

Appendices to the financial statements

Alternative performance measures

In reporting financial information, the Group presents alternative performance measures (“APMs”), which are not defined or specified under the requirements of IFRS.

The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional useful information on the underlying trends, performance and position of the Group and are consistent with how business performance is measured internally. The alternative performance measures are not defined by IFRS and therefore may not be directly comparable with other companies’ alternative performance measures.

Core EBITDA pre share-based payments (“SBP”)

The Group uses Core EBITDA and Core EBITDA pre-SBP as two of its key metrics to measure performance because it views these as the closest profitability number comparable to the Group’s recurring revenue model (i.e. a cash profit number after removing/adjusting for any one-offs, both positive and negative). Core EBITDA pre-SBP is shown as the Group considers that there is no cash alternative to the share-based payments and due to the variability from its fair value measurement. Core EBITDA and Core EBITDA pre-SBP may not be comparable to other similarly titled measures used by other companies, and they have limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of the Group’s operating results as reported under IFRS.

Non-underlying items

The Group has chosen to present a measure of profit and earnings per share which excludes certain items, that are considered non-underlying and exceptional due to their size, nature or incidence, and are not considered to be part of the normal operations of the Group. This is as a result of the financial effect of non-underlying items relating to business combinations (more specifically remuneration for post-combination services), acquisition-related costs, fair value gains on contingent consideration and gain on business combination. In respect of remuneration for post-combination services, these are deferred consideration payments to sellers that are contingent on the recipients remaining employees of the Group which are exceptional due to both their size and their nature. The Group believes that the separate disclosure of these items provides additional useful information to users of the financial statements to enable a better understanding of the Group’s underlying financial performance.

Definitions and reconciliations

In line with the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (“ESMA”), we have provided additional information on the APMs used by the Group below, including full reconciliations back to the closest equivalent statutory measure.

Appendices to the financial statements continued

Alternative performance measures continued

Definitions and reconciliations continued

APM	Closest equivalent IFRS measure	Reconciling items to IFRS measure	Definition and purpose
Financial measures derived from the financial statements			
Statement of Comprehensive Income measures			
Recurring revenue	Revenue	Refer to definition, note 4 to the financial statements and note A1	Recurring revenue is management fees, secretarial fees (including administration) and directors' fees. The Group believes that recurring revenue may provide prospective investors with a meaningful supplemental measure to evaluate the stability and quality of earnings.
Recurring revenue %	None	Refer to definition and note A2	Recurring revenue % is recurring revenue divided by total revenue.
Core EBITDA	None	Refer to definition and notes A3 and A7	Key metric to measure performance because the Group views this as the closest profitability number comparable to the Group's recurring revenue model (i.e. a cash profit number after removing/adjusting for any one-offs, both positive and negative).
Core EBITDA pre share-based payments ("SBP")	None	Refer to definition and notes A3 and A7	Core EBITDA pre-SBP is shown as the Group considers that there is no cash alternative to the share-based payments and due to the variability from its fair value measurement. It is calculated by adding back share-based payments to Core EBITDA. A reconciliation of the above measures is shown in note A3.
Core EBITDA pre-SBP margin (%)	None	Refer to definition and note A4	Core EBITDA pre-SBP divided by total revenue.
Core EBITDA reconciling items	None	Refer to definition and note A5	Core EBITDA reconciling items is calculated as the sum of the adjustments made to Core EBITDA pre-SBP before tax. A reconciliation of the above measures is shown in note A5.
Non-underlying items	None	See note 8 to the financial statements and note A6	Items which are not considered part of the normal operating costs of the business, are non-recurring and considered exceptional because of their size, nature or incidence, are treated as non-underlying items and disclosed separately. The Group believes that the separate disclosure of these items provides additional useful information to users of the financial statements to enable a better understanding of the Group's underlying financial performance. An explanation of the nature of the items identified as non-underlying is provided in note 8 to the financial statements, and in a full reconciliation to Core EBITDA as per note A7.
Before non-underlying items profit and total comprehensive income	Profit and total comprehensive income	Refer to definition, Statement of Comprehensive Income and note A7	Total profit and comprehensive income excluding non-underlying items as shown in the Statement of Comprehensive Income and reconciled to Core EBITDA as per note A7.

