ROC agreement on each CLM engine, the majority of which end at March 2027. Overall, the business indexed linked revenues notably exceed the cost and maintenance CAPEX base meaning that a high inflation economy represents an upside to projected earnings.

CPI inflation applies to specific costs such as labour, maintenance spend and CAPEX and overheads. Specific market driven assumptions are applied to site import power (based on the same uncontracted power pricing as revenue) and oil.

CLM

Management has an in-depth knowledge of the composition of each landfill site and the associated methane reserves an annual volumes which are extracted. These forecasts are updated on a regular basis. With the portfolio of 93 operational sites, earning benefit from a significant portfolio effect, ensuring highly accurate projections.

The projections are not sensitive to any site, with no site generating more than 8.5% of projected FY24 revenue (2023: 7.9%). Imbalance risk on PPAs is managed by allocating contracted volume on any one PPA, across multiple sites. Flexible PPAs with all Offtakers have lower end volume tolerance should site outages or other external factors limit generation, with the ability to refix additional volume should performance be projected to exceed the reference volume.

CMM

Operating very similar to CLM, CMM consists of 12 operational sites. With a like for like lower level of annual methane generation per site, each site is operated with specific reference to its maintainable annual export capacity.

Exported power is contracted to one Offtaker, with the PPA consistent with that of CLM. Projections are more sensitive to the loss or reduction in generation from specific sites with the largest site representing 42.2% of FY24 revenue (2023: 33.9%) and the three largest sites representing 69.3% (2023: 62.7%). In recent years, certain sites have unexpectedly either reduced or ceased generating methane which has resulted in the company dropping below minimum volume tolerances within its PPA and the requirement to buyback power in the market, as detailed in Note 7. Going forward, the projections are notably above the contracted PPA reference volume ensuring this risk is mitigated within the period of the projections.

Flooding of CMM mines remains a long term risk which cannot be projected, or mitigated against. This risk however is partially offset by the differing gas field characteristics across the portfolio which result in the methane only being extracted when the engines are operating. In the event of engine failure, the methane is simply stored in the mine shaft and extracted at a later date. This also allows sites to operate with a generation profile weighted to higher priced winter generation, with all sites either being reduced or turned off in the summer months.

Flexible Generation

Flexible generation, currently comprising Power Response with the initial two Battery Energy Storage System in Construction included in the cash flow projections, aligns with the need to support the energy transition and the associated increased demand for electricity, intermittency of renewable and changing shape of demand.

Flexible generation assets have performed very well within the UK markets for the last two years. The projections apply the forecasts of Baringa for both power response and BESS and reflect the projected performance. Projections average 53% of the results delivered in FY23, to reflect a cautious view on these market driven assets which by their nature are challenging to annually forecast. By focusing on smaller, largely 11KV connected assets, Infinis currently benefits from GDUoS income which provides a variable uplift (based on site location) to the actual margin per MWh achieved. Earning certainty is further boosted by a higher degree of indexed linked capacity market revenue.

For the factors outlined on page 8 and 9 UK and European power markets remain tight which represent notable opportunity for flexible assets. Equally, benign conditions and high gas storage levels represent challenges to earnings projections.

All Assets are dispatched by a third-party Optimiser based on market conditions and minimum margin information which is specific to each site. PR engines are on a standard engine maintenance cycle and overhaul schedule, albeit operating potentially reduced hours per day, overhaul intervals are significantly longer than for CLM and CMM. BESS assets are maintained by the equipment provider under a 10 year extended warranty with asset performance guaranteed against a standard degradation curve, with performance reducing each year based on manufacturer information. After 10 years, BESS cells are forecast to require replacement at an assumed cost of 30% of the initial project CAPEX, with asset performance increasing back to the same efficiency as Year 1 following this investment.

Solar

As at March 2023, Infinis has 2 operational solar sites (11MWp) with a further 2 sites (92MWp) largely constructed and due to start generating during Summer 23. The Group continues to develop solar projects.

Solar is an established technology with an operational life of 40 years, supported by a manufacturer warranty (similar to BESS) for 25 years.

Notes forming part of the financial statements continued

For the year ended 31 March 2023

12. Goodwill and other intangible assets continued

Sensitivities

Cash flow projections used for value in use modelling are by their nature subject to inherent uncertainties. The key sensitivities modelled and the impact on the impairment assessment include:

