

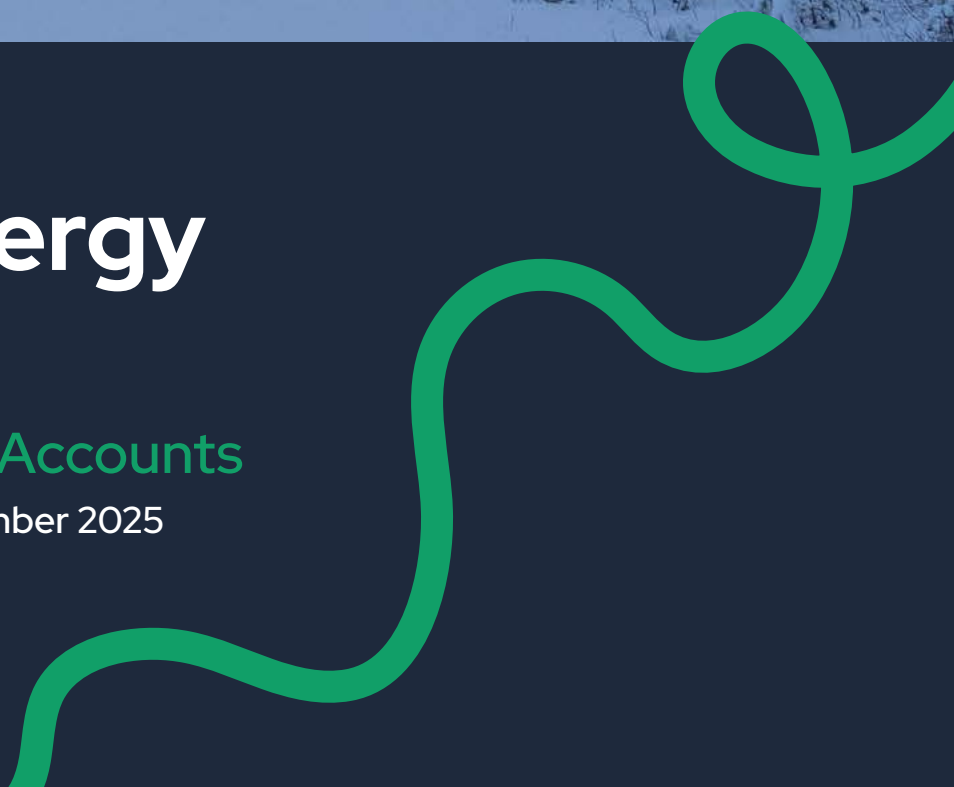


Bagnall Energy Limited

Annual Report and Accounts

For the year ended 30 September 2025

Company number 08349679



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Overview



Impact and Financial Highlights

For the year ended 30 September 2025

Impact of the Bagnall portfolio:

- > Bagnall's underlying portfolio of energy and infrastructure assets generated **504,334 MWh** of electricity.

- > Enough to power **186,509 UK homes** and avoid **236,824 tonnes** of greenhouse gas emissions. Equivalent to:
 - Offsetting **1,047,325,668** aeroplane miles

 - Planting **1,393,081** trees

- > Bagnall's portfolio now consists of **8,316 renewable generation assets**.

Highlights:

- > Bagnall's net asset value ("NAV") increased by **23.0%** during the year, from **£423.3 million** to **£520.6 million**.

- > The NAV per share increased from **147.1p** to **152.8p**, an increase of **3.9%**.

- > Net fundraising during the period was **£78.7 million**.

- > Total income generated by the underlying energy portfolio was **£38.7 million**.

- > Portfolio highlights include:
 - Completed the purchase of two Ready-to-Build ("RTB") UK Solar Assets for £5.4 million, with a combined capacity of 77.4 MW, delivering Bagnall's strategy of increasing revenue certainty by focussing on Contracts for difference ("CfDs").

 - Completely exited from fossil fuel generation through the disposal of its UK gas peaker portfolio, providing growth opportunities through capital recycling.

 - Deployed £11.2 million into the development programme, including new projects to build a 49.9MW solar and potential co-located battery storage project in Norfolk; a 49.9MW Battery Energy Storage Systems ("BESS") project in Scotland and 60MW solar PV plant in Southern Finland.

 - Acquired Gabrielsberget South, a 46 MW onshore wind farm in northeast Sweden, for £27.5 million, materially scaling its Nordic wind exposure and complementing the existing Gabrielsberget North asset.

 - Legally committed to the acquisition of a 159MW portfolio of Solar and Hydropower assets as well as two Grid Infrastructure assets across the UK and Northern Europe. The acquisition completed in November 2025 and further diversifies the portfolio across geographies, technologies and revenue streams.

Strategic Report



Overview of Bagnall

Business Summary

Incorporated in March 2013, Bagnall Energy Limited (“Bagnall”, the “Company”) is a private limited company registered in England and Wales (company number 08349679). Bagnall’s objective is to preserve capital while delivering long-term, stable returns to shareholders through a combination of income generation and capital growth. The Company seeks to achieve this by owning and operating renewable energy generation and related energy transition assets.

Since 2013, Bagnall has built a carefully curated and diversified portfolio of businesses operating across core and ancillary renewable energy sectors, including solar, wind, hydropower and battery storage. The Company’s strategy is centred on diversification across geography, technology, asset life cycle and revenue sources. This diversification helps ensure that the performance of one asset or technology is not overly dependent on a single set of conditions. For example, high winds in Sweden is offset by lower solar generation in the UK, helping to support stable income across the portfolio.

A key strategic focus for Bagnall is the diversification of revenue streams to ensure the Company is not overly reliant on merchant power prices derived from selling electricity directly into wholesale markets. By balancing contracted and merchant revenues, Bagnall aims to create a portfolio that is resilient to market volatility. The Company believes this approach strengthens financial stability and provides a more predictable return profile for investors.

What We Do

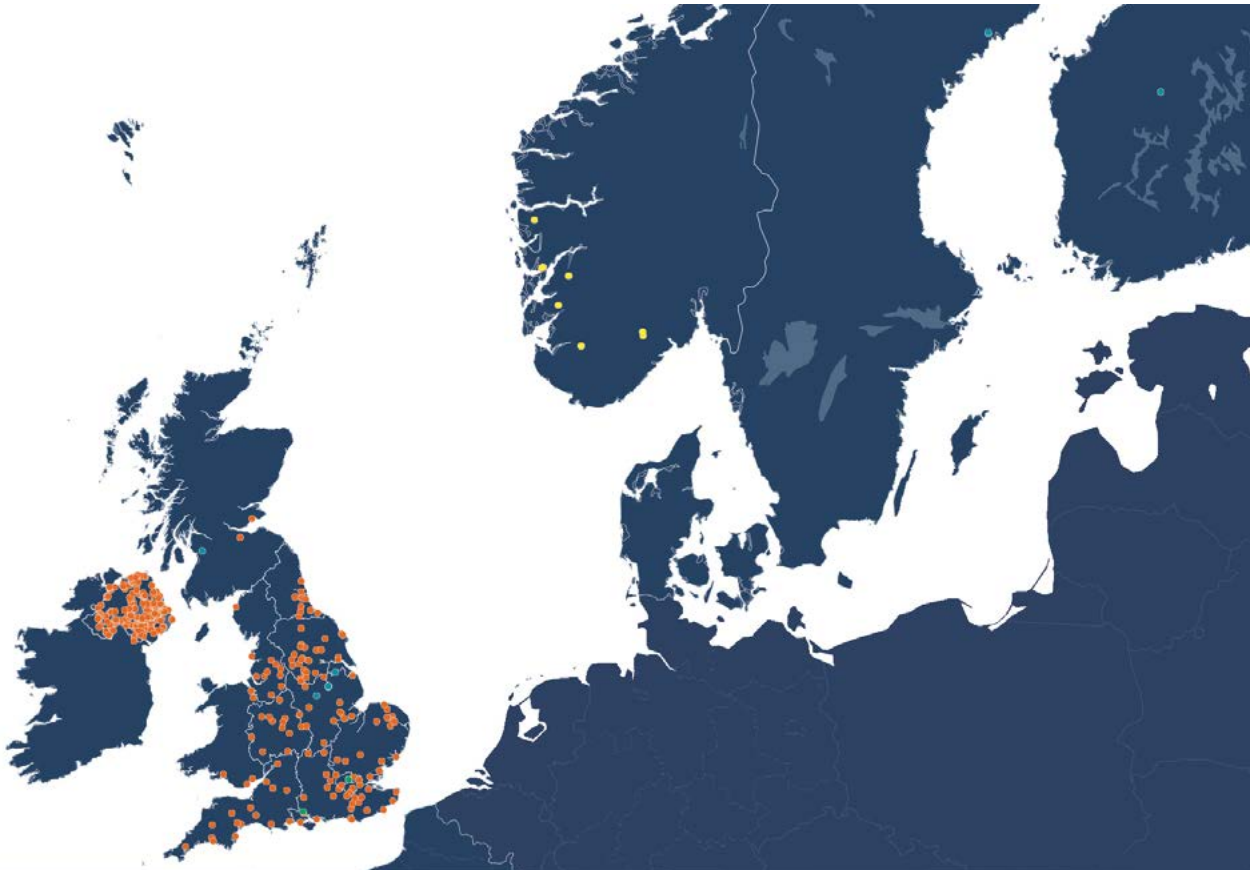
Bagnall predominantly focuses on renewable energy generation assets with proven technologies, as well as battery storage projects.

