

Directors' report

The Company

The Company, Foresight Group Holdings Limited, is a limited liability company incorporated in Guernsey and is listed on the London Stock Exchange Main Market with an Equity Shares (Commercial Companies) ("ESCC") listing. The Company's shares may be traded through the CREST system.

Compliance with the UK Corporate Governance Code (the "Code")

It is a requirement of UK Listing Rule 6.6.1R that, as an overseas company with an ESCC listing, the Company must comply with the Code, which is published by the Financial Reporting Council, or explain in its Annual Report and financial statements any areas of non-compliance. A copy of the Code can be found at www.frc.org.uk. The Corporate Governance Report on pages 119 to 129 signposts to the areas of this Annual Report that show how the Company has applied the principles and complied with the provisions of the 2018 Code during the year. It also notes the Company's three areas of non-compliance. From FY26, the Company will ensure compliance with the 2024 Code (with the exception of Provision 29 which applies to reporting periods beginning on or after 1 January 2026).

Subsidiary undertakings and branches

The Company operates via its various subsidiary undertakings, which are domiciled in a number of jurisdictions globally. A list can be found on pages 237 to 240, which provides the domicile of each undertaking at the date of this report. The Company has a branch in the UK, which is registered at The Shard, 32 London Bridge Street, London SE1 9SG, with registration number BR023882. Additionally, certain of the Company's subsidiary undertakings have branches elsewhere.

Forward-looking statements

Where this Annual Report contains forward-looking statements, these are based on current expectations and assumptions, and speak only as of the date they are made. These statements should be treated with caution due to the inherent risks, uncertainties and assumptions underlying any such forward-looking information. The Company cautions investors that a number of factors, including matters referred to in this document, could cause actual results to differ materially from those expressed or implied in any forward-looking statement. Neither the Group, nor any of its officers, Directors or employees, provide any representation, assurance or guarantee of the occurrence of the events expressed or implied in any forward-looking statements. Other than in accordance with our legal and regulatory obligations, the Group undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Relationship Agreement – controlling Shareholder

As at 31 March 2025, Beau Port Investments Limited (the private company through which Bernard Fairman holds his shares) held, together with its concert parties, 34.5% of the Company's issued share capital. Consequently, under the UK Listing Rules, Bernard Fairman was, and continues to be, a controlling Shareholder of the Company. The Company has entered into a relationship agreement with Bernard Fairman, Beau Port Investments Limited and the other parties deemed to be acting in concert to ensure that it is able to operate its business independently. Pursuant to UKLR 6.6.1R(13), the Company confirms that it continues to comply with the requirement of UKLR 6.2.3R that it is able to carry on the business of its main activity independently from its controlling Shareholder.

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Task Force on Climate-related Financial Disclosures ("TCFD")

Please see pages 65 to 89 for the Group's TCFD disclosures.

Streamlined Energy & Carbon

Disclosure requirements are covered within the Sustainability section on pages 85 to 89, Metrics and Targets.

Financial, risk and operational matters

Results and dividends

The consolidated statement of comprehensive income is set out on page 168 and shows the results for the year ended 31 March 2025. The Directors recommend that the Company pays a final dividend for the year ended 31 March 2025 of 16.8 pence per share (2024: 15.5 pence), to be paid on 3 October 2025 with an ex-dividend date of 18 September 2025 and a record date of 19 September 2025. An interim dividend of 7.4 pence per share (2024: 6.7 pence) was paid on 31 January 2025, giving a total dividend for the year of 24.2 pence per share (2024: 22.2 pence).

Research and development

During the year, Foresight received grant income of £0.1 million from the UK Space Agency. In collaboration with environmental geospatial consultant Frontierra, the Foresight Infrastructure Sustainability team developed a platform that leverages geospatial analysis and Foresight's own spatial dataset to provide detailed, location-based insights, enabling proactive risk management and enhanced reporting capabilities specifically pertaining to climate and nature. No research and development income was received in FY24.

Acquisitions and disposals

Acquisitions and disposals are detailed in note 31 to the financial statements.

Principal activities, review of business and future developments

The Group is principally involved in the investment and management of infrastructure assets, UK and SME private equity investments and OEICs on behalf of both institutional and retail investors using ESG-oriented strategies where appropriate/required.

The review of the business and a summary of future developments are included in the Executive Chairman's statement on pages 2 and 3 and in the Strategic Report on pages 4 to 113.

Principal risks and uncertainties

The Board has carried out a robust assessment of the emerging principal risks and uncertainties affecting the Group. These risks and uncertainties are explained in the Risks section on pages 36 to 46.

Political expenditure

No donations of a political nature have been made during the year (2024: £nil).