	CLM	CMM	FG	SOL
(i) The discount rate used is based on the weighted cost of capital calculation and requires a series of assumptions related to the risk profile of each CGU, market risk and target gearing. Were the discount rate to be 1% higher the impact would be	-	-	-	-
(ii) CLM and CMM medium and long term projections are dependent on market pricing. Our progressive hedging strategy forward sells power for up to 3 years ahead, in small gradual increments thus ensuring a high degree of revenue protection within this period. The power market is cyclical and has historically experienced periods of high (as experienced in the last year) and low (as experienced in the initial months of the COVID-19 pandemic) however have a relatively consistent long term pricing averages. For Solar assets, these are assumed to operate under CfD contracts which provide an indexed linked fixed revenue per MWh generated, essentially acting as a swap to the day ahead market. Solar assets therefore have long term revenue certainty, other than for the initial two to three years from energisation through to CfD contracts commencing. This sensitivity projects an overall reduction of 20% in the uncontracted power assumptions applied within the projections. For an impairment to occur in CLM, pricing would need to reduce by an average of 30% over the period of the projections.	-	(1.1)	-	-
(iii) The Flexible Generation division earnings vary subject to market conditions, with peak earnings in periods of higher volatility in supply and increased demand. Weather conditions together with EU energy demand and supply also influence. Forecasting long term earnings is therefore challenging and is based on a mix of run rate performance by site and third-party independent market projections from Baringa. The existing projections reflect notable headroom on BESS assets in Construction, which would offset a 10% or 20% reduction in the projections applied to the PR assets within this division. BESS assets are a newer technology and while market data corroborates the last three returns per MW, there is not the trading and earnings history of more mature technologies.	N/A	N/A	-	N/A
(iv) For CLM and CMM, were the projected exported power (through either reduced methane volume of lower engine availability and/or reliability) to be 2% lower per annum than projected, the impact would be	-	-	N/A	N/A
(v) the majority of PR sites within the Flexible Generation CGU have an installed capacity which makes them exempt from paying carbon taxes on each MWh generated (UK ETS). BEIS have stated this exemption is under review and there is the possibility the exemption may be removed in full from FY25. The projections assume 50% of the forecast additional cost is removed from the projected margin from FY25 on the basis that PR is the marginal price setting plant in periods of high demand which would allow it to reflect higher margin in these periods (including/absorbing the additional cost). Were it not possible to add UKETS to the projected margin for any period, then this would reduce projections for FG by £14m. This would not trigger an impairment within FG however it would remove the majority of headroom. Were projections from BESS to then be reduced this may trigger an impairment for the CGU.	N/A	N/A	-	N/A
(vi) As noted above, index linked revenue acts as a shelter to inflation on operational costs, overheads and maintenance CAPEX such that higher than projected inflation would not represent a downside to projections, ultimately increasing headroom. In such an environment base rate would continue to rise which may alter the cost of capital and WACC (see i above)	–	–	–	–

13. Inventories

	2023 £'000	2022 £'000
Parts and spares	5,714	3,470
Lubricants	963	767
	6,677	**4,237**

Refer to note 7 for cost of inventories recognised as an expense.

14. Trade and other recievables

	2023 £'000	2022 £'000
Trade receivables	662	3,199
Accrued income	29,703	27,842
Prepayments	2,279	1,815
Other receivables	1,735	220
	34,379	**33,076**

Accrued income includes £5.8m of ROC Recycle revenue (FY2022: £7.3m).

15. Interest-bearing loans and borrowings

The Group's interest-bearing loans and borrowings are measured at amortised cost. Information relating to interest rates and liquidity is included in note 20c.

Interest-bearing loans and borrowings:

	2023 £'000	2022 £'000
Non-current		
Secured loans	203,352	202,563
Secured loans - RCF	-	38,000
Shareholder loans	228,430	206,907
Lease liabilities	9,060	1,437
	440,842	**448,907**
Current		
Lease liabilities	357	422

Secured loans - Senior debt

At 31 March 2023 the Group had in place a £246.0m banking facility, comprising a £65.0m term loan maturing in January 2032, a £141.0m term loan maturing in January 2026 and a £40.0m revolving credit facility (RCF).

The carrying value of the loan at 31 March 2023 of £203.4m (FY2022: £202.6m) is stated net of unamortised issue costs of £2.6m (FY2022: £3.4m). These costs are being amortised to the income statement over the term of the facility.

The £65.0m term loan attracts interest at a fixed rate of 5.0%, matures in January 2032 and is repayable at that date.

The £141.0m term loan has two applicable interest rates. £105.8m of the term loan value attracts interest at a fixed rate of 3.61% until August 2023 and 2.75% from August 2023 to maturity in January 2026. £35.2m of the loan value is at a variable rate of SONIA +2.35%.

The RCF attracts interest interest at SONIA+ 2.35% and unutilised as at 31 March 2023 (FY2022: £38.0m).

The secured loans are subject to financial covenants, including interest cover and leverage ratios. The Group was compliant with these financial covenants in the year ended 31 March 2023 and projects compliance going forward for each test through to loan maturity dates.

Shareholder loan

At 31 March 2023 the Group had £228.4m (FY2022: £206.9m) of interest-bearing subordinated unsecured loan notes in issue to 3i Infrastructure plc, its immediate parent company. In the year, a supplemental loan was issued for £30.0m. The loan notes are due for repayment in 2045 and attract interest at a rate of 8%. The loan notes were listed on The International Stock Exchange for the Channel Islands until 28 April 2023 when they were delisted..

Shareholder payments of £22.5m (FY2022: £15.0m) were made in the year ended 31 March 2023 consisting of £8.5m principal repayments (FY2022: nil) and interest payments of £14.0m (FY2022: £15.0m).