Bagnall’s core objectives are to:

- > deliver steady and modest returns to shareholders, with a target return of 3 - 4.5% per annum over the medium term;
- > trade in sectors we believe will qualify for business relief, which will enable investors to benefit from inheritance tax relief if their investment is held for at least two years and at the date of death;
- > build a diversified portfolio of underlying businesses – including, but not limited to, diversity across technology, geography, business lifecycle stage, and revenues; and
- > incorporate environmental, social and governance (ESG) factors into its business model.

Many of Bagnall’s core energy businesses already have operational projects and well-established business models. A small part of the Company’s strategy involves developing new renewable energy assets. This is essential for helping the UK transition to Net Zero emissions and achieve energy independence, reducing reliance on other countries for energy. This strategy is a key component of the portfolio, providing a stable foundation for long-term growth and promoting a cleaner, more sustainable future.

Our Businesses at a Glance



Energy & Infrastructure Businesses

- Hydro
- Solar
- Wind
- Storage

Sector Breakdown and Portfolio Analysis

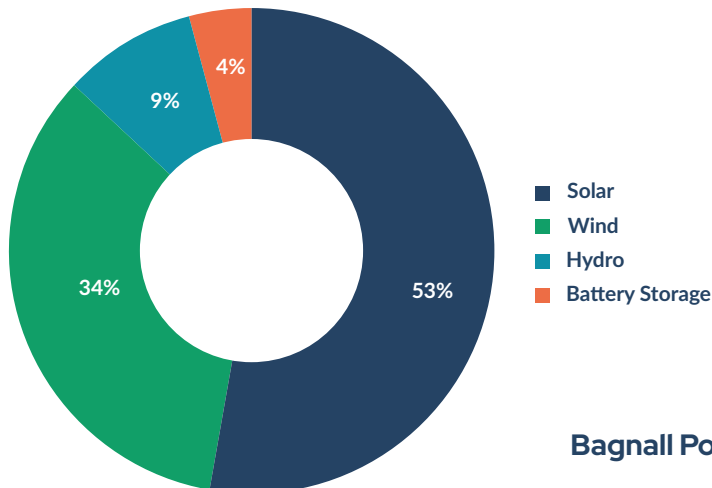
As at 30 September 2025, Bagnall’s energy portfolio was valued at £547.1m and contained 8,316 renewable generation assets. The largest sector exposure is solar renewable energy.

Bagnall aims to diversify its energy portfolio across geography, technology, asset life cycle and revenue streams. Geographic diversification provides exposure to both the mature Nordic power markets and the UK power market, broadening the Company’s risk profile and operational landscape. This approach also enables access to a wider range of technologies and market dynamics, contributing to a more balanced and predictable revenue mix across the portfolio. Details of Bagnall’s sector and geographic allocation are presented below.

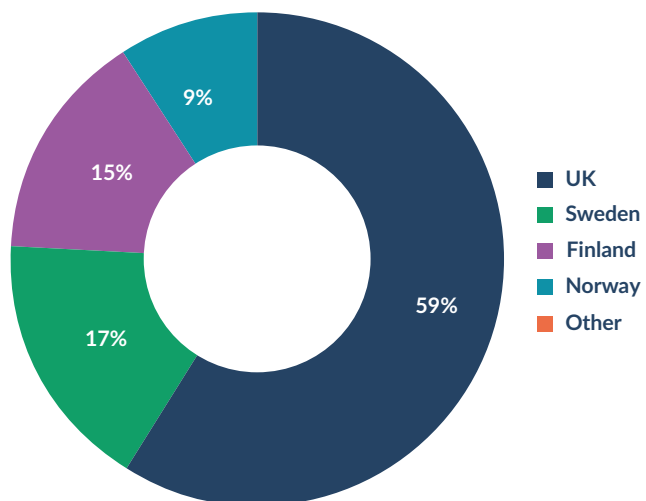
The portfolio valuation is the largest component of NAV, with cash and working capital comprising the balance.

The following charts show the diversification of Bagnall’s energy portfolio by sector and geography as at 30 September 2025 and the Company’s revenue mix for the year ended 30 September 2025.

