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**5 January 2021**

## **Foresight Group Holdings Limited**

### **Announcement of Intention to Publish a Registration Document and Expected Intention to Float on the London Stock Exchange**

Foresight Group, an award-winning infrastructure and private equity investment manager, announces that the Company intends to publish a Registration Document today and is considering proceeding with an initial public offering (the "IPO" or the "Offer"). Should Foresight Group proceed with the Offer, the Company would apply for admission of its Shares to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities (together, "Admission").

#### **Bernard Fairman, Executive Chairman and Co-Founder of Foresight Group, said:**

*"Foresight's significant recent growth and consistently strong performance over many years, together with the many highly attractive opportunities that are opening up across our markets, make listing the Company on the London Stock Exchange the logical next step."*

*"As one of Europe's most established renewable energy and infrastructure investors, Foresight is extremely well-positioned to benefit from the accelerating global stimulus to the renewable energy and infrastructure markets and the huge boost it will provide to green energy investment. On the private equity side, more than three decades' experience of managing UK SMEs through economic cycles makes us one of very few companies with the network and expertise to help drive the recapitalisation of the UK regional SME sector. Additionally, responsible investing has always been at the core of Foresight's strategy and we are well placed to continue to satisfy the strong investor demand for ESG investment strategies. An IPO of Foresight will support our growth strategy which involves developing our existing platform, making further acquisitions, and expanding and diversifying both geographically and into new areas of sustainable investment."*

Foresight Group expects that it would qualify for the LSE's Green Economy Mark on its admission to the Main Market. The Green Economy Mark recognises companies that derive 50% or more of their total annual revenues from products and services that contribute to the global green economy. The underlying methodology incorporates the Green Revenues data model developed by FTSE Russell.

### **Foresight Group Highlights**

Founded in 1984, Foresight Group is an infrastructure and private equity investment manager that specialises in providing investment opportunities in difficult-to-access private markets to both institutional and retail investors using ESG-oriented strategies. It operates an integrated asset management business with comprehensive capabilities as well as cross-over synergies between its two operating segments - Foresight Infrastructure, an infrastructure asset management team focused on the renewable energy and infrastructure sectors, and Foresight Private Equity, a private equity and venture and growth capital investment management team focused on investment in UK regional SMEs.

Foresight Group is headquartered in Guernsey and its principal office is in London. Foresight Group also operates from 12 offices in the UK, Guernsey, Italy, Spain, Australia and Luxembourg. Its international offices and London office focus on renewable energy and infrastructure investment, while its UK offices, including London, focus on private equity investment. Foresight Group has a highly experienced team of 236 FTE employees, including 115 investment, portfolio and technical professionals as at 30 September 2020.

As at 30 September 2020, Foresight Group had AuM of approximately £6.8 billion and managed 292

- infrastructure assets and 104 private equity investments on behalf of 33 Foresight investment vehicles. Foresight Infrastructure accounted for 90.2% of the Company's AuM (Foresight Private Equity: 9.8%) and 72.6% of the £32.4 million revenue generated for the six months ended 30 September 2020 (Foresight Private Equity: 27.4%).

*Foresight Infrastructure* is a team of international specialist renewables and infrastructure asset managers. Its investment strategies primarily focus on solar and onshore wind assets, bioenergy and waste as well as renewable energy enabling projects (such as flexible generation and battery storage), energy efficiency management solutions, social and core infrastructure projects and sustainable forestry assets.

- Foresight Group made its first environmental investment and established its solar infrastructure team in 2007. Foresight Infrastructure manages £1.7 billion in solar assets in the UK, Portugal, Spain, Italy, Slovakia and Australia with 1.5GW of installed capacity, as well as wind assets with a 797MW generation capacity across the UK, Sweden, Germany, France and Spain as at 30 September 2020.

- As at 30 September 2020, Foresight Infrastructure had £6.1 billion AuM and managed assets with a gross generating capacity of 2.7GW and 1.8 Mtpa bioenergy and waste processing capacity. 32.6% of Foresight Infrastructure's total AuM was comprised of solar assets, with 20.1% comprised of wind assets, 17.5% comprised of bioenergy and waste assets, and 29.8% comprised of other infrastructure assets.

- Foresight Group believes Foresight Infrastructure is well-positioned to capitalise on investment opportunities which are driven by a shift towards decentralisation and de-carbonisation in the power markets.

