



Foresight

FOR A SMARTER FUTURE

Results presentation

Half-year ended 30
September 2021

9 December 2021

Agenda



Bernard Fairman

Executive Chairman & Co-Founder

- Co-founded Foresight Group in 1984
- 40 years of private equity experience
- Responsible for strategic direction and management
- Prior to founding Foresight, he was an Investment Manager at 3i Ventures



Gary Fraser

Chief Financial Officer & Chief Operating Officer

- Joined Foresight Group in 2004
- Responsible for all financial and operating matters including new product development
- Previously at F&C Asset Management and Ernst & Young

1. Operational highlights
 2. Financial results
 3. Business review
 4. Strategy and outlook
- Q&A

Operational highlights

35+ year track record of successful investment in specialist, difficult-to-access markets

- Strong organic growth from a diversified investor base delivering high-quality recurring revenue
 - AUM to £8.1 billion +13%⁽¹⁾, FUM £6.1 billion + 18%⁽¹⁾
- Significant pipeline of new fund launches and deployment opportunities
 - Expansion into geothermal heat generation and successful listing of dedicated UK forestry fund⁽²⁾
- Interim dividend of 4 pence per share reflecting the increased payout ratio of 60% announced in July 2021
- Foresight Capital Management (FCM) now reported as a stand-alone segment due to the rate of growth and size of the opportunity
- Well positioned to capture benefits of strong sector tailwinds further highlighted by COP26
- On track to deliver against strategic and financial targets

(1) Six-month growth rate from 31 March 2021. Throughout this presentation, year on year change is calculated on rounded numbers and may therefore differ from the financial statements

(2) Post period end



Financial results

Gary Fraser

Key financial metrics

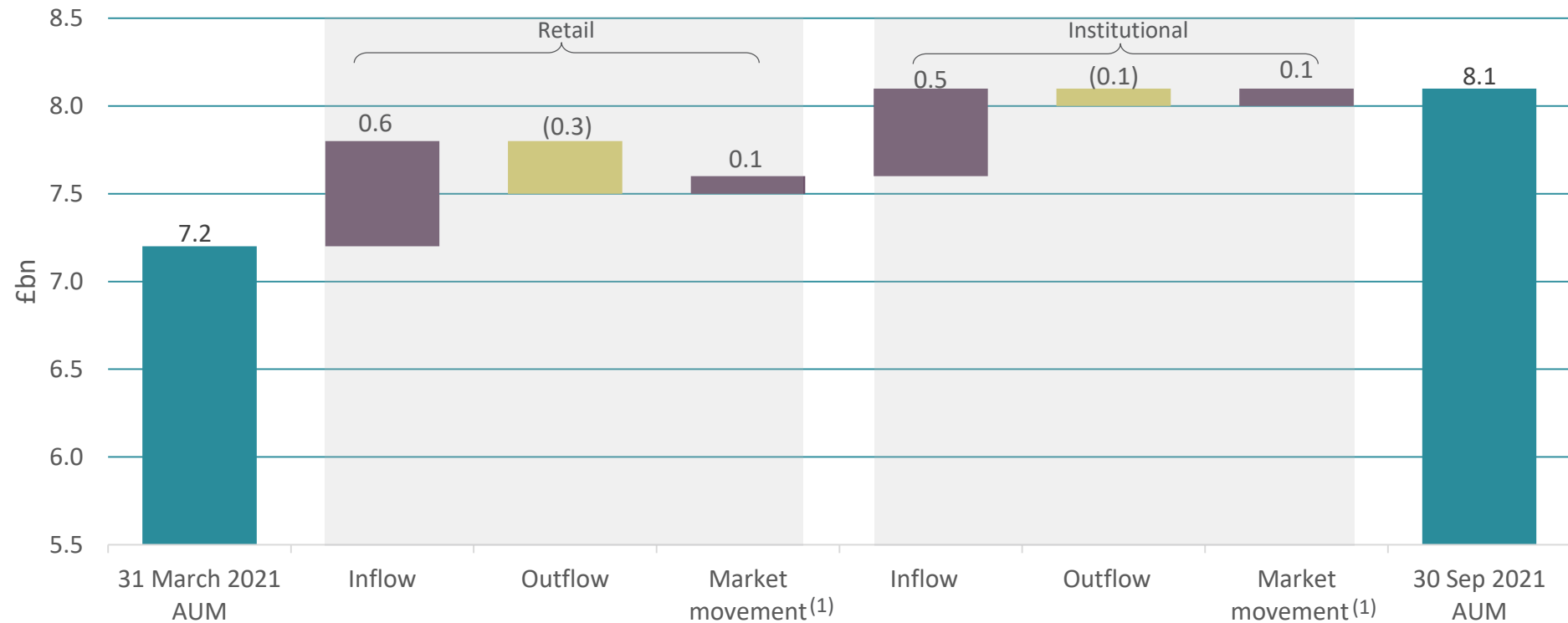
Strong performance across all metrics

	30 September 2021	30 September 2020	YoY Change
Period-end AUM (£m)	8,133	6,766	+20.2%
Period-end FUM (£m)	6,067	4,761	+27.4%
Total Revenue (£m)	39.7	32.4	+22.5%
Recurring Revenue (% of Total)	89.5%	91.0%	-1.5 pts
Core EBITDA pre SBP ⁽¹⁾ (£m)	15.2	10.6	+43.4%
Core EBITDA pre SBP ⁽¹⁾ margin (%)	38.3%	32.8%	+5.5 pts
Earnings per Share from continuing operations (p)	10.7p	8.8p	+1.9p
Dividend per Share	4.0p	n/a	n/a

(1) Share-based payments (SBP) equal to £0.2 million in the six-months to 30 September 2021