Appendices to the financial statements continued

Alternative performance measures continued

Definitions and reconciliations continued

APM	Closest equivalent IFRS measure	Reconciling items to IFRS measure	Definition and purpose
Financial measures derived from the financial statements			
Statement of Comprehensive Income measures			
Earnings per share before non-underlying items	Earnings per share	Non-underlying items, note 13 to the financial statements and note A8	Profit for the period before non-underlying items attributable to Ordinary Shareholders divided by weighted average number of shares in issue during the period.
Adjusted profit before non-underlying items	Profit	Refer to definition, Statement of Comprehensive Income and note A9	Before non-underlying items profit and total comprehensive income with any impairment and associated deferred tax credit added back for the purposes of the calculating the Group dividend.
Dividend payout ratio	None	Refer to definition, before non-underlying items profit and total comprehensive income and note A10	The dividend payout ratio is the ratio of the total amount of dividends paid out to Ordinary Shareholders divided by adjusted profit for the period attributable to Ordinary Shareholders before non-underlying items relative to the same period.
Dividend payout	None	Refer to definition and note A11	Total dividend paid or proposed for the period to Ordinary Shareholders divided by the total number of shares at the end of the relative period. The Group believes that the separate disclosure of the dividend payout per share provides additional useful information on the dividends paid and proposed.
Financial measures not derived from the financial statements			
Funds Under Management ("FUM")	None	Refer to definition	The Group's Funds Under Management, being the NAV of the funds managed plus the capital that the Group is entitled to call from investors in the funds pursuant to the terms of their capital commitments to those funds. FUM is calculated on a quarterly basis.
Assets Under Management ("AUM")	None	Refer to definition	The Group's assets under management, being the sum of: (i) FUM; and (ii) debt financing at Infrastructure Fund level and at the asset level of these Infrastructure Funds at a period end. AUM is calculated on a quarterly basis.
AUM growth %	None	Refer to definition and note A12	AUM at current period end less AUM at prior period end divided by AUM at prior period end as per note A12.

Appendices to the financial statements continued

Alternative performance measures continued

A1. Recurring revenue

Amounts shown below are derived from note 4 to the financial statements.

	31 March 2024 £000	31 March 2023 £000
Management fees	115,580	97,373
Secretarial fees	3,152	2,719
Directors' fees	3,640	3,116
	122,372	103,208

A2. Recurring revenue %

Amounts shown below are derived from note 4 to the financial statements.

	31 March 2024 £000	31 March 2023 £000
Recurring revenue	122,372	103,208
Divided by total revenue	141,326	119,155
Recurring revenue %	86.6%	86.6%

A3. Core EBITDA and Core EBITDA pre share-based payments ("SBP")

The specific items excluded from Core EBITDA and Core EBITDA pre-SBP are the amounts included in non-underlying items and other non-recurring items. Non-recurring items are non-trading or one-off items disclosed separately below, where the quantum, nature or volatility of such items are considered by the Directors to otherwise distort the underlying performance of the Group. The Group has assessed that the following items as either non-underlying items or non-recurring items for the purposes of calculating Core EBITDA and Core EBITDA pre-SBP:

- Gain on business combination which is non-recurring
- Acquisition-related costs: these are costs related to acquisitions in the period (see note 7)
- Staff costs - acquisitions, being the expense of consideration from the acquisition of Infrastructure Capital which has the requirement of continued employment plus non-recurring staff bonuses related to the acquisitions (see note 8)
- All depreciation and amortisation costs are added back, including amortisation arising on intangible assets (customer contracts)
- Impairments of non-financial assets, including impairments of intangible assets (customer contracts)
- Non-operational staff costs: staff advances and redundancy payments expensed have been added back as these are not deemed to reflect the core underlying performance of the business
- Profits or losses on disposal of fixed assets are added back as these are classed as non-recurring
- Fair value gains/(losses) on contingent consideration (incl. finance expense). This gain or loss is also related to contingent consideration arising from acquisitions
- All financing and taxation costs are added back
- Foreign exchange gains or losses on balances arising from acquisitions, including a foreign exchange gain on the share issuance, a foreign exchange loss on the transfer of the Infrastructure Capital cash consideration and a foreign exchange loss on the intangible asset and associated deferred tax liability recognised on the acquisition of Infrastructure Capital

Appendices to the financial statements continued

Alternative performance measures continued

A3. Core EBITDA and Core EBITDA pre share-based payments ("SBP") continued

A reconciliation of net profit after other comprehensive income to Core EBITDA and Core EBITDA pre-SBP is set out below:

	31 March 2024 £000	31 March 2023 £000
Net profit after other comprehensive income	24,755	20,905
Gain on business combination	(16)	—
Acquisition-related costs	—	3,721
Staff costs – acquisitions (excluding share-based payments)	427	3,153
Redundancy payments	1,615	—
Non-operational staff costs	740	760
Amortisation in relation to intangible assets (customer contracts)	3,211	2,414
Depreciation and amortisation (excluding amortisation in relation to intangible assets (customer contracts))	3,227	2,800
Impairment of intangible assets (customer contracts)	2,895	—
Loss/(profit) on disposal of tangible fixed assets	5	(10)
Finance income and expense (excluding fair value gain on derivatives)	(311)	733
Fair value gains on contingent consideration (incl. finance expense)	(190)	(327)
Foreign exchange – administrative expenses	—	(782)
Foreign exchange – translation differences on foreign subsidiaries	1,331	2,436
Tax on profit on ordinary activities	7,878	3,696
Core EBITDA	45,567	39,499
Share-based payments	13,730	10,659
Core EBITDA pre-SBP	59,297	50,158

A4. Core EBITDA pre-SBP margin

	31 March 2024 £000	31 March 2023 £000
Core EBITDA pre-SBP (see note A3)	59,297	50,158
Divided by total revenue (see note A2)	141,326	119,155
Core EBITDA pre-SBP margin %	42.0%	42.1%

Appendices to the financial statements continued

Alternative performance measures continued

A5. Core EBITDA reconciling items

	31 March 2024 £000	31 March 2023 £000
Gain on business combination	(16)	—
Acquisition-related costs	—	3,721
Staff costs - acquisitions (excluding share-based payments)	427	3,153
Redundancy payments	1,615	—
Non-operational staff costs	740	760
Amortisation in relation to intangible assets (customer contracts)	3,211	2,414
Depreciation and amortisation (excluding amortisation in relation to intangible assets (customer contracts))	3,227	2,800
Impairment of intangible assets (customer contracts)	2,895	—
Loss/(profit) on disposal of tangible fixed assets	5	(10)
Finance income and expense (excluding fair value gain on derivatives)	(311)	733
Fair value gains on contingent consideration (incl. finance expense)	(190)	(327)
Foreign exchange - administrative expenses	—	(782)
Foreign exchange - translation differences on foreign subsidiaries	1,331	2,436
Tax on profit on ordinary activities	7,878	3,696
Share-based payments	13,730	10,659
	34,542	29,253
Less tax on profit on ordinary activities	(7,878)	(3,696)
Core EBITDA reconciling items (note 5)	26,664	25,557

A6. Non-underlying items

Items which are not considered part of the normal operations of the business, are non-recurring or are considered exceptional because of their size, nature or incidence, are treated as non-underlying items and disclosed separately. Further details of non-underlying items are included in note 2c, note 8 and in the Strategic Report on page 51.

