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THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

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This electronic transmission and the attached document and the Offer are 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**"). Any investment or investment activity to which the attached Prospectus relates is available, in any member state of the European Economic Area, only to Qualified Investors and this electronic transmission and the attached Prospectus must not be acted on or relied on in any member state of the European Economic Area except by Qualified Investors.

This electronic transmission and the attached document and the Offer are 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 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 the attached Prospectus relates is available in the United Kingdom only to relevant persons.

This electronic transmission and the attached Prospectus must not be acted on or relied on in the United Kingdom, by persons who are not relevant persons.

The electronic transmission and the attached document and the Offer are only addressed to and directed in Canada to persons ("**Canadian Qualified Investors**"): (a) in the provinces of Ontario, Québec, Alberta, Manitoba or British Columbia; (b) who are a "accredited investor" within the meaning of Section 1.1 of National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") of the Canadian Securities Administrators or subsection 73.3(1) of the *Securities Act* (Ontario), as applicable, and either purchasing the Shares as principal for its own account, or is deemed to be purchasing the Shares as principal for its own account in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution; (c) not created or used solely to purchase or hold the Shares as an accredited investor under NI 45-106; (d) who are a "permitted client" within the meaning of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* of the Canadian Securities Administrators; and (e) entitled under applicable Canadian securities laws to purchase the Shares without the benefit of a prospectus under such securities laws. Any offer and sale of the Shares in Canada will be made on a private placement basis only and will be exempt from the requirement that the Company prepares and files a prospectus under applicable Canadian securities laws.

Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Confirmation of Your Representation: This electronic transmission and the attached document are delivered to you on the basis that you are deemed to have represented to the Company, Jefferies International Limited ("**Jefferies**") and Numis Securities Limited ("**Numis**" and, together with Jefferies, the "**Banks**") that (i) if you are in the United States, you are a QIB acquiring such securities for your own account or for the account of another QIB or that you are acquiring such securities in offshore transactions as defined in, and in reliance on, Regulation S under the US Securities Act; (ii) if you are in the United Kingdom, you are a relevant person, and/or a relevant person who is acting on behalf of, relevant persons in the United Kingdom and/or Qualified Investors to the extent you are acting on behalf of persons or entities in the European Economic Area; (iii) if you are in any member state of the European Economic Area, you are a Qualified Investor and/or a Qualified Investor acting on behalf of relevant persons in the United Kingdom and/or Qualified Investors, to the extent you are acting on behalf of persons or entities in the European Economic Area; (iv) if you are in Canada, you are a Canadian Qualified Investor, and (v) you are an institutional investor that is eligible to receive this Prospectus and you consent to delivery of this Prospectus by electronic transmission.

You are reminded that you have received this electronic transmission and the attached document on the basis that you are a person into whose possession this electronic transmission and the attached document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this electronic transmission or the attached document, electronically or otherwise, to any other person.

None of the Banks nor any of their respective affiliates, directors, personally liable partners, officers, employees, advisers or agents accept any responsibility whatsoever for the contents of this transmission or the attached document or for any other statement made or purported to be made by them, or on their behalfs, in connection with the Company or the Offer referred to herein. To the fullest extent permitted by law, the Banks and each of their respective affiliates, directors, personally liable partners, officers, employees, advisers or agents accordingly disclaim all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of such electronic transmission, document or any such statement. No representation or warranty, express or implied, is made by the Banks nor any of their respective affiliates, directors, personally liable partners, officers, employees, advisers or agents as to the accuracy, completeness, verification or sufficiency of the information set out in this electronic transmission or the attached document. You are reminded that a document transmitted via this medium may be altered or changed during the process of electronic transmission and, consequently, none of the Company, the Banks or any of their respective affiliates, directors, personally liable partners, officers, employees, advisers or agents accept any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. By accessing the attached document, you consent to receiving it in electronic form.

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A photograph of several wind turbines on a grassy hill. The sun is low on the horizon, creating a warm, golden glow and long shadows. The sky is filled with soft, colorful clouds in shades of orange, pink, and blue. The turbines are white with three blades each. In the background, there are more hills and some power line towers.

Foresight
FOR A SMARTER FUTURE

**FORESIGHT GROUP
HOLDINGS LIMITED**

PROSPECTUS

04 FEBRUARY 2021

Dated 4 February 2021.

This document comprises a prospectus (the "**Prospectus**") for the purposes of the UK version of Regulation (EU) 2017/1129 which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "**Prospectus Regulation**") relating to Foresight Group Holdings Limited (the "**Company**") prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority (the "**FCA**") made under section 73A of the Financial Services and Markets Act 2000 (the "**FSMA**"). The Prospectus has been approved by the FCA under the Prospectus Regulation Rules. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is, or the quality of the securities that are, the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the ordinary shares in the capital of the Company (the "**Shares**").

Application has been made to the FCA for the Shares, issued and to be issued in connection with the Offer to be admitted to the premium listing segment of the Official List of the FCA and to London Stock Exchange plc (the "**London Stock Exchange**") for all of the Shares, issued and to be issued in connection with the Offer, to be admitted to trading on the London Stock Exchange's main market for listed securities (the "**Main Market**") (together, "**Admission**"). Conditional dealings in the Shares are expected to commence on the Main Market at 8.00 a.m. on 4 February 2021. It is expected that Admission will become effective, and that unconditional dealings in the Shares will commence at 8.00 a.m. on 9 February 2021. Dealings on the Main Market before Admission will only be settled if Admission takes place. **All dealings before the commencement of unconditional dealings will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. No application is currently intended to be made for the Shares to be admitted to listing or dealt with on any other exchange.**

The directors of the Company, whose names appear on page 80 of this Prospectus (the "**Directors**"), and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Company, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

Prospective investors in Shares should read this document in its entirety and, in particular, the "Risk Factors" in Part 1 for a discussion of certain risks and other factors that should be considered prior to any investment in the Shares.



Foresight Group Holdings Limited

(Incorporated and registered in Guernsey with registered number 51521)

Offer of 54,046,320 Offer Shares of nil par value
at an Offer Price of 420 pence per Offer Share
and admission of the Shares to the premium listing segment of the Official List
and to trading on the Main Market of the London Stock Exchange

Sponsor, Joint Global Co-ordinator and Joint Bookrunner

Numis

Joint Global Co-ordinator and Joint Bookrunner

Jefferies

ORDINARY SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

Issued

Number	
108,333,333	nil par value

Pursuant to the terms of the Offer, the Company is offering 8,333,333 New Shares (representing 7.7 per cent. of the issued Shares on Admission) which will raise estimated net proceeds for the Company of £30.0 million and the Selling Shareholders are selling 45,712,987 Existing Shares in aggregate (representing 42.2 per cent. of the issued Shares on Admission) which will raise estimated net proceeds, in aggregate, for the Selling Shareholders of £186.2 million. The Company will not receive any of the proceeds from the sale of the Existing Shares, all of which will be paid to the Selling Shareholders. The Offer is conditional, inter alia, on Admission taking place on or before 8.00 a.m. on 9 February 2021 or such later time and/or date as the Company and the Banks may agree.

The New Shares to be issued pursuant to the Offer will, following Admission, rank *pari passu* in all respects with each other and with the Existing Shares and will rank in full for all dividends and other distributions declared, made or paid on Shares after Admission.

The Company is not regulated in Guernsey. Neither the Guernsey Financial Services Commission nor the States of Guernsey take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it. It should be remembered that the price of securities and the income from them can go down as well as up.

The Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**US Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States. The Offer Shares will be offered (i) in the United States only to qualified institutional buyers ("**QIBs**"), as defined in Rule 144A under the US Securities Act ("**Rule 144A**") pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and (ii) outside of the

United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the US Securities Act ("**Regulation S**"). Prospective investors are hereby notified that the Selling Shareholders and the Banks (defined below) may be relying on the exemption from the provisions of section 5 of the US Securities Act provided by Rule 144A. No actions have been taken to allow a public offering of the Offer Shares under the applicable securities laws of any jurisdiction, including Australia, Canada, Japan or South Africa. Subject to certain exceptions, the Offer Shares may not be offered or sold in any jurisdiction, or to or for the account or benefit of any national, resident or citizen of any jurisdiction, including Australia, Canada, Japan or South Africa. This Prospectus does not constitute an offer of, or the solicitation of an offer to subscribe for or purchase, any of the Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Neither the US Securities and Exchange Commission, nor any securities regulatory authority of any state of the United States, has approved the Shares or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

This document does not constitute a prospectus for the purposes of any offer of shares in any EEA member state and has not been approved by a competent authority in any EEA member state for the purposes of Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). Accordingly, the Offer Shares may only be offered to persons in any EEA member state who are "qualified investors" within the meaning of the EU Prospectus Regulation or in other circumstances in which a prospectus is not required by the EU Prospectus Regulation.

In Canada, the Offer will only be made by way of private placement to persons: (a) in the provinces of Ontario, Québec, Alberta, Manitoba or British Columbia; (b) who are an "accredited investor" within the meaning of Section 1.1 of National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") of the Canadian Securities Administrators or subsection 73.3(1) of the *Securities Act* (Ontario) (the "**OSA**"), as applicable, and either purchasing the Offer Shares as principal for its own account, or is deemed to be purchasing the Offer Shares as principal for its own account in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution; (c) not created or used solely to purchase or hold the Offer Shares as an accredited investor under NI 45-106; (d) who are a "permitted client" within the meaning of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**") of the Canadian Securities Administrators; and (e) entitled under applicable Canadian securities laws to purchase the Offer Shares without the benefit of a prospectus under such securities laws. Any offer and sale of the Offer Shares in Canada will be made on a private placement basis only and will be exempt from the requirement that the Company prepares and files a prospectus under applicable Canadian securities laws.

Jefferies International Limited ("**Jefferies**") and Numis Securities Limited ("**Numis**" and, together with Jefferies, the "**Banks**"), each of which is authorised and regulated by the FCA in the United Kingdom are each acting exclusively for the Company and no one else in connection with the Offer. The Banks will not regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for the giving of advice in relation to the Offer or any transaction, matter, or arrangement referred to in this Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed on the Banks by FSMA or the regulatory regime established thereunder, neither the Banks nor any of their respective affiliates, directors, personally liable partners, officers, employees, advisers or agents accept any responsibility whatsoever for the contents of this Prospectus or for any other statement made or purported to be made by them, or on their behalf, in connection with the Company, the Shares or the Offer. The Banks and each of their respective affiliates, directors, personally liable partners, officers, employees, advisers or agents each accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this document or any such statement. No representation or warranty express or implied, is made by the Banks or any of their respective affiliates, directors, personally liable partners, officers, employees, advisers or agents as to the accuracy, completeness, verification or sufficiency of the information set out in this Prospectus.

Important Notice

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been taken or will be taken to permit the possession or distribution of this Prospectus in any jurisdiction where action for that purpose may be required or where doing so is restricted by law. In the United States, you may not distribute this Prospectus or make copies of it without the Company's prior written consent other than to people you have retained to advise you in connection with this Prospectus, or persons reasonably believed by the Company to be QIBs. Accordingly, neither this Prospectus nor any advertisement nor any offering material may be distributed or published in any jurisdiction, other than in the United Kingdom, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions.

Withdrawals

In the event that the Company is required to publish a supplement to this Prospectus, applicants who have applied to subscribe for or purchase Offer Shares pursuant to the Offer will have at least two business days commencing on the first business day after the date of the publication of the supplementary prospectus within which to withdraw their offer to acquire Offer Shares pursuant to the Offer.

If the application is not withdrawn within the stipulated period, any offer to apply for Offer Shares pursuant to the Offer will remain valid and binding. Details of how to withdraw an application will be made available if a supplement to this Prospectus or a relevant announcement is published.

Information to Distributors

Solely for the purposes of the product governance requirements contained within (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"), (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that such Offer Shares are (i) compatible with an end target market of retail equity investors and equity investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II, and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, "distributors" (for purposes of the MiFID II Product Governance Requirements) should note that: the price of the Offer Shares may decline and equity investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no

capital protection; and an investment in Offer Shares is compatible only with equity investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Banks will only procure equity investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any equity investor or group of equity investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares. Each "distributor" is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

Information not contained in this document

No person has been authorised to give any information or make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, the Directors or the Banks. Neither the delivery of this Prospectus nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Prospectus or that the information in this Prospectus is correct as of any time subsequent to the date hereof.

Available information for investors in the United States

For so long as any of the Shares are in issue and are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act, the Company will, during any period in which it is not subject to section 13 or 15(d) under the US Securities Exchange Act of 1934, as amended (the "**US Exchange Act**"), nor exempt from reporting under the US Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, of a Share, or to any prospective purchaser of a Share designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the US Securities Act.

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SUMMARY

Section A - Introduction and warnings

A.1 - Introduction

The name of the Company is Foresight Group Holdings Limited and the ISIN of the Shares is GG00BMD8MJ76.

The Company's contact details, via the Investor Relations Team, are The Shard, 32 London Bridge St, London SE1 9SG (tel: +44 (0) 203 667 8100).

The Company's Legal Entity Identifier ("LEI") is 213800NNT42FFIZB1T09.

The Financial Conduct Authority of 12 Endeavour Square, London E20 1JN approved this Prospectus on 4 February 2021.

A.2 - Warning

This summary has been prepared in accordance with Article 7 of the Prospectus Regulation and should be read as an introduction to this Prospectus. Any decision to invest in the Offer Shares should be based on consideration of this Prospectus as a whole by the investor. Any investor could lose all or part of their invested capital.

Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national legislation, have to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Section B - Key information on the issuer

Section B.1 - Who is the issuer of the securities?

B.1.1- Legal and commercial name

Foresight Group Holdings Limited.

B.1.2 - Domicile, legal form, legislation and country of incorporation

The Company was incorporated on 24 February 2010 as a company limited by shares in Guernsey, with its registered office situated in Guernsey. The Company operates under the Companies (Guernsey) Law 2008 (as amended).

B.1.3 - Principal activities

The Foresight Group is an award-winning infrastructure asset 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. The Foresight Group 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. As at 30 September 2020, the Foresight Group managed 292 infrastructure assets and 104 private equity investments on behalf of 33 Foresight Funds. As at 30 September 2020, the Foresight Group had AuM of £6.8 billion across the Foresight Funds.

B.1.4 - Major Shareholders

As at the date of this Prospectus, the Company's major shareholders are as set out below:

Name of Shareholder	Percentage of Company's Shares
Bernard William Fairman ⁽¹⁾	55.2
David Hughes	8.3
Gary Fraser	8.0
Nigel Aitchison	5.3
Russell Healey	4.8
Michael Currie	3.3
Federico Giannandrea	3.0

⁽¹⁾ Bernard Fairman intends to transfer his shares to Beau Port Investments Limited (a company wholly owned by him) prior to Admission (or as soon as possible thereafter) and subject to obtaining any necessary regulatory approvals.

Insofar as is known to the Company as at the date of this Prospectus, the only persons or entities who are expected to directly or indirectly hold 3 per cent. or more of the issued share capital of the Company (immediately following Admission (as defined below) and completion of the Offer (as defined below)) are:

Name of Shareholder	Percentage of Company's Shares
Bernard William Fairman ⁽¹⁾	29.8
Henderson Global Investors Limited	6.7
Jupiter Asset Management	6.0
Slater Investments	5.5
Gary Fraser	4.1
Soros Fund Management	4.0
Hargreave Hale Limited	3.7
Chelverton Asset Management Limited	3.2
Schroder Investment Management Limited	3.1

⁽¹⁾ Bernard Fairman intends to transfer his shares to Beau Port Investments Limited (a company wholly owned by him) prior to Admission (or as soon as possible thereafter) and subject to obtaining any necessary regulatory approvals.

B.1.5 - Key managing directors

The Executive Directors of the Company are: Bernard Fairman (Executive Chairman) and Gary Fraser (Chief Financial Officer and Chief Operating Officer).

B.1.6 - Statutory auditors

The statutory auditor of the Company is BDO LLP of 55 Baker Street, London W1U 7EU.

Section B.2 - What is the key financial information regarding the issuer?

Selected historical key financial information

The tables below set out the summary financial information of the Foresight Group for the three financial years ended 31 March 2018, 2019 and 2020 and the six months ended 30 September 2019 and 2020. The information has been prepared in accordance with IFRS.

The selected financial information set out below has been extracted without material adjustment from the historical financial information relating to the Group included in the Historical Financial Information.

Combined Statement of Comprehensive Income

	Year ended			Six months ended	
	31 March 2018	31 March 2019	31 March 2020	30 September 2019	30 September 2020
	£'000				
				(unaudited)	
Revenue	51,668	49,538	57,253	28,175	32,417
Cost of sales	(4,793)	(5,645)	(4,388)	(2,243)	(2,327)
Gross profit	46,875	43,893	52,865	25,932	30,090
Administrative expenses	(33,808)	(37,467)	(46,469)	(20,039)	(22,697)
Other operating income	-	1,385	795	45	46
Operating profit	13,067	7,811	7,191	5,938	7,439
Financial income	7	10	1	-	2
Financial expenses	(731)	(724)	(725)	(345)	(365)
Fair value gains/(losses) on investments	(41)	-	(147)	-	51
Share of profit/(losses) of associates	-	-	235	-	(20)
Profit on sale of Subsidiaries	3,481	-	-	-	-
Net financing income/(expense)	2,716	(714)	(636)	(345)	(332)
Profit before tax	15,783	7,097	6,555	5,593	7,107
Corporate Taxation	(15)	(95)	(53)	(2)	(1)
Profit for the year/period	15,768	7,002	6,502	5,591	7,106
Profit attributable to equity holders owners of the parent	15,768	7,002	6,502	5,591	7,106
Basic Earnings Per Share	£43.90	£15.69	£12.22	£11.99	£12.68

Combined Statement of Financial Position

	As at		As at	
	31 March 2018	31 March 2019	31 March 2020	30 September 2020
	£'000			
Non-current assets				
Property, Plant & Equipment	16,419	14,862	14,571	13,382
Intangible assets	468	471	4,741	6,416
Investments	441	1,206	1,468	1,792
	17,328	16,539	20,780	21,590
Current assets				
Trade and other receivables	19,364	13,573	17,567	19,156
Cash and cash equivalents	10,577	10,069	13,904	11,972
	29,941	23,642	31,471	31,128
Current Liabilities	(14,635)	(14,058)	(19,216)	(14,297)
	(14,635)	(14,058)	(19,216)	(14,297)
Net current assets	15,306	9,584	12,255	16,831
Creditors: amounts falling due after more than one year	(13,736)	(12,753)	(12,127)	(15,084)
Net assets	18,898	13,370	20,908	23,337
Share capital	1	1	1	1
Group reorganisation reserve	30	30	30	30
Invested Capital	3,804	6,018	52,080	52,080
Share based payment reserve	3,027	1,511	101	125
Retained earnings	12,036	5,810	(31,304)	(28,899)
Shareholders' funds	18,898	13,370	20,908	23,337

Combined Cashflow Statement

	Year ended			Six months ended	
	31 March 2018	31 March 2019	31 March 2020	30 September 2019	30 September 2020
	<i>£'000</i>				
	<i>(unaudited)</i>				
Operating profit	13,067	7,811	7,191	5,938	7,439
Share Based Payment	1,447	820	349	189	24
Depreciation and amortisation	612	823	1,692	669	1,095
Bargain gain on purchase	-	-	-	-	(111)
Right of Use Assets Depreciation	1,415	1,614	1,690	825	882
Loss/(profit) on disposal of fixed assets	165	2	1	(6)	-
(Profit)/loss on disposal of fixed asset investments	(647)	1	-	-	-
Foreign currency translation differences	(4)	9	4	-	(3)
Change in debtors	(1,941)	5,789	(502)	(3,272)	(1,407)
Change in creditors due within one year	4,349	(417)	4,548	(465)	(5,725)
Cash generated from operations	18,464	16,452	14,973	3,878	2,194
Tax paid	(63)	(100)	(1)	275	(1)
Interest paid	(731)	(724)	(725)	(345)	(328)
Net cash from operating activities	17,670	15,628	14,247	3,808	1,865
Cash flows from investing activities					
Cash Receipts from Invested Capital	4,615	2,214	46,062	-	-
Acquisition of property, plant and equipment	(1,489)	(278)	(744)	(235)	(69)
Acquisition of intangible assets	(308)	(141)	(5,266)	(5,205)	(13)
Acquisition of investment	(419)	(774)	(381)	(166)	(435)
Proceeds from disposal of subsidiaries/fixed asset investments	5,637	8	59	59	144
Interest received	7	10	1	-	2
Acquisition of subsidiary	-	-	-	-	2,348
Net cash from investing activities	8,043	1,039	39,731	(5,547)	1,977
Cash flows from financing activities					
Equity dividends paid and share buy back	(9,242)	(6,677)	(42,958)	(1,485)	(1,950)
Loans to and from shareholders	550	-	(2,594)	1,650	244
Redemption on preference shares	(12,711)	(8,889)	(2,416)	(2,416)	(2,750)
Repayment of lease liabilities	(1,308)	(1,609)	(2,176)	(1,086)	(1,318)
Net cash from financing activities	(22,711)	(17,175)	(50,144)	(3,337)	(5,774)
Net increase/(decrease) in cash and cash equivalents	3,002	(508)	3,835	(5,076)	(1,932)
Cash and cash equivalents at 1 April	7,575	10,577	10,069	10,069	13,904
Cash and cash equivalents at 31 March/30 September	10,577	10,069	13,904	4,993	11,972

Save as set out below, there has been no significant change in the financial position or financial performance of the Foresight Group since 30 September 2020, being the date to which the Historical Financial Information was prepared.

As at 30 September 2020, the Company had cash and cash equivalents of £12.0 million, and since that date the Foresight Group has paid £2.3 million to Members by way of distribution, and redeemed preference shares in Foresight Group CI Limited held by Beau Port Investments Limited for consideration of £2.0 million. On 21 January 2021, the Foresight Group undertook to make a further distribution of £14.8 million in respect of the profits of the Foresight Group accrued in the period prior to Admission, with such amount to be paid to Members and to Bernard Fairman (which may be made either directly or to Beau Port Investments Limited).

Section B.3 - What are the key risks that are specific to the issuer?

- The market for investment opportunities is highly competitive.
- The market for investors is highly competitive.
- Investors in open-ended Foresight Funds have the ability to withdraw funds.
- The Foresight Funds may terminate their investment management agreements with the Foresight Group.
- The Foresight Fund Assets are subject to variations in value.
- The Foresight Group's investment strategies are focused heavily on renewable energy and infrastructure assets and it is exposed to adverse changes in these markets.
- Breaches in the security of electronic and other confidential information collected, processed, stored and transmitted by the Foresight Group may give rise to significant liabilities and reputational damage.

- A failure of the Foresight Group to detect and prevent financial crime or comply with applicable anti-money laundering, anti-terrorism, sanctions, anti-tax evasion, anti-fraud, anti-bribery and corruption, insider dealing, market abuse and other laws and regulations in the jurisdictions in which it operates could result in fines and damage its reputation.
- The Foresight Group operates in a highly regulated industry and changes in laws or regulations may adversely affect its ability to conduct its business and may impact its results of operations. A failure to comply with applicable laws and regulations could result in material unanticipated losses.
- The application or interpretation of existing tax laws, rules or regulations is subject to uncertainties and may become the subject of a dispute with a tax authority and changes to existing tax laws, rules or regulations or enactment of new unfavourable tax laws, rules or regulations could have an adverse effect on the Foresight Group's business and profitability.

Section C – Key Information on the Securities

Section C.1 - What are the main features of the securities?

C.1.1 - Description of type and class of securities being offered

The Offer comprises the issue by the Company of 8,333,333 New Shares and the sale by the Selling Shareholders of 45,712,987 Existing Shares.

When admitted to trading, the Shares will be registered with ISIN GG00BMD8MJ76 and SEDOL number BMD8MJ7 and will trade under the symbol "FSG". The Shares will, on Admission, comprise the entire issued and to be issued ordinary share capital of the Company.

C.1.2 - Currency, denomination, par value, number issued and term of securities

The currency of the Shares is pounds sterling.

On Admission, there will be 108,333,333 Shares of nil par value in issue.

C.1.3 - Rights attaching to the Shares

The rights attaching to the Shares will be uniform in all respects and they will form a single class for all purposes, including with respect to voting and for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

Subject to any rights and restrictions attached to any Shares, on a show of hands every Shareholder who is present in person shall have one vote and on a poll every Shareholder present in person or by proxy shall have one vote per Share.

Except as provided by the rights and restrictions attached to any class of shares, Shareholders will under general law be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings.

C.1.4 - Seniority of securities

Not applicable. There is no difference in seniority between Shares.

C.1.5 - Restrictions on free transferability of the Shares

Not applicable. The Shares will, immediately on and from Admission, be freely transferable under the Articles.

C.1.6 - Dividend policy

The Board intends to adopt a progressive dividend policy. Initially, it is intended that dividends will equate to a pay-out of 50 per cent. of profit after tax, and the Board expects such pay out percentage to increase over time. It is intended that one third of the total dividend payment for the year would be paid as an interim dividend and two thirds paid by way of a final dividend.

Subject, amongst other things, to the Company being in a position to pay a dividend in accordance with applicable laws, it is expected that the first dividend to be declared by the Company following Admission will be the final dividend in respect of the year ending 31 March 2021, which, owing to the fact that the Company will only have been listed for less than two full months, will represent an amount equal to approximately 25 per cent. of the final dividend which would have been paid under the Company's intended dividend policy. If declared, it is expected that the dividend payment would be payable in August/September 2021.

The Board may revise the Company's dividend policy from time to time and there can be no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be.

Section C.2 - Where will the securities be traded?

Application has been made to the FCA and the London Stock Exchange for all of the Shares to be admitted to the premium listing segment of the Official List and to trading on the Main Market respectively.

Section C.3 - What are the key risks that are specific to the securities?

- There is no existing market for the Shares and an active trading market for the Shares may not develop or be sustained. It may be difficult for Shareholders to realise their investment as there may not be a liquid market in the Shares.
- The price of the Shares may be volatile and affected by a number of factors, some of which are beyond the Company's control.
- Holders of the Shares may not be able to participate in future equity offerings with subscription rights.
- Future sales or the possibility of future sales of a substantial number of the Shares could have an adverse effect on the price of the Shares, and the issuance of an additional number of the Shares could dilute the interests of Shareholders.

Section D - Key information on the Offer and Admission

Section D.1 - Under which conditions and timetable can I invest in this security?

D.1.1 - Terms and conditions of the Offer

The Offer comprises 8,333,333 New Shares, to be issued by the Company at an Offer Price of 420 pence on Admission and 45,712,987 Existing Shares to be sold by the Selling Shareholders at an Offer Price of 420 pence on Admission.

The Offer comprises an institutional offer only. Pursuant to the Offer, the Offer Shares will be offered (i) to certain institutional investors in the United Kingdom and elsewhere outside the United States in "offshore transactions" as defined in, and in reliance on Regulation S and in accordance with locally applicable laws and regulations, and (ii) in the United States only to QIBs in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

The Offer Shares may only be offered to persons in any EEA member state who are "qualified investors" within the meaning of the EU Prospectus Regulation or in other circumstances in which a prospectus is not required by the EU Prospectus Regulation.

The Offer is subject to the satisfaction of certain conditions contained in the Underwriting Agreement, which are typical for an agreement of this nature, including Admission becoming effective by no later than 8:00 a.m. on 9 February 2021 (or such later time and/or date as the Banks may agree) and the Underwriting Agreement not being terminated prior to Admission.

None of the Offer Shares may be offered for subscription, sale or purchase or be subscribed, sold or delivered, and this Prospectus and any other offering material in relation to the Offer Shares may not be circulated, in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration, other than the United Kingdom.

D.1.2 - Expected timetable

Latest time and date for indications of interest in acquiring Offer Shares under the Offer	3 February 2021
Announcement of the Offer Price and allocation of Shares	7.00 a.m. on 4 February 2021
Prospectus published	4 February 2021
Commencement of conditional dealings on the London Stock Exchange ⁽¹⁾	8.00 a.m. on 4 February 2021
Admission and commencement of unconditional dealings in the Shares on the London Stock Exchange	8.00 a.m. on 9 February 2021
Crediting of Shares to CREST accounts	9 February 2021
Despatch of definitive share certificates (where applicable)	Week commencing 15 February 2021

Notes:

(1) It should be noted that, if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned.

(2) Times and dates set out in the timetable above are indicative only and subject to change without further notice.

(3) References to times are to London time unless otherwise stated.

D.1.3 - Admission

Application has been made to the FCA for all of the Shares, issued and to be issued in connection with the Offer, to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for all of the Shares issued and to be issued in connection with the Offer, to be admitted to trading on the Main Market.

It is expected that Admission will take place and unconditional dealings in the Shares will commence on the Main Market at 8.00 a.m. on 9 February 2021. Prior to Admission, it is expected that dealings in the Shares will commence on a conditional basis on the Main Market on 4 February 2021. The earliest date for settlement of such dealings will be 9 February 2021. All dealings in the Shares prior to the commencement of unconditional dealings will be on a "when issued" basis and will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. These dates and times may be changed without further notice.

D.1.4 - Dilution

The Existing Shares will be diluted by the issue of 8,333,333 New Shares pursuant to the Offer. Assuming that the Company issues sufficient New Shares to raise net proceeds of £30.0 million, the Existing Shares will represent 92.3 per cent. of the total issued Shares immediately following Admission.

In addition, share incentive plan ("**SIP**") awards may be issued to eligible employees of the Foresight Group from Admission. The Company intends to issue invitations to eligible employees to acquire Shares following Admission ("**Partnership Shares**"), with the closure of such invitation period taking place on or prior to 31 March 2021. The Company intends to award Shares on a matching basis ("**Matching Shares**") of two free Matching Shares for each Partnership Share purchased. The acquisition price for such Partnership Shares would be at a price equal to closing mid-market value at a specified acquisition date, intended to be on or around 31 March 2021. Following the initial grant of the Shares under the SIP as described above, the Company intends to award further Partnership Shares and Matching Shares on an annual basis in accordance with the terms of the SIP.

It is envisaged that up to £350,000 of Partnership Shares and £700,000 of Matching Shares will be awarded as part of the initial award of Partnership Shares and Matching Shares. By way of illustration, the maximum number of Shares that may be acquired by all eligible participants at the Offer Price on the basis of these amounts would be 249,999 Shares (being 0.2 per cent. of the Shares in issue on Admission, assuming the issue of 8,333,333 Shares pursuant to the Offer). This amount includes 83,333 Partnership Shares and 166,666 Matching Shares. Up to 45,000 Shares may be satisfied by Shares currently held by Foresight (Guernsey) Limited on an unallocated basis.

D.1.5 - Net proceeds and expenses

Through the issue of New Shares pursuant to the Offer, the Company expects to raise total gross proceeds of £35.0 million, which is subject to commissions and other estimated fees and expenses of £5.0 million (including VAT, where applicable), resulting in total estimated net proceeds from the Offer of £30.0 million, assuming the Offer is fully subscribed.

Through the sale of Existing Shares pursuant to the Offer, the Selling Shareholders expect to raise total gross proceeds of £192.0 million, which is subject to commissions and other estimated fees and expenses of £5.8 million (including VAT, where applicable) resulting in total estimated net proceeds from the Offer of £186.2 million, assuming the Offer is fully subscribed.

Section D.2 - Why is this prospectus being produced?

D.2.1 - Reasons for the Offer and use of proceeds

The Directors believe that the Offer and Admission will:

- further enhance the Foresight Group's profile, strengthening the fund raising performance of the Foresight Group;
- provide an additional source of capital for, and the ability to use its Shares as consideration for, further acquisitions;
- enable the existing Shareholders to realise part of the value of their investment in the Company; and
- enable employees to have the opportunity to own Shares in the Company and to share in the future success of the Company.

The Company intends to use the net proceeds from the issue of New Shares pursuant to the Offer (estimated at £30.0 million) principally to fund working capital and business development opportunities.

D.2.2 - Underwriting

The Offer is, subject to certain conditions, fully underwritten by the Banks in accordance with the terms of the Underwriting Agreement.

D.2.3 - Material conflicts of interest

Not applicable. There are no interests that are material to the Offer.

PART 1 - RISK FACTORS

An investment in the Shares involves risk. Prior to investing in the Shares, you should carefully consider risks associated with any investment in securities and, in particular, the Shares, as well as the Foresight Group's business and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below. The risk factors set out below do not purport to be a complete list or explanation of all the risks involved in investing in the Shares or that may adversely affect the Foresight Group's business. Other risks and uncertainties relating to an investment in the Shares and to the Foresight Group's business that are not currently known to the Foresight Group, or that the Foresight Group currently deems immaterial, may also have an adverse effect on its results of operations, financial condition and business prospects. If any such risks occur, the price of the Shares may decline and you could lose all or part of your investment. You should consider carefully whether an investment in the Shares is suitable for you in light of the information in this Prospectus and your personal circumstances.

Prospective investors should note that the risks relating to the Foresight Group, its industry and the Shares summarised in the section of this Prospectus entitled "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Foresight Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the additional risks and uncertainties described below.

1 Risks relating to the Foresight Group's business and industry

1.1 The market for investment opportunities is highly competitive

In order to successfully execute the Foresight Group's investment strategies, its investment teams must identify and consummate investment opportunities on behalf of the Foresight Funds. The market for investment opportunities is highly competitive and identifying and consummating opportunities involves a high degree of uncertainty. The Foresight Group encounters competition in identifying and consummating investments for the Foresight Funds primarily from similarly structured asset managers and investors, as well as from individuals, corporations, pension funds, foreign investors and other entities engaged in investment activities. This competition has increased in recent years, particularly in the infrastructure investment market, and is likely to increase further in the future, due in large part to the increased amount of capital raised by competitors in the Foresight Group's primary markets.

The Foresight Group's competitors for investment opportunities may have higher risk tolerances or different risk assessments than the Foresight Group and the Foresight Funds, which could allow them to compete more aggressively for assets on price or otherwise. As a result, the Foresight Group may be unable to implement its investment strategies effectively by failing to locate suitable investment opportunities and assets that satisfy the objectives of the Foresight Funds or that achieve the targeted return on investment, either due to increased asset prices or decreased asset quality or otherwise. Moreover, competition for investment opportunities may require the Foresight Group to pursue investment opportunities for asset types with which it has more limited or no direct experience, including with respect to identifying, assessing and pricing risk and otherwise valuing such investments.

Furthermore, if the availability of appropriate assets is lower than expected, the Foresight Group may take longer than expected to identify and consummate acquisitions on behalf of Foresight Funds or become unable to identify and consummate such investments. As a result, a greater proportion of the Foresight Funds' assets could be held in cash for a longer than expected period, which would cause the relevant Foresight Funds to achieve a lower rate of return and ultimately to a decrease in AuM. This could adversely affect the Foresight Group's ability to raise future funds or lead to the withdrawal of funds, which could have a material adverse impact on AuM (and FuM), affecting the fee income receivable by it, which could in turn have a material adverse effect on the Foresight Group's business, financial condition and results of operations.

1.2 The market for investors is highly competitive

In order to generate fees, the Foresight Group must attract and retain investors into the Foresight Funds. The market for investors in the Foresight Funds is highly competitive, with competition based on a variety of factors, including investment performance, business relationships, quality of service provided to investors, the terms of the investments offered (including fees), their actual or perceived liquidity, brand

recognition and business reputation. The Foresight Group competes for investors with a number of other investment and asset managers and public and private funds, amongst others. There are numerous factors relating to the competition the Foresight Group faces, which impact its ability to attract and retain investors and generate attractive returns, including:

- a number of the Foresight Group's competitors have greater financial, technical, marketing and other resources and more personnel than the Foresight Group, which may enable them to capture a greater share of the market;
- the Foresight Group's competitors' funds or other available investment products may outperform the Foresight Funds, which may make them more attractive to investors;
- some of the Foresight Group's competitors may have a lower cost of capital and access to funding sources that are not available to the Foresight Group, which may make them more attractive to investors;
- some of the Foresight Group's competitors may have more flexibility in raising certain types of funds under the management contracts they have negotiated with their investors; and
- some of the Foresight Group's competitors may have greater expertise or be regarded by investors as having greater expertise in the asset classes and the geographic regions that the Foresight Group focuses on.

In addition, the attractiveness of the Foresight Funds relative to other investment products offered by competitors could decrease due to changes in general economic conditions or changes to the tax treatment of returns to investors in the Foresight Funds (see Risk Factor 3.6 for further detail). If the Foresight Group is unable to effectively respond to competition for investors, it may fail to attract and retain investors in the Foresight Funds, which could adversely affect the Foresight Group's ability to raise future funds or lead to the withdrawal of funds, which could have a material adverse impact on AuM (and FuM), affecting the fee income receivable by it, which in turn could have a material adverse effect on the Foresight Group's business, financial condition and results of operations.

1.3 *The investment performance and returns the Foresight Group has achieved, including the historical performance data of selected Foresight Funds presented in this Prospectus, may not be indicative of the Foresight Group's overall historic returns on its investment strategies and neither this performance data nor the Foresight Group's historic ratings and rankings may be indicative of future results or performance*

This Prospectus includes performance data for selected Foresight Funds which may not be indicative of the overall performance of the Foresight Group's investment strategies. The performance of the Foresight Infrastructure Funds presented in this Prospectus has been selected to reflect only those Foresight Infrastructure Funds which have fully exited their investments and the Directors believe are representative of Foresight Infrastructure's current investment strategies and therefore should not be interpreted as being representative of Foresight Infrastructure's or the Foresight Infrastructure performance as a whole. The selected performance data presented in this Prospectus is for illustrative purposes only, and prospective investors are cautioned not to place undue reliance on such data in connection with any investment decision.

Additionally, the investment performance and returns the Foresight Group has achieved, including the historical performance data for selected Foresight Funds presented in this Prospectus, and the ratings and rankings the Foresight Group or the Foresight Funds have received in the past should not be considered indicative of future results or performance of the Foresight Group's existing or future investment strategies. The investment performance and returns the Foresight Group has achieved varies over time and the variance has been, and can be, significant. The Foresight Funds' returns have benefited from investment opportunities and general market conditions that may not repeat themselves, and there can be no assurance that current or future Foresight Funds will be able to avail themselves of profitable investment opportunities. The ratings and rankings the Foresight Group or the Foresight Funds have received are periodically adjusted and are subject to change on relatively short notice. The performance of the Foresight Group and/or the ratings and rankings it may receive at subsequent dates and for subsequent periods may be materially lower than past performance or ratings and rankings, which could adversely affect the Foresight Group's ability to raise future funds or lead to the withdrawal of funds which could have a material adverse impact on AuM (and FuM), affecting the fee income receivable by it, which in turn could have a material adverse effect on the Foresight Group's business, financial condition and results of operations.

1.4 *Investors in open-ended Foresight Funds have the ability to withdraw funds*

As at 30 September 2020, 11.4 per cent. of AuM was in the Foresight Group's open-ended funds, with investors being able to, often at short notice, reduce, withdraw or liquidate some or all of their investment or transfer mandates to other asset managers, thereby reducing AuM (and FuM) and the fee income receivable by the Foresight Group. Investors in the Foresight Funds may take such actions for a variety of reasons, including:

- if the Foresight Funds are unable to successfully identify and consummate investments, due to competitive pressure or otherwise;
- if the Foresight Funds' investment performance or client service is unsatisfactory;
- due to changes to the Foresight Group's fund and product offerings, or a failure by the Foresight Group to respond to changing investment preferences of existing or potential new clients;
- if the type of assets in which the Foresight Funds invest become less favourable as an asset class to investors;
- due to a decrease in the value of the Foresight Fund Assets due to variations inherent in fair market valuations;
- due to changes in regulation which make the type of assets that the Foresight Funds invest in less attractive than others;
- due to changes in the Foresight Group's reputation in the marketplace;
- due to changes in relationships with clients or third-party distributors;
- due to the loss of key investment management personnel, in particular in cases where investment management agreements require the Foresight Group to notify its clients of the departure of certain designated investment managers who manage their assets and which may result in the withdrawal of funds;
- due to general deterioration in macroeconomic conditions;
- due to changes to the tax treatment of returns to investors in the Foresight Funds (see Risk Factor 3.6 for further detail); and
- to access liquidity, particularly during periods of tightening of credit markets.

Any of these factors could lead to the withdrawal of funds, which could have a material adverse impact on AuM (and FuM), affecting the fee income receivable by it, which in turn could have a material adverse effect on the Foresight Group's business, financial condition and results of operations.

1.5 *The Foresight Funds may terminate their investment management agreements with the Foresight Group*

The investment management agreements between the Foresight Group and the Foresight Funds govern the terms under which the Foresight Group provides services to the relevant Foresight Fund and, therefore, the fee income receivable by the Foresight Group. Under the terms of the investment management agreements, the Foresight Funds generally have the right to terminate the Foresight Group's management without cause on notice of periods ranging from 30 days to 12 months and immediately on the occurrence of certain events, including a change of control, which could occur in respect of certain Foresight Funds upon Admission, or in some cases, the departure of a designated investment manager as described more fully in Risk Factor 1.17.

Additionally, when the Foresight Funds retain the Foresight Group to manage assets on their behalf, they specify certain guidelines regarding investment allocation and strategy that the Foresight Group is required to observe in the management of their assets. The Foresight Group's failure to comply with these guidelines and/or other limitations could result in a Foresight Fund terminating its investment management agreement.

As at 30 September 2020, the top ten investment management agreements were responsible for 87.9 per cent. of AuM. Termination of or a decision not to renew an agreement which is material to the Foresight Group, or the termination of a number of investment management agreements which are material to the Foresight Group in the aggregate, would have a material adverse effect on the fee income receivable by the Foresight Group. The Foresight Group could also be subject to litigation for breach of contract and liable for damages to the Foresight Funds if it were to fail to comply with the terms of an investment

management agreement. The termination of, or disputes relating to, the Foresight Group's investment management agreements for the reasons discussed above, or for any other reason, could have a material adverse effect on the Foresight Group's business, financial condition and results of operations.

1.6 *The Foresight Fund Assets are subject to variations in value*

A significant majority of the Foresight Fund Assets are investments for which market quotations are not readily available, and the value of these Foresight Fund Assets are based on fair market valuations in accordance with the International Private Equity and Venture Capital Valuation Guidelines. These fair market valuations may increase or decrease as a result of a variety of factors, many of which are outside the control of the Foresight Group, including movements and expected movements in energy prices and markets and the general market pricing of similar investments, trading and operational performance (including but not limited to variations in weather patterns, district network operator outages, grid curtailments and availability of spare parts and specialist personnel), interest rates, inflation and regulatory support for infrastructure projects and renewable energy generation. Because fair market valuations are inherently uncertain, may fluctuate over short periods of time and may be based on measurements and estimates, they may differ materially from the values that are ultimately realised. Furthermore, although market quotations may be available for certain of the Foresight Fund Assets, such quotations may not reflect the value that the Foresight Funds would actually be able to realise because of various factors, including the possible illiquidity associated with a large ownership position or a limited number of holders of a security, subsequent illiquidity in the market for a company's securities, future market price volatility or the potential for a future loss in market value based on poor industry conditions or the market's view of overall company and management performance. The Foresight Group's AuM (and FuM) as of any date could be materially higher than the values of assets that are ultimately realised upon the disposal of the assets. Such changes in values attributed to assets from quarter to quarter may also result in volatility in AuM (and FuM), and results of operations that the Foresight Group reports from period to period. The Foresight Group cannot provide any assurance or guarantee that the investment values that the Foresight Group records from time to time, in particular in respect of AuM (and FuM), will ultimately be realised.

There can also be no certainty that future cashflows for Foresight Fund Assets projected to be received at any time will actually be received either at all or in the amounts or on the dates projected. Variances are expected to happen from time to time and any variances to these projections will affect the value of the Foresight Fund Assets.

A decrease in the value of the Foresight Fund Assets for the reasons discussed above or otherwise may negatively impact the rate of return on any Foresight Fund Assets and/or the ability of the Foresight Group or the Foresight Funds to raise future funds or lead to the withdrawal of funds which could have a material adverse impact on AuM (and FuM), affecting the fee income receivable by the Foresight Group, which in turn could have a material adverse effect on its business, financial condition and results of operations.

1.7 *The Foresight Group's investment strategies are focused heavily on renewable energy and infrastructure assets and it is exposed to adverse changes in these markets*

The Foresight Group's investment strategies are focused heavily on renewable energy and infrastructure assets primarily in the UK and Europe, and the Foresight Group's fee income and revenue is, therefore, exposed to adverse changes in these markets. As at 30 September 2020, Foresight Infrastructure accounted for 90.2 per cent. of the Foresight Group's total AuM. The Foresight Group's focus on renewable energy and infrastructure assets could make the Foresight Group more susceptible to any adverse changes in these markets (including changes to the price of electricity, governmental policy and/or environmental and other regulation and/or taxation) compared to more diversified asset managers.

Additionally, the Foresight Group has achieved growth in large part by meeting the investor demand it perceives for investment products and opportunities in connection with renewable energy and infrastructure assets. However, investor preferences may change, either with respect to renewable energy and infrastructure assets generally or the Foresight Group's investment strategies specifically. Such changing preferences, including the demand for investment in renewable energy and infrastructure assets, may be driven by regulatory, tax, interest rates or other changes that may not be within the control of the Foresight Group. Furthermore, if the Foresight Group is unable to adapt its investment strategies to meet potential investor demand, either within the renewable energy and infrastructure markets or otherwise, the Foresight Group may be unable to raise additional funds and increase AuM (and FuM) in line with its strategy.

Any changes which negatively impact the renewable energy and infrastructure markets in the UK, Europe or in other jurisdictions in which the Foresight Infrastructure Funds Assets are or will be located, or changes

in investor preferences for such assets, could adversely impact the ability of the Foresight Funds to raise additional capital for the Foresight Infrastructure Funds and the value of the Foresight Infrastructure Fund Assets themselves. This could have a negative impact on AuM (and FuM) and, ultimately, the fee income receivable by the Foresight Group, which could have a material adverse effect on its business, financial condition and results of operations.

1.8 *The Foresight Group may become increasingly subject to development risks associated with certain Foresight Infrastructure Fund Assets*

While Foresight Infrastructure's investment strategies have historically focused primarily on investment in operational assets, investment in development phase assets has become an increasingly important component of its investment strategies, driven in part by increasing competitive pressure for investment opportunities in operational assets.

While the Foresight Group and the relevant Foresight Fund(s) conduct a significant review and due diligence exercise in connection with the potential acquisition of development assets, this due diligence exercise may not reveal all relevant facts which, due to this being a new area of focus for the Foresight Group, may lead to development delays, associated cost overruns, the failure of the project becoming operational and/or failure to achieve anticipated return on investment as a result of several factors, including:

- the Foresight Group's ability to value potential development opportunities accurately and negotiate acceptable terms for those opportunities;
- failure to obtain all necessary development or construction permissions, agreements or approvals;
- failure to negotiate the construction and operating contracts on appropriate terms;
- reliance upon services being delivered by one or more third-party developers or contractors who are not readily replaceable (either at all or on commercially viable terms);
- the third-party developer's or contractor's underperformance; and
- the third-party developer or contractor becoming insolvent during the development phase.

If the development opportunity is significantly delayed in reaching operational status, or fails to realise operational status at all for the reasons described above (or for any other reason), or such development projects otherwise experience cost overruns, this may result in a significant loss in value in the relevant development phase asset and/or a reduction in its rate of return. This could have a material adverse effect on the value of the relevant Foresight Infrastructure Fund, resulting in a negative impact on AuM (and FuM) and the fee income receivable by the Foresight Group, which could have a material adverse effect on its business, financial condition and results of operations.

1.9 *The Foresight Group is exposed to risks relating to investments in new asset classes and/or new geographies*

While Foresight Infrastructure's investment strategies have historically focused primarily on renewable energy assets, as part of the Foresight Group's initiative to diversify the portfolio across asset classes, Foresight Infrastructure has increasingly begun to pursue investment in new asset classes such as sustainable forestry, fibre broadband and low carbon transport assets, including biomethane compressed natural gas ("**Bio-CNG**"), and may seek investment opportunities for new asset classes in the future. Additionally, the Foresight Group is expanding its business into new geographies, including the Nordics, Central Europe and North America.

As investment in these asset classes and geographies is a new area of focus for the Foresight Group, the associated operational, development and performance risks are inherently heightened. Furthermore, the Foresight Group does not have a track record of historic performance in relation to investments in such new asset classes and/or geographies and any such investment may not achieve the expected results or returns.