- *Foresight Private Equity* is primarily focused on the regional small cap segment of the UK private equity market. As approximately 83% of all UK SMEs are based outside London, Foresight Group believes its UK regional focus is a key strength for success in this market which has not been the principal focus of UK private equity investors historically and has been subject to less competitive pressure.

- Foresight Private Equity's UK regional SME strategy is focused on growth capital and replacement capital investments, is differentiated in the market and is enhanced by its UK regional footprint with offices in London, Nottingham, Manchester, Leicester, Milton Keynes, Cambridge and Edinburgh. Deals are typically originated by regionally-focused investment team members with deep local knowledge and connections and further operational and strategic support is provided as necessary from Foresight Group's London team.

- As at 30 September 2020, Foresight Private Equity had £0.7 billion AuM and managed investments in 104 UK companies, all SMEs and across a range of sectors such as TMT, industrials, consumer and leisure, business services and healthcare.

- Foresight Group's institutional and retail investment products provide access and exposure to specialist private infrastructure and private equity markets for a range of investors, such as UK and international pension funds, "blue-chip" institutional investors, family offices and high-net-worth and other private individuals. As at 30 September 2020, institutional funds accounted for 66.6% and retail funds accounted for 33.4% of Foresight Group's AuM. \_

- Foresight Group has raised gross funds of £516 million (net funds of £390 million) from March 2020 to September 2020 compared to gross funds of £502 million (net funds of £477 million) raised during the same period in FY 2020.

- Revenue in 2020 has remained resilient, despite the COVID-19 backdrop: for the six months ended 30 September 2020, Foresight Group generated revenue of £32.4 million (six months ended 30 September 2019: £28.2 million) with Core EBITDA<sup>[1]</sup> of £10.7 million (six months ended 30 September 2019: £7.9 million).

- In FY 2020, Foresight Group generated revenue of £57.3 million (FY 2019: £49.5 million) with Core EBITDA of £12.9 million (FY 2019: £11.9 million).

- Foresight Group earns a range of recurring, re-occurring and one-off fees from the Foresight Funds, including management, secretarial (including administration), director, marketing, performance and arrangement fees, amongst others. Since FY 2019, the focus has shifted towards higher quality recurring revenue, with less reliance on transactional event-based revenues and one-off disposal profits. This transition has resulted in recurring revenue as a percentage of overall revenues increasing from 68% in FY 2018 to 85% in FY 2020 and 91% in the six months ended 30 September 2020, resulting in greater stability and predictability with respect to fee income.

## Expected Offer Highlights

Should Foresight Group proceed with an Offer, it is expected to have the following features:

- A premium listing on the Official List of the FCA and admission to trading on the main market for listed securities of the London Stock Exchange.

- The Offer would primarily comprise a sale of shares by existing shareholders with a smaller offering of new shares to be issued by the Company.

Immediately following Admission, the Company expects up to 50% of the Company's issued share capital to be in public hands and that the Company will be eligible for inclusion in the FTSE UK Index Series following Admission.

- capital to be in public hands and that the Company will be eligible for inclusion in the FTSE UK Index Series following Admission.

The Company has engaged Jefferies International Limited ("Jefferies") as Joint Global Coordinator and Joint Bookrunner, and Numis Securities Limited ("Numis") as Joint Global Coordinator, Joint Bookrunner and Sole Sponsor, in the event the Offer proceeds.

## Registration Document

A copy of the Registration Document will be submitted to the National Storage Mechanism and will be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> once approved by the FCA. A copy of the Registration Document will also be available on Foresight Group's website at [www.fsg-investors.com](http://www.fsg-investors.com) subject to certain access restrictions.

## Access to supplemental information for bona-fide, unconnected research analysts

A presentation and related information in relation to Foresight Group will be made available via a link to unconnected research analysts on 5 January 2021. Should you wish to receive access to the information, please register your interest in doing so by notifying Foresight Group at the following email address: [IR@foresightgroup.eu](mailto:IR@foresightgroup.eu).

