

INVESTMENT CASE

Here are four compelling reasons to invest in Foresight.



1 | OUR RESPONSIBLE APPROACH TO INVESTMENT

For us, investing isn't just about backing companies and their progress. It's about the wider world and the positive impact we can have on it. As a sustainable growth investor, we invest in innovation, back promising smaller companies and make complex investment products accessible. This is how we're creating a sustainable legacy.

READ MORE

See pages 10 and 11



2 | DIVERSIFIED PORTFOLIO, GROWING MARKETS

Foresight consistently raises funds from a diverse investor base. More than 200 institutional and c.29,000 retail investors from across the globe choose Foresight, due to our strong track record of performance and proven access to quality investment opportunities in growing markets, across both private and public investment vehicles.

READ MORE

See pages 12 and 13

Investing for a smarter future is what we have been doing for more than 35 years.

3 | DELIVERING ON TARGETS

In our first year post-listing, we achieved our target AUM growth organically, delivered high-quality recurring revenues in line with our stated range, grew Core EBITDA pre-SBP by 33% and improved our Core EBITDA margin to 37%. Post period end we completed our first strategic acquisition, adding c.£275 million of AUM and pushing our Private Equity AUM through £1.2 billion.

READ MORE

See pages 14 and 15



4 | OUR CULTURE AND PEOPLE

Our people are our most important asset. They drive the business forward, powering our growth through their knowledge, experience and ambition. In our employee survey, our employees stated that the people are the best reason to work at Foresight and that the culture is one of the key reasons people stay with us.

READ MORE

See pages 16 and 17



INVESTMENT CASE CONTINUED

1 | OUR RESPONSIBLE APPROACH TO INVESTMENT

We're contributing to the creation of a resilient, decarbonised world and aim to deliver high-quality jobs that will power tomorrow's economy.



We have a strong track record of sustainability and ESG-focused investment that is responsive to investor demand

A+, A+, A
PRI SCORES IN 2021¹



100% of Infrastructure funds are Article 8 or Article 9 under SFDR.¹

Foresight Infrastructure's investment strategies are focused on investment in, and management of, a range of assets in the renewable energy, energy transition, social and core infrastructure sectors.

These assets can be optimised, in terms of their operational and financial performance, and actively managed over the long term.

When considering such investment strategies, Foresight Infrastructure evaluates the assets against five criteria to ensure the investments meet the Group's values and approach to sustainable investing. See Business Review: Infrastructure on page 26 for more details.

Bespoke sustainable investment policy

FCM has a specific objective to mobilise capital towards sustainable goals. The team's sustainable investment process is founded on research to maximise each fund's real-world climate impact. Sustainability is embedded into the investment research, capital allocation and day-to-day running of each fund.

FCM leverages the Group's existing private market sustainability expertise – as direct asset owners of forests, recycling plants, healthcare companies and renewable energy facilities, for example – providing the team with expert private market insight across the sustainable investment spectrum. The team also analyses prospective holdings through a double materiality lens, focusing on a company's operational footprint while also assessing the environmental and social impacts of the products and services that the company provides.

1. Correct as of June 2022.



Investment philosophy



We act conscientiously



We invest responsibly



We value sustainable, attractive returns

1,050+ jobs created across the Foresight Regional Investment Fund (“FRIF”) portfolio

Our regional private equity strategy allows us to play an active part in levelling the playing field across the UK economy, by empowering SMEs and supporting them with their growth ambitions. This way, the full potential of all regions across the UK can be realised.

Additionally, we actively encourage our portfolio companies to make positive local, societal impacts by adopting ESG strategies. We believe that taking this approach will deliver greater returns for our investors over the longer term and will create more successful, sustainable businesses.

Read more on pages 34 to 41



1. Based on internal assessments.

INVESTMENT CASE CONTINUED

2 | DIVERSIFIED PORTFOLIO, GROWING MARKETS

We align our investment strategies to the key themes shaping societies and the planet to benefit our investors and future generations.



Specialist investment capabilities in large and thematically growing, difficult-to-access markets

337

INFRASTRUCTURE ASSETS

131

PRIVATE EQUITY PORTFOLIO COMPANIES

35+

RETAIL AND INSTITUTIONAL SOLUTIONS

Diverse investor base

Foresight consistently raises funds from a diverse investor base, currently comprising 200+ institutional investors across 21 solutions and over 29,000 retail investors across 16 solutions. We have clients across the globe who choose Foresight due to our strong track record of performance and proven access to quality investment opportunities in growing markets through both private and public investment vehicles.

