

Impax Environmental Markets plc

Monthly performance commentary

For professional investors only. This is a marketing communication. This communication is for informational purposes only and does not constitute investment advice nor an offer or invitation to invest. Not for further distribution.

On 17 March 2026, the Board announced a proposed Exit Tender Offer, which would allow eligible Shareholders to sell up to 100% of their shares at close to the Company's Net Asset Value (NAV) per share. The Board has taken this action after Saba, the Company's largest Shareholder, chose not to tender its shares in the Board's previously proposed Continuation Tender Offer, meaning that the Continuation Tender Offer could not proceed. For more details, please visit [IEM's website](#).



Sanjeev Lakhani
Portfolio Manager

Fotis Chatzimichalakis
Portfolio Manager

Market Review

Global equities as measured by the MSCI All Country World Index (ACWI) in GBP made further gains in February. Investors continued to rotate out of mega-cap technology names, as well as asset-light business models at risk of AI disruption, in favour of so-called "heavy asset, low obsolescence" (HALO) sectors. While a US Supreme Court ruling against President Trump's tariffs, followed by a new 15% global tariff, generated headlines it had limited market impact.

Sector performance diverged sharply. Materials, Consumer Staples and Energy all recorded double digit gains, while Communication Services and Consumer Discretionary Stocks pulled back. The 'Magnificent Seven'¹ recorded another consecutive month of negative returns. Small and mid-caps benefited in this environment, while regionally, Asia Pacific significantly outperformed, driven by the semiconductor rally and strong export data.

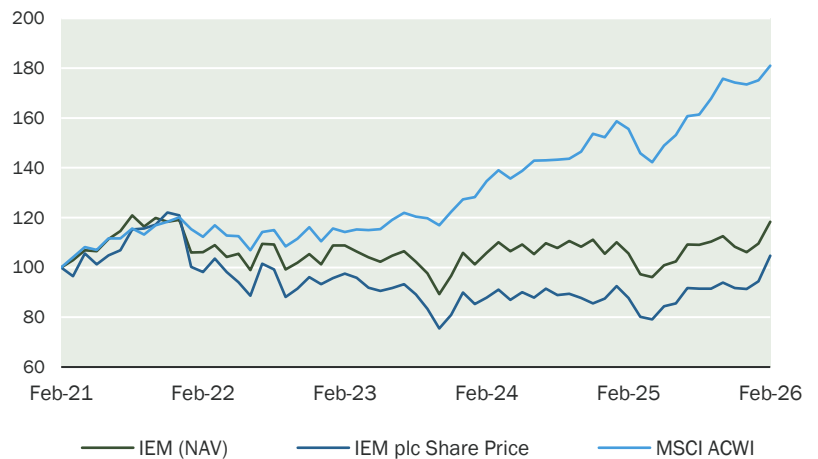
In Environmental Markets, the month saw two significant developments in electrification. French utility **Engie** (not held) agreed to buy UK Power Networks, the country's largest power distribution network. As power grids globally invest in network infrastructure, Engie's CEO underscored the £10.5 billion acquisition's role in the company's "growth trajectory".² In the US, Google announced the development of a data centre complex powered by renewable energy, featuring the world's largest battery storage system capable of providing power for 100 hours.³

Performance

The Impax Environmental Markets plc (IEM) portfolio's Net Asset Value (NAV) delivered a total return of 7.9% in February. By comparison, the MSCI ACWI returned 3.4%. The Solactive GEM Specialists (GEMS) Index, which exists to reflect IEM's opportunity set,⁴ returned 8.7%.

IEM's portfolio was bolstered by the change in market dynamics over the month. Against the ACWI, we benefited from our overweight to Industrials and underweight in Communication Services. Similarly, our overweight and underweight allocations to Europe and the US, respectively boosted relative returns. These dynamics were broadly reflected in our performance against the Solactive opportunity set.