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## ABOUT FORESIGHT GROUP

### History of Foresight Group

Set out below are certain key milestones in Foresight Group's development:

- 1984: founded by Bernard Fairman (current Executive Chairman) and Peter English to manage a £20 million fund sponsored by Robert Fleming.
- 1997: Foresight Technology VCT was launched, the first retail product, and second overall product, launched by Foresight Group.
- 2007: made first environmental investment and established solar infrastructure team.
- 2008: opened first international office in Italy to focus on Southern European solar investments.
- 2011: launched Foresight Inheritance Tax Solution ("ITS") and the £60 million Foresight Environmental Fund with cornerstone investment by the European Investment Bank.
- 2012: awarded a primary mandate of £50 million by the UK Green Investment Bank.
- 2013: listed Foresight Solar Fund Ltd. ("FSFL") on the London Stock Exchange and launched a £40 million regional private equity fund backed by the British Business Bank.
- 2014: relocated its principal business hub to The Shard in London.

- 2016: opened office in Australia to focus on solar investments.
- 2017: established Foresight Capital Management ("FCM") in response to market demand to facilitate retail investor access to infrastructure investments. FCM currently manages three OEICs: Foresight UK Infrastructure Income Fund ("FIIF"), Foresight Global Real Infrastructure Fund ("GRIF") and, most recently, Foresight Sustainable Real Estate Fund ("SREF"), launched in 2020.
- 2018: appointed by the British Business Bank as equity fund manager for Midlands Engine Investment Fund, opened UK offices in Leicester and Milton Keynes; opened office in Spain to focus on solar investments.
- 2019: completed the acquisition of the advisory mandate and management team of JLEN Environmental Assets Group ("JLEN"), which at date of acquisition managed 28 operational renewables assets in the UK and Europe and had AuM of £764 million. Foresight Private Equity launched the £100 million East of England Fund and the £20 million Scottish Growth Fund.
- 2020, January: launched its first European-targeted, sustainability-led energy infrastructure fund, Foresight Energy Infrastructure Partners ("FEIP"), securing initial commitments of €342 million, followed by an interim close in December 2020 with €89 million in new funds raised resulting in secured fund commitments of approximately €430 million.
- 2020, April: FEIP completed its investment into a Greenfield wind farm project (Skaftäsen) in Sweden for €215 million.
- 2020, August: completed acquisition of Pensions Infrastructure Platform Limited ("PiP"), which provides investment expertise and asset management to major UK pension funds investing in infrastructure assets. At the date of the acquisition, it managed a portfolio of 18 assets and had AuM of £1.7 billion.
- 2020, October: completed investment into full fibre broadband network by way of a long-term financing agreement with a provider based in East Sussex with a view to building, installing and operating new infrastructure across the region, with the opportunity to deliver hyperfast broadband to over 100,000 homes and businesses.
- 2020, December: authorised as an alternative investment fund manager ("AIFM") in Luxembourg. This authorisation was sought as part of Foresight Group's Brexit planning strategy and will enable it to mitigate the impact of Brexit on the Foresight Group and further expand its EU footprint.
- 2020, December: completed its first investment into the sustainable transport fuel market with a commitment to invest up to £80 million into a strategic network of biomethane compressed natural gas heavy goods vehicle refuelling stations across the UK.
- 2020: completed eight sustainable forestry acquisitions totalling over 3,500 hectares by 31 October as part of its initiative to invest in and manage sustainable forestry assets via the £600 million ITS fund.

## **Investment Highlights**

The Directors and Proposed Directors believe that the following key competitive advantages will allow Foresight Group to continue its growth trajectory and realise its strategic goals:

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

- Foresight Group believes its investment strategies offer investors compelling infrastructure investment opportunities using a wide range of renewable energy and other infrastructure investments. Growth in the renewable energy sector is being driven by a fundamental transition in global power markets away from highly centralised, carbon-intensive models to more decentralised, low-carbon models, due to an international decarbonisation agenda and the retirement of existing fossil fuel plants. This transition is being accompanied and assisted by decreasing capital costs for renewable energy, in particular solar, wind and batteries. Foresight Infrastructure's experienced investment team has a strong track record in the origination of renewable infrastructure projects that provide investors in the Foresight Infrastructure Funds with the opportunity to take advantage of this fundamental shift in global power generation markets.

- Over the previous three financial years, Foresight Infrastructure's investment capacity has strengthened further through the launch of new funds and completion of strategic acquisitions. It established Foresight Capital Management which has launched three OEICs - FIIF, GRIF and SREF - giving retail investors increased access to infrastructure projects by investing in a portfolio of listed infrastructure and renewable energy companies and funds and sustainable real estate companies with relatively low volatility and greater liquidity compared to other retail products in the market. Together, Foresight Group's OEICs had AuM of £774.9 million as at 30 September 2020. Foresight Group also acquired the advisory mandate and management team of JLEN in July 2019, which further broadened Foresight Group's infrastructure mandate. JLEN had AuM of £841.6 million as at 30 September 2020. In August 2020, Foresight Group also completed the acquisition of PiP, which provides investment expertise and asset management to major UK pension funds investing in infrastructure assets. PiP had AuM of £1,695.1 million as at 30 September 2020.