AUM bridge

Strong organic growth continued across diversified investor strategies

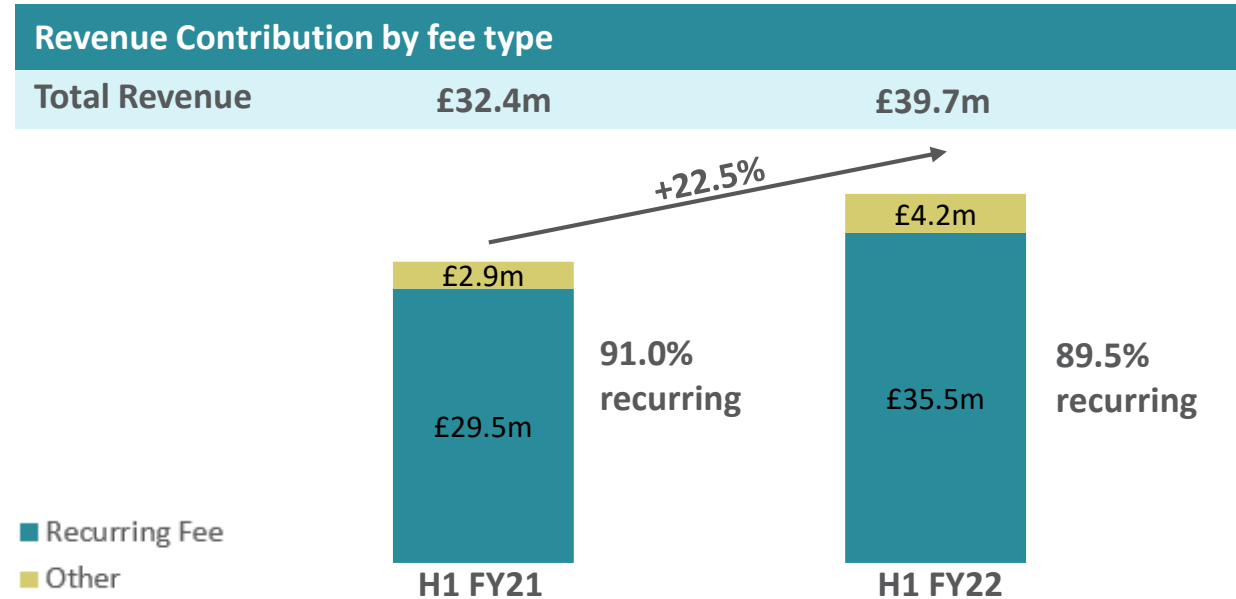


- £0.7 billion net inflows delivered across both retail and institutional funds highlighting the benefits of offering a broad range of fund strategies
- On target to deliver ambitious medium-term growth target

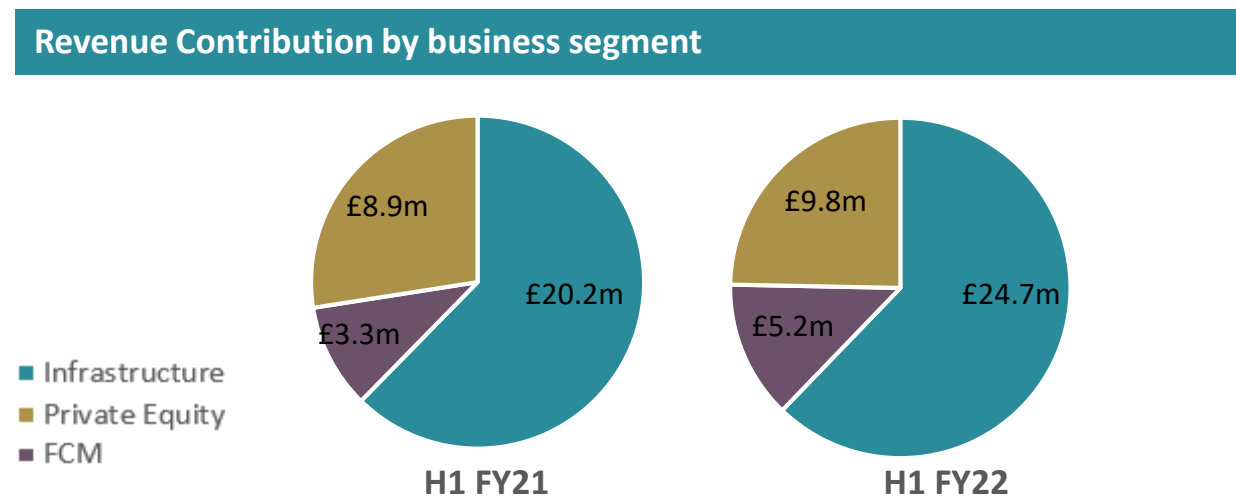
(1) Includes dividend payments

Revenue analysis

Continued momentum in revenue driven by FUM growth



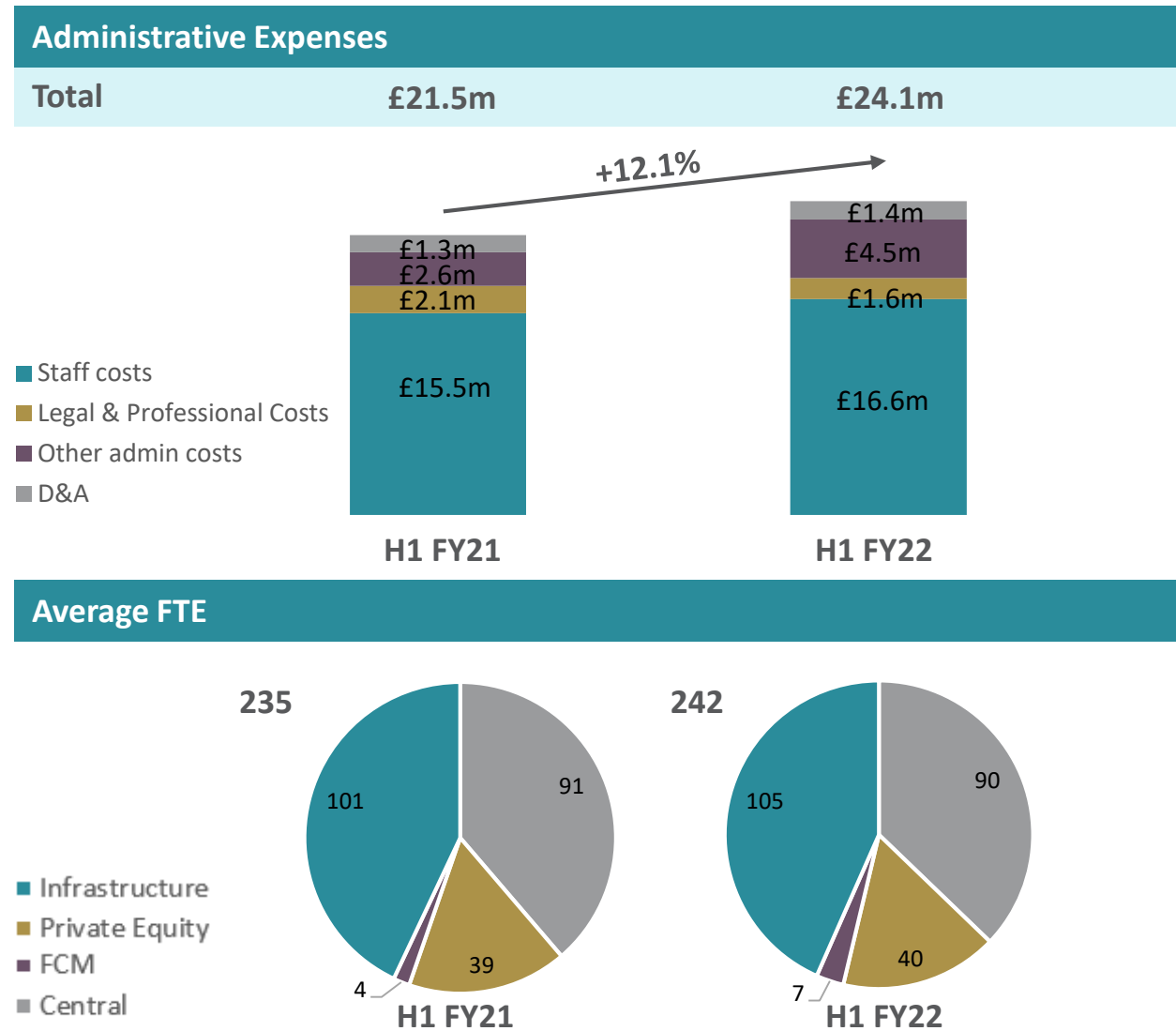
- Delivered another consecutive period of significant revenue growth
- High-quality recurring revenue stream maintained within 85-90% target range