Charitable donations

No donations of a charitable nature have been made during the year (2024: £nil); however, staff are entitled to take one day each year for volunteering or other charitable activity.

Going concern

After making enquiries, the Directors have formed a judgement that at the time of approving the financial statements, there is a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future. For that reason, the financial statements continue to be prepared under a going concern basis. Details of the going concern basis adopted in preparing the Group's financial statements are set out in note 1 to these financial statements. Please also see the viability statement on page 47.

Subsequent Events

Details of the subsequent events are set out in note 34 to the financial statements.

Financial risk management

The Group's financial risk management objectives can be found in note 30 to the financial statements and details of the financial instruments utilised by Foresight and the associated risks are also described in note 30 to the financial statements.

Directors' powers

The Directors' powers are conferred on them by Guernsey company law and by the Company's Articles of Incorporation ("Articles").

Directors' report

Directors

The names and details of the Directors serving at the date of this report are provided below and also on pages 117 and 118. All the Directors served throughout the year:

- Bernard Fairman, Executive Chairman
- Gary Fraser, CFO/COO
- Alison Hutchinson, Senior Independent NED
- Geoffrey Gavey, NED
- Mike Liston, NED

In accordance with the Company's Articles, all Directors will stand for re-election at the forthcoming Annual General Meeting ("AGM") of the Company. As noted in the Nomination Committee report, the Board believes that it is in the best interests of Shareholders that all Directors be re-elected.

Please see page 120 for the Company's diversity disclosures.

Directors' indemnity

The Company has maintained a Directors' and Officers' liability insurance policy on behalf of the Directors, indemnifying them in respect of certain liabilities that may be incurred by them in connection with the activities of the Company. This policy does not provide cover for fraudulent or dishonest actions by the Directors. In addition, the Company has entered into deeds of indemnity with each of the Directors, which were in place during the financial year, and which provide a limited indemnity to each of the Directors in respect of liabilities incurred as a result of their directorships of the Company or any member of the Group.

Appointment and removal of Directors

Both the Company, by ordinary resolution, and the Directors may elect any person to be a Director. The number of Directors shall not exceed the maximum number fixed by the Company's Articles. Any person appointed by the Directors shall hold office only until the next AGM and shall then be eligible for election. The office of a Director shall be vacated on the occurrence of any of the events listed in Article 24.2 of the Company's Articles. The Company may, in accordance with its Articles, remove any Director from office and elect another person in their place.

Directors' interests

Details of the Directors' interests can be found in the Remuneration Committee report on pages 140 to 149.

UK Listing Rule 6.6.1R

There are no disclosures required to be made under UK Listing Rule 6.6.1R that have not been disclosed elsewhere in this Report. Details of long-term incentive plans can be found in the Remuneration Report on page 143.

Securities Dealing Code

In accordance with the UK Market Abuse Regulations, the Company has adopted a Securities Dealing Code and Securities Dealing Code Guidance (the "Code and Guidance") that sets out the Directors' responsibilities for ensuring compliance when dealing in the Company's shares. The Code and Guidance have been shared with all persons named as insiders on the Group's Insider Lists, including the Company's Directors, other PDMRs (persons discharging managerial responsibility), external parties and certain employees of the Group, and those documents are also available to all employees via the Foresight Governance and Compliance Library.

Engagement with suppliers, customers and others

A summary of how the Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard on the Company's principal decisions, is set out in the Stakeholders section on pages 48 to 53.

Relations with Shareholders

The Board recognises the importance of regular and effective communication with Shareholders, particularly the need for open communication on the Company's strategy. As a result, the Executive Directors and members of Senior Management have regular dialogue with the Company's major Shareholders to ensure that their views are communicated fully to the Board. Other forms of communication typically include the Annual and Half-year Reports, announcements released via the London Stock Exchange, the AGM and regular face-to-face meetings with major Shareholders and management. These meetings enable the Executive Chairman and the CFO to update Shareholders on strategy and the Group's performance.

The Company also has an ongoing programme of individual ad hoc and regular meetings with institutional Shareholders and analysts, including those related to the preliminary and half-year results presentations and bi-annual trading updates.

As soon as practicable following the conclusion of any general meeting, the results of the meeting are released through a regulatory news service and a copy of the announcement placed in the FSG Shareholders section of the Group's website: foresight.group.