5-YEAR CUMULATIVE PERFORMANCE: REBASED TO 100 AT START



Past performance does not predict future returns. Figures refer to the past and that past performance is not a reliable indicator of future results. There is no guarantee that any forecasts made will come to pass. Benchmark references are selected based on their investment orientations which were deemed comparable to the investment vehicles. The manager is not constrained by the fund's benchmark, which is used for performance comparison purposes only. The specific securities identified and described are for informational purposes only and do not represent recommendations. Holdings subject to change. Date source: Bloomberg as at 28 February 2026. Performance is shown on a bid-to-bid price basis, with net income reinvested, net of ongoing charges and portfolio costs. ¹Microsoft, Amazon, Meta, Apple, Nvidia, Alphabet, Tesla. ²ENGIE announces the acquisition of UK Power Networks, UK's best-in-class electricity distribution network | ENGIE UK | Building low-carbon energy systems of tomorrow. ³<https://finance.yahoo.com/news/google-building-bevy-renewable-energy-075800126.html>. ⁴Refer to Solactive Environmental Markets Index Methodology Disclaimer on page 5.



Impax Environmental Markets plc

Past performance does not predict future returns.

Continued

Broad investor repositioning into so-called HALO stocks resulted in strong contributions across the portfolio from our Industrials and Utilities holdings. In addition, there were multiple earnings updates which further boosted performance. These included several of our companies which are benefiting from a global increase in electrical grid spending, to which we have consciously increased our exposure.

Siemens Energy, a maker of gas and wind turbines, **Schneider Electric**, a supplier of energy infrastructure, and **Generac**, a producer of standby generators all reported robust results. Siemens Energy in particular delivered a strong beat on orders, with management commenting positively about their ability to raise prices going forward. Recent energy price volatility may underscore the need for energy security in the form of both renewables investment and greater grid resilience, which supports demand for both Siemens' Grid Technologies and Renewable Energy divisions.

The portfolio's companies with exposure to data centre revenues also showed continued strength. Elevated levels of capex from mega-cap technology firms are supporting order growth from the likes of **Delta Electronics**, a supplier of power systems, **Littelfuse**, a producer of circuit protection systems, and **KLA**, a semiconductor process yield specialist. Notably, Littelfuse is a relatively new entrant to the data centre space, and market participants have shown greater engagement with this theme ahead of an investor day in May.

Weakness in the portfolio has been limited to a handful of stocks. This includes our natural ingredients holdings, **Borregaard**, **DSM-Firmenich** and **Novonesis**. The sector has come under renewed pressure following weak results from large consumer goods companies and stubborn food price inflation⁵ in the US. This negativity was matched in their own earnings updates, with Borregaard and Novonesis providing uninspiring forward guidance and DSM giving none. DSM also disposed of its Animal Nutrition & Health division on less favourable terms than expected.

Aside from this, we have also seen some profit taking in the market. **Ormat**, a geothermal energy company which delivered strong returns in 2025, and **Repligen**, a bioprocessing specialist, both reported Q4 earnings in February which beat consensus expectations. However, with relatively conservative forward guidance, the shares pulled back after a strong couple of months.

Annualised returns (%)

	3M	1Y	3Y	5Y	10Y	SI ⁶
IEM (NAV)	9.2	12.1	2.8	3.4	11.4	7.4
IEM plc Share Price	14.2	19.2	2.4	0.9	12.1	7.2
MSCI ACWI	3.9	16.3	16.6	12.6	13.4	8.8
Solactive GEM Specialists	11.5	-	-	-	-	-

Rolling 12m returns (%)

	FEB-25 TO FEB- 26	FEB-24 TO FEB- 25	FEB-23 TO FEB- 24	FEB-22 TO FEB- 23	FEB-21 TO FEB- 22	FEB-20 TO FEB- 21	FEB-19 TO FEB- 20	FEB-18 TO FEB- 19	FEB-17 TO FEB- 18	FEB-16 TO FEB- 17
IEM (NAV)	12.1	-0.3	-2.7	2.6	6.1	41.0	11.4	2.1	7.6	43.5
IEM plc Share Price	19.2	0.0	-10.0	-0.6	-1.9	45.2	15.5	10.1	14.7	41.6
MSCI ACWI	16.3	15.6	17.9	1.7	12.3	19.0	8.2	2.7	7.3	36.7
Solactive GEM Specialists	-	-	-	-	-	-	-	-	-	-

Figures refer to the past and that past performance is not a reliable indicator of future results. Benchmark references are selected based on their investment orientations which were deemed comparable to the investment vehicles. The specific securities identified and described are for informational purposes only and do not represent recommendations. Holdings subject to change. Data source: Bloomberg as at 28 February 2026. Performance a bid-to-bid price basis, with net income reinvested, net of ongoing charges and portfolio costs.