- Foresight Group believes its UK regional SME private equity strategy, which focuses on £100,000 to £5 million investments, provides investors with access to a significant segment of the market that has not been heavily targeted by private equity investors historically. Foresight Private Equity has a regionally-focused investment team with deep local knowledge and connections and a strong track record in deal origination. This is enhanced by its seven offices across the UK giving it a strong regional presence, which facilitates local deal origination and provides access to key sources of local and regional funding, such as local government pension schemes.

- In FY 2020, Foresight Private Equity's investment capacity was further strengthened by the launches of the £100 million evergreen East of England Fund, targeting SME investment in the East of England and supported by the Cambridge Pension Fund, and the £20 million Scottish Growth Fund, targeting investment and co-investment opportunities in Scottish SMEs supported by the Scottish government.

### ***An integrated investment platform and processes and an experienced specialist team delivering strong returns***

- Foresight Group believes it has a distinct approach to infrastructure and private equity investment management and has an established track record of providing strong returns to investors in the Foresight Funds. In order to deliver strong returns, Foresight Group relies on the strength of its team of 236 full time equivalent employees, including 115 investment, portfolio and technical professionals (as at 30 September 2020), who have extensive experience across Foresight Group's two operating segments.

- Foresight Group has an integrated business model whereby knowledge and experience are shared by the investment teams at each stage of the lifecycle of an investment project, from product development and fundraising to capital deployment and portfolio management. This integration of the investment teams across Foresight Group's operating segments has led to new asset class ideas being developed by one investment team and then developed by or in conjunction with another to create additional investment opportunities. The experience of Foresight Group's infrastructure team in the renewable energy market and Foresight Group's scale combine to generate increasing numbers of investment opportunities in an expanding, specialised sector, and Foresight Group's private equity team maximises the opportunities for investment by combining a wide range of fund types with an extensive regional UK presence.

### ***An ability to raise funds consistently from a diverse investor base***

- Foresight Group has a strong track record of successful fundraising from a diverse institutional and retail investor base with over 200 institutional investors invested in Foresight Group's funds as at 30 September 2020 and a deep retail network of third-party intermediary firms. Foresight Group's teams have significant sector specific expertise and experience that support institutional fundraising for infrastructure and private equity investments. Its retail sales team of 25 internal and external business development managers, together with its network of independent financial advisers, have been a key driver of its retail fundraising growth over the previous three financial years.

- In FY 2020, Foresight Group raised gross institutional funds of £512.7 million (FY 2019: £192.5 million; FY 2018: £170.3 million) and gross retail funds of £826.7 million (FY 2019: £357.4 million; FY 2018: £201.9 million).

- Foresight Group's acquisition of the JLEN advisory mandate and management team in July 2019 has further strengthened the Foresight Group's fundraising performance. In FY 2020, the JLEN acquisition resulted in an increase in FuM of £533.0 million and fundraising mandates for JLEN resulted in an increase in gross funds raised of £57.2 million with JLEN accounting for 4.1 per cent. of Foresight Group's total gross funds raised in FY 2020.

### ***A strong track record of ESG-focused investment that is responsive to investor demand***

- A key strength of Foresight Group's business is the priority given to, and active implementation of, ESG-focused investment strategies. Foresight Group's approach to ESG is focused on five key principles: strategy and awareness, environmental, social, governance and third party interactions. As investor demand for ESG investment has increased significantly in recent years, particularly among institutional investors, Foresight Group has been well placed to benefit from this trend as it has a well-established track record in ESG-focused investment and asset management.

- Sustainable investing has experienced a dramatic rise in prominence in the asset management industry driven by the increasing financial relevance of ESG factors, better ESG data, and growing regulatory pressure. Since 2015, 1,600 ESG-focused, private capital funds have closed, raising an aggregate capital amount of US\$1.7 trillion. By 2028, global AuM invested in ESG mandates is expected to exceed \$100 trillion.