	31 March 2024 £000	31 March 2023 £000
Administrative expenses (see note 6)		
Staff costs - acquisitions	11,947	12,667
Other administration costs - foreign exchange	—	(782)
	11,947	11,885
Acquisition-related costs (see note 7)		
Legal and professional costs in respect of acquisition of Infrastructure Capital	—	3,121
Legal and professional costs in respect of acquisition of Downing's technology ventures business	—	452
Other legal and professional costs	—	148
	—	3,721
Fair value gains on contingent consideration (incl. finance expense)	(190)	(327)
Gain on business combination	(16)	—
Total non-underlying items	11,741	15,279

Appendices to the financial statements continued

Alternative performance measures continued

A7. Summary Statement of Comprehensive Income and Core EBITDA and before non-underlying items reconciliation

	31 March 2024			31 March 2023		
	Before non-underlying items £000	Non-underlying items ¹ £000	Total £000	Before non-underlying items £000	Non-underlying items ¹ £000	Total £000
Revenue	141,326	—	141,326	119,155	—	119,155
Cost of sales	(7,304)	—	(7,304)	(6,303)	—	(6,303)
Gross profit	134,022	—	134,022	112,852	—	112,852
Administrative expenses	(88,992)	(11,947)	(100,939)	(70,630)	(11,885)	(82,515)
Acquisition-related costs	—	—	—	—	(3,721)	(3,721)
Operating profit	45,030	(11,947)	33,083	42,222	(15,606)	26,616
Gain on business combination	—	16	16	—	—	—
Other non-operating gains and losses	1,023	190	1,213	378	327	705
Profit on ordinary activities before taxation	46,053	(11,741)	34,312	42,600	(15,279)	27,321
Tax on profit on ordinary activities	(7,878)	—	(7,878)	(3,696)	—	(3,696)
Profit	38,175	(11,741)	26,434	38,904	(15,279)	23,625
Other comprehensive income						
Translation differences on foreign subsidiaries	(1,679)	—	(1,679)	(2,720)	—	(2,720)
Total comprehensive income	36,496	(11,741)	24,755	36,184	(15,279)	20,905
Adjustments:						
Gain on business combination	—	(16)	(16)	—	—	—
Acquisition-related costs	—	—	—	—	3,721	3,721
Staff costs - acquisitions (excluding share-based payments)	—	427	427	—	3,153	3,153
Redundancy payments	1,615	—	1,615	—	—	—
Non-operational staff costs	740	—	740	760	—	760
Amortisation in relation to intangible assets (customer contracts)	3,211	—	3,211	2,414	—	2,414

Appendices to the financial statements continued

Alternative performance measures continued

A7. Summary Statement of Comprehensive Income and Core EBITDA and before non-underlying items reconciliation continued

	31 March 2024			31 March 2023		
	Before non-underlying items £000	Non-underlying items ¹ £000	Total £000	Before non-underlying items £000	Non-underlying items ¹ £000	Total £000
Depreciation and amortisation (excluding amortisation in relation to intangible assets (customer contracts))	3,227	—	3,227	2,800	—	2,800
Impairment of intangible assets (customer contracts)	2,895	—	2,895	—	—	—
Loss/(profit) on disposal of tangible fixed assets	5	—	5	(10)	—	(10)
Finance income and expense (excluding fair value gain on derivatives)	(311)	—	(311)	733	—	733
Fair value gains on contingent consideration (incl. finance expense)	—	(190)	(190)	—	(327)	(327)
Foreign exchange on acquisitions	1,331	—	1,331	2,436	(782)	1,654
Tax on profit on ordinary activities	7,878	—	7,878	3,696	—	3,696
Core EBITDA	57,087	(11,520)	45,567	49,013	(9,514)	39,499
Share-based payments	2,210	11,520	13,730	1,145	9,514	10,659
Core EBITDA pre-SBP	59,297	—	59,297	50,158	—	50,158

1. See note A6.

Appendices to the financial statements continued

Alternative performance measures continued

A8. Earnings per share before non-underlying items

	31 March 2024 £000	31 March 2023 £000
Earnings		
Profit before non-underlying items for the period for the purpose of basic and diluted earnings per share before non-underlying items (see note A7)	38,175	38,904

Weighted average number of Ordinary Shares and earnings per share are derived from note 13 to the financial statements.