- Increased revenue contribution across every business unit
- Revenue margins remain robust

Cost analysis

Maintained good cost discipline delivering operational leverage

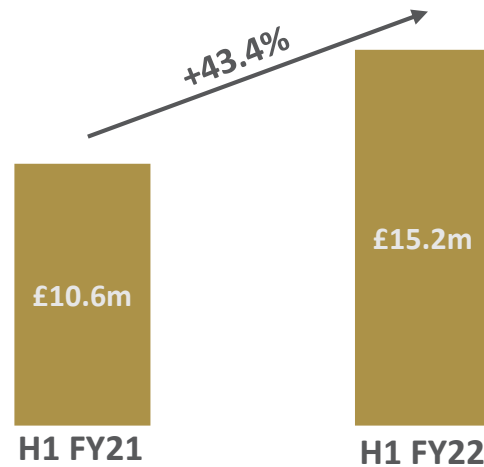


- Continued cost discipline delivering improved operating margins
- Active investment in developing and growing our talent pool
 - More than offset by top-line growth
 - Focused in high growth areas to support expansion

EBITDA progression

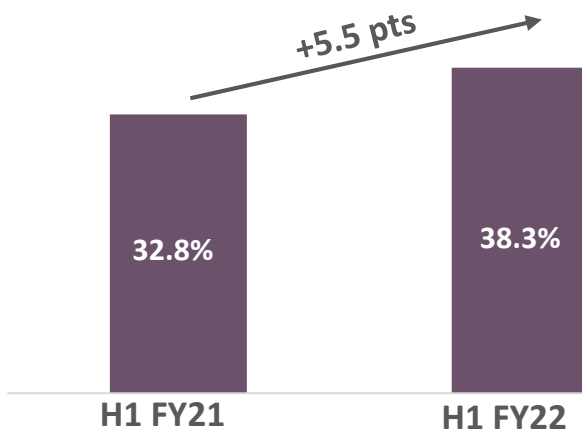
On track to deliver medium-term margin target of c.43%

Core EBITDA pre SBP



- Strong improvement as we build scale

Core EBITDA pre SBP Margin

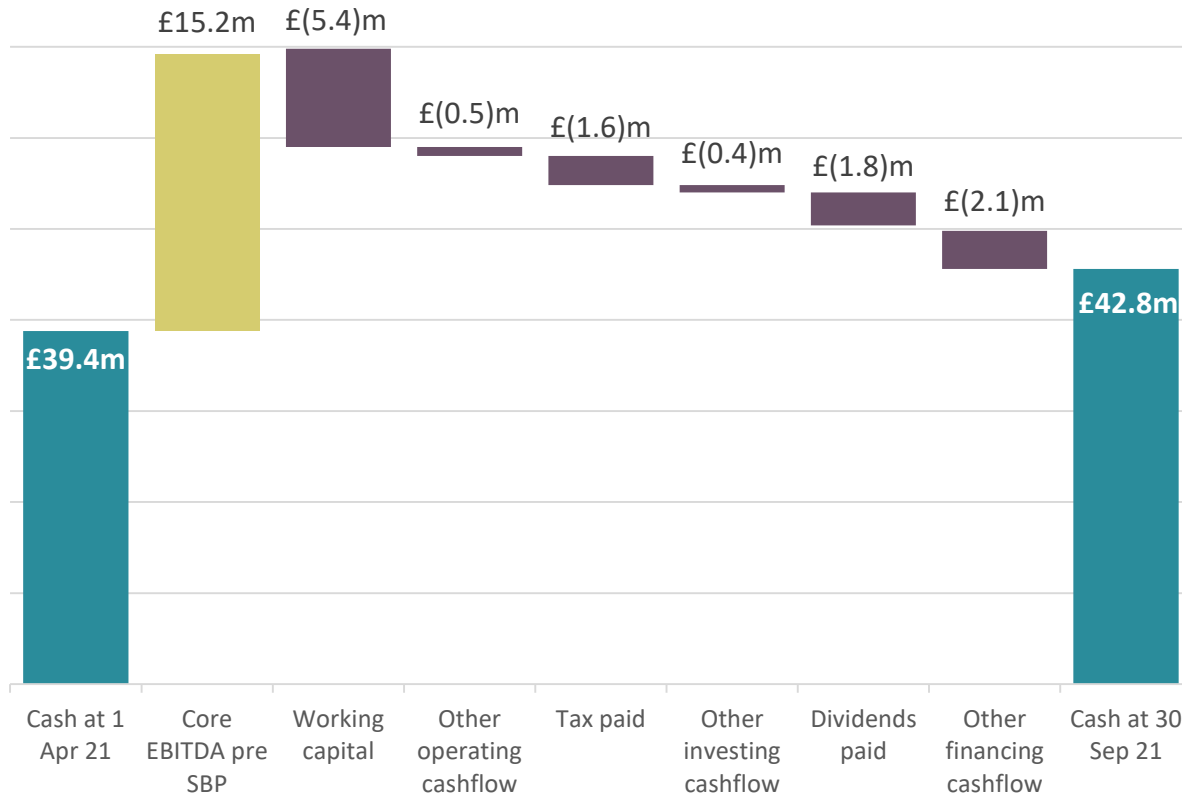


- EBITDA margin +5.5 points vs H1 FY21

Cash flow summary

Strong financial position

Cash Flow: For the six months ended 30 September 2021



Note: Numbers may not sum due to rounding

- Strong operational cash flow supports the Company's dividend policy of a 60% payout ratio
- Robust cash balance to support growth opportunities
- Working capital includes
 - payment of annual bonus
 - increase in contract costs (FEIP incremental placement fees)
- Other financing includes
 - office lease payments
 - PIP loan repayments