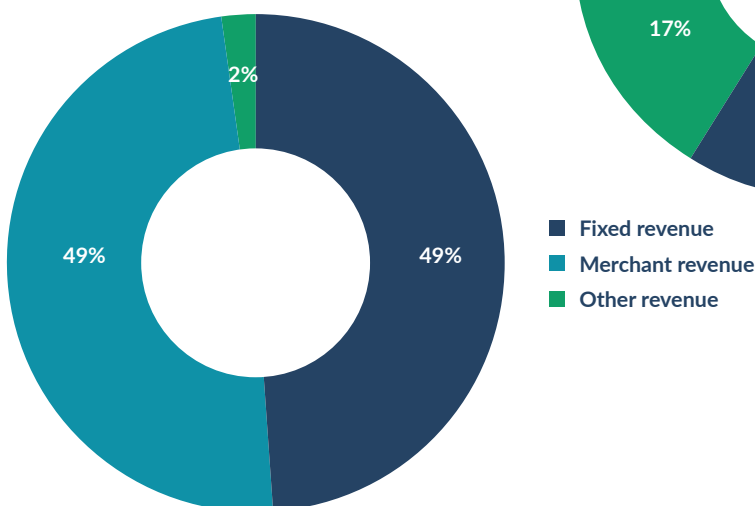
Bagnall Portfolio Mix - Technology



Bagnall Portfolio Mix – Geography



Bagnall Portfolio – Revenue Mix



Sector Breakdown and Portfolio Analysis continued

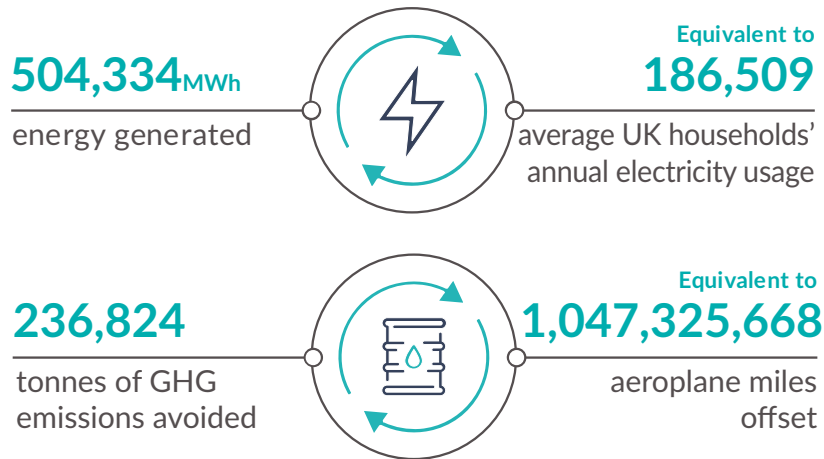
Detailed Portfolio Breakdown

Asset	Technology	Location	Lifecycle Stage	Valuation
Blackmead Rooftop HoldCo Ltd	Solar	UK	Operational	
Downing Commercial Rooftop Ltd	Solar	UK	Operational	
Downing Energy Development Company Ltd - Operational	Solar	UK	Operational	
Downing Energy Development Company Ltd - Development	Solar	UK	Development	
Downing Poultry Rooftop Ltd	Solar	UK	Operational	
Downing Residential Rooftop Ltd	Solar	UK	Operational	
Downing Spares Limited	Solar	UK	Operational	
Eider Solar LLP	Solar	UK	Operational	
Ethical Renewables Developments LLP	Solar	UK	Operational	
Evogreen Limited	Solar	UK	Operational	
Fair Park Solar Ltd	Solar	UK	Development	
Freeby Lane Green Energy Park Limited	Solar	UK	Development	£188.4m
Freetricity LLP	Solar	UK	Operational	
Indigo Generation Ltd	Solar	India	Other	
Ironhide Generation Ltd	Solar	India	Other	
Juno Holdings Ltd	Solar	UK	Operational	
Kingsway Solar Farm Limited	Solar	UK	Development	
Limes Farm Solar Park Limited	Solar	UK	Development	
Meerdyke Solar Limited	Solar	UK	Development	
Meridian Solar Farm Limited	Solar	UK	Development	
Monica Solar Limited	Solar	UK	Operational	
Rayvolution Solar Limited	Solar	UK	Construction	
Redburn Solar Ltd	Solar	UK	Operational	
Rockhopper Renewables Ltd	Solar	India	Other	
Suitian Aurinkovoima Oy	Solar	Finland	Development	
Magnus Finnish HoldCo Oy	Wind	Finland	Operational	
Nerth Energy Ltd	Wind	UK	Operational	£122.6m
Sweden Windco Limited	Wind	Sweden	Operational	
Rockberg AS	Hydro	Norway	Operational	£33.3m
Heanor Energy Storage Park Limited	Battery Storage	UK	Development	
Nursling Energy Ltd	Battery Storage	UK	Operational	£13.8m
Shift Energy Ltd	Battery Storage	UK	Operational	
Springbank Energy Storage Park Limited	Battery Storage	UK	Development	
Quoted equity	Other	UK	Other	£50.2m
Polar Nimrod Topco Limited	Other	UK	Other	£138.8m
				£547.1m

Sustainability and Responsible Investment

Introduction

During the year, Bagnall has continued to facilitate investment into the core renewable technologies: solar, wind, and hydro. The Company also holds a small number of battery storage assets which complement the intermittency of renewable energy generating assets. These climate-friendly investments are helping to transition from fossil fuels to renewable energy. See below for a summary of Bagnall's environmental impact for the year ended September 2025:



Asset Management

Bagnall delegates the day-to-day management of its portfolio to Downing LLP, a professional asset manager (the "Manager").

As a certified B-Corporation and signatory to the UN Principles of Responsible Investment, the Manager takes seriously its responsibilities to all stakeholders, including future people and the environment. A three-part responsible investment framework is used to manage ESG risk to Bagnall's investments:

1. Proprietary ESG scorecards are prepared at the inception of each investment to identify and assess foreseeable and potential material ESG risks. Through this process, actions to address the risks are defined. These are reviewed by our in-house Sustainability Lead and discussed with the Investment Committee, forming part of their approval to invest.
2. Active engagement with the investee companies to address the material ESG risks identified ensures that they are appropriately managed. For example, the Manager may support the investee to put a waste management plan in place to optimise responsible reuse and costs, and/or an energy management plan in place to optimise usage and energy source.
3. Periodic disclosures of ESG information are made transparently to support accountability and informed decision making. Further to the case studies provided in this report you can read more about the Manager's approach in the annual Sustainability and Responsible Investment Report on the Manager's website:

<https://www.downing.co.uk/responsible-investing>

Sustainability and Responsible Investment continued

Educational and Community Engagement at Kounttisuo Wind Farm

In August 2025, Kounttisuo Wind Farm hosted a school visit for nine students aged 15–18, along with their principal, offering a hands-on introduction to renewable-energy operations. A separate online lecture was given to an additional 15 students, focusing on the fundamentals of wind-farm technology and the role of wind power in the energy transition. As part of ongoing community-outreach improvements, a new site sign was also installed to give an overview of the site.

These activities strengthen local community ties by supporting education, increasing awareness of clean-energy solutions, and providing teachers with real-world learning resources. They also help inspire future talent by showcasing the wide range of career paths available in the renewable-energy sector, from technical maintenance to environmental science. By engaging young people early, the initiative provides further benefits by promoting environmental responsibility, supporting social development, and demonstrating transparent, community-focused governance.

Approach to site selection and biodiversity in the UK

Through its partnership with Downing Renewable Developments (“DRD”) Bagnall is supporting the development of thousands of megawatts of solar, battery storage and onshore wind projects to help accelerate the UK’s transition to Net Zero. Together, we focus on utility-scale renewable energy projects that are environmentally responsible as well as technically and commercially viable.

Renewable energy infrastructure, whether it be solar, onshore wind or other technologies, requires careful land use planning to balance energy generation with environmental stewardship. Despite ambitious capacity targets, the total land footprint of renewables remains modest relative to energy output. For example, even with significant expansion, solar farms are projected to occupy less than 1% of UK land by 2050.



Sustainability and Responsible Investment continued

In line with the National Policy Statement for Renewable Energy (EN-3), DRD champions sustainable land stewardship across all renewable developments. By avoiding “Best and Most Versatile” (BMV) land where possible, it’s ensuring that high-quality farmland remains available for agricultural use such as food production. The projects are temporary in nature, typically lasting 40 years, which allows for future land restoration or reuse. By allowing land to rest during this fallow period, the developments contribute to improved soil health and long-term land resilience.

Furthermore, in instances where agricultural land is utilised, its ongoing productivity can be preserved through the implementation of on-site sheep grazing. This approach ensures that the land continues to serve its agricultural purpose while accommodating the needs of the development.

During development the manager has always sought to maximise Biodiversity Net Gain, even prior to the mandatory 10% net gain requirement established in February 2024. As the Department for Energy, Food and Rural Affairs (DEFRA) highlights in their Food Security Report, climate change and biodiversity loss are among the greatest threats to long-term food security. DRD’s projects address both, by contributing to the UK’s legally binding Net Zero goals, whilst addressing loss in biodiversity.

Supply chain ESG risk screening tool

Procurement is critical throughout the lifecycle of E&I assets—from construction to optimisation and maintenance during operations. At Downing, responsible decision-making is embedded in every stage. Our internally developed Supplier ESG Risk Tool provides confidence in procurement by assessing supply chain risks across environmental, human rights (including labour rights), and governance factors such as corruption and bribery. This process aligns with global standards on human rights and ethical sourcing, ensuring resilience across markets.

With projects at various stages of development, construction, and operation, we work with a wide range of suppliers, including for critical equipment like solar panels—where supply chains have faced significant scrutiny. To mitigate these risks, we have implemented the following measures:

- > Developed the Supplier ESG Risk Tool to assess and inform procurement decisions.
- > Proactively selected low-risk suppliers aligned with Downing’s sustainability framework and further commitments.
- > Engaged meaningfully with suppliers—for example, reviewing efforts by a major PV manufacturer previously subject to allegations of forced labour, where our assessment found no evidence to substantiate the claims and supported a lower risk grade. Ensuring accurate information feeds into the Supplier ESG Risk Assessment.
- > Fostered collaboration between the Sustainability and Technical Procurement teams to address ESG risks early in the process.