	31 March 2024 '000	31 March 2023 '000
Number of shares		
Weighted average number of Ordinary Shares for the purpose of basic earnings per share	115,978	112,577
Weighted average number of Ordinary Shares for the purpose of diluted earnings per share	119,069	114,304

	31 March 2024 pence	31 March 2023 pence
Earnings per share before non-underlying items		
Basic	32.9	34.6
Diluted	32.1	34.0

A9. Adjusted profit for the period before non-underlying items

	31 March 2024 £000	31 March 2023 £000
Profit for the period attributable to Ordinary Shareholders before non-underlying items (see note A7)	38,175	38,904
Adjusted for:		
Impairment of intangible assets (customer contracts)	2,895	—
Deferred tax on impairment of intangible assets (customer contracts)	(724)	—
Adjusted profit for the period attributable to Ordinary Shareholders before non-underlying items	40,346	38,904

A10. Dividend payout ratio

All dividends are derived from note 29 except for the proposed final dividend for the year ended 31 March 2024, which has not yet been paid.

	31 March 2024 £000	31 March 2023 £000
Interim dividend paid	7,765	5,348
Proposed final dividend	18,022	18,022
	25,787	23,370
Divided by adjusted profit for the period attributable to Ordinary Shareholders before non-underlying items (see note A9)	40,346	38,904
Dividend payout ratio	64%	60%

Appendices to the financial statements continued

Alternative performance measures continued

A11. Dividend payout

All dividends are derived from note 29 except for the proposed final dividend for the year ended 31 March 2024 which has not yet been paid.

	31 March 2024 £000	31 March 2023 £000
Interim dividend paid	7,765	5,348
Final dividend proposed	18,022	18,022
	25,787	23,370
Divided by total number of shares (note 28)	116,271	116,271
Dividend payout	22.2	20.1

A12. AUM growth %

	31 March 2024 £000	31 March 2023 £000
AUM at current period end	12.1	12.2
Less AUM at prior period end	(12.2)	(8.8)
	(0.1)	3.4
Divided by AUM at prior period end	12.2	8.8
AUM growth %	(0.2%)	38%

Note the % has been subject to a rounding adjustment.

Appendices to the financial statements continued

Related undertakings

The Company has investments in the following undertakings:

	Domicile	Type	Country of registration	Interest
Subsidiary undertakings				
FGB S.à r.l.	Luxembourg	Company	Luxembourg	100%
Foresight Group Holdings (UK) Limited	UK	Company	England & Wales	100%
Foresight Asset Management Limited	UK	Company	England & Wales	100%
Foresight Fund Managers Limited	UK	Company	England & Wales	100%
Pinecroft Corporate Services Limited	UK	Company	England & Wales	100%
Foresight Environmental GP Co. Limited	UK	Company	Scotland	100%
Foresight NF GP Limited	UK	Company	England & Wales	100%
Foresight Environmental FP GP Co. Limited	UK	Company	Scotland	100%
Foresight NF FP GP Limited	UK	Company	England & Wales	100%
Foresight Company 1 Limited	UK	Company	England & Wales	100%
Foresight Company 2 Limited	UK	Company	England & Wales	100%
Foresight Regional Investment General Partner LLP	UK	LLP	Scotland	100%
Foresight Impact Midlands Engine GP LLP	UK	LLP	Scotland	100%
Foresight Regional Investment II General Partner LLP	UK	LLP	Scotland	100%
Foresight Group Equity Finance (SGS) GP LLP	UK	LLP	Scotland	100%
NI Opportunities GP LLP	UK	LLP	Scotland	100%
Foresight Legolas Founder Partner GP LLP	UK	LLP	Scotland	100%
Foresight Regional Investment III General Partner LLP	UK	LLP	Scotland	100%
AIB Foresight SME Impact General Partner LLP	UK	LLP	Scotland	100%
Foresight West Yorkshire Business Accelerator General Partner LLP	UK	LLP	Scotland	100%
AIB Foresight SME Impact Fund GP Limited	Ireland	Company	Ireland	100%
Foresight Regional Investment IV General Partner LLP	UK	LLP	Scotland	100%