Business Review

Bernard Fairman

Strategic progress

Continuing to deliver on our strategic goals

H1 FY22

Ability to raise funds consistently from diversified investor base

43.5%
AUM CAGR⁽¹⁾

£0.7bn
*Net organic inflows
across Retail and
Institutional*

Low capital intensity and high levels of operational gearing

89.5%
*Recurring Revenue as %
of Total – H1 FY22*

38.3%
*Core EBITDA pre SBP
margin*

Visible near-term growth, substantial long-term potential driven by ESG and sustainable investment strategies

£1.1bn
Gross funds raised

**Significant capacity
to scale platform**

(1) 3 year Compound Annual Growth Rate (CAGR) to 30 Sep 2021

Infrastructure summary

Proven ability to capture opportunities in growing markets

AUM growth

- + 13% to £6.0 billion in six months ending 30 September 2021

Deployment

- 25 transactions in the period, aggregate value of £254 million
- Final close of Foresight Energy Infrastructure Partners
 - €851.4 million - 70% ahead of original target

Outlook

- Post period end completed first investment of €40m in Dutch geothermal heat generation
 - Potential to achieve significant carbon savings on existing generation methods (predominantly gas) in excess of 90%
- Strongly positive market outlook supported by developments from COP26

Key facts

338 assets

16 asset classes

€1 billion+ *Total capital pool for Foresight's energy transition strategy¹*

1.45% *of total 2020 UK energy generation produced across the Foresight UK portfolio in H1 FY22⁽²⁾*

1.64 TWh
Generated across Foresight's wind and solar assets

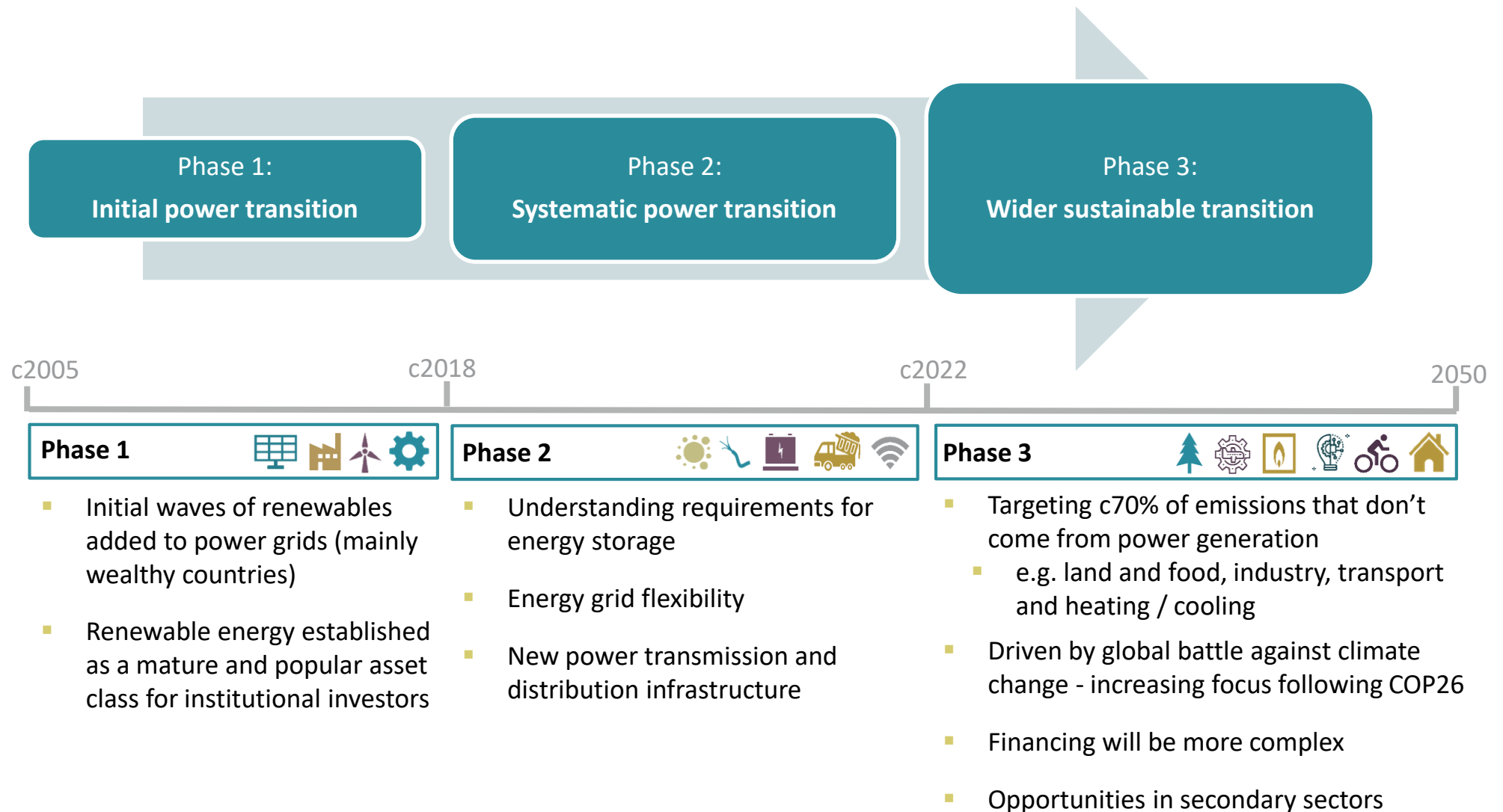
25,000+
Acres of forestry assets

(1) Including co-investments

(2) 2020 UK energy generated pro-rated

Infrastructure strategy evolution

Leveraging existing capability into contiguous asset classes and geographies



Foresight Sustainable Forestry Company (FSFC)