⁵<https://www.bls.gov/opub/ted/2026/consumer-prices-up-2-4-percent-over-the-year-ended-january-2026.htm>. ⁶First full month since inception: March 2002.

Impax Environmental Markets plc

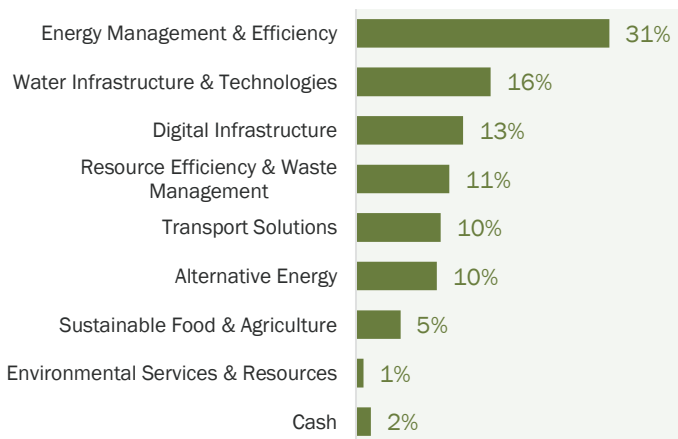
Past performance does not predict future returns.

Significant transactions

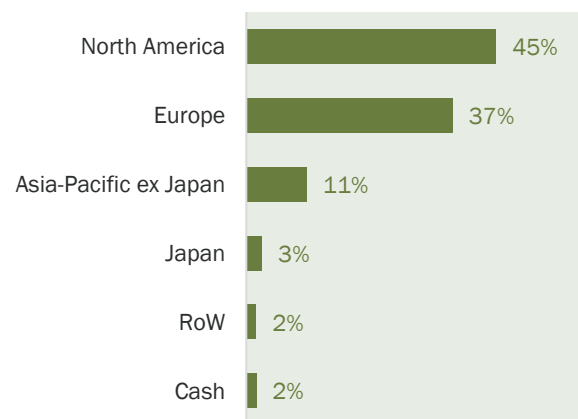
We added two positions to the portfolio in February. **Maruwa** is a Japanese manufacturer of advanced ceramic materials used across automotive, industrial equipment, and telecommunications. The company's vertically integrated ceramics expertise and focus on critical niches within high-growth areas supports strong pricing power and margins.

Keppel DC is a Singaporean real estate investment trust (REIT) which develops, acquires, and manages income-generating data centres. Its assets are integral to the growth in cloud computing, AI, and data storage. Moreover, by incorporating energy-efficient design, renewable energy, and advanced cooling technologies, Keppel is able to help reduce the environmental footprint of data centres.

Environmental markets exposure



Geographical exposure⁷



Top 10 holdings ⁸	Sub-sector	Country ⁹	%
SIEMENS ENERGY AG	Wind Power Generation Equipment	Germany	4.29
AIR LIQUIDE SA	Industrial Energy Efficiency	France	4.22
WASTE CONNECTIONS INC	General Waste Management	United States	3.91
KLA CORP	Water Efficiency	United States	3.03
VEOLIA ENVIRONNEMENT	Water Utilities	France	2.76
SSE PLC	Renewable Energy Developers & IPPs	United Kingdom	2.75
DELTA ELECTRONICS INC	Cloud Computing	Taiwan	2.70
LITTELFUSE INC	Industrial Energy Efficiency	United States	2.42
SCHNEIDER ELECTRIC SE	Smart & Efficient Grids	France	2.39
NOVONESIS (NOVOZYMES) B	Sustainable Agriculture	Denmark	2.28
TOTAL			30.76

The specific securities identified and described do not represent all securities purchased, sold, or recommended for the portfolio, and no assumptions should be made that the securities identified and discussed were or will be profitable.