Notes forming part of the financial statements continued

For the year ended 31 March 2023

16. Deferred tax

Deferred tax assets and liabilities are attributable to the following:

	2023 £'000	2022 £'000
Liabilities		
Property, plant and equipment	20,840	8,816
Intangible assets	40,827	44,563
Other temporary differences	1,054	176
Total	**62,721**	**53,555**
Assets		
Losses	(12,085)	(7,019)
Other temporary differences	–	–
Total	**(12,085)**	**(7,019)**
Net deferred tax liability	**50,636**	**46,536**

Movement in deferred tax assets and liabilities during the year:

	At beginning of the year £'000	Acquisitions £'000	Recognised in reserves £'000	Temporary differences in the year £'000	Rate change £'000	At the end of the year £'000
31 March 2023						
Property, plant and equipment	8,816	-	-	12,024	-	20,840
Intangibles	44,563	-	-	(3,736)	-	40,827
Losses	(7,019)	-	-	(5,066)	-	(12,085)
Other temporary differences	176	-	1,255	(377)	-	1,054
Total	**46,536**	**-**	**1,255**	**2,845**	**-**	**50,636**
31 March 2022						
Property, plant and equipment	5,799	–	–	2,230	787	8,816
Intangibles	36,491	1,925	–	(4,081)	10,228	44,563
Losses	(7,526)	–	–	507	–	(7,019)
Other temporary differences	(1,192)	–	1,802	(53)	(381)	176
Total	**33,572**	**1,925**	**1,802**	**(1,397)**	**10,634**	**46,536**

A change to the main UK corporation tax rate to 25%, announced in the Budget 2021 on 3 March 2021, was substantively enacted on 24 May 2021. Consequently, the Group has adjusted its deferred tax liability to 25% in the year to 31 March 2022 with a corresponding charge to the income statement of £10.6m.

Losses arise in the CMM division and are measured at an effective tax rate of 40%. For corporation tax purposes, the extraction of methane in the CMM division is considered an oil extraction activity and therefore deemed a separate ring fence trade, the profits of which are subject to ring fence corporation tax and supplementary charge at an aggregate rate of 40%. The Group anticipates being able to utilise these losses and therefore recognises a deferred tax asset.

17. Provisions

	Decommissioning provisions £'000	Other provisions £'000	Total £'000
At 1 April 2021	**8,436**	**1,192**	**9,628**
Unwinding of discount	76	–	76
Additional provision charged to plant and equipment	24	–	24
Reduction in provision credited to plant and equipment	(577)	–	(577)
Utilisation of provisions	(350)	(90)	(440)
At 31 March 2022	**7,609**	**1,102**	**8,711**
Unwinding of discount	81	-	81
Additional provision charged to plant and equipment	6,108	-	6,108
Reduction in provision credited to decommissioning cost	(636)	-	(636)
Additional provision charged to cost of sales	-	4,764	4,764
Utilisation of provisions	(869)	(29)	(898)
At 31 March 2023	**12,293**	**5,837**	**18,130**

De-commissioning provisions relate to the restoration of the Group's operating sites at the end of their operational life. As explained in the accounting policies in note 4, provisions are calculated based on the projected value on a site-by-site basis increased by CPI (rates detailed in note 12) through to the earlier of the projected end of operational life or 40 years from the balance sheet date. The provision is discounted back to present value at the Balance Sheet date from the indexed projected gross liability using 3.75% (FY2022: 1.50%) which is the rate of a 25-year UK GILT.

Additional de-commissioning provisions have been reflected in the year totaling £6.1m for the new solar site constructed in the year, and the two solar sites which completed construction post year end and were operational at the date of this report. The provisions represent a prudent estimate which is difficult to validate given that there is limited information on the de-commissioning of solar energy parks given this technology has been operating for no more than 20 years in the UK, with projects typically having an operational life of 40 years. Due to the requirements of solar planning, and in the case of solar on landfill the existing landfill restoration obligations (which are deferred by the solar park), the Directors consider appropriate to have a provision for delivering the commitment to remove the equipment at the end of its life. Timing of resulting outflows of economic benefits vary by site.

Other provisions relate primarily to buy back power to honour contractual commitments as mentioned in note 7 and the aftercare and management costs of one site within Infinis (Re-Gen) Limited. These costs are projected to continue at the current rate through to 2046.

During the year £0.8m was utilised from the de-commissioning provision to complete the decommissioning of various projects which were completed in line or within the estimates held for these projects within the provision at March 2022.

18. Trade and other payables

	2023 £'000	2022 £'000
Amounts due within one year		
Trade payables	6,280	6,210
Accruals and deferred income	23,083	23,609
Amounts payable to a related party	3,947	1,553
Other creditors	1,558	2,513
Current tax liability	790	942
	35,658	**34,827**
Amounts due after one year		
Other payables	2,547	3,527
	2,547	**3,527**

Amounts due after one year relate to liabilities under the Group's Long Term Incentive Plan.

19. Share capital

	Issued share capital 2023 number	Issued share capital 2022 number	Aggregate nominal value 2023 £'000	Aggregate nominal value 2022 £'000
Allotted, called up and fully paid				
At 1 April (ordinary shares of £1 each)	35,000,001	35,000,001	35,000	35,000
At 31 March	35,000,001	35,000,001	35,000	35,000

Notes forming part of the financial statements continued

For the year ended 31 March 2023

20. Financial instruments

Capital management

The Group's policies seek to match long term assets with long term finance and to ensure that there is sufficient working capital to meet the Group's commitments as they fall due, comply with the loan covenants and deliver its strategy. Management will continue to monitor actual cash flows against approved cash flow forecasts. The Group continues to be a highly cash generative business that is able to support its financing arrangements.