This could have a material adverse effect on the value of the relevant Foresight Fund, resulting in a negative impact on AuM (and FuM) and the fee income receivable by the Foresight Group, which could have a material adverse effect on its business, financial condition and results of operations.

1.10 *The substantial growth of the Foresight Group may be difficult to sustain as it may place significant demands on administrative, operational and financial resources*

The Foresight Group's AuM has grown significantly in the past and the Foresight Group is pursuing further growth. This rapid growth has placed, and planned growth (if successful), will continue to place, significant demands on the Foresight Group's legal, compliance, accounting, tax and operational infrastructure, and may increase related expenses. In addition, the Foresight Group may be required to continuously develop its systems and infrastructure in response to the increasing sophistication of the asset management market and to address legal, accounting, regulatory and tax developments or requirements. The Foresight Group's future growth will depend in part on its ability to maintain an operating platform and management system sufficient to address its growth and may require the Foresight Group to incur significant additional expenses and to commit additional management and operational resources. As a result, the Foresight Group may face significant challenges, including:

- devoting sufficient resources to maintaining existing investment strategies and to selectively develop new investment strategies;
- maintaining adequate financial, regulatory (legal, tax and compliance) and business controls;
- implementing new or updated information and financial systems and procedures;
- retaining, training, managing and appropriately sizing the Foresight Group's work force and other components of its business on a timely and cost-effective basis.

There can be no assurance that the Foresight Group will be able to manage its growth effectively or that it will be able to continue to grow in line with historic and expected rates and any failure to do so could have a material adverse effect on the Foresight Group's business, financial condition and results of operations.

1.11 *If the Foresight Group is unable to identify and complete strategic acquisitions, it may not be able to achieve its anticipated growth*

In order to achieve its anticipated growth, the Foresight Group may look to complete strategic acquisitions that are complementary to its business and where the Foresight Group believes it can add substantial value or generate substantial returns. The success of this strategy will depend on, among other things:

- the availability of suitable opportunities;
- the level of competition from other companies that may have greater financial resources;
- the Foresight Group's ability to value potential acquisition opportunities accurately and negotiate acceptable terms for those opportunities;
- the Foresight Group's ability to obtain requisite approvals and licences from the relevant governmental authorities and to comply with applicable laws and regulations without incurring undue costs and delays;
- the Foresight Group's ability to properly manage conflicts of interest.

Even if the Foresight Group is able to identify and successfully complete a strategic acquisition, it may encounter unexpected difficulties or incur unexpected costs associated with integrating and overseeing the operations of the new business or activities. Additionally, while the Foresight Group and the relevant Foresight Fund conduct a significant review and due diligence exercise in connection such potential strategic acquisition, this due diligence exercise may not reveal all relevant facts which may, in turn, impact the value attributed to such acquisition and, ultimately, the success of such acquisition.

If the Foresight Group is unable to identify or complete strategic acquisitions or to integrate them effectively this could negatively impact its growth strategy, which could have a material adverse effect on the Foresight Group's business, financial condition and results of operations.

1.12 ***The Foresight Private Equity Funds' investments are subject to a number of significant risks***

The Foresight Group's results of operations are dependent, in part, upon the ability of the Foresight Private Equity Funds to generate competitive returns on investment. The Foresight Private Equity Funds' ability to generate competitive returns are subject to a number of risks which apply to the private equity market generally, including the risk of fluctuations which may diminish returns as a result of changes in interest rates and/or the availability of financing (including bank debt), market disruption and economic conditions which could cause the Foresight Private Equity's investment strategies to fail, and future changes in regulatory or tax treatment of private equity funds (or investors therein or managers thereof) or any of their underlying investments.

Certain risks which may impact the Foresight Private Equity Funds' ability to generate competitive returns are inherent to or connected with investee companies in which the Foresight Private Equity Funds invest, including the risk of:

- the death, disability, incapacity, resignation, termination or otherwise of one or more member of management or key personnel on whom such companies are often dependent for their management talents and efforts;
- a material change to the economic conditions in the geographic area in which an investee company operates. The focus of Foresight Private Equity is SMEs in the UK which principally operate on regional levels. Due to a concentration of investment by Foresight Private Equity Funds in investee companies in the North West of the UK, such economic change to that region may disproportionately impact the Foresight Private Equity Funds;
- changes to the UK Corporation Tax rules or rate, which may impact the profitability of the investee companies, including level of distributable reserves;
- changes to the UK Capital Gains Tax rules or rate, which may change the behaviour of entrepreneurs and investors looking to crystallise gains through a sale to Foresight Private Equity;
- a withdrawal of the Coronavirus Job Retention Scheme which may lower the profitability of the investee companies using such schemes;
- the tax risks set out in Risk Factors 2.4 and 2.5;
- the investee companies requiring substantial additional capital to support their operations, finance their expansion or maintain their competitive position;
- the investee companies' engagement in a rapidly changing business with products subject to a substantial risk of obsolescence;
- the investee companies declaring a distribution in kind in favour of the relevant Foresight Private Equity Fund of public securities which would result in additional risks in disposing of such assets; and/or
- an investee company becoming involved in litigation.

Any of the above factors could have a material adverse impact on the business and prospects of the investee company and have a significant adverse impact on the investment made by any Foresight Private Equity Fund.

In addition, the Foresight Private Equity Funds' venture and growth capital investments are focused generally on companies at an early stage of development and which carry additional risks, including a failure by the investee company to develop their strategy into a commercially viable business or an inability to secure subsequent rounds of funding needed for continued growth and development and larger or better funded competition entering the market. In addition, the Foresight Private Equity Funds may be unable to obtain all relevant information for the purposes of evaluating potential returns and making a fully informed investment decision in the absence of publicly available information on such investments. As a result, there can be no certainty that any such investee companies will be able to generate significant returns, or any returns at all, or that the Foresight Private Equity Funds will be able to secure a profitable exit from an investment in such companies.

The Foresight Private Equity Funds' ability to generate competitive returns on their investments may also be adversely impacted by factors including changes to the tax treatment of those investments and/or their investors (such as availability of EIS or VCT schemes or inheritance tax relief) which may change the demand for tax efficient funds. In addition, regulatory changes to the qualifying investment criteria applicable to tax efficient funds and/or failure by the relevant Foresight Private Equity Funds to comply

with such investment criteria could have a negative impact on its ability to deploy capital effectively and generate attractive returns, which may ultimately harm the reputation of the Foresight Group among investors and have a negative impact on its ability to raise additional capital.

A decrease in the value of the Foresight Private Equity Funds' investments and/or their ability to generate competitive returns on such investments as a result of the above, or for any other reason, may negatively impact the ability of the Foresight Private Equity Funds to raise additional capital, the rate of return on any Foresight Private Equity Fund Assets, the Foresight Group AuM (and FuM) and, ultimately, the fee income receivable by the Foresight Group, which could have a material adverse effect on its business, financial condition and results of operations.

1.13 *Difficult global market or recessionary conditions will adversely affect the Foresight Funds and the financial results of the Foresight Group*

Difficult global market conditions, or a recession could materially reduce the Foresight Group's AuM (and FuM), due to a reduction in the value of the underlying Foresight Fund Assets, fund outflows or the inability to raise new funds, in each case reducing the fee income receivable by the Foresight Group. The global market and economic climate may deteriorate due to many factors beyond the control of the Foresight Group, including the COVID-19 pandemic; other global epidemics or pandemics, rising interest rates or inflation, terrorism, armed conflicts or political uncertainty.

In the event of a global market downturn, the Foresight Infrastructure Funds may be impacted by tightening credit markets and, further, in the event that difficult market conditions reduce energy prices materially, the Foresight Fund Assets may experience materially decreased revenue generation and a material decrease in the value of such assets.

During a market downturn, the Foresight Private Equity Funds may also similarly face reduced opportunities to sell and realise value from their existing investments and/or a lack of suitable investments for the Foresight Private Equity Funds to make. In addition, adverse global market or economic conditions as well as a slowdown of activities could result in the inability of Foresight Private Equity Assets to meet any debt financing commitments, obtain new financing or refinance current debt, thereby potentially increasing the risk of non-performing assets.

Furthermore, a majority of the Foresight Funds' investments are in the debt and equity securities of private companies or renewable energy and infrastructure assets. These investments require a long-term commitment of capital and exiting such investments often requires longer timelines and stable market conditions and demand for such assets. In certain cases, such investments are also subject to legal and other restrictions on resale. In the event of a market downturn, the open-ended Foresight Funds may receive requests from clients to reduce, withdraw or liquidate a material amount of client funds. In addition, if a Foresight Fund were to be required and was able to liquidate all or a portion of an investment quickly, the Foresight Fund may realise significantly less than the value at which the investment was previously recorded or estimated, which could have a negative impact on AuM and affect the fee income receivable by the Foresight Group.

Reductions in AuM (and FuM), the inability of the Foresight Funds to sell assets in the event of significant fund outflows or the inability of the Foresight Group and Foresight Funds to raise new funds due to a market downturn would have a negative impact on fee income receivable by the Foresight Group, which in turn could have a material adverse effect on the Foresight Group's business, financial condition and results of operations.

1.14 *The Foresight Group may be subject to ongoing risks related to the COVID-19 pandemic*

The Foresight Group, and the asset management industry in general, have been subject to ongoing risks relating to the COVID-19 pandemic, which could have a material adverse effect on the Foresight Group's business and operations, and the Foresight Group may be exposed to such risks for an uncertain period of time.

While the Foresight Group has not experienced any business interruption as a result of the restrictions put in place by the UK and other governments in response to the COVID-19 pandemic, it did implement business continuity and crisis management plans in response to the COVID-19 pandemic and related restrictions. As part of its response, employees have been, and may continue to be, required to work from home for extended periods and generally not able to travel, which has made, and may continue to make, interactions with clients more difficult. The ongoing impact of the COVID-19 pandemic may also result in increased employee sick-leave, serious illness or fatalities amongst the Foresight Group's employees (including key personnel) and may result in employees having less, or less effective, contact with control

functions (such as risk and compliance) within the business. Accordingly, the COVID-19 pandemic and the related restrictions may cause significant business and operational disruption to the Foresight Group for an uncertain period or expose its business to increased risk.

The COVID-19 pandemic and restrictions put in place by the UK and other governments to contain it have also had an adverse impact on the UK and global economy generally and financial markets in particular. The COVID-19 pandemic has had a significant adverse impact across many sectors in the UK and elsewhere, with businesses experiencing significant operational disruption (including in some cases temporary closure), severely depressed financial performance and increased risk of insolvency. The pandemic is generally forecast by analysts to result in a global recession (with GDP growth forecasts heavily downgraded in light of the pandemic) and further significant increases in unemployment in the UK, Europe, and elsewhere are anticipated. As a result of the economic impact caused by the COVID-19 pandemic, the Foresight Group's fundraising was impacted negatively, particularly retail fundraising by the OEICs, in February and March 2020, although this began to recover in subsequent months.

In addition, certain of the Foresight Private Equity Fund Assets have been, and could continue to be, particularly impacted by the economic consequences of the COVID-19 pandemic, with 66 investee companies utilising the UK Job Retention Scheme, 24 Coronavirus Business Interruption Loan Scheme loans approved for investee companies and 7 COVID-19 driven funding requests made by investee companies as at 30 October 2020. If a significant number of Foresight Private Equity Fund Assets were to be impacted negatively by the COVID-19 pandemic, this could have a material adverse effect on the value of the Foresight Private Equity Funds, AuM (and FuM) and, ultimately, the fee income receivable by the Foresight Group.

In addition, adverse market conditions as a result of the COVID-19 pandemic may also have a negative impact on the Foresight Group's ability to identify and execute suitable investments for the Foresight Funds that might generate acceptable returns. The Foresight Infrastructure Funds may be impacted by tightening credit markets, and they were impacted negatively by reductions in energy prices as a result of the COVID-19 pandemic. While energy prices have since stabilised, the ongoing effects of the COVID-19 pandemic could result in further material reductions in energy prices, which could result in the Foresight Fund Assets experiencing materially decreased revenue generation and a material decrease in the value of such assets. As evident during previous market downturns, market conditions have had a significant impact on investment pricing and liquidity levels and may also restrict the supply of suitable investments capable of generating acceptable returns. Adverse market conditions caused by the COVID-19 pandemic and their consequences may have a material adverse effect on the Foresight Group's ability to deploy funds on suitable investments and generate returns for investors in the Foresight Funds.

There can be no certainty how long it will be until the COVID-19 pandemic is brought fully under control and restrictions put in place by the UK and other governments completely removed or relaxed. In any case, the adverse impact of the pandemic on the economy and financial markets is likely to continue for a period after the pandemic is brought under control and restrictions lifted.

Therefore, as a result of any of the above factors, the COVID-19 pandemic may, directly or indirectly, have a material adverse effect on the ability of the Foresight Group to conduct its operations, identify and execute suitable investments, sell assets in the event of significant funds outflows or raise new funds due to a market downturn and, ultimately, have a negative impact on AuM (and FuM), fee income receivable by the Foresight Group, which in turn could have a material adverse effect on the Foresight Group's business, financial condition and results of operations.

1.15 *The Foresight Infrastructure Fund Assets may be impacted by material reductions in energy prices*

The Foresight Infrastructure Funds' renewable energy generation assets generate revenue by selling electricity pursuant to Power Purchase Agreements ("**PPAs**"), which can vary by term, price and credit worthiness of the counterparty. The combination of PPAs across the relevant Foresight Infrastructure Fund Assets varies considerably and, in aggregate, they provide a blend of fully merchant to fixed pricing exposure.

The prices at which the energy renewable generation assets sell electricity under variable priced PPAs is generally determined by market prices in the jurisdictions in which such assets are located. Risks relating to the price of electricity can broadly be separated into supply side risks and demand side risks. A decline in the market price of electricity could materially adversely affect the price of electricity generated by renewable energy generation assets and thus the value of the Foresight Infrastructure Fund Assets.

On the supply side, a decline in the costs of other sources of electricity generation, such as fossil fuel generated or nuclear generated power or newer generations of renewable plants, could directly or indirectly reduce the wholesale price of electricity. A significant amount of new electricity generation capacity becoming available could also increase supply thereby reducing the wholesale price of electricity. Technological advancements such as the development of a new or more efficient electricity generation source such as solar panels, the development of large-scale electricity storage technology on a more commercial scale or the introduction of more interconnection capability could also negatively impact the price of wholesale electricity.

Wholesale prices are also dictated by the level of electricity demand, which can vary significantly due to general economic conditions. Such demand can also vary depending on the time of day, day of the week, weather or through seasonality and the market within which or the index against which they are sold. Other demand side measures such as energy efficiency and demand response management could also result in lower wholesale electricity prices.

A sustained decline in the market price for electricity could materially adversely affect the price achieved for electricity generated by the relevant Foresight Infrastructure Fund Assets and, therefore, the value of such assets themselves and the performance of the relevant Foresight Infrastructure Funds, which in turn could have a negative impact on the fee income receivable of the Foresight Group and a material adverse effect on the Foresight Group's business, financial condition and results of operations.

1.16 *The Foresight Group's performance is directly and indirectly exposed to general capital markets and interest rate risks in connection with listed securities and debt funding*

The Foresight Funds invest in the listed debt and equity of companies and, as at 30 September 2020, 12 per cent. of AuM was comprised of investments in listed securities, predominantly in Italy and the UK.

Additionally, the value of the Foresight Fund Assets are indirectly exposed to general capital markets risk as valuations of investee companies are generally determined by reference to current market-based multiples, reflected in the market valuations of comparable quoted companies, subject to appropriate adjustments to reflect the differences between the comparable quoted company and the investee company.

The market prices and values of publicly traded debt and equity securities of companies in which the Foresight Funds have investments and/or, in the case of equity securities, use as valuations for comparable investee companies may be volatile and are likely to fluctuate due to a number of factors beyond the relevant Foresight Funds' control, including actual or anticipated fluctuations in the quarterly and annual results of such companies or of other companies in the industries in which they operate, market perceptions concerning the availability of additional securities for sale, general economic, social or political developments, industry conditions, changes in government regulation, changes in the tax treatment of the underlying private or public companies or for investors in the debt and equity of such companies including (without limitation) changes in withholding tax rules, shortfalls in operating results from levels forecast by securities analysts, the general state of the securities markets and other material events, such as significant management changes, re-financings, acquisitions and disposals. As a result, the value of investments in publicly traded securities based on current market prices at the end of each accounting period could directly or indirectly lead to material changes in AuM, which could, in turn, negatively impact the fee income receivable by the Foresight Group and have a material adverse effect on the Foresight Group's business, financial condition and results of operation.

In addition to the investment by certain Foresight Funds in listed debt securities, a number of Foresight Funds have historically been funded in part by private debt facilities. These facilities may require refinancing in the future and current Foresight Funds or funds to be launched in the future may seek debt financing. Rising interest rates would (and changes in the tax treatment of debt could) increase the cost to the Foresight Funds of such financings, which could have a negative impact on the margins achievable by the Foresight Funds, which therefore could have a material adverse effect on the Foresight Group's business, financial condition and results of operations.

1.17 *The Foresight Group is reliant on its ability to attract and retain key personnel*

The Foresight Group's continued success depends upon its ability to attract and retain highly skilled investment professionals and other key personnel. The market for experienced investment and other professionals is extremely competitive and therefore such personnel are difficult to attract and replace.

Competition for qualified investment and management professionals is intense, and while the Foresight Group strives to provide competitive compensation arrangements to attract and retain such professionals,

there can be no assurance that its compensation arrangements will be effective in attracting and retaining investment and management professionals in the future. Although it intends for overall compensation levels to remain commensurate with amounts paid to key employees in the past, there can be no assurance that it will be successful in establishing a competitive and attractive compensation model going forward.

If the Foresight Group was unable to retain any of its senior investment managers, Senior Management or other key employees, provisions in a number of the Foresight Group's agreements with investors require the Foresight Group to notify such investors of the departure of certain designated investment managers, and in some cases provide investors with the ability to redeem committed funds upon such a departure without the application of early redemption penalties. As a result, the Foresight Group could experience outflows from the Foresight Funds or it may be unable to win new business and raise new funds, which would result in the loss of related fee revenue or the inability to pursue the Foresight Group's growth strategy. The loss of senior investment managers, Senior Management or other key employees could also result in the Foresight Group's strategy not being executed effectively or at all, or could result in a decline in the standards of management or operation of the Foresight Group's business.

The Foresight Group's compensation model could also be impacted in the future by legislative or regulatory restrictions on the remuneration of personnel (including the ability and scope to pay bonuses) or by changes to the tax treatment of remuneration arrangements (or other income or gains received by senior investment managers, Senior Management or other key employees in connection with the Foresight Fund Assets) that may be imposed in the jurisdictions in which the Foresight Group operates or in which senior investment managers, Senior Management or other key employees are located or resident. The Foresight Group may also, from time to time, make substantial payments or increase proportions of team-related remuneration to attract or retain key personnel. The costs of attracting and retaining key personnel are significant and are likely to increase over time. All of these factors could have a material adverse effect on the Foresight Group's business, financial condition and results of operations.

1.18 *The Foresight Group may experience conflicts of interest with respect to its management of certain of the Foresight Funds*

Certain of the Foresight Funds are managed on a side-by-side basis, whereby the same investment managers or team manage several Foresight Funds with similar investment strategies, which could give rise to conflicts of interest under certain circumstances. For example, there is a potential for conflict on how the deals are allocated between Foresight Private Equity Funds where a potential investment fits within the investment strategies of both the VCTs and the relevant regional fund. The Foresight Group addresses conflicts such as this by having a mechanistic allocation policy, but if exceptions have to be made, then by reference to the relevant Foresight Funds' boards.

Furthermore, in the event that the Foresight Group grows in line with its current strategy, including establishing new funds, pursuing additional investment strategies and attracting new investors, the potential for further conflicts of interest is likely to increase. The Foresight Group may suffer reputational damage, potential regulatory liability or litigation if its procedures and systems to detect such conflicts of interest fail or it fails to deal appropriately with conflicts of interest, or it may determine that it is unable to pursue certain strategies due to such conflicts, any of which may have a material adverse impact on the Foresight Group's business, financial condition and results of operations.

1.19 *The Foresight Group's ability to raise funds, particularly retail funds, depends on its relationships with, and access to, third-party intermediaries*

The Foresight Group's ability to raise funds is heavily dependent on its relationships with, and access to, third-party intermediaries to source retail and institutional investors in the Foresight Funds.

The Foresight Group's retail fundraising is heavily reliant on external business development managers and its network of financial advisers. Similarly, the Foresight Group accesses institutional clients through its own in-house team, as well as through third-party placement agents, and the Foresight Group relies on such parties to maintain and grow its institutional investor base.

Many of these third-party intermediaries review and evaluate the Foresight Group's products and fund offerings from time to time. Poor reviews or evaluations of either a particular product, strategy, or the Foresight Group as a firm may result in a reduction in the Foresight Group's investor base or negatively impact its ability to attract new investors and assets through these intermediaries, which could have a material adverse effect on the Foresight Group's business, financial condition and results of operations.

1.20 *Operational risks to the Foresight Group's business may result in significant disruption, losses or limit its growth*

The Foresight Group is reliant on the capacity and reliability of the communications, information and technology systems supporting its operations, including those owned and operated by third parties. Operational risks such as trading or operational errors or interruption of its financial, accounting, trading, compliance and other data processing systems, whether caused by fire, other natural disaster or pandemic, power or telecommunications failure, act of terrorism or war or otherwise, could result in a disruption to the Foresight Group's business, liability to its clients, regulatory intervention or reputational damage, and, as a result, could have a material adverse effect on its business. Although the Foresight Group has not suffered from operational errors of any significant magnitude historically, it could experience such errors in the future, which could expose the Foresight Group to significant costs and liabilities. Insurance and other safeguards might not be available or might only partially reimburse the Foresight Group for such losses. Although the Foresight Group has back-up systems in place, its back-up procedures and capabilities in the event of a failure or interruption may not be adequate, and the fact that it operates its business out of multiple physical locations may make such failures and interruptions difficult to address on a timely and adequate basis.

The Foresight Group's significant historic AuM growth, and planned growth, if successful, will continue to place significant demands on its operational systems and infrastructure, and will increase expenses. In addition, it may be required to further develop its systems and infrastructure in response to the increasing sophistication of the investment and asset management markets and legal, accounting, regulatory and tax developments or requirements. Its future growth will depend in part on its ability to maintain an effective and cost-efficient operating platform and operational resources. It may not be able to manage its expanding operations effectively or continue to grow, and any failure to do so could adversely affect its business and results of operations.

In particular, the Foresight Group depends substantially on its principal office in London where the majority of its employees, administration and technology resources are located for the continued operation of its business. The Foresight Group maintains business continuity policies and procedures, but any significant disruption to the London office could have a particularly significant adverse impact on the Foresight Group's business. Any operational errors or interruptions as a result of the above, or for any other reason, could have a material adverse effect on the Foresight Group's business, financial condition and results of operations.

1.21 *The Foresight Group's approach to risk management and/or compliance may be ineffective, exposing it to material unanticipated losses and reputational damage*

In order to manage the significant risks inherent to the asset management business, such as various forms of crime including, theft, money laundering, tax evasion and fraud, the Foresight Group must maintain effective policies, procedures and systems.

The Foresight Group's approach to risk management and/or compliance may prove to be ineffective in its design and/or in its implementation. If so, the Foresight Group could suffer losses, incur fines, attract negative publicity and/or suffer reputational damage, any of which could have a material adverse effect on its financial condition or operating results or reputation. Additionally, the Foresight Group could be subject to litigation, particularly from its clients and/or public authorities, as well as sanctions from regulators and/or public authorities. If the Foresight Group's techniques for managing operational, legal and reputational risks prove to be inadequate or do not monitor, fully mitigate or control the risk exposure in all economic or market environments, including exposure to risks that it might fail to identify or anticipate, this could have a material adverse effect on the Foresight Group's business, financial condition and results of operations.

1.22 *The Foresight Group could be subject to adverse market perception or negative publicity*

The Foresight Group operates in an industry where integrity and client trust and confidence are paramount. Any mismanagement or failure to satisfy fiduciary responsibilities, or the adverse publicity resulting from such activities or any allegation of such activities, could have a material adverse effect on the business, reputation and brand of the Foresight Group.

The Foresight Group, like others in the asset management industry, is also susceptible to various forms of crime and misconduct, including theft, money laundering, tax evasion and fraud. The Foresight Group is also susceptible to such misconduct being engaged in by its employees, and the precautions the Foresight Group takes to detect and prevent employee misconduct may not always be effective. Were the Foresight Group to be a target of any such criminal activity or misconduct, it could suffer losses, incur fines, attract adverse publicity and/or suffer significant reputational damage.

In addition, any negative publicity (whether or not well-founded) associated with the Foresight Group's business, for example, through the loss of key fund managers, poor investment performance or regulatory issues, or any negative publicity affecting the asset management industry as a whole, could result in a loss of clients or AuM, a failure to attract new clients and/or a deterioration in the value or attractiveness of the brand or impair the Foresight Group's relationship with its clients and distribution partners. In addition, there are certain inherent health and safety risks associated with the sites of many Foresight Assets and, while generally it is not directly responsible for such risks on such sites, the Foresight Group could suffer from negative publicity or harm to its reputation as a result of any accidents, injuries or fatalities that occur on any Foresight Asset sites. Negative publicity or harm to the Foresight Group's reputation as a result of the above, or for any other reason, could also have a material adverse effect on the Foresight Group's business, financial condition and results of operations.

1.23 *Legal, political and economic uncertainty surrounding the future relationship between the UK and the European Union and the nature of the future relationship between the UK and the European Union is likely to be a source of instability in international markets, create significant currency fluctuations, and adversely affect current trading and supply arrangements for companies invested in by the Foresight Funds*

The UK voted in favour of withdrawing from the EU in a referendum on 23 June 2016 and on 31 January 2020 the UK formally ceased to be a member of the EU ("**Brexit**"). Upon its departure, pursuant to an agreement reached between the UK and the EU, a transition period came into effect until at least 31 December 2020, during which period EU law continued to be applicable to and in the UK. That transition period has now ended.

Notwithstanding the trade agreement concluded on 24 December 2020 between the EU and the UK governing certain aspects of their relationship after Brexit (the "**UK – EU Trade and Cooperation Agreement**"), Brexit is likely to result in ongoing political, legal and economic uncertainty in the UK and wider European markets. In particular, the economies of the UK and EU Member States, and individual businesses operating in one or more of those jurisdictions, may be adversely affected by the restrictions on the ability to provide cross-border services from the UK into the EU and vice versa; the introduction of non-tariff (and, in the future, potentially tariff) barriers; customs checks and/or duties, changes in tax (including withholding tax); restrictions on the movements of employees and restrictions on the transfer of personal data.

There are likely to be changes in the legal rights and obligations of commercial parties across all industries, particularly in the services sector (including financial services), following the UK's exit from the EU despite the UK - EU Trade and Cooperation Agreement.

Economic turbulence arising out of the changes in the relationship between the UK and EU, including under the terms of the UK - EU Trade and Cooperation Agreement could adversely affect the Foresight Group, the performance or value of the investments made by the Foresight Funds and the ability of the Foresight Funds to fulfil their investment objectives (especially where the Foresight Funds have invested in businesses that have relied on access to the single market, that have benefited from harmonised regulation or whose value is otherwise affected adversely by the UK's future relationship with the EU).

In particular, UK regulatory requirements for the renewable energy sector could be subject to significant change, which could place an additional burden on providers of renewable energy selling their products in the UK. This could affect the financial performance of the Foresight Funds and ultimately the Foresight Group, as the UK market is significant for the investments made by the Foresight Funds.

1.24 *The exit of the UK from the European Union may significantly affect the Foresight Group's ability to access EU investors and EU markets*

The extent of the impact of Brexit on the Foresight Group will depend on the nature of the future relationship between the UK and the EU in relation to financial services and the extent to which the UK continues to apply laws that are based on EU regulation both in the short and long-term. Legal uncertainty and potentially divergent national laws and regulations following Brexit may increase compliance and operating costs for the Foresight Group and the Foresight Funds.

As a result of Brexit, Foresight Group LLP (the UK-based primary revenue generating entity within the Foresight Group structure and the principal manager of the Foresight Funds) is no longer able to rely on the cross-border financial services passport into the EU. Depending on the shape of the future relationship between the UK and the EU in relation to financial services, the loss of this passport may have a significant adverse effect on the ability of Foresight Group LLP to manage its existing funds and to raise capital from EU investors or to acquire assets or pursue investment opportunities in the EU in future. The Foresight Group has sought to mitigate the impact by establishing a new AIFM licensed in Luxembourg under the Alternative Investment Fund Managers Directive (EU/2011/61), which was authorised by the Commission de Surveillance du Secteur Financier (the "**CSSF**") on 4 December 2020. The Foresight Group's Brexit strategy relies on the Luxembourg AIFM being appointed as AIFM of certain existing Foresight Funds and of future funds to be marketed to EU investors.

Given the ongoing uncertainty surrounding the UK's future relationship with the EU in relation to financial services, the establishment of the Luxembourg AIFM may not fully resolve all the legal, regulatory and operational issues arising from Brexit and the Foresight Group may still suffer material restrictions on its ability to carry on business in the same way as it was carried on before Brexit. The Foresight Group is likely to incur additional establishment and ongoing costs relating to the operations of the Luxembourg AIFM, which may be material.

Each of the above factors could have a direct or indirect material adverse effect on the Foresight Group's business, financial condition and results of operations.

2 **Legal and regulatory risks**

2.1 *Breaches in the security of electronic and other confidential information collected, processed, stored and transmitted by the Foresight Group may give rise to significant liabilities and reputational damage*

The Foresight Group collects, processes, stores and transmits proprietary information and sensitive or confidential data, including personal information and bank details of clients and employees. The Foresight Group's employees also have access to clients' confidential data and other information.

The Foresight Group has privacy and data security policies and procedures in place that are designed to prevent security breaches; however, a third party or a rogue employee or employees may be able to bypass the Foresight Group's network security or otherwise compromise clients' or employees' confidential information. Employees may seek to copy client data or other commercially sensitive information prior to leaving the Foresight Group for their own use or use with a competitor, which may adversely impact the Foresight Group's relationship and reputation.

In addition, as newer technologies evolve, the Foresight Group may be exposed to increased risk of breaches in security, such as phishing attacks. Breaches in security, with an increased risk on the retail investment side, could expose the Foresight Group, its clients, employees or other individuals to a risk of public disclosure, loss or misuse of this information. As a result, the Foresight Group could be exposed to legal claims, liability or regulatory penalties under laws protecting the privacy of personal information, as well as the loss of existing or potential clients, and damage to the Foresight Group's brand and reputation.

The potential financial penalties for any such breaches have been significantly increased since the EU General Data Protection Regulation ("**GDPR**") came into force in May 2018. The GDPR (and, from 1 January 2021, the UK's equivalent domestic legislation, which mirrors the key principles, rights and obligations of the GDPR ("**UK GDPR**")) includes significant financial penalties of up to €20 million or four per cent. of annual worldwide turnover in the preceding financial year. Compensation claims against members of the Foresight Group may also be made by individuals whose privacy and personal data rights have been infringed. Whilst the Foresight Group has implemented policies designed to comply with the GDPR (and, from 1 January 2021, UK GDPR) (with such policies being subject to regular review), there can be no assurance that regulators will conclude that the Foresight Group is fully compliant with its

obligations under the GDPR (and, from 1 January 2021, UK GDPR), and therefore in the event of any breach, the Foresight Group could be subject to regulatory action or financial penalties or compensation claims, which could also result in adverse publicity and reputational damage. Any such breaches, and the resulting costs and consequences, could have a material adverse effect on the Foresight Group's business, financial condition and results of operations.

2.2 *A failure of the Foresight Group to detect and prevent financial crime or comply with applicable anti-money laundering, anti-terrorism, sanctions, anti-tax evasion, anti-fraud, anti-bribery and corruption, insider dealing, market abuse and other laws and regulations in the jurisdictions in which it operates could result in fines and damage its reputation*

The Foresight Group is required to comply with applicable anti-money laundering, anti-terrorism, sanctions, anti-tax evasion, anti-fraud, anti-bribery and corruption, insider dealing, market abuse and other laws and regulations in the jurisdictions in which it operates. These laws and regulations require certain entities within the Foresight Group to, among other things, (i) conduct client due diligence ("know your customer") on investors and other counterparties regarding matters such as tax evasion, unlawful tax avoidance, anti-money laundering, sanctions and politically exposed persons screening; (ii) keep client and supplier account and transaction information up to date; (iii) implement effective financial crime policies and procedures; (iv) report suspicious transactions to the applicable regulatory authorities; and (v) not engage in certain transactions with certain countries or with certain companies and individuals identified on lists maintained by the UK government, the EU, various Member States, the US and other governments.

While the Foresight Group has adopted policies and procedures aimed at detecting and preventing financial crimes, including the use of its business and operations for money laundering activities and to comply with trade sanctions, such policies and procedures may not eliminate instances where the Foresight Group may be used by other parties to engage in money laundering and other illegal or improper activities or where trade sanctions might be inadvertently breached.

Anti-money laundering, anti-bribery, anti-tax evasion and anti-corruption, insider dealing, market abuse and economic sanctions laws and regulations are increasingly complex and detailed and have become the subject of enhanced regulatory scrutiny and supervision, requiring businesses to invest in improved systems, sophisticated monitoring and skilled compliance personnel. Regulatory authorities may from time to time make enquiries of companies within their respective jurisdictions regarding compliance with regulations governing the conduct of business or the operation of a regulated business (including the degree and sufficiency of supervision of the business) and the handling and treatment of clients or conduct investigations when it is alleged that regulations have been breached. Responding to such enquiries may be time-consuming and expensive.

To the extent the Foresight Group does not comply fully (or is perceived not to comply fully) with any such applicable laws and regulations, fines and other penalties may be imposed on the Foresight Group. In addition, any investigation of potential or alleged violations of the relevant anti-money laundering laws, anti-bribery laws, anti-tax evasion laws or trade sanctions could result in damage to the reputation of the Foresight Group, which could have a material adverse effect on its business and reputation. Furthermore, any remediation measures taken in response to any such potential or alleged violations of the relevant anti-money laundering laws, anti-tax evasion laws or trade sanctions, including any necessary changes or enhancements to the Foresight Group's procedures, policies and controls and potential personnel changes and/or disciplinary actions, may have a material adverse effect on its business, financial condition and results of operations.

2.3 *The Foresight Group operates in a highly regulated industry and changes in laws or regulations may adversely affect its ability to conduct its business and may impact its results of operations. A failure to comply with applicable laws and regulations could result in material unanticipated losses*

The Foresight Group operates in a highly regulated industry and is subject to laws and regulations enacted by supra-national, national, regional and local governments and regulatory bodies, including laws and regulations concerning the operation of asset management businesses generally, securities laws regulating the raising of capital from investors and laws and regulations governing certain primary markets in which the Foresight Funds and the Foresight Fund Assets operate. This is further complicated by the international nature of the Group's operations, with Foresight Group entities, Foresight Funds and Foresight Fund Assets located in a number of jurisdictions. Further, the Foresight Group intends to continue to pursue the launch of new Foresight Funds with an international remit and the potential to acquire assets outside the United Kingdom, potentially in jurisdictions in which the Foresight Funds and

the Foresight Group do not operate currently, thereby increasing the complexity of ensuring compliance with the applicable legal and regulatory requirements. In addition, engaging with or offering products to retail investors carries a greater degree of regulatory risk than engaging solely with institutional investors. Additional investor protection measures typically apply and the level of regulatory oversight and risk of enforcement action is typically higher than for firms dealing with institutional investors only. Future regulatory change may limit or restrict the ability of retail investors to access investment products offered by the Foresight Group.

Compliance with, and monitoring of, applicable laws and regulations may be difficult, time-consuming and costly. Regulatory divergence (e.g. as a result of Brexit) adds an additional layer of complexity. It may also sometimes lead to modifications to the Foresight Group's operating model which comes with additional costs. Entities within the Foresight Group may be subject to periodic examinations by governmental agencies or self-regulatory organisations in the jurisdictions in which it operates. Many of these regulators have broad powers which, among others, empower them to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel or other sanctions, including censure or the issuance of cease-and-desist orders or the suspension or termination of the necessary licences and approvals required to manage the funds. Even if an investigation or proceeding does not result in a sanction, or the sanction imposed against the Foresight Group or any personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm the Foresight Group's reputation and cause it to lose existing fund investors or fail to gain new investors or discourage others from doing business with it.

The future acquisition of a significant shareholding in the Company will require the prospective shareholder to obtain regulatory pre-approval in one or more jurisdictions where the Foresight Group has regulated subsidiaries or regulated portfolio companies. These laws may change and may, in their current or any future form, inhibit or discourage potential future acquisition proposals, including any potential takeover bid, which might have a material adverse effect on the business, results of operations, financial conditions and prospects of the proposed controller or the Foresight Group.

Furthermore, the Foresight Group may be adversely affected if new or revised legislation or regulations are enacted in the United Kingdom or other relevant jurisdictions, or by changes in the interpretation or enforcement of existing rules and regulations imposed by relevant governmental regulatory authorities or self-regulatory organisations that supervise the financial markets. Such changes could place limitations on the type of investor that can invest in alternative asset funds or on the conditions under which such investors may invest. Further, such changes may limit the scope of investing activities that may be undertaken by asset managers. Any such changes could increase the Foresight Group's costs of doing business or materially adversely affect the opportunities it is able to pursue.

Given the complexity and cross-jurisdictional nature of the Foresight Group's operations, the recent expansion of the Foresight Group's business and the extent of recent and ongoing regulatory change in the asset management sector, there is a risk that the Foresight Group has not adequately identified or addressed, or may in future fail adequately to identify and address, all compliance or licensing issues relevant to its business in one or more jurisdictions. There is also a risk that compliance policies and procedures may not have been fully embedded into day-to-day operations across all Foresight Group entities and all relevant personnel or that any breaches of such policies and procedures have not been effectively identified through routine compliance monitoring.

Failure to comply with applicable regulatory requirements or becoming subject to any regulatory investigation could cause the Foresight Group to suffer losses, incur sanctions or fines from regulators, attract adverse publicity and/or suffer reputational damage, any of which could have a material adverse effect on its business, financial condition, operating results or reputation. Additionally, the Foresight Group could be subject to litigation, particularly from its clients and investors.

2.4 *The application or interpretation of existing tax laws, rules or regulations is subject to uncertainties and may become the subject of a dispute with a tax authority*

The tax laws of various jurisdictions to which the Foresight Group, the Foresight Funds and the Foresight Fund Assets are subject are complex and capable of differences in application or interpretation. The application of tax laws in different jurisdictions can be subject to diverging and sometimes conflicting interpretations by taxpayers, tax advisers and tax authorities of these jurisdictions. Tax authorities may challenge the application or interpretation of tax laws, rules and regulations by, or the tax methodologies of, the Foresight Group, Foresight Funds or Foresight Fund Assets or may seek to determine that the manner in which the Foresight Group, Foresight Funds or Foresight Fund Assets operate does not achieve the expected or intended tax consequences (including, without limitation, for investors in the Foresight

Funds). Judgement and estimation are often required in determining tax liabilities. Tax authorities may disagree with, and seek to challenge, the Foresight Group's, any of the Foresight Funds' or any of the Foresight Fund Assets' use of judgement or estimation in the interpretations or applications of tax laws, rules and regulations. Without limitation, while the Foresight Group has taken advice from its tax advisers in relation to its transfer pricing arrangements and the Directors believe these are reasonable, there can be no guarantee that tax authorities will not challenge the application or interpretation of transfer pricing laws, rules and regulations by, or the transfer pricing methodologies of, the Foresight Group. Furthermore, while the Directors believe that none of the shares in the Company acquired by Members are 'employment related securities' for UK tax purposes, the UK tax authority may, under a "deeming" provision, seek to argue that such shares ought to be deemed to be employment related securities and, consequently, may seek to assess employment taxes (PAYE income tax, national insurance contributions and apprenticeship levy) on the Foresight Group in relation to those shares, including as a result of the Reorganisation, Admission or any sale of the shares. However, each Member has provided or will provide an indemnity to the Foresight Group in respect of any such liability to income tax and employee national insurance contributions (which the Directors intend to enforce, as required), which should substantially mitigate any such liability to employment taxes for the Foresight Group (notwithstanding that such indemnities will not cover employer's national insurance contributions or apprenticeship levy).

In such cases, tax authorities may seek to assess additional taxes and/or impose interest and penalties. Any successful challenge by a tax authority could increase the worldwide effective tax rates of the Foresight Group, the Foresight Funds, investors in the Foresight Funds, or the Foresight Fund Assets which could have a material adverse effect on the business, financial condition and results of operations of the Foresight Group.

Although the Directors believe that the Foresight Group's (and the Foresight Funds') application and interpretation of tax laws, rules and regulations are appropriate, and the Foresight Group's (and the Foresight Funds') tax estimates and methodologies are reasonable, tax authorities have become more assertive in their interpretation and enforcement of such laws, rules and regulations over time, as tax authorities and governments are increasingly focused on ways to increase tax revenues. This has contributed to an increase in audit activity and more stringent interpretations by tax authorities. The Foresight Group, Foresight Funds, investors in the Foresight Funds, or Foresight Fund Assets could be subject to audit, enquiry or investigation by, or involved in a dispute with, a tax authority. Although the Foresight Group looks to actively engage with tax authorities to resolve areas of uncertainty in respect of the Foresight Group or Foresight Funds, additional taxes or other assessments may be in excess of the current tax reserves and/or provisions of the Foresight Group, Foresight Funds or Foresight Fund Assets or investors may be subject to tax treatment that is different than expected. The Foresight Group, Foresight Funds or Foresight Fund Assets may be required to modify their business practices to reduce their (or their investors') exposure to additional taxes going forward, any of which may have a material adverse effect on the Foresight Group's business, results of operations and financial condition.

2.5 *Changes to existing tax laws, rules or regulations or enactment of new unfavourable tax laws, rules or regulations could have an adverse effect on the Foresight Group's business and profitability*

The levels of and reliefs from taxation to which the Foresight Group, the Foresight Funds and the Foresight Fund Assets are subject/benefit from are subject to changes that may adversely affect the business and profitability of the Foresight Group. Any change in the Foresight Group's (or any of the Foresight Funds' or Foresight Fund Assets') tax status or in tax laws, rules or regulations in the UK or other jurisdictions where the Foresight Group, the Foresight Funds or the Foresight Fund Assets operate, are tax resident or have a taxable presence (such as a branch or permanent establishment) (including a change in interpretation by the relevant tax authorities) could affect the Foresight Group's profitability and its ability to implement its investment strategies effectively. The Foresight Group cannot predict the timing or impact of future changes to tax laws, rules or regulations on its business nor can it predict the timing or impact of future changes to tax law on the attractiveness of its investment products.

The Foresight Group and the Foresight Funds currently benefit from UK Government policies aimed at encouraging personal savings through the application of tax relief or particular tax regimes to certain types of investment. Changes in taxation legislation and policy in the UK or overseas could affect investor sentiment, making investment generally, and specific types of investment products in particular, either more or less appealing. In particular the Foresight Group may be adversely affected by the loss of or adverse changes to the VCT and/or EIS tax regimes, the loss of or adverse changes to inheritance tax business relief, an increase in rates of capital gains tax or increases in income tax that reduce funds available for investment. Amendments to existing legislation (particularly if there is a withdrawal of any tax

relief or an increase in tax rates) or the introduction of new rules in the UK or other jurisdictions where the Foresight Group, the Foresight Funds or the Foresight Fund Assets operate, are tax resident or have a taxable presence may have an impact on the investment decisions of existing or potential clients. Changes from time to time in the interpretation of existing tax laws, amendments to existing tax rates and/or the introduction of new tax legislation could significantly adversely impact its retail or institutional investment products or change saving and investment patterns (such as reducing investments through private equity funds or in the private equity market generally), any of which could have a material adverse effect on the Foresight Group's business, results of operations and financial condition.

2.6 *Changes to the tax residence position of the Company could have adverse tax or operational consequences for the Foresight Group and the Shareholders*

The Foresight Group operates with the intention that the Company is and will remain resident only in Guernsey for tax purposes (and that the Company does not and will not have a branch or permanent establishment outside Guernsey, other than the permanent establishment referred to in the paragraph below). This may place constraints on where Board meetings of the Company can be held, and may result in additional complexities and costs, as well as possible inefficiencies in the decision-making and operational processes of the Foresight Group. It is intended that the management of the Company and the Foresight Group will be carried out so as to preserve the residence status of the Company and prevent the Company from being tax resident in, or having a taxable presence via a branch or permanent establishment in, any other jurisdiction (other than the permanent establishment referred to in the paragraph below). However, if the Company were to cease to be resident solely in Guernsey for tax purposes or have a branch or permanent establishment outside Guernsey (other than the permanent establishment referred to in the paragraph below), including as a result of changes in law or in HMRC or other tax authority practice, this could have adverse tax consequences for the Foresight Group and the Shareholders.

The Company is expected to have a permanent establishment in the United Kingdom as a result of certain executive functions being carried out by UK-based directors in the UK. The profits of the Company attributable to that permanent establishment will be subject to UK corporation tax (currently at a rate of 19 per cent.). Based on the operation of the business as at the date of this Prospectus, the profits attributable to the UK permanent establishment and the UK corporation tax incurred on such profits are not expected to be material.

2.7 *Tax relief arising as a consequence of the Reorganisation could be subject to tax authority challenge or may otherwise not be available*

As part of the Reorganisation (as described in paragraph 11 of Part 13 "Additional Information"), the corporate group reorganisation of the Foresight Group prior to Admission, Foresight Holdco 2 Limited will acquire income, capital and voting rights in Foresight Group LLP. As a consequence, Foresight Holdco 2 Limited will become the debtor in respect of a debt owed to Foresight Group CI Limited (the "**Debt**"). Under general UK taxation principles, Foresight Holdco 2 Limited should in principle obtain tax deductions in respect of interest payments on the Debt, and the Foresight Group's expected effective tax rate of between 10 per cent. and 13 per cent. following the Reorganisation assumes that Foresight Holdco 2 Limited is able to obtain these tax deductions. However, there are a number of rules which may limit the ability of Foresight Holdco 2 Limited to obtain such tax deductions. If these rules were to apply, this could increase the worldwide effective tax rates of, and adversely affect the business, financial positions and results of operations of, the Foresight Group.

The following paragraphs set out certain (non-exhaustive) examples of tax rules that may limit the ability of Foresight Holdco 2 to obtain tax deductions in respect of the Debt and is based on current law and practice:

- Transfer pricing rules could in principle apply to deny deductions if and to the extent that (broadly) the deductions or the Debt are not at arm's length. However, the Foresight Group is taking transfer pricing advice from its tax advisers in respect of the Debt such that both the level of the Debt and the interest rate thereon should be reasonable.
- The 'corporate interest restriction' rules could also apply to restrict deductions, with such rules applying on a year-by-year basis by reference to the particular position of the Foresight Group at that time; it is expected that the corporate interest restriction rules, if applying at all, would impact the time at which deductions could be utilised rather than the overall level of deductions available to the Foresight Group.

- Deductions could also be restricted if the Debt were treated as having an "unallowable purpose" for the purposes of section 441 Corporation Tax Act 2009. While there is a risk that HMRC may seek to challenge the tax deductions on that basis, the Foresight Group has been advised by its tax advisers that, based on current case law, the Foresight Group has good arguments to defend its position.
- The 'anti-hybrids' rules could also apply to deny deductions but the Foresight Group has been advised by its tax advisers that these rules should not apply in respect of the Debt.
- Finally, it is also possible that the UK withholding tax rules could change so as to impose a UK withholding tax obligation in respect of interest payments on the Debt.

2.8 *Anti-tax avoidance provisions which may be implemented or adjusted in the future could affect the Company's tax position*

Guernsey has wide-ranging anti-tax avoidance provisions. These provisions target transactions or series of transactions the effect of which is the avoidance, reduction or deferral of a tax liability. The Guernsey Director of Revenue Service may, at its discretion, make such adjustments to the tax liability as may in the Director's opinion be appropriate to counteract the effects of the avoidance, reduction or deferral of liability which would otherwise be affected by, or as a result of, that transaction or series of transactions. Any such adjustments may adversely impact the Foresight Group and its assets which in turn could significantly affect returns to investors.

The application of anti-avoidance provisions in the United Kingdom or other jurisdictions in which the Foresight Group, Foresight Funds or Foresight Fund Assets operate could also increase the worldwide effective tax rates of the Foresight Group, Foresight Funds or Foresight Fund Assets, and adversely affect the business, financial positions and results of operations of the Foresight Group.