Data source: Impax/FactSet/Bloomberg. Data as at 28 February 2026. Charts may not add to 100% due to rounding. ⁷Geographic allocation by country of listing. ⁸Holdings are subject to change without notice. ⁹MSCI classification if available.

Impax Environmental Markets plc

Past performance does not predict future returns.

Outlook

It is difficult to write about the near-term economic outlook with great certainty. Investors are caught between the possibility that conflict in Iran continues, perhaps even broadening out further, or there is a swift resolution. Either outcome will impact energy prices, which have risen sharply year to date, driving up inflation expectations and bond yields in turn.

President Trump has publicly gestured towards a possible off-ramp at least twice since the beginning of March. So far, these have reversed market movements only temporarily. Partly, this is because – unlike with tariffs – ending a war is not solely in the President's gift. In addition, energy producing infrastructure – once bombed – cannot instantly be brought back online. Even if Iran opts to let select cargoes through the Strait of Hormuz without an end to the conflict, energy prices are unlikely to recover in full.

In response to this, we have taken several actions. The first was to rebalance our European overweight relative to the US; US energy independence means its economy may be less impacted than that of Europe. We have also trimmed some of our more cyclical European holdings, as well as construction-exposed stocks. However, as long-term investors we have avoided making wholesale, knee-jerk changes to the portfolio.

Donald Trump's tendency to change his mind when the S&P 500 pulls back, means doing so risks being whipsawed by the market. Moreover, over the medium term, higher energy prices have historically encouraged investments in areas such as renewables and energy efficiency, where IEM naturally has more exposure. We have thus taken advantage of volatility to initiate select positions in well understood, high-conviction stocks which look oversold and reduce holdings where valuations or medium-term earnings growth are more challenged.

Important information

Past performance does not predict future returns.

Solactive Environmental Markets Index Methodology Disclaimer

Please note the following important information regarding the Solactive Environmental Markets Index Series (the "Index") and its related documentation. **More information is available upon request.**

The Solactive Environmental Markets Index Series is designed to represent global securities from issuers whose core business activities are meaningfully aligned with Environmental Markets. This alignment is determined based on revenues from products and services that support the transition to a more sustainable economy. Solactive AG acts as the Index Administrator, responsible for the ownership, calculation, and administration of the Index under the Benchmark Regulation (EU) 2016/1011 (BMR).

Key Characteristics and Methodology of the Index

The Index Administrator first identifies the index universe by applying a rule-based process. Each index component is assigned a weight based on its free float market capitalisation. Free float refers to the share class-specific fraction of total shares available for trading by market participants, not locked in by long-term holders. The Index undergoes an ordinary rebalance on a quarterly basis. Index components are subject to minimum eligibility criteria, including but not limited to regional allocation, thematic exposure (assessed by revenue alignment) such as climate, environmental markets, food, water, etc., liquidity, free float. The Index currency for all indices within the Solactive Environmental Markets Index Series is USD.

Corporate actions that significantly impact index components between rebalancing periods are handled by adjusting the index from the cum-day to the ex-day to align with the price effect. Such adjustments are implemented in compliance with the methodology. However, the Index Administrator retains discretion to deviate from standard procedures for complex or unusual events to preserve the index's representativeness. All adjustments are announced on the Index Administrator's website with at least two trading days' notice and cover a wide range of events including cash/stock distributions, splits, mergers, acquisitions, and delistings.

Index Risks:

Impax does not offer any explicit or tacit guarantee or assurance regarding the results from the use of the Index or its level at any specific time.

Errors in the determination process may occur from time to time due to various internal or external reasons and cannot be completely ruled out. Any identified errors are expected to be corrected within a reasonable period.

The determination of the Index may be limited or impaired during periods of illiquid or fragmented markets and market stress, which can lead to inaccurate or delayed prices for one or more index components.