Directors' report

Relations with Shareholders

At the AGM held in 2024 (the "2024 AGM"), all resolutions were duly passed, but the proportion of votes against Resolution 8 to approve the reappointment of Mike Liston as a Director and Resolution 16 to approve the Rule 9 waiver both exceeded 20%. That voting was in line with recommendations published by certain proxy voting agencies, particularly regarding Resolution 16. Prior to the voting deadline and following engagement with those agencies, when we explained the purpose of these resolutions, the recommendations remained unchanged. As we understood our Shareholder voting policies from previous engagement, no further action engagement was taken although a statement was published on our website in accordance with the Code on 28 May 2025. As regards the actions we will take, the statement noted that we will continue to seek to improve on the explanations of the rationale for our resolutions. We will also continue our general engagement with our major Shareholders, whose input we value. Additionally, we trust that the success of our buyback programme will help demonstrate the importance of gaining approval for the Rule 9 waiver, without which, we would be unable to buy back shares.

Annual General Meeting

The 2025 Annual General Meeting ("2025 AGM") will be held on 31 July 2025 at 4.30pm at the address noted at the end of this report. A copy of the Notice of Meeting will be made available on the Company's website. Voting at the AGM will be facilitated by proxies for those unable to attend. The registrar will provide paper proxy forms to each of the registered Shareholders who receive hard copy documents and a blank copy will be available on the Company's website via the FSG Shareholders section. Details of the process for CREST proxy appointments and the online proxy appointment service available via our registrar are provided in the Notice of AGM, which will be circulated and published on the Company's website. Shareholders are welcome to submit questions for the Board to the Company Secretary by 4.30pm on 29 July 2025 either by email to companysecretary@foresightgroup.gg or in writing to the Company's registered address.

People

Employment information – employment of people with disabilities

Our policies and processes are intended to be inclusive and comply with legislative requirements such that they ensure that people with disabilities have equal opportunities when applying for vacancies. The Group's policies and approach to diversity, equity and inclusion ensures the fair treatment of all employees, whether or not disabled, ensuring that their training and career development needs are carefully considered, taking account of special requirements.

The Group's inclusive approach also supports any employee who may become disabled during the course of their employment. That support may be achieved through the provision of training, re-training, re-deployment and/or other measures appropriate to the employee concerned, to ensure the best opportunity for them to remain in the Group's employment where that is possible.

Engagement with employees

The Group is committed to engaging with its employees and has established various initiatives, policies and forums in that regard. More detail of that engagement is provided in the Stakeholders section on pages 48 to 53.

Shares/Share capital

Share capital

The Company's capital structure and details of share movements during the year are shown in note 27 to the financial statements, which includes an allotment of 76,591 (2024: nil) new shares. As at 31 March 2025, there were 116,347,803 Ordinary Shares ("Shares") in issue of nil par value comprised of 113,782,627 Shares with one vote each and 2,565,176 Shares held in treasury, which are non-voting. As at 31 March 2024, there were 116,271,212 Ordinary Shares ("Shares") in issue of nil par value, comprised of 116,034,720 Shares with one vote each and 236,492 Shares held in treasury, which are non-voting.

Directors' report

Shares/Share capital

Voting rights and entitlements

Shareholder rights and entitlements are as follows:

- Shareholders are entitled to dividends and other distributions declared, made or paid on the Ordinary Share capital of the Company
- On a show of hands every Shareholder who is present in person shall have one vote. On a poll every Shareholder present in person or by proxy shall have one vote per Share. Any Shareholder entitled to more than one vote need not cast all votes in the same way
- Shareholders are entitled to participate in any surplus assets in a winding up in proportion to their Shareholdings

Substantial interests

At the Company's year end, 31 March 2025, and as at the date of this Report, the following were the only substantial holdings representing 5% or more of the Company's issued share capital notified to the Company pursuant to DTR 5. The number of voting rights are also noted, as the Shares bought back by the Company are being held in treasury and whilst held as such, do not carry voting rights.

Beneficial Shareholder	Number of Shares	% of issued share capital	% voting rights
Beau Port Investments Limited	32,725,000	28.13%	28.76%
Slater Investments Ltd.	6,000,000	5.16%	5.27%
Liontrust Asset Management plc	5,819,822	5.01%	5.11%

Authority to allot Shares

At the 2024 AGM, the Shareholder authority granted to the Directors to issue Shares of up to two-thirds of the issued Share capital was renewed. It is the Directors' intention to seek the renewal of this authority by Shareholder resolution which will be set out in the notice of the forthcoming 2025 AGM.