Sustainability and Responsible Investment continued

Key ESG KPIs

Performance of Bagnall's operational portfolio against its Key ESG Performance Indicators:

	FY 2025	FY 2024
Environmental Performance		
No. operational renewable generation assets	8,316	8,610
Operational renewable generation capacity (MWp)	278	410
Renewable energy generated (MWh)	504,334	304,206
Equivalent UK homes powered for the period	186,509	112,396
Share of non-renewable energy production	0%	6.7%
Equivalent trees planted	1,393,081	751,838
GHG emissions (Scope 1) (tCO ₂ e)	nil	nil
GHG emissions (Scope 2) (tCO ₂ e)	35*	24,654
GHG emissions (Scope 3) (tCO ₂ e)	703	543
Total GHG emissions (tCO ₂ e)	738	25,197
GHG emissions avoided (Scope 4, tCO ₂ e)	237,106	127,812
Carbon footprint (tCO ₂ e/€m)	2	76
GHG intensity (tCO ₂ e/€m)	9**	408
Acres of land managed	2,436	2,411
Acres of land grazed	239	214
No. environmental incidents	1***	nil
Social Performance		
O&M FTE jobs supported	45	27
Health and safety audits	10****	55
Serious accidents or injuries	nil	nil
Local community complaints	nil	nil
Sites able to host educational visits	3	2
Renewable energy education events sponsored	10	10
Free or discounted renewable energy to homes and businesses (MWh)	28,031	25,416
Value of free or discounted renewable energy to homes and businesses	£8.4m	£6.0m
Governance Performance		
Portfolio board gender diversity (female : male ratio)	1:2.5	1:2.6

*Significant decrease in emissions due to the sale of the Gas Peaking portfolio

**Significant decrease in GHG intensity due to decrease in emissions. (2) Development sites are not included in this KPI as they don't have revenue, which is needed to calculate the KPI.

***Oil spill from contractor, not related to the wind farm, was discovered close to Konttisuo substation. Authorities were informed, and soil was decontaminated and soil recycled.

****H&S Audits programme carried out by the Manager with 18-month intervals for most assets, which creates lower and higher intensity periods.

Sustainability and Responsible Investment continued

Signatories and Memberships

The Manager's approach to Sustainability and Responsible Investment is grounded in commitment to the following frameworks and initiatives:



Sustainability and Responsible Investment continued



The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, offers a unified blueprint for peace and prosperity for people and the planet, both now and in the future. Central to this agenda are the 17 Sustainable Development Goals (SDGs), which call for urgent action by all countries, whether developed or developing, in a global partnership. These goals emphasize that ending poverty and other deprivations must be accompanied by strategies to improve health and education, reduce inequality, and stimulate economic growth, all while addressing climate change and preserving our oceans and forests.

The Manager has carefully chosen a select number of Sustainable Development Goals for the Company to focus on, where it believes Bagnall can have the greatest impact.



Target 7.1: by 2030, ensure universal access to affordable, reliable and modern energy services.

Target 7.2: by 2030, increase substantially the share of renewable energy in the global energy mix.



Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



Target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.



Target 15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

Target 15.9: By 2030, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.

Target 15.a: Mobilise and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.

Trading Report

Key Financial Metrics

	30 September 2025	30 September 2024
NAV	£520.6m	£423.3m
NAV per share	£1.53	£1.47
Annual total NAV return	+3.9%	+3.2%
Compound annual NAV return (since inception)	+3.4%	+3.4%
Profit after tax for the period	£18.6m	£12.7m

Portfolio Summary

As at 30 September 2025, Bagnall held a portfolio of over 8,316 energy installations. With a geographical focus in the UK and the Nordics, the portfolio includes four renewable generation and renewables-enabling technologies: solar, wind, hydropower and battery storage.

The UK Solar portfolio benefits from a range of government-backed support schemes, including the Renewable Obligations (“RO”), Feed-in Tariffs (“FiT”), and Contracts for Difference (“CfD”). Because these mechanisms provide fixed, index-linked pricing per unit of generation, the resulting revenues are considered low risk.

In addition, the portfolio receives stable income from Renewable Energy Guarantee of Origin certificates (“REGOs”) in the UK and Guarantee of Origin certificates (“GOs”) in the Nordics. These certificates are issued for each unit of renewable electricity produced and can be sold to utility companies. Over the past year, rising consumer demand has increased certificate prices, further enhancing asset returns.

Alongside these benefits, a significant proportion of generation is hedged in advance and sold under Route-to-Market arrangements, helping to limit exposure to wholesale market volatility.

During the year to 30 September 2025, approximately 49% of revenues were generated through fixed subsidies and 49% through the sale of electricity via power purchase agreements, the majority of which are with large utility companies and 2% through other revenue.

Portfolio Activity

Bagnall began the year by strengthening its Nordic wind position with the acquisition of Gabrielsberget South, a 20-turbine, 46MW wind farm in northeast Sweden, representing a £27.5m investment. This addition complemented the Company’s existing stake in Gabrielsberget North and brought Bagnall’s total exposure to Swedish wind to £60.6m at the end of the year.

Bagnall also made further investments into its development pipeline, including staged funding for Meerdyke, a 49.9MW solar site benefitting from planning permission, grid connection, land rights and a 15-year CfD contract; Springbank Energy Storage Park, a 49.9MW Battery Energy Storage Systems (“BESS”) project in Scotland and Suitia, a 60MW solar PV plant in Southern Finland.

Trading Report continued

Other supported development projects include Meridian, Kingsway, Heanor, Freeby Lane, and Limes Farm, demonstrating its commitment to building a substantial pipeline of grid-secured UK solar and BESS assets.

Across the year, Bagnall completed its transition away from fossil fuel generation with a complete exit from its gas peaking portfolio in 2025. This divestment has made further capital available for reinvestment into core renewables. The proceeds supported ongoing expansion in solar, hydro and storage technologies aligned with Bagnall's long-term strategic objectives.

During the year, Bagnall invested £5.4m into a new portfolio, Rayvolution which currently comprises two UK solar ground-mounted projects with a combined capacity of 54.4 MWh and a 23 MWp solar project in Shropshire.

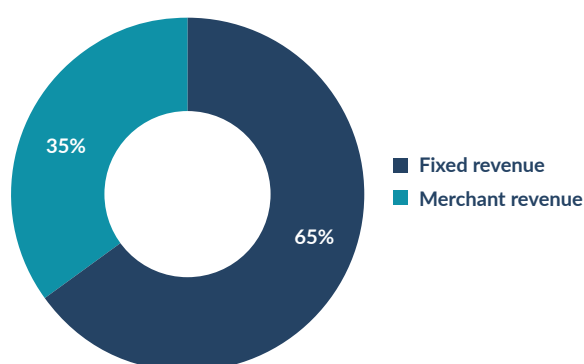
Throughout the year, Bagnall continued to deploy capital into its longstanding UK water-utility programmes, enhancing the Company's base of long-term, inflation-linked revenues. Follow-on investments across the Yorkshire Water and Southern Water portfolios supported the build-out of additional behind-the-meter solar assets, expanding a pipeline of sites underpinned by fixed-price, contracted offtake arrangements. By June 2025, multiple projects had reached energisation or Practical Completion, with the Northumbrian Water programme now fully operational. These assets now contribute to a growing stream of predictable, index-linked cashflows for Bagnall, supported by counterparties with strong credit profiles and limited exposure to wholesale market volatility.

Bagnall also continued to invest in and optimise its BESS strategy. Development of a new 49.9MW Scottish storage project Springbank Energy Storage Park was launched. These initiatives support Bagnall's strategy of incorporating grid-balancing assets that help mitigate the intermittency of its expanding renewables portfolio.