59%

INSTITUTIONAL AUM

41%

RETAIL AUM

Demand for net zero

The world is at a pivotal point in its history. Countries and companies are responding by transitioning to a carbon neutral way of working and living using innovative methods and technologies to find a better way to do things. This change is essential and valuable. As a sustainably led investor, Foresight is particularly well positioned to facilitate this change. For example, we anticipate that the demand for carbon credits will grow 100x by 2050, as UK corporates navigate their way to net zero. Our listed forestry fund, through its afforestation activity, will be a net creator of carbon credits.





Globalisation

Foresight invests across ten countries, with a physical presence in six. Every country is at a different stage on its energy transition journey and we utilise our experience and depth of market knowledge to invest in the right opportunities when they arise. This year we materially expanded our European investor base, driven by the successful FEIP fundraise, and launched our first non-UK PE fund post period end, with the sustainability-focused AIB Foresight Impact Fund.

We continue to actively seek further opportunities to expand our footprint and create additional access to international funds and assets for investors.



Levelling up

The UK Government remains supportive of driving investment in businesses throughout the UK regions, in partnership with institutions such as the British Business Bank. The Chancellor of the Exchequer has also encouraged local government pension schemes to invest more locally, creating meaningful macro tailwinds for our regional private equity strategy. Foresight has long recognised the potential of local SMEs, building a reputation for excellence and an extensive network in the regional business communities in which we operate. As a market leader in this space, Foresight is well positioned to capture its fair share of future funding opportunities.



Certified carbon neutral company



c.£50bn

In-year estimated UK capital investment by 2030 in the Balanced Net Zero Pathway

5x

increase in solar capacity by 2035

April 2022 UK Government energy security strategy

INVESTMENT CASE CONTINUED

3 | DELIVERING ON TARGETS

At Foresight, we understand that delivering the critical changes the planet needs doesn't mean having to compromise on financial performance.



Able to raise funds consistently from a diverse investor base

44%

THREE-YEAR AUM CAGR

GREW AUM BY

£1.6bn

IN FY22

In our first full year post-listing we met our target AUM growth organically.

We completed our largest-ever single fund institutional fundraise, closing 70% ahead of target with €851.4 million for Foresight Energy Infrastructure Partners ("FEIP").

We launched our first natural capital-focused investment trust on the LSE, Foresight Sustainable Forestry Company, raising gross proceeds of £130 million.

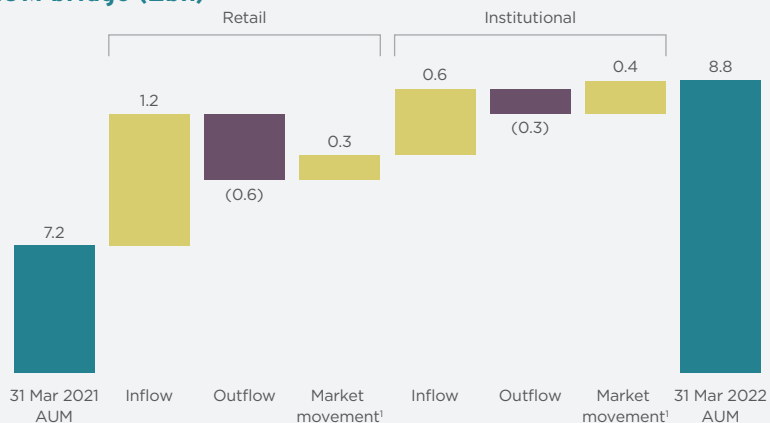
Net retail fundraising totalled £598 million, with OEICs reaching £1.6 billion AUM.

We delivered high-quality recurring revenues in line with our stated 85-90% target range.

The contribution from predictable Management, Secretarial and Directors' fees in FY22 was 86.9%.

Performance of the Group's first North West fund, Foresight Regional Investment Fund ("FRIF"), has exceeded expectations after three exits, delivering a cash return of 1.8x with 14 portfolio companies remaining. This has generated performance fees in H2 FY22 but does not change our target recurring revenue range.

AUM bridge (£bn)



Key: Retail includes OEICs and tax-advantaged products.