Early identification and swift execution – First mover advantage

Strategic opportunity

- Land and food identified as the next mega-trend sustainable investment themes
 - Recognition that UK forestry was the ideal entry point (2018)
 - Offers strong risk-adjusted returns
- World Bank forecasting 4.5bn cubic metres per annum supply deficit by 2050
- UK is a net importer of timber and has only c13% forest cover
- Demand for carbon units expected to grow by 100x by 2050
- Preference for sustainable timber products and global recognition that biodiversity loss must be reversed

To date

x36 transactions

Acquired **40+** properties

Excellent seed assets
platform for the fund launch

Foresight Sustainable Forestry Company (FSFC)

Successfully listed on 24 November 2021

£130m LSE main market premium segment

- First natural capital focused investment trust on the LSE
- Direct 'pure-play' liquid access to UK forestry real assets
- Scalable platform for new universe of retail and multi-asset capital
- Up to 50% allocation to afforestation with the balance as existing yielding forestry
- Exceptional sustainability, biodiversity and ESG credentials



Capital growth returns driven by:

- Tight supply and increasing demand for sustainable timber
- Development value created by conversion of grazing to forestry
- Creation of voluntary carbon units
- Co-located renewable energy and eco tourism opportunities

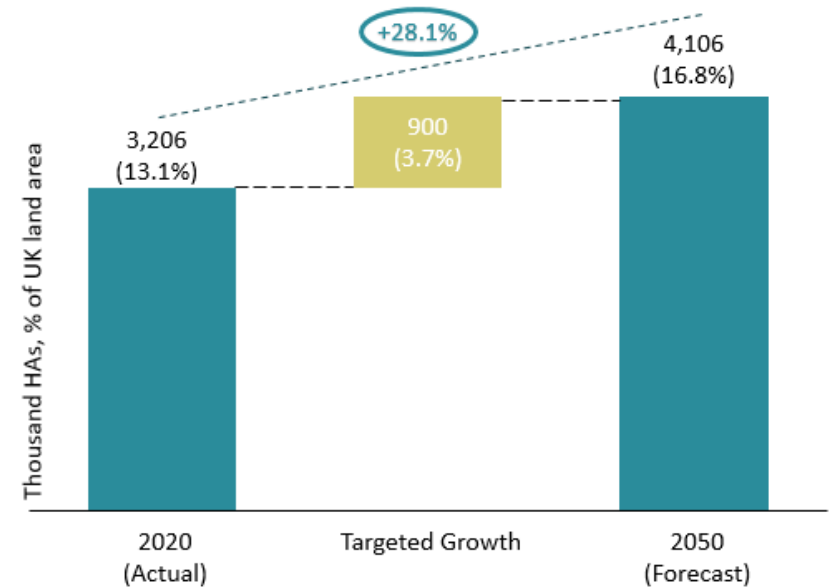
Foresight Sustainable Forestry Company (FSFC)

Executing strategy to build a scalable platform from which to grow exposure

Why now?

- At COP26 100+ world leaders promised to end and reverse deforestation by 2030
- Changes in farming subsidies delivering afforestation pipeline
- Timber products are naturally carbon negative and can contribute positively to energy transition
- Demand for carbon units expected to grow by 100x by 2050
- All large UK corporates required to report their route to net zero by 2030 in 2023

UK Forested Area Forecast ⁽¹⁾⁽²⁾



UK target planting of 30k hectares per annum to 2050

“Nature is a key ally. Wherever we restore the wild it will help us re-capture carbon and bring back balance to our planet.”

David Attenborough at COP26

(1) Forestry Commission Statistics

(2) Foresight assumption based on DEFRA target

Private Equity summary

Excellent positioned to deliver growth

AUM growth

- +13% to £810 million in six months ending 30 September 2021

Performance and deployment

- £41.5 million invested across 26 transactions to support 22 UK SMEs
- Several successful realisations made during the period
- North West focused Foresight Regional Investment III raised an initial £66 million exceeding the size of the previous fund
- Foresight VCT subscription offer of up to £20 million

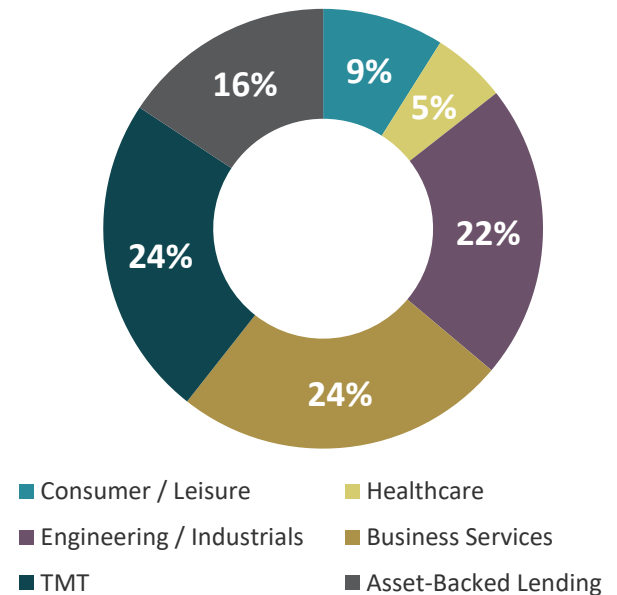
Outlook

- High-quality pipeline with a number of opportunities under exclusivity or in due diligence
- Continued focus on regional £1-5 million transactions
- Well positioned to benefit from the growth phase of the next economic cycle e.g. “Levelling Up” agenda
- As a number of regional funds mature we will move into a period of increased realisations