The capital structure of the Group consists of shareholder equity, shareholder loans and net debt. Net debt is comprised of secured loans and cash and cash equivalents. The Group continues to service all of its debt requirements including covenant compliance and interest payments as they fall due.

Financial instruments

Financial instruments comprise trade and other receivables, accrued income, cash and cash equivalents, loans and borrowings, interest rate swaps, trade and other payables, amounts payable to related parties and provisions. Financial instruments give rise to credit, liquidity and interest rate risks. Information about these risks and how they are managed is set out below.

(a) Financial risk management – measurement

Financial instruments are classified into the following levels based upon the degree to which fair value is obtainable:

Level 1 – fair values from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – those fair values derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – those fair values derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of derivative financial instruments is based on observable market data and classified as Level 2. Valuations are calculated, discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The trade and other payables approximate to their fair value due to the short term nature of the payables. The lease liabilities fair value approximates to the carrying value based on discounted future cash flows. The fair value of other financial liabilities at amortised cost approximates to their carrying value.

The following table presents the carrying values and the fair values of financial instruments subsequent to initial recognition.

	Carrying value 2023 £'000	Fair value 2023 £'000	Carrying value 2022 £'000	Fair value 2022 £'000
Financial assets				
Financial assets at amortised cost:				
Cash and cash equivalents	22,533	22,533	62,649	62,649
Trade receivables	662	662	3,199	3,199
Accrued income	29,703	29,703	27,842	27,842
Other receivables	1,735	1,735	220	220
Financial assets at fair value through profit and loss:	–	–	–	–
Derivative financial assets	10,301	10,301	5,282	5,282
Total financial assets	**64,934**	**64,934**	**99,192**	**99,192**
Financial liabilities				
Financial liabilities at amortised cost:				
Trade and other payables	34,494	34,494	36,917	36,917
Interest-bearing loans	431,782	431,782	447,471	447,471
Leases	9,417	9,417	1,859	1,859
Provisions	18,130	18,130	8,711	8,711
Financial liabilities at fair value through profit and loss:	–	–	–	–
Derivative financial liabilities	–	–	–	–
Total financial liabilities	**493,823**	**493,823**	**494,958**	**494,958**

(b) Financial risk management – credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group holds trade receivables and accrued income at amortised cost, which are therefore subject to the expected credit loss model. While cash and cash equivalents and other receivables are also subject to the impairment requirements of IFRS 9, the identified impairment loss was minimal.

To measure the expected credit losses, trade receivables and accrued income have been grouped based on shared credit risk characteristics and the days past due. The accrued income relates to unbilled exported power and has substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of our customers to settle the receivables.

The Group's customer base consists of large, high credit worthy, UK energy offtakers and contracts directly with these organisations.

Trade receivables and accrued income are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments when the debtor is significantly past due. Impairment losses on trade receivables and accrued income are presented within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. None of the trade receivables and accrued income at the year end are past due.

(c) Financial risk management – liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's Treasury policy is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Group's reputation. The Group finances activities with a combination of external bank facilities, related party borrowings and cash from operating activities. Based on management forecasts, the Group has adequate headroom and will continue to meet liabilities as they fall due.

The following are the contractual maturities of financial liabilities and assets (all sterling denominated), including estimated interest payments and excluding the effect of netting agreements:

	Nominal interest rate	Year of maturity	Carrying value liability/ (asset) £'000	Cash outflows	In less than one year £'000	Between one and two years £'000	Between two and five years £'000	In more than five years £'000
As at 31 March 2023								
Non-derivative financial liabilities								
Trade payables	-	2024	6,280	(6,280)	(6,280)	-	-	-
Bank loan (RCF)	2.35%+SONIA	2026	-	-	-	-	-	-
Bank loan	2.35%+SONIA	2026	139,188	(155,745)	(5,706)	(5,325)	(144,714)	-
Bank loan	5%	2032	64,164	(95,268)	(3,250)	(3,250)	(10,790)	(77,978)
Leases	5%	2024-2064	9,417	(26,377)	(978)	(773)	(2,113)	(22,513)
Related party payable	8%	2045	228,430	(630,467)	(18,274)	(18,274)	(54,824)	(539,095)
Total	**–**	**–**	**447,479**	**(914,137)**	**(34,488)**	**(27,622)**	**(212,441)**	**(639,586)**
Derivative financial assets								
Derivative financial asset	1.26%-0.40%	2023-2026	(10,301)	–	–	–	–	–
Total	**–**	**–**	**(10,301)**	**–**	**–**	**–**	**–**	**–**
As at 31 March 2022								
Non-derivative financial liabilities								
Trade payables	-	2023	6,210	(6,210)	(6,210)	–	–	–
Bank loan (RCF)	2.35%+SONIA	2026	38,000	(42,428)	(1,155)	(1,155)	(40,118)	–
Bank loan	2.35%+SONIA	2026	138,647	(157,430)	(4,286)	(4,286)	(148,858)	–
Bank loan	5%	2032	63,916	(98,518)	(3,250)	(3,250)	(10,270)	(81,748)
Leases	5%	2023-2027	1,859	(3,533)	(505)	(266)	(568)	(2,194)
Related party payable	8%	2045	206,907	(620,452)	(17,980)	(17,980)	(53,941)	(530,551)
Total			**455,539**	**(928,571)**	**(33,386)**	**(26,937)**	**(253,755)**	**(614,493)**
Derivative financial liabilities								
Derivative financial assets	1.26%	2023	(5,282)	–	–	–	–	–
Total	**–**	**–**	**(5,282)**	**–**	**–**	**–**	**–**	**–**