3 *Risks relating to the Offer and the Shares*

3.1 *There is no existing market for the Shares and an active trading market for the Shares may not develop or be sustained*

Prior to Admission, there has been no public trading market for the Shares. Although the Company has applied to the FCA for admission of the Shares to the premium listing segment of the Official List and has applied to the London Stock Exchange for admission of the Shares to trading on the Main Market, it can give no assurance that an active trading market for the Shares will develop or, if developed, that it will be sustained following Admission. If an active trading market is not developed or maintained, the liquidity and trading price of the Shares could be materially and adversely affected, and investors and Shareholders may have difficulty selling their Shares.

The trading price of the Shares may be subject to wide fluctuations in response to many factors, including short-term selling pressures, equity market fluctuations, general economic conditions and regulatory or tax changes which may adversely affect the market price of the Shares, regardless of the Company's actual performance or conditions in its key markets.

However, the Banks will not over-allot in connection with the Offer or otherwise stabilise the market of the Shares. As a result, the market price for the Shares may initially be more volatile and susceptible to a decline than if the Banks were undertaking such actions.

3.2 *The share price of publicly traded companies can be highly volatile, including for reasons related to differences between expected and actual operating performance, corporate and strategic actions taken by such companies or their competitors, speculation and general market and economic conditions and regulatory changes*

Prospective investors should be aware that, following Admission, the value of an investment in the Shares may decrease abruptly which may prevent Shareholders from being able to sell their Shares at or above the price they paid for them and the Offer Price may not be indicative of prices that will prevail in the trading market. The price of the Shares may fall in response to market appraisal of the Foresight Group's strategy, if the Foresight Group's operating results and/or prospects are below the expectations of market analysts or Shareholders, or in response to regulatory changes affecting the Foresight Group's operations. In addition, stock markets have, from time to time, and especially in recent years, experienced significant price and volume fluctuations which have affected the market price of securities.

A number of factors, some of which are outside of the Foresight Group's control, may impact the price and performance of the Shares, including:

- prevailing economic conditions and conditions or trends in the market generally, including the general performance of the Main Market on which the Shares are traded;
- changes in sentiment in the market regarding the Shares (or securities similar to them);
- potential or actual sales of Shares in the market by Shareholders either voluntarily or in forced transactions as a result of restrictions on the types of securities they can hold in their portfolios;
- variations in the Foresight Group's operating results;
- the operating and share price performance of other companies in the industries and markets in which the Foresight Group operates;
- differences between the Foresight Group's expected and actual operating performance;
- strategic actions or business developments by the Foresight Group or the Foresight Group's competitors, such as mergers, acquisitions, divestitures, partnerships and restructurings;
- speculation, whether or not well founded, about the Foresight Group's business in the press, media or the investment community, including in relation to possible changes in the management team;
- the publication of research reports by analysts or failure to meet analysts' forecasts;
- regulatory changes affecting the Foresight Group's operations; and
- the tax risks set out in Risk Factors 2.4 - 2.8 and 3.6.

3.3 *The market price of the Shares could be negatively affected by sales of substantial amounts of such shares in the public markets, including following the expiry of the lock-up period, or the perception that these sales could occur*

Following Admission, except as a result of the sale of Shares pursuant to the Offer or pursuant to certain other customary exceptions, the Directors, Senior Management and the Selling Shareholders have agreed to refrain from selling any of their Shares for a period commencing on the date of Admission and ending 545 days in the case of Bernard Fairman (or Beau Port Investments Limited), and in the case of the other Selling Shareholders (with the exception of David Hughes, Peter English, Marjorie English and Ben Thompson), 365 days from the date of Admission, without the consent of the Banks. Members, officeholders, directors, partners and employees of the Foresight Group who hold Shares immediately prior to Admission (with the exception of Bernard Fairman, David Hughes, Peter English, Marjorie English and Ben Thompson) are subject to additional tenure lock-up restrictions. It is impossible to predict whether, following the termination of the lock-up restrictions put in place in connection with the Offer, a substantial amount of Shares will be sold in the open market by those subject to such restrictions. Any sales of substantial amounts of Shares in the public market by any of the Directors, Senior Management, the Selling Shareholders or by the Foresight Group, or the perception that such sales might occur, could result in a material adverse effect on the market price of the Shares. This may make it more difficult for Shareholders to sell Shares at a time and price that they deem appropriate, and could also impede the Foresight Group's ability to issue equity securities in the future.

3.4 *There is no guarantee that the Foresight Group will pay dividends*

As a holding company, the Company's ability to pay dividends (including any in specie dividends) in the future is affected by a number of factors, principally the Foresight Group's financial performance and solvency position, and is therefore not guaranteed. The Company can pay dividends only to the extent that it has sufficient profits available, which, as the Company is a holding company, depends upon it receiving cash from its operating subsidiaries in a manner which creates profits or, in certain cases, the creation of distributable reserves by other means. In particular, before any dividend (which for the purposes of this paragraph shall also include any other distribution) can be paid by the Company, the Guernsey Act requires that the Directors who are to authorise the dividend must approve a certificate stating that in their opinion the Company will, immediately after payment of the dividend, satisfy the statutory solvency test and the grounds for that opinion (which must be reasonable). A company satisfies the solvency test where it is able to pay its debts as they become due and the value of its assets are greater than the value of its liabilities. Therefore, if at the time any dividend is to be authorised, or at any time before any dividend is to be made, the Directors who are to authorise the dividend do not approve the required solvency certificate, then no dividend may be paid to Shareholders. In addition, the Company may not pay dividends if the Directors

believe this would cause the Foresight Group to be inadequately capitalised or if, for any other reason, the Directors conclude it would not be in the best interests of the Foresight Group. Any change in the tax treatment of dividends or interest paid to or received by the Company may reduce the amounts available for dividends to Shareholders.

Dividend growth in the Shares will rely on underlying growth in the Foresight Group's businesses and, in particular, the dividend policy mentioned in Part 6 "The Business" of this Prospectus should not be construed as a dividend forecast. The Board may also revise the Company's dividend policy from time to time in line with the actual results of the Group, and there can be no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be.

3.5 *Future sales or issuances of Shares may dilute the holdings of Shareholders and may depress the price of the Shares*

Other than in connection with Admission, the Company has no current plans for an offering of new Shares. The Company has agreed to refrain from issuing any new Shares for a period of 180 days following Admission. It is possible that the Company may decide to offer additional Shares in the future following the expiry of the lock-up restriction. Future offerings of new Shares could, if Shareholders do not or are not eligible to participate in such an offer, dilute the holdings of existing Shareholders, adversely affect the prevailing market price of the Shares. Future issuances of Shares, or the perception that such issuances could occur, or significant sales of Shares by major Shareholders could adversely affect the prevailing market price of the Shares and impair the Company's ability to raise capital through future sales of equity securities.

3.6 *Changes in taxation laws, rules or regulations or the interpretation of tax laws, rules or regulations could affect the Foresight Group's ability to provide returns to Shareholders*

Any change in taxation laws, rules or regulations or the interpretation of taxation laws, rules or regulations could affect the Foresight Group's ability to provide returns to Shareholders or the returns received and retained by Shareholders. Such changes may include (but are not limited to) the taxation of operating income, investment income, dividends received or (in the specific context of withholding tax) dividends paid. Statements in this Prospectus concerning the taxation of investors in the Shares are based on current tax law and practice in the UK, Guernsey and the United States, which are subject to change, and subject to (without limitation) the scope, assumptions and qualifications set out in paragraphs 13 and 14 of Part 13 "Additional Information". The taxation of an investment in the Foresight Group depends on the individual circumstances of the relevant investor. Any Shareholder who is in doubt as to its tax position should consult an appropriate adviser.

Most of the Company's operations are carried on by subsidiary companies outside Guernsey. The returns the Company receives from these subsidiary companies may be reduced by irrecoverable foreign withholding or other local taxes and this may reduce any net return derived by investors from a shareholding in the Company.

3.7 *Shareholders may have difficulty in effecting service of process on the Foresight Group or the Directors in the US, in enforcing US judgments in the UK or in enforcing US securities laws in UK courts*

All of the Directors are residents of countries other than the United States. The Foresight Group is incorporated outside the United States and its assets are located outside the United States. As a result, it may not be possible for Shareholders to effect service of process within the United States upon the Directors or on the Foresight Group, or to obtain discovery of relevant documents and/or the testimony of witnesses. Shareholders based in the United States may have difficulties enforcing in courts outside the United States judgments obtained in US courts against some of the Directors or the Foresight Group (including actions under the civil liability provisions of the US securities laws). Shareholders may also have difficulty enforcing liabilities under the US securities laws in legal actions originally brought in jurisdictions located outside the United States.

3.8 *An investment in Shares by an investor whose principal currency is not UK pounds sterling may be affected by exchange rate fluctuations*

The Shares are, and any dividends to be paid in respect of them will be, denominated in UK pounds sterling. An investment in Shares by an investor whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk (and any associated tax risks). Any depreciation of sterling in relation to such foreign currency will reduce the value of the investment in the Shares or any dividends in relation to such foreign currency.

3.9 *Shareholders in the United States and other jurisdictions outside the United Kingdom may not be able to participate in future equity offerings*

The Articles provide for pre-emptive rights to be granted to Shareholders on future equity offerings, unless such rights are disapplied by a Shareholder resolution. However, securities laws of certain jurisdictions outside the United Kingdom, including the United States, may restrict the Company's ability to allow participation by Shareholders located in such jurisdictions in future equity offerings. In particular, Shareholders in the United States may not be entitled to exercise their pre-emption rights unless such an offering is registered under the US Securities Act or made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The holdings of Shareholders located outside the United Kingdom who are not able to participate in any future equity offerings could be diluted by any such offerings.

PART 2 - PRESENTATION OF FINANCIAL AND OTHER INFORMATION

1 General

Investors should only rely on the information in this Prospectus. No person has been authorised to give any information or to make any representations in connection with the Offer, other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, the Selling Shareholders or either of the Banks. No representation or warranty, express or implied, is made by either of the Banks or any of their respective affiliates or any selling agent as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by either of the Banks, any of their respective affiliates or any selling agent as to the past, present or future. The Banks assume no responsibility for the accuracy, completeness or verification of this Prospectus and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement. Without prejudice to any obligation of the Company to publish a supplement to this Prospectus pursuant to FSMA, neither the delivery of this Prospectus nor any subscription or sale of Offer Shares pursuant to the Offer shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Foresight Group since the date of this Prospectus or that the information contained herein is correct as of any time subsequent to its date.

The Company will update the information provided in this Prospectus by means of a supplement if a significant new factor that may affect the evaluation by prospective equity investors of the Offer occurs after the publication of this Prospectus or if this Prospectus contains any material mistake or substantial inaccuracy. This Prospectus and any supplement will be subject to approval by the FCA and will be made public in accordance with the Prospectus Regulation Rules. If a supplement to this Prospectus is published prior to Admission, equity investors shall have the right to withdraw their applications for Shares made prior to the publication of the supplement. Such withdrawal must be made within the time limits and in the manner set out in any such supplement (which shall not be shorter than two clear business days after publication of the supplement).

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Offer, including the merits and risks involved.

Prior to making any decision as to whether to subscribe for or purchase the Offer Shares, prospective investors should read this Prospectus. Investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination of the Company and the terms of this Prospectus, including the risks involved.

Investors who subscribe for or purchase Offer Shares pursuant to the Offer will be deemed to have acknowledged that: (i) they have not relied on either of the Banks or any of their respective affiliates in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied on the information contained in this Prospectus, and no person has been authorised to give any information or to make any representation concerning the Foresight Group or the Offer Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Directors, the Selling Shareholders or either of the Banks.

None of the Company, the Directors, the Selling Shareholders or either of the Banks or any of their respective affiliates or representatives is making any representation to any offeree, subscriber or purchaser of the Shares regarding the legality of an investment by such offeree, subscriber or purchaser.

In connection with the Offer, the Banks and any of their respective affiliates, acting as investors for their own accounts, may subscribe for and/or acquire Offer Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Offer Shares and other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in this Prospectus to the Offer Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by the Banks and any of their respective affiliates acting as investors for their own accounts. None of the Banks intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

2 Share Capital Reorganisation

Save as otherwise specified in this Prospectus (including at paragraph 11 of Part 13 "Additional Information"), all of the information in this Prospectus is presented as if the Share Capital Reorganisation had already taken place as at the date of publication of this Prospectus. The Share Capital Reorganisation will be completed immediately prior to Admission.

3 Presentation of financial information

The financial information in this Prospectus has been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"), except as described below. The significant IFRS accounting policies applied in the financial information of the Company are applied consistently in the financial information in this Prospectus.

3.1 Basis of Preparation

The Foresight Group at the point of Admission will constitute the operating activities which previously formed part of Foresight Group Holdings Limited, not including certain disposed activities. The activities of Foresight Group Holdings Limited not included, being the disposals of certain non-core business, will not form part of the Group at Admission and are therefore excluded from the combined historical financial information in "Financial Information" (the "**Historical Financial Information**").

The Historical Financial Information reflects the historical share capital structure of the Foresight Group. The share capital structure of the Foresight Group post-Admission will be different to the historical share capital structure outlined in this Prospectus.

The combined Historical Financial Information for the three years and six months ended 30 September 2020 has been prepared specifically for the purposes of this Prospectus and in accordance with Commission Delegated Regulation (EU) 2019/980. The combined Historical Financial Information does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006.

IFRS does not provide for the preparation of combined financial information, and accordingly, in preparing the Historical Financial Information, certain accounting conventions commonly used for the preparation of financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 Standards for Investment Reporting applicable to public reporting engagements on historical financial information, issued by the UK Auditing Practices Board, have been applied. The application of these conventions results in a material departure from IFRS because the Historical Financial Information is not prepared on a consolidated basis and therefore does not comply with the requirements of IFRS 10 Consolidated Financial Information. The Historical Financial Information has been prepared on a basis that combines the results, cash flows, assets and liabilities of the operating activities that constitutes the Foresight Group, derived from the accounting records of the Foresight Group, by applying the principles underlying the consolidation procedures of IFRS 10.

In all other material respects, IFRS has been applied.

3.2 **Important note on the treatment of Members' remuneration and tax post-Admission**

The Historical Financial Information reflects the Foresight Group's operational structure as at the date of this Prospectus and prior to the Reorganisation, excluding certain disposed activities as described in paragraph 3.1 above. However, in line with the requirements of PRR Annex 18.1.4 (which requires that an issuer prepare its audited historical financial information in a form consistent with the (i) accounting standards, (ii) legislation disclosure requirements and (iii) accounting policies which will be adopted in the issuer's next published annual financial statements, as if they had already adopted the new framework), the Historical Financial Information is presented as described in paragraph 3.1 above and in a form consistent with how the Company would prepare its first annual report. With respect to the accounting policies, the accounting policies set out in the Historical Financial Information have been applied consistently to all periods presented therein and in preparing an opening IFRS balance sheet as at 1 April 2017 for the purposes of the transition to IFRS. There will be no changes to the accounting policies between those used in the Historical Financial Information and those that will be published in the Company's first published annual financial statements after Admission, subject to any applicable accounting pronouncements.

Although there will not be changes to the (i) accounting standards, (ii) legislation disclosure requirements or (iii) accounting policies, in connection with the Reorganisation and Admission, the Foresight Group will implement certain organisational, contractual and operational changes, whereby the application of IFRS and the Foresight Group's existing accounting policies, as disclosed in the Historical Financial Information, will lead to the remuneration of the individual members (the "**Members**") of Foresight Group LLP, the primary revenue generating entity within the Foresight Group structure and the principal manager of the Foresight Funds, and certain tax items being reflected differently post-Admission.

Foresight Group LLP is currently owned by Foresight Group CI Limited (the "**Corporate Member**") and the Members. Member remuneration is currently determined by reference to the profit-sharing rules specified within the existing Foresight Group LLP agreement between Foresight Group LLP, the Corporate Member and the Members (the "**Existing Membership Agreement**") (the terms of which are described in paragraph 12.6 of Part 13 "Additional Information"). The Existing Membership Agreement stipulates that Members receive a fixed profit share ("**Tier 1 Drawings**") including, in the case of staff who are director grade, partners in the retail sales team and other eligible Members, a bonus (which exceptionally may include discretionary performance based awards for eligible Members). Tier 1 Drawings and bonus are charged to profit and loss within "staff costs" under "administrative expenses" in the Historical Financial Information.

Foresight Group CI Limited, as the Corporate Member, is not currently entitled to receive profit but does receive income through an arm's length service agreement with Foresight Group LLP. Consequently, the balance of profits in Foresight Group LLP following the allocation of the Tier 1 Drawings and bonus (the "**Tier 2 Drawings**") is available for distribution to the ordinary members designated as such by the Corporate Member (the "**Ordinary Members**"). In addition to their Tier 2 Drawings, the Ordinary Members are also entitled to receive dividends at the Foresight Group level through their holding of Alphabet Shares in the Company (the "**Alphabet Share Dividend**" and, together with the Tier 2 Drawings, the "**Discretionary Distributions**"). The Discretionary Distributions payable to an Ordinary Member are determined based on that Ordinary Member's B share ownership. Due to restrictions attached to the B shares, holders of B shares are not unconditionally entitled to the B shares until they have been employed by the Foresight Group for an uninterrupted period of 10 years. As a result, Discretionary Distributions payable to Ordinary Members who have not completed 10 years of employment with the Foresight Group have been treated as remuneration and charged to profit and loss within "staff costs - distributions" under "administrative expenses" in the Historical Financial Information, while the Discretionary Distributions payable to Ordinary Members who have completed their 10 year employment period with the Foresight Group have been treated as equity distributions and included in "retained earnings" in the Historical Financial Information.

Following Admission, Members' remuneration will be determined by the new Foresight Group LLP agreement. Under the new Foresight Group LLP agreement, Members (other than Gary Fraser, who will not receive any remuneration from Foresight Group LLP and will instead be paid a salary by the Company, further details of which are set out in paragraph 6.1 of Part 13 "Additional Information") will continue to receive their Tier 1 Drawings on a fixed basis and, in the case of staff who are director grade, partners in the retail sales team and other eligible Members, a bonus (which exceptionally may include discretionary performance based awards for eligible Members). The level of the Tier 1 Drawings and bonus will be determined by the Foresight Group LLP remuneration committee (which determines remuneration for

the Foresight Group other than in respect of remuneration for the services of the Directors). However, Ordinary Members will cease to be entitled to Tier 2 Drawings with such profits instead being paid to Foresight Holdco 2 Limited, which will become the corporate member of Foresight Group LLP as part of the Reorganisation, and become entitled to such profits. As a consequence, these profits will remain within the Foresight Group and/or be available to for distribution to Shareholders (subject to the Company's ability to pay dividends in accordance with applicable laws). In addition, as part of the Reorganisation, the Alphabet Shares will be repurchased and cancelled, and Ordinary Members will no longer be entitled to the Alphabet Share Dividend. Members will instead be entitled to receive dividend income derived from a holding of Shares (in addition to Tier 1 Drawings and bonus (where applicable)), and will, depending upon eligibility, participate in the share based incentive plans (which are described at paragraph 7 of Part 13 "Additional Information").

Tier 1 Drawings and bonus will continue to be charged to profit and loss within "staff costs" under "administrative expenses" in the Foresight Group's financial statements, as reflected in the Historical Financial Information. However, dividends received by Members as Shareholders in the Company will be accounted for through reserves in the Company's financial statements in line with the accounting standards, legislation and accounting policies disclosed in the Historical Financial Information and consistent with the treatment of dividends paid to all other Shareholders. Consequently, the Company does not expect to incur "staff costs – distributions" under "administrative expenses" post-Admission.

In addition, the grant of B share awards to Members and other senior staff under the current share based compensation plans are treated as remuneration for those unvested share awards under "share based payments" within "administrative expenses" in the Historical Financial Information. As part of the Reorganisation, the B shares will be re-designated as ordinary shares and any unvested awards of B shares will vest upon Admission. Consequently, the Company does not expect to record "share based payment" expenses in respect of B shares outstanding prior to Admission. However, following the Reorganisation and Admission, "share based payments" in the Foresight Group's financial statements will include awards granted under the share based incentive plans the Company intends to adopt, conditional on Admission, as set out in paragraph 7 of Part 13 "Additional Information".

With respect to taxation, within the Historical Financial Information, profits of Foresight Group LLP that are distributed to the Members and the taxes thereon are the personal tax liabilities of the Members. However, under the new Foresight Group LLP Agreement, Foresight Holdco 2 Limited will be entitled to receive the balance of profits after the payment of Tier 1 Drawings and bonus (where applicable) and as a result, the remaining profits earned by Foresight Group LLP during a period will be regarded as income for Foresight Holdco 2 Limited. As a corporate entity, Foresight Holdco 2 Limited will be liable for corporation tax. Consequently, while Foresight Group LLP's profits were not subject to corporation tax nor related deferred taxation and only a limited number of entities in the Foresight Group were subject to taxation in the period covered by the Historical Financial Information, a greater proportion of the Foresight Group's profits will be subject to such tax going forward as a result of the organisational, operational and contractual changes to the Foresight Group after the Reorganisation. In FY 2020, the Foresight Group was not subject to any significant tax, but following the proposed Reorganisation, the Directors believe that the Foresight Group's effective tax rate is likely to increase to between 10 per cent. and 13 per cent. While the anticipated effective tax represents the Directors' expectation as at the date of this Prospectus, there can be no assurance that the actual effective tax rate incurred will be within this range, and it may differ materially due to a number of facts and circumstances. Please also refer to paragraph 2.7 of Part 1 "Risk Factors" and paragraph 12 of this Part 2.

4 Financial information

The financial information included in Part 11 "Financial Information" is covered by the accountant's report included therein, which was prepared in accordance with Standards for Investment Reporting issued by the Auditing Practice Board and requirements of Annex I and Annex II of Commission Regulation (EC) No 309/2004.

None of the financial information used in this Prospectus has been prepared in accordance with US Generally Accepted Accounting Principles ("**US GAAP**") or audited in accordance with auditing standards generally accepted in the United States of America ("**US GAAS**") or auditing standards of the Public Company Accounting Oversight Board (United States) ("**PCAOB**"). US GAAS and the auditing standards of the PCAOB do not provide for the expression of an opinion on accounting standards which have not been finalised and are still subject to modification, as is the case with accounting standards as adopted for use in the EU and included in Part 11 "Financial Information". Accordingly, it would not be possible to express any opinion on the "Financial Information" in Part 11 under US GAAS or the auditing standards

of the PCAOB. In addition, there could be other differences between the auditing standards issued by the Financial Reporting Council in the United Kingdom and those required by US GAAS or the auditing standards of the PCAOB. Potential investors should consult their own professional advisers to gain an understanding of the "Financial Information" in Part 11 and the implications of differences between the auditing standards noted herein.

The financial information included in this Prospectus is not intended to comply with the US Securities and Exchange Commission reporting requirements. Compliance with such requirements would entail the modification, reformulation or exclusion of certain financial measures and changes to the presentation of certain other information. No reconciliation to US GAAP is provided in this Prospectus.

5 Non-IFRS Measures

The Foresight Group uses certain measures to assess the financial performance of its business. Certain of these measures are termed "non-IFRS" measures because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. These non-IFRS measures include:

- Recurring Revenue
- AuM
- FuM
- Core EBITDA
- Adjusted EBITDA
- Non-recurring revenue
- Re-occurring revenue

These non-IFRS financial measures are included in this Prospectus as they are used by management to monitor and report to the Board on the Foresight Group's financial position, performance and available operating liquidity. The Directors believe these measures provide an alternative measure of the Foresight Group's underlying performance, enhance comparability from period to period and are consistent with how business performance is measured internally. Therefore, the Directors believe that these measures enhance prospective investors' understanding of the Foresight Group's underlying business performance and its current ability to fund ongoing operations.

However, these non-IFRS financial measures are not measures based on IFRS and prospective investors should not consider such items as an alternative to the Historical Financial Information or other indicators of the Foresight Group's profitability based on IFRS measures.

These non-IFRS financial measures are not measurements of operating performance under IFRS, and should not be considered a substitute for profit before tax for the period or other income statement data, or as measures of profitability or liquidity. These measures may not be indicative of the Foresight Group's historical operating results nor are they meant to be predictive of potential future results. Other companies may calculate such measures in a different way, and the Foresight Group's presentation may not be comparable to similarly entitled measures of other companies.

6 Key performance indicators

The Foresight Group presents certain key performance indicators ("**KPIs**") and operational data in this Prospectus. The Directors believe that such data is important to understanding the Foresight Group's performance from period to period and that such data facilitates comparison with the Foresight Group's peers. However, such data as presented in this Prospectus may not be comparable to similarly titled data presented by other companies in the Foresight Group's industry and the method of calculation may differ across the Foresight Group's industry. Apart from Adjusted EBITDA, Core EBITDA and Recurring Revenue, the KPIs are not part of the Foresight Group's audited, combined historical financial information and have not been audited or otherwise reviewed by external auditors, consultants or experts and in certain circumstances are based on the Foresight Group's estimates.

The unaudited KPIs and operational information are derived from the following sources: (i) unaudited accounting records for the relevant accounting periods presented; (ii) internal financial reporting systems supporting the preparation of financial statements; and (iii) the Foresight Group's other business operating systems and records.

Each of the KPIs that the Foresight Group's management utilises to evaluate the performance of the Foresight Group's business is defined below:

- "Average AuM" is calculated as an average of the Foresight Group's quarterly AuM valuations in the relevant financial year or six month period. AuM is defined as the 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. The Directors believe that AuM and Average AuM may provide prospective investors with meaningful supplemental measures to evaluate, and provide prospective investors with a better understanding of, the Foresight Group's results of operations and growth.
- "Average FuM" is calculated as an average of the Foresight Group's quarterly FuM valuations in the relevant financial year or six month period. FuM is defined as the Foresight Group's funds under management, being the net asset value ("**NAV**") of the Foresight Funds plus the capital that the Foresight Group is entitled to call from investors in the Foresight Funds pursuant to the terms of their capital commitments to those Foresight Funds. The Directors believe that FuM and Average FuM may provide prospective investors with meaningful supplemental measures to evaluate, and provide prospective investors with a better understanding of, the Foresight Group's results of operations and growth.
- "Recurring Revenue" is defined as management fees, secretarial fees (including administration) and directors' fees. The Directors believe that Recurring Revenue may provide prospective investors with a meaningful supplemental measure to evaluate the stability and quality of earnings.

The table below sets out the reconciliation of Recurring Revenue to revenue:

	Year ended			Six months ended	
	31 March 2018	31 March 2019	31 March 2020	30 September 2019	30 September 2020
	<i>£'000</i>				
	<i>Unaudited</i>				
Total revenue	51,668	49,538	57,253	28,175	32,417
Less:					
Marketing fees	(3,940)	(4,083)	(4,307)	(2,148)	(1,290)
Arrangement fees	(9,804)	(7,245)	(3,998)	(1,964)	(1,610)
Performance incentive fees	(2,962)	-	(65)	(39)	-
Advisory fees	(8)	(5)	-	-	-
Other income	(69)	-	-	-	(9)
Recurring revenue	34,885	38,205	48,883	24,024	29,508

Notes:

"Non-recurring revenue" is defined as arrangement fees, performance incentive fees, advisory fees and other income.

"Re-occurring revenue" is defined as marketing fees.

"Recurring revenue / revenue" is calculated as Recurring Revenue as a percentage of total revenue.

- "Adjusted EBITDA" is defined as operating profit before depreciation and amortisation. The Directors believe that Adjusted EBITDA may provide prospective investors with a meaningful supplemental measure to evaluate the Foresight Group's profitability and may also provide prospective investors with a better understanding of the Foresight Group's performance.

The table below sets out the reconciliation of Profit before tax to Adjusted EBITDA:

	Year ended			Six months ended	
	31 March 2018	31 March 2019	31 March 2020	30 September 2019	30 September 2020
	<i>£'000</i>				
	<i>Unaudited</i>				
Profit before tax	15,783	7,097	6,555	5,593	7,107
Financial income	(7)	(10)	(1)	-	(2)
Financial expense	731	724	725	345	365
Fair value gains/(losses) on investments	41	-	147	-	(51)
Share of profit/(losses) of associates	-	-	(235)	-	20
Profit on sale of Subsidiaries	(3,481)	-	-	-	-
Operating profit	13,067	7,811	7,191	5,938	7,439
Owned property, plant and equipment depreciation	549	684	697	330	377
Amortisation of other intangible assets	63	138	995	338	717
Right of use assets depreciation	1,415	1,614	1,690	825	882
Adjusted EBITDA	15,094	10,247	10,574	7,432	9,415

- "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 to otherwise distort the underlying performance of the Foresight Group. The Directors believe that Core EBITDA may provide prospective investors with a meaningful supplemental measure to evaluate the business excluding the impact of non-underlying items on the Foresight Group's trading performance.

The table below sets out the reconciliation of Adjusted EBITDA to Core EBITDA. For further details, see Part 11 "Historical Financial Information" of this Prospectus.

	Year ended			Six months ended	
	31 March 2018	31 March 2019	31 March 2020	30 September 2019	30 September 2020
	<i>£'000</i>				
	<i>Unaudited</i>				
Adjusted EBITDA	15,094	10,247	10,574	7,432	9,415
<i>Non-Underlying items:</i>					
Performance incentive fees	(3,031)	-	(65)	(39)	(9)
Staff costs - distributions	2,360	1,334	965	65	647
Share based payments	1,447	820	349	189	24
Other operating income	-	(1,385)	(795)	(45)	(46)
Costs on corporate transactions	2,033	853	581	302	453
Goodwill payment to ITS	-	-	1,290	-	-
Redundancy Costs	-	-	-	-	208
Core EBITDA	17,903	11,869	12,899	7,904	10,692

- "Administrative expenses" comprise depreciation and amortisation of owned assets, right of use asset depreciation, staff costs, staff costs - distributions, share based payments, legal and professional costs, office 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. For further details on the composition of administrative expenses, see paragraph 6.3 of Part 9 "Operating and Financial Review".
- "Recurring Revenue / Revenue" is calculated as Recurring Revenue as a percentage of total revenue. The Directors believe that Recurring Revenue / Revenue may provide prospective investors with a meaningful supplemental measure to evaluate stability and quality of earnings.
- "Revenue / Average FuM" is calculated as management fees, secretarial fees and directors' fees as a percentage of Average FuM. The Directors believe that Revenue / Average FuM may provide prospective investors with a meaningful supplemental measure to evaluate the Foresight Group's fee revenue generated from funds under management.
- "Core EBITDA Margin" is Core EBITDA as a percentage of total revenue. The Directors believe that Core EBITDA Margin may provide prospective investors with a meaningful supplemental measure to evaluate the Foresight Group's profitability and performance excluding the impact of non-underlying items.

7 Operational data

The Foresight Group presents certain operational data in this Prospectus. Such data as presented in this Prospectus may not be comparable to similarly titled data presented by other companies in the Foresight Group's industry and, while the method of calculation may differ across the Foresight Group's industries, the Directors believe that such data is important to understanding the Foresight Group's performance from period to period and that such data facilitates comparison with the Foresight Group's peers. This operational data is not intended to be a substitute for any IFRS measures of performance. The operational data is based on the Company's estimates and is not part of the Foresight Group's financial statements and has not been audited or otherwise reviewed by outside auditors, consultants or experts.

Unaudited operational information in relation to the Foresight Group is derived from the following sources: (i) unaudited accounting records for the relevant accounting periods and specified accounting framework presented; (ii) internal financial reporting systems supporting the preparation of financial statements; and (iii) the Foresight Group's other business operating systems and records.

8 Currency presentation

Unless otherwise indicated, all references in this document to "sterling", "pounds sterling", "GBP", "£", or "pence" are to the lawful currency of the United Kingdom. The Company prepares its financial statements in pounds sterling. All references to the "euro" or "€" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. All references to "US dollars" or "US\$" are to the lawful currency of the United States.

9 Roundings

Certain data in this Prospectus, including financial, statistical, and operating information has been rounded. As a result of the rounding, the totals of data presented in this Prospectus may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

10 Market, economic and industry data

Unless the source is otherwise stated, the market, economic and industry data in this Prospectus constitute the Directors' estimates, using underlying data from independent third parties. The Company obtained market data and certain industry forecasts used in this Prospectus from various sources, including internal surveys, reports and studies, where appropriate, as well as third-party market research, publicly available information and industry publications, including publications and data compiled by BloombergNEF and the Boston Consulting Group.

The Company confirms that this information and any other information extracted from third-party sources has been accurately reproduced and, so far as the Foresight Group is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render such reproduced information inaccurate or misleading.

Where third-party information has been used in this Prospectus, the source of such information has been identified.

11 Definitions

Certain terms used in this document, including all capitalised terms and certain technical and other items, are defined and explained in Part 14 "Definitions".

12 Information regarding forward-looking statements

This Prospectus includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Foresight Group's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned", "targets" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Directors or the Foresight Group concerning, among other things, the results of operations, financial condition, effective tax rate, prospects, growth, strategies, and dividend policy of the Foresight Group and the industry in which it operates. In particular, the statements under the headings "Summary", Part 1 "Risk Factors", Part 6 "The Business" and Part 9 "Operating and Financial Review" regarding the Company's strategy and other future events or prospects include forward-looking statements.

These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Foresight Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Such forward-looking statements contained in this Prospectus speak only as of the date of this Prospectus. The Company, the Directors, the Selling Shareholders and the Banks expressly disclaim any obligation or undertaking to update these forward-looking statements contained in this Prospectus to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements

are based unless required to do so by applicable law, the Prospectus Regulation Rules, the Listing Rules, or the Disclosure Guidance and Transparency Rules of the FCA. Prospective investors should specifically consider the factors identified in this Prospectus which could cause actual results to differ from those indicated in or suggested by the forward-looking statements in this Prospectus before making an investment decision.

Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to the sufficiency of working capital in this Prospectus.

13 Service of process and enforcement of civil liabilities

All of the Directors are residents of countries other than the United States. The Company is incorporated outside the United States and its assets are located outside the United States. As a result, it may not be possible for Shareholders to effect service of process within the United States upon the Directors or on the Company, or to obtain discovery of relevant documents and/or the testimony of witnesses. Shareholders based in the US may have difficulties enforcing in courts outside the United States judgments obtained in US courts against some of the Directors or the Company (including actions under the civil liability provisions of the US securities laws). In addition, an award or awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in the United Kingdom. Shareholders may also have difficulty enforcing liabilities under the US securities laws in legal actions originally brought in jurisdictions located outside the United States.

14 No incorporation of website information

The contents of the Company's websites, including any hyperlinks to or from such websites, do not form part of this document.

PART 3 - DIRECTORS, SECRETARY, REGISTERED AND PRINCIPAL OFFICE AND ADVISERS

Directors	Bernard Fairman (Executive Chairman) Gary Fraser (Chief Financial Officer and Chief Operating Officer) Geoffrey Gavey (Independent Non-Executive Director) Michael Liston, OBE (Independent Non-Executive Director) Alison Hutchinson, CBE (Senior Independent Non-Executive Director)
Company Secretary	Jo-anna Nicolle
Registered Office of the Company	Ground Floor, Dorey Court, Admiral Park, St Peter Port, GY1 2HT, Guernsey
Principal Office of the Foresight Group	The Shard, 32 London Bridge St, London, SE1 9SG
Sponsor, Joint Global Co-ordinator and Joint Bookrunner	Numis Securities Limited London Stock Exchange Building, 10 Paternoster Square, London, EC4M 7LT
Joint Global Co-ordinator and Joint Bookrunner	Jefferies International Limited 100 Bishopsgate, London, EC2N 4JL
English and US legal advisers to the Company	Travers Smith LLP 10 Snow Hill, London, EC1A 2AL
Guernsey legal advisers to the Company	Ogier (Guernsey) LLP Redwood House, St Julian's Avenue, St Peter Port, GY1 1WA, Guernsey
English and US legal advisers to Sponsor, Joint Global Co-ordinators and Bookrunners	Ashurst LLP London Fruit & Wool Exchange, 1 Duval Square, London, E1 6PW
Reporting Accountant	KPMG LLP 15 Canada Square, London, E14 5GL
Independent Auditors	BDO LLP 55 Baker Street, London W1U 7EU
Registrar	Computershare Investor Services (Guernsey) Limited 13 Castle Street, St. Helier, Jersey, JE1 1ES

PART 4 - EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND OFFER STATISTICS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the following times and dates are indicative only and subject to change without further notice. References to a time of day are to London time unless otherwise stated.

Latest time and date for indications of interest in acquiring Offer Shares under the Offer	3 February 2021
Announcement of the Offer Price and allocation of Shares	7.00 a.m. on 4 February 2021
Prospectus published	4 February 2021
Commencement of conditional dealings on the London Stock Exchange ⁽¹⁾	8.00 a.m. on 4 February 2021
Admission and commencement of unconditional dealings in the Shares on the London Stock Exchange	8.00 a.m. on 9 February 2021
Crediting of Shares to CREST accounts	9 February 2021
Despatch of definitive share certificates (where applicable)	Week commencing 15 February 2021

Notes:

- (1) It should be noted that, if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned.

OFFER STATISTICS

Offer Price (per Offer Share) ⁽¹⁾	420 pence
Number of Shares in issue on Admission ⁽¹⁾	108,333,333
Number of Offer Shares (8,333,333 New Shares and 45,712,987 Existing Shares) included in the Offer	54,046,320
Number of Offer Shares as a percentage of total number of Shares in existence on Admission	49.9 per cent.
Estimated net proceeds of the Offer receivable by the Company ⁽²⁾	£30.0 million
Estimated net proceeds of the Offer receivable by the Selling Shareholders ⁽³⁾	£186.2 million
Market capitalisation of the Company at the Offer Price	£455.0 million

Notes:

- (1) Represents the total number of Shares in issue following completion of the Reorganisation and after the issue of New Shares by the Company.
- (2) The estimated net proceeds receivable by the Company are stated after the deduction of underwriting commissions (including the maximum amount of any discretionary commission) and other costs and expenses of, and incidental to, Admission and the Offer payable by the Company expected to be approximately £5.0 million (including VAT, where applicable). The Company will not receive any of the proceeds from the sale of the Existing Shares pursuant to the Offer.
- (3) The estimated net proceeds receivable by the Selling Shareholders are stated after the deduction of underwriting commissions (including the maximum amount of any discretionary commission) payable by the Selling Shareholders in connection with the Offer, expected to be approximately £5.8 million (including VAT, where applicable).

PART 5 - INDUSTRY OVERVIEW

1 Trends in the global asset management industry

AuM across the global asset management industry has grown significantly since the 2008 financial crisis, from US\$38 trillion in 2008 to US\$89 trillion in 2019¹. In 2019, the total value of global AuM grew by 15 per cent. year on year, following a four per cent. decline in 2018.² This growth was primarily driven by strong market performance and record net asset inflows reflecting strong investor demand for asset management products. Despite a strong performance in 2019, the global asset management industry continued to be negatively impacted by certain factors including structural pressures such as the rise of passive investing, increased regulation and further fee pressure.

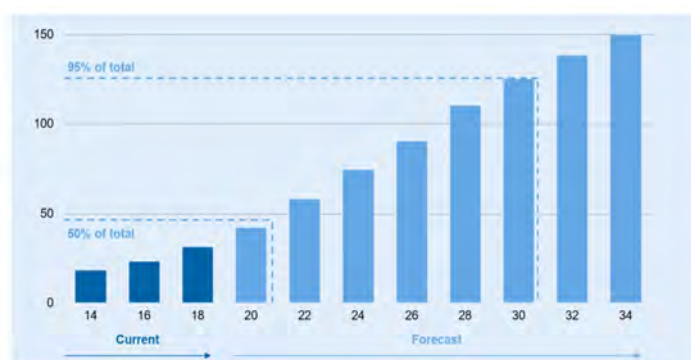
North America was the global leader in terms of annual AuM growth in 2019, whilst Europe, the second largest region by assets, also demonstrated strong growth, rising by 13 per cent. in 2019 year on year to reach a total AuM of \$22.8 trillion.³ The UK has been Europe's biggest market, accounting for 27 per cent. of market share, or \$6.1 trillion.⁴ That represented an expansion of 13 per cent. in 2019, which was achieved despite looming Brexit concerns in the UK market.⁵

In 2019, retail clients were the fastest-growing segment, with assets rising by 19 per cent. year on year, while institutional client assets grew by 13 per cent.⁶ This stronger growth in the retail client segment was driven by a number of factors such as increasing household wealth and improved market conditions, leading to greater retail investor demand for asset management products and better access to investment platforms and vehicles.

Since Q1 2020, the global COVID-19 pandemic has contributed to significant volatility in the financial markets. Unemployment figures have risen sharply and governments and central banks have implemented significant stimulus packages to try and mitigate the long-term effects on the global economy, and the long-term economic impact of the pandemic remains uncertain. However, according to research on downturn resilience carried out by the Foresight Group, the infrastructure asset management sector has proved largely resilient in recent market downturns with solar and wind among the more resilient infrastructure sub-sectors in the face of the recent global pandemic.⁷

According to the World Economic Forum, sustainable investing has also experienced an important rise in prominence in the global asset management industry due to the increasing financial relevance of ESG factors (such as climate change and pollution, diversity, data protection and bribery and corruption), better ESG data maintained by companies and growing regulatory pressure.⁸

Since 2015, 1,600 ESG-focused, private capital funds have closed, raising an aggregate capital amount of US\$1.7 trillion. Further to this, as shown in the chart below, by 2028 global AuM invested in ESG mandates is expected to exceed \$100 trillion.⁹



Source: Deutsche Bank, Global Sustainable Investment Alliance, zeb research.

¹ BCG: 'Global Asset Management 2020: Protect, Adapt, and Innovate, May 2020'.

² BCG: 'Global Asset Management 2020: Protect, Adapt, and Innovate, May 2020'.

³ BCG: 'Global Asset Management 2020: Protect, Adapt, and Innovate, May 2020'.

⁴ BCG: 'Global Asset Management 2020: Protect, Adapt, and Innovate, May 2020'.

⁵ BCG: 'Global Asset Management 2020: Protect, Adapt, and Innovate, May 2020'.

⁶ BCG: 'Global Asset Management 2020: Protect, Adapt, and Innovate, May 2020'.

⁷ Foresight Whitepaper: 'Infrastructure Pandemic Resilience: A true test of infrastructure's defensive characteristics, September 2020'.

⁸ World Economic Forum Whitepaper: 'Integrated Corporate Governance: A Practical Guide to Stakeholder Capitalism for Boards of Directors, June 2020'.

⁹ Banking Hub, by Zeb: 'ESG investing: the rise of a new standard, March 2020'.

2 Demand for alternatives and private markets assets

Alternatives continued to be among the strongest asset classes in 2020. Growth in AuM invested in alternatives products grew by 13 per cent. in 2019, and the category comprised nearly half of all global asset management revenues in that year, despite representing only 16 per cent. of AuM.¹⁰ Alternatives are expected to continue to grow at a compound annual rate of 4 per cent. in 2019 through 2024, at which point they are expected to represent 17 per cent. of global AuM and 49 per cent. of global revenues.¹¹ The chart below shows how the split of global AuM by product has changed since 2008 and is expected to continue to evolve between 2019 and 2024.¹²



Notes:

"Passive" includes market tracker funds.

"Active core" includes actively managed domestic large-cap equity, domestic government and corporate debt, money market, and structured products.

"Solutions / LDI / Balanced" includes target-date, global asset allocation, flexible, income, liability-driven, and traditional balanced investments.

"Active specialties" includes equity specialties (foreign, global, emerging markets, small and mid caps, and sectors) and fixed-income specialties (emerging markets, global, high-yield, and convertibles).

"Alternatives" includes hedge funds, private equity, real estate, infrastructure, commodities, private debt and liquid alternative mutual funds (such as absolute return, long and short, market-neutral and trading-oriented); private equity and hedge fund revenues do not include performance fees.

The key driver of this growth is investor demand for heightened performance, returns uncorrelated to financial market performance, illiquidity premiums and other non-traditional return profiles, particularly as institutions across the globe face the challenge of a widening gap between assets and liabilities and historically low levels of yields on bonds and debt instruments.

Within alternatives strategies, private markets (including private equity, real estate, infrastructure and private debt) have experienced consistent growth since the last financial crisis, growing at an average rate of 9 per cent. per annum since 2008.¹³

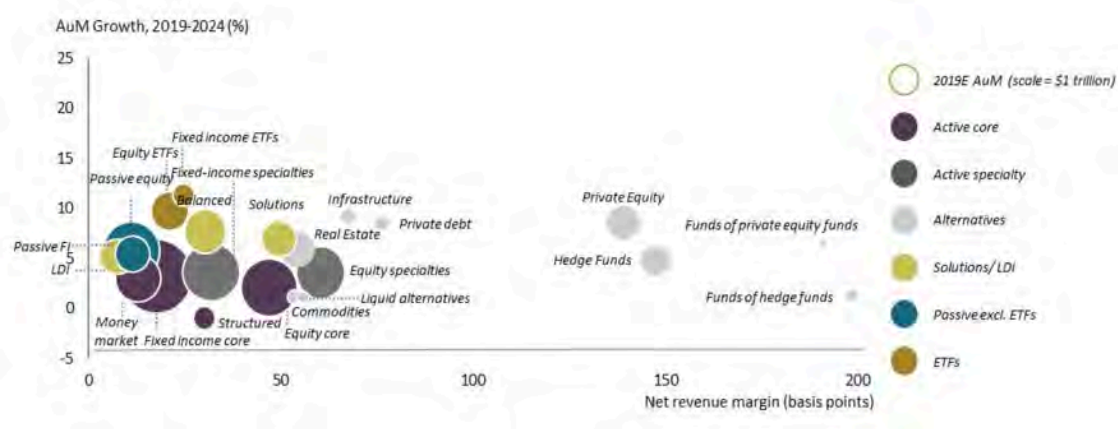
¹⁰ BCG: 'Global Asset Management 2020: Protect, Adapt, and Innovate, May 2020'.

¹¹ BCG: 'Global Asset Management 2020: Protect, Adapt, and Innovate, May 2020'.

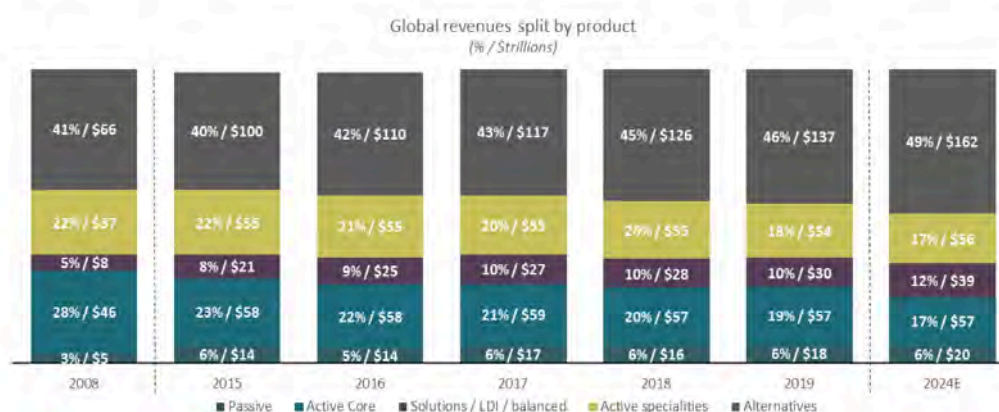
¹² BCG: 'Global Asset Management 2020: Protect, Adapt, and Innovate, May 2020'.

¹³ BCG: 'Global Asset Management 2020: Protect, Adapt, and Innovate, May 2020'.

Whilst many asset management products have experienced increasing margin pressure over recent years, alternatives continue to achieve higher margins than other investment strategies. Despite the higher fees and illiquidity risk, investors have turned to private market funds in search of better-than-market-average performance and access to illiquidity premiums. The chart below illustrates expected AuM growth between 2019 and 2024 and current net revenue margins by investment strategy.¹⁴



The chart below shows how the split of global revenues by product has changed since 2008 and is expected to continue to evolve between 2019 and 2024.¹⁵



Notes:

"Passive" includes market tracker funds.

"Active core" includes actively managed domestic large-cap equity, domestic government and corporate debt, money market, and structured products.

"Solutions / LDI / Balanced" includes target-date, global asset allocation, flexible, income, liability-driven, and traditional balanced investments.

"Active specialties" includes equity specialties (foreign, global, emerging markets, small and mid caps, and sectors) and fixed-income specialties (emerging markets, global, high-yield, and convertibles).