Revenue Composition

For the year ending 30 September 2026, Bagnall forecasts that 65% of its revenue composition will be derived from fixed revenue. Bagnall has a policy of fixing a higher proportion of its revenue in the near term, resulting in more predictable income and better financial planning.

Forecasted Revenue Mix for the year ending September 2026



Trading Report continued

Market Developments

Introduction

As a producer of electricity, Bagnall and its trading portfolio are subject to fluctuating energy prices. While much of the revenue that the portfolio generates is fixed, a proportion of its revenue mix is still exposed to market volatility. It is therefore important that Bagnall closely monitors the power markets in which it operates, assesses the risk that its economic environment presents, and implements a strategy that mitigates that risk.

GB Power Market

UK power prices fluctuated through the year as gas markets, weather conditions and renewable output alternated between tightening and easing supply. Early in the year, geopolitical tensions, cold weather and nuclear outages pushed prices higher. These rises were later offset by warm spells, strong wind and solar generation, and falling gas prices, which softened both spot and forward markets. Mid-year volatility persisted as tariff announcements, Middle East tensions and short-term demand changes created brief price spikes before renewed renewable output stabilised the market. By late summer, prices traded within a narrow range, supported by steady renewables and mild conditions.

Nordic Power Market

Weather-driven conditions dominated Nordic power prices throughout the year. Early periods of high wind speeds and strong German PV output kept spot prices low, while high precipitation and a large hydrological surplus continued to weigh on forward prices. As spring approached, low precipitation and weaker wind output temporarily pushed prices higher before wetter forecasts softened the market again. Over the summer, prices remained generally subdued as the region entered its low-demand season and renewable output stayed strong, despite intermittent dry weather adding short-lived upward pressure. Later in the year, pricing stabilised within a narrow range amid steady hydro balances.

Response

Market developments are monitored daily by the Manager's dedicated energy market specialist team. This team regularly reports to the Company's directors and advises on actions that can be taken to reduce the risk that volatile power prices represent to Bagnall's revenue streams. One way in which Bagnall manages its risk profile is by fixing its revenue through long-term and inflation-linked power price agreements. It is forecasted that only 35% of Bagnall's revenue mix for its 2026 financial year will be exposed to power price movements.

Portfolio Performance

Introduction

In the year ended September 2025, the portfolio generated 504,334MWh of clean electricity, which is equivalent to powering 186,509 UK homes. Operating profit across Bagnall's operational portfolio during the period was £23.0m with generation for the year being 10.5% below expectations.

Solar Energy

The Bagnall solar portfolio consists of ground-mounted, commercial rooftop, and residential rooftop systems. The number of total installations dropped from the year ended September 2024, from 8,587 to 8,298 and from 163.8 MWp to 135.7 MWp generating capacity. During the period the portfolio generated approximately 123,359 MWh of clean energy.

Most of these assets benefit from either Renewables Obligation (RO), Northern Ireland Renewables Obligation ("NIRO"), Contracts for Difference (CfD) or FiT UK government-backed indexed linked schemes supporting their revenues. The remaining revenues are generated through the sale of electricity via external counterparties or on-site energy sales agreements, and through REGO sale agreements.

Operating profit across the solar portfolio was £19.6m for the year. This was 2.0% above expectations, driven by revenues being 2.7% above expectations.

Wind Energy

As at 30 September 2025, Bagnall's wind portfolio totalled fifty-three turbines: six in the UK, seven in Finland, and forty in Sweden. During the period the portfolio generated approximately 347,267 MWh of clean energy.

As with the solar portfolio, the UK wind assets generate income through the FiT government-backed and indexed-linked subsidy scheme, and through the sale of electricity and REGO certificates. In Finland and Sweden, income is generated through the sale of green GO certificates and through the sale of electricity.

Operating profit for the year was £1.3m. This was 56.1% below expectations. Whilst generation across the portfolio was 3.7% above expectations, revenue was suppressed by low merchant power prices in the Nordic regions which were mitigated by entrance into the Fast Frequency reserve market by the Nordic wind assets earning a total of £1.3m.

Hydropower

All nine of Bagnall's hydropower plants are run-of-the-river plants situated in Norway. Income and generation are directly tied to the local inflow driven by weather. During the period the portfolio generated approximately 33,709 MWh of clean energy.

The portfolio benefits from partial pay as you produce PPAs in addition to income through the sale of green GO certificates.

Operating profit for the year was £1.0m, this was 22.5% below expectations which was driven by lower- than-expected market price, as well as higher- than-expected operational expenditure. Plant availability was in line with expectations for the period, but generation was adversely impacted by large variances in precipitation. Lower precipitation levels at the start of the year and then delayed

Portfolio Performance continued

spring floods. During these spring floods, water levels were higher than the plants discharge capacity and so energy generation was capped for periods of time.

Battery Storage

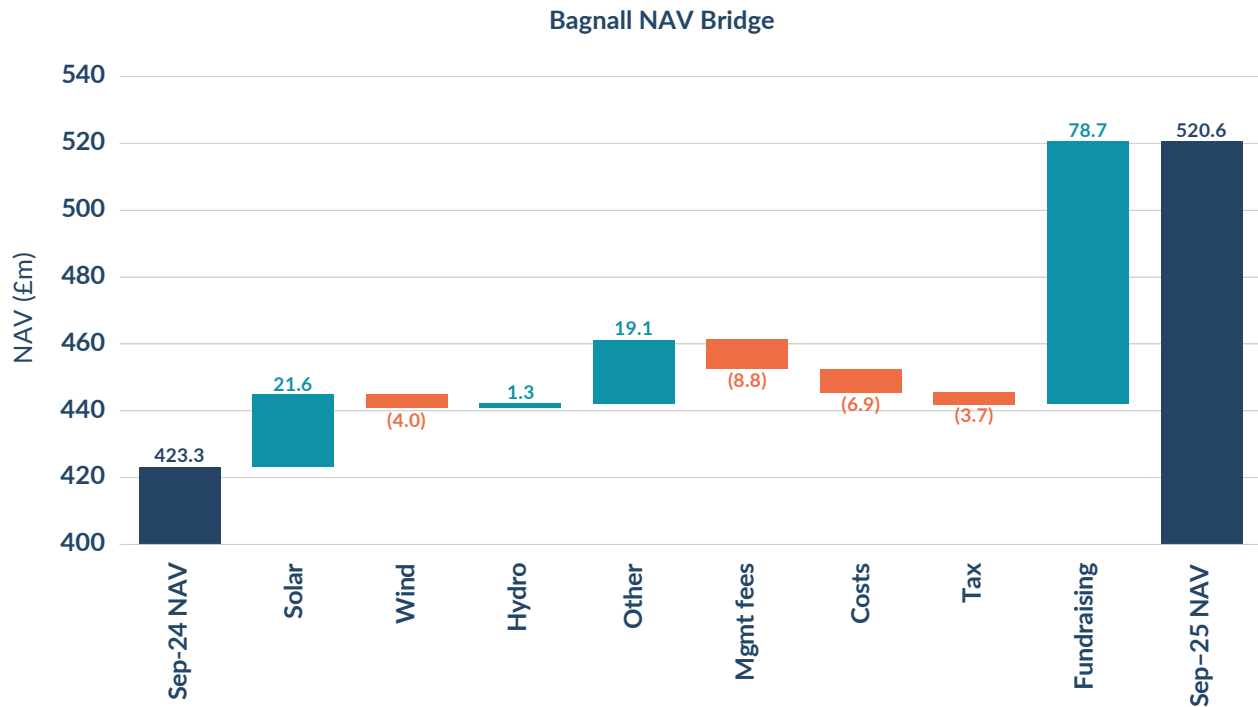
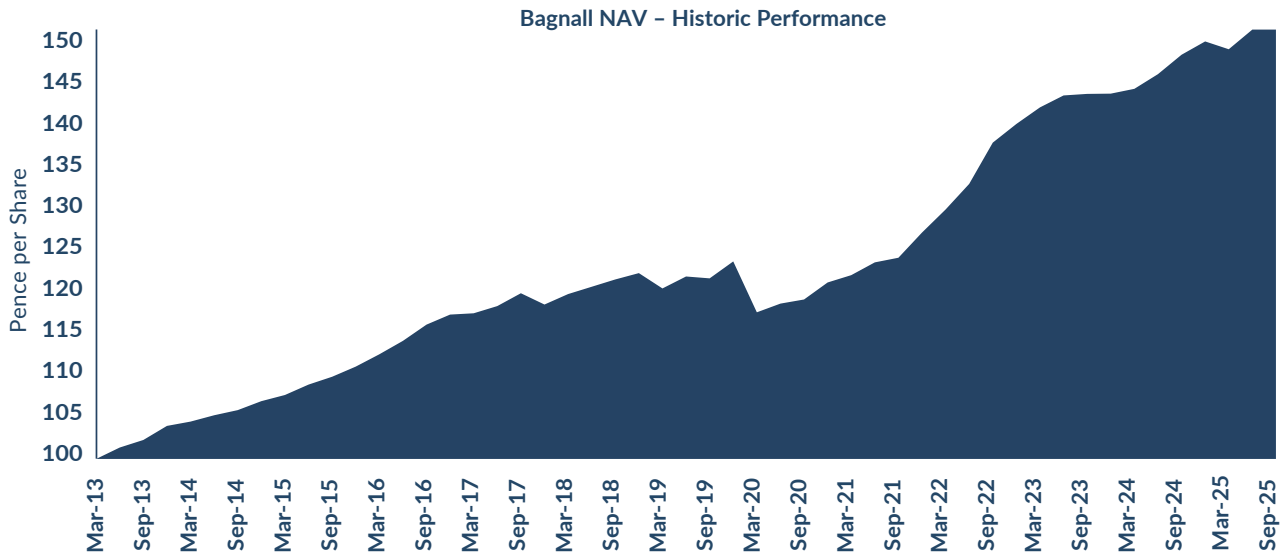
Operating profit for the year was £1.1m, this was 52.0% below expectations. Performance is largely attributed to a single 50 MWp battery asset. Availability was below expectations for the year due to transformer outages. The Manager is in the process of installing replacements to ensure optimal performance of the asset moving forward.