Notes forming part of the financial statements continued

For the year ended 31 March 2023

20. Financial instruments continued

(d) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The Group does not have a material exposure to exchange rates and equity prices.

Market risk – interest rate risk

The Group adopts a policy of limiting exposure to changes in interest rates on borrowings. The Group enters into and designates interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk. At 31 March 2023 75% (FY2022: 75%) of the Group's £141.0m term loan is subject to an interest rate swap [(see note 15)].

The transactions and forward contracts are designated with a hedge ratio of 1:1. A hedge is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument. Ineffectiveness may occur due to:

- any fair value adjustments on the interest rate swaps which is not matched by the loan; and
- changes in critical terms between the interest rate swaps and loans.

At 31 March 2023 a balance of £0.2m (FY2022: £0.4m) is held within the cash flow hedge reserve in relation to discontinued hedges where the forecast cash flows are still expected to occur. This is being released to finance costs in the income statement on a straight line basis to August 2023.

Profit or loss is sensitive to higher/lower interest costs from changes in interest rates as a result of the element of the Group's term loan that is not hedged. The impact of an increase/decrease in interest rates of 1% is a decrease/increase in the Group's profit/(loss) before tax of £0.4m (FY2022: £0.7m).

21. Leases and commitments

Lease liabilties

	2023 £'000	2022 £'000
Current	357	422
Non-current	9,060	1,437
Lease liabilities at 31 March	**9,417**	**1,859**

Capital commitments

During the year, the Group entered into various contracts relating to the purchase of capital equipment and construction of new solar and BESS projects:

	2023 £'000	2022 £'000
Capital commitments contracted but not provided for	**31,846**	1,401

The Group has other commitments that are outside the scope of IAS 17 and IFRS 16 relating to site access. These commitments have a duration of between 12 months and 21 years and are a mix of fixed and variable rentals. The cash outflows in the year were £1.0m (FY2022: £0.9m).

22. Business combinations

On 24 May 2022, Infinis Solar Developments Limited acquired the share capital of Durham Solar 1 Limited for £0.05m. This was a non-trading pre-consent development SPV.

In the year 2022, Infinis Limited acquired the trade and assets for the CLM energy generation business operating on the Buckden landfill site. The consideration for the transaction was approximately £2m, with £1.5m allocated to property, plant and equipment and intangible assets in accordance with SPA.

On 15 March 2023, Infinis Energy Storage Limited acquired the share capital of Infinis (Shoreside) Limited (formerly Gamcap Shoreside Limited). Initial consideration of £0.25m increasing to £0.6m subject to conditions of deferred consideration being achieved (outcome of environment land survey and confirmation cable route within Grid Offer could be delivered). This was a non-trading SPV with a consented development project for a 7MW Battery.

The intangible assets acquired are subject to the Infinis annual impairment testing and have demonstrated no impairment is required.

23. Related parties

(a) Transactions with key management personnel

Directors' shareholdings

None of the Directors had an interest in the shares of the Company.

Remuneration

The key management personnel of the Group are considered to be the Directors of the Company and the Directors of the Governing Board. Their remuneration was as follows:

	2023 £'000	2022 £'000
Short-term employee benefits (including employer national insurance)	1,779	1,773
Other long term benefits - long-term incentive plan	564	327
Post-employment benefits - defined contribution pension	64	64
	2,407	2,164

The aggregate of emoluments and amounts received under long term incentive schemes and post employment benefits of the highest paid Director of the Group were as follows:

	2023 £'000	2022 £'000
Short-term employee benefits (including employer national insurance)	639	638
Other long term benefits - long term incentive plan	281	180
Post employment benefits - defined contribution pension	41	41

(b) Other related party transactions

3i Infrastructure plc (3iN), a company incorporated in the Channel Islands, is the Company's ultimate parent company. 3iN therefore has the ability to exercise a controlling influence through its shareholding in each of the wholly-owned subsidiaries (the '3i Holding Companies') through which it owns the entire issued share capital of the Company. The Directors therefore consider 3iN and each of the 3i Holding Companies to be related parties.