"Alternatives" includes hedge funds, private equity, real estate, infrastructure, commodities, private debt and liquid alternative mutual funds (such as absolute return, long and short, market-neutral and trading-oriented); private equity and hedge fund revenues do not include performance fees.

Demand for asset classes in private markets is expected to continue and, as a result, assets under management invested in private assets are expected to grow at a compound annual growth rate of 6 per cent. between 2020 and 2024 in Europe.¹⁶

¹⁴ BCG: 'Global Asset Management 2020: Protect, Adapt, and Innovate, May 2020'.

¹⁵ BCG: 'Global Asset Management 2020: Protect, Adapt, and Innovate, May 2020'.

¹⁶ BCG: 'Global Asset Management 2020: Protect, Adapt, and Innovate, May 2020'. Note: Europe = Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland, Turkey, and United Kingdom.

3 Unlisted infrastructure investment market overview

AuM in the European unlisted infrastructure market is at an all-time high, having risen to £199.9 billion in 2019 and grown at an average annual rate of 19.2 per cent. since 2009.¹⁷

The following chart shows the AuM in unlisted infrastructure from 2009 to 2019.¹⁸



Infrastructure transaction volume was lower in the first six months of 2020, with just 425 transactions completed, which was not on track to match the 2019 transaction volume, when 1,004 transactions were completed.¹⁹ The renewables sector accounted for approximately 67 per cent. of the transactions completed in the first six months of 2020, as legislative and regulatory incentives have kept renewable energy at the forefront of infrastructure activity in Europe, a trend that the Directors expect to continue.²⁰

Renewables are expected to become a more prominent source of energy, forecast to account for approximately 80 per cent. of new power generating capacity between 2019 and 2050, driving significant investment into the sector.²¹ According to Bloomberg, US\$11 trillion are expected to be invested in new power generation globally between 2018 and 2050, with 77 per cent. of this investment expected to go into renewable energy sources.²² Solar assets globally are expected to grow at a compound annual growth rate ("CAGR") of 23.1 per cent. and wind assets are expected to grow at a CAGR of 17.5 per cent. between 2020 and 2030.²³

The global decarbonisation agenda and retirement of existing fossil fuel plants are driving this investment. The European Union is at the forefront of the race, with many Member States setting strict targets for renewable energy contribution. By 2040, renewables are expected to account for 90 per cent. of total European electricity generation mix, with wind and solar accounting for 80 per cent.²⁴ Likewise, the UK is expected to reach 50 per cent. renewables by 2024 and 89 per cent. by 2040. Wind and photovoltaic are expected to account for 82 per cent. of generation by 2040.²⁵

¹⁷ Preqin, "Markets In Focus: Alternative Assets In Europe, September 2020."

¹⁸ Preqin, "Markets In Focus: Alternative Assets In Europe, September 2020."

¹⁹ Preqin: 'Markets In Focus: Alternative Assets in Europe, September 2020'.

²⁰ Preqin: 'Markets In Focus: Alternative Assets in Europe, September 2020'.

²¹ Bloomberg New Energy Finance.

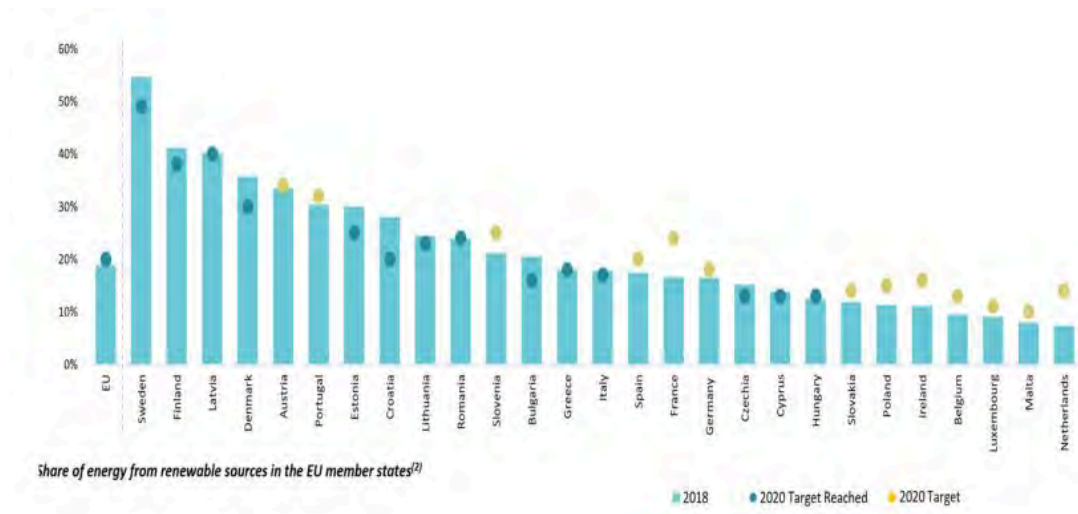
²² Bloomberg New Energy Finance: 'New Energy Outlook 2020, October 2020'.

²³ The 1.5-degree challenge, McKinsey & Company

²⁴ Bloomberg New Energy Finance: 'New Energy Outlook 2020, October 2020'.

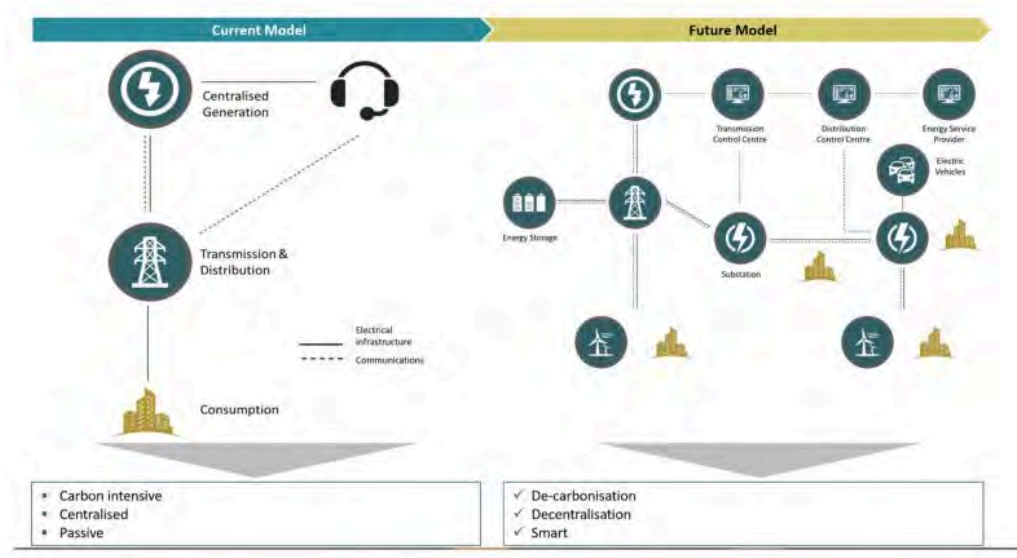
²⁵ Bloomberg New Energy Finance: 'New Energy Outlook 2020, October 2020'.

The chart below shows the share of energy from renewable energy sources in 2018 versus the 2020 target for Member States.²⁶



In addition, decreasing capital costs of renewable energy sources as well as increasing efficiency are helping to drive a forecast elevenfold increase in renewables generation over the next 32 years.²⁷

The transition to increased energy generation from renewable sources is leading to a significant shift in how power grids are structured. This shift leads to an opportunity to invest not just in the energy generating assets within the renewable sector but also the broader energy infrastructure required to support increased energy generation from renewable sources, such as energy storage plants and transmission and distribution networks and control centres. The following graphic shows how the power grid models are expected to evolve.



4 Private equity investment market overview

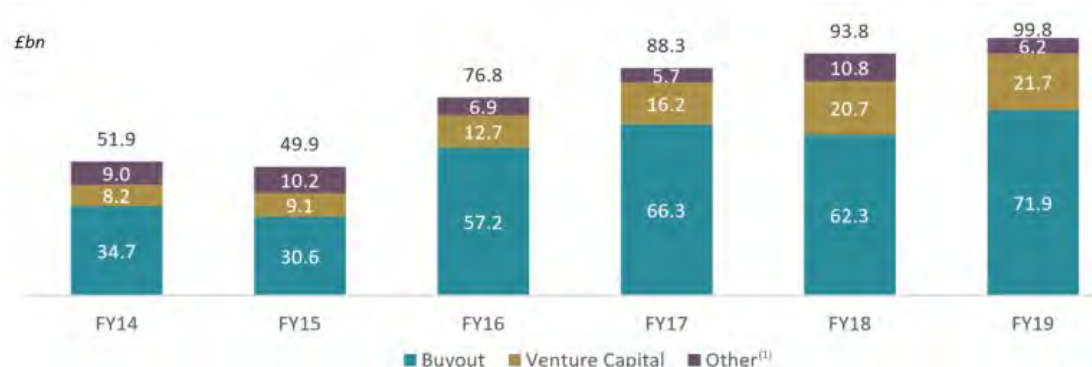
The private equity investment market has benefited from significant levels of fundraising in recent years, both in continental Europe and the UK. Total fundraising in the private equity sector increased from £51.9 billion in 2014 to £99.8 billion in 2019, an average growth rate of 14.0 per cent. per annum.²⁸

²⁶ Eurostat statistics explained: 'Share of energy from renewable sources, September 2020'.

²⁷ Bloomberg New Energy Finance: 'New Energy Outlook 2019, October 2019'

²⁸ BVCA Report on Investment Activity 2019, 2018, 2017, 2016 & 2015; Investing in Europe: Private Equity Activity 2019.

The chart below shows fundraising in European private equity investment markets from 2014 to 2019.²⁹



The structural growth drivers of the private equity investment market include:

- the world's largest asset holders looking to achieve long - term returns above inflation, being less concerned with liquidity restrictions;
- persistently low interest rates; and
- poor performance of other alternative asset classes, such as hedge funds.

The UK represented more than 50 per cent. of the European private equity fundraising market in 2019, one of the strongest years on record hitting a post-financial crisis high, with both venture and buy out capital fundraising growing strongly.³⁰

In the UK, the market for investment into small and medium sized enterprises ("**SMEs**"), particularly regional SMEs, has historically seen less competitive pressure compared to other segments of the private equity market. There are currently approximately 5.9 million SMEs based in the UK, of which 81 per cent. are based outside of London.³¹ In 2018, it was estimated that investment in UK SMEs increased by 5 per cent. to hit a record high of £6.7 billion, with an estimated 41 per cent. in SMEs based outside of London³².

Across the risk spectrum within the segments of the private equity market in which the Foresight Group operates there has been significant activity. The British Business Bank manages an investment programme which is driven by a 2017 UK Government initiative to unlock £20 billion of funding for innovative SMEs. As part of the programme, £2.5 billion has been committed to venture and growth capital over 10 years. Furthermore, local government pension schemes ("**LGPS**") have begun to diversify portfolios through private markets managers. Border to Coast, one of the largest LGPS pools of capital announced in 2019 the launch of a private equity offering of £500m to be invested through a variety of managers. This is part of a long-term commitment to deploy £10 billion over time into private markets strategies.

5 UK retail fundraising and demand for different retail investment structures

In the UK, there is an established market of attractive products and structures for retail investors focused around providing investors with tax efficient structures in which to invest their capital and incentivising investments into smaller UK companies.

Open Ended Investment Companies ("OEICs")

OEICs, along with unit and investment trusts, form the largest part of the UK retail fund market, and are also used by institutional investors. They provide retail investors with access to a wide range of asset classes in a cost-effective and tax-efficient manner, by being held in an ISA or general savings wrapper.³³ In the tax year 2019/2020, AuM in OEICs in the UK equalled £749 billion and this is forecast to grow at a compound annual rate of 17 per cent. to tax year 2025/26, when the total amount invested in OEICs in the UK is expected to reach £1,936 billion³⁴.

²⁹ BVCA Report on Investment Activity 2019, 2018, 2017, 2016 & 2015; Investing in Europe: Private Equity Activity 2019.

³⁰ BCG: 'Global Asset Management 2020: Protect, Adapt, and Innovate, May 2020.

³¹ Business Statistics, Chris Rhodes and Matthew Ward, 31 July 2020.

³² Small Business Equity Tracker, British Business Bank, June 2019

³³ UK Open-Ended Investment Companies, Samuel Kotze, August 2020

³⁴ UK Open-Ended Investment Companies, Samuel Kotze, August 2020

Inheritance Tax Solutions ("ITS")

ITS are products designed to provide investors with a shelter from inheritance tax after two years. These primarily utilise business relief, which exempts the value of shares held in unquoted trading companies whose shares are not listed on the main stock exchanges from liability to inheritance tax. In the UK, business relief funds raised have grown strongly over the last three years, from £855 million in tax year 2017/18 to £995 million in tax year 2019/20³⁵.

Venture Capital Trusts ("VCTs")

VCTs are listed, tax advantaged investment trusts providing equity and loan finance to unlisted UK SMEs. VCTs are listed vehicles meaning they provide investors with liquidity because of the ability to trade VCT shares as well as tax-free dividends and capital gains and 30 per cent. income tax relief at the time of subscription. Over the last three years, nearly £2 billion has been raised by VCTs.³⁶

Enterprise Investment Scheme ("EIS")

The EIS provides a tax efficient framework to incentivise direct investment into smaller UK companies. It provides investors with the opportunity to offset 30 per cent. income tax, defer capital gains tax against the amount invested and offset any losses against income as well as tax free capital growth. Over the last three years, EIS funds raised have totalled £1.3 billion³⁷.

³⁵ Data on BR Funds Raised, Tax Efficient Review, May 2020; excluding corporates.

³⁶ Data on VCT Funds Raised, Tax Efficient Review, April 2020.

³⁷ EIS Fund Raising Detail, Tax Efficient Review, 2020.

PART 6 - THE BUSINESS

Investors should read this Part 6 "The Business" in conjunction with the more detailed information contained in this document including the financial and other information appearing in Part 9 "Operating and Financial Review". Where stated, financial information in this section has been extracted from Part 11 "Financial Information".

1 Introduction to the Foresight Group

The Foresight Group is an award-winning infrastructure asset 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. The Foresight Group 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. As at 30 September 2020, the Foresight Group managed 292 infrastructure assets and 104 private equity investments on behalf of 33 Foresight Funds. As at 30 September 2020, the Foresight Group had AuM of £6.8 billion across the Foresight Funds.

Foresight Infrastructure is a team of international specialist renewables and infrastructure asset managers and is diversified across complementary platforms. It manages assets in the renewable energy and infrastructure sectors. 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. It has an extensive UK deal origination platform for the renewable energy and infrastructure sectors with an increasing international presence and generally sources projects through its in-house team. It takes an active approach to asset management and provides a range of asset management services aimed at generating sustainable long-term operational and economic benefits by focusing on the relevant O&M Contractor's performance, operational performance, cost management and asset life enhancement. As at 30 September 2020, Foresight Infrastructure had £6.1 billion AuM and managed assets with a gross generating capacity of 2.7 GW and 1.8 Mtpa bioenergy and waste processing capacity.

Foresight Private Equity is primarily focused on the regional small cap segment of the UK private equity market. It utilises its network and regional UK offices to access this segment which has not been heavily targeted by private equity investors historically. It sources its investments through its regionally-focused investment team members with deep local knowledge and connections, as well as a network of local advisors, such as accountants and solicitors. Foresight Private Equity takes an active role in the ongoing management and monitoring of investee companies in order to enhance value and generate strong returns on investment. As at 30 September 2020, Foresight Private Equity had AuM of £0.7 billion and managed investments in 104 investee companies.

The 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. The Foresight Group had Gross Funds Raised of £516.0 million (Net Funds Raised of £390.0 million) from 1 April 2020 to 30 September 2020 compared to Gross Funds Raised of £502.0 million (Net Funds Raised of £477.0 million) during the same period in FY 2020.

Across the business, the Foresight Group has a highly experienced investment team of 115 investment, portfolio and technical professionals as at 30 September 2020. The Foresight Group's largest office is in London and it operates from 12 offices in the UK, Guernsey, Italy, Spain, Australia and Luxembourg. The Foresight Group's international offices and London office focus on renewable energy and infrastructure investment, while its UK offices, including London, focus on private equity investment.

For the six months ended 30 September 2020, the Foresight Group generated revenue of £32.4 million (six months ended 30 September 2019: £28.2 million) with Core EBITDA of £10.7 million (six months ended 30 September 2019: £7.9 million) and profit before tax of £7.1 million (six months ended 30 September 2019: £5.6 million).

In FY 2020, the 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) and profit before tax of £6.6 million (FY 2019: £7.1 million).

The Foresight Group's historic revenue growth was driven primarily by increased FuM and supported by diversified sources of recurring income, a high-quality investment pipeline and a well-resourced sales platform. Over the three previous financial years, the Foresight Group has shifted its focus towards generating higher quality recurring revenue, with less reliance on transactional event-based revenues and one-off disposal profits. This change in the Foresight Group's business model resulted in a significant shift in the composition of fee income between FY 2018 and FY 2019, followed by steady growth in recurring revenues in subsequent periods. The Foresight Group believes that this transition has been successful, through a combination of higher FuM from fundraising across new and existing funds, and successful re-negotiation of higher contracted administration fee rates (which are included in "secretarial fees" as presented in this Prospectus).

2 History of the Foresight Group

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

- The Foresight Group was founded in 1984 by Bernard Fairman (current Executive Chairman) and Peter English to manage a £20 million fund sponsored by Robert Fleming.
- In 1997, Foresight VCT was launched. Foresight VCT was the first retail product, and second overall product, launched by the Foresight Group.
- In 2007, the Foresight Group made its first environmental investment and established its solar infrastructure team.
- In 2008, the Foresight Group opened its first international office in Italy to focus on Southern European solar investments.
- In 2011, the Foresight Group launched the Foresight Inheritance Tax Solution ("**ITS**"), the Foresight Group's highest revenue-generating fund, and the £60 million Foresight Environmental Fund with cornerstone investment from the European Investment Bank.
- In 2012, the Foresight Group was awarded a primary mandate of £50 million by the UK Green Investment Bank.
- In 2013, the Foresight Group listed the £150 million Foresight Solar Fund Ltd. ("**FSFL**") on the London Stock Exchange, and launched an approximately £40 million regional private equity fund backed by the British Business Bank.
- In 2014, the Foresight Group relocated its principal office to The Shard in London.
- In 2016, the Foresight Group opened its office in Australia to focus on solar investments.
- In 2017, the Foresight Capital Management team was established in response to market demand to facilitate increased retail investor access to infrastructure investments. It currently manages three OEICs: FP Foresight UK Infrastructure Income Fund ("**FIIF**"), FP Foresight Global Real Infrastructure Fund ("**GRIF**") and, most recently, FP Foresight Sustainable Real Estate Fund ("**SREF**"), which was launched in 2020.
- In 2018, the Foresight Group opened an office in Spain to focus on solar investments.
- In 2019, the Foresight Group completed the acquisition of the advisory mandate and management team of JLEN Environmental Assets Group Limited ("**JLEN**"), which managed 28 operational renewables assets in the UK and Europe and had AuM of £764 million as at the date of the acquisition, boosting the total AuM of Foresight Group by 26 per cent. Foresight Private Equity launched the £100 million East of England Fund and the £20 million Scottish Growth Fund.
- In January 2020, the Foresight Group launched its first European-targeted, sustainability-led energy infrastructure fund, Foresight Energy Infrastructure Partners SCSp ("**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 €431 million in aggregate.

- In August 2020, the Foresight Group completed the acquisition of PiP Manager Limited ("**PiP**"), which provides investment expertise and asset management to major UK pension funds investing in infrastructure assets. As at the date of the acquisition, it managed a portfolio of 18 assets and had AuM of £1.7 billion.
- In 2020, the Foresight Group completed its first investment into full fibre broadband networks 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.
- In 2020³⁸, the Foresight Group completed eight sustainable forestry acquisitions totalling over 3,500 hectares as part of its initiative to invest in and manage sustainable forestry assets via the £600 million ITS fund.
- In 2020, the Foresight Group completed its first investment into the sustainable transport fuel market with a commitment to invest up to £80 million into a strategic network of Bio-CNG heavy goods vehicle refuelling stations across the UK.
- In 2020, FEIP completed its equity investment of €215 million into a greenfield wind farm project (Skaftäsen) in Sweden.
- In December 2020, a member of the Foresight Group was authorised as an alternative investment fund manager ("**AIFM**") by the CSSF in Luxembourg as part of the Foresight Group's strategy to mitigate the impact of Brexit on its business.

3 Key Strengths of the Foresight Group

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

The Foresight Group is a diversified alternative asset manager with specialist investment capabilities across complementary platforms in renewable energy and other infrastructure assets and UK private equity targeting regional SMEs. As at 30 September 2020, Foresight Infrastructure accounted for 90.2 per cent. and Foresight Private Equity accounted for 9.8 per cent. of the Foresight Group's AuM, and institutional funds accounted for 66.6 per cent. and retail funds accounted for 33.4 per cent. of the Foresight Group's AuM.

The Foresight Group believes its investment strategies offer investors attractive infrastructure investment opportunities using a wide range of renewable energy and 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 the Foresight Capital Management team, which launched three OEICs - FIIF, GRIF and SREF - which give retail investors increased access to infrastructure projects by investing in portfolios 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, the Foresight Group's OEICs had AuM of £774.9 million as at 30 September 2020. The Foresight Group also acquired the advisory mandate and management team of JLEN in July 2019, which further broadened the Foresight Group's infrastructure mandate. JLEN had AuM of £841.6 million as at 30 September 2020. In August 2020, the 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 Infrastructure had total AuM of £6.1 billion providing 2.7 GW of renewable energy generation capacity and 1.8 Mtpa bioenergy and waste processing capacity as at 30 September 2020.

³⁸ As at 31 October 2020

The 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 management 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 Cambridgeshire Pension Fund and the £20 million Scottish Growth Fund supported by the Scottish government, targeting investment and co-investment opportunities in Scottish SMEs. As at 30 September 2020, Foresight Private Equity had £0.7 billion AuM which was comprised of investments in 104 investee companies and uninvested cash/committed funds.

3.2 *Integrated investment platform and processes and experienced specialist team delivering strong returns*

The Foresight Group believes it has a distinct approach to infrastructure asset 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, the 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 the Foresight Group's two operating segments. The 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 asset management. This integration of the investment teams across the 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 the Foresight Group's infrastructure team in the renewable energy market and the Foresight Group's scale combine to generate increasing numbers of investment opportunities in an expanding, specialised sector, and the 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.

3.3 *Demonstrated ability to raise funds consistently from a diverse investor base*

The 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 the Foresight Funds as at 30 September 2020, and a deep retail network of third-party intermediary firms. The 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, the Foresight Group had Gross Institutional Funds Raised of £569.9 million (FY 2019: £192.5 million; FY 2018: £170.3 million) and Gross Retail Funds Raised of £826.7 million (FY 2019: £357.4 million; FY 2018: £201.9 million).

3.4 *Strong track record of ESG-focused investment that is responsive to investor demand*

A key strength of the Foresight Group's business is the priority given to, and active implementation of, ESG-focused investment strategies. The 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, the 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.³⁹ By 2028, global AuM invested in ESG mandates is expected to exceed \$100 trillion.⁴⁰

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

The 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. The Foresight Group has a Sustainability and ESG Committee whose influence reaches across the business. 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. The 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 are then reported in a transparent and clear format to investors.

3.5 Recurring Revenue and strong margins with low capital intensity

The 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 Foresight Group has shifted its focus towards generating higher quality Recurring Revenue, with less reliance on transactional event-based revenues and one-off disposal profits. The 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" as presented in this Prospectus). This transition has resulted in recurring revenue as a percentage of overall revenues increasing from 68 per cent. in FY 2018 to 85 per cent. in FY 2020, and 91 per cent. in the six months ended 30 September 2020, resulting in greater stability and predictability with respect to fee income.

The strength of the Foresight Group's revenue generation capacity is complemented by an operating cost base that the Directors believe is readily scalable, and the low capital intensity of its business model and investment platform, resulting in enhanced margins. AuM has increased by 163.8 per cent. from £2.6 billion as at 31 March 2018 to £6.8 billion as at 30 September 2020 and the growth in the Foresight Group's administrative expenses has generally been in line with AuM growth over the same period. Administrative expenses as a percentage of Average AuM decreased from 1.25 per cent. for FY 2018 to 1.14 per cent. for FY 2020.

4 Strategy of the Foresight Group

4.1 Grow its existing investment platform

The 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.

The size of the worldwide infrastructure marketplace is vast and there are opportunities for growth in both the UK and international markets. As outlined in Part 5 (*Industry Overview*) above, the growth of the UK and European infrastructure markets is driven, among other things, by 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 Member States' strict targets for renewables will result in re-shaping the future dynamics of electricity production.⁴¹

³⁹ Preqin, 'ESG Goes Mainstream in Private Capital', September 2020.

⁴⁰ ESG investing: the rise of a new standard, Banking Hub, 18 March 2020.

⁴¹ Bloomberg New Energy Finance: 'New Energy Outlook 2020, October 2020'.

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 investment strategies from its institutional and retail investor base;
- building on its 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 Core Infrastructure and Social 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 the 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.

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

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;
- expanding activities 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;
- leveraging the network and the 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.

4.2 Diversify and develop new investment opportunities

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

The 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 Bio-CNG for use as a transport fuel, a district heating network project and agricultural strategies. As at 31 October

2020, the Foresight Group had completed eight sustainable forestry acquisitions, totalling £45.3 million. The Foresight Group also launched another OEIC fund, SREF, in July 2020, and will continue to look to invest in alternative lenders focusing on high quality asset-backed investments with strong credit history and favourable risk profiles.

The Foresight Group will also look to other opportunities including developing its own proprietary pipeline to avoid potentially expensive secondary markets for operational assets.

4.3 Expand investor reach

The Foresight Group intends to expand its investor reach through the following measures:

- utilising the AIFM authorisation by the CSSF in Luxembourg to further deepen the Foresight Group's EU and Nordic 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 its portfolios through private markets managers), family offices and ultra-high-net-worth investors in North America.

5 Implementing ESG-Focused Investment Strategies

The Foresight Group places significant emphasis on responsible investment. It has established its Sustainability and ESG Committee to shape and steer the Foresight Group's approach to sustainability. An important part of the Sustainability and ESG Committee's remit is to develop and review the Foresight Group's sustainability vision and strategy, as well as ensuring that the sustainability and ESG considerations and frameworks that are incorporated into its investment processes and asset management activities are appropriate and market leading. The Sustainability and ESG Committee reports directly to the Executive Committee and its membership includes senior leadership from the key teams across the Foresight Group in order for it to have influence across the entire business. The Foresight Group's ESG-focused investment strategies seek to achieve positive social and environmental outcomes through its investment management, while 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.

The Foresight Group's approach to ESG is focused on five key principles: strategy and awareness, environmental, social governance and third party interactions. As part of the implementation of its ESG-focused investment strategies, the Foresight Group's investment management teams and institutional investor relation team are required to develop a tailored approach to tracking, measuring and reporting ESG performance. The Foresight Group uses its experience and capabilities in this area to actively engage with assets and investments to implement an appropriate strategy and improve their ESG performance. This also involves the application of 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.

The Foresight Group has sought to instil a culture focused on ESG objectives at all levels of the business and has therefore incentivised accountability at an individual level by requiring all employees to adopt one or more sustainability, ESG or CSR objectives. The adopted objective is set as a metric for the individual's performance in that area and is part of the employee's annual appraisal, which will have an impact on the employee's overall performance grades and remuneration.

The Foresight Group has been a signatory of the PRI since 2013 and is required to submit annual assessments on its adherence to, and implementation of, comprehensive ESG principles in the areas of (i) Strategy and Governance; (ii) Infrastructure; and (iii) Private Equity. In the UNPRI Assessment Report 2020, Foresight Group LLP received high overall scores with an A+ for Strategy and Governance, an A+ for Infrastructure and an A for Private Equity. In addition to the PRI, the Foresight Group seeks to align its investment management with the United Nations' Sustainable Development Goals and also align itself with a number of other well-established ESG-focused organisations.

The Company is expected to qualify for the London Stock Exchange's Green Economy Mark at Admission, which recognises companies that derive 50 per cent. 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, which helps investors understand the global industrial transition to a green and low carbon economy with consistent, transparent data and indexes.

6 Investment Capabilities, Process and Performance

The Foresight Group has specialist investment capabilities in various types of renewable energy and infrastructure assets and private equity targeting UK regional SMEs. Its integrated investment platform is comprised of 115 investment, portfolio and technical professionals as at 30 September 2020, all of whom are focused on generating attractive returns across the Foresight Group's range of capabilities. The integration of the Foresight Group's investment teams and capabilities seeks to ensure that knowledge and experience is communicated across investment management teams at each stage of the lifecycle of an investment project, from origination to management. The Foresight Group's investment management teams share complementary ESG-focused investment strategies, which creates cross-over investment opportunities within the Foresight Group with projects being developed or originated by one investment management team potentially creating new and additional investment opportunities for other teams within the Foresight Group.

The Foresight Group's investment management platform and business consists of two operating segments: Foresight Infrastructure, a renewable energy and infrastructure asset management team, and Foresight Private Equity, a private equity and venture and growth capital investment management team focused on investment in UK regional SMEs.

6.1 Investment Performance

6.1.1 Infrastructure

Private Funds

Foresight Infrastructure has a strong private markets presence which has benefited from continued growth from both institutional and retail investor bases, showing a strong track record across its funds. The Foresight Infrastructure Funds include early use of EIS and VCT funds in the UK solar market and long-term hold platforms with continued deployment of capital. The Foresight Infrastructure Funds are focused on investments in the renewable energy and infrastructure assets and have demonstrated resilient performance in light of the recent macro-economic climate. The table below provides an overview of Foresight Infrastructure's investment performance as at 31 March 2020 for the following select private funds that have fully exited their investment.⁴²

Fund	Inception	Exit Date	Sector Focus	Geography	Amount invested (£'000)	Net IRR
ForVEI	April 2011	July 2018	Solar	Italy	85,200	15.2%
Solar EIS Fund 1	June 2011	May 2015	Solar	UK	27,400	8.9% ⁴³
VCT Infra Share Class	March 2012	December 2017	Solar & PFI	UK	33,300	2.9% ⁴⁴

Publicly Listed Funds

The publicly listed Foresight Infrastructure Funds have delivered highly consistent returns to investors. FSFL has historically outperformed its peers for most of the applicable period with a recent convergence due to high levels of market volatility following the COVID-19 outbreak. FSFL has achieved 51 per cent. growth since its inception in 2013⁴⁵ compared to 55 per cent. for a select peer group⁴⁶ over the same period. JLEN, whose manager has transitioned to the Foresight Group through the acquisition of the advisory mandate and management team in 2019, has also consistently outperformed its peer index historically. JLEN has achieved 64 per cent. growth since its inception in 2014⁴⁷ compared to 45 per cent. for a select peer group⁴⁸ over the same period.

⁴² The selection of Foresight Infrastructure Funds in this table demonstrates the actual performance of ForVEI, Solar EIS Fund 1 and VCT Infra Share Class only, which the Directors believe are representative of Foresight Infrastructure's investment strategies. The track record of the selected Foresight Infrastructure Funds set out in the table should not be interpreted as being representative of Foresight Infrastructure's or the Foresight Infrastructure Funds' performance as a whole or considered indicative of future results or performance of the Foresight Group's existing or future investment strategies.

⁴³ Exclusive of any related tax benefit realised.

⁴⁴ Exclusive of any related tax benefit realised.

⁴⁵ This is the total return index from the FSFL IPO, gross of dividends.

⁴⁶ Peer index constituents include other listed renewables focused funds: Bluefield Solar Income Fund Limited, Greencoat UK Wind PLC, Greencoat Renewables PLC, The Renewables Infrastructure Group Limited, NextEnergy Solar Fund Limited and Gore Street Energy Storage Fund Plc.

⁴⁷ This is the total return index from JLEN IPO, gross of dividends.

⁴⁸ Peer index constituents include other listed renewables focused funds: Bluefield Solar Income Fund Limited, Greencoat UK Wind PLC, Greencoat Renewables PLC, The Renewables Infrastructure Group Limited, NextEnergy Solar Fund Limited and Gore Street Energy Storage Fund Plc.

6.1.2 Private Equity

Foresight Private Equity raises funds from a variety of private and public sources and offers a variety of solutions to its investors, including institutional, government-backed and retail tax efficient funds. The typical investment strategy is contingent on the type of fund and the risk/reward profile of the investors. Certain investors, such as government-backed entities and local government pension schemes, may have additional priorities such as supporting national and local SMEs whereas retail investors may focus on tax relief in addition to high returns and, as a result, the investment strategy is adapted accordingly. Nevertheless, Foresight Private Equity has delivered a 3.0x⁴⁹ gross return on deployed capital for the period from 2010 to 30 June 2020.

6.2 *Foresight Infrastructure*

6.2.1 Overview

Foresight Infrastructure originates investment opportunities and manages assets in the renewable energy sector and in the Core Infrastructure and Social Infrastructure sectors. Its investment strategies primarily focus on investment in 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 infrastructure projects and sustainable forestry assets. Foresight Infrastructure has a strong origination and execution capability, an active approach to asset management and an established track record of managing retail and institutional capital. The Foresight Infrastructure team has extensive experience of deploying capital into a variety of renewable energy and infrastructure projects. As at 30 September 2020, Foresight Infrastructure had AuM of £6.1 billion and a team of 107 investment, portfolio and technical professionals facilitating the acquisition of and managing 292 infrastructure assets across 11 asset classes with a total renewable energy generating capacity of 2.7 GW and 1.8 Mtpa bioenergy and waste processing capacity.

Foresight Infrastructure typically targets investment in assets of between £5 million and £200 million per transaction, but will consider smaller or larger investments as appropriate. For example, FEIP invested in a greenfield wind farm project (Skaftäsen) in Sweden with a value of €215 million, which is Foresight Infrastructure Funds' largest transaction to date.

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.

Foresight Infrastructure provides a complete end-to-end solution for investors, from investment origination and execution, including sourcing and structuring all elements of the capital structure required, to the ongoing and active technical asset management of operating assets, including intensive performance and financial optimisation of an asset immediately upon its acquisition. This process is driven by an in-house team which is focused on the relevant O&M Contractor's performance, operational performance, cost management and asset life enhancement with the objective of generating sustainable long-term asset operation and economic benefits.

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

6.2.2 *Foresight Infrastructure Investment Strategies*

Foresight Infrastructure's investment strategies are focused on investment in, and management of, various types of assets in the renewable energy, energy transition and Social Infrastructure and Core Infrastructure sectors that can be optimised, in terms of operational and financial performance, and actively managed over the long-term. In order to implement these strategies, Foresight Infrastructure utilises its fully integrated team of investment, asset management and technical team members to provide a consistent approach with the appropriate sector and geographic focus and expertise.

An important component of Foresight Infrastructure's investment strategies is the utilisation of its international presence to access the best available markets at any given time and originate new deals through a network of developers, construction contractors, lending banks, strategic partners, land owners,

⁴⁹ This track record is calculated on the basis of a total return of £230.7 million on £78.0 million invested proceeds from 32 full and partial exits, and it excludes 18 investments taken on to be managed from distressed fund mandates granted to Foresight Private Equity and four Foresight Group-led Venture Capital Investments. The track record for all 54 investments during this period shows a 2.1x return.

manufacturers, power companies, investment bankers, corporate advisers and lawyers. Furthermore, as deal origination in the renewable energy, energy transition and infrastructure sectors has become more competitive, Foresight Infrastructure has increasingly begun to look at initial investment opportunities in projects earlier in the development phase of the project lifecycle in order to create the opportunity for further investment in such projects and generate strong returns on investment. Although development investments are not currently typical, the Foresight Group believes that development investments may become a more common feature of its investment strategies over time. The Foresight Infrastructure Funds' largest transaction as at 30 September 2020, was a €215 million greenfield wind project in Sweden.⁵⁰

The Foresight Group's investment strategies also include pursuing opportunities in Social Infrastructure and Core Infrastructure. As at 30 September 2020, Foresight Infrastructure had AuM of £1.1 billion in Social Infrastructure and Core Infrastructure. As part of Social Infrastructure, the Foresight Group has completed its first investment into a full fibre broadband network by way of a long-term financing agreement with a provider based in East Sussex who will build, install and operate new infrastructure across the region, with the potential to deliver hyperfast broadband to over 100,000 homes and businesses.

When considering such investment strategies, Foresight Infrastructure evaluates the assets against five criteria to ensure that the investments meet the Foresight Group's values and approach to sustainable investing:

- Sustainable development contribution: contribution towards decarbonisation;
- Environmental footprint: localised environmental impacts;
- Social engagement: role in the local communities;
- Governance: compliance with laws and regulations; and
- Third party interactions: supply chain sustainability.

As part of the initiative to diversify the portfolio across asset classes, Foresight Infrastructure has increasingly begun to invest in sustainable forestry assets. As at 31 October 2020, the Foresight Group has completed eight sustainable forestry acquisitions totalling £45.3 million, which are owned by the ITS fund. This asset class typically offers a reliable biological growth rate of 3 to 4 per cent. per annum and has demonstrated resilience over time. Furthermore, investments in sustainable forestry create additional potential revenue opportunities in the form of:

- renting land to renewable energy developments;
- carbon credits for afforestation sites;
- afforestation and restocking grants to support planting; and
- other potential revenue streams, e.g. sporting rights, holiday lets and ecotourism.

6.2.3 *Investment Process and Lifecycle*

In FY 2020, the Foresight Infrastructure team considered 411 potential investments⁵¹ and selected approximately 6.3 per cent. of those for investment by the Foresight Infrastructure Funds. This high degree of selectivity is applied using an effective screening process to select only what are believed to be the most suitable opportunities for investment and which are aligned with the Foresight Group's and the Foresight Infrastructure Funds' ESG-focused investment strategies.

Foresight Infrastructure's origination strategy begins with in-house project sourcing. It typically does not source deals from other managers or participate in club deals led by other investment managers, but under certain circumstances it pursues co-investment into larger projects with a number of different investment managers. The Foresight Group's international presence gives Foresight Infrastructure's origination activities an international reach, and the team utilises this international network to source deals off-market from a range of contacts including developers, construction contractors, lending banks, strategic partners, land owners, manufacturers, power companies and lawyers, as well as gain access to on-market investments through investment bankers. The Foresight Group benefits from long-standing relationships with developers and contractors that provide it with a significant number of repeat opportunities.

⁵⁰ Not considering PIP assets, which are larger, but which the Foresight Group did not originally invest in.

⁵¹ As at 1 December 2020

As part of the deal origination process, Foresight Infrastructure seeks to engage at an early stage with prospective vendors to avoid competitive auction processes, which expedites the asset acquisition and makes for more efficient utilisation of the Foresight Group's investment team. This early engagement also enables the Foresight Group to work closely with the vendor to structure the transaction into an investable form that satisfies the requirements of the relevant Foresight Infrastructure Fund and any debt finance providers.

A key phase of the investment process is the initial internal screening of potential projects. The initial screening and appraisal process typically focuses on a combination of the following factors depending on the type of asset being acquired:

- the project size and its location;
- the identity and reputation of the developer;
- the adequacy of the planning permission and permits in place for the site;
- the reputation and performance of the manufacturers of key equipment;
- the project's capacity;
- adequacy of the existing grid connection;
- whether a PPA has been signed for the power offtake and its duration;
- the capabilities, terms, identity and creditworthiness of the EPC and O&M Contractors and their related building and performance guarantees; and
- the availability of subsidies and/or contracted revenues and other local regulatory schemes aimed at stimulating the generation of energy from renewable sources.

Prior to any binding agreements being signed, a formal and detailed investment paper must be presented by the internal deal sponsor to the Foresight Group's Investment Committee for its consideration and approval. This review includes careful consideration of the investment criteria, risks and the financial structure of the proposed investment. The Investment Committee is primarily focused on ensuring that the relevant risks are properly considered and accounted for and that the projected returns are appropriate for the asset and consistent with the returns objective of the relevant Foresight Infrastructure Fund. Once approved by the Foresight Group's Investment Committee, the investment paper will, where necessary, be submitted to the relevant Foresight Fund board or separately managed account ("**SMA**") for final approval.

The Foresight Group seeks to structure investment opportunities depending on the Foresight Fund's specific mandate and will consider a range of equity and structured finance investments. Where a structured finance is proposed, the Foresight Group will look to use a blend of senior and potential junior debt on a short or long-term basis depending on the specifics of the project.

Once an asset is acquired, Foresight Infrastructure's approach to asset management is designed to identify and implement operational and financial performance optimisations in order to drive investment returns. The table below sets out the range of infrastructure asset management services provided by the Foresight Group:

General	Responsibility for oversight of the operations of the special purpose vehicle (" SPV ") or project company, which has direct oversight over the major contracts for construction and operation
Operational Management, Technical Review and Oversight	Attending project meetings with relevant parties
	Construction milestone funding oversight
	Monitoring progress, maintaining records and monthly reporting
	Regular site visits to monitor performance
	Ensure the EPC and O&M Contractors comply with the terms of their contract, in terms of operational performance, their health and safety obligations and environmental performance
	Real-time monitoring, identifying issues and taking appropriate action via an asset management contract on a limited number

of specific assets and in conjunction with the relevant O&M Contractor

Oversight of compliance, insurance, security and other arrangements via an asset management contract on a limited number of specific assets and in conjunction with the relevant O&M contractor

Review potential cost savings to optimise returns

Implementing ESG-focused strategies

Financial Management & Administration

Preparation of accounts, tax returns, liaising with auditors at fund level and, in limited cases, at an SPV or project company level

Management of cash flows, bank accounts, payments and budget preparation at fund level and, in limited cases, at an SPV or project company level

Monitoring compliance with debt covenants

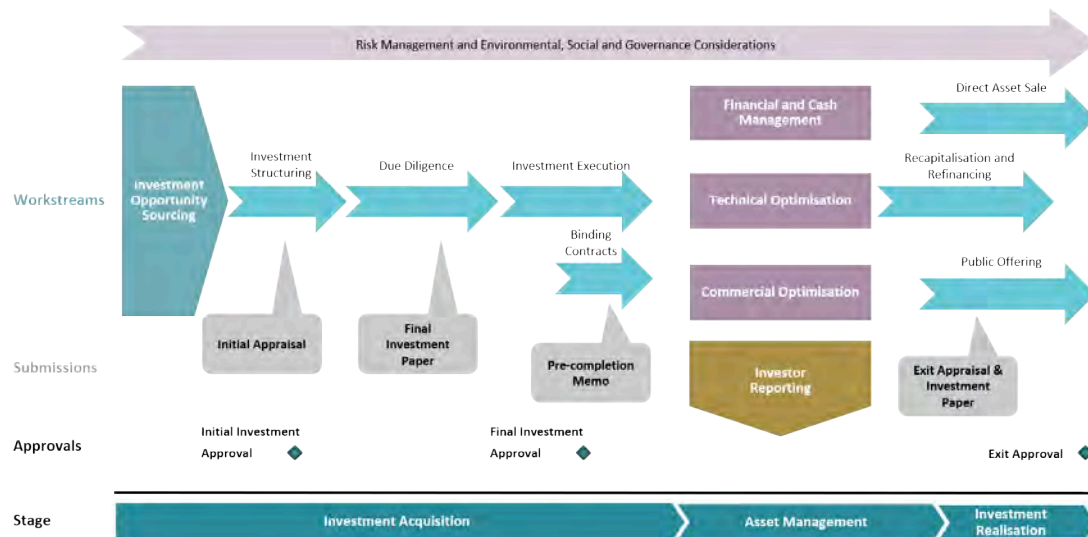
Co-ordination with the project lenders to ensure compliance

Regular financial and operational performance reports

Review and monitoring of opportunities for refinancing

Reporting to stakeholders including boards, Shareholders, funds and lending banks

The Foresight Group believes that Foresight Infrastructure's hands-on approach throughout the lifecycle of a project from investment acquisition to investment realisation, and including during the asset management phase, enables it to create value throughout the lifecycle of an investment. The chart below provides an overview of the lifecycle of a typical Foresight Infrastructure Asset⁵²:



6.2.4 Foresight Infrastructure Funds

The Foresight Group's investment strategies for the Foresight Infrastructure Funds are weighted towards renewable energy generation, primarily in medium to large sized ground-mounted solar and onshore wind

⁵² The chart is provided for illustrative purposes only, and the lifecycle for any Foresight Infrastructure Asset may vary considerably from the example provided.

assets, as well as bioenergy and hydro power. In addition, it also focuses on renewable energy enabling projects (such as flexible generation and battery storage), energy efficiency management solutions, Social Infrastructure projects, Core Infrastructure projects and sustainable forestry assets. As at 30 September 2020, 32.6 per cent. of Foresight Infrastructure's total AuM was comprised of solar assets, with 20.1 per cent. comprised of wind assets, 17.5 per cent. comprised of bioenergy and waste and 29.8 per cent. comprised of other infrastructure assets. In FY 2020, the Foresight Infrastructure Funds deployed £395.4 million in capital (FY 2019: £579.2 million; FY 2018: £514.2 million).

The table below sets out an overview of the Foresight Infrastructure Funds as at 30 September 2020:

		Key Asset Focus			Stage	Investment Policy	Maturity and Status
	Fund Name	Country	Technology	AuM (£m)			
Institutional	FSFL	UK (at least 75 per cent.)	Ground mounted solar	1,016.8	Operational	75% Assets in the UK and assets under construction are limited to 25 per cent. of the Gross Asset Value of the fund at the time of investment	Evergreen
Institutional	JLEN	UK	Ground-mounted solar, wind, bioenergy	841.6	Operational	Assets under construction will be limited to 15% of the NAV of the fund. No single investment over 25% of the fund's NAV. At least 50% of portfolio invested in the UK and remainder only in OECD countries.	Evergreen
Institutional	FEIP ⁵³	EU (at least 80 per cent.)	60 per cent. Renewable Energy Infrastructure Assets 20 per cent. Flexible Generation Battery Storage	447.5 ⁵⁴	Construction & Operational		2030
Institutional	UK Corporate Pension Fund SMA	OECD	Renewable Energy Infrastructure Assets	250.0	Construction & Operational		Varies in relation to asset lives
Institutional	Korean Australia SMA	Australian	Ground-mounted solar PV and storage	104.5	Construction & Operational		Initial period of 10 years with 5 year renewals thereafter for 5 years
Institutional	FEF	UK	Recycling and bioenergy	5.3	Development, Construction & Operational	Facilities for the re-use, recycling or reprocessing of waste and facilities for the generation of energy or fuel from waste	2021 Run-off
Institutional	ForVEI II	Italy	Solar	19.7	Operational	European solar assets	Evergreen
Institutional	Italian Green Bond Fund	Italy	Small and medium sized renewable	50.1	Senior secured debt financing in		2025

⁵³ including FEIP co-investment

⁵⁴ Excludes investment by JLEN

	Fund Name	Key Asset Focus			Stage	Investment Policy	Maturity and Status
		Country	Technology	AuM (£m)			
			energy and energy efficient projects		the form of green bonds		
Institutional	Korean UK SMA	UK	Feed-in-Tariff Solar	72.0	Operational	Targeting highly contracted, ground mounted UK solar assets	Initial period of 10 years with 5 year renewals thereafter
Institutional	Korean German Wind SMA	Germany	Wind	€114.0	Construction & Operational		Initial period of 10 years with 5 year renewals thereafter for 5 years
Institutional	Iberian Solar Group (ISG)	Spain	Unsubsidised ground-mounted solar	49.1	Construction & Operational		Evergreen
Institutional	UK LGPS Pension Fund SMA	UK	Wind and Transport	1,695.1	Operational	Non-UK investments are limited to 15% of the NAV of the fund. No single investment over 20% of the fund's NAV. No more than 40% invested in a single sector.	Varies in relation to asset lives
Institutional	PIP MSI	UK	Wind, Solar, Roads and Highways, Healthcare, Social Infrastructure-Waste, Social Housing		Operational	Non-UK investments are limited to 15% of the NAV of the fund. No single investment over 20% of the fund's NAV. No more than 40% invested in a single sector.	2020 (0-2%) / 2040 - 2045 (2-5% / PPP)
Institutional	PIP RP MA	UK	Solar		Operational	-	2020
Retail	Foresight Solar & Technology VCT ⁵⁵	UK/Italy	UK & Italian ground-mounted solar and disruptive hardware technology	47.6	Operational	From 2014, solar assets with subsidies are not eligible. Focus on infrastructure-like assets	Evergreen
Retail	AD EIS	UK	Bioenergy	11.8	Construction & Operational	UK only. Generation of energy and fuel from waste	2020/2021 Run-off
Retail	FIIF (OEIC)	Min 80 per cent. UK	Infrastructure and Renewable Energy Investment Funds	465.4	Construction & Operational		Evergreen
Retail	GRIF (OEIC)	Global	Infrastructure and Renewable Energy	305	Construction & Operational		Evergreen
Retail	SREF (OEIC)	Global	Real Estate Investment Trusts	4.5	Construction & Operational		Evergreen
Retail	ESIC	Australia	Ground-mounted solar	3.8	Construction & Operational	Australian solar assets	2022-2023

⁵⁵ Foresight Solar & Technology VCT is a cross-over fund with Foresight Private Equity.