Appendices to the financial statements continued

Related undertakings continued

	Domicile	Type	Country of registration	Interest
Foresight Regional Investment V General Partner LLP	UK	LLP	Scotland	100%
Foresight Regional Investment VI GP LLP	UK	LLP	Scotland	100%
Foresight WAE Hydrogen Technology General Partner LLP	UK	LLP	Scotland	100%
Foresight IFW Equity General Partner LLP	UK	LLP	Scotland	100%
Foresight Infra Hold Co Limited	UK	Company	England & Wales	100%
PiP Manager Limited	UK	Company	England & Wales	100%
PiP Multi-Strategy Infrastructure Limited	UK	Company	England & Wales	100%
PiP Multi-Strategy Infrastructure (Scotland) Limited	UK	Company	England & Wales	100%
PiP Multi-Strategy Infrastructure GP LLP	UK	LLP	England & Wales	100%
Foresight Group Holdings UK Finco Limited	UK	Company	England & Wales	100%
Foresight Group Australia Holdco Pty Ltd	Australia	Company	Australia	100%
Foresight Group Australia Bidco Pty Ltd	Australia	Company	Australia	100%
Foresight Capital Holdings Pty Limited	Australia	Company	Australia	100%
Foresight Australia Funds Management Limited	Australia	Company	Australia	100%
Infrastructure Capital Services Pty Ltd	Australia	Company	Australia	100%
Infrastructure Specialist Asset Management Limited	Australia	Company	Australia	100%
Infra Asset Management Pty Limited	Australia	Company	Australia	100%
Foresight Group CI Limited	Guernsey	Company	Guernsey	100%
Foresight European Solar Fund GP Limited	Jersey	Company	Jersey	100%
Foresight Holdco 2 Limited	UK	Company	England & Wales	100%
VCF II LLP	UK	LLP	England & Wales	100%
Foresight Group LLP	UK	LLP	England & Wales	100%
Foresight Group Promoter LLP	UK	LLP	England & Wales	100%
Foresight Investor LLP	UK	LLP	England & Wales	100%

Appendices to the financial statements continued

Related undertakings continued

	Domicile	Type	Country of registration	Interest
Foresight Group S.R.L.	Italy	Company	Italy	100%
Foresight Group Australia Pty Limited	Australia	Company	Australia	100%
FGA Ventures Pty Ltd	Australia	Company	Australia	100%
Foresight Group Iberia SL	Spain	Company	Spain	100%
Foresight Energy Infrastructure Partners GP S.à r.l.	Luxembourg	Company	Luxembourg	100%
Foresight Group S.à r.l.	Luxembourg	Company	Luxembourg	100%
Foresight Hydrogen Infrastructure Fund GP S.à r.l.	Luxembourg	Company	Luxembourg	100%
Foresight Hydrogen Infrastructure Fund GP II S.à r.l.	Luxembourg	Company	Luxembourg	100%
Foresight Group Luxembourg S.A.	Luxembourg	Company	Luxembourg	100%
Foresight European Solar Fund CIP GP Limited	UK	Company	Scotland	100%
Foresight 1 VCT Limited	UK	Company	England & Wales	100%
Foresight Energy VCT Limited	UK	Company	England & Wales	100%
Foresight Venture Limited	UK	Company	England & Wales	100%
Foresight Venture Capital Limited	UK	Company	England & Wales	100%
Foresight Ventures VCT Limited	UK	Company	England & Wales	100%
Foresight Ventures VCT 2 Limited	UK	Company	England & Wales	100%
Wellspring Finance Company Limited	UK	Company	England & Wales	100%
Wellspring Management Services Limited	UK	Company	England & Wales	100%