Example realisation

3.1x in three years
for health diagnostics
company Mologic

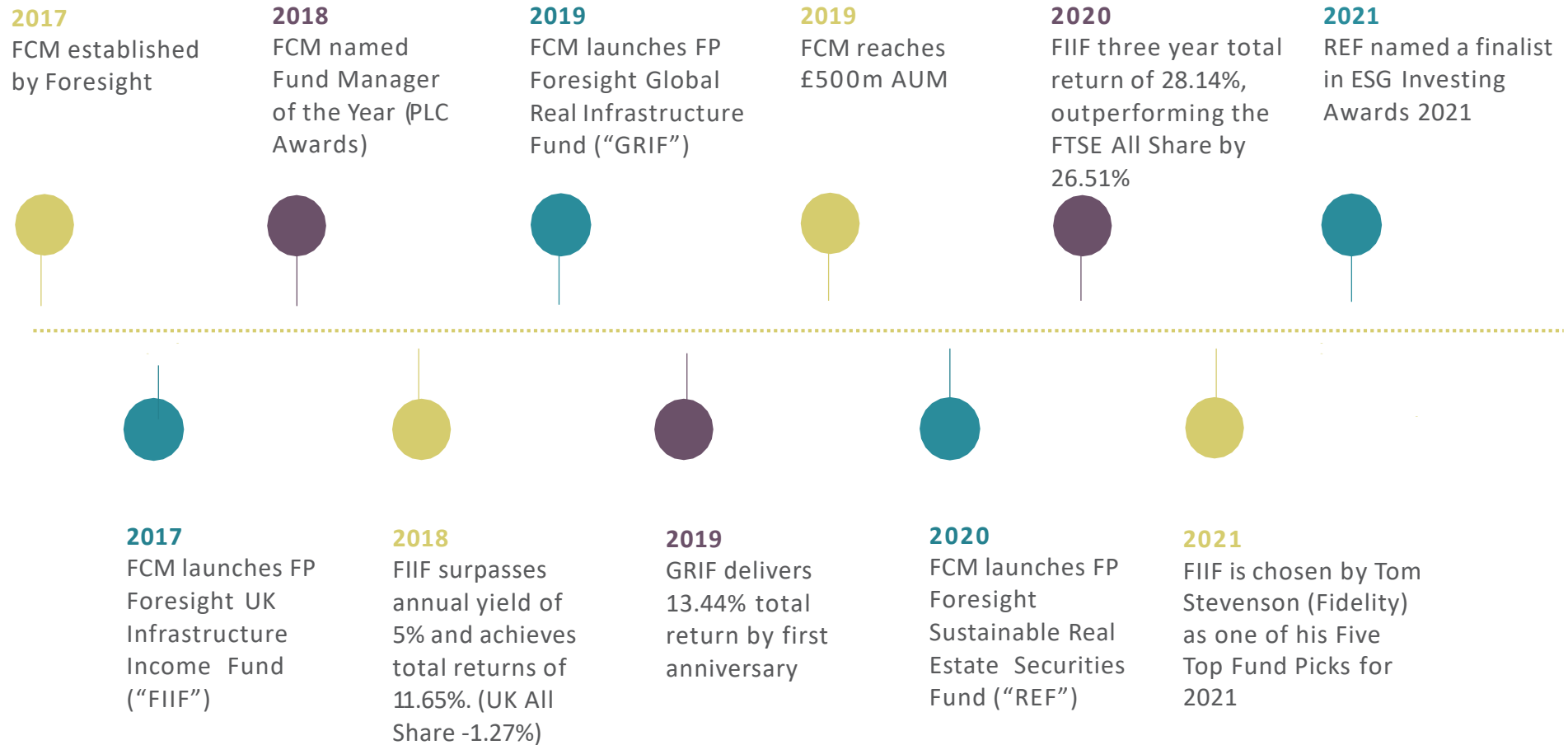
Portfolio split by carrying value – 30 September 2021



FCM overview

Newly defined business unit with high growth potential

Growing UK OEIC market likely to be a key driver of retail fundraising and FUM in the near to medium term



FCM summary

Diversified funds delivering growth

AUM growth

- +20% to £1.4 billion in six months ending 30 September 2021

Performance and deployment

- UK OEICS delivered positive total returns in the period
- Expanded global footprint with launch of VAM mandate
 - £22 million of net inflows in four months since launch

Outlook

- Further fund launches will draw on Foresight's core competencies and sustainable investment focus
 - GRIF Lux launched November 2021 providing access to European capital and distribution networks
 - New fund planned for early 2022 to address core themes of sustainable development and decarbonisation

UK OEIC performance since launch⁽¹⁾

FP Foresight UK infrastructure Income Fund

+35.29%

(Inception date: 4 December 2017)

FP Foresight Global Real Infrastructure Fund

+47.39%

(Inception date: 3 June 2019)

FP Foresight Sustainable Real Estate Securities Fund

+20.64%

(Inception date: 15 June 2020)

(1) As at 30 September 2021

Sustainability lies at the heart of Foresight's business

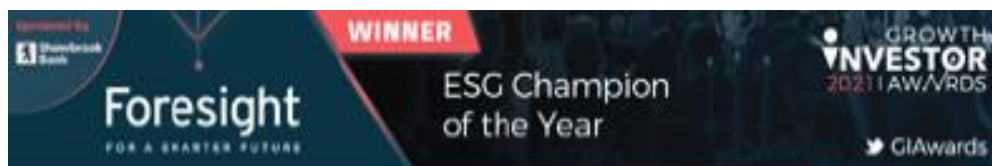
We nurture a culture, relationships and behaviours that reflect this

Sustainable investor

- ESG Champion of the Year from the Growth Investor Awards 2021
- Signatory to the Principles for Responsible Investment since 2013
- Investments are aligned to UN Sustainable Development Goals
- Member of the Sustainable Markets Initiative: Natural Capital Investment Alliance ("NCIA")
- All infrastructure assets now report quarterly on a full suite of sustainability KPIs

Responsible business

- Corporate carbon foot-printing exercise completed that will inform our TCFD disclosures
- Aiming to establish science-based emissions targets in 2022
- Established Foresight's Inclusion and Diversity Committee; strategy in development
- Mandatory unconscious bias training for all staff to reduce bias in the pitch process
- Signatory of Playfair Capital's Female Founder Office Hours initiative and HM Treasury Women in Finance Charter
- Hosted Foresight's Sustainability Week in partnership with the Goodwood Estate, September 2021



82%
Response rate to sharing of
personal diversity data for
"count me in" initiative

25%
Women in senior
management positions
within Foresight

A+, A+, A
Foresight's most recent
PRI scores



Strategy and Outlook

Bernard Fairman

Medium term strategy: On track

		DELIVERED IN H1 FY22	Outlook
Fundraising	- Favourable macro conditions across target markets 20-25% growth target - Acquisitions incremental to 20-25% target	+25% annualised growth achieved organically 	20-25% Targeted yearly growth in AUM over the medium term, in line with the last five years performance
Revenue	- Successful transition of the revenue model to generate steady state recurring revenues of c85-90% of total revenues - Strong deployment pipeline to drive revenue growth	89.5% recurring, no underlying fee pressure 	Minimal fee margin compression expected Focus on optimal asset mix to maximize revenue potential
Operating costs & margins	- With key components of growth already in place, Foresight is ready to scale rapidly - Significant potential for longer-term margin improvement as AUM grows - Targeting a Core EBITDA margins of c43% in the medium term	c.38% margin 	c.43% Core EBITDA margin
Dividend policy	Foresight has a target payout ratio of 60%	4p interim DPS 	60% Dividend payout