Related party transactions occurring during the year and balances outstanding at the year end are as follows:

	Value of transactions 2023 £'000	Value of transactions 2022 £'000	Outstanding payable 2023 £'000	Outstanding payable 2022 £'000
3i Infrastructure PLC	7,500	7,500	(232,377)	(208,460)

In the year ended 31 March 2023 the Company paid interest of £14.0m (FY2022: £15.0m) and repaid loan notes totaling £8.5m (FY2022: nil). New loan note funding of £30m (FY2022: nil) was also received. There were no other transactions between the Company and either 3iN or any of the 3i Holding Companies during the year, there were no other balances outstanding between the Company and either 3iN or any of the 3i Holding Companies at the year end.

In the year ended 31 March 2023 the Group extended loans of £0.5m to associate companies, earning interest at a rate of 5% of less than £0.1m

Ultimate parent company and controlling party

3i Green Gas Limited (formerly LFG Topco Limited), a company registered in Jersey, is the Company's immediate parent and sole shareholder. The ultimate parent and controlling entity is 3i Infrastructure plc, a company registered in Jersey.

Infinis Energy Group Holdings Limited is the largest and smallest group for which consolidated financial statements are prepared.

24. Subsequent events

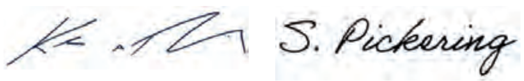
Shareholder loan notes were listed on The International Stock Exchange for the Channel Island until 28 April 2023 when there were delisted.

Company statement of financial position

At 31 March 2023

	Note	**31 March 2023 £'000**	31 March 2022 £'000
Non-current assets			
Investments	26	261,183	237,730
		261,183	**237,730**
Current assets			
Trade and other receivables	27	8,332	5,209
Cash and cash equivalents		7	7
		8,339	**5,216**
Total assets		**269,522**	**242,946**
Current liabilities			
Trade and other payables	28	13,377	8,136
		13,377	**8,136**
Non-current liabilities			
Trade and other payables	28	228,430	206,907
		228,430	**206,907**
Total liabilities		**241,807**	**215,043**
Net assets		**27,715**	**27,903**
Equity			
Called up share capital	29	35,000	35,000
Accumulated losses		(7,285)	(7,097)
Total equity		**27,715**	**27,903**

The Company reported a loss of £188,000 for the year ended 31 March 2023 (2022: £1,280,000). The financial statements were approved by the Board of Directors on 26 July 2023 and were signed on its behalf by:



K Reid
Director

S S Pickering
Director

Company number: 10432005

The notes on pages 102 to 105 form part of these financial statements.

Company statement of changes in equity

For the year ended 31 March 2023

	Share capital £'000	Accumulated losses £'000	Total equity £'000
Balance at 1 April 2021	**35,000**	**(5,817)**	**29,183**
Loss for the year	-	(1,280)	(1,280)
Total comprehensive expense	**-**	**(1,280)**	**(1,280)**
At 31 March 2022	**35,000**	**(7,097)**	**27,903**
Loss for the year	-	(188)	(188)
Total comprehensive expense	**-**	**(188)**	**(188)**
At 31 March 2023	**35,000**	**(7,285)**	**27,715**

The notes on pages 102 to 105 form part of these financial statements.

Notes forming part of the Company financial statements

For the year ended 31 March 2023

Accounting policies

Basis of preparation

Infinis Energy Group Holdings Limited (the 'Company') is a private company limited by shares and incorporated in England in the UK. The Company's registered office is First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

The Company has adopted Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') in these financial statements.

In preparing these financial statements the Company applies the recognition, measurement and disclosure requirements of International Accounting Standards in conformity with the requirements of the Companies Act 2006, as applicable to companies using FRS 101, and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company is included in the consolidated financial statements of Infinis Energy Group Holdings Limited. The consolidated financial statements of Infinis Energy Group Holdings Limited are set out on pages 74 to 99.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Infinis Energy Group Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently with the year ended 31 March 2023.

Measurement convention

The financial statements have been prepared under the historic cost basis.

Going concern

As explained in the Directors' report on page 64 the financial statements have been prepared on the going concern basis.

Profit and loss account

As permitted by section 408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account for the year ended 31 March 2023 or for the year ended 31 March 2022.

Tax

Current tax is the expected tax payable (or receivable) on the taxable income/expense for the year, using tax rates enacted or substantively enacted by the year end. Taxable profit differs from net profit in the profit and loss account because it excludes items of income or expenditure that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Amounts owed by Group undertakings

For amounts owed by group undertakings, the Company first determines the 12 month expected credit loss, with the lifetime expected credit loss being recognised in the event of a significant increase in default risk. If external or internal rating information is available, the expected credit loss is determined based on the basis of this data. If no rating information is available, the Company determines default ratios on the basis of historical default rates, taking into account forward-looking information on economic developments. The estimates and assumptions used to determine the level of expected credit losses are reviewed periodically to determine if there is a significant increase in default risk.

Impairment

Financial assets (including trade and other receivables)

A financial asset not carried at fair value through profit or loss is assessed at each year end to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows.

An impairment loss in respect of a financial asset measured at cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the year end. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Investments

Fixed asset investments reflect investments in subsidiaries and are shown at cost less any provision for impairment.

Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments, trade and other receivables, cash and cash equivalents and trade and other creditors. Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition they are measured as described below:

Trade and other receivables

Trade and other receivables are carried at original invoice amount less any allowance for uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off in the income statement when identified.