Reserve Power

The six gas peaking projects in the UK which Bagnall had interests in, totalling a capacity of 101 MW, were sold shortly following the year end. The entire portfolio was sold in line with its valuation. This is representative of Bagnall's strategy to focus its investment activity on core renewable energy assets.

Company Valuation

In the year to 30 September 2025, the net asset value of Bagnall increased by £97.3m to £520.6m. On a pence per share basis, this equates to an increase of 5.7p, from 147.1p to 152.8p, delivering a total return of 3.9% for the year.



Increase in value / (Decrease) in value / Total

Company Valuation continued

Solar Valuation

The total return from the solar portfolio was £21.6m, contributing 6.9p to the NAV per share for the year. This uplift was supported by the recognition of value as assets progressed through development and construction, alongside continued optimisation across Bagnall's diversified solar platform

Wind Valuation

The total loss from the wind assets across the portfolio was £4.0m, contributing 1.3p decrease to the NAV per share for the year. Driven by materially lower merchant power prices in Finland and Sweden and periods of manual curtailment during negative-price events, which together outweighed strong operational availability and ancillary service income.

Hydropower Valuation

The total return of the hydropower portfolio was £1.3m, contributing 0.4p to the NAV per share over the year. Driven by stable contracted revenues and disciplined cost control, which offset the impact of lower-than-expected water inflows across the Nordic assets.

Other Valuations

The value of Bagnall's other holdings increased by £19.1m, resulting in a positive contribution of 6.2p to the NAV per share over the year. This uplift was primarily driven by the strong market performance of the Company's listed renewable infrastructure holdings, the value of which was crystallised post year end. Further gains arose from continued progress across Bagnall's battery-storage development companies.

Management Fees

Management fees resulted in a £8.8m reduction in value over the year, equating to a 3.1p decrease in the NAV per share. This movement reflects the Company's fee arrangements with its investment manager, which scale with both the size and composition of the portfolio.

Running Costs

Running costs reduced the NAV by £6.9m over the year, equating to a 2.2p decrease per share. This movement reflects the aggregate impact of the Company's running costs, finance costs and foreign exchange movements across the portfolio. These items represent the normal cost of operating and financing a diversified, multi-jurisdictional asset base and are consistent with the ongoing requirements of managing Bagnall's development, construction and operational activities.

Tax

Tax reduced the NAV by £3.7m over the year, equating to a 1.2p decrease per share. This movement reflects the accrual of corporation tax. These tax charges form part of the normal operation of the portfolio and are consistent with the Company's structure.

Fundraising

During the year ended 30 September 2025, Bagnall increased capital by £78.7m, net of redemptions. This takes the total net equity raised to £426.0m since inception.

Company Valuation continued

Outlook

The directors are again pleased with the results for the year ending 30 September 2025. The inflation-linked nature of a substantial portion of the Company's revenues, combined with the continued diversification across technologies and geographies, has supported resilient performance despite varying power-market conditions. At an asset level, the Manager's in-house asset management team remained focused on driving operational excellence throughout the year. One example of this was the successful execution of portfolio-wide optimisation initiatives, including enhanced spare-parts readiness and proactive component replacement strategies, which reduced outage durations and improved availability across several operating assets.

Following the year-end, Bagnall completed the acquisition of Oyadalen, a 7GWh dispatchable hydropower plant in Norway's NO3 price zone. This addition represents the Company's first fully dispatchable hydro asset and enhances the flexibility of its existing run-of-river Nordic portfolio. The Company also continued to deploy capital into its development pipeline, including further investment into the DRD framework, such as a 60MW solar PV project in southern Finland, alongside ongoing commitments to the Yorkshire Water and Southern Water solar programmes.

Bagnall also progressed its CfD-backed ready-to-build strategy, advancing two significant UK solar transactions, both of which are undergoing late-stage due diligence and are expected to form part of the Company's expanding contracted solar portfolio.

Post year end, Bagnall completed the acquisition of Downing Renewables & Infrastructure Trust, strengthening its position in long-term, contracted energy-transition assets across the UK and Nordics. Through this acquisition, Bagnall assumed ownership of DORE's diversified portfolio, which includes Swedish and Icelandic hydropower assets, as well as UK and Northern European solar, wind, and grid-stability infrastructure investments.

The integration of these assets expands Bagnall's footprint across multiple geographies and technologies, enhances its exposure to dispatchable hydro generation, and adds further contracted and regulated cashflows that align with the Company's long-term strategy of building a resilient, income-generative renewable energy platform.

Governance



Board of Directors

Bagnall has four non-executive directors, three of whom are independent from both the day-to-day management of the company and the Manager. The directors hold board meetings at least once a quarter, liaise with the Manager regarding potential opportunities, hold annual strategy reviews with the Manager, and deal with ad hoc issues connected to the management of the portfolio.



James Watson (Non-executive independent director and Chairman)

James is a qualified solicitor who has worked for over 20 years on complicated energy-related transactions and financings. He first worked at Clifford Chance, before moving to the energy infrastructure team at Pinsent Masons. He now heads up an international team of 70 cross-sector legal specialists at international law firm Osborne Clarke, looking at how the energy transition will contribute to decarbonization / net zero in the infrastructure, energy, transport and finance sectors.

As a transactional energy lawyer, he specialises in supporting innovation and transformation in the energy and utilities sector. He advises investors, funds, and banks in developing, investing in and financing projects in the renewables sectors. These include solar, onshore wind, and hydropower, as well as a range of subsectors, such as battery storage, bioenergy, resource management, waste to energy (including RDF/SRF supply and export, anaerobic digestion and biomass), bio fuels, hydrogen, combined heat and power, peaking plant, cleantech, and power management.