Current trading and outlook

- Strong fundraising in FY22 to date at the top end of the 20-25% annual AUM growth target range
- Investor sentiment remains robust. Momentum continues to build on the £0.7 billion net inflows in H1 FY22 with over £0.5 billion funds deployed⁽¹⁾
- Post period end;
 - Successful listing of Foresight Sustainable Forestry Company (£130 million raised)
 - Significant investment in geothermal heat generation (new asset class in the Netherlands) and high-speed fibre broadband (UK)
 - Enabled retail fundraising in new geographies through launch of GRIF Lux fund
- Pipeline of investment opportunities remains strong across the portfolio
- Assessing M&A opportunities within target strategy of adding to our core competencies
- Continued focus on ESG and carbon reporting as we build on our well-established sustainability credentials
- The Board's considerable confidence in achieving the Group's targets for the full year to 31 March 2022 is reflected in the agreed dividend payout ratio of 60%

(1) includes £0.2bn of funds raised and deployed in FCM



Q&A



Foresight

FOR A SMARTER FUTURE

For a Smarter Future

Results presentation to 30 September 2021
Appendices

Appendix 1: Revenue analysis by business segment⁽¹⁾

	Infrastructure		Private Equity		FCM	
	Sep-21	Sep-20	Sep-21	Sep-20	Sep-21	Sep-20
Total AUM £bn	6.0	5.3	0.8	0.7	1.4	0.8
Revenue / average AUM%	0.77%	0.78%	1.91%	2.05%	0.82%	0.98%
Retail FUM £bn	1.2	1	0.5	0.4	1.4	0.8
Revenue/ retail FUM %	1.85%	2.11%	2.28%	2.39%	0.82%	0.98%
Institutional FUM £bn	2.7	2.3	0.4	0.3	-	-
Revenue / institutional FUM %	0.93%	0.77%	1.41%	1.52%	-	-
Total FUM	3.9	3.3	0.8	0.7	1.4	0.8

Group	
Sep-21	Sep-20
8.1	6.8
0.89%	0.93%
3.0	2.2
1.46%	1.80%
3.1	2.6
0.99%	0.85%
6.1	4.8

£m	H1 FY22	H1 FY21	H1 FY22	H1 FY21	H1 FY22	H1 FY21
Management fees	21.5	14.3	7.1	5.4	5.1	2.8
Secretarial fees	0.4	4.4	0.3	1.1	0	0.4
Directors' fees	0.1	0.1	1.1	1	0	0
Total recurring revenue	22	18.8	8.5	7.5	5.1	3.2
Marketing fees	1.6	0.5	0.4	0.7	0.1	0.1
Arrangement fees	0.5	0.9	0.9	0.7	0	0
Other fees	0.6	0	0	0	0	0
Total revenue	24.7	20.2	9.8	8.9	5.2	3.3
Recurring revenue %	89%	93%	87%	84%	98%	97%

H1 FY22	H1 FY21
33.7	22.6
0.7	5.9
1.2	1.0
35.6	29.5
2.1	1.3
1.4	1.6
0.6	0
39.7	32.4
90%	91%

Average FTE	105	102	40	39	7	4
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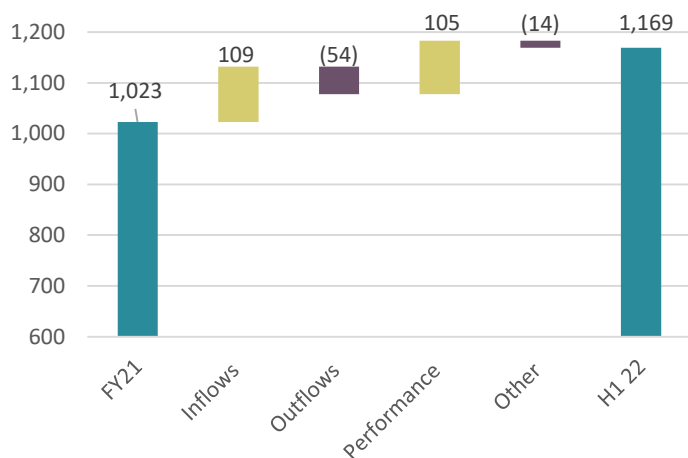
242 ⁽²⁾	235 ⁽²⁾
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(1) All figures in the appendices of this presentation are subject to de minimis rounding

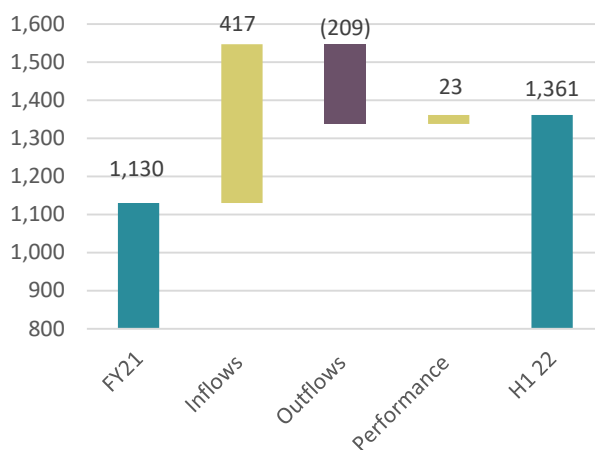
(2) Includes central allocation

Appendix 2: FUM movement by business segment and investor type (£m)