Trade and other payables

Trade and other payables are carried at cost.

Key judgments and sources of estimation uncertainty

In the process of applying the Company's accounting policies, management necessarily makes judgments and estimates that have a significant impact on the values recognised in the financial statements. Changes in the assumptions underlying these judgments and estimates could result in a significant impact to the financial statements. There are no critical accounting judgments. The key accounting estimates are explained below.

Impairment of investments

In assessing impairment, judgment is required to establish whether there has been any indicators of impairment, either internal or external. Where there is a need to determine the recoverable value of an investment this requires judgments and assumptions related to the expected future cash flows to be derived from the investment.

25. Directors and employees

None of the Directors received any remuneration or benefits from the Company during the current year or prior year. The Company had no employees during the year.

Notes forming part of the Company financial statements continued

For the year ended 31 March 2023

26. Investments

	Shares in group undertakings £'000	Amounts owed by group undertakings £'000	Total £'000
Cost and net book value			
At 1 April 2021	**35,000**	**202,730**	**237,730**
Repayments	–	-	-
At 31 March 2022	**35,000**	**202,730**	**237,730**
Additions		23,453	23,453
At 31 March 2023	**35,000**	**226,183**	**261,183**

Amounts owed by Group undertakings comprise loan notes and are due for repayment in 2045 and attract interest at a rate of 8%, payable at half yearly intervals.

At 31 March 2023 and 31 March 2022 unless stated otherwise, the Company had the following investments in subsidiaries, associates and jointly controlled entities:

Subsidiary company	Audit exemption[1]	Status
Directly held by the Company:		
Infinis Energy Management Limited		
Indirectly held by the Company:		
Alkane Energy CM Holdings Limited	Yes	In members voluntary liquidation
Alkane Energy CM Limited		
Alkane Energy Limited		
Alkane Energy UK Limited		
Aura Power Solar UK 6 Limited	Yes	
Barbican Bidco Limited	Yes	In members voluntary liquidation
Barbican Holdco Limited	Yes	In members voluntary liquidation
Bidston Methane Limited	Yes	In members voluntary liquidation
Costessey Energy Limited	Yes	
Durham Solar 1 Limited	Yes	
Gengas Limited	Yes	
Infinis (Re-Gen) Limited		
Infinis Alternative Energies Limited		
Infinis China (Investments) Limited	Yes	In members voluntary liquidation
Infinis Energy Services Limited		
Infinis Energy Storage Limited (formerly Infinis Acquisitions Limited)	Yes	
Infinis Limited		
Infinis (Shoreside) Limited	Yes	Acquired 15 March 2023
Infinis Solar Developments Limited		
Infinis Solar Holdings Limited		
Infinis Solar Limited		
Leven Power Limited	Yes	
ND Solar Enterprises Limited	Yes	
Novera Energy Generation No. 1 Limited	Yes	
Novera Energy Generation No. 2 Limited		
Novera Energy Generation No. 3 Limited	Yes	In members voluntary liquidation
Novera Energy (Holdings 2) Limited		
Novera Energy Operating Services Limited	Yes	
Novera Energy Services UK Limited	Yes	In members voluntary liquidation
Mayton Wood Energy Limited	Yes	In members voluntary liquidation
Regent Park Energy Limited		
Renewable Power Generation Limited	Yes	In members voluntary liquidation
Rhymney Power Limited	Yes	
Seven Star Natural Gas Limited	Yes	

[1] The above 100% subsidiaries have taken the exemption from audit under section 479a of the Companies Act 2006. the company has guaranteed the liabilities of these subsidiaries.

Associate company	Audit exemption[1]	Status
Yarnton Energy Centre Limited		Acquired May 2022
Balboughie Energy Centre Limited		Acquired November 2022

The Company proactively minimises the number of intermediate non-trading holding companies, and smaller legacy trading entities typically containing one operating site. Following a period of due diligence, where applicable each of the trade, assets and liabilities are transferred to another Group company to facilitate the solvent liquidation of the companies through a members voluntary liquidation process. As at 31 March 2023, 10 subsidiaries (31 March 2022: 10) were in members voluntary liquidation process and are expected to complete the liquidation process in the next 12 months.

The subsidiary undertakings operate and were incorporated in England and Wales, and were 100% owned, unless otherwise stated, as at 31 March 2023. The voting rights are the same as the percentage holding. The registered office addresses of the subsidiaries are as follows:

England and Wales:
First Floor
500 Pavilion Drive
Northampton Business Park
Northampton
NN4 7YJ

The registered office addresses of those UK subsidiaries in liquidation are as filed and available on the Companies House website.

27. Trade and other receivables

	2023 £'000	2022 £'000
Amounts owed by Group companies	8,332	5,209
	8,332	**5,209**
Current	8,332	5,209

28. Trade and other payables

	2023 £'000	2022 £'000
Corporation tax payable	4430	1,584
Amounts owed to related parties	237,377	213,459
	241,807	**215,043**
Non-current	228,430	206,907
Current	13,377	8,136

Amounts owed to related parties of £228.4m represent the interest-bearing subordinated unsecured loan notes in issue to 3i Infrastructure plc. Information relating to this shareholder loan is included in Note 15.