Roberto Castiglioni (Non-executive independent director)

Roberto has 25 years' experience in all aspects of the energy sector in the UK and EMEA and is currently CEO and co-founder of the Ikigai Group. In November 2017, after researching the storage and flexibility space for two years, he founded Argonaut Power, one of the first behind-the-meter storage financing platforms in the UK. In 2019 he set up Ikigai and chose to focus the company's strategy on the decarbonisation of the infrastructure sector. This approach draws on his deep understanding of nonrecourse financing and development of traditional and decentralised energy, his knowledge of infrastructure asset owners and operators' challenges, and research into technology advancements in Europe and the US in the field of microgrids. He recently led the development of a portfolio of 2.8GW BESS in Italy and the development of a biomethane platform in Italy.

Roberto was previously the senior investment director at Ingenious Infrastructure, a division of Ingenious Group. During his six years at Ingenious, he was responsible for the estate planning renewable energy funds, managing around £250m worth of investments in solar, wind, anaerobic digestion, combined heat and power, and short-term loans. He also managed Ingenious' £15m Energy Efficiency Fund, sold in 2016, and designed the energy saving arrangements used by the fund.

Board of Directors continued



Javier Cavada Camino (Non-executive independent director)

Javier has more than 20 years of global experience in the energy industry, operating across technology, power generation, lifecycle services, and project development. In January 2022, he became president and CEO of Mitsubishi Power, EMEA, leading the Japanese corporation's energy business in the region and driving its growth by leading on its energy transition

Prior to his current executive role, Javier was the president and CEO of Highview Power, the UK-headquartered leader in long duration energy storage. In 2020, Highview Power raised £60m in growth capital from international investors. Before Highview Power, Javier served 17 years at Wärtsilä as president of the energy division and member of the executive board, leading its transition to renewables and increased energy storage capability, with 70GW installed across 180 countries. Javier is also a board director at Portuguese multinational energy firm Galp, where he oversees its decarbonisation strategy. He is the chairman of Gazelle Wind Power, an offshore wind technology platform headquartered in Ireland, and serves as president of EU Turbines, the European association of turbine technology manufacturers based in Brussels.

Javier holds a PhD degree in industrial engineering and, among other awards, has been recognised as a distinguished alumnus by both the University of Cantabria in Spain, and the University of Liverpool.



Tony McGing (Non-executive director)

Tony is a Partner and CEO of Downing LLP, which he joined in 1992. He has driven its growth from 3 to over 250 staff members. He has carried out various roles throughout his time at Downing, with a particular focus on the development and marketing of new products, as well as sitting on a number of Investment Committees. He previously worked at Kingston Smith, Chartered Accountants, joining in 1986 after graduating from Kings College, London with a degree in maths and management. While at Kingston Smith he focused on auditing small and medium-sized businesses and qualified as a chartered accountant.

Directors' Report

For the year ended 30 September 2025

The directors present their report and the financial statements for the year ended 30 September 2025.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- > select suitable accounting policies for the company's financial statements and then apply them consistently;
- > make judgments and accounting estimates that are reasonable and prudent;
- > prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The company's principal activity during the year was energy generation together with making loans to energy businesses through its trading entities.

Directors

The directors who served during the year were:

J Watson

R Castiglioni

J Cavada Camino

T McGing

Directors' Report continued

For the year ended 30 September 2025

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- > so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- > the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

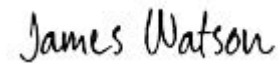
Auditors

Under section 487(2) of the Companies Act 2006, Lubbock Fine LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



James Watson
Chairman

Date: 16 April 2026

Independent Auditor's Report to the Members of Bagnall Energy Limited

Opinion

We have audited the financial statements of Bagnall Energy Limited (the 'Company') For the year ended 30 September 2025, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- > give a true and fair view of the state of the Company's affairs as at 30 September 2025 and of its profit for the year then ended;
- > have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- > have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 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.

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

Independent Auditor's Report to the Members of Bagnall Energy Limited continued

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- > the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- > the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- > adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- > the financial statements are not in agreement with the accounting records and returns; or
- > certain disclosures of directors' remuneration specified by law are not made; or
- > we have not received all the information and explanations we require for our audit; or
- > the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Independent Auditor's Report to the Members of Bagnall Energy Limited continued

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 28, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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:

- > Enquiries of management, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
 - > identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - > detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - > the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations; and
- > Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience of working with entities in similar sectors and this experience was relevant to the discussion about where fraud risks might arise.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Independent Auditor's Report to the Members of Bagnall Energy Limited continued

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Financial Conduct Authority regulations, health and safety regulations, employment law and environmental regulations.

As a result of these procedures we considered the particular areas that were susceptible to misstatement due to fraud were in respect of management override, investment valuation and revenue recognition. Our procedures to respond to risks identified included the following:

- > reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- > enquiring of management concerning actual and potential litigation and claims;
- > performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- > testing the existence of a sample of investments;
- > holding discussions with the investment manager and relevant third parties to ensure we understand the calculations of the fair value of a sample of the investments and can evaluate the fair value of each investment in the sample;
- > reviewing the validity of the inputs incorporated into the fair value calculations of the investments;
- > reading minutes of meetings of those charged with governance;
- > in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- > assessing whether the judgements made in making accounting estimates are indicative of a potential bias;
- > evaluating the rationale of any significant transactions that are unusual or outside the normal course of operations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Independent Auditor's Report to the Members of Bagnall Energy Limited continued

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Green

Matthew Green (Senior Statutory Auditor)

for and on behalf of

Lubbock Fine LLP

Chartered Accountants & Statutory Auditors

Paternoster House

65 St Paul's Churchyard

London

EC4M 8AB

Date: 16 April 2026

Financial Statements



Bagnall Energy Limited

Statement of Comprehensive Income

For the year ended 30 September 2025

	2025	2024
	£'000	£'000
Share of trading loss	(1,882)	(741)
Administrative expenses	(15,798)	(8,039)
Other operating income	15,284	7,716
Operating profit	(2,396)	(1,064)
Gain on disposal of investments in trading entities	–	133
Impairment of investment in trading entities	748	(10,140)
Interest receivable and similar income	14,739	12,922
Interest payable and similar expenses	(1,456)	(9)
Fair value movements on investments in trading entities	10,655	8,899
Profit before tax	22,290	10,741
Tax / Credit on profit	(3,672)	1,984
Profit for the year	18,618	12,725

There were no recognised gains and losses for 2025 or 2024 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2025 (2024: £nil).

The notes on pages 38 to 46 form part of these financial statements.

Bagnall Energy Limited

Balance Sheet

For the year ended 30 September 2025

	Note	2025		2024	
		£'000	£'000	£'000	£'000
Fixed assets					
Investments in trading entities	4		547,069		372,821
			<u>547,069</u>		<u>372,821</u>
Current assets					
Debtors: amounts falling due after more than one year	5	1,238		4,978	
Debtors: amounts falling due within one year	5	19,904		9,518	
Cash at bank and in hand	6	27,505		39,032	
		<u>48,647</u>		<u>53,528</u>	
Creditors: amounts falling due within one year	7	(4,139)		(3,030)	
Net current assets			<u>44,508</u>		<u>50,498</u>
Total assets less current liabilities			591,577		423,319
Creditors: amounts falling due after more than one year			(70,942)		-
Net assets			<u>520,635</u>		<u>423,319</u>
Capital and reserves					
Called up share capital	9		3,408		2,878
Share premium account			150,045		71,880
Revaluation reserve			40,047		29,392
Capital redemption reserve			6		3
Profit and loss account			<u>327,129</u>		<u>319,166</u>
			520,635		423,319

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

James Watson

James Watson
Chairman

Date: 16 April 2026

The notes on pages 38 to 46 form part of these financial statements.