	Fund Name	Key Asset Focus		AuM (£m)	Stage	Investment Policy	Maturity and Status
		Country	Technology				
Retail	ITS/AITS ⁵⁶	UK, Spain	Solar, wind, renewable enabling and renewable energy infrastructure	668.2	Operational	UK trading companies eligible for Business Relief	Evergreen Vehicle
Retail	EI EIS	UK, Spain, Portugal	Flexible generation, unsubsidised international solar	66.0	Operational	UK small companies eligible for EIS tax relief	2020 Run off

Over the previous three financial years, the largest sources of Foresight Infrastructure Funds' fees have been ITS, FSFL, JLEN and EIS funds which accounted for 20.5 per cent., 10.4 per cent., 7.2 per cent. and 2.7 per cent. respectively, of the Foresight Group's fee revenue in FY 2020. Foresight Infrastructure's AuM and FuM growth over the same period has also been primarily driven by FIIF, ITS, FEIP and JLEN, which have raised Gross Funds of £457.1 million, £142.3 million, £281.9 million and £57.2 million, respectively in FY 2020.

6.2.5 Foresight Infrastructure Team

Foresight Infrastructure's team consisted of 107 full time equivalent employees as at 30 September 2020. The team is comprised of (i) an investment management team of professionals responsible for originating, assessing and pricing assets, managing due diligence and executing transactions; and (ii) an asset management team, which is further split between two functions: the portfolio team and the finance team. The portfolio team assists the investment team with the evaluation of the investments while the finance team monitors any senior debt facilities and implements the accounting and financial reporting within a number of SPVs and at a Foresight Fund level. The asset management team consists of individuals with engineering, consulting and operations backgrounds, accountants and in-house personnel responsible for the process of "on-boarding" and managing acquired assets as well as a technical team of specialist infrastructure engineers that help by evaluating an asset's operational and physical characteristics during due diligence, construction management and assist the asset management team to manage the assets by identifying and implementing optimisations post-acquisition. Members of these teams work together throughout the investment lifecycle.

The Foresight Infrastructure team has substantial experience in sourcing and executing all required elements of the capital structure of an investment across geographies, including project-level debt finance and other required forms of finance. The key strengths of the infrastructure investment team include (i) sourcing and execution of asset acquisitions; (ii) experience of pricing complex revenue streams; (iii) pricing wholesale power exposure; (iv) managing construction projects and (v) finance and structuring, including bank debt and project finance.

6.3 Foresight Private Equity

6.3.1 Overview

Foresight Private Equity targets investment in the regional SME segment of the UK private equity market, and primarily focuses on investments of £100,000 to £5 million in sectors with favourable long-term trends and structural growth drivers. As approximately 83 per cent. of all UK SMEs are based outside London, the 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 less subject to competitive pressure in the sector. Foresight Private Equity manages investments in 104 UK companies, all SMEs, as at 30 September 2020 across a range of sectors, such as TMT, industrials, consumer/leisure, business services and healthcare and had AuM of £0.7 billion at that date.

Foresight Private Equity utilises a broad mix of product types to facilitate its fundraising activities with both institutional and retail investors, such as venture capital trusts, Regional Institutional LP funds, EIS funds, Impact Investment funds and ITS funds.

⁵⁶ Foresight ITS/AITS is a cross-over fund with Foresight Private Equity.

6.3.2 *Private Equity Strategy*

Foresight Private Equity's investment strategy is to align itself with high-quality management teams in pursuit of sustainable value generation for shareholders and wider stakeholders. It targets growth capital and equity release investments with a value of £1 million to £5 million into UK regional SMEs through its VCT and regional funds, and also impact and venture investments with a value of £100,000 to £2 million through its VCT, EIS and regionally-focused funds into smaller businesses. Additionally, Foresight Private Equity executes wholesale debt transactions of between £5 million and £50 million. Foresight Private Equity works closely with investee companies to build value and orchestrate a successful exit. Foresight Private Equity's objective is to deliver strong returns on each fund in order to support fundraising for the other funds, which requires appropriate resourcing, focus and execution by the investment team.

The Foresight Group believes that its UK regional SME strategy 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. These regional offices operate in markets that have not been heavily targeted by private equity investors historically. 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 the Foresight Group's London team.

This regional focus has proven particularly attractive to local government pension schemes, which have been a source of private equity funding, due to the combination of both strong commercial returns and regional socio-economic benefits as a result of local investment. For example, the Cambridgeshire Pension Fund is a cornerstone investor in the Foresight Group's £100 million evergreen East of England Fund targeting investments in growing SMEs in the East of England.

6.3.3 *Investment Process and Lifecycle*

As part of its origination and investment process, Foresight Private Equity reviews approximately 1,800 investment opportunities per year with enquiries facilitated by a national and regional network of over 1,300 contacts including lending banks, strategic partners, financial and commercial due diligence providers, corporate finance advisers and lawyers. The private equity pipeline is large and regularly changing as each opportunity is assessed, which underscores the need to have extensive regional expertise and connections. An efficient evaluation process allows Foresight Private Equity to examine a high volume of potential investments, in order to facilitate the consistent deployment of capital while maintaining investment rigour. This is evidenced by Foresight Private Equity's effective and efficient due diligence and investment appraisal process, which results in approximately one per cent. of the opportunities reviewed leading to completed new investments (excluding follow-on investments).

A typical Foresight Private Equity Fund investment will include a significant minority stake (approximately 30-40 per cent.) in an investee company's equity. Transaction types include growth capital investment to assist SMEs in funding organic expansion and capital expenditure and replacement capital investment to facilitate existing shareholders in well-established SMEs selling their stake by backing management buyouts, buy-ins and buy-and-build strategies where a majority stake is typically taken.

Once a Foresight Private Equity Fund is invested, Foresight Private Equity typically takes an active role on the boards of investee companies and is closely involved with the sourcing of board level appointees and management teams. Foresight Private Equity's active management role also involves detailed input on the strategy, business model and market positioning of investee companies and supports its investments with funding strategies, including multiple rounds of investment and introductions to equity and debt co-investment partners. Foresight Private Equity also works closely with investee company management on the planning and implementation of the exit strategy.

Foresight Private Equity's approach to monitoring and reporting is of an institutional standard, which the Foresight Group believes differentiates it from smaller competitors in the market. Its monitoring of investee companies involves the regular production of detailed reports and valuations, including the measurement of ESG impact, detailed quarterly progress reports including a formal portfolio review with investment committee members, weekly progress reports with action plans and progress updates for underperforming assets, as well as periodic fund valuation audits typically provided by "Big-4" auditing firms, which involves auditing the valuation of each portfolio company. Foresight Private Equity utilises a bespoke portfolio tracking software and fund reporting system that enables it to track its investment pipeline and progress and facilitates detailed reporting.

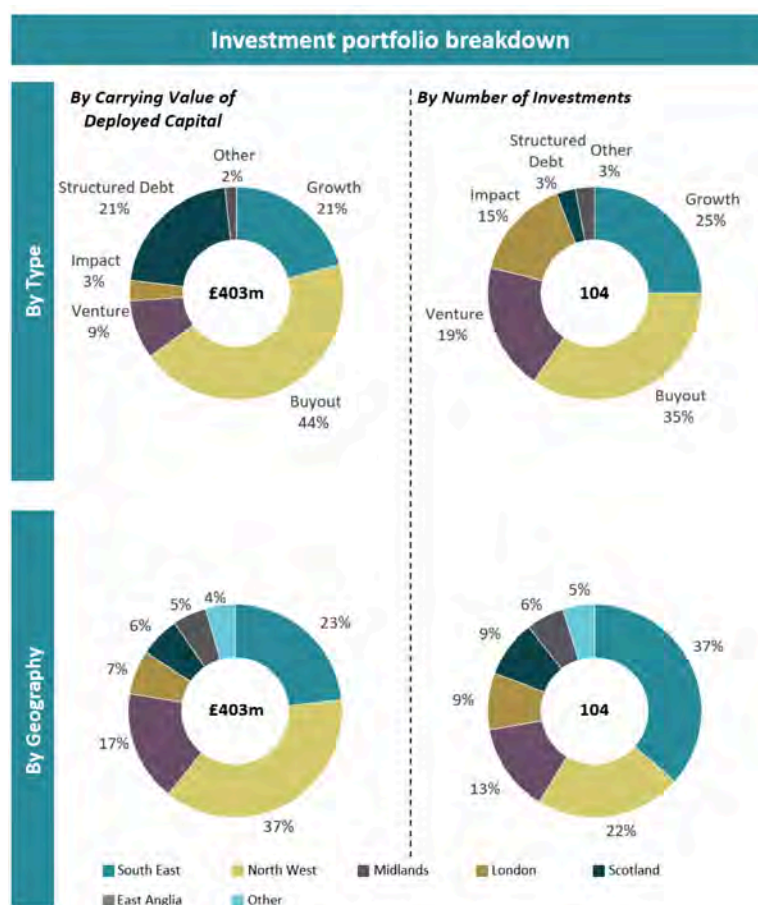
6.3.4 Private Equity Funds

Foresight Private Equity Funds are diversified across a broad range of sectors, regions and transaction types. This reflects its generalist approach to private equity investing and flexible approach to regions and different transaction types.

The table below sets out an overview of the Foresight Private Equity Funds by type as at 30 September 2020:

	Institutional	Government-backed	Retail tax efficient funds
Current Funds	- Foresight Regional Investment LP (NW England) - Northern Ireland Opportunities (NIO) - Foresight Regional Investment LP II (East of England)	- Foresight Nottingham Fund (FNF) - Midlands Engine Investment Fund (MEIF) - Scottish Growth Fund (SGF)	- Foresight VCT, Foresight VCT 4 - Inheritance Tax Scheme (ITS) - Foresight Williams Technology EIS Fund (FWT) - Foresight Williams Technology VCT
AUM	£164m	£88m	£411m
Total Fund Life	10+2 or Evergreen	7-12 years	Evergreen
Typical Investment Strategy	Management buyouts. Potentially debt funds in future	Impact and growth capital	Growth capital, venture and debt
Shared infrastructure	Origination network, investment committees, non-exec network, advisers		

In FY 2020, Foresight Private Equity Funds deployed £93.0 million in capital (FY 2019: £84.0 million; FY 2018: £53.0 million). The pie charts below set out a breakdown of the Foresight Private Equity investment portfolio as at 30 September 2020:



6.3.5 Private Equity Team

As of 30 September 2020, Foresight Private Equity's investment management team comprised experienced investment professionals from a variety of backgrounds with 400 years of combined investment experience and a broad range of experience in corporate finance, consulting, accounting, private equity and industry. The three-member senior leadership team is active in the day-to-day management of investments. Foresight Private Equity has offices in London, Nottingham, Manchester, Leicester, Milton Keynes, Cambridge and Edinburgh.

6.4 Risk Management Process

The Foresight Group implements a risk management policy which facilitates appropriate segregation between business, monitoring and assurance functions, in line with industry standards. The risk management policy is designed to monitor that funds follow investment strategies, monitor adverse variances in fund and investment performance, and adhere to any restrictions in place.

Gary Fraser is the Chief Risk Officer ("**CRO**") for the Foresight Group and is supported in this role by the Risk Management Committee ("**RMC**"). The CRO and the RMC are responsible for monitoring and identifying actual or potential risks to the Foresight Group. The CRO and RMC regularly report to the Foresight Group's Executive Committee and advise on compliance matters and the risk management process.

The Foresight Group's risk management systems are reviewed on an annual basis (or more frequently if required) by the CRO and the RMC.

7 Product Offering

The Foresight Group offers institutional and retail investors the opportunity to invest in difficult-to-access strategies through a range of funds and products delivered across 33 different investment solutions in a variety of markets as at 30 September 2020.

7.1 Institutional Products

The Foresight Group manages a diverse range of funds and products for its institutional investor base, including public listed company funds, SMAs and other institutional fund structures such as GP/LP funds.

The table below sets out the breakdown of AuM by institutional product at the dates indicated:

Product:	As at 31 March			As at 30 September	
	2018	2019	2020	2020	
	£ millions			£ millions	
Listed Company Funds	531	923	1,473		1,474
SMAs	411	455	500		570
Other Institutional Funds (GP/LP)	452	264	592		2,456
Total	1,395	1,642	2,565		4,500

7.2 Retail Products

As at 30 September 2020, the Foresight Group's retail product offering consists of the three OEICs and three types of tax efficient products (VCTs, IHT solutions and EIS), and the development of, and the investor demand for, these tax efficient products are primarily driven by UK Government policies on tax exemptions. The Foresight Group believes this range of retail products and its large and experienced retail sales team makes it well placed to adapt and respond to future changes in government policy. In addition, the Foresight Group targets retail investment into its listed FSFL and JLEN funds, which are majority held by institutional investors but available to retail investors and provide investors with new opportunities.

The table below sets out the breakdown of AuM by retail product at the dates indicated:

	As at 31 March		As at 30 September	
	2018	2019	2020	2020
Product:	£ millions		£ millions	
OEIC	0	123	535	775
VCT	263	321	279	311
IHT solutions	382	555	630	668
EIS	382	156	117	127
FSFL ¹	143	181	179	174
JLEN ²	-	-	213	210
Total	1,170	1,336	1,954	2,266

Notes:

(1) proportion of AuM held by retail investors in FSFL.

(2) proportion of AuM held by retail investors in JLEN.

The Foresight Group's OEIC products are designed around the Foresight Group's expertise in real asset investing, sustainability and predictable yield generation. The Foresight Group's OEIC product offerings currently consist of (i) FIIF, which invests in the publicly traded shares of companies in the UK infrastructure and renewable energy sectors and targets an annual income of 5 per cent. which is paid through quarterly dividends, (ii) GRIF, which invests in the publicly traded shares of companies that own or operate real infrastructure or renewable energy assets internationally and targets an annual return in excess of CPI +3 per cent. over any five year period and (iii) SREF, which invests in publicly traded shares in real estate investment trusts and targets a 4 per cent. income yield. OEICs, along with unit and investment trusts, form the largest part of the UK retail fund market, and are also used by institutional investors. OEICs provide retail investors with access to a wide range of asset classes through a mainstream investment wrapper. Although the OEICs marketplace is competitive, the Directors believe it offers attractive opportunities for growth. In the tax year 2019/2020, AuM in OEICs in the UK totalled £749 billion and this is forecast to grow at a compound annual rate of 17 per cent. to tax year 2025/26, when the total amount invested in OEICs in the UK is expected to reach £1,936 billion.⁵⁷

VCTs are a listed product, and market demand for VCTs has increased in recent years due in part to government restrictions limiting pension contributions. VCT fundraising has historically been highly seasonal with levels of investment significantly increasing towards the end of the tax year. The Foresight Group was the fourth largest UK investment manager by total VCT AuM and eighth largest by funds raised in UK tax year 2019/2020.⁵⁸

The Foresight Group offers a variety of IHT solutions, including ITS and AITS products. The Foresight Group launched its ITS product in 2011, based on business relief⁵⁹ which should enable retail investors to benefit from 100 per cent. relief from inheritance tax provided the shares issued in the ITS company are held for a minimum of two years up to and at the point of death. The Foresight Group's AITS product combines the benefit of ITS with an insurance policy compensating the investor's beneficiaries for the tax liability which would arise in the event the investor dies within the two year minimum qualifying holding period of the investment. The Foresight Group launched its JLSD product, an enhanced version of the AITS product, in March 2020. The JLSD product is held jointly and enables the joint investors to benefit from interspousal transfer relief and reduced costs for the insurance coverage in place during the two year minimum qualifying holding period. The Foresight Group's IHT solutions achieved or exceeded their minimum investor return targets in six out of the last seven years. The Foresight Group was the second largest UK investment manager in the growing ITS market by funds raised in UK tax year 2019/2020.⁶⁰

The Foresight Group's EIS product is a tax-efficient investment scheme that was introduced by the UK Government in 1994 to incentivise investment into smaller UK companies. Investors are incentivised with relief on Income Tax, Capital Gains Tax and Inheritance Tax. The market for EIS products has declined over the previous three financial years due to rule changes, such as EIS tax relief no longer being available for investments in energy generation, which has to some extent contributed to the growth in the VCT market.

⁵⁷ Ibis World Open-Ended Investment Company Activities in the UK.

⁵⁸ Tax Efficient Review, Investment Association (David Cartwright FCA), April 2020.

⁵⁹ Business relief is a tax exemption which reduces the value of a business or its assets for the purposes of working out how much inheritance tax has to be paid.

⁶⁰ Tax Efficient Review, May 2020; excluding corporates.

8 Fee Structures

The Foresight Group classifies its revenue as recurring (management, secretarial (including administration) and director fees), re-occurring (marketing fees) and non-recurring (arrangement, performance and other fees). Since FY 2019, the Foresight Group has shifted its focus towards generating higher quality Recurring Revenue, with less reliance on transactional event-based revenues and one-off disposal profits. This transition has resulted in recurring revenues increasing as a percentage of overall revenue from 68 per cent. in FY 2018 to 85 per cent. in FY 2020. The success of this transition has primarily been a result of increasing AuM (and FuM) over the period from fundraising for new and existing funds and the re-negotiation of higher contracted administration fees with existing funds. In some cases, the Foresight Group will take on a larger institutional mandate for a reduced fee structure. While revenue from non-recurring fees has declined with the shift to recurring fees, re-occurring fees have remained a significant component of the Foresight Group's total revenue over the period as a result of its retail fundraising.

Fee Categories

Recurring Revenue is derived from the following:

- *Management fees* are generally driven by FuM and calculated as a percentage of NAV, with fees up to 2.25 per cent. per annum depending on the investor type and fund and, in the case of ITS funds, were tied to relevant performance hurdles until 1 January 2021.
- *Secretarial fees* are fees received for services provided to the Foresight Funds (such as secretarial, accounts preparation, administration, etc.). These are generally driven by FuM and calculated as a percentage of NAV (typically 0.3 per cent. but up to 1.65 per cent. per annum in the case of ITS funds for services related to fund management and administration) or as a fixed fee depending on the terms of the individual contract agreements.
- *Directors' fees* are earned principally from companies in which the Foresight Private Equity Funds invest where the Foresight Group staff are appointed as Directors. Directors' fees are fixed, typically between £10,000 and £40,000 per annum for each portfolio company.

Re-occurring fee income is derived from the following:

- *Marketing fees* are initial fees charged at approximately 2.5 per cent. of the capital amounts raised for various retail products.

Non-recurring fee income is derived from the following:

- *Arrangement fees* are earned by the Foresight Group for its role in arranging certain deals (including capital deployments, fund raisings and refinancings), and are typically up to approximately 3 per cent. of the capital raised/deployed/refinanced.
- *Performance incentive fees* are usually one-off in nature and earned from carried interest arrangements and on exit/realisations.
- *Advisory fees* are earned on a one-off basis and include corporate finance and transaction related fees.
- *Other fees* are based on the contract agreed before services are provided and are recognised in line with the delivery of the services provided.

The table below sets out a breakdown of the Foresight Group's typical fee structure by fee type:

	Fee	Listed Funds (FSFL and JLEN)	Private Funds	OEICs	VCT	EIS	ITS
Recurring	Management Fees	1.0 per cent. of NAV up to and including £500m, 0.90 per cent. of NAV above £500m ⁽¹⁾ /1.0 per cent. of adjusted portfolio value up to £500m, 0.8 per cent. on adjusted portfolio value over £500m ⁽²⁾	Up to 2.25 per cent.	0.65 per cent. ⁽³⁾ /0.85 per cent. ⁽⁴⁾	1.5 per cent. ⁽⁵⁾ /2.0 per cent. ⁽⁶⁾	1.5 per cent. ⁽⁷⁾ / 2.0 per cent. ⁽⁸⁾	2.0 per cent. for FITS ⁽⁹⁾ /5.3 per cent. for AITS ⁽¹⁰⁾
Recurring	Administration Fee	£32k per project per annum ⁽¹⁵⁾	n.a.	n.a.	£120k ⁽¹¹⁾ /170k ⁽¹²⁾ /0.3 per cent. of funds ⁽¹³⁾	0.3 per cent. ⁽¹⁴⁾	0 per cent. (from 1 January 2021)
Recurring	Directors' fees	n.a.	UK Limited Partnerships £17k to £40k per SPV invested in with 75 per cent. rebated to the LP	n.a.	Up to £35k p.a. per SPV invested into by the fund	Up to £225k per annum ⁽¹⁹⁾	n.a.
Re-occurring	Marketing Fee	n.a.	n.a.	n.a.	2.5 per cent. (initial charge)	2.5 per cent. (initial charge)	2.5 per cent. (initial charge)
Non-recurring	Arrangement Fees	n.a.	UK Limited Partnerships 3 per cent. of investment with 75 per cent. to 80 per cent. rebated to the LP ⁽²⁰⁾	n.a.	3 per cent. of investments made	3 per cent. of investments made	3 per cent. of any debt raised.
Non-recurring	Performance Incentive Fees	n.a.	UK Limited Partnerships Varies, but typically 20 per cent.-25 per cent. after a preferred return of 6 per cent.-8 per cent.	n.a.	15.0 per cent. ⁽¹⁶⁾ / 20.0 per cent. ⁽¹⁷⁾	20.0 per cent. ⁽¹⁸⁾	n.a.

Notes:

(1) For FSFL

(2) For JLEN

(3) For FIIF

(4) For GRIF and SREF

(5) For Foresight Solar & Technology VCT; 2.0 per cent. on Williams shares

(6) For VCTs 1 and 4; For VCT fund fee is 1.0 per cent. for uninvested cash over £20m

(7) For EI EIS

(8) For Foresight Williams EIS and AD EIS

(9) ITS: Total potential ongoing management fee reducing from 2.65 per cent. to 2 per cent. fixed per annum (with no performance hurdle) on 1 January 2021

(10) AITS: Higher management fee for first two years reflecting the cost of the insurance premium

(11) For VCT 1

(12) For VCT 4

(13) For Foresight Solar & Technology VCT

(14) For Foresight Williams EIS - 0.3 per cent. of portfolio value; For AD EIS - 0.3 per cent. of funds raised and £60k minimum per annum; For EI EIS - 0.3 per cent. and £60k minimum per annum

(15) Asset management fees for FSFL

- (16) For VCT 4; 15.0 per cent. of dividends paid subject to the total return per share exceeding 100p
- (17) For VCT 1 - 20.0 per cent. of excesses for distributions over £1 (subject to specific conditions being met) and for Foresight Solar & Technology VCT - 20.0 per cent. of excess distributions over £1 and 30.0 per cent. of £1.30 (per share) 30.0 per cent. over £1.20 for C and 30.0 per cent. over £1.15 for D
- (18) For Foresight Williams EIS - 20 per cent. of proceeds in excess of £1 per £1 invested in the fund (split equally between Foresight and Williams); for AD EIS - 20 per cent. of excess distributions over £1 and 30 per cent. over £1.15 (per share); for EI EIS - 20 per cent. excess distributions over £1 (per share)
- (19) For SPVs invested in by Williams EIS
- (20) Fees are not charged on MEIF deals

9 Fundraising and Distribution

The Foresight Group benefits from an extensive UK and international distribution network with a tailored approach to both institutional and retail fundraising. It benefits from an extensive distribution network of 12 offices in the UK, Guernsey, Italy, Spain, Australia and Luxembourg.

The Foresight Group has demonstrated an ability to raise funds from a diverse investor base providing resilience through the cycle. The charts below illustrate the Foresight Group fundraising track record by type of investor:



9.1 Institutional Fundraising and Distribution

The Foresight Group has a base of over 200 institutional investors invested in the Foresight Funds as at 30 September 2020, comprising "blue chip" institutional investors, pension funds and quasi-government organisations. The Foresight Group's institutional capital and investor relations teams have extensive sector specific expertise that supports institutional fundraising for both infrastructure and private equity investments across the Foresight Group's range of products and investment solutions. They work closely with the relevant Foresight Group investment teams which also take an active role in institutional fundraising.

The overall increase in Gross Institutional Funds Raised in FY 2020 was primarily a result of fundraising mandates from FSFL, FEIP, East of England and JLEN. The chart below sets out the Foresight Group's Gross Institutional Funds Raised by mandate:

	Year ended			Six months ended
	31 March 2018	31 March 2019	31 March 2020	30 September 2020
	£'000			
FSFL	39,000	106,100	65,000	-
FRIF	-	20,000	-	-
IGB	62,200	-	-	-
Korean Australia SMA	11,700	-	-	-
Korean UK SMA	23,000	-	-	-
MEIF	34,500	-	-	-
Korean German Wind SMA	-	36,600	-	-
FNIF	-	5,000	-	-
ForVei II	-	24,900	-	-
Scottish Growth	-	-	20,000	-
East of England	-	-	100,000	-
FEIP	-	-	281,900 ⁶¹	155,100
FISG	-	-	45,900	-
JLEN	-	-	57,200	-
PIP	-	-	-	-
Total	170,400	192,600	570,000	155,100

⁶¹ Excludes investment by JLEN.

9.2 Retail Fundraising and Distribution

The Foresight Group has a long track record of successful retail fundraising. It has a nationwide UK retail distribution network with 11 office-based business development managers and an additional 14 external business development managers, who together source and maintain a network of financial advisers. 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. The Foresight Group has a deep network of third-party intermediary firms to source retail investors for the Foresight Funds and was not materially dependent on a single third-party financial adviser or firm. The development and growth of the Foresight Group's retail sales team and its distribution network has been a key driver of the overall growth in retail fundraising over the previous three financial years. Part of the Foresight Group's growth strategy is to continue to build on its retail fundraising capacity and the launches of two new OEICs over the next three years are being considered. The Foresight Group's sales teams have significant sector-specific expertise and experience that support fundraising for infrastructure and private equity funds. The table below illustrates the Foresight Group's Gross Retail Funds Raised by retail product:

	Year ended		Six months ended	
	31 March 2018	31 March 2019	31 March 2020	30 September 2020
	<i>£'000</i>			
VCT	17,400	51,500	23,300	21,300
ITS	161,800	152,900	177,800	45,900
EIS	19,200	13,600	12,200	5,900
OEIC	200	139,400	612,300	287,700
Smart Bonds	3,300	-	-	-
Total	201,900	357,400	825,600	360,800

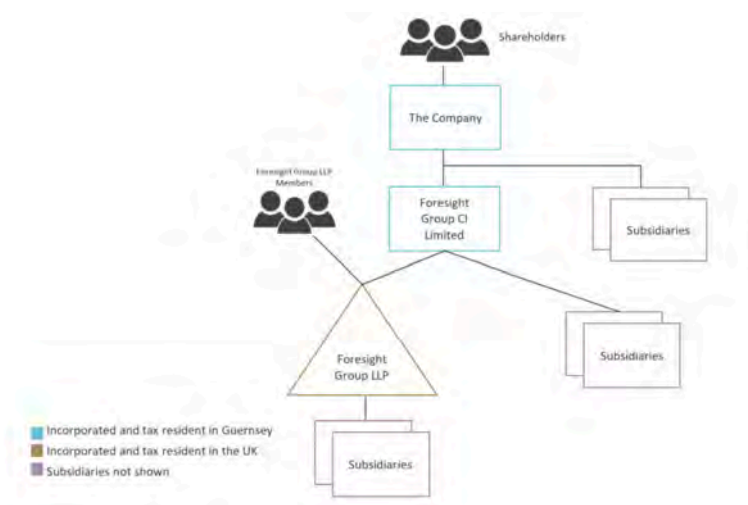
10 Regulatory Environment

The primary business of the Foresight Group is to act as investment manager to both institutional and retail investment funds and provide discretionary investment management services under segregated mandates. The Foresight Group has a number of regulated subsidiaries; these subsidiaries are regulated by the Financial Conduct Authority in the UK, the Guernsey Financial Services Commission and Jersey Financial Services Commission in the Channel Islands, and the CSSF in Luxembourg.

The regulated subsidiaries in the Foresight Group are subject to a group compliance programme. Overall responsibility for the compliance programme lies with Gary Fraser who is the Foresight Group's Chief Financial Officer and Foresight Group LLP's Compliance Officer. Gary is supported in his role by a senior compliance manager, a compliance associate, a head of governance, two company secretaries and external compliance and legal advisers as appropriate. As the Foresight Group's business grows, it is likely to need to invest further in its compliance function to ensure that it is appropriately resourced in light of the nature, scale and complexity of its business, which could result in the Foresight Group incurring additional administrative expenses. In addition to the Foresight Group compliance programme, each regulated entity is subject to its own compliance procedures led by the relevant designated individuals. The compliance programme does not apply to the regulated Foresight Funds or Foresight Assets which are functionally independent.

10.1 Foresight Group LLP

The chart below shows the simplified current corporate structure of the Foresight Group.



Foresight Group LLP is currently the primary revenue generating entity within the Foresight Group structure and the principal manager of the Foresight Funds. It is authorised and regulated in the UK by the FCA with firm reference number 198020.

Foresight Group LLP is authorised as a full-scope AIFM with permission to manage its unauthorised alternative investment funds ("**AIFs**"). It also has permission to provide discretionary investment management services on a client-by-client basis under segregated mandates, to provide investment advice and to arrange transactions. It may not engage in any other business. In relation to retail clients, the firm's activities are limited to venture capital business only.

Prior to 1 January 2021, Foresight Group LLP exercised its cross-border rights to manage AIFs established in Luxembourg and its cross-border rights to market AIFs into a number of EEA countries. The passporting rights ceased to be available to Foresight Group LLP on 31 December 2020, when the Brexit transitional period ended. For additional information on the impact of Brexit on the Foresight Group, please refer to risk factor 1.23.

Foresight Group LLP is required to comply with the UK regulatory framework for FCA-authorised firms. In particular, it must comply with:

- governance requirements, including a requirement for members of senior management to be pre-approved by the FCA;
- conduct of business rules when providing services to the Foresight Funds or other clients;
- the AIFM Remuneration Code; and
- regulatory capital requirements under which the Foresight Group is required to maintain a minimum level of capital resources and which may potentially result in trapped cash.

Prior approval of the FCA under section 178 of the Financial Services and Markets Act 2000 ("**FSMA**") is required before any person acquires or increases "control" of Foresight Group LLP or any parent undertaking of Foresight Group LLP, including the Company. "Control" for these purposes generally means acquiring shares or voting power of 20 per cent. or more in Foresight Group LLP or its parent undertaking or acquiring a shareholding that would enable the person to exercise significant influence over the management of Foresight Group LLP. Where shareholders are "acting in concert" the total percentage of the voting power held by the shareholders will be amalgamated and considered together for the purposes of the above thresholds. An investor contemplating such an acquisition should seek independent legal advice to determine whether regulatory pre-approval might be necessary.

The FCA has 60 working days to decide whether to approve the application from the day on which it acknowledges receipt of a fully complete change in control notification. The FCA may refuse to approve a person as a controller and/or may impose conditions or other restrictions on the proposed controller in connection with the application. These conditions or restrictions could have the effect of delaying the acquisition or imposing additional costs on the proposed controller and/or Foresight Group LLP, each of

which might have a material adverse impact on the business, results of operations, financial conditions and prospects of the proposed controller, the Foresight Group or its shareholders.

A reduction of control below 20 per cent. also requires prior notification to the FCA.

Failure to notify the FCA or obtain the required approval in relation to a change of control prior to the control occurring is a criminal offence. Breach of the requirements may result in a fine and/or an order for the sale of shares or disposition of voting power.

These laws may change and may, in their current or any future form, discourage potential future acquisition proposals and may delay, deter or prevent potential acquirers of ordinary shares in the Company which may, in turn, reduce the value of the shares in the Company.

Foresight Group LLP is subject to a limited form of financial services regulation in Australia, as it has registered for the financial services licensing relief made available by the Australian Securities and Investments Commission to foreign financial services providers which are regulated in a recognised jurisdiction. The relief will cease to be available on 31 March 2022, by which time if Foresight Group LLP wishes to carry on activities which amount to financial services in Australia, it will need to take advantage of another available relief or obtain an Australian financial services licence.

Foresight Group LLP intends to register with the U.S. Securities and Exchange Commission as an investment adviser and expects that its application will be approved during the course of 2021. This registration could enable Foresight Group LLP and the Foresight Group to carry out investment advisory activity in the United States.

10.2 Appointed Representatives of Foresight Group LLP

Foresight Group LLP has two "appointed representatives":

- *Foresight Group Promoter LLP (FCA reference number 806061)*: Foresight Group Promoter LLP acts as an introducer of potential investors to Foresight Group LLP and is part of the Foresight Group.
- *Williams Technology Ventures Limited (FCA reference number 761362)*: Williams Technology Ventures Limited performs certain advisory and arranging activities in relation to the Foresight Williams Technology EIS Fund and the Foresight Solar & Technology VCT. Williams Technology Ventures Limited is not part of the Foresight Group.

The UK appointed representative regime provides a mechanism by which firms providing a limited range of regulated activities may conduct business without needing full authorisation under the relevant UK legislation (for example introducing prospective investors to its principal firm), provided that a contractual arrangement is in place meeting certain specified conditions. One of the statutory conditions for the effective appointment of an appointed representative is that Foresight Group LLP accepts full regulatory responsibility for the acts and omissions of its appointed representatives when they are acting in that capacity and has done so. The appointed representative agreements include an indemnity in favour of Foresight Group LLP.

10.3 PiP Manager Limited

PiP is authorised and regulated by the FCA with firm reference number 688938. PiP is authorised as a full-scope AIFM with permission to manage unauthorised AIFs.

For so long as PiP is authorised by the FCA, the considerations highlighted in paragraph 10.1 above in relation to the FCA change in control process also apply with respect to PiP.

It is intended that PiP will be integrated into the Foresight Group business over time. It is currently anticipated that Foresight Group LLP will take over as manager of the AIFs previously managed by PiP during the course of 2021, following which PiP is expected to apply to the FCA for cessation of authorisation.

10.4 Foresight Group Luxembourg S.A.

Foresight Group Luxembourg S.A. was authorised in Luxembourg as an AIFM on 4 December 2020. The Luxembourg AIFM will be appointed as the manager of a number of funds currently managed by Foresight Group LLP and of future funds to be marketed to EEA investors.

The Luxembourg regulatory authority for the financial sector (the "**CSSF**") is responsible for the supervision of Foresight Group Luxembourg S.A. Companies authorised as AIFMs in Luxembourg must under the Luxembourg Act of 12 July 2013 on alternative investment fund managers (the "**AIFM Act**") fulfil operating

conditions in terms of minimum capital and own funds, human resources, IT infrastructure, central administration, organisation and internal procedures.

As part of its supervision, the CSSF is mandated in particular to carry out an ongoing role, notably through on-site inspections or general questionnaires and ad hoc requests. If the CSSF should find that Foresight Group Luxembourg S.A. fails to comply with certain obligations provided by the AIFM Act, the CSSF may in particular impose administrative sanctions of up to EUR 250,000 or a temporary or permanent prohibition on carrying out operations or activities, as well as any other restrictions on the activity of Foresight Group Luxembourg S.A. Such penalties may be disclosed by the CSSF to the public.

Failure to comply with the CSSF demands may result in the authorisation to act as an AIFM being withdrawn or criminal sanctions imposed to the extent that activities carried out would not be covered by their licence.

Prior approval of the CSSF is required of any person proposing to acquire a "qualifying holding" of an authorised AIFM, such as Foresight Group Luxembourg S.A. A "qualifying holding" in respect of Foresight Group Luxembourg S.A. would be a direct or indirect holding of 10 per cent. or more of its capital or voting rights or which makes it possible to exercise a significant influence over the management of Foresight Group Luxembourg S.A. Where shareholders are "acting in concert" the total percentage of the voting rights held by the direct or indirect shareholders will be amalgamated and considered together for the purposes of the above threshold. An investor contemplating such an acquisition should seek independent legal advice to test whether regulatory pre-approval might be necessary.

The CSSF has one month (which may be prolonged by the CSSF for an additional period of one month) to decide whether to approve the application from the day on which it acknowledges receipt of a complete filing for the acquisition of a qualifying holding. The CSSF may refuse to approve an acquisition of a qualifying holding and/or may impose restrictions on the proposed acquisition of a qualifying holding. These conditions or restrictions could have the effect of delaying the acquisition or imposing additional costs on the business activities and revenues on the acquirer and/or Foresight Group Luxembourg S.A., each of which might have a material adverse effect on its business, results of operations, financial condition or prospects.

Failure to notify the CSSF or obtain the required approval in relation to an acquisition of a qualifying holding prior to the acquisition occurring amounts to an administrative offence and Foresight Group Luxembourg S.A., its board members and conducting officers (i.e. day-to-day directors) or a direct or indirect shareholder may be liable to pay a fine. Acquisition of non-qualifying holdings or increases/decreases of qualifying holdings need to be communicated to the CSSF by Foresight Group Luxembourg S.A. for information purposes.

These laws may change and may, in their current or any future form, discourage potential acquisition proposals and may delay, deter or prevent potential acquirers of ordinary shares in the Company which may, in turn, reduce the value of the shares in the Company.

10.5 Foresight Group CI Limited

Foresight Group CI Limited is licensed by the Guernsey Financial Services Commission ("GFSC") to carry on controlled investment business pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 ("POI Law") and has been assigned the reference number 2006518 by the GFSC. Pursuant to this licence it is authorised to carry on the activities of promotion, subscription, dealing, management, administration and advising in respect of collective investment schemes and general securities and derivatives.

Foresight Group CI Limited is a subsidiary of the Company. The POI Law provides that no person may become a director or controller of Foresight Group CI Limited unless that person has notified the GFSC in writing of its intention to become such a director or controller and the GFSC has given its written confirmation that it has no objection to such person becoming a director or controller of Foresight Group CI Limited.

A person would be regarded as a controller of Foresight Group CI Limited if they are a managing director or chief executive of Foresight Group CI Limited or any other company of which Foresight Group CI Limited is a subsidiary; or they are a shareholder controller or an indirect controller of Foresight Group CI Limited.

A shareholder controller is a person who alone, or with associates, is entitled to exercise, or control the exercise of 15 per cent. or more of the voting power in a general meeting of Foresight Group CI Limited or of any other company, including the Company, of which Foresight Group CI Limited is a subsidiary.

An indirect controller is a person in accordance with whose directions or instructions any director of Foresight Group CI Limited or of any other company of which Foresight Group CI Limited is a subsidiary, or any controller of Foresight Group CI Limited, is accustomed to act.

The GFSC has 60 days to object to the notification, following which the GFSC is deemed to have no objection. Failure to seek such a confirmation, or failure to heed any objection raised by the GFSC, by any person required to do so is an offence and is, on conviction, liable to a fine.

In addition, where a person has become a shareholder controller in contravention of the POI law, the GFSC may, by notice in writing served on the person concerned, direct that specified shares are, until further notice, to be subject to all or any of the following restrictions: any transfer of, or agreement to transfer, those shares or, in the case of unissued shares, any transfer of, or agreement to transfer, the right to be issued with them, shall be void; no voting right shall be exercisable in respect of those shares; no further shares shall be issued in right of them or in pursuance of any offer made to their holder; and except in a liquidation, no payment shall be made of any sum due on the shares from the licensee, whether in respect of capital or otherwise.

Furthermore, the Royal Court of Guernsey, on the application of the GFSC and subject to certain statutory preconditions as to the right to appeal any objection notice served by the GFSC, may order the sale of any specified shares. Where shares are sold pursuant to an order, the proceeds of sale, less the costs of the sale, would be paid to Her Majesty's Sheriff in Guernsey for the benefit of the persons beneficially interested in them, and any such person may apply to the Court for an order for the whole or part of the proceeds to be paid to him.

Separately, the POI Law requires that a person who becomes a significant shareholder in relation to a Guernsey Licensee gives notice in writing to the GFSC within 14 days immediately following the day of such event. For the purposes of the POI Law, a "significant shareholder", in relation to a company, means a person who, alone or with associates, is entitled to exercise, or control the exercise of, 5 per cent or more but less than 15 per cent. of the voting power in general meeting of that company or of any other company of which that company is a subsidiary.

A person who fails to comply with such requirement is guilty of an offence and liable on summary conviction to a fine of no more than £10,000 unless they show that they were not aware that the facts were such as to require the giving of such notice (in which case they shall be guilty of the offence if they fail to give such notice within a period of 14 days immediately following the day upon which they become so aware).

These laws may change and may, in their current or any future form, discourage potential acquisition proposals and may delay, deter or prevent potential acquirers of ordinary shares in the Company which may, in turn, reduce the value of the shares in the Company.

10.6 Foresight European Solar Fund GP Limited

Foresight European Solar Fund GP Limited is regulated by the Jersey Financial Services Commission ("JFSC") for the conduct of fund services business as a general partner pursuant to article 9 of the Financial Services (Jersey) Law 1998. It acts as the general partner of Foresight European Solar Fund L.P., a Jersey limited partnership and an expert fund holding a certificate under the CIF Law.

Article 14 of the Financial Services (Jersey) Law 1998 ("FSJ Law") requires prior written consent from the JFSC to any change in principal person, including any shareholder, holding directly or indirectly 10 per cent. or more of the shares in Foresight European Solar Fund GP Limited.

The JFSC sets 10 business days as a target for responding to applications but is not subject to a fixed statutory timescale. The consequences for a breach of article 14 of the FSJ Law are imprisonment for a term of 2 years and to a fine (for both the outgoing and incoming principal person) and imprisonment for a term of 6 months and to a fine (for the GP).

These laws may change and may, in their current or in any future form, discourage potential acquisition proposals and may delay, deter or prevent potential acquirers of ordinary shares in the Company which may, in turn, reduce the value of the shares in the Company.

10.7 Regulated Investee Companies

From time to time, the Foresight Funds may invest in companies that hold regulatory licences. These licences may require direct and indirect shareholders to seek regulatory pre-approval prior to acquiring or disposing of material holdings in those companies. The structure of the Foresight Funds means that shareholders in the Company may be treated as indirect shareholders of such investee companies for

purposes of applicable change in control regimes. In particular, the Foresight Funds are currently invested in certain companies that are regulated by the FCA, in respect of which the considerations set out in section 10.1 apply. The relevant control threshold for the two FCA-regulated investee companies is 10 per cent.

11 Information Technology

The Foresight Group is committed to technology investment and IT security to ensure that it provides the best possible service to its clients and protects their data. Foresight seeks to continually develop and maintain its technology infrastructure, seeking to ensure it selects and supports the systems that clients and their structures require and the operational efficiency of the Group's business.

The Foresight Group's information technology system and core application suite have been set up to support staff across all offices in all jurisdictions, providing the systems and services for all staff to operate efficiently and effectively and provide Foresight clients with high quality and consistent service. Foresight's policy is generally to ensure that applications are consolidated and systems are uniform across the Foresight Group, enabling optimal working practices, procedures and client service whilst reducing costs.

11.1 Infrastructure and systems

The Foresight Group has moved its UK network of offices onto a private network managed by a specialist network provider for the benefits of managed firewall and performance monitoring by sector experts. The Foresight Group's international offices will remain connected via VPN. All staff are issued with laptops for use with docking stations in the offices, which enables remote working and more flexible business continuity planning. Microsoft Office 365 forms the basis of the day-to-day computing requirements of the Foresight Group and is complemented by a hybrid arrangement of on-site and cloud data storage and applications. The Foresight Group's core business applications include:

- eFront, which is an investment tracking environment provided as a SaaS solution;
- Microsoft Dynamics Navision, providing the Azure-based financial application environment;
- Sennen, a cloud-based application providing production management oversight for Foresight Infrastructure Fund Assets; and
- Access, a cloud-based application that supports the Foresight Group's HR function.

11.2 IT and Cyber Security

The Foresight Group takes its obligations with respect to IT and cyber security seriously and attaches the same importance to managing the risks to its IT and data assets as it does to managing the Foresight Group's regulatory, financial and operational risks.

The Executive Committee has overall responsibility for approving the IT and cyber security policies for the Foresight Group. The Foresight Group's IT and cyber security policies aim to prevent unauthorised access to the Foresight Group's network, theft of confidential information (Foresight Group or client), damage to the Foresight Group's information assets or disruption to the Foresight Group's operational effectiveness.

The Foresight Group's comprehensive approach to IT and cyber security is based on the following policies:

- *Access Control Policy*: This policy sets out processes and controls for the Foresight Group's users to follow in order to ensure appropriate access management across the Foresight Group's IT and data assets.
- *Cryptography Policy*: This policy provides the technical controls that are required to manage the Foresight Group's assets to an international best practice standard by agencies such as the National Cyber Security Centre.
- *Cyber Security Policy*: This policy sets out the best practice processes to manage the risks across the Foresight Group's environment covering internal and external threats, network security, removable media, secure configuration, education, incident management as well as insurance cover required.

11.2.1 Network security

To protect against external and internal threats, network connections are regularly scanned for malware and malicious content as part of the Foresight Group's cyber security policy. The Foresight Group uses leading antivirus and malware checking software, with different solutions used for the network perimeter

and internally to create an additional layer of defence. External firewalls are in place and internal network traffic is monitored to detect and respond rapidly to network intrusions. In addition, Foresight engages an independent third party to conduct full penetration tests on the IT network. Such tests are conducted at least annually. The Foresight Group's policy is that any findings from these tests are addressed immediately.

11.2.2 *Removable media and security*

As part of the Foresight Group's cyber security policy, it generally prohibits the use of removable media, with software installed to prevent its use. Permitted usage requires prior approval, is carefully monitored and limited in duration. Media introduced to the Foresight Group's networks is scanned for malicious content prior to any data transfer.

The Foresight Group has a comprehensive training programme that is provided to users across the organisation as part of their induction process to embed the culture of IT risk management. It carefully monitors remote working arrangements and actively manages user privileges so that users are only provided with the rights and permissions to the systems, services and information resources that they require to undertake their role.

11.2.3 *Incident management*

The Foresight Group has a robust process for dealing with security incidents with comprehensive back up procedures to minimise disruption to the Foresight Group. The Foresight Group currently holds the ISO27001 accreditation, which is the industry standard information security certification.

12 **Employees**

As at 30 September 2020, the Foresight Group had 236 full time equivalent employees, of which three were serving out their notice period. These included 115 investment, portfolio and technical professionals, with the remaining 121 full time equivalent employees in the Foresight Group's principal office overseeing the Foresight Group's finance, HR, strategy, compliance, risk, legal, regulatory, IT and M&A integration and support roles.

As at 30 September 2020, Foresight Infrastructure's team comprised 107 full time equivalent employees investing, managing and acquiring assets across 9 countries. These include investment professionals, asset management, investor relations and administration professionals. As at 30 September 2020, Foresight Private Equity's team comprised 40 full time equivalent employees.

Given the nature of the services the Foresight Group provides, the Foresight Group also seeks to employ professionals with market experience and direct asset management expertise where specialist knowledge is required. This includes engineers, accountants, lawyers and chartered secretaries.

The Foresight Group's employee policies are intended to maximise employee retention and minimise staff turnover. The Foresight Group has a good record of employee relations, with no history of industrial disputes. The Foresight Group's policy is to develop and retain its employees. In particular, the Directors consider that the Foresight Group has a relatively low level of regretted employee turnover, when adjusted to remove retirements, termination and those under probation arrangements.

The following table shows the number of Foresight Group's full time equivalent employees by department as at 30 September 2020:

	31 March 2018	31 March 2019	31 March 2020	30 September 2020
Operations	91	101	122	125
Sales and Marketing	46	58	53	51
Administration	51	52	61	60
Total	188	211	236	236

The following table shows the Foresight Group's full time equivalent employee numbers by business unit as at 30 September 2020:

	31 March 2018	31 March 2019	31 March 2020	30 September 2020
Private Equity	21	27	38	40
Infrastructure	85	91	105	107
Central	82	93	93	89
Total	188	211	236	236

13 Intellectual Property

The Foresight Group has registered trademarks in the UK and Australia but does not currently hold any registered trademarks in the EU. The Foresight Group has rights in its unregistered brand (having traded under the same name for more than 20 years) which, subject to local law, may be used to object to the use or registration of similar marks in territories in which the Foresight Group operates. The registration and administration of the Foresight Group's trademarks are primarily managed internally by the Foresight Group. The Foresight Group may register new trademarks either in-house or through an external IP firm.