- The strength of Foresight Group's ESG-focused performance was recognised through its high overall scores in the PRI Assessment Report 2020 with an A+ for Strategy and Governance, an A+ for Infrastructure and an A for Private Equity.

Foresight Group has a Sustainability and ESG Committee whose influence reaches across the business. Foresight Group's ESG-focused investment strategies are a management priority and ESG policies are used by the investment teams to assess each investment opportunity. This strategy is

- focused on achieving positive social and environmental outcomes through the investments it manages, while also generating strong returns, with a particular focus on a wide range of renewable energy and infrastructure investments through Foresight Infrastructure and local economic growth and job creation through Foresight Private Equity. Foresight Group actively monitors the Foresight Funds' ESG-focused investment strategies and overall performance and applies bespoke in-house methodologies for regular and active monitoring and evaluation of progress that is then reported in a transparent and clear format to investors.

### **Recurring revenues and strong margins with low capital intensity**

- Foresight Group earns a range of recurring, re-occurring and one-off fees from the Foresight Funds, including management, secretarial (including administration), director, marketing, performance and arrangement fees, amongst others. Since FY 2019, the focus has shifted towards higher quality recurring revenue, with less reliance on transactional event-based revenues and one-off disposal profits. Foresight Group believes that this transition has been successful, through a combination of higher AuM from fundraising across new and existing funds; and successful re-negotiation of higher contracted administration fee rates (which are included in "secretarial fees"). This transition has resulted in recurring revenue as a percentage of overall revenues increasing from 68% in FY 2018 to 85% in FY 2020 and 91% in the six months ended 30 September 2020, resulting in greater stability and predictability with respect to fee income.

- The strength of Foresight Group's revenue generation capacity is complemented by an operating cost base that the Directors and Proposed Directors believe is primed for rapid scaling, and the low capital intensity of its business model and investment platform, resulting in enhanced margins. AuM has increased by 163.8% from £2.6 billion as at 31 March 2018 to £6.8 billion as at 30 September 2020 and the growth in Foresight Group's operating costs has generally been in line with AuM growth over the same period. Operating costs as a percentage of AuM decreased from 1.2 per cent. for FY 2018 to 1 per cent. for FY 2020 and from 0.5 per cent. for the six months ended 30 September 2019 to 0.3 per cent. for the six months ended 30 September 2020.

### **Strategy**

Foresight Group's strategy is focused on:

#### **Growing its existing investment platform**

- Foresight Group believes there is significant market opportunity to grow its existing platform, and it will continue to assess different areas of the market where it makes sense to expand its capabilities (for example, the forestry investment programme which started in 2020).

- The size of the worldwide infrastructure marketplace is vast and there are opportunities for growth in the UK and international markets. The growth of the UK and European infrastructure markets is driven by, among other things, a transition to renewable energy and digitisation of economies. In particular, renewable energy sources are projected to increasingly gain prominence within the UK and EU given the strict targets for generating energy from renewable sources, which is driven by an objective to decarbonise economies. The UK and EU member states' strict targets for renewables will result in re-shaping the future dynamics of electricity production.

- Foresight Private Equity's strategy is to generate returns that resonate with the requirements and priorities of its investors while maintaining a good track record. Investors are increasingly prioritising ESG where Foresight Private Equity is particularly strong.

*For Foresight Infrastructure, its growth strategy is focused on the following key priorities:*

- making good, consistent returns for investors;
- satisfying the strong demand for ESG and alternative long-term strategies from its institutional and retail investor base;
- building on the ability to execute complex clean energy and other sustainability-led infrastructure investments in order to capitalise on the projected market growth;
- tapping into the in-house team's multi-national/disciplinary expertise which provides full lifecycle support from investment to exit in order to generate sustainable long-term asset operation and economic benefits;
- diversification across asset classes and geographies, including investment in social infrastructure and core infrastructure and sustainable forestry assets;
- obtaining larger commitments from an increasingly international investor base, enabling it to compete for larger projects and investment opportunities;
- executing larger deals enabled in part through increased demand for co-investment structures, generating additional fee revenue for Foresight Group; and
- opportunistically targeting acquisitions, comparable to the acquisition of the JLEN advisory mandate and management team in 2019 while also broadening its infrastructure platform through strategic

acquisitions similar to the acquisition of PIP in 2020.