1. Includes dividend payments.



Recurring revenues and strong margins with low capital intensity

37.0%

CORE EBITDA PRE-SBP MARGIN

86.9%

RECURRING REVENUE

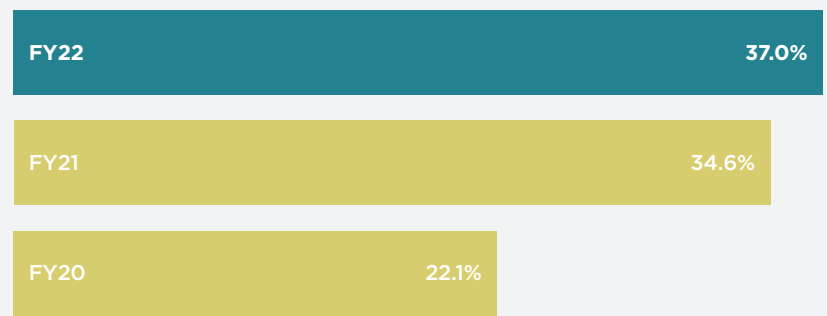
We grew Core EBITDA pre-SBP by 33% and improved our Core EBITDA margin to 37%.

Core EBITDA pre-SBP grew to £31.8 million, reflecting the growth of the business, maintenance of fee margins and careful management of the cost base.

We are continuing our journey to a targeted Core EBITDA pre-SBP margin of 43% over the medium term, benefiting from operational gearing and performance fees in the period.

Post period end we completed our first strategic acquisition, creating a market-leading ventures proposition and adding approximately £275 million of AUM increasing our Private Equity business to over £1.2 billion AUM.

Margin progression



Core EBITDA pre-SBP margin.

INVESTMENT CASE CONTINUED

4 | OUR CULTURE AND PEOPLE

Foresight's culture supports our expertise, creating bright ideas and informed decision making.



An experienced specialist team delivering strong returns

c.150

INVESTMENT, PORTFOLIO AND TECHNICAL PROFESSIONALS

"The work is fast-paced, an entrepreneurial attitude is encouraged and there is a culture of working collegiately."

Chris Wardle,
Director, Private Equity

Our sustainable culture

Sustainability is at the core of Foresight's investment approach and it also drives how we think about our people, who are our biggest and most important asset.

Our team are innovative, passionate and look to challenge the norm and improve on what has been done before. We welcome that each employee can bring a unique perspective to the workplace. We aim to foster a collaborative culture, where everyone has a voice – from our most junior team members through to our Executive Committee.

"It is great to work within a team which encourages taking an entrepreneurial mindset and is always open to considering new ideas or approaches."

Anouska Morjaria,
Investment Manager

As we continue to grow, both organically and through acquisitions, we are focused on creating and maintaining a sustainable culture. This year, we worked with our employees to reimagine our Employee Value Proposition ("EVP"). We wanted to ensure we understood and were aligned with our people and their goals, as well as our stated strategic objectives.

Our EVP

**SUCCEED
TODAY.
SHAPE
TOMORROW.**

Growth that lasts

The experience people get from making things happen here will last a lifetime

Impact that inspires

You can create a positive, tangible impact on society and the planet

Culture that empowers

You can take ownership of your ideas and turn them into results



Our values

The focus over the next 12 months will be to embed our four core values; Sustainable Impact, Achieve with Ambition, Relationships with Integrity, and Collective Success.

Connecting with our people

We recognise that effective communication is critical to our success and have developed several channels to allow open and honest communication.

We run Foresight Connect sessions throughout the year, which supplement the quarterly All Company Meetings (“ACMs”) hosted by our Chairman. The ACMs also have speakers from around the business who share compelling stories, from fund launches to new investments and team successes that inspire employees across all departments, helping to build a feeling of collective success.

Our annual engagement survey provides us with qualitative and quantitative data, enabling us to work with our people to shape Foresight for future success. In 2022 we achieved an overall engagement score of 83%, from an 86% participation rate, with 87% of staff saying that they were proud to work at Foresight. Additionally, we have an Employee Forum, chaired by our designated NED for workforce engagement and a Partner from the senior leadership team. This forum has a representative from each grade and area within the business and its purpose is to help cultivate and maintain the sustainable culture we are building at Foresight, with a direct line to the Board.

Leading our people

We lead with ambition from the senior leadership team right throughout the business. Our executive leadership coaching for the senior management team at Foresight continues to have a positive impact and ensures a consistent focus on the people at Foresight. It facilitates building relationships with integrity throughout the business.

Inclusive leadership training has been rolled out over the last year, which ensures that our leaders actively coach their teams and have the tools and skills to do this in an inclusive way.

Over the next 12 months, we will be working to develop our leadership pathway, to train and support managers over the course of their career at Foresight.

Sustainable impact 


Creating tangible impact that has long-term benefits and shared values

Achieve with ambition 

Executing, achieving our best and delivering results

Relationships with integrity 

Maintaining good relationships by earning and keeping trust

Collective success 

Getting there together