The Foresight Group also holds a portfolio of domain names (most notably, www.foresightgroup.eu) that is managed by the Foresight Group's technology team.

The Foresight Group has proprietary rights over its own bespoke technology, platform, data and reporting systems. The Foresight Group also licenses from third parties technology software for managing aspects of its business, including in respect of customer relationship management, information security and data storage and processing.

On occasion, the Foresight Group engages third parties to develop processes, techniques, technology or other intellectual property on its behalf. As a matter of general practice, contracts with such third parties provide for the assignment of relevant intellectual property to the Foresight Group or the right to use such intellectual property in its business. The Foresight Group's employees and direct contractors are generally contractually required to transfer relevant intellectual property to the Foresight Group (in addition to statutory protections for the Foresight Group where available) and maintain confidentiality.

14 Properties

The Foresight Group leases the properties in which it operates. The Foresight Group's principal office is located in The Shard in London, United Kingdom and is spread over two floors. The Foresight Group also has a non-principal property in Seoul, South Korea with a leasehold expiring in April 2021 with no plans to renew. The Foresight Group also has leased offices in Guernsey, the UK, Spain, Italy, Luxembourg and Australia. The following table sets forth the Foresight Group's principal properties:

Name and location	Tenure
The Shard, 32 London Bridge St, London SE1 9SG, United Kingdom	Leasehold
Piazza Barberini, 52, 00187 Roma, Italy	Leasehold
Level 35, One International Tower, 100 Barangaroo Avenue, Sydney, NSW 2000, Australia	Leasehold

15 Environment

The Foresight Group's business operations generally do not have a significant environmental impact. The Directors believe that it is in substantial compliance with all relevant and applicable environmental and health and safety laws and regulations.

The Foresight Group seeks to ensure environmental compliance with respect to investments managed by the Foresight Group and the Directors believe that appropriate processes are in place within the investments to monitor and report on these investments with respect to compliance with relevant and applicable environmental laws and, where necessary, to take action through the major contract parties to ensure that environmental compliance in all material respects is maintained.

For details on the Foresight Group's approach to the environment, and ESG issues generally, see paragraph 5 of this Part 6 "The Business" above.

16 Insurance

The Foresight Group maintains insurance cover to protect its business in the event of claims. In particular, regulated businesses are required to carry professional indemnity insurance that meets specified requirements. The Group meets all of these requirements and maintains a good relationship with insurers based on transparent risk management procedures.

The Directors monitor and regularly review the Foresight Group's insurance coverage and the Directors believe that the Foresight Group's current insurance coverage is appropriate for its business, in respect of its level and applicable excesses and deductibles, considering the Foresight Group's business location as well as the scale of its business activities. As part of the wider insurance programme, the Foresight Group considers cyber security insurance to be important in the current environment and has increased its cyber insurance policy coverage from £2 million to £5 million.

17 Dividend Policy

Any surplus capital accrued over and above regulatory requirements or other specific needs will be considered by the Board, from time to time, and, if appropriate, will be returned to Shareholders in an appropriate form and at an appropriate time.

The Board intends to adopt a progressive dividend policy. Initially, it is intended that dividends will equate to a pay-out of 50 per cent. of profit after tax and the Board expects such pay out percentage to increase over time. It is intended that one third of the total dividend payment for the year would be paid as an interim dividend and two thirds paid by way of a final dividend, to be announced at the time of its interim and the final results respectively.

Subject, amongst other things, to the Company being in a position to pay a dividend in accordance with applicable laws, it is expected that the first dividend to be declared by the Company following Admission will be the final dividend in respect of the year ending 31 March 2021, which, owing to the fact that the Company will only have been listed for less than two full months, will represent an amount equal to approximately 25 per cent. of the final dividend which would have been paid under the Company's intended dividend policy. If declared, it is expected that the dividend payment would be payable in August/September 2021.

The Board may revise the Company's dividend policy from time to time in line with the actual results of the Group. The ability of the Company to pay dividends is dependent on a number of factors, including market conditions, prospective investment opportunities and the Group's regulatory and financial requirements as assessed by the Board at the time. As a result, there can be no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be.

PART 7 - DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

1 Directors

The following table lists the names, positions and ages of the Directors:

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

The business address of each Executive Director is at The Shard, 32 London Bridge St, London SE1 9SG.

Bernard Fairman, Executive Chairman and Co-founder

Bernard William Fairman co-founded the 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 the 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 the 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 the 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 the 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.

Geoffrey Gavey, Independent Non-Executive Director

Geoff Gavey joined the Foresight Group board in 2015 as an independent Non-Executive Director and sits on the remuneration, audit and nomination committees. 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.

Geoff 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.

Michael Liston, OBE, Independent Non-Executive Director

Michael (Mike) Liston is the 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.

Alison Hutchinson, CBE, Senior Independent Non-Executive Director

Alison 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 Furniture plc and Yorkshire Building Society.

Alison has a strong background in both IT and retail financial services, having started her career at IBM where she became 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, Alison was awarded a CBE for services to the economy and charities. She holds a BSc in Technology & Business Studies from Strathclyde University.

2 Senior Management Team

The current members of the Company's Senior Management team, in addition to the Executive Directors listed above, are as follows:

Name	Age	Position
David Hughes	68	Chief Investment Officer
Nigel Aitchison	52	Head of Infrastructure
Russell Healey	50	Head of Private Equity

The business address of each member of Senior Management is The Shard, 32 London Bridge St, London SE1 9SG.

David Hughes, Chief Investment Officer

David Hughes joined the Foresight Group in 2004 and is a Member and the Chief Investment Officer, based in the London office. A member of the Group's Executive Committee, he has over 45 years' of experience and is responsible for the overall management of the Foresight Group UK investment portfolio through the complete investment cycle from initial investment to ultimate realisation.

Prior to joining the Foresight Group, David worked at Advent Venture Partners as a Principal in the VCT Unit, where he was responsible for managing Advent's two listed VCTs, comprising a portfolio of over thirty unquoted investments, mainly in technology companies. He has also spent almost 20 years working at 3i, where he provided advice to public and private companies on corporate strategy, acquisitions, disposals, mergers and capital raising.

David is a Fellow of the Chartered Association of Certified Accountants and holds a First Class BSc in Chemistry from the University of Bristol.

Nigel Aitchison, Head of Infrastructure

Nigel Aitchison joined the Foresight Group in September 2008 and is a Member and Head of Infrastructure based in the London office. A member of the Group's Executive Committee, he has over 30 years' experience covering specific areas such as waste management, project finance and fund management.

Prior to the Foresight Group, Nigel was a director within Shanks Group where he was responsible for strategy and managing relationships with key stakeholders for the UK business. Prior to that he led the management of their PFI division both in terms of bidding and operational profit and loss responsibility.

Nigel is a Chartered Environmentalist and a member of the Chartered Institute of Waste Management. He also holds a Diploma with Distinction in Environmental Science from Crewe and Alsager College.

Russell Healey, Head of Private Equity

Russell Healey joined the Foresight Group in 2007 and is a Member and Head of Private Equity based in the London office. A member of the Foresight Group's Executive Committee, he has 25 years' experience.

Prior to joining the Foresight Group, Russell worked at merchant bank Parkmead Group, where he was involved in a number of corporate and principal finance projects. Before that, he spent ten years in technology and marketing management positions, including four years with Thomson Financial, following its acquisition of a financial information company of which he was CTO.

Russell holds an MBA with Distinction from London Business School, and a BA in Classics from the University of Exeter.

3 Company Secretary

Jo-anna Nicolle, Company Secretary and Head of Governance

Jo-anna Nicolle, based in Guernsey, joined the Foresight Group in 2015 and is Company Secretary and Head of Governance for the Foresight Group. She has over 30 years' experience in the finance industry and is responsible for the Foresight Group's governance arrangements, including regulatory and statutory compliance, internal and external oversight and information security. She sits on various committees, including the Risk Committee, and engages with teams and advisers in relation to Group projects and initiatives.

Prior to joining the Foresight Group, she has held senior positions at JTC Guernsey, Credit Suisse, HSBC and Bank of Bermuda, in roles including head of accounts, company secretarial, investor services, compliance and new business/client lifecycle.

Jo-anna sits on the boards of the Guernsey licensee and other Group companies, is a Chartered Secretary (ICSA) and holds an MSc in Corporate Governance from Bournemouth University.

4 Corporate governance

4.1 UK Corporate Governance Code

The Board is committed to the highest standards of corporate governance and maintaining an effective framework for the control and management of the Company. Other than as set out below, on and following Admission, the Board will comply with the UK Corporate Governance Code published in July 2018 by the Financial Reporting Council. The UK Corporate Governance Code sets out a number of principles in relation to board leadership, effectiveness, accountability, remuneration and relations with shareholders. As envisaged by the UK Corporate Governance Code, the Board has established an audit and risk committee, a nomination committee and a remuneration committee and has also established a separate market disclosure committee. If the need should arise, the Board may set up additional committees as appropriate.

The UK Corporate Governance Code recommends that at least half the Board of Directors, excluding the chairman, should comprise Non-Executive Directors determined by the Board to be independent in character and judgement and free from relationships or circumstances which are likely to impair, or could appear to impair, each Director's independence. The Board considers that Geoffrey Gavey, Michael Liston, OBE and Alison Hutchinson, CBE are Non-Executive Directors who are independent and are free from any business or other relationship that could impair their independent judgement. As the Board will have 3 independent Non-Executive Directors, the Board considers that the Company complies with the requirements of the UK Corporate Governance Code in this respect.

The UK Corporate Governance Code recommends that the role of chairman and chief executive officer should not be exercised by the same individual. On and following Admission, Bernard Fairman will exercise the role of Executive Chairman (combining the role of chairman and chief executive officer, which does not comply with the UK Corporate Governance Code) and will have been on the Board longer than 9 years. The nomination committee and the Board consider that the role of an Executive Chairman is in the interests of Shareholders in order to utilise the proven leadership qualities and significant experience of Bernard Fairman to seek to ensure the ongoing commercial success of the Company. Furthermore, Bernard Fairman was one of the founders of the Company in 1984 and can therefore provide stability and continuity through his detailed understanding of the Foresight Group's operations and the markets in which it operates.

The UK Corporate Governance Code recommends that the Board should appoint one of the independent Non-Executive Directors to be the senior independent director to provide a sounding board for the Executive Chairman and to serve as an intermediary for the other Directors when necessary. The senior independent director has an important role on the Board in leading on corporate governance issues and being available to Shareholders if they have concerns which contact through the normal channels

of the Executive Chairman or Chief Financial Officer has failed to resolve or for which such contact is inappropriate. Alison Hutchinson, CBE has been appointed as the senior independent director of the Board.

The UK Corporate Governance Code recommends that all Directors should be subject to annual re-election. The Company intends to comply with this requirement and annual re-election provisions have been incorporated into the Company's Articles of Incorporation.

As at Admission, the Board will comprise one woman and future appointments will have regard to diversity, including gender. In accordance with the UK Corporate Governance Code, the Company will report on the Board's policy on diversity, including gender, in its next annual report.

4.2 *Audit and risk committee*

The audit and risk committee's role is to assist the Board with the discharge of its responsibilities in relation to external audits and internal controls and risk management, including reviewing the Group's annual financial statements and risk appetite, considering the scope of the annual audit and the extent of the non audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the internal control systems (including risk management processes) in place within the Group. The audit and risk committee will normally meet not less than three times a year.

The audit and risk committee is chaired by Geoffrey Gavey and its other members are Michael Liston, OBE and Alison Hutchinson, CBE. The UK Corporate Governance Code recommends that all members of the audit and risk committee be independent non-executive directors, that one such member has recent and relevant financial experience and that the committee as a whole shall have competence relevant to the sector in which the Company operates. Whilst no member of the audit and risk committee has an accounting or audit qualification, the Board considers that the Company complies with the requirements of the UK Corporate Governance Code, with Geoffrey Gavey having recent and relevant financial experience. The absence of a member of the audit committee with an accounting and/or audit qualification will be kept under periodic review by the Board following Admission.

The chair of the audit committee will be available at annual general meetings of the Company to respond to questions from Shareholders on the audit committee's activities.

4.3 *Nomination committee*

The nomination committee assists the Board in determining the composition and make-up of the Board. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors, as the need may arise. The nomination committee also determines succession plans for the Board. The nomination committee will normally meet not less than once a year.

The nomination committee will also prepare a report to be included in the Company's annual report. This will describe the activities of the nomination committee including, among other matters, the process used to make appointments. The chair of the nomination committee will be available at annual general meetings of the Company to respond to questions from Shareholders on the nomination committee's activities.

The nomination committee is chaired by Michael Liston, OBE and its other members are Geoffrey Gavey and Alison Hutchinson, CBE. The UK Corporate Governance Code recommends that a majority of the nomination committee be independent non-executive directors. The Board considers that the Company complies with the requirements of the UK Corporate Governance Code in that regard.

4.4 *Remuneration committee*

The remuneration committee recommends what policy the Company should adopt on executive remuneration, determines the levels of remuneration for each of the Directors and recommends and monitors the remuneration of members of Senior Management. The remuneration committee will also prepare an annual remuneration report to be approved by the members of the Company at the annual general meeting. The chair of the remuneration committee will be available at annual general meetings of the Company to respond to questions from Shareholders on the remuneration committee's activities. The remuneration committee will normally meet not less than twice a year.

The remuneration committee is chaired by Michael Liston, OBE and its other members are Geoffrey Gavey and Alison Hutchinson, CBE. The UK Corporate Governance Code recommends that all members of the remuneration committee be independent non-executive directors. The Board considers that the Company complies with the requirements of the UK Corporate Governance Code in that regard. The UK Corporate

Governance Code further recommends that the chair of the Remuneration Committee has served on a remuneration committee for 12 months and Michael Liston, OBE satisfies this requirement.

4.5 Market disclosure committee

The Board has established a market disclosure committee in order to ensure timely and accurate disclosure of all information that is required to be so disclosed to the market to meet the legal and regulatory obligations and requirements arising from the listing of the Company's securities on the London Stock Exchange, including the Listing Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation.

The market disclosure committee will meet at such times as shall be necessary or appropriate, as determined by the chair of the market disclosure committee or, in his or her absence, by any other member of the market disclosure committee. The market disclosure committee is chaired by Bernard Fairman and its other members are Gary Fraser and Alison Hutchinson, CBE.

4.6 Workforce engagement

As one of the Company's methods to gather the views of the workforce and take these views into consideration in Board discussions and decision-making, the Company will appoint Alison Hutchinson with effect from Admission, as its designated Non-Executive Director for workforce engagement.

4.7 Share dealing code

The Company has adopted, with effect from Admission, a code of securities dealings in relation to the Shares which is based on the requirements of the Market Abuse Regulation. The code adopted will apply to the Directors, members of the Senior Management team and other relevant employees of the Foresight Group.

4.8 Relationship Agreement

The Company entered into the Relationship Agreement with Bernard Fairman, Gary Fraser, Beau Port Investments Limited, Foresight (Guernsey) Limited, David Hughes, Nigel Aitchison, Russell Healey, Michael Currie and Federico Giannandrea which will regulate (in part) the degree of control that these Shareholders and their respective affiliates may exercise over the management of the Company. Further details regarding the Relationship Agreement are set out in paragraph 12.2 of Part 13 "Additional Information" of this Prospectus.

4.9 Conflicts of interest

As set out at paragraph 5.3 of Part 13 "Additional Information", it is intended that Beau Port Investments Limited will become a major shareholder of the Company prior to Admission, subject to obtaining any necessary regulatory approvals. Bernard Fairman is the sole shareholder of Beau Port Investments Limited. Geoffrey Gavey held a directorship on the board of Beau Port Investments Limited. Geoffrey Gavey resigned as a director of Beau Port Investments Limited on 8 December 2020 in order to avoid any actual or potential conflict of interest between the duties owed by him to the Company and the duties owed by him to Beau Port Investments Limited. Notwithstanding his historic appointment to the board of Beau Port Investments Limited, the Board considers Geoffrey to be independent for the purpose of his appointment as a Non-Executive Director of the Company.

Michael Liston, OBE holds a non-executive directorship on the board of Foresight Solar & Technology VCT Plc and Foresight European Solar Fund GP Ltd (which are managed by Foresight Group LLP). Michael resigned as a non-executive director of both the Foresight Solar & Technology VCT Plc and Foresight European Solar Fund GP Ltd on 2 January 2021, in each case conditional upon and with effect from Admission. Notwithstanding his historic appointment to the board of Foresight Solar & Technology VCT Plc and Foresight European Solar Fund GP Ltd, the Board considers Michael to be independent for the purpose of his appointment as a Non-Executive Director of the Company.

Following the completion of the resignations described in this paragraph 4.9, there will be no actual or potential conflicts of interest between the duties owed by the Directors or Senior Management to the Foresight Group, and the private interests and/or other duties that they may also have.

PART 8 - SELECTED FINANCIAL INFORMATION

The selected financial information set out below has been extracted without material amendment from Part 11 "Financial Information" of this Prospectus, where it is shown with important notes describing some of the line items.

1 Combined Statement of Comprehensive Income

	Year ended			Six months ended	
	31 March 2018	31 March 2019	31 March 2020	30 September 2019	30 September 2020
	<i>£'000</i>				
	<i>(unaudited)</i>				
Revenue	51,668	49,538	57,253	28,175	32,417
Cost of sales	(4,793)	(5,645)	(4,388)	(2,243)	(2,327)
Gross profit	46,875	43,893	52,865	25,932	30,090
Administrative expenses	(33,808)	(37,467)	(46,469)	(20,039)	(22,697)
Other operating income	-	1,385	795	45	46
Operating profit	13,067	7,811	7,191	5,938	7,439
Financial income	7	10	1	-	2
Financial expenses	(731)	(724)	(725)	(345)	(365)
Fair value gains/(losses) on investments	(41)	-	(147)	-	51
Share of profit/(losses) of associates	-	-	235	-	(20)
Profit on sale of Subsidiaries	3,481	-	-	-	-
Net financing income/(expense)	2,716	(714)	(636)	(345)	(332)
Profit before tax	15,783	7,097	6,555	5,593	7,107
Corporate Taxation	(15)	(95)	(53)	(2)	(1)
Profit for the year/period	15,768	7,002	6,502	5,591	7,106
Profit attributable to equity holders owners of the parent	15,768	7,002	6,502	5,591	7,106
Basic Earnings Per Share	£43.90	£15.69	£12.22	£11.99	£12.68

2 Combined Statement of Financial Position

	As at		As at	
	31 March 2018	31 March 2019	31 March 2020	30 September 2020
	<i>£'000</i>			
Non-current assets				
Property, Plant & Equipment	16,419	14,862	14,571	13,382
Intangible assets	468	471	4,741	6,416
Investments	441	1,206	1,468	1,792
	17,328	16,539	20,780	21,590
Current assets				
Trade and other receivables	19,364	13,573	17,567	19,156
Cash and cash equivalents	10,577	10,069	13,904	11,972
	29,941	23,642	31,471	31,128
Current Liabilities	(14,635)	(14,058)	(19,216)	(14,297)
	(14,635)	(14,058)	(19,216)	(14,297)
Net current assets	15,306	9,584	12,255	16,831
Creditors: amounts falling due after more than one year	(13,736)	(12,753)	(12,127)	(15,084)
Net assets	18,898	13,370	20,908	23,337
Share capital	1	1	1	1
Group reorganisation reserve	30	30	30	30
Invested Capital	3,804	6,018	52,080	52,080
Share based payment reserve	3,027	1,511	101	125
Retained earnings	12,036	5,810	(31,304)	(28,899)
Shareholders' funds	18,898	13,370	20,908	23,337

3 Combined Cashflow Statement

	Year ended			Six months ended	
	31 March 2018	31 March 2019	31 March 2020	30 September 2019	30 September 2020
	£'000			(unaudited)	
Operating profit	13,067	7,811	7,191	5,938	7,439
Share Based Payment	1,447	820	349	189	24
Depreciation and amortisation	612	823	1,692	669	1,095
Bargain gain on purchase	-	-	-	-	(111)
Right of Use Assets Depreciation	1,415	1,614	1,690	825	882
Loss/(profit) on disposal of fixed assets	165	2	1	(6)	-
(Profit)/loss on disposal of fixed asset investments	(647)	1	-	-	-
Foreign currency translation differences	(4)	9	4	-	(3)
Change in debtors	(1,941)	5,789	(502)	(3,272)	(1,407)
Change in creditors due within one year	4,349	(417)	4,548	(465)	(5,725)
Cash generated from operations	18,464	16,452	14,973	3,878	2,194
Tax paid	(63)	(100)	(1)	275	(1)
Interest paid	(731)	(724)	(725)	(345)	(328)
Net cash from operating activities	17,670	15,628	14,247	3,808	1,865
Cash flows from investing activities					
Cash Receipts from Invested Capital	4,615	2,214	46,062	-	-
Acquisition of property, plant and equipment	(1,489)	(278)	(744)	(235)	(69)
Acquisition of intangible assets	(308)	(141)	(5,266)	(5,205)	(13)
Acquisition of investment	(419)	(774)	(381)	(166)	(435)
Proceeds from disposal of subsidiaries/ fixed asset investments	5,637	8	59	59	144
Interest received	7	10	1	-	2
Acquisition of subsidiary	-	-	-	-	2,348
Net cash from investing activities	8,043	1,039	39,731	(5,547)	1,977
Cash flows from financing activities					
Equity dividends paid and share buy back	(9,242)	(6,677)	(42,958)	(1,485)	(1,950)
Loans to and from shareholders	550	-	(2,594)	1,650	244
Redemption on preference shares	(12,711)	(8,889)	(2,416)	(2,416)	(2,750)
Repayment of lease liabilities	(1,308)	(1,609)	(2,176)	(1,086)	(1,318)
Net cash from financing activities	(22,711)	(17,175)	(50,144)	(3,337)	(5,774)
Net increase/(decrease) in cash and cash equivalents	3,002	(508)	3,835	(5,076)	(1,932)
Cash and cash equivalents at 1 April	7,575	10,577	10,069	10,069	13,904
Cash and cash equivalents at 31 March/30 September	10,577	10,069	13,904	4,993	11,972

4 Combined Statement of Changes in Equity

For the years ended 31 March 2018, 2019 and 2020 and the six months ended 30 September 2020:

	Share Capital	Group Reorg Reserve	Invested Capital	Share Based Payment Reserve	Retained Earnings	Total Equity
	<i>£'000</i>					
Balance at 1 April 2017	1	30	(811)	3,915	15,886	19,021
Net profit FY 2018	-	-	-	-	15,768	15,768
Invested Capital	-	-	4,615	-	-	4,615
Dividends	-	-	-	-	(8,917)	(8,917)
Share Based Payments	-	-	-	1,447	-	1,447
Transfer Share Based Payments to/from Retained Earnings	-	-	-	(2,336)	2,336	-
Premium on Redemption	-	-	-	-	(12,711)	(12,711)
Share buy-back	-	-	-	-	(326)	(326)
Balance at 31 March 2018	1	30	3,804	3,027	12,036	18,898

	Share Capital	Group Reorg Reserve	Invested Capital	Share Based Payment Reserve	Retained Earnings	Total Equity
	<i>£'000</i>					
Balance at 1 April 2018	1	30	3,804	3,027	12,036	18,898
Net profit FY 2019	-	-	-	-	7,003	7,003
Invested Capital	-	-	2,214	-	-	2,214
Dividends	-	-	-	-	(6,676)	(6,676)
Share Based Payments	-	-	-	820	-	820
Transfer Share Based Payments to/from Retained Earnings	-	-	-	(2,337)	2,337	-
Premium on Redemption	-	-	-	-	(8,889)	(8,889)
Balance at 31 March 2019	1	30	6,018	1,511	5,810	13,370

	Share Capital	Group Reorg Reserve	Invested Capital	Share Based Payment Reserve	Retained Earnings	Total Equity
	<i>£'000</i>					
Balance at 1 April 2019	1	30	6,018	1,511	5,810	13,370
Net profit FY 2020	-	-	-	-	6,501	6,501
Invested Capital	-	-	46,062	-	-	46,062
Dividends	-	-	-	-	(6,125)	(6,125)
Share Based Payments	-	-	-	349	-	349
Transfer Share Based Payments to/from Retained Earnings	-	-	-	(1,758)	1,758	-
Premium on Redemption	-	-	-	-	(2,416)	(2,416)
Share buy-back	-	-	-	-	(36,833)	(36,833)
Balance at 31 March 2020	1	30	52,080	101	(31,304)	20,908

	Share Capital	Group Reorg Reserve	Invested Capital	Share Based Payment Reserve	Retained Earnings	Total Equity
	<i>£'000</i>					
Balance at 1 April 2020	1	30	52,080	101	(31,304)	20,908
Net profit for the six months ended 30 September 2020	-	-	-	-	7,106	7,106
Dividends	-	-	-	-	(1,951)	(1,951)
Share Based Payments	-	-	-	24	-	24
Premium on Redemption	-	-	-	-	(2,750)	(2,750)
Balance at 30 September 2020	1	30	52,080	125	(28,899)	23,337

PART 9 - OPERATING AND FINANCIAL REVIEW

This Part 9 "Operating and Financial Review" should be read together with the entire document and, in particular, in conjunction with Part 2 "Presentation of Financial and Other Information", Part 5 "Industry Overview", Part 6 "The Business" and Part 11 "Financial Information". Prospective investors should read the entire document and not just rely on the summary information set out below. The financial information considered in this Part 9 "Operating and Financial Review" is extracted from the combined historical financial information set out in Part 11 "Financial Information".

The combined Historical Financial Information for the three years and six months ended 30 September 2020 has been prepared specifically for the purposes of this Prospectus and in accordance with Commission Delegated Regulation (EU) 2019/980. The combined Historical Financial Information does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006. IFRS does not provide for the preparation of combined financial information and, accordingly, in preparing the Historical Financial Information, certain accounting conventions commonly used for the preparation of financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 Standards for Investment Reporting applicable to public reporting engagements on historical financial information, issued by the UK Auditing Practices Board, have been applied. The application of these conventions results in a material departure from IFRS because the Historical Financial Information is not prepared on a consolidated basis and therefore does not comply with the requirements of IFRS 10 Consolidated Financial Information. The Historical Financial Information has been prepared on a basis that combines the results, cash flows, assets and liabilities of the operating activities that constitutes the Foresight Group, derived from the accounting records of the Foresight Group, by applying the principles underlying the consolidation procedures of IFRS 10. In all other material respects, IFRS has been applied.

The following discussion of the Company's results of operations and financial conditions contains forward-looking statements. The Company's actual results could differ materially from those that it discusses in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this document, particularly under Part 1 "Risk Factors" and Part 2 "Presentation of Financial and Other Information". In this discussion and analysis, the financial years ended 31 March 2018, 31 March 2019 and 31 March 2020 are at times referred to as FY 2018, FY 2019 and FY 2020, respectively.

In addition, the following discussion of the Company's results of operations and financial conditions contains the Directors' estimates with respect to certain revenue and cost break-downs. These estimates are derived from management reporting systems and not from the Group's financial accounting systems or financial accounting records and, therefore, are not subject to the same degree of internal controls as information derived from the Group's financial accounting systems. The Directors' estimates are unaudited and are not reviewed by the Group's auditors. The Directors nonetheless believe that investors will find this information helpful in assessing the Group's business. Undue reliance should not be placed on these estimates nor should they be interpreted as a reliable indicator of future performance.

1 Overview

The Foresight Group is an award-winning infrastructure asset 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. The Foresight Group 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. As at 30 September 2020, the Foresight Group managed 292 infrastructure assets and 104 private equity investments on behalf of 33 Foresight Funds. As at 30 September 2020, the Foresight Group had AuM of £6.8 billion across the Foresight Funds.

The 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. The Foresight Group had Gross Funds Raised of £516.0 million (Net Funds Raised of £390.0 million) from March 2020 to September 2020 compared to Gross Funds Raised of £502.0 million (Net Funds Raised of £477.0 million) raised during the same period in FY 2020. In FY 2020, the Foresight Group had Gross Institutional Funds Raised of £569.9 million (FY 2019: £192.5 million; FY 2018: £170.3 million) and Gross Retail Funds Raised of £826.7 million (FY 2019: £357.4 million; FY 2018:

£201.9 million). The Foresight Group's investment team is led by 115 investment, portfolio and technical professionals as at 30 September 2020.

2 Key Performance Indicators

Senior Management consider a range of financial measures and other metrics in assessing the Foresight Group's performance, and the Directors believe that each of these KPIs provides useful information regarding the Foresight Group's business and operations. Apart from Adjusted EBITDA, Core EBITDA, and Recurring Revenue, the KPIs are not part of the Foresight Group's audited, combined historical financial information and have not been audited or otherwise reviewed by external auditors, consultants or experts and in certain circumstances are based on the Foresight Group's estimates. Moreover, these measures and metrics may be defined or calculated differently by other companies and, as a result, the Foresight Group's KPIs may not be directly comparable to similar measures and metrics calculated by its peers. For further information on the non-IFRS financial measures and KPIs the Foresight Group uses, including a reconciliation of Adjusted EBITDA, Core EBITDA and Recurring Revenue to the most directly comparable financial measure calculated in accordance with IFRS, see Part 2 "Presentation of Financial and Other Information".

	Year ended			Six months ended	
	31 March 2018	31 March 2019	31 March 2020	30 September 2019	30 September 2020
Average AuM (£m) ⁽¹⁾	2,704	2,775	4,063	3,774	6,098
Average FuM (£m) ⁽²⁾	2,147	2,138	3,166	2,887	4,402
Recurring Revenue (£000) ⁽³⁾	34,885	38,205	48,883	24,024	29,508
Adjusted EBITDA (£000) ⁽⁴⁾	15,094	10,247	10,574	7,432	9,415
Core EBITDA (£000) ⁽⁵⁾	17,903	11,869	12,899	7,904	10,692
Administrative expenses (£000) ⁽⁶⁾	33,808	37,467	46,469	20,039	22,697
Recurring Revenue / Revenue ⁽⁷⁾	67.5%	77.1%	85.4%	85.3%	91.0%
Revenue / Average FuM ⁽⁸⁾	2.4%	2.3%	1.8%	1.0% ⁽¹⁰⁾	0.7% ⁽¹¹⁾
Core EBITDA Margin ⁽⁹⁾	34.7%	24.0%	22.5%	28.1%	33.0%

Notes:

(1) "Average AuM" is calculated as an average of the Foresight Group's quarterly AuM valuations in the relevant financial year or six month period.

(2) "Average FuM" is calculated as an average of the Foresight Group's quarterly FuM valuations in the relevant financial year or six month period.

(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 to otherwise distort the underlying performance of the Foresight Group.

(6) "Administrative expenses" comprise depreciation and amortisation of owned assets, right of use asset depreciation, staff costs, staff costs - distributions, share based payments, legal and professional costs, office 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 the 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.

3 Principal Factors Affecting the Foresight Group's Results of Operations and Financial Condition

The Foresight Group's results of operations and financial condition are affected by a variety of factors, a number of which are outside the Foresight Group's control. Set out below is a discussion of the principal factors that the Directors believe affected the Foresight Group's results of operations and financial condition during the periods under review and those which the Directors currently expect to affect its operations and financial results in the future. Factors other than those presented below could also have a significant impact on the Foresight Group's results of operation and financial condition.

3.1 *AuM and FuM*

AuM

AuM is defined as the 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. The Foresight Group's results of operations and financial performance are impacted significantly by FuM, the largest component of AuM, on which the Foresight Group's management and secretarial fee income is principally based. The Foresight Group has demonstrated strong AuM growth over the previous three financial years and to the six months ended 30 September 2020.

Total AuM increased from £2.6 billion as at 31 March 2018, to £3.0 billion as at 31 March 2019 to £4.5 billion as at 31 March 2020 and increased from £4.2 billion as at 30 September 2019 to £6.8 billion as at 30 September 2020, representing a CAGR of 32.7 per cent. from FY 2018 to FY 2020.⁶² As at 30 September 2020, Foresight Infrastructure accounted for 90.2 per cent. and Foresight Private Equity accounted for 9.8 per cent. of the Foresight Group's AuM, and institutional funds accounted for 66.6 per cent. and retail funds accounted for 33.4 per cent. of the Foresight Group's AuM. As at 30 September 2020, Foresight Infrastructure's AuM was £6.1 billion (FY 2020: 3.9; FY 2019: 2.4; FY 2018: 2.1) and Foresight Private Equity's AuM was £0.7 billion (FY 2020: 0.6; FY 2019: 0.5; FY 2018: 0.4). As at 30 September 2020, the split of AuM between institutional and retail was £4.5 billion and £2.3 billion, respectively.

Revenue as a percentage of Average AuM⁶³ was 1.91 per cent. in FY 2018, 1.79 per cent. in FY 2019, 1.41 per cent. in FY 2020, 0.75 per cent. for the six months ended 30 September 2019 and 0.53 per cent. for the six months ended 30 September 2020. Foresight Infrastructure's revenue as a percentage of Average Infrastructure AuM⁶⁴ was 1.68 per cent. in FY 2018, 1.47 per cent. in FY 2019 and 1.14 per cent. in FY 2020. Foresight Private Equity's revenue as a percentage of Average Private Equity AuM⁶⁵ was 3.18 per cent. in FY 2018, 3.26 per cent. in FY 2019 and 2.94 per cent. in FY 2020. This trend is principally due to the change in mix of funds, as the OEICs become a larger proportion of AuM, with a lower management fee (0.65 to 0.85 per cent. versus up to 2.00 to 2.25 per cent. on other funds), and the Directors do not expect this to have a negative impact on profit margins which they believe will ultimately benefit from the shift to OEICs. The decline in FY 2020 was also a result of lower management fees from the ITS funds, which until 1 January 2021 were tied to relevant performance hurdles that were not met in the fourth quarter of FY 2019 and the whole of FY 2020. The lower figures for the six months to 30 September 2019 and six months to September 2020 reflect the acquisitions of JLEN and PiP (resulting in AuM increasing significantly at each half-year end, but without the associated revenues from those funds for the whole six month period).

Net Funds Raised by the Foresight Funds contribute to increases or decreases in AuM, respectively, with total AuM increasing by £4.2 billion from 31 March 2018 to 30 September 2020, which was principally driven by funds raised by FIIF, FSFL, ITS, GRIF and FEIP. The state and composition of the Foresight Group's AuM is, and will continue to be, influenced by a variety of factors including, among other things, Gross Funds raised, investment performance, strategic acquisitions, the composition of AuM among the Foresight Funds, the performance and volatility of the markets in which AuM is invested and investor sentiment and confidence.

The Foresight Group's acquisition of the advisory mandate and management team of JLEN in July 2019 and acquisition of PiP in August 2020 have had a significant impact on AuM growth, with JLEN and PiP

⁶² CAGR is a non-IFRS measure and undue influence should not be placed on it nor should it be interpreted as a reliable indicator of future performance. CAGR can have the effect of dampening volatility of AuM from year to year which can be caused by a number of factors affecting the Company's results of operations.

⁶³ Calculated as the Foresight Group's total management fees, secretarial fees and directors' fees as a percentage of Average AuM, being the average of the Foresight Group's quarterly AuM valuations in the relevant financial period.

⁶⁴ Calculated as Foresight Infrastructure's total management fees and secretarial fees as a percentage of Average Infrastructure AuM, being the average of Foresight Infrastructure's quarterly AuM valuations in the relevant financial period.

⁶⁵ Calculated as Foresight Private Equity's total management fees, secretarial fees and directors' fees as a percentage of Average Infrastructure AuM, being the average of Foresight Private Equity's quarterly AuM valuations in the relevant financial period.

accounting for 12.4 per cent. and 25.1 per cent. of the Foresight Group's AuM, respectively, as at 30 September 2020. The Directors expect that the Foresight Group may take advantage of further strategic acquisitions should the opportunity arise, which could further drive AuM growth going forward. Excluding the impact of the acquisitions of JLEN and PiP, the Foresight Group grew its AuM from £3.4 billion as at 30 September 2019 to £4.2 billion as at 30 September 2020, representing growth of 22.6 per cent.

The Directors believe AuM growth will continue to have a significant impact on the Foresight Group's results of operations and financial performance and are targeting AuM to grow between 20 and 25 per cent. annually over the medium term, which is generally in line with the Foresight Group's performance over the last five financial years.

FuM

FuM is defined as the Foresight Group's funds under management, being the NAV of the Foresight Funds plus the capital that the Foresight Group is entitled to call from investors in the Foresight Funds pursuant to the terms of their capital commitments to those Foresight Funds. As the Foresight Group's management and secretarial fee income is principally based on FuM, factors that affect the levels and growth of FuM have a direct and significant impact on the Foresight Group's results of operations.

Total FuM increased from £2.2 billion as at 31 March 2018, to £2.3 billion as at 31 March 2019 to £3.6 billion as at 31 March 2020 and increased from £3.3 billion as at 30 September 2019 to £4.8 billion as at 30 September 2020. As at 30 September 2020, Foresight Infrastructure's FuM was £4.1 billion (FY 2020: 3.0; FY 2019: 1.7; FY 2018: 1.7) and Foresight Private Equity's FuM was £0.7 billion (FY 2020: 0.6; FY 2019: 0.5; FY 2018: 0.4). As at 30 September 2020, the split of FuM between institutional and retail was £2.6 billion, or 54.0 per cent., and £2.2 billion, or 46.0 per cent., respectively.

Revenue / Average FuM was 2.41 per cent. in FY 2018, 2.32 per cent. in FY 2019 and 1.81 per cent. in FY 2020. Retail revenue as a percentage of Average Retail FuM⁶⁶ was 2.35 per cent. in FY 2018, 2.21 per cent. in FY 2019 and 1.74 per cent. in FY 2020. Institutional revenue as a percentage of Average Institutional FuM⁶⁷ was 0.90 per cent. in FY 2018, 1.23 per cent. in FY 2019 and 1.18 per cent. in FY 2020. Foresight Infrastructure's revenue as a percentage of Average Infrastructure FuM⁶⁸ was 2.22 per cent. in FY 2018, 2.04 per cent. in FY 2019 and 1.54 per cent. in FY 2020. Foresight Private Equity's revenue as a percentage of Average Private Equity FuM⁶⁹ was 3.18 per cent. in FY 2018, 3.26 per cent. in FY 2019 and 2.94 per cent. in FY 2020. This trend is principally due to the change in mix of funds, as the OEICs become a larger proportion of FuM, as described above, and the decline in FY 2020 was also a result of lower management fees from the ITS funds, which were tied to relevant performance hurdles that were not met in the fourth quarter of FY 2019 and in the whole of FY 2020.

Growth in FuM is primarily driven by the launch of new Foresight Funds, Gross Funds Raised, investment performance and strategic acquisitions.

In FY 2020, the Foresight Group had Gross Institutional Funds Raised of £569.9 million (FY 2019: £192.5 million; FY 2018: £170.3 million) and Gross Retail Funds Raised of £826.7 million (FY 2019: £357.4 million; FY 2018: £201.9 million).

The launch of new Foresight Funds, particularly the Foresight Group's OEICs, have had a significant impact on the increase in Gross Funds Raised over the period. The Directors believe the OEIC market will be a key driver of retail fundraising and FuM in the near to medium term. The ability of the Foresight Group to increase Gross Funds Raised, and in turn FuM, is also driven by investment performance of the Foresight Funds, with stronger returns on the Foresight Funds typically attracting more investment. Diversification and expansion into new asset classes, such as sustainable forestry, fibre broadband and low carbon transport, including Bio-CNG for use as a transport fuel, also increase the Foresight Group's ability to fundraise by responding to investor demand for new opportunities and asset classes.

The Foresight Group's acquisition of the JLEN advisory mandate and management team in July 2019 has further strengthened the Foresight Group's fundraising performance with £57.2 million of Gross Funds Raised in FY 2020 being attributable to fundraising mandates for JLEN, accounting for 4.1 per cent. of the Foresight Group's total Gross Funds Raised in the period.

⁶⁶ Calculated as the Foresight Group's management and secretarial fees from retail based products as a percentage of Average Retail FuM, being the average of the Foresight Group's quarterly retail FuM valuations in the relevant financial period.

⁶⁷ Calculated as the Foresight Group's management and secretarial fees from institutional based products as a percentage of Average Institutional FuM, being the average of the Foresight Group's quarterly institutional FuM valuations in the relevant financial period.

⁶⁸ Calculated as Foresight Infrastructure's total management fees and secretarial fees as a percentage of Average Infrastructure FuM, being the average of Foresight Infrastructure's quarterly FuM valuations in the relevant financial period.

⁶⁹ Calculated as Foresight Private Equity's total management fees, secretarial fees and directors' fees as a percentage of Average Infrastructure FuM, being the average of Foresight Private Equity's quarterly FuM valuations in the relevant financial period.

3.2 *Revenue Model*

The Foresight Group's revenue model and changes to the split between recurring, re-occurring and non-recurring revenue have had a significant impact on its results of operations and financial performance over the previous three financial years and the six months ended 30 September 2020. The Foresight Group classifies its revenue as recurring (management, secretarial and director fees), re-occurring (marketing fees) and non-recurring (arrangement, performance and other fees).

Since FY 2019, the Foresight Group has shifted its focus towards generating higher quality Recurring Revenue, with less reliance on transactional event-based revenues and one-off disposal profits. This transition has resulted in Recurring Revenue increasing from £34.9 million in FY 2018 to £48.9 million in FY 2020, representing 67.5 per cent. and 85.4 per cent. of total revenue, respectively. Management fees, which are principally driven by FuM, accounted for 84.5 per cent., 80.9 per cent. and 72.7 per cent. of the total Recurring Revenue in FY 2018, FY 2019 and FY 2020, respectively. Recurring Revenue increased from £24.0 million for the six months ended 30 September 2019 to £29.5 million for the six months ended 30 September 2020, representing 85.3 per cent. and 91.0 per cent. of total revenue, respectively. Management fees accounted for 76.5 per cent. of the total Recurring Revenue for the six months ended 30 September 2020.

Re-occurring revenue represented 7.6 per cent., 8.2 per cent. and 7.5 per cent. of the total revenue in FY 2018, FY 2019 and FY 2020, respectively. Non-recurring revenue has declined as a percentage of total revenue over the period as a result of the shift to Recurring Revenue, from 24.9 per cent. in FY 2018 to 7.1 per cent. in FY 2020. Non-recurring revenue represented 5.0 per cent. of total revenue for the six months ended 30 September 2020 compared to 7.1 per cent. for the six months ended 30 September 2019.

Total revenue for the Foresight Group decreased from £51.7 million in FY 2018 to £49.5 million in FY 2019 and then increased to £57.3 million in FY 2020, representing a decrease of 4.1 per cent. and an increase of 15.6 per cent., respectively. The transition away from non-recurring revenue impacted the Foresight Group's revenue and profitability in FY 2019 compared to FY 2018, but revenue again increased in FY 2020 as the full impact of the transition began to take effect, together with strong FuM growth. The Directors believe that the shift in focus of the Foresight Group's revenue model to Recurring Revenue has positioned it to benefit from stable revenue generation in line with FuM.

3.3 *Administrative Expenses and Margins*

The Foresight Group's administrative expenses have a significant impact on its results of operations and margins. Administrative expenses include depreciation and amortisation, staff costs, staff costs - distributions, share based payments, auditors remuneration, legal and professional costs, office costs, administrative costs, foreign exchange costs, travel costs, commissions, bad debt write offs and other operating expenditure. Administrative expenses increased from £33.8 million in FY 2018 to £46.5 million in FY 2020, representing growth of 37.4 per cent. and from £20.0 million in the six months ended 30 September 2019 to £22.7 million in the six months ended 30 September 2020, representing a 13.3 per cent. increase. The increase in administrative expenses has primarily been driven by increased staff costs as a result of increased headcount to support the Foresight Group's AuM growth (including an increase of 21 full time equivalent employees as part of the JLEN and PiP acquisitions). Administrative expenses as a percentage of Average AuM decreased from 1.25 per cent. in FY 2018 to 1.14 per cent. in FY 2020.

Total staff costs constitute a significant majority of the Foresight Group's administrative expenses, representing 64.8 per cent., 63.9 per cent. and 63.0 per cent. of total administrative expenses in FY 2018, FY 2019 and FY 2020, respectively, and 68.3 per cent. of total administrative expenses for the six months ended 30 September 2020. Total staff costs increased from £21.9 million in FY 2018 to £29.3 million in FY 2020, representing an increase of 33.5 per cent, and from £13.2 million in the six months ended 30 September 2019 to £15.5 million in the six months ended 30 September 2020, representing an increase of 17.4 per cent. This increase was primarily due to an increase of 32.0 per cent. in headcount, with average full-time equivalent employees increasing from 171 in FY 2018 to 226 in FY 2020, as well as increases in salaries per average full-time equivalent employee. Foresight Group's administrative expenses per average full-time equivalent employee was £0.20 million in FY 2018, £0.19 million in FY 2019 and £0.21 million in FY 2020. Total revenue per average full-time equivalent employee was £0.30 million in FY 2018, £0.25 million in FY 2019 and £0.25 million in FY 2020.

Non-staff costs (comprised of legal and professional costs, office costs and other operating expenses), represented 35.2 per cent., 36.1 per cent. and 37.0 per cent. of administrative expenses in FY 2018, FY 2019 and FY 2020, respectively, and 31.7 per cent. of administrative expenses for the six months ended 30 September 2020. Non-staff costs increased by 44.7 per cent. from £11.9 million in FY 2018 to £17.2

million in FY 2020, and from £6.8 million in the six months ended 30 September 2019 to £7.2 million in the six months ended 30 September 2020, representing an increase of 5.3 per cent.

Cost to income ratio⁷⁰ increased from 65.4 per cent. in FY 2018 to 75.6 per cent. in FY 2019 and to 81.2 per cent. in FY 2020,⁷¹ which was primarily a result of the decrease in revenue as a result of the ITS funds not meeting the relevant performance hurdles in the fourth quarter of FY 2019 and in FY 2020, but decreased from 71.1 per cent. in the six months ended 30 September 2019 to 70.0 per cent. in the six months ended 30 September 2020, which was primarily a result of revenue increasing as a result of the ITS funds meeting the relevant performance hurdles and generating management fees in the six months ended 30 September 2020. The Directors believe that the increase in administrative expenses over the period, particularly staff costs, has positioned the Foresight Group for future growth and that the rate of increase in administrative expenses has been relatively stable taking account of the Foresight Group's AuM growth over the previous three financial years and the six months ended 30 September 2020. This is evidenced by the overall decline of cost as a percentage of Average AuM which was 1.25 per cent. in FY 2018, 1.35 per cent. in FY 2019 and 1.14 per cent. in FY 2020 and cost as a percentage of Average FuM which was 1.57 per cent. in FY 2018, 1.75 per cent. in FY 2019 and 1.47 per cent. in FY 2020.

Additionally, the Foresight Group undertook certain cost cutting initiatives in 2020 with a focus on fewer larger sized transactions and optimisation of its back office and support functions. The Directors believe these and other cost cutting initiatives that have previously been undertaken will reduce overall staff costs by 7 per cent. in the medium term and may result in potential Core EBITDA Margin improvement of approximately 4 percentage points over the same period on a like for like basis. While the Foresight Group's Core EBITDA Margin has declined from 34.7 per cent. in FY 2018 to 22.5 per cent. in FY 2020⁷², the Directors believe that there is significant potential for longer-term margin improvement as AuM grows and the business continues to scale. As a result, the Directors are targeting Core EBITDA Margin of approximately 43 per cent. in the medium term.

3.4 **General market conditions and investing trends**

The Foresight Group's results of operations, financial performance and profitability can be impacted by a number of general market trends and conditions, including the general macroeconomic environment (including the economic impact of the COVID-19 pandemic), energy prices and investment trends, such as market demand for ESG-focused investment.

General macroeconomic conditions have a significant impact on investor sentiment regarding the future prospects of investment markets and investor behaviour, and the Foresight Group can be impacted by these conditions and cycles. In particular, the ongoing COVID-19 pandemic has had a significant negative impact on the global economy and contributed to increased market volatility since the first quarter of calendar year 2020. While the Foresight Group's performance has been generally resilient during this period, it was not entirely unaffected by the impact of the COVID-19 pandemic. For example, the Foresight Group experienced a decrease in retail fundraising by its OEICs in the period immediately following the imposition of lockdown conditions in the UK, but this quickly recovered in subsequent months to levels seen in the previous year. Despite this, the Foresight Group's fundraising remained strong with Gross Funds raised of £516.0 million in the six months ended 30 September 2020 compared to £502.0 million in the six months ended 30 September 2019 (for comparability, exclusive of funds raised through the acquisitions of JLEN and PIP, which were acquired in July 2019 and August 2020, respectively).