For Foresight Private Equity, its growth strategy is focused on the following key priorities:

- making good, consistent returns for investors;
- capitalising on the increasing demand for ESG mandates by building upon its strong ESG credentials;
- targeting UK SMEs across the risk spectrum;
- realising further capacity in the UK regions where the Foresight Group is already present;
- expanding into adjacent UK regions;
- utilising its strong regional network to deploy capital;
- integrating its regional presence into local communities to develop relationships to generate a higher volume of deal flow (as evidenced by the success in terms of arranged meetings and opportunities screened);
- leveraging its network and track record of investing in UK SMEs to become the provider of choice for sub-£5 million investments;
- building a diversified portfolio (by sector and by investment type);
- rolling over existing investors as funds mature and enlarging the investor base with new investors;
- raising funds from a variety of resilient private and public sources; and
- attracting new long-term cornerstone investors.

#### ***Diversifying and developing new investment opportunities***

- A key element of Foresight Group's strategy is geographic expansion of its platform, in particular targeting the Nordic and Central European regions. The Directors and the Proposed Directors also believe that there are further diversification opportunities in North America and expect to deploy capital into the region.

- Foresight Group also intends to diversify its asset classes and is examining new opportunities. Foresight Infrastructure intends to take advantage of compelling investment opportunities driven by (i) a weakening ability of central authorities to maintain their role as the primary provider of infrastructure; (ii) an increasing awareness in respect of the need to recycle waste; and (iii) increased government spending on public sector infrastructure projects to diversify across asset classes and geographies within the existing core energy and non-energy sectors.

- In the near-to-medium term, these opportunities are expected to include sustainable forestry, regional fibre broadband roll-outs, low carbon transport, including biomethane compressed natural gas, district heating network projects and agricultural strategies. As at 31 October 2020, Foresight Group had completed eight sustainable forestry acquisitions, totalling £45.3 million. Foresight Group also launched another OEIC fund, Foresight SREF, in July 2020, and will continue to look at financing alternative lenders focusing on high quality asset-backed investments with strong credit history and favourable risk profiles.

#### ***Expanding investor reach***

Foresight Group intends to expand its investor reach through measures such as:

- utilising the AIFM authorisation by the Commission de Surveillance du Secteur Financier in Luxembourg to further deepen Foresight Group's EU and Nordics footprint, particularly with institutional investors;
- launching tax efficient structures and products in other European jurisdictions to attract retail funds (with marketing efforts focused on ESG and tax efficiency); and
- exploring the potential to partner with large pension funds (with a view to diversifying portfolios through private markets managers), family offices and ultra-high-net-worth investors in North America.

#### **Financial Key Performance Indicators**

Senior Management consider a range of financial measures and other metrics in assessing Foresight Group's performance, and the Directors and the Proposed Directors believe that each of these KPIs provides useful information regarding Foresight Group's business and operations.

Year ended		Six months ended		
31 March 2018	31 March 2019	31 March 2020	30 Sept 2019	30 Sept 2020

	<b>£'000</b>				
Average AuM (£000) <sup>(1)</sup>	2,704	2,775	4,063	3,774	6,098
Average FuM (£000) <sup>(2)</sup>	2,147	2,138	3,166	2,887	4,402
Recurring Revenue (£000) <sup>(3)</sup>	34,885	38,205	48,883	24,024	29,508
Adjusted EBITDA (£000) <sup>(4)</sup>	15,094	10,247	10,574	7,432	9,415
Core EBITDA (£000) <sup>(5)</sup>	17,903	11,869	12,899	7,904	10,692
Administrative Expenses (£000) <sup>(6)</sup>	33,808	37,467	46,469	20,039	22,697
Recurring Revenue / Revenue <sup>(7)</sup>	67.5%	77.1%	85.4%	85.3%	91.0%
Revenue / Average FuM <sup>(8)</sup>	2.4%	2.3%	1.8%	1.0% <sup>(10)</sup>	0.7% <sup>(11)</sup>
Core EBITDA Margin <sup>(9)</sup>	34.7%	24.0%	22.5%	28.1%	33.0%