The publication of the Index does not constitute a recommendation for capital investment and does not contain any assurance or opinion from Impax regarding a possible investment in a financial instrument based on the Index.

The methodology of the Index is subject to regular review, at least annually. Changes to the methodology may occur if the underlying market or economic reality changes, or if the current methodology is

based on obsolete assumptions. Such changes will be made in accordance with the Solactive Methodology Policy and announced on the Solactive website. The terms and conditions of the Index may be subject to changes and the Index's calculation method may be subject to change as deemed necessary to prevent obvious errors or to remedy, correct, or supplement incorrect terms and conditions. Impax and the Index Administrator are not obliged to provide information on any such modifications or changes.

The Index Administrator retains the right to deviate from standard corporate action procedures in cases of unusual or complex corporate actions to preserve the comparability and representativeness of the Index.

Whilst the Index Administrator endeavours to ensure the resilience and integrity of its indices, the orderly cessation of the Index may be indicated if the underlying market or economic reality changes substantially, if index rules can no longer be applied coherently, or if the index is no longer used as an underlying value for financial instruments. The Index Administrator maintains guidelines for identifying situations requiring cessation, informing stakeholders, and following procedures for termination or transition to an alternative index.

Impax Environmental Markets plc

Past performance does not predict future returns.

Important information

INVESTMENT OBJECTIVE & POLICY

The Company's objective is to enable investors to benefit from growth in the markets for cleaner or more efficient delivery of basic services of energy, water and waste. Investments are made predominantly in quoted companies which provide, utilise, implement or advise upon technology-based systems, products or services in environmental markets, particularly those of alternative energy and energy efficiency, water treatment and pollution control, and waste technology and resource management (which includes sustainable food, agriculture and forestry).

Shareholders should read the Investment Policy in the Annual Report before investing which is available at: www.impaxenvironmentalmarkets.co.uk. Please refer to IEM's Stewardship Approach for more details.

MARKETING COMMUNICATION

This marketing communication does not include sufficient detail to enable the recipient to make an informed decision. Please refer to the latest Annual Report and KID which set out the investment objective, policy, maximum leverage and principal risk factors faced by the Company.

The value of an investment in the Company, and any income derived from it, may fluctuate and can go down as well as up depending on a number of factors.

The main factors likely to affect future returns from an investment in the Company include:

- Changes in general economic and market conditions **such** as currency exchange rates, interest rates, rates of inflation, industry conditions, tax laws, political events, policy development, technological change and any other factors that may cause price movements, volatility or illiquidity in the market generally.
- Fluctuations in the value of the Company's underlying investments, particularly those investments in companies with small capitalisations and/or unlisted securities, which are likely to be subject to higher valuation uncertainties and liquidity risks than companies with larger capitalisations and other securities listed or traded on a regulated market.
- Events or conditions impacting the Company's investments in companies operating in environmental markets, such as governments altering the regulatory and financial support for environmental improvement, costs of technology not falling or increasing, reduced or deferred capital spending by customers or products or services not being adopted. Increased risks arising from borrowing by the Company. If investment markets fall in value, any borrowing will enhance the level of loss.
- Shares of the Company may trade at a discount or a premium to Net Asset Value for variety of reasons including market sentiment and market conditions. On a sale you could realise less than the Net Asset Value and less than you initially invested.
- Other risks arising from events which are outside of the Company's control, such as the Covid-19 pandemic and the conflict in Ukraine.



Important information

Past performance does not predict future returns.

This document has been issued by Impax Asset Management Limited ("Impax"; FRN: 197008) which is authorised and regulated by the Financial Conduct Authority. Before making any investment decision, please consult full details of the objectives, investment policies and risks in the most recent annual report and/or key information document (KID).

Impax Environmental Markets Plc (the "Fund") is incorporated in England and Wales under the Companies Act 1985 with registered number 4348393 and registered as an investment company. The Fund is classified as an Alternative Investment Fund under Directive 2011/61/EU as onshored into the domestic body of UK legislation ("UK AIFMD"). Impax Asset Management (AIFM) Limited (authorised and regulated by the Financial Conduct Authority FRN: 613534) acts as the Alternative Investment Fund Manager (the "AIFM") and has delegated portfolio management to Impax Asset Management Limited.