29. Called up share capital

	Issued share capital 2023 number	Issued share capital 2022 number	Aggregate nominal value 2023 £'000	Aggregate nominal value 2022 £'000
Allotted, called up and fully paid				
At 1 April (ordinary shares of £1 each)	35,000,001	35,000,001	35,000	35,000
At 31 March	35,000,001	35,000,001	35,000	35,000

30. Related party disclosures

3i Green Gas Limited (formerly LFG Topco Limited), a company registered in Jersey, is the Company's immediate parent and sole shareholder. The ultimate controlling entity is 3i Infrastructure plc, a company registered in Jersey. Refer to note 23 for further details in relation to related parties.

Glossary

The following definitions apply throughout the annual report and accounts unless the context requires otherwise:

3iN	3i Infrastructure plc, the Company's ultimate shareholder
3i/3i Group	3i plc and the group of companies of which 3i Group plc is the parent
AFR	accident frequency rate
APM	alternative performance measures
ASP	average selling price defined as revenue recognised in the year divided by exported power. It includes an element of ROC revenue, known as the recycled element, which is received following the publication of the recycle price by Ofgem
Audit Committee	the audit committee of the Board
BEIS	Department for Business, Energy and Industrial Strategy
BESS	Battery Energy Storage Systems
Board	the Board of Directors of the Company
BSUoS	Balancing Services Use of System
Capacity Market	mechanism to ensure that electricity supply meets demand
CAPEX	capital expenditure
CGU	cash generating unit
CLM	Captured Landfill Methane
CMM	Captured Mineral Methane
Company or Infinis	Infinis Energy Group Holdings Limited, a Company incorporated in England and Wales with registered number 10432005 whose registered office is First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ
Corporate Governance Policy	formal policy of the governance arrangements of the Infinis Group
COVID-19	Corona Virus Disease 2019
CSR	corporate social responsibility
DDA	demand dominated areas
Directors	the Executive and Non-executive Directors of the Company
DNOs	distribution network operators
DSOs	distribution system operators
EBITDA	earnings before interest, tax, depreciation, amortisation and , impairment and operating exceptional items
EGC	European General Court
ESO	electricity system operator
Executive Committee	the Executive Committee of the Board
Executive Directors	member of the Executive Committee as set out on page 56 to 57
FCA	the UK Financial Conduct Authority
FY20	the financial year ended 31 March 2020
FY21	the financial year ended 31 March 2021
FY22	the financial year ended 31 March 2022
FY23	the financial year ended 31 March 2023
GAAP	Generally Accepted Accounting Practice
GDUoS	Generator Distribution Use of System
Governing Board	the Board of Directors of the Governing company
Governing Company	Infinis Energy Management Limited
Government	the Government body of the UK
Group	the Company and its subsidiaries within the meaning of section 1162 of the Companies Act 2006
GWh	gigawatt hour
HSQE	health, safety, quality and environmental

HSQ&EC	health, safety, quality and environmental compliance
IAS	International Accounting Standard
IFRSs	International Financial Reporting Standards as adopted by the European Commission for use in the European Union
Infinis Group	the Company and its subsidiaries
IRR	internal rate of return
kWh	kilowatt hour
LNG	liquified natural gas
LTIP	Long Term Incentive Plan
M&A	Mergers and acquisitions
MCPD	Medium Combustion Plant Directive
MW and MWh	megawatt and megawatt hour
Ofgem	Office of Gas and Electricity Markets
OPEX	operating expenditure
Ordinary shares	the ordinary shares with a nominal value of £1 each in the capital of the Company
PPA	power purchase agreement
PR	Power Response
RCF	Revolving Credit Facility
Remuneration Committee	the remuneration committee of the Board or a sub-committee of it
RIDDOR	the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013
RO	Renewables Obligation, the financial mechanism by which the Government incentivises the deployment of large-scale renewable electricity generation by placing a mandatory requirement on licensed UK electricity suppliers to source a specified and annually increasing proportion of electricity they supply to customers from eligible renewable sources or pay a penalty
ROC	Renewables Obligation Certificate
RoSPA	Royal Society for the Prevention of Accidents
SCR	significant code review
Senior management	as defined in section 414(C) of the Companies Act 2006
Senior Management Team (SMT)	the team of individuals who have the day-to-day responsibility for managing the Group
Shareholder	a holder of ordinary shares
Shareholder Directors	as set out on page 56 to 57
SRMC	short run marginal contribution
TCR	Ofgem targeted charging review
Triads	the three 30-minute time periods with highest energy demand between November to February each year
TWh	terawatt hour
UK	the United Kingdom of Great Britain and Northern Ireland
VAT	value added tax
Walker Guidelines	The Walker Guidelines for Disclosure and Transparency in Private Equity published by the Private Equity Reporting Group
Website	www.infinis.com

Infinis Energy Group Holdings Limited
First Floor, 500 Pavilion Drive
Northampton Business Park
Northampton NN4 7YJ
T +44 (0) 1604 662 400

Learn more online, at
www.infinis.com