#### Notes:

- (1) "Average AuM" is calculated as an average of Foresight Group's quarterly AuM valuations in the relevant financial year or six month period. AuM is defined as Foresight Group's assets under management, being the sum of: (i) FuM; and (ii) debt financing at Foresight infrastructure fund and Foresight infrastructure asset level.
- (2) "Average FuM" is calculated as an average of Foresight Group's quarterly FuM valuations in the relevant financial year or six month period. FuM is defined as Foresight Group's funds under management, being the net asset value of the Foresight funds plus the capital that Foresight Group is entitled to call from investors in the Foresight funds pursuant to the terms of their capital commitments to those Foresight funds.
- (3) "Recurring Revenue" is defined as management fees, secretarial fees and directors fees.
- (4) "Adjusted EBITDA" is defined as operating profit before depreciation and amortisation.
- (5) "Core EBITDA" is calculated by excluding non-underlying items. Non-underlying items are non-trading or one-off items, where the quantum, nature or volatility of such items are considered by the Directors and Proposed Directors to otherwise distort the underlying performance of Foresight Group.
- (6) "Administrative Expenses" is calculated as depreciation and amortisation owned assets, right of use asset depreciation, staff costs, legal and professional costs, office costs, administrative costs, foreign exchange costs, auditors remuneration, travel costs, administrative costs, commissions, bad debt write offs, loss on disposal of part interests, and other operating expenditure.
- (7) "Recurring Revenue / Revenue" is calculated as Recurring Revenue as a percentage of total revenue.
- (8) "Revenue / Average FuM" is calculated as Foresight Group's total management fees, secretarial fees and directors fees as a percentage of Average FuM.
- (9) "Core EBITDA Margin" is Core EBITDA as a percentage of total revenue.
- (10) Revenue / Average FuM for the six months ended 30 September 2019 was impacted by the significant amount of FuM that was recognised as a result of the JLEN acquisition in July 2019 without a corresponding amount of revenue for the entire six month period.
- (11) Revenue / Average FuM for the six months ended 30 September 2020 was impacted by the significant amount of FuM that was recognised as a result of the PiP acquisition in August 2020 without a corresponding amount of revenue for the entire six month period.

#### **Board of Directors**

Should the Company proceed with an Offer, it is expected that the following individuals would be appointed as directors to the board of the listed company:

<i>Name</i>	<i>Age</i>	<i>Position</i>
Bernard Fairman	71	Executive Chairman
Gary Fraser	49	Chief Financial Officer and Chief Operating Officer
Alison Hutchinson, CBE	53	Senior Independent Non-Executive Director
Michael Liston, OBE	69	Independent Non-Executive Director
Geoffrey Gavey	57	Independent Non-Executive Director

#### **Bernard Fairman, Executive Chairman**

Bernard Fairman co-founded Foresight Group in 1984 to raise a new fund for investment in unquoted technology companies based in the UK, the United States and France. He is an executive chairman with over 40 years of private equity experience. Bernard is responsible for the strategic direction and management of Foresight Group through organic growth and acquisitions to reach a leading position in the UK small cap private equity and international infrastructure markets.

Prior to founding Foresight Group, Bernard worked at 3i Ventures as an investment manager where he was responsible for sourcing, evaluating and negotiating investments.

Bernard holds a BA in Applied Economics from the University of Nottingham.

#### **Gary Fraser, Chief Financial Officer and Chief Operating Officer**

Gary Fraser joined Foresight Group in 2004 and is the Chief Financial Officer and Chief Operating Officer based in the London office. He has over 27 years of experience and is responsible for all financial and operational matters including new product development, providing and facilitating specialist financial input into corporate, portfolio and investment decisions.

Prior to joining Foresight Group, Gary worked at F&C Asset Management as a company secretary, where he focused on legal and tax compliance, financial compliance, technical and financial reporting and corporate finance. He has also worked at EY, focusing on audit & risk assurance and corporate finance.

Gary is a Chartered Fellow of the Securities Institute as well as a Chartered Accountant. He holds a BAcc from the University of Stirling.

#### **Alison Hutchinson, CBE, Senior Independent Non-Executive Director**

Alison Hutchinson is CEO of fintech charity The Pennies Foundation (which she founded in 2009) working with retailers to enable digital giving, a non-executive director of LV= and serves as the senior independent non-executive director at DFS PLC and Yorkshire Building Society.

Alison has a strong background in both IT and retail financial services, having started her career at IBM becoming a global director of online financial services before joining Barclays Bank where she held senior management positions including marketing director of Barclaycard. She subsequently moved to specialist mortgage provider Kensington Group in 2004 as managing director and then Group CEO, leading the successful sale of the business to Investec in 2008. In 2016, she was awarded a CBE for services to the economy and charities. She holds a BSc in Technology & Business Studies from Strathclyde University.