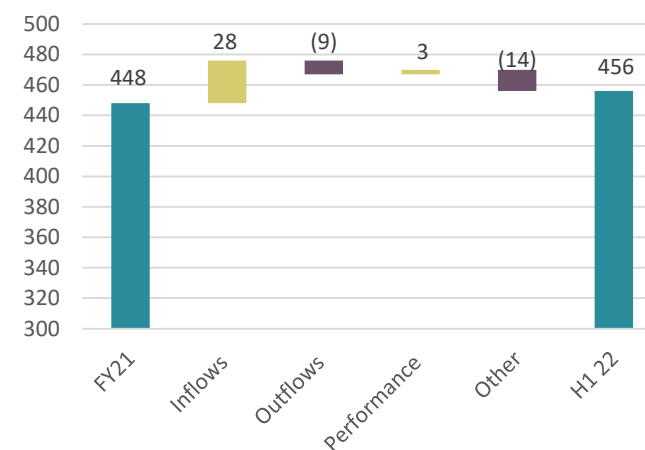
Infrastructure retail



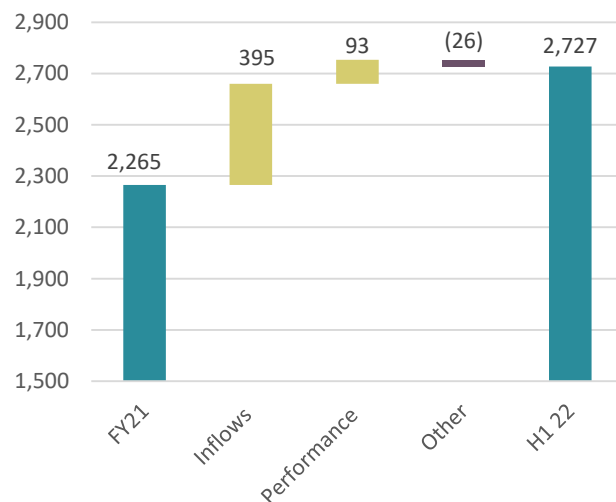
Foresight capital management retail ⁽¹⁾



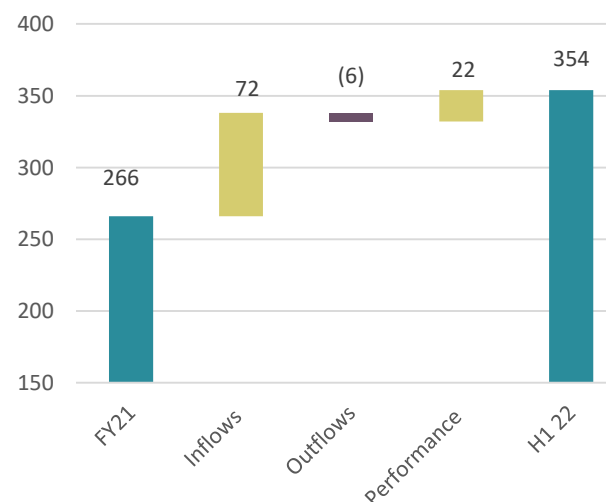
Private equity retail



Infrastructure institutional



Private equity institutional



(1) For FCM, all FUM is retail

Appendix 3: Summary H1 FY22 Income Statement

Income Statement (£m)	Sep-21	Sep-20
Revenue	39.7	32.4
Cost of sales	(2.5)	(2.3)
Gross profit	37.2	30.1
Administrative expenses	(24.0)	(21.5)
Other operating income	0.2	—
Operating profit	13.4	8.6
Finance income	—	—
Finance expense	(0.4)	(0.4)
Fair value gains on investments	0.1	0.1
Share of post-tax profits/(losses) of equity accounted joint venture	—	—
Profit on ordinary activities before taxation	13.1	8.3
Tax on profit on ordinary activities	(1.7)	—
Profit	11.4	8.3
Other comprehensive income		
Translation differences on foreign subsidiaries	0.1	(0.3)
Total comprehensive income	11.5	8.0
EPS (p)	10.7	8.8

Appendix 4: Core EBITDA pre-SBP reconciliation (£m)

Core EBITDA pre-SBP Calculation £m	Sep-21	Sep-20
Total comprehensive income	11.5	8.0
Adjustments:		
Non-operational staff costs	0.3	0.7
Non-operational legal costs	—	0.5
Profit on disposal of fixed assets and gain on bargain purchase	—	(0.2)
Other operating income	(0.2)	0.0
Finance income and expense	0.4	0.3
Tax on profit on ordinary activities	1.6	0.0
Depreciation and amortisation	1.4	1.3
Core EBITDA	15.0	10.6
Share-based payments	0.2	—
Core EBITDA pre share-based payments	15.2	10.6

Appendix 5: Summary Statement of Financial Position as at 30 September 2021 (£m)

Summary Statement of Financial Position

30-Sep-21 31-Mar-21

Assets

Property, plant and equipment	2.8	3.0
Right of use assets	8.8	9.1
Intangible assets	3.0	3.0
Investments	2.5	2.4
Deferred tax asset	0.8	1.0
Contract costs	4.8	0.8
Trade and other receivables	20.8	19.9
Cash and cash equivalents	42.8	39.4
Net assets of disposal group	0.1	0.1
Total assets	86.4	78.7

Liabilities

Trade and other payables	(21.4)	(20.9)
Loans and borrowings	(3.7)	(4.4)
Lease liabilities	(11.5)	(12.0)
Deferred tax liability	(0.5)	(1.6)
Total liabilities	(37.1)	(38.9)

Net assets

49.3	39.8
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Equity

Share capital	—	—
Share premium	32.1	32.1
Own share reserve	(0.4)	—
Share-based payment reserve	0.2	—
Group reorganisation reserve	—	—
Retained earnings	17.4	7.7
Total equity	49.3	39.8

Appendix 6: Restated FY20 and FY21

£m	FY21 (Adjusted)				FY20 (Adjusted)			
	PE	Infra	FCM	Central	PE	Infra	FCM	Central
Management fees	11.3	32.2	6.8		10.2	22.0	3.3	
Secretarial fees	1.8	7.5	0.5		2.3	8.5	0.7	
Directors fee	2.1	0.2	0.0		1.7	0.2	0.0	
Marketing fees	1.1	1.5	0.2		1.6	2.4	0.3	
Arrangement fees	1.9	2.0	0.0		1.9	2.1	0.0	
Performance fees	0.0	0.0	0.0		0.0	0.0	0.0	
Other income	0.0	0.0	0.0		0.0	0.1	0.0	
Total revenue	18.2	43.4	7.5		17.7	35.3	4.3	
Cost of sales	(0.4)	(2.4)	(1.8)		(0.9)	(2.2)	(1.3)	
Staff costs	(6.3)	(17.2)	(3.1)	(7.2)	(5.7)	(12.9)	(2.9)	(7.9)
Legal costs	(0.6)	(1.8)	(0.1)	(3.5)	(0.4)	(3.2)	(0.1)	(1.8)
Other admin costs	(1.1)	(1.2)	(0.6)	(3.4)	(1.2)	(2.8)	(0.3)	(4.3)
Depreciation & amortisation	(0.3)	(0.2)	0.0	(2.1)	(0.3)	(5.3)	0.0	(2.2)
Total administrative expenses	(8.3)	(20.4)	(3.8)	(16.2)	(7.6)	(24.2)	(3.3)	(16.2)
Other operating income	0.0	0.3	0.0	0.1	0.0	0.8	0.0	0.0
Operating profit	9.5	20.9	1.9	(16.1)	9.2	9.7	(0.3)	(16.2)
Core EBTIDA post allocation	6.9	15.9	1.1		6.1	7.7	(1.2)	

- Restated to report FCM as a separate business unit
- Updated central allocation

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