This communication is for informational purposes only for the sole use of the intended recipient and does not constitute an offer or invitation to invest in any fund, security, financial instrument or product for which Impax provides investment advisory and/or investment management or any other services. Any data services and information available from public sources used in the creation of this communication are believed to be reliable. Unless stated otherwise the source of all information is Impax as of the date indicated.

This document is solely for the use of (a) "Professional Clients" as defined in the Glossary to the UK Financial Conduct Authority Handbook or (b) to whom it may otherwise lawfully be communicated. It is strictly confidential and must not be distributed onward. The content does not represent and is not intended to constitute advice of any nature nor an investment recommendation or opinion regarding the appropriateness or suitability of any investment or strategy and does not consider the particular circumstances specific to any individual recipient to whom this material has been sent. Any offering is made only pursuant to the relevant offering document and the relevant subscription application, of all which must be read in their entirety. Prospective investors should review the offering memorandum, including the risk factors in the offering memorandum, before making a decision to invest.

Impax Asset Management makes its investment and related decisions pursuant to its independently determined policies and practices that seek to serve the risk management objectives and interests of its investors. Any and all engagement by Impax Asset Management with issuers and other market participants on sustainability issues are pursuant to, and consistent with, those independently determined policies and practices.

Performance

This document contains information on the past performance of the Fund. Past performance does not predict future returns. Information on past performance refers to the past and past performance is not a reliable indication of future performance. This also applies to historical market data. The performance data does not take into account the commissions and costs incurred on the issue and redemption of units. The annual investment management charge and other charges are generally deducted from income, although a portion may be deducted from capital of the trust. Where charges are deducted from capital, the potential for capital growth will be reduced. If the currency in which the past performance is displayed

differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency. Investments in funds are subject to risk. It is important to choose a fund that does not exceed the risk level you are prepared to accept. Portfolio characteristics, including specific holdings, country, sector and industry exposure, are as of the date indicated and are subject to change without notice. Portfolio characteristics illustrate the application of Impax's investment style only and should not be considered a recommendation by Impax. The money invested in a fund can increase and decrease in value and there is no guarantee that you will get back the full amount invested.

Benchmark

Impax uses the MSCI ACWI index and Solactive GEM Specialists as indicative benchmarks for its strategies. The MSCI ACWI captures all sources of equity returns across 23 developed and 26 emerging markets and assumes any net cash distributions, including dividends, are reinvested. Information about the Solactive Benchmark can be found in the methodology section.

The information and any opinions contained in this document have been compiled in good faith, but no representation or warranty express or implied, is made to their accuracy, completeness or correctness. Impax, its officers, employees, representatives and agents expressly advise that they shall not be liable in any respect whatsoever for any loss or damage, whether direct, indirect, consequential or otherwise however arising (whether in negligence or otherwise) out of or in connection with the contents of or any omissions from this document.

Distribution of this communication and the availability of the Fund is restricted. It is important that potential investors are able to ensure compliance with regulations prior to making a subscription. Please refer to the offering documentation for additional information. The most recent annual report and/or key information document (KID) of the Fund are available in English at <https://impaxenvironmentalmarkets.co.uk>, free of charge. Before any subscription, it is recommended that you read carefully the latest financial reports published by the Fund.

Potential investors should consult with their professional advisers in relation to the tax treatment of their holdings. Please note that the dividends/interest which the Fund may receive may be subject to withholding taxes. The tax treatment depends on the individual circumstances of each investor. Impax does not provide legal or tax advice.

In the United Kingdom, this material is a financial promotion and has been approved by Impax Asset Management Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority.

Impax is trademark of Impax Asset Management Group Plc. Impax is a registered trademark in the UK, EU, US, Hong Kong, Canada, Japan and Australia. © Impax Asset Management LLC, Impax Asset Management Limited and/or Impax Asset Management (Ireland) Limited. All rights reserved.