#### **Michael Liston, OBE, Independent Non-Executive Director**

Michael (Mike) Liston is Non-Executive Chairman of JTC PLC, having joined the company as an independent non-executive director of JTC Group Holdings in 2012, and has extensive experience across public and private sector businesses. He was chief executive of Jersey Electricity plc between 1993 and 2008, leading the transformative diversification of the business. Mike has held a number of non-executive roles, including: chairman of AIM-listed Renewable Energy Generation Ltd; chairman of AIM-listed KSK Emerging India Fund; and chairman of Jersey Post.

Mike was formerly chairman of The Jersey Appointments Commission, established by the States of Jersey to ensure probity in senior public sector appointments. He is a Fellow of the Royal Academy of Engineering. In 2007, Mike was awarded an OBE for services to the electricity industry and charity. He was elected as a Jurat (Lay Judge) of the Royal Court of Jersey in 2012, retiring from this position in 2017.

#### **Geoffrey Gavey, Independent Non-Executive Director**

Geoffrey (Geoff) Gavey joined the Foresight Group board in 2015 as an independent non-executive director. He is the managing director of FNB International Trustees Limited and deputy head of banking for FNB Channel Islands Bank. He is a member of the audit and risk committee of both FNB International Trustees Limited and FNB Channel Islands Bank.

Geoff is also a director of Ashburton Investments International (Holdings) Limited, the holding company of Ashburton (Jersey) Limited, a Jersey investment management firm. He was formerly a director of Fairbairn Trust Company Limited, a subsidiary of Old Mutual, and worked for Lloyds Bank International in both Guernsey and Gibraltar. He is an Associate of the Chartered Institute of Bankers, a Member of the Chartered Institute of Marketing and a registered Trust and Estate Practitioner. He holds a BSc in Mining Engineering from University College, Cardiff.

#### **Important legal information**

The contents of this announcement, which has been prepared by and is the sole responsibility of the Company, have been approved by Numis and Jefferies solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended).

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

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This announcement and any offer subsequently made is, and will be, addressed to and directed only at persons, in member states of the European Economic Area, who are "**qualified investors**" within the meaning of the EU Prospectus Regulation (2017/1129/ EU) ("Qualified Investors") or to other persons to whom it may lawfully be communicated without the requirement for a prospectus to be approved by any EU competent authority. Any investment or investment activity to which this document relates is available, in any member state of the European Economic Area, only to such persons.

This announcement and any offer subsequently made is, and will be, addressed to and directed only at persons, in the United Kingdom, who are (a) both "**qualified investors**" within the meaning of the UK version of the EU Prospectus Regulation (2017/1129/ EU) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**") and either (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (ii) who are high net worth entities falling within Article 49 of the Order; or (b) other persons to whom it may otherwise lawfully be communicated (all such persons under (a) and (b) together being referred to as "**relevant persons**"). Any investment or investment activity to which this document relates is available in the United

Kingdom only to relevant persons.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect Foresight Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Foresight Group's business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made. No representation or warranty is made that any forward-looking statement will come to pass.

Each of the Company, Numis, Jefferies and their respective affiliates as defined under Rule 501(b) of Regulation D of the Securities Act ("affiliates"), directors, officers, employees, advisers and agents, expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

Any subscription of Shares in the possible Offer should be made solely on the basis of information contained in the Prospectus which may be issued by the Company in connection with the Offer. The information in this announcement is subject to change. Before subscribing for or purchasing any Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus if published. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Neither this announcement, nor anything contained in the Registration Document referred to herein, shall form the basis of or constitute any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any Shares or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

Foresight Group may decide not to go ahead with the IPO and there is therefore no guarantee that Admission will occur. You should not base your financial decision on this announcement. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making investments should consult an authorised person specialising in advising on such investments. Neither this announcement, nor the Registration Document referred to herein, constitutes a recommendation concerning a possible offer. The value of shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of a possible offer for the person concerned.

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For the avoidance of doubt, the contents of Foresight Group's website are not incorporated by reference into, and do not form part of, this announcement.

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<sup>[1]</sup> "Core EBITDA" is calculated as EBITDA before non-underlying items. Non-underlying items are non-trading or one-off items, where the quantum, nature or volatility of such items are considered by the Directors and the Proposed Directors to otherwise distort the underlying performance of Foresight Group.

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