A significant portion of the Foresight Group's Infrastructure AuM consists of energy generation assets and general macroeconomic conditions can have a significant impact on energy price levels and power usage demand. The prices at which the Foresight Infrastructure Funds' renewable energy generation assets sell electricity is generally determined by market prices in the jurisdictions in which such assets are located. Although a proportion of revenues are linked to fixed price PPAs, fluctuations in the market price of electricity can have an impact on the value of such assets, which in turn could impact AuM and FuM and ultimately the fee income receivable by the Foresight Group.

For example, as a result of the COVID-19 pandemic and related lockdown and other restrictions imposed, demand and pricing fell for electricity. Future forecasts of power prices, which are published by a range of independent consultants on a quarterly basis, also declined. However, as the initial restrictions put in place in response to the COVID-19 pandemic were gradually relaxed, market prices for electricity recovered to

⁷⁰ Calculated as total administrative expenses as a percentage of total revenues.

⁷¹ The higher figure in FY 2020 was primarily a result of lower management fees from the ITS funds due to not meeting the performance hurdle in the fourth quarter of FY 2019 and in FY 2020.

⁷² The FY 2020 figure was primarily a result of lower management fees from the ITS funds due to them not meeting the performance hurdle in the fourth quarter of FY 2019 and in FY 2020.

some extent and future power forecasts have stabilised. However, further future alterations in demand and supply on an inter daily and seasonal basis will continue to influence the actual pricing obtained for energy and inform the movement of independent consultants' forecasts, which also take account of other macro-economic factors.

The Foresight Group's results of operations have been significantly impacted by the growth of sustainable and ESG-focused investing. Investor demand for ESG-focused investment has increased significantly in recent years, particularly among institutional investors. Investors increasingly expect responsible investment principles to be adopted to demonstrate that ESG considerations are effectively integrated into investment strategies and decisions, fiduciary and stewardship duties and corporate values. It is estimated that by 2028, global AuM invested in ESG mandates will exceed \$100 trillion. Given the Foresight Group's focus on ESG investment strategies, its results of operations and financial performance have benefited, and are expected to continue to benefit, from this trend. The Directors believe that the demand for sustainable and ESG-focused investment will have an increasingly significant impact on its results of operations and financial performance going forward.

3.5 Tax Policy and regulation

Changes to government regulation and policy, in particular tax laws, rules or regulations, can have a significant impact on the Foresight Group's results of operations and financial performance. The Foresight Group and the Foresight Funds currently benefit from UK Government policies aimed at encouraging personal savings through the application of tax relief or particular tax regimes to certain types of investment. The Foresight Group's tax-efficient products comprise approximately £1.1 billion of AuM and include ITS, VCT and EIS funds. As a result, changes in taxation legislation and policy, particularly in the UK, may affect investor sentiment, making investment generally, and in these types of investment products specifically, either more or less appealing. For example, the UK Government amended the EIS and VCT scheme criteria in July 2014 to remove tax relief for subsidised solar assets, and following the exit of Foresight's Solar EIS funds, the Foresight Group was unable to replace it with similar solar EIS funds, which had an impact on AuM (and FuM) and the related fee income receivable by the Foresight Group.

In addition to changes in tax policy, the Directors believe that the Foresight Group is well placed to respond to changes in government policy and environmental and other regulation that would have an impact on its investment strategies. For example, the Directors believe that a significant part of any UK recovery from the economic and financial impact of COVID-19 will include significant government investment in infrastructure and renewable energy generation development and that Foresight Private Equity is well placed to take advantage of any national initiatives to refinance SMEs undertaken by the UK Government.

4 Current trading and prospects

Overview

The Foresight Group has continued to trade in line with the Directors' expectations and consistent with the trading performance for the six months ended 30 September 2020. The Directors expect this trend to continue for the remainder of the financial year, and believe the Foresight Group's business model and market position remain fundamentally strong.

The Directors do not believe that the end of the Brexit transitional period for the UK to leave the EU on 31 December 2020 will have a material adverse impact on the Foresight Group's business. The Foresight Group has sought to mitigate any Brexit impact by establishing a new AIFM licensed in Luxembourg, which has recently been approved by the CSSF.

The Directors believe the underlying drivers of the Foresight Group's investment strategies of ESG-focused renewable energy and infrastructure and regional private equity investing remain strong and the outlook remains positive.

Infrastructure

Between 30 September 2020 and 1 February 2021, Foresight Infrastructure has completed 15 investments, of which 8 were new sustainable forestry opportunities, with a total AuM of £177.1 million.

Foresight Infrastructure also completed a further interim close for FEIP on 21 December 2020 with €89 million in new funds raised since its first close resulting in secured fund commitments of approximately €431 million in aggregate, which together with co-investments as at that date, represented a total capital pool of approximately €600 million.

Foresight Infrastructure has continued to diversify and expand its investment strategies into new asset classes, such as the £80 million commitment to investment by the ITS and JLEN Funds into a portfolio of five Bio-CNG refuelling stations for heavy goods vehicles and related development opportunities nationally, which it announced on 4 December 2020. This investment represents the Foresight Group's first sustainable transport fuel investment.

It has also made its first investment into full fibre networks 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.

Retail fundraising has demonstrated greater resilience during the second and third UK lockdowns relating to the COVID-19 pandemic than was the case in the wake of the first UK lockdown in March 2020. In particular, the OEICs have continued to raise capital and deliver strong investment performance, with Net Funds Raised of approximately £174 million between 30 September 2020 and 1 February 2021. FP GRIF raised £42.4 million in a single day (12 January 2021), which the Directors consider to be an exceptional fundraising, and it was named the third top-performing infrastructure equity fund over the 12 months to 31 December 2020 by Citywire⁷³. As at 1 February 2021 the OEICs had AuM of approximately £1 billion.

Private Equity

Foresight Private Equity continues to deploy capital from across the Foresight Private Equity Funds and has completed 24 new and follow-on investments and deployed £45.6 million of capital between 30 September 2020 and 1 February 2021.

Other

The Foresight Group has incurred additional costs relating to its potential IPO of £0.5 million (including VAT, where applicable) in the six months ended 30 September 2020 and a further £4.5 million (including VAT, where applicable) of IPO-related costs are expected to be incurred in the six-month period ending 31 March 2021. Following the IPO, the Directors anticipate that there will also be an incremental cost increase of approximately £0.5 million per annum as a consequence of the Foresight Group's ongoing compliance obligations as a premium listed public company.

Following the Foresight Group's proposed Reorganisation, a greater proportion of the Foresight Group's profits will be subject to the UK corporate tax regime (see paragraph 3.2 of Part 2 "Presentation of Financial and Other Information" and "Reorganisation" in paragraph 11 of Part 13 "Additional Information" for more details). Consequently, the Directors believe that the Foresight Group's effective tax rate is likely to increase to between 10 per cent. and 13 per cent. While the anticipated effective tax rate represents the Directors' expectation as at the date of this Prospectus, there can be no assurance that the actual effective tax rate realised will be within this range, and it may differ materially due to a number of factors and circumstances. Please also refer to paragraph 2.7 of Part 1 "Risk Factors" and paragraph 12 of Part 2 "Presentation of Financial and Other Information".

As at 30 September 2020, the Company had cash and cash equivalents of £12.0 million, and since that date the Foresight Group has paid £2.3 million to Members by way of distribution, and redeemed preference shares in Foresight Group CI Limited held by Beau Port Investments Limited for consideration of £2.0 million. On 21 January 2021, the Foresight Group undertook to make a further distribution of £14.8 million in respect of the profits of the Foresight Group accrued in the period prior to Admission, with such amount to be paid to Members and to Bernard Fairman (which may be made either directly or to Beau Port Investments Limited).

⁷³ Equity - Infrastructure Funds and Fund Managers 31 December 2019 - 31 December 2020, Citywire, January 2021.

5 Comparability of Results

In July 2019, the Foresight Group completed the acquisition of the advisory mandate and management team of JLEN for consideration of £5.1 million. The Foresight Group's audited combined financial information includes the operating results of JLEN only from the date of its acquisition, which impacts the comparability of the Foresight Group's results of operations for the year ended 31 March 2020 with previous periods and for the six months ended 30 September 2020 with the six months ended September 2019. This acquisition has contributed significantly to the growth in AuM (including FuM) and revenue in FY 2020 and the first half of FY 2021. In FY 2020, the JLEN acquisition resulted in an increase in FuM of £533.0 million and fundraising mandates for JLEN accounted for Gross Funds Raised of £57.2 million. As at 30 September 2020, AuM attributable to JLEN accounted for 12.4 per cent. of the Foresight Group's AuM. JLEN contributed £4.1 million and £2.7 million of additional management fees in the year ended 31 March 2020 and the six months ended 30 September 2020, which accounted for 11.6 per cent. and 12.1 per cent. of the total management fees, respectively.

In August 2020, the Foresight Group acquired PiP which added £1.7 billion of pension fund assets under management (£649.7 million of FuM) as at 30 September 2020. The acquisition added £0.3 million of incremental management fees for the six months ended 30 September 2020.

6 Description of Key Line Items

6.1 Revenue

The Foresight Group classifies its revenue as recurring (management, secretarial and director fees), re-occurring (marketing fees) and non-recurring (arrangement, performance and other fees). Set out below is a brief description of each fee type and the general recognition principles applied to each.

Recurring Revenue

- Management fees are generally driven by FuM and calculated as a percentage of NAV, with fees up to 2.25 per cent. per annum depending on the investor type and fund and, in the case of ITS funds, were tied to relevant performance hurdles until 1 January 2021.
- Secretarial fees are fees received for services provided to the Foresight Funds (such as secretarial, accounts preparation, administration, etc.). These are generally driven by FuM and calculated as a percentage of NAV (typically 0.3 per cent. per annum but up to 1.65 per cent. in the case of ITS funds for services related to fund management and administration) or as a fixed fee depending on the terms of the individual contract agreements.
- Director fees are earned principally from companies in which the Foresight Private Equity Funds invest where the Foresight Group staff are appointed as Directors. Directors' fees are fixed, typically between £10,000 and £40,000 per annum for each portfolio company.

Re-occurring revenue

- Marketing fees are initial fees charged at approximately 2.5 per cent. of the capital amounts raised for various retail products.

Non-recurring revenue

- Arrangement fees are earned by the Foresight Group for its role in arranging certain deals (including capital deployments, fund raisings and refinancings), and are typically up to approximately 3 per cent. of the capital raised/deployed/refinanced.
- Performance incentive fees are usually one-off in nature and earned from carried interest arrangements and on exit/realisations.
- Advisory fees are earned on a one-off basis and include corporate finance and transaction related fees.
- Other fees are based on the contract agreed before services are provided and are recognised in line with the delivery of the services provided.

6.2 Cost of Sales

Cost of sales comprise insurance costs associated with the AITS, "authorised corporate director" costs payable to a third party in relation to the OEIC products and directly attributable asset management costs.

6.3 **Administrative expenses**

Administrative expenses comprise depreciation and amortisation of owned assets, right of use asset depreciation, staff costs, staff costs - distributions, share based payments, legal and professional costs, office 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.

Staff costs are the largest component of administrative expenses and include wages and salaries, members fixed drawings and bonus (comprising Tier 1 Drawings and bonus), social security costs and pension costs. Additional staff costs within administrative expenses include staff costs - distributions, which is comprised of the Discretionary Distributions that are treated as remuneration payable to Ordinary Members who do not have 10 years of continuous employment with the Foresight Group, and share based payments, which are related to the grant of B share awards to Members and other senior staff under share based compensation plans. The Discretionary Distributions payable to Ordinary Members who have completed their 10 year employment period with the Foresight Group are treated as equity distributions and included in "retained earnings" in the Historical Financial Information.

Following completion of the Reorganisation and Admission, Members (other than Gary Fraser, who will not receive any remuneration from Foresight Group LLP and will instead be paid a salary by the Company, further details of which are set out in paragraph 6.1 of Part 13 "Additional Information") will continue to receive their Tier 1 Drawings on a fixed basis and, in the case of staff who are director grade, partners in the retail sales team and other eligible Members, a bonus (which exceptionally may include discretionary performance based awards for eligible Members). However, Ordinary Members will cease to be entitled to the Discretionary Distributions, and the profits of Foresight Group LLP associated with the Tier 2 Drawings in the Historical Financial Information will instead be paid to Foresight Holdco 2 Limited. For further details of the treatment of Members remuneration post-Admission and the Reorganisation, see Part 2 "Presentation of Financial and Other Information" and "Reorganisation" in paragraph 11 of Part 13 "Additional Information" of this Prospectus.

6.4 **Financial income**

Financial income comprises interest receivable on cash deposits. Interest income is recognised in profit or loss as it accrues using the effective interest method.

6.5 **Financial expenses**

Financial expenses comprise interest payable on leases and borrowings and are expensed in the period in which they are incurred.

6.6 **Corporate Taxation**

The taxation on profits earned by the Foresight Group historically was generally the personal liability of the members; however, this will not be the case moving forward. Consequently, neither taxation nor deferred taxation is accounted for in historical numbers, other than to the extent described below.

The taxation expense represents the current tax relating to the Group's corporate subsidiaries. The current tax expense is based on taxable profits of these companies for the period. Taxable profit differs from the reported net profit because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The above is based on the current tax rates, which may change in the future. The effective tax rate for the Foresight Group is expected to increase significantly following the Company's potential listing, and the Directors believe that the new effective tax rate is likely to increase to between 10 and 13 per cent. While the anticipated effective tax represents the Directors' expectation as at the date of this Prospectus, there can be no assurance that the actual effective tax rate incurred will be within this range, and it may differ materially due to a number of facts and circumstances. Please also refer to paragraph 2.7 of Part 1 "Risk Factors" and paragraph 12 of Part 2 "Presentation of Financial and Other Information".

7 Results of Operations

The following discussion and analysis of the Foresight Group's results of operations and financial condition for each of the financial years ended 31 March 2018, 2019 and 2020 and the six months ended 30 September 2019 and 2020 is based on the Foresight Group's historical results.

Combined Statement of Comprehensive Income

	Year ended			Six months ended	
	31 March 2018	31 March 2019	31 March 2020	30 September 2019	30 September 2020
	<i>£'000</i>				
	<i>(unaudited)</i>				
Revenue	51,668	49,538	57,253	28,175	32,417
Cost of sales	(4,793)	(5,645)	(4,388)	(2,243)	(2,327)
Gross profit	46,875	43,893	52,865	25,932	30,090
Administrative expenses	(33,808)	(37,467)	(46,469)	(20,039)	(22,697)
Other operating income	-	1,385	795	45	46
Operating profit	13,067	7,811	7,191	5,938	7,439
Financial income	7	10	1	-	2
Financial expenses	(731)	(724)	(725)	(345)	(365)
Fair value gains/(losses) on investments	(41)	-	(147)	-	51
Share of profit/(losses) of associates	-	-	235	-	(20)
Profit on sale of Subsidiaries	3,481	-	-	-	-
Net financing income/(expense)	2,716	(714)	(636)	(345)	(332)
Profit before tax	15,783	7,097	6,555	5,593	7,107
Corporate Taxation	(15)	(95)	(53)	(2)	(1)
Profit for the year/period	15,768	7,002	6,502	5,591	7,106

Six months ended 30 September 2020 as compared to the six months ended 30 September 2019.

7.1 Revenue

The following table sets out the Foresight Group's revenue by fee type for the six months ended 30 September 2019 and 2020:

	Six months ended 30 September	
	2019	2020
	<i>£'000</i>	<i>£'000</i>
	<i>Unaudited</i>	
Management Fees	17,918	22,582
Secretarial Fees	5,223	5,883
Directors Fees	883	1,043
Recurring Fees	24,024	29,508
Marketing Fees (Re-occurring)	2,148	1,290
Arrangement Fees	1,964	1,610
Performance Incentive Fees	39	-
Advisory Fees	-	-
Other Income	-	9
Total	28,175	32,417

Revenue

Revenue increased from £28.2 million for the six months ended 30 September 2019 to £32.4 million for the six months ended 30 September 2020, representing an increase of 15.1 per cent. This increase was primarily a result of higher Recurring Revenue driven by increased management fees. The increase in management fees was primarily due to an increase in FuM driven by Gross Funds raised, particularly by the OEICs and FEIP, and the full year impact of the JLEN acquisition. The acquisition of PiP also contributed an additional £649.7 million to FuM as at 30 September 2020. The increase in Recurring Revenue was partially offset by a 40.0 per cent. decrease in marketing fees and an 18.0 per cent. decrease in arrangement fees, which was primarily a result of a lower volume of retail fund inflows and deployment of funds as a result of the COVID-19 pandemic.

Recurring Revenue

Recurring Revenue as a percentage of revenue increased from 85.3 per cent. for the six months ended 30 September 2019 to 91.0 per cent. for the six months ended 30 September 2020. The Foresight Group generated Recurring Revenue of £24.0 million for the six months ended 30 September 2019, which increased to £29.5 million for the six months ended 30 September 2020, representing an increase of 22.8 per cent.

Segmental Revenue

The following table sets out the Foresight Group's segmental revenue for the six months ended 30 September 2019 and 2020:

	Six months ended 30 September	
	2019	2020
	<i>£'000</i>	<i>£'000</i>
	<i>Unaudited</i>	
Infrastructure	18,964	23,536
Private Equity	9,211	8,881
Total	28,175	32,417

Infrastructure

Infrastructure revenue increased from £19.0 million for the six months ended 30 September 2019 to £23.5 million for the six months ended 30 September 2020, representing an increase of 24.1 per cent. This was primarily driven by a 33.7 per cent. increase in infrastructure management fees due to a net increase in Average FuM, an increase in ITS management fees due to the fund achieving its performance hurdle, the full period impact of JLEN and the acquisition of PiP in August 2020.

Private Equity

Private Equity revenue decreased from £9.2 million for the six months ended 30 September 2019 to £8.9 million for the six months ended 30 September 2020, representing a decrease of 3.6 per cent. This decrease was primarily a result of a decrease in marketing and arrangement fees, but was partially offset by an increase in management fees driven by an increase in FuM as the Foresight Private Equity Funds' valuations recovered following the negative impact that the COVID-19 pandemic had on valuations at the end of FY 2020, as well as a result of a lower allocation of the ITS management and secretarial fee to Foresight Private Equity as a result of a smaller percentage of the fund being deployed in private equity investments as the infrastructure portion of the portfolio has grown.

7.2 Cost of Sales

Cost of sales increased from £2.2 million for the six months ended 30 September 2019 to £2.3 million for the six months ended 30 September 2020, representing an increase of 3.7 per cent. This increase was primarily a result of the increase in direct costs relating principally to expenses for the OEICs, such as "authorised corporate director costs".

7.3 Gross Profit

For the reasons discussed above, gross profit increased from £25.9 million for the six months ended 30 September 2019 to £30.1 million for the six months ended 30 September 2020, representing an increase of 16.0 per cent.

7.4 Administrative Expenses

The following table sets out the administrative expenses for the six months ended 30 September 2019 and 30 September 2020:

	Six months ended	
	30 September 2019	30 September 2020
	£'000	£'000
	<i>Unaudited</i>	
Depreciation and amortisation owned assets	669	1,094
Right of use asset depreciation	825	882
Staff costs	12,949	14,826
Staff costs - distributions	65	647
Share based payments	189	24
Auditors remuneration	47	167
Legal and professional costs	1,655	2,255
Office costs	761	948
Foreign exchange costs/(gains)	(10)	(61)
Travel costs	587	(24)
Administrative costs	1,738	1,595
Commissions	276	185
Bad debt write offs	59	-
(Profit)/loss on disposal of part interests	-	-
Other	229	159
Total	20,039	22,697

Administrative expenses increased from £20.0 million for the six months ended 30 September 2019 to £22.7 million for the six months ended 30 September 2020, representing an increase of 13.3 per cent. The increase was primarily a result of an increase in staff costs, as well as increases in depreciation and amortisation, office costs and legal and professional costs (primarily in connection with the Company's potential listing). This was partially offset by a decline in travel costs as a result of the restrictions in travel imposed as a result of the COVID-19 pandemic.

Staff costs comprise wages and salaries, members fixed drawings and bonus (comprising Tier 1 Drawings and bonus), social security costs, and pension costs. Additional staff costs within administrative expenses include staff costs - distributions (comprising Discretionary Distributions) and share based payments. The following table sets out the Foresight Group's total staff costs for the six months ended 30 September 2019 and 2020:

	Six months ended	
	30 September 2019	30 September 2020
	£'000	£'000
	<i>Unaudited</i>	
Wages and salaries	8,593	10,219
Members fixed drawings and bonus	3,504	3,609
	12,097	13,828
Social security costs	689	733
Pension costs	163	265
Staff costs	12,949	14,826
Staff costs - distributions	65	647
Share based payments	189	24
Total staff costs	13,203	15,497

Wages and salaries

Wages and salaries increased from £8.6 million for the six months ended 30 September 2019 to £10.2 million for the six months ended 30 September 2020, representing an increase of 14.3 per cent. The increase was primarily a result of an increase in average full-time equivalent employees and additional senior staff hires and promotions, particularly joiners from JLEN and PiP.

Members fixed drawings and bonus

Members fixed drawings and bonus, comprising Tier 1 Drawings and bonus, increased from £3.5 million for the six months ended 30 September 2019 to £3.6 million for the six months ended 30 September 2020, representing an increase of 3.0 per cent.

Staff costs - distributions

Staff costs - distributions, comprising Discretionary Distributions, increased from £0.1 million for the six months ended 30 September 2019 to £0.6 million for the six months ended 30 September 2020.

7.5 Other operating income

Other operating income remained relatively stable at £0.05 million for the six months ended 30 September 2019 and for the six months ended 30 September 2020.

7.6 Operating Profit

For the reasons discussed above, operating profit increased from £5.9 million for the six months ended 30 September 2019 to £7.4 million for the six months ended 30 September 2020, representing an increase of 25.3 per cent.

7.7 Net Financing Income/(Expense)

Net financing expense remained stable at £0.3 million for the six months ended 30 September 2019 and for the six months ended 30 September 2020.

7.8 Profit before tax

For the reasons discussed above, profit before tax increased from £5.6 million for the six months ended 30 September 2019 to £7.1 million for the six months ended 30 September 2020, representing an increase of 27.1 per cent.

Adjusted EBITDA

Adjusted EBITDA increased from £7.4 million for the six months ended 30 September 2019 to £9.4 million for the six months ended 30 September 2020, representing an increase of 26.7 per cent. This increase was primarily a result of revenue growth and lower administrative costs partially offset by higher staff costs and cost of sales.

Adjusted EBITDA includes certain non-underlying items that are non-trading or one-off items where the quantum, nature or volatility of such items are considered by the Directors to otherwise distort the underlying performance of the Foresight Group and are, therefore, excluded from Core EBITDA. These items are set out below for the periods indicated:

	Six months ended	
	30 September 2019	30 September 2020
	£'000	£'000
Adjusted EBITDA	7,432	9,415
<i>Non-Underlying Items:</i>		
Performance incentive fees	(39)	(9)
Staff costs - distributions	65	647
Share based payments	189	24
Other operating income	(45)	(46)
Costs on corporate transactions	302	453
Goodwill payment to ITS	-	-
Redundancy Costs	-	208
Core EBITDA	7,904	10,692

The Foresight Group received performance incentive fees in the six months ended 30 September 2019 and 2020, which were classed as non-recurring.

Staff costs - distributions represent the Discretionary Distributions to Ordinary Members classified as remuneration expenses (as described in paragraph 3.2 of Part 2 "Presentation of Financial and Other Information") and have been added back to operating profit as these costs are treated as dividends for the purposes of calculating Core EBITDA.

Share based payments represent share awards made to Members and other senior staff, which are classified as remuneration expenses, have been added back to operating profit as these costs are treated as dividends for the purposes of calculating Core EBITDA.

The Foresight Group had other operating income relating to the disposal of its investment in FRP Shirebrook Holdco Limited which is non-recurring and described in further detail in paragraph 7.14 below.

Costs on corporate transactions primarily relate to legal and professional costs incurred in preparing the Foresight Group for an IPO and therefore are not considered to be related to the Foresight Group's on-going business operations.

The Foresight Group incurred £0.2 million in redundancy costs relating to a restructuring of the Foresight Group's business.

Core EBITDA

Core EBITDA increased from £7.9 million for the six months ended 30 September 2019 to £10.7 million for the six months ended 30 September 2020, representing an increase of 35.3 per cent.

7.9 Profit for the period

For the reasons discussed above, profit for the period (after corporate taxation) increased from £5.6 million for the six months ended 30 September 2019 to £7.1 million for the six months ended 30 September 2020, representing an increase of 27.1 per cent.

Year ended 31 March 2018 compared with year ended 31 March 2019 and year ended 31 March 2020

7.10 Revenue

The following table sets out the Foresight Group's revenue by fee type for the years ended 31 March 2018, 31 March 2019 and 31 March 2020:

	Year ended		
	31 March 2018	31 March 2019	31 March 2020
	£'000	£'000	£'000
Management Fees	29,463	30,921	35,550
Secretarial Fees	4,157	5,758	11,485
Directors Fees	1,265	1,526	1,848
Recurring Fees	34,885	38,205	48,883
Marketing Fees (Re-occurring)	3,940	4,083	4,307
Arrangement Fees	9,804	7,245	3,998
Performance Incentive Fees	2,962	-	65
Advisory Fees	8	5	-
Other Income	69	-	-
Total	51,668	49,538	57,253

Revenue

Revenue increased from £49.5 million for the year ended 31 March 2019 to £57.3 million for the year ended 31 March 2020, representing an increase of 15.6 per cent. This increase was primarily a result of higher Recurring Revenue driven by increased management and secretarial fees, which was partially offset by a decrease in arrangement fees. The increase in management fees was primarily due to the increase in FuM as a result of the acquisition of the JLEN advisory mandate and management team, which contributed £4.1 million of additional management fees for the year ended 31 March 2020, and an increase in FuM within the OEICs, FIIF and GRIF, which together accounted for Gross Funds Raised of £645 million and contributed £2.7 million of additional management fees for the year ended 31 March

2020. The increase in secretarial fees was primarily a result of amendments to the Foresight Group's ITS fee structure, implemented from 1 December 2018, raising the fund management and administration fee (accounted for as secretarial fees) from 0.30 per cent of FuM to 1.65 per cent of FuM per annum and eliminating the majority of arrangement fees charged, resulting in an increase in ITS fees charged from £3.4 million for the year ended 31 March 2019 to £9.9 million for the year ended 31 March 2020, partially offset by the reduction in arrangement fees.

Revenue decreased from £51.7 million for the year ended 31 March 2018 to £49.5 million for the year ended 31 March 2019, representing a decrease of 4.1 per cent. This decrease was primarily a result of a decline in non-recurring revenue of 43.5 per cent. driven by a reduction of performance incentive and arrangement fees. This was partially offset by an increase in Recurring Revenue of 9.5 per cent. as a result of the shift in the Foresight Group's focus to recurring fee income. The increase in Recurring Revenue was primarily driven by overall FuM growth in the Foresight Infrastructure Funds and was partially offset by the winding down of the Foresight Group's Solar EIS funds following the sales of the underlying investee companies owning the solar plants.

Recurring Revenue

Over the previous three financial years, the Foresight Group has shifted its focus towards generating higher quality Recurring Revenue, with less reliance on transactional event-based revenues and one-off disposal profits.

As a result of this shift as well as overall FuM and AuM growth, Recurring Revenue increased from £38.2 million for the year ended 31 March 2019 to £48.9 million for the year ended 31 March 2020, representing an increase of 27.9 per cent. Recurring Revenue as a percentage of revenue increased from 77.1 per cent. for the year ended 31 March 2019 to 85.4 per cent. for the year ended 31 March 2020.

Recurring Revenue increased from £34.9 million for the year ended 31 March 2018 to £38.2 million for the year ended 31 March 2019, representing an increase of 9.5 per cent. Recurring Revenue as a percentage of revenue increased from 67.5 per cent. for the year ended 31 March 2018 to 77.1 per cent. for the year ended 31 March 2019.

Segmental Revenue

The following table sets out the Foresight Group's segmental revenue for the years ended 31 March 2018, 31 March 2019 and 31 March 2020:

	Year ended		
	31 March 2018	31 March 2019	31 March 2020
	£'000	£'000	£'000
Infrastructure	38,509	33,736	39,556
Private Equity	13,159	15,802	17,697
Total	51,668	49,538	57,253

Infrastructure

Infrastructure revenue increased from £33.7 million for the year ended 31 March 2019 to £39.6 million for the year ended 31 March 2020, representing an increase of 17.3 per cent. This increase was primarily a result of an increase in FuM and related management fees driven primarily by the OEICs and the acquisition of the JLEN advisory mandate and management team, as well as higher secretarial fees due to the amendment to the ITS fund management and administration fee structure (accounted for as secretarial fees) as noted above.

Infrastructure revenue decreased from £38.5 million for the year ended 31 March 2018 to £33.7 million for the year ended 31 March 2019, representing a decrease of 12.4 per cent., which was primarily a result of arrangement fees decreasing from £9.8 million for the year ended 31 March 2018 to £7.2 million for the year ended 31 March 2019, representing a decrease of 26.1 per cent. The decrease in Infrastructure revenue was also due to the winding down of the Foresight Group's Solar EIS funds, following the sales of the underlying investee companies owning the solar plants, and a one-off performance incentive fee in FY 2018.

Private Equity

Private Equity revenue increased from £15.8 million for the year ended 31 March 2019 to £17.7 million for the year ended 31 March 2020, representing an increase of 12.0 per cent. This increase was primarily a result of further increases in Recurring Revenue particularly higher secretarial fees reflecting the change to

the ITS fee structure as well as fees from two new funds (Foresight East of England Fund and the Scottish Growth Scheme).

Private Equity revenue increased from £13.2 million for the year ended 31 March 2018 to £15.8 million for the year ended 31 March 2019, representing an increase of 20.1 per cent. This increase was a result of higher Recurring Revenue primarily driven by increased management fees, which increased broadly in line with average FuM that was primarily driven by growth in the VCT, EIS and Impact funds, the catch up fees realised on the second close of FRIF and the increased ITS fund management and administration fee (accounted for as secretarial fees) following the change to the fee structure as described above.

7.11 **Cost of Sales**

Cost of sales decreased from £5.6 million for the year ended 31 March 2019 to £4.4 million for the year ended 31 March 2020, representing a decrease of 22.3 per cent. This decrease was a result of a reduction in outsourced solar asset management costs as a result of bringing this function in house during FY 2019 and lower insurance costs related to the AITS product, partially offset by increased "authorised corporate director" costs incurred in relation to FIIF and GRIF following their significant growth during the year ended 31 March 2020.

Cost of sales increased from £4.8 million for the year ended 31 March 2018 to £5.6 million for the year ended 31 March 2019, representing an increase of 17.8 per cent., which was primarily due to an increase in the insurance costs for the AITS as a result of successful fund raising for that product, offset by a reduction in solar asset management costs.

7.12 **Gross Profit**

For the reasons discussed above, gross profit increased from £43.9 million for the year ended 31 March 2019 to £52.9 million for the year ended 31 March 2020, representing an increase of 20.4 per cent., and decreased from £46.9 million for the year ended 31 March 2018 to £43.9 million for the year ended 31 March 2019, representing a decrease of 6.4 per cent.

7.13 **Administrative Expenses**

The following table sets out the administrative expenses for the years ended 31 March 2018, 31 March 2019 and 31 March 2020:

	Year ended		
	31 March 2018	31 March 2019	31 March 2020
	£'000	£'000	£'000
Depreciation and amortisation owned assets	612	823	1,692
Right of use asset depreciation	1,415	1,614	1,690
Staff costs	18,115	21,786	27,961
Staff costs - distributions	2,360	1,333	966
Share based payments	1,447	820	349
Auditors remuneration	84	114	209
Legal and professional costs	4,240	3,939	5,292
Office costs	1,218	1,835	1,796
Foreign exchange costs/(gains)	(118)	34	35
Travel costs	1,016	1,172	1,035
Administrative costs	3,155	2,774	3,149
Commissions	439	511	671
Bad debt write offs	101	(14)	1,198
(Profit)/loss on disposal of part interests	(647)	1	-
Other	371	725	426
Total	33,808	37,467	46,469

Administrative expenses increased from £37.5 million for the year ended 31 March 2019 to £46.5 million for the year ended 31 March 2020, representing an increase of 24.0 per cent. This increase was a result of higher staff costs due to an increase in headcount and in salaries per full-time equivalent employee; increased depreciation and amortization charges as a result of the JLEN acquisition; increases in legal and professional costs relating to the potential listing of the Company and bad debt write-offs of £1.2 million in the year ended 31 March 2020, which reflected management's re-assessment of the recoverability

of the ITS management fees (which was linked to a performance hurdle until 1 January 2021) and the recoverability of historical start-up costs for the Foresight Environmental Fund. Legal and professional costs increased from £3.9 million for the year ended 31 March 2019 to £5.3 million for the year ended 31 March 2020, representing an increase of 34.3 per cent. This increase was due to a payment of £1.3 million to the ITS fund, which the Foresight Group had no contractual obligation to make, to reimburse the fund for losses incurred on an investment in a recycling company which entered administration.

Administrative expenses increased from £33.8 million for the year ended 31 March 2018 to £37.5 million for the year ended 31 March 2019, representing an increase of 10.8 per cent. This was principally due to an increase in staff costs from £18.1 million for the year ended 31 March 2018 to £21.8 million for the year ended 31 March 2019 due to an increase in headcount and in salaries per full-time equivalent employee.

Staff costs comprise wages and salaries, members fixed drawings and bonus (comprising Tier 1 Drawings and bonus), social security costs and pension costs. Additional staff costs within administrative expenses include staff costs - distributions (comprising Discretionary Distributions) and share based payments. The following table sets out the Foresight Group's total staff costs for the years ended 31 March 2018, 31 March 2019 and 31 March 2020:

	Year ended		
	31 March 2018	31 March 2019	31 March 2020
	£'000	£'000	£'000
Wages and salaries	3,781	14,110	18,568
Members fixed drawings and bonus	14,105	6,422	7,613
	17,886	20,532	26,181
Social security costs	223	1,153	1,424
Pension costs	6	101	356
Staff costs	18,115	21,786	27,961
Staff costs - distributions	2,360	1,333	966
Share based payments	1,447	820	349
Total staff costs	21,922	23,939	29,276

Wages and salaries

Wages and salaries increased from £14.1 million for the year ended 31 March 2019 to £18.6 million for the year ended 31 March 2020, representing an increase of 31.6 per cent., which was primarily a result of an increase in headcount and in salaries per full-time equivalent employees.

Wages and salaries increased from £3.8 million for the year ended 31 March 2018 to £14.1 million for the year ended 31 March 2019, representing an increase of 273.2 per cent. This was primarily a result of the reclassification of 78 members to salaried employees on 1 April 2018, leading to an increase in wages and salaries and a corresponding decrease in members fixed drawings and bonus.

Members fixed drawings and bonus

Members fixed drawings and bonus, comprising Tier 1 Drawings and bonus, increased from £6.4 million for the year ended 31 March 2019 to £7.6 million for the year ended 31 March 2020, representing an increase of 18.5 per cent., which was primarily a result of the addition of two new Members following the JLEN acquisition in July 2019.

Members fixed drawings and bonus, comprising Tier 1 Drawings and bonus, decreased from £14.1 million for the year ended 31 March 2018 to £6.4 million for the year ended 31 March 2019, representing a decrease of 54.5 per cent., which was primarily a result of reclassification of 78 Members to salaried employees as discussed above.

Staff costs - distributions

Staff costs - distributions, comprising Discretionary Distributions, decreased from £1.3 million for the year ended 31 March 2019 to £1.0 million for the year ended 31 March 2020, representing a decrease of 23.1 per cent.

Staff costs - distributions, comprising Discretionary Distributions, decreased from £2.4 million for the year ended 31 March 2019 to £1.3 million for the year ended 31 March 2020, representing a decrease of 45.8 per cent.

7.14 Other Operating Income

Other operating income decreased from £1.4 million for the year ended 31 March 2019 to £0.8 million for the year ended 31 March 2020, representing a decrease of 42.6 per cent. This decrease was a result of lower proceeds realised from the disposal of the Foresight Group's shareholding in FRP Shirebrook Holdco Limited, which held the intellectual property rights to a reserve power plant development project in Derbyshire, UK. As at 31 March 2020, the Foresight Group had realised total proceeds of £1.8 million on the disposal. The Foresight Group also realised £0.4 million of other operating income relating to set up costs that the Foresight Group was able to recharge to the Foresight Italian Green Bond Fund in the year ended 31 March 2019, and there were no further recharge of costs in the year ended 31 March 2020.

Other operating income increased from nil for the year ended 31 March 2018 to £1.4 million for the year ended 31 March 2019 as a result of proceeds realised from the disposal of the Foresight Group's shareholding in FRP Shirebrook Holdco Limited, as discussed above.

7.15 Operating Profit

For the reasons discussed above, operating profit decreased from £7.8 million for the year ended 31 March 2019 to £7.2 million for the year ended 31 March 2020, representing a decrease of 7.9 per cent., and decreased from £13.1 million for the year ended 31 March 2018 to £7.8 million for the year ended 31 March 2019, representing a decrease of 40.2 per cent.

7.16 Net Financing Income/(Expense)

Net financing expense decreased from £0.7 million for the year ended 31 March 2019 to £0.6 million for the year ended 31 March 2020. The lower net financing expense was primarily a result of an offsetting increase in financing income relating to an increase in share of profit in a 50 per cent. joint venture in FV Solar Labs SRL by the Foresight Group's Italian subsidiary, Foresight Group S.R.L.

For the year ended 31 March 2018 the Foresight Group had financial income of £2.7 million compared to a financial expense of £0.7 million for the year ended 31 March 2019. This decrease was primarily a result of a profit on sale of Foresight Solar Australian Pty Limited, of £3.5 million, which was reported in the year ended 31 March 2018. No profits on sale of subsidiaries arose in the year ended 31 March 2019.

7.17 Profit before tax

For the reasons discussed above, profit before tax decreased from £7.1 million for the year ended 31 March 2019 to £6.6 million for the year ended 31 March 2020, representing a decrease of 7.6 per cent., and decreased from £15.8 million for the year ended 31 March 2018 to £7.1 million for the year ended 31 March 2019, representing a decrease of 55.0 per cent.

Adjusted EBITDA

Adjusted EBITDA increased from £10.2 million for the year ended 31 March 2019 to £10.6 million for the year ended 31 March 2020, representing an increase of 3.2 per cent., which was primarily a result of revenue growth driven by higher FuM following the launch of the OEICs and new regional private equity funds and the JLEN acquisition. This was partially offset by an increase in administrative expenses due to higher staff costs.

Adjusted EBITDA decreased from £15.1 million for the year ended 31 March 2018 to £10.2 million for the year ended 31 March 2019, representing a decrease of 32.1 per cent. This decrease was primarily a result of lower non-recurring revenue and a reduction of management fees attributable to the winding down of the solar EIS funds.

Adjusted EBITDA includes certain non-underlying items that are non-trading or one-off items where the quantum, nature or volatility of such items are considered by the Directors to otherwise distort the underlying performance of the Foresight Group and are, therefore, excluded from Core EBITDA. These items are set out below for the periods indicated:

	Year ended		
	31 March 2018	31 March 2019	31 March 2020
	£'000	£'000	£'000
Adjusted EBITDA	15,094	10,247	10,574
<i>Non-Underlying Items:</i>			
Performance incentive fees	(3,031)	-	(65)
Staff costs - distributions	2,360	1,334	965
Share based payments	1,447	820	349
Other operating income	-	(1,385)	(795)
Costs on corporate transactions	2,033	853	581
Goodwill payment to ITS	-	-	1,290
Redundancy Costs	-	-	-
Core EBITDA	17,903	11,869	12,899

The Foresight Group received £3.0 million in performance incentive fees in the year ended 31 March 2018, which were classed as non-recurring.

Staff costs - distributions represent the Discretionary Distributions to Ordinary Members classified as remuneration expenses (as described in paragraph 3.2 of Part 2 "Presentation of Financial and Other Information") and have been added back to operating profit as these costs are treated as dividends for the purposes of calculating Core EBITDA.

Share based payments representing share awards made to Members and other senior staff classified as remuneration expenses have been added back to operating profit as these costs are treated as dividends for the purposes of calculating Core EBITDA.

The Foresight Group had other operating income relating to the disposal of its investment in FRP Shirebrook Holdco Limited and the recharge of set-up costs for the Italian Green Bond Fund which are non-recurring and described in further detail in paragraph 7.13 above.

Costs on corporate transactions primarily relate to legal and professional costs incurred in preparing the Foresight Group for an IPO and therefore are not considered to be related to the Foresight Group's on-going business operations.

Goodwill payment to ITS included a non-contractual payment of £1.3 million in the year ended 31 March 2020 to Foresight's ITS fund as a goodwill gesture by the Foresight Group to reimburse the fund for losses incurred on an investment.

Core EBITDA

Core EBITDA increased from £11.9 million for the year ended 31 March 2019 to £12.9 million for the year ended 31 March 2020, representing an increase of 8.7 per cent.

Core EBITDA decreased from £17.9 million for the year ended 31 March 2018 to £11.9 million for the year ended 31 March 2019, representing a decrease of 33.7 per cent.

7.18 Profit for the year

For the reasons discussed above, profit for the year (after corporate taxation) decreased from £7.0 million for the year ended 31 March 2019 to £6.5 million for the year ended 31 March 2020, representing a decrease of 7.1 per cent., and decreased from £15.8 million for the year ended 31 March 2018 to £7.0 million for the year ended 31 March 2019, representing a decrease of 55.6 per cent.

8 Financial Condition

Liquidity and capital resources

The Foresight Group's principal liquidity needs are to fund the day-to-day requirements of its operations. The Foresight Group finances its operations primarily through cash generated from operating activities, and cash is held primarily in pounds sterling.

Cash Flows

The following table sets out the Foresight Group's combined cashflow statement:

	Year ended			Six months ended	
	31 March 2018	31 March 2019	31 March 2020	30 September 2019	30 September 2020
	£'000			(unaudited)	
Operating profit	13,067	7,811	7,191	5,938	7,439
Share based payment	1,447	820	349	189	24
Depreciation and amortisation	612	823	1,692	669	1,095
Bargain gain on purchase	-	-	-	-	(111)
Right of Use Assets Depreciation	1,415	1,614	1,690	825	882
Loss/(profit) on disposal of fixed assets	165	2	1	(6)	-
(Profit)/loss on disposal of fixed asset investments	(647)	1	-	-	-
Foreign currency translation differences	(4)	9	4	-	(3)
Change in debtors	(1,941)	5,789	(502)	(3,272)	(1,407)
Change in creditors due within one year	4,349	(417)	4,548	(465)	(5,725)
Cash generated from operations	18,464	16,452	14,973	3,878	2,194
Tax paid	(63)	(100)	(1)	275	(1)
Interest paid	(731)	(724)	(725)	(345)	(328)
Net cash from operating activities	17,670	15,628	14,247	3,808	1,865
Cash flows from investing activities					
Cash Receipts from Invested Capital	4,615	2,214	46,062	-	-
Acquisition of property, plant and equipment	(1,489)	(278)	(744)	(235)	(69)
Acquisition of intangible assets	(308)	(141)	(5,266)	(5,205)	(13)
Acquisition of investment	(419)	(774)	(381)	(166)	(435)
Proceeds from disposal of subsidiaries/fixed asset investments	5,637	8	59	59	144
Interest received	7	10	1	-	2
Acquisition of subsidiary	-	-	-	-	2,348
Net cash from investing activities	8,043	1,039	39,731	(5,547)	1,977
Cash flows from financing activities					
Equity dividends paid and share buy back	(9,242)	(6,677)	(42,958)	(1,485)	(1,950)
Loans to and from shareholders	550	-	(2,594)	1,650	244
Redemption of preference shares	(12,711)	(8,889)	(2,416)	(2,416)	(2,750)
Repayment of lease liabilities	(1,308)	(1,609)	(2,176)	(1,086)	(1,318)
Net cash from financing activities	(22,711)	(17,175)	(50,144)	(3,337)	(5,774)
Net increase/(decrease) in cash and cash equivalents	3,002	(508)	3,835	(5,076)	(1,932)
Cash and cash equivalents at 1 April	7,575	10,577	10,069	10,069	13,904
Cash and cash equivalents at 31 March/30 September	10,577	10,069	13,904	4,993	11,972

8.1 Six months ended 30 September 2020 as compared to the six months ended 30 September 2019

Cash flows from operating activities

Net cash inflow from operating activities decreased from £3.8 million for the six months ended 30 September 2019 to £1.9 million for the six months ended 30 September 2020, representing a decrease of 51.0 per cent. This decrease was primarily a result of an increase in working capital and was partially offset by increases in operating profit and depreciation and amortisation.

Cash flows from investing activities

Net cash flows from investing activities were an outflow of £5.5 million for the six months ended 30 September 2019 and an inflow of £2.0 million for the six months ended 30 September 2020. The change in net cash flow from investing activities was primarily a result of the consideration paid in connection with the JLEN acquisition in the six months ended 30 September 2019 and the net cash acquired as part of the PiP acquisition in the six months ended 30 September 2020, which was partially offset by the consideration paid for the acquisition of PiP during the same period.

Cash flows from financing activities

Net cash outflow from financing activities increased from £3.3 million for the six months ended 30 September 2019 to £5.8 million for the six months ended 30 September 2020, representing an increase of 73.0 per cent. This increase in outflow was primarily a result of a decrease in loans from shareholders and increases in equity dividends paid and share buy back, redemption of preference shares and repayment of lease liabilities.

8.2 Year ended 31 March 2018 compared with year ended 31 March 2019 and year ended 31 March 2020

Cash flows from operating activities

Net cash flow from operating activities decreased from £15.6 million for the year ended 31 March 2019 to £14.2 million for the year ended 31 March 2020, representing a decrease of 8.8 per cent. This decrease was primarily a result of a reduction in operating profit, from £7.8 million to £7.2 million, and an increase in working capital due to timing of receipts from debtors and payments to creditors.

Net cash flow from operating activities decreased from £17.7 million for the year ended 31 March 2018 to £15.6 million for the year ended 31 March 2019, representing a decrease of 11.6 per cent. This decrease was a result of a reduction in operating profit, from £13.1 million to £7.8 million, which was partially offset by a £3.0 million reduction in working capital due to timing of receipts from debtors and payments to creditors.

Cash flows from investing activities

Net cash inflow from investing activities increased from £1.0 million for the year ended 31 March 2019 to £39.7 million for the year ended 31 March 2020. This increase was a result of a £43.8 million increase in the inflows from invested capital as a result of the disposal of non-core businesses, which was partially offset by the payment of £5.1 million in consideration for the acquisition of JLEN in July 2019.

Net cash inflow from investing activities decreased from £8.0 million for the year ended 31 March 2018 to £1.0 million for the year ended 31 March 2019. This decrease was primarily a result of the cash inflows arising from the disposal of non-core businesses in the year ended 31 March 2018, partially offset by lower capital expenditure on property, plant and equipment in the year ended 31 March 2019 as a result of the leasehold fit out costs incurred for Level 18 of the Shard of £1.3 million in the year ended 31 March 2018.

Cash flows from financing activities

Net cash outflow from financing activities increased from £17.2 million for the year ended 31 March 2019 to £50.1 million for the year ended 31 March 2020. This increase was principally a result of the disposal of Foresight Metering Limited which drove an increase in equity dividends paid to £43.0 million and was partially offset by a decrease in redemption of preference shares.

Net cash outflow from financing activities decreased from £22.7 million for the year ended 31 March 2018 to £17.2 million for the year ended 31 March 2019, representing a decrease of 24.4 per cent. This decrease was a result of lower equity dividends paid and lower redemption of preference shares compared to the year ended 31 March 2018.

8.3 Financing Arrangements

As part of the consideration for the PiP acquisition, the Foresight Group took on the repayment of loans provided to PiP by certain founding members of PiP (being an amount equal to £4.3 million), the details of which are set out in the table below:

	Currency	Nominal Interest Rate	Year of Maturity	Carrying Amount* as at 30 September 2020
		£'000		
Unsecured loan	GBP	2%	2027	4,279

*The carrying amount of these loans and borrowings equates to the fair value

8.4 Off-Balance Sheet Arrangements

The Foresight Group does not have any off-balance sheet arrangements.