Bagnall Energy Limited

Statement of Changes in Equity

For the year ended 30 September 2025

	Called up share capital	Share premium account	Capital Re- demption reserve	Re- valuation reserve	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 October 2023	2,702	46,516	3	21,525	314,308	385,054
Comprehensive income for the year						
Profit for the year	-	-	-	-	12,725	12,725
Shares issued during the year	176	25,364	-	-	-	25,540
Transfer from profit and loss account	-	-	-	7,867	(7,867)	-
At 1 October 2024	2,878	71,880	3	29,392	319,166	423,319
Comprehensive income for the year						
Profit for the year	-	-	-	-	18,618	18,618
Purchase of own shares	-	-	3	-	-	3
Shares issued during the year	530	78,165	-	-	-	78,695
Transfer to profit and loss account	-	-	-	10,655	(10,655)	-
At 30 September 2025	3,408	150,045	6	40,047	327,129	520,635

The notes on pages 38 to 46 form part of these financial statements.

Bagnall Energy Limited

Notes to the Financial Statements

For the year ended 30 September 2025

1. General information

Bagnall Energy Limited is a private company limited by shares incorporated in England and Wales. Its registered office and principal place of business is 10 Lower Thames Street, London, EC3R 6AF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Income

Included within investments in trading entities are interests in trading partnerships. Income from trading partnership interests is described within the financial statements as share of trading partnership profits, and is recognised once allocated to the partnership.

Included within investments in trading entities are investments in shares of trading entities. Returns from investments in shares in trading entities in respect of priority returns are recognised as income in the Statement of Comprehensive Income if received during the year. Where priority returns are accrued but not received during the year, they are recognised, together with any corresponding impairments, as a movement in the fair value of the investment through the profit and loss account and recognised in the Statement of Comprehensive Income.

2.4 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Bagnall Energy Limited

Notes to the Financial Statements continued

For the year ended 30 September 2025

2. Accounting policies continued

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

2.8 Valuation of investments in trading entities

Investments in trading entities are measured at fair value and managed in accordance with the company's documented policies.

The valuation of an investment upon acquisition is initially deemed to be cost and is measured subsequently at fair value. Fair value movements in the valuation of an investment are taken to the profit and loss account and recognised in the Statement of Comprehensive Income. Any unrealised gains or subsequent losses up to the value of those gains previously recognised at the Balance Sheet date are transferred to the revaluation reserve in the Statement of Changes in Equity.

2.9 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Bagnall Energy Limited

Notes to the Financial Statements continued

For the year ended 30 September 2025

2. Accounting policies continued

2.12 Financial instruments

The Company has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company’s Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company’s cash and cash equivalents, trade and most other debtors due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset’s original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

Bagnall Energy Limited

Notes to the Financial Statements continued

For the year ended 30 September 2025

2. Accounting policies continued

2.12 Financial instruments continued

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other creditors, bank loans and other loans are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss). When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method. Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade creditors are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Bagnall Energy Limited

Notes to the Financial Statements continued

For the year ended 30 September 2025

2. Accounting policies continued

2.12 Financial instruments continued

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

3. Employees

	2025	2024
	£'000	£'000
Wages and salaries	189	92

The average monthly number of employees, including directors, during the year was 4 (2024 - 4).

Bagnall Energy Limited

Notes to the Financial Statements continued

For the year ended 30 September 2025

4. Investments in trading entities

	Investments £'000
Cost	
At 1 October 2024	324,264
Additions	197,375
Disposals	(45,417)
Revaluations	748
At 30 September 2025	476,970
Impairment	
At 1 October 2024	48,557
Charge for the period	21,542
At 30 September 2025	70,099
Net book value	
At 30 September 2025	547,069
At 30 September 2024	372,821

Since the Balance Sheet date, the Company has purchased further investments in trading entities totaling £38,160,129.

5. Debtors

	2025 £'000	2024 £'000
Due within one year		
Trade debtors	1,053	2,723
Other debtors	16,967	6,794
Prepayments and accrued income	1,884	1
	19,904	9,518

Bagnall Energy Limited

Notes to the Financial Statements continued

For the year ended 30 September 2025

5. Debtors continued

	2025	2024
	£'000	£'000
Due after more than one year		
Other debtors	1,238	4,978

6. Cash and cash equivalents

	2025	2024
	£'000	£'000
Cash at bank and in hand	27,505	39,032

7. Creditors

	2025	2024
	£'000	£'000
Due within one year		
Other loans (note 8)	141	-
Trade Creditors	26	-
Other creditors	582	864
Accruals and deferred income	3,390	2,166
	4,139	3,030

	2025	2024
	£'000	£'000
Due after more than one year		
Other loans	70,942	-
	70,942	-

Since the Balance sheet date, the Company has repaid current and non-current loans totalling £48,338,855.

Bagnall Energy Limited

Notes to the Financial Statements continued

For the year ended 30 September 2025

8. Loans

Analysis of the maturity of loans is given below:

	2025 £'000	2024 £'000
Amounts falling due within one year		
Other loans	141	–
Amounts falling due 1-2 years		
Other loans	22,460	–
Amounts falling due 2-5 years		
Other loans	48,482	–
	<hr/>	
	71,073	–
	<hr/>	

9. Share capital

	2025 £'000	2024 £'000
Allotted, called up and fully paid		
340,825,500 (2024 – 287,848,538) Ordinary shares of £0.01 each	3,408	2,878

During the year the Company issued 53,141,059 (2024 – 17,649,775) shares at an average price of 151.3 (2024 – 146.1) pence per share.

Since the Balance Sheet date the company issued 76,360,345 (2024 – 24,518,371) new shares at an average price of 153.8 (2024 – 147.7)

10. Guarantees

The Company has guaranteed bank borrowings by fixed charges and containing a negative pledge over the assets of the Company. At the year end the carrying amount covered by these guarantees totalled £35,566,021 (2024 - £32,009,560).

Bagnall Energy Limited

Notes to the Financial Statements continued

For the year ended 30 September 2025

11. Related party transactions

During the year fees of £8,811,726 (2024 - £5,970,151) were payable to the Manager of the Company. Included within creditors at the Balance Sheet date is an amount of £2,322,166 (2024 - £1,862,522) in relation to fees due to the Manager.

During the year the Company made net withdrawals of £3,224,065 (2024 - £27,596,296) to a partnership in which it has a controlling interest. At the Balance Sheet date the Company had an interest of £Nil (2024 - £3,224,064) in this partnership.

Glossary of Key Terms

Term	Description
BESS	Battery Energy Storage System
BR	Business Relief
CfD	The Contract for Difference is a government backed revenue mechanism that guarantees generators a fixed, inflation-linked strike price for electricity by providing two way payments against the wholesale market price, thereby stabilising long-term income for low-carbon projects.
Company	Bagnall Energy Limited
Compound annual NAV return	This is the change in the Net Asset Value from 28 February 2013 to 30 September 2025.
ESG	Environmental, Social and Governance
FIT	The Feed-in-Tariffs (FIT) scheme is a government programme designed to promote the uptake of renewable and low-carbon electricity generation technologies. Introduced on 1 April 2010, the scheme requires participating licensed electricity suppliers to make payments on both generation and export from eligible installations. The FIT scheme closed to new applications from 1 April 2019.
GO	Guarantee of Origin certificate
Manager	Downing LLP
MWh	Unit of energy
MWp	A rating for the peak power capacity of a system
NAV	Net Asset Value
NIRO	Northern Ireland Renewables Obligation
Portfolio	The assets in which the Company had an equity or debt interest as at 30 September 2025
PPA	Power Purchase Agreement
REGO	Renewable Energy Guarantee of Origin certificates
RO	The Renewable Obligation is one of the main support mechanisms for large-scale renewable electricity projects in the UK. It places an obligation on UK electricity suppliers to source an increasing proportion of the electricity they supply from renewable sources. The RO scheme closed to new applicants on 31 March 2017.
Total annual NAV return	This is the change in the Net Asset Value from 1 October 2024 to 30 September 2025

April 2026

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