Also at the 2024 AGM, the Shareholders renewed the authority granted to the Directors to allot Shares without application of the pre-emption rights contained in Article 5.1 of the Company's Articles up to (i) approximately 10% of the Company's issued Share capital on a general basis with an additional authority of up to a maximum of approximately 2% of the Company's issued Share capital only for the purposes of a follow-on offer that the Board determines to be of a kind contemplated by paragraph 3 of section 2B of the Pre-Emption Group's Statement of Principles, published in 2022 (the "Statement of Principles"); and (ii) a further 10% of the Company's issued Share capital in connection with the financing (or refinancing) of an acquisition or specified capital investment as contemplated by the Statement of Principles with an additional authority of up to a maximum of 2% of the Company's issued Share capital only for the purposes of a follow-on offer that the Board determines to be of a kind contemplated by paragraph 3 of section 2B of the Statement of Principles, in each case until the conclusion of the 2025 AGM.

The Directors will also seek to renew these authorities by proposing special resolutions at the 2025 AGM.

Purchase, cancellation and holdings of own Shares

At the 2024 AGM, the authority granted by the Shareholders to buy back up to 10% of its own Shares by market purchase until the conclusion of the next AGM was renewed.

The Directors will seek to renew this authority at the 2025 AGM on the condition that this power will only be exercised if the Directors are satisfied that any purchase is in the interest of Shareholders.

During the year, 3,720,423 (2024: 236,492) Shares were purchased under that authority, of which 2,565,176 (2024: 236,492) remain held in treasury. While that remains the case, those Shares have no voting rights. 1,391,739 (2024: nil) of treasury shares were utilised during the year, including 891,739 (2024: nil) utilised to satisfy the exercise of options under the Company's Performance Share Plan.

As previously announced, on 11 February 2025, the Company transferred 500,000 Ordinary Shares out of treasury to an institutional investor, such trade being made for cash on market on the London Stock Exchange to satisfy demand in the Company's Ordinary Shares. This sale was arranged by the Company's brokers on an arm's length basis and the Company was not provided with details of the underlying purchaser.

At the 2024 AGM, the Company also sought authority for a waiver of Rule 9 of the Takeover Code. Without this waiver, the purchase of the Company's own Shares would trigger a mandatory offer by Bernard Fairman and the concert parties for the entire issued Share capital of the Company. The Company will therefore seek to renew the Rule 9 waiver at the 2025 AGM.

Directors' report

Shares/Share capital

Restrictions on transfers of Shares and/or voting rights

Holders of Shares (excluding those held in treasury) are entitled to attend and speak at general meetings of the Company and to appoint one or more proxies or, if the Shareholder is a company, one or more corporate representatives. Each Shareholder who is present in person or by proxy or corporate representative shall have (i) one vote on a show of hands; and (ii) on a poll, one vote for every Share of which they are a Shareholder, proxy or corporate representative.

The Company is not aware of any agreements between Shareholders that may result in restrictions on the transfer of securities and/or voting rights and, except as described below, there are no restrictions on the transfer of the Company's Shares and/or voting rights:

- Certain restrictions on transfers of Shares may from time to time be imposed by, for example, share dealing regulations. In certain situations, Directors and certain employees must seek the Company's approval to deal in its Shares
- Shares carry no voting rights while they are held in treasury
- Unless the Directors determine otherwise, Shareholders are not entitled to vote personally, by corporate representative or by proxy at a Shareholders' meeting, or to exercise any other Shareholder's right in relation to Shareholders' meetings, in respect of any Share for which any call or other sum payable to the Company remains unpaid or if the Shareholder fails to provide the Company with the required information concerning interests in those shares, within the prescribed period after being served with a notice under the Company's Articles

The Notice of AGM will provide voting deadlines for the forthcoming 2025 AGM that will be made available to Shareholders on the Company's website.

Share Incentive Plan

Under the rules of the Foresight Share Incentive Plan ("SIP"), which was introduced in 2021, eligible employees are entitled to acquire Ordinary Shares in the Company. The SIP shares are held in trust for participants by Global Shares Trustees (UK) Limited (the "SIP Trustee"). Voting rights are exercised by the SIP Trustee on receipt of participants' instructions. If a participant does not submit an instruction to the SIP Trustee, no vote is registered. In addition, the SIP Trustees do not vote on any unallocated shares held in trust. As at 31 March 2025, the SIP Trustee held 0.62% (2024: 0.44%) of the Company's issued share capital.

Significant agreements – change of control

The Company is not aware of any significant agreements to which it is party that take effect, alter or terminate upon a change of control of the Company following a takeover.

Auditor

Auditor's right to information

As at the date of this report, so far as each Director is aware, there is no relevant audit information (as defined by section 249 of The Companies (Guernsey) Law 2008) of which the Company's Auditor is unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Independent Auditor

The Auditor, BDO LLP, has indicated its willingness to continue in office and a resolution that it be reappointed as the Company's Auditor will be proposed at the 2025 AGM.

By Order of the Board

Jo-anna Nicolle

Company Secretary

25 June 2025

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