9 Critical accounting policies and estimates

The preparation of the Foresight Group's combined historical financial information requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the statement of financial position date, amounts reported for revenues and expenses during the year, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in the future.

In the process of applying the Foresight Group's accounting policies, judgements and estimates which have the most significant impact on the amounts recognised in the financial information relate to:

- Valuation of investments;
- Impairment of intangible assets;
- Discretionary distributions payable; and
- Share based payments.

The Group's critical accounting policies and estimates are set out in Note 1 to the combined historical financial information contained in Part 11 "*Financial Information*".

10 Qualitative and Quantitative Disclosure About Market Risk

The Foresight Group's activities expose it to a variety of financial risks such as market risk (including cash flow interest rate risk), liquidity risk and credit risk. Risk management is carried out by the Foresight Group's Board of Directors. The Foresight Group uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed. The policies for managing these risks, which have been reviewed and agreed by the Board of Directors are summarised below.

10.1 Market Risk

Market price risk

Market price risk arises from uncertainty about the future prices of financial instruments held in accordance with the Foresight Group's investment objectives. It represents the potential loss that the Foresight Group might suffer through holding market positions in the face of market movements. The investments in equity and loan stocks of unquoted companies are rarely traded and as such the prices are more difficult to determine than those of more widely traded securities. In addition, the ability of the Foresight Group to realise the investments at their carrying value will at times not be possible if there are no willing purchasers. The potential maximum exposure to market price risk, being the value of the investments as at 31 March 2020 was £1.2 million (31 March 2019: £1.2 million, 31 March 2018: £441,000).

Interest rate risk

The Foresight Group has only £4.2 million of external debt, related to the PiP acquisition during the six months ended 30 September 2020 with a fixed interest rate. As the interest rates on shareholders' loans and lease contracts are also fixed, the Directors consider risk relating to interest rates to be very low. Floating rate investments relate to the interest-bearing deposit account which earned interest based on the Bank of England rate of 0.1 per cent. at 31 March 2020.

Foreign Exchange risk

The Foresight Group is not exposed to significant foreign exchange translation or transaction risk as the Foresight Group's activities are primarily within the UK. The Directors, therefore, consider risks relating to foreign currency exchange to be immaterial.

10.2 Liquidity Risk

Liquidity risk

Liquidity risk is the risk that the Foresight Group will not be able to meet its financial obligations as they fall due. The Foresight Group ensures that it has sufficient cash or working capital facilities to meet the cash requirements of the Group in order to mitigate this risk. The Foresight Group is financed through a combination of partners' capital (repayable on demand when a Member leaves the LLP), undistributed profits and cash.

Capital risk management

The Foresight Group is equity funded and this makes up the capital structure of the business. Equity comprises share capital, share premium and retained profits and is equal to the amount shown as 'Equity' in the Foresight Group's balance sheet. The Foresight Group's current objectives when maintaining capital are to:

- Safeguard the Foresight Group's ability as a going concern so that it can continue to pursue its growth plans;
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long-term;
- Maintain regulatory capital; and
- Provide a reasonable expectation of future returns to Shareholders.

The Foresight Group sets the amount of capital it requires in proportion to risk, and it manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, the Foresight Group may issue new shares or sell assets to reduce debt.

10.3 Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Foresight Group. In order to minimise the risk, the Foresight Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the value of the outstanding amount. The Foresight Group does not consider that there is any concentration of risk within either trade or other receivables. There are no impairments to trade or other receivables in each of the years presented, and credit risk on cash and cash equivalents is considered by the Directors to be very low as the counterparties are all substantial banks with high credit ratings.

PART 10 - CAPITALISATION AND INDEBTEDNESS

Capitalisation and indebtedness

The following table shows the capitalisation and indebtedness of the Foresight Group as at 30 September 2020 and 30 November 2020. The information as at 30 September 2020 has been extracted without material adjustment from the Foresight Group's Historical Financial Information included in this Prospectus, and the information as at 30 November 2020 has been derived without material adjustment from the Foresight Group's unaudited accounting records.

The table below sets out the Group's total capitalisation and indebtedness as at 30 September 2020 and 30 November 2020.

	As at 30 September 2020	As at 30 November 2020
	£'000	£'000
<i>Current debt</i>		
Guaranteed	-	-
Secured	-	-
Unguaranteed/unsecured	3,503	3,517
Total current debt	3,503	3,517
<i>Non current debt</i>		
Guaranteed	-	-
Secured	-	-
Unguaranteed/unsecured	14,646	14,314
Total non-current debt	14,646	14,314
<i>Shareholder's equity:</i>		
Share capital	1	1
Legal reserve	-	-
Other reserves	52,235	52,217
Shareholder's equity	52,236	52,218
Total	70,385	70,049

Legal and other reserves exclude the profit and loss reserve.

As at 30 November 2020, the Foresight Group's unguaranteed/unsecured indebtedness included £12.8 million (£2.2 million current and £10.6 million non-current) that related to lease liabilities arising from lease obligations arising under IFRS 16 (30 September 2020: £13.1 million; current £2.2 million, non-current £10.9 million).

Other than profit distributions of £2.3 million to Members and share redemptions of £2.0 million, there has not been any material change in the Foresight Group's total capitalisation and indebtedness since 30 November 2020. On 21 January 2021, the Foresight Group undertook to make a further distribution of £14.8 million in respect of the profits of the Foresight Group accrued in the period prior to Admission, with such amount to be paid to Members and to Bernard Fairman (which may be made either directly or to Beau Port Investments Limited).

Net Financial Indebtedness

The statement of net financial indebtedness has been prepared using policies which are consistent with those used in preparing the Historical Financial Information referred to in Part 11 "Financial Information".

The table below sets out the Foresight Group's total net financial indebtedness and non-current financial indebtedness as at 30 September 2020 and as at 30 November 2020.

	As at 30 September 2020	As at 30 November 2020
	£'000	£'000
Cash	11,972	17,946
Cash equivalents	-	-
Trading securities	-	-
Liquidity	11,972	17,946
Current financial receivable	-	-
Current bank debt	-	-
Current portion of non-current debt	(606)	(621)
Other current financial debt	(2,897)	(2,896)
Current financial debt	(3,503)	(3,517)
Net current cash	8,469	14,429
Non-current bank loans	-	-
Bonds issued	-	-
Non-current debt	(3,673)	(3,673)
Other non-current financial debt	(10,973)	(10,641)
Non-current financial indebtedness	(14,646)	(14,314)
Net financial (indebtedness) cash	(6,177)	115

Other current financial debt and other non-current financial debt principally relate to lease liabilities arising from lease obligations recognised under IFRS 16 (noted above). As at 30 November 2020, £2.2 million of lease liabilities is included within other current financial debt and £10.6 million is included within other non-current financial debt (30 September 2020: £2.2 million and £10.9 million, respectively).

The Foresight Group has no other indirect or contingent liabilities or any contingent commitments.

PART 11 - FINANCIAL INFORMATION

SECTION A: ACCOUNTANT'S REPORT IN RESPECT OF THE HISTORICAL FINANCIAL INFORMATION



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4 February 2021

Ladies and Gentlemen

Foresight Group Holdings Limited

We report on the financial information set out on pages 120 to 164 for the years ended 31 March 2018, 31 March 2019 and 31 March 2020 and for the six months ended 30 September 2020. This report is required by Item 18.3.1 of Annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980 (the 'UK version of the PR Regulation') and is given for the purpose of complying with that paragraph and for no other purpose. We have not audited or reviewed financial information for the six months ended 30 September 2019 which has been included for comparative purposes only, and accordingly do not express an opinion thereon.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the prospectus dated 4 February 2021, a true and fair view of the state of affairs of Foresight Group Holdings Limited as at 31 March 2018, 31 March 2019, 31 March 2020 and 30 September 2020 and of its combined profits, cash flows and changes in equity for the years ended 31 March 2018, 31 March 2019 and 31 March 2020 and for the six months ended 30 September 2020 in accordance with the basis of preparation set out in note 1.

Responsibilities

The Directors of Foresight Group Holdings Limited are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.



Save for any responsibility arising under the UK version of the PR Regulation Rule 5.3.2R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Item 1.3 of Annex 1 of the UK version of the PR Regulation, consenting to its inclusion in the prospectus.

Basis of preparation

This financial information has been prepared for inclusion in the prospectus dated 4 February 2021 of Foresight Group Holdings Limited on the basis of the accounting policies set out in note 1.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom (the 'FRC'). We are independent, and have fulfilled our other ethical responsibilities, in accordance with the relevant ethical requirements of the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Conclusions relating to going concern

The Directors of Foresight Group Holdings Limited have prepared the financial information on the going concern basis as they do not intend to liquidate the entity or to cease their operations, and as they have concluded that the entity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial information ("the going concern period").

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the entity's financial information is appropriate; and



KPMG LLP
Foresight Group Holdings Limited
4 February 2021

- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the above conclusions are not a guarantee that the entity will continue in operation.

Declaration

For the purposes UK version of the PR Regulation Rule 5.3.2R (2)(f) we are responsible for this report as part of the prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the prospectus in compliance with Item 1.2 of Annex 1 of the UK version of the PR Regulation.

Yours faithfully

KPMG LLP

SECTION B — HISTORICAL FINANCIAL INFORMATION

COMBINED STATEMENT OF COMPREHENSIVE INCOME

For the Years ended 31 March 2018, 2019 and 2020 and the six months ended 30 September 2020

		31-Mar	31-Mar	31-Mar	30-Sep	
	<i>Note</i>	2018	2019	2020	2019	30-Sep
		£000	£000	£000	(Unaudited) £000	2020 £000
Revenue	3, 4	51,668	49,538	57,253	28,175	32,417
Cost of sales		(4,793)	(5,645)	(4,388)	(2,243)	(2,327)
Gross profit		46,875	43,893	52,865	25,932	30,090
Administrative expenses	5	(33,808)	(37,467)	(46,469)	(20,039)	(22,697)
Other operating income	7	0	1,385	795	45	46
Operating profit		13,067	7,811	7,191	5,938	7,439
Financial income	9	7	10	1	0	2
Financial expenses	9	(731)	(724)	(725)	(345)	(365)
Fair value gains/(losses) on investments	13	(41)	0	(147)	0	51
Share of profit/(losses) of associates	13	0	0	235	0	(20)
Profit on sale of Subsidiaries	14	3,481	0	0	0	0
Net financing income/(expense)		2,716	(714)	(636)	(345)	(332)
Profit before tax		15,783	7,097	6,555	5,593	7,107
Corporate Taxation	10	(15)	(95)	(53)	(2)	(1)
Profit for the year/period		15,768	7,002	6,502	5,591	7,106
Profit Attributable to equity holders owners of the parent		15,768	7,002	6,502	5,591	7,106
Earnings Per Share:						
Basic	25	£43.90	£15.69	£12.22	£11.99	£12.68

The notes on pages 124 to 164 form part of this financial information.

COMBINED STATEMENT OF FINANCIAL POSITION
As at 31 March 2018, 2019 and 2020 and as at 30 September 2020

		31-Mar	31-Mar	31-Mar	30-Sep
	<i>Note</i>	2018	2019	2020	2020
		£000	£000	£000	£000
Non-current assets					
Property, Plant & Equipment	15	16,419	14,862	14,571	13,382
Intangible assets	12	468	471	4,741	6,416
Investments	13	441	1,206	1,468	1,792
		<u>17,328</u>	<u>16,539</u>	<u>20,780</u>	<u>21,590</u>
Current assets					
Trade and other receivables	16	19,364	13,573	17,567	19,156
Cash and cash equivalents	17	10,577	10,069	13,904	11,972
		<u>29,941</u>	<u>23,642</u>	<u>31,471</u>	<u>31,128</u>
Current Liabilities	18	<u>(14,635)</u>	<u>(14,058)</u>	<u>(19,216)</u>	<u>(14,297)</u>
		(14,635)	(14,058)	(19,216)	(14,297)
Net current assets		15,306	9,584	12,255	16,831
Creditors: amounts falling due after more than one year	19	(13,736)	(12,753)	(12,127)	(15,084)
Net assets		<u>18,898</u>	<u>13,370</u>	<u>20,908</u>	<u>23,337</u>
Share capital	22	1	1	1	1
Group re-organisation reserve		30	30	30	30
Invested Capital		3,804	6,018	52,080	52,080
Share based payment reserve		3,027	1,511	101	125
Retained earnings		<u>12,036</u>	<u>5,810</u>	<u>(31,304)</u>	<u>(28,899)</u>
Shareholders' funds		<u>18,898</u>	<u>13,370</u>	<u>20,908</u>	<u>23,337</u>

The notes on pages 124 to 164 form part of this financial information

COMBINED STATEMENT OF CHANGES IN EQUITY
For the years ended 31 March 2018, 2019 and 2020 and the six months ended 30 September 2020

	Share Capital	Group Reorg Reserve	Invested Capital	Share Based Payment Reserve	Retained Earnings	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2017	1	30	(811)	3,915	15,886	19,021
Net profit Year ended 31 March 2018	-	-	-	-	15,768	15,768
Invested Capital	-	-	4,615	-	-	4,615
Dividends	-	-	-	-	(8,917)	(8,917)
Share Based Payments	-	-	-	1,447	-	1,447
Transfer Share Based Payments to/from Retained Earnings	-	-	-	(2,336)	2,336	-
Premium on redemption	-	-	-	-	(12,711)	(12,711)
Share buy-back	-	-	-	-	(326)	(326)
Balance at 31 March 2018	1	30	3,804	3,027	12,036	18,898

	Share Capital	Group Reorg Reserve	Invested Capital	Share Based Payment Reserve	Retained Earnings	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2018	1	30	3,804	3,027	12,036	18,898
Net profit Year ended 31 March 2019	-	-	-	-	7,003	7,003
Invested Capital	-	-	2,214	-	-	2,214
Dividends	-	-	-	-	(6,676)	(6,676)
Share Based Payments	-	-	-	820	-	820
Transfer Share Based Payments to/from Retained Earnings	-	-	-	(2,337)	2,337	-
Premium on redemption	-	-	-	-	(8,889)	(8,889)
Balance at 31 March 2019	1	30	6,018	1,511	5,810	13,370

	Share Capital	Group Reorg Reserve	Invested Capital	Share Based Payment Reserve	Retained Earnings	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2019	1	30	6,018	1,511	5,810	13,370
Net profit Year ended 31 March 2020	-	-	-	-	6,501	6,501
Invested Capital	-	-	46,062	-	-	46,062
Dividends	-	-	-	-	(6,125)	(6,125)
Share Based Payments	-	-	-	349	-	349
Transfer Share Based Payments to/from Retained Earnings	-	-	-	(1,758)	1,758	-
Premium on redemption	-	-	-	-	(2,416)	(2,416)
Share buyback	-	-	-	-	(36,833)	(36,833)
Balance at 31 March 2020	1	30	52,080	101	(31,304)	20,908

	Share Capital	Group Reorg Reserve	Invested Capital	Share Based Payment Reserve	Retained Earnings	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2020	1	30	52,080	101	(31,304)	20,908
Net profit six months ended 30 September 2020	-	-	-	-	7,106	7,106
Dividends	-	-	-	-	(1,951)	(1,951)
Share Based Payments	-	-	-	24	-	24
Premium on Redemption	-	-	-	-	(2,750)	(2,750)
Balance at 30 September 2020	1	30	52,080	125	(28,899)	23,337

The notes on pages 124 to 164 form part of this financial information

COMBINED CASHFLOW STATEMENT
For the years ended 31 March 2018, 2019 and 2020 and the six months ended
30 September 2020

		31-Mar	31-Mar	31-Mar	30-Sep	
		2018	2019	2020	2019	30-Sep
		£000	£000	£000	(Unaudited)	2020
	Note				£000	£000
Cash generated from operations		18,464	16,452	14,973	3,878	2,194
Tax paid		(63)	(100)	(1)	275	(1)
Interest paid	9	(731)	(724)	(725)	(345)	(328)
Net cash from operating activities		17,670	15,628	14,247	3,808	1,865
Cash flows from investing activities						
Cash Receipts from Invested Capital	1	4,615	2,214	46,062	0	0
Acquisition of property, plant and equipment	15	(1,489)	(278)	(744)	(235)	(69)
Acquisition of intangible assets	12	(308)	(141)	(5,266)	(5,205)	(13)
Acquisition of investment	13	(419)	(774)	(381)	(166)	(435)
Proceeds from disposal of subsidiaries/fixed asset investments		5,637	8	59	59	144
Interest received	9	7	10	1	0	2
Acquisition of subsidiary	29	0	0	0	0	2,348
Net cash from investing activities		8,043	1,039	39,731	(5,547)	1,977
Cash flows from financing activities						
Equity dividends paid and share buy back	11	(9,242)	(6,677)	(42,958)	(1,485)	(1,950)
Loans to and from shareholders		550	0	(2,594)	1,650	244
Redemption on preference shares	11	(12,711)	(8,889)	(2,416)	(2,416)	(2,750)
Repayment of lease liabilities	20	(1,308)	(1,609)	(2,176)	(1,086)	(1,318)
Net cash from financing activities		(22,711)	(17,175)	(50,144)	(3,337)	(5,774)
Net increase/(decrease) in cash and cash equivalents		3,002	(508)	3,835	(5,076)	(1,932)
Cash and cash equivalents at 1 April		7,575	10,577	10,069	10,069	13,904
Cash and cash equivalents at 31 March/ 30 September	17	10,577	10,069	13,904	4,993	11,972
<i>Reconciliation of operating profit to cash generated from operations</i>						
Operating profit		13,067	7,811	7,191	5,938	7,439
Share Based Payment		1,447	820	349	189	24
Depreciation and amortisation		612	823	1,692	669	1,095
Bargain gain on purchase		0	0	0	0	(111)
Right Of Use Assets Depreciation		1,415	1,614	1,690	825	882
Loss/(profit) on disposal of fixed assets		165	2	1	(6)	0
(Profit)/loss on disposal of fixed asset investments		(647)	1	0	0	0
Foreign currency translation differences		(4)	9	4	0	(3)
Change in debtors		(1,941)	5,789	(502)	(3,272)	(1,407)
Change in creditors due within one year		4,349	(417)	4,548	(465)	(5,725)
Total		18,464	16,452	14,973	3,878	2,194

The notes on pages 124 to 164 form part of this financial information

Notes to the financial information

Section 1

This section sets out the accounting policies of Foresight Group Holdings Limited and its subsidiaries, not including certain disposed activities (the 'Group') that relate to the financial information as a whole. Where an accounting policy is specific to one note, the policy is described in the note to which it relates.

This section also details new accounting standards that have been endorsed in the period and have either become effective for the financial period beginning 1 April 2020 or will become effective in later periods.

1. General Information and Basis of Preparation

Basis of Preparation

The activities of Foresight Group Holdings Limited which are not included in this financial information, being the disposals of the Non-Core Businesses (see below), will not form part of the Group at Admission and are therefore excluded from the Historical Financial Information.

The financial information in this section reflects the historical share capital structure of the Group as outlined above. The share capital structure of the Group post admission will be different to the historical share capital structure outlined above.

The combined Historical Financial Information for the three years and six months ended 30 September 2020 has been prepared specifically for the purposes of this Prospectus and in accordance with Commission Delegated Regulation (EU) 2019/980. The combined Historical Financial Information does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006.

The basis of preparation describes how the combined Historical Financial Information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), except as described below.

IFRS does not provide for the preparation of combined financial information and accordingly in preparing the combined Historical Financial Information certain accounting conventions commonly used for the preparation of financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 Standards for Investment Reporting applicable to public reporting engagements on historical financial information, issued by the UK Auditing Practices Board, have been applied. The application of these conventions results in the following material departures from IFRS:

- The combined Historical Financial Information of the Group is not prepared on a consolidated basis and therefore does not comply with the requirements of IFRS 10 Consolidated Financial information. The combined Historical Financial Information has been prepared on a basis that combines the results, cash flows, assets and liabilities of the operating activities that constitute the Group, derived from the accounting records of the Group, by applying the principles underlying the consolidation procedures of IFRS 10

In all other material respects, IFRS has been applied.

Key Accounting Principles

The following summarises the key accounting and other principles applied in preparing the Combined Historical Financial Information:

- The Group comprised legally a group of entities during the three years and six months ended 30 September 2020. However, the Combined Historical Financial Information does not include the disposals of the non-core business activities of the following in all periods as follows:

- o Foresight Metering Management Limited ("FMML") (smart metering business)
 - o Investment in Bioenergy Infrastructure Limited ("BIG") (renewable energy provider)
 - o Brighter Green Engineering Limited ("BGEL") (solar operations and maintenance business)
- The disposal of Foresight Solar Australia Pty Limited is not excluded from the combined Historical Financial Information. This is due to this entity being a core activity of the Group and also the expectation that similar transactions may occur in the future.
- Transactions and balances between entities within the Group have been eliminated. All intra-group balances, transactions, income and expenses and profits and losses, including unrealised profits arising from intra-group transactions, have been eliminated on combination. Transactions and balances between the Group and the non-core businesses that have been excluded from the Group represent third party transactions and balances from the perspective of the Group. They have been presented alongside all other third-party transactions and balances in the appropriate financial statement line items of the combined Historical Financial Information to which such transactions and balances relate and are disclosed as related party transactions.
- Where carve out adjustments have been made to reflect the exclusion of the non-core activities as at 30 September 2020, 31 March 2020, 31 March 2019 and 31 March 2018 and the opening balance sheet as at 1 April 2017, these adjustments are reflected within "Invested Capital" in equity. The Invested Capital line at 30 September 2020 amounted to £52.1 million, which represents the net cashflows of the three disposed businesses above (the related profits were shown in the profit and loss accounts over the period under review in the UK GAAP results of the relevant entities). The Cash Receipts From Invested Capital in the Combined Cashflow Statement represents the annual net cashflows arising from the three disposed businesses above.

The Group has applied IFRS for the first time from 1 April 2017. The basis of preparation of the Combined HFI, which is the first combined financial statements of the Group, is consistent with the principles of IFRS 1 First time adoption of International Financial Reporting Standards. The Group has prepared the Combined HFI using accounting policies which are compliant with IFRS. These accounting policies have been disclosed under significant accounting policies. The Combined HFI was prepared on a historical cost basis with the exception of investments which were included at fair value.

In preparing the Combined HFI consistent with the principles of IFRS 1, the Group has applied the exemptions in IFRS 1.D9(B) and has measured its assets and liabilities at the carrying amounts as at the date of transition to IFRS. Accordingly, the date of initial application of IFRS 16 Leases in the Combined HFI is 1 April 2017. The Group has also applied the exemptions in IFRS1.D9(D) (b), (c) and (d).

The Group has also applied the following exemptions in preparing the Combined HFI:

- Right Of Use assets under IFRS16 have been booked at fair value at 1 April 2017 (the transition date) (IFRS 1.D7 (aa))
- Business combinations that took place prior to 1 April 2017 have not been restated (IFRS 1D15A (a))
- Cumulative translation differences for all foreign operations have been set to zero at 1 April 2017 (IFRS1D 13 a)

The financial information is presented in Sterling which is the Company's functional currency. All information is given to the nearest thousand (except where specified otherwise).

Accounting Policies

The accounting policies set out in the sections below have been applied consistently to all periods presented within the financial information and have been applied consistently by all subsidiaries.

At the date of this Prospectus, the following Standards and Interpretations which have not been applied in this financial information were in issue but not yet effective:

New standards not yet implemented:

The International Accounting Standards Board (IASB) and IFRS IC have issued the following new standard with an effective date for financial periods ending on or after the dates disclosed below. The standard and interpretation has an effective date of adoption of 1 June 2020 and has not been applied in preparing the financial information.

The Group has performed a preliminary assessment of the impact of adopting the standard below and concluded that adopting it would not result in any adjustments to the reported financial results or financial position of the Group.

Name	Date of Implementation
Covid-19-Related Rent Concessions – Amendment to IFRS 16	01/06/2020

Going concern

This Historical Financial Information relating to the Group has been prepared on the going concern basis.

The Directors of the Group have considered the resilience of the Group, taking into account its current financial position and the principal and emerging risks facing the business, including the impact of COVID 19 on global markets and potential implications for the Group's financial performance. The board reviewed the Group's cash flow forecasts and trading budgets for a period of at least 12 months from the date of approval of this Historic Financial Information, and concluded that, taking into account plausible downsides scenarios that could reasonably be anticipated, the Group will have sufficient funds to pay its liabilities as they fall due for that period. Taking into consideration the impact of Covid-19 on the wider economic environment, the forecasts have been stress tested to ensure that a robust assessment of the Group's working capital and cash requirements has been performed. The Stress test scenarios adopted involved severe but plausible downside scenarios with respect to the Group's trading performance. Any mitigating actions available to protect working capital and strengthen the balance sheet, including deferring non-essential capital expenditure and increased cost control were also taken into account.

In considering the above, the directors have formed the view that the Group will generate sufficient cash to meet its ongoing liabilities as they fall due for at least the next 12 months; accordingly, the going concern basis of preparation has been adopted.

2 Accounting policies

The Company has consistently applied the following accounting policies to all periods presented in this financial information.

A. Revenue

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group's revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue represents the fair value of the consideration receivable in respect of services provided during the period, exclusive of value added taxes.

A contract with a customer is recognised when a contract is legally enforceable by the Group; this will be prior to the commencement of work for a customer and therefore before any revenue is recognised by the Group. Performance obligations are identified on a contract by contract basis; where contracts are entered into at the same time with the same customer at differing rates, these may be considered a single contract for the purposes of revenue recognition.

The Group does not provide extended payment terms on its services and therefore no significant financing components are identified by the Group. Revenue is only recognised on contingent matters from the point at which it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The principal components of revenue comprise management fees, secretarial fees, director's fees, arrangement fees, performance incentive fees and marketing fees.

Management fees and most secretarial fees are generally based a percentage of fund Net Asset Value ("NAV") as defined in the funds' prospectus and/or offering documents, with some secretarial fees being at an agreed fixed rate. Director fees are based on a specified fixed fee agreed with the customer.

Management, secretarial and Director fees are recognised on an accruals basis to the extent that it is probable that there will be economic benefit and income can be reliably measured.

Marketing fees are based on a rate agreed with the customer and recognised when the related funds have been allotted.

Arrangement and advisory fees are based on a set rate agreed with the customer and recognised when the related service obligations have been achieved.

Performance incentive fees are based on the returns achieved over a predetermined threshold as defined in the funds' prospectus or offering documents and are recognised only when management have certainty as to the receipt of such revenue.

Other fees are based on the contract agreed before services are provided and are recognised in line with the delivery of the services provided.

B. Taxation

The tax expense represents the current tax relating to the corporate subsidiaries. The current tax expense is based on taxable profits of these companies for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax liability is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends to either settle on a net basis or realise the asset and settle the liability simultaneously.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

C. Financial instruments

Basic financial instruments

i Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

ii Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Amortised cost

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit and loss in the Statement of Comprehensive Income. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

D. Investments

Investments comprise holdings in subsidiaries, unlisted investments and a 50% holding in an associate.

Revaluation

Unlisted Investments are recognised initially at fair value, which is normally the transaction price. Subsequent to initial recognition, unlisted investments are measured at fair value with changes recognised in profit and loss in the Statement of Comprehensive Income. Fair value is calculated as the percentage of the underlying fund to which the investment relates.

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable

assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date.

Associates

Associates are recognised and accounted for on an equity basis.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Any impairment is recognised immediately in profit or loss and is not subsequently reversed. On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

E. Use of judgements and estimates

The preparation of the Group's Historical Financial Information requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the statement of financial position date, amounts reported for revenues and expenses during the year, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in the future.

In the process of applying the Group's accounting policies, the Directors have made the following judgements and estimates which have the most significant effect on the amounts recognised in the financial information:

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing material adjustment to the carrying amount of assets and liabilities are as follows:

Valuation of Investments

Investments are recorded at fair value. Fair value is calculated as the percentage of the underlying fund to which the investment relates.

While valuations of investments are based on assumptions that the directors consider are reasonable under the circumstances, the actual realised gains and losses will depend on, amongst other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may ultimately differ significantly from the assumptions on which the valuations were based. The directors consider that the valuation of unlisted investments to be the most significant area of estimates and judgements made. The value of the investments as at 30 September 2020 was £1.6 million (31 March 2020 £1.2 million, 31 March 2019: £1.2 million, 31 March 2018: £441,000).

Key Judgements

These are as follows:

Impairment of intangible assets

In determining whether there are indicators of impairment of the Group's intangible assets, the directors take into consideration various factors including the economic viability and expected future financial performance of the asset and when it relates to the intangible assets arising on a business combination, the expected future performance of the business acquired.

Discretionary distributions payable

The Group consists of a Limited Liability Partnership, whose Ordinary Members are also shareholders of B shares and Alphabet shares of FGHL. In addition to salary and bonus, these individuals also receive discretionary distributions from the LLP as well as dividends from FGHL through Alphabet shares. However, the total of the discretionary distributions from the LLP and dividends received from FGHL are based on their B share ownership. In order to determine the accounting treatment for the

discretionary distributions, the Directors are required to make a judgement as to if these distributions are purely for their shareholding or for their employment. The key determining factor is when these individuals become unconditionally entitled to B shares and that the distributions payable (including the dividends payable on Alphabet shares) are directly linked to the ownership of B shares. When the shareholders are unconditionally entitled to B shares, the discretionary distributions payable to them are considered as equity distributions. Before then, the discretionary distributions payable to them are considered to be in relation to their employment, and hence accounted for as expenses.

Share based payments

FGHL issues B shares to certain individuals with service conditions attached. In order to determine the charges related to these share awards, the directors need to make a number of judgements. The key ones relevant for these share awards are if they are equity settled or cash settled, the fair value of FGHL as an unquoted group as well as the number of shares expected to vest at the end of the vesting period. At the end of the vesting period, these shares can be sold back to FGHL at the Company's option. As such, whether this is a cash settled or equity settled share based payment is dependent on FGHL's past practice. FGHL does not typically settle these share awards with cash. As such, the Directors consider these shares to be equity settled. In determining the fair value of FGHL, the directors applied multiples to the Group's maintainable earnings. The multiples used are based on those of listed investment management groups, with a discount to reflect the fact that FGHL is unquoted. The Directors estimated the number of shares expected to vest at the end of the vesting period based on past experience.

Mr B Fairman holds A shares, and some B shares with FGHL, as well as redeemable shares with FGCI. The redeemable shares are redeemed at FGCI's option. As such, they are treated as equity. The total distributions payable on the redeemable shares and A shares are based on his B share ownership. As Mr Fairman is unconditionally entitled to the B shares, total payments to him are treated as equity distributions.

F. Segmental reporting

Segment information is provided based on the operating segments which are reviewed by the Executive Committee ("Exco"). These operating segments are aggregated if they meet certain criteria. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance income, finance charges and income tax. No disclosure is made for net assets / liabilities as these are not reported by segment to Exco.

G. Property, plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is provided, where material, on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly using a straight-line method over its estimated useful life (charged through administrative expenses) as follows:

Fixtures, fittings, plant and equipment:

- Office equipment over 10 years
- Computer equipment over 3 to 4 years
- Motor vehicles over 4 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

H. Intangible assets excluding goodwill

Other intangible assets comprise computer software (internally generated) and customer contracts (acquired) which are stated at cost less amortisation and any recognised impairment loss. Amortisation is provided, where material, on all intangible fixed assets excluding goodwill at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly using

a straight-line method over its estimated useful life (charged through administrative expenses) as follows:

- Computer software over 3 to 4 years
- Customer contracts over 5 years

The carrying values of computer software and customer contracts are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Website development design and content development costs are capitalised only to the extent that they lead to the creation of an enduring asset, which delivers benefits at least as great as the amount capitalised.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

I. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

J. Trade receivables

Trade receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

K. Trade payables

Trade payables are measured at fair value.

L. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are de-recognised from the balance sheet when the obligation specified in the contract is discharged, is cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other operating income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

M. Employee benefits: Pension obligations

The Group operates a defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions to a third party. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

N. Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. The increase in the provision due to the passage of time is recognised in finance costs.

O. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds.

P. Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recognised when they are paid. Final equity dividends are recognised when approved by the shareholders.

Q. Leases

Leased assets

Applying IFRS 16, for all leases the Group:

- a) Recognises right-of-use assets and lease liabilities in the Combined Statement of Financial Position, initially measured at the present value of the future lease payments;
- b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the Combined Statement of Comprehensive Income;
- c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the Combined Statement of Cash Flows.

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses on a straight-line basis. For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16.53 (c). This expense is presented within administrative expenses in the Combined Statement of Comprehensive Income.

R. Net finance costs

Finance costs

Finance costs comprise interest payable on leases, borrowings and direct issue costs and are expensed in the period in which they are incurred.

Finance income

Finance income comprises interest receivable on cash deposits. Interest income is recognised in profit or loss as it accrues using the effective interest method.

S. Earnings per Share

Basic earnings per share (EPS) is calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, to the extent that the inclusion of such shares is not anti-dilutive.

T. Share Based Payments

The Group issues B shares as awards to its staff under share based compensation plans. For equity-settled awards, the fair value of the amounts payable to staff is recognised as an expense with a corresponding increase in equity over the vesting period after adjusting for the estimated number of shares that are expected to vest. The fair value is measured at the grant date using an appropriate valuation model, taking into account the terms and conditions upon which the instruments were granted. At each balance sheet date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is calculated. The movement in cumulative expense is recognised in the statement of comprehensive income with a corresponding entry within equity.

3. Revenue

The Group's revenue arises largely from the charging of management, secretarial, directors', marketing, arrangement and performance incentive fees. Revenue over the period was as follows:

	31-Mar	31-Mar	31-Mar	30-Sep	30-Sep
	2018	2019	2020	2019	2020
	£000	£000	£000	(unaudited) £000	£000
Management Fees	29,463	30,921	35,550	17,918	22,582
Secretarial Fees	4,157	5,758	11,485	5,223	5,883
Directors Fees	1,265	1,526	1,848	883	1,043
Recurring Fees	34,885	38,205	48,883	24,024	29,508
Marketing Fees (Re-occurring)	3,940	4,083	4,307	2,148	1,290
Arrangement Fees	9,804	7,245	3,998	1,964	1,610
Performance Incentive Fees	2,962	0	65	39	0
Advisory Fees	8	5	0	0	0
Other Income	69	0	0	0	9
	51,668	49,538	57,253	28,175	32,417

4. Business Segments

Management monitors the performance and strategic priorities of the business from a Business Unit ("BU") perspective, and in this regard has identified the following two key 'reportable segments': Infrastructure and Private Equity.

The Group's senior management assesses the performance of the operating segments based on revenue and Core EBITDA.

Revenue is measured in a manner consistent with that in the income statement.

Segmental revenue is set out below:

				30-Sep	
	31-Mar	31-Mar	31-Mar	2019	30-Sep
	2018	2019	2020	(unaudited)	2020
	£000	£000	£000	£000	£000
Infrastructure	38,509	33,736	39,556	18,964	23,536
Private Equity	13,159	15,802	17,697	9,211	8,881
	51,668	49,538	57,253	28,175	32,417

Segmental Core EBITDA is set out below (see also note 6 below):

				30-Sep	
	31-Mar	31-Mar	31-Mar	2019	30-Sep
	2018	2019	2020	(unaudited)	2020
	£000	£000	£000	£000	£000
Infrastructure	12,113	6,745	7,063	4,272	7,993
Private Equity	5,790	5,124	5,836	3,632	2,699
	17,903	11,869	12,899	7,904	10,692

Revenue by region is summarised below:

				30-Sep	
	31-Mar	31-Mar	31-Mar	2019	30-Sep
	2018	2019	2020	(unaudited)	2020
	£000	£000	£000	£000	£000
United Kingdom	48,483	48,563	55,009	27,462	31,354
Europe	2,644	467	1,705	435	710
Rest of World	541	508	539	278	353
	51,668	49,538	57,253	28,175	32,417

5. Administrative Expenses

These are summarised as follows:

	31-Mar	31-Mar	31-Mar	30-Sep	
	2018	2019	2020	2019	30-Sep
	£000	£000	£000	(unaudited)	2020
				£000	£000
Depreciation and amortisation owned assets (note 6)	612	823	1,692	669	1,094
ROU Asset depreciation (note 6)	1,415	1,614	1,690	825	882
Staff costs (note 8)	18,115	21,786	27,961	12,949	14,826
Staff Costs - Distributions	2,360	1,333	966	65	647
Share Based Payments	1,447	820	349	189	24
Auditors remuneration	84	114	209	47	167
Legal and professional costs	4,240	3,939	5,292	1,655	2,255
Office costs	1,218	1,835	1,796	761	948
Foreign exchange costs/(gains) (note 6)	(118)	34	35	(10)	(61)
Travel costs	1,016	1,172	1,035	587	(24)
Administrative costs	3,155	2,774	3,149	1,738	1,595
Commissions	439	511	671	276	185
Bad debt write offs	101	(14)	1,198	59	0
(Profit)/loss on disposal of part interests (note 6)	(647)	1	0	0	0
Other	371	725	426	229	159
	33,808	37,467	46,469	20,039	22,697

Administrative costs mainly relate to bank charges, computer maintenance, conferences, irrecoverable VAT, minor capital purchases written off and sundries.

6. Operating Profit

Operating profit is stated after charging:

	31-Mar	31-Mar	31-Mar	30-Sep	
	2018	2019	2020	2019	30-Sep
	£000	£000	£000	(unaudited)	2020
				£000	£000
Owned Property Plant & Equipment Depreciation	549	684	697	330	377
Amortisation of other intangible assets	63	138	995	338	717
Right of Use Assets Depreciation	1,415	1,614	1,690	825	882
Gain on remeasurement of investments to fair value	(41)	10	(147)	0	51
Loss/(profit) on disposal of fixed assets	165	2	1	(6)	0
(Profit)/loss on disposal of part interests	(647)	1	0	0	0
Net foreign exchange profit/(loss)	(118)	34	35	(10)	(61)

Core EBITDA

The Group uses Core EBITDA to assess the financial performance of the business. This measure is a non-IFRS measure because it excludes amounts that are included in the most directly comparable measure calculated and presented in accordance with IFRS. The Directors believe Core EBITDA and similar measures are used by certain investors, analysts and other interested parties as supplemental measures of performance.

Core EBITDA may not be comparable to other similarly titled measures used by other companies and it has 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.

The specific items excluded from Core EBITDA are non-underlying items. Non-underlying 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 are non-underlying items for the purposes of calculating Core EBITDA:

- Costs related to a series of proposed corporate transactions over the period. These relate to professional and other costs incurred in preparing the Group for an IPO and therefore are not considered to be related to the Group's on-going business operations.
- Following a major expansion of the waste plastic bottle recycling plant of Closed Loop Recycling Limited ("CLR") in Dagenham and ahead of a planned listing of the company in 2014, CLR required increasing volumes of waste bottles to fill its capacity. To meet CLR's demand, Foresight's Inheritance Tax Solution ("ITS") a tax scheme managed by Foresight Group for investors, provided a loan of £1.2m to AP Plastics, a waste plastics trading business, to purchase and supply bottles at a profit to meet this demand. In 2015, due to circumstances completely outside either Foresight's or CLR's control, the price of oil fell rapidly to a particularly low price resulting in CLR's business model becoming uneconomic as it was cheaper to make new bottles from oil rather than recycle them, which in turn led to CLR going into administration and losses at AP Plastics. After careful consideration of these totally unforeseen circumstances, the Foresight partners considered that ITS should not incur any such loss and so they assumed responsibility for repaying the ITS loan.
- Performance incentive fees in the year ended 31 March 2018 (performance incentive fees classed as non-recurring).
- Distributions made to members classified as remuneration expenses under IFRS (see note 8) have been added back to operating profit as these costs are treated as dividends for the purposes of calculating Core EBITDA;
- Share Based Payments made to members classified as remuneration expenses under IFRS (see note 8) have been added back to operating profit as these costs are treated as dividends for the purposes of calculating Core EBITDA;
- Other operating income as per note 7 below which is not expected to recur. This relates to the disposal of a part interest in FRP Shirebrook and recharges of set-up costs discussed further under note 7 below.
- Redundancy costs relating to a restructuring of the business.

A reconciliation of operating profit before interest, taxation, depreciation, amortisation, fair value gains, share of profits of associates and profit on sale of fixed asset investments ("Adjusted EBITDA") to Core EBITDA is set out below:

	31-Mar	31-Mar	31-Mar	30-Sep	
	2018	2019	2020	2019	30-Sep
	£000	£000	£000	(unaudited) £000	2020 £000
Operating Profit	13,067	7,811	7,191	5,938	7,439
Owned property, plant and equipment depreciation	549	684	698	331	377
Amortisation of other intangible assets	63	138	995	338	717
Right of use assets depreciation	1,415	1,614	1,690	825	882
Adjusted EBITDA	15,094	10,247	10,574	7,432	9,415
<i>Non-Underlying Items:</i>					
Performance incentive fees and other income	(3,031)	0	(65)	(39)	(9)
Staff Costs - Distributions	2,360	1,334	965	65	647
Share Based Payments	1,447	820	349	189	24
Other operating income	0	(1,385)	(795)	(45)	(46)
Costs on corporate transactions	2,033	853	581	302	453
Goodwill payment to ITS	0	0	1,290	0	0
Redundancy Costs	0	0	0	0	208
Core EBITDA	17,903	11,869	12,899	7,904	10,692

7. Other Operating Income

This is summarised as follows:

	31-Mar	31-Mar	31-Mar	30-Sep	
	2018	2019	2020	2019	30-Sep
	£000	£000	£000	(unaudited) £000	2020 £000
Fees arising from the disposal of FRP Shirebrook Holdco Limited	0	1,000	795	45	46
Recharge of set up costs	0	385	0	0	0
	0	1,385	795	45	46

Fees arising from the disposal of FRP Shirebrook Holdco Limited

In the year ended 31 March 2019, the Group disposed of its shareholding in FRP Shirebrook Holdco Limited. FRP Shirebrook Holdco Limited held the intellectual property rights to a reserve power plant development project in Shirebrook, Derbyshire. The proceeds from the disposal were conditional on various clauses and terms being met and at 31 March 2020, total proceeds of £1,794,750 had accrued to FG LLP. Further fees of £598,250 will accrue to the Group when the reserve power plant is fully operational, which is expected in the year ending 31 March 2021. In terms of revenue recognition, amounts have only been booked as revenue when the relevant contractual conditions have been met. As at 30 September 2020, the contractual conditions pertaining to the revenue recognised in the years ended 31 March 2019 and 2020 had been fulfilled during those years. No receivable has yet been recognised in respect of the £598,250 further fees above, the underlying conditions attaching to these further fees are expected to be satisfied during the six months ending 31 March 2021.

Recharge of set up costs

This income relates to set up costs that the Group were able to recharge to the Foresight Italian Green Bond Fund.

8. Staff costs and Directors' Remuneration

The average number of employees was:

	31-Mar	31-Mar	31-Mar	30-Sep	
	2018	2019	2020	2019	30-Sep
	No	No	No	(unaudited)	2020
	No	No	No	No	No
Operations	97	111	120	88	124
Sales and Marketing	32	40	45	38	52
Administration	42	50	61	58	61
	171	201	226	184	237

Their aggregate remuneration comprised:

	31-Mar	31-Mar	31-Mar	30-Sep	
	2018	2019	2020	2019	30-Sep
	£000	£000	£000	(unaudited)	2020
	£000	£000	£000	£000	£000
Wages and Salaries	17,886	20,532	26,181	12,097	13,828
Social Security Costs	223	1,153	1,424	689	733
Pension Costs	6	101	356	163	265
	18,115	21,786	27,961	12,949	14,826
Distributions	2,360	1,333	966	65	647
Share Based Payments	1,447	820	349	189	24
Total staff Costs	21,922	23,939	29,276	13,203	15,497

The Group consists of a Limited Liability Partnership, whose Ordinary Members are also shareholders of B shares and Alphabet shares of FGHL. From the LLP, the Ordinary Members receive Ordinary Member Tier Two Shares in addition to the other distributions receivable. The Ordinary Member Tier Two Shares are payable at the sole discretion of the Designated Member of the LLP, as such they are accounted for as equity distributions in the LLP's financial statements.

At the overall Group level, the Ordinary Members also receive dividends through their Alphabet shares. The total discretionary distributions received by the Ordinary Members (Ordinary Member Tier Two Shares and the Alphabet share dividends) are determined based on their B shareholdings. Whether the total discretionary distributions should be treated as remuneration or equity distributions is determined based on if these payments are made in relation to their shareholding or their tenure with the Group.

Based on the rights and obligations attached to the B shares, the B shareholders are not unconditionally entitled to B shares unless they have an uninterrupted 10 years of service with the Group. After the 10 year service period, there are no restrictions on B shareholders. At that point, the discretionary distributions payable to B shareholders are only purely for their equity ownership. As such, the Ordinary Member Tier Two Share and the Alphabet share dividends payable to individuals who have not completed their 10 year service are included in this note as remuneration (this is the "Distributions" line in the table above). The discretionary distributions payable to B shareholders who have completed their 10 year service are factored into the calculation of retained earnings.

9. Financial income and expenses

	31-Mar 2018 £000	31-Mar 2019 £000	31-Mar 2020 £000	30-Sep 2019 (unaudited) £000	30-Sep 2020 £000
Financial Income:					
Bank Interest Receivable	7	10	1	0	2
Financial Expenses:					
Bank Interest payable	(1)	(2)	(3)	(2)	(39)
Interest on Lease Liabilities	(730)	(722)	(722)	(343)	(326)
Total interest expense on financial liabilities measured at amortised cost	(731)	(724)	(725)	(345)	(365)

10. Taxation

	31-Mar 2018 £000	31-Mar 2019 £000	31-Mar 2020 £000	30-Sep 2019 (unaudited) £000	30-Sep 2020 £000
Current Year Tax Expense	(15)	(95)	(53)	(2)	(1)
Total Tax Expense	(15)	(95)	(53)	(2)	(1)

The effective tax rate has varied through the historical period, and is explained as:

	31-Mar 2018 £000	31-Mar 2019 £000	31-Mar 2020 £000	30-Sep 2019 (unaudited) £000	30-Sep 2020 £000
Profit before tax	15,783	7,097	6,555	5,593	7,107
Profit before tax at 19%	2,999	1,348	1,245	1,063	1,351
Profits not assessable to corporation tax	(2,811)	(1,783)	(1,454)	(1,420)	(1,646)
Share Based Payments	275	156	66	36	5
Substantial shareholding exemption	(660)	0	0	0	0
Unrecognised deferred tax assets	219	282	126	284	179
Adjustments to previous periods	(6)	95	0	0	0
Higher tax rates on overseas earnings	0	(6)	(18)	(9)	(15)
Non qualifying amortisation	0	0	147	49	123
Joint venture	0	2	(59)	0	4
Total tax charge	15	95	53	2	1

Profits not assessable to corporation tax comprise profits in various UK LLPs and Guernsey registered companies within the Group where UK Corporation Tax law does not apply.

Unrecognised deferred tax assets

Unrecognised deferred tax assets – this arises where corporate subsidiaries in the Group are subject to tax but where the corporate subsidiary is loss making (e.g. Foresight Group Australia Pty Limited)

but has not recognised a deferred tax asset in respect of these losses due to uncertainty regarding recoverability. The deferred tax assets not recognised are as follows:

- Cumulative losses carried forward at 30 September 2020 of £139,008 in the UK and £2,450,734 overseas (31 March 2020, £295,223 and £5,093,555 respectively, 31 March 2019 £56,591 and 31 March 2018 £4,340,359);
- Of these unrecognised deferred tax assets, £3,500,000 of losses in respect of Foresight Group US, LLC expired when the company was dissolved on 31 December 2019, otherwise the losses have no expiry date.

11. Dividends and redemptions

Equity dividends and share buybacks were as follows:

	31-Mar 2018 £000	31-Mar 2019 £000	31-Mar 2020 £000	30-Sep 2019 (unaudited) £000	30-Sep 2020 £000
Dividends	8,917	6,677	6,125	1,485	1,950
Share Buybacks	326	0	36,833	0	0
	9,242	6,677	42,958	1,485	1,950

Six months ended 30 September 2020

A Shares

On 22 May 2020, the Company paid dividends of £137,500 in respect of the Company's A Shares

On 21 August 2020, the Company paid dividends of £137,500 in respect of the Company's A Shares

Distributions

During the financial period, Foresight Group LLP paid distributions of £1,675,117 to its members

Six months ended 30 September 2019

On 24 May 2019, the Company paid dividends of £125,000 in respect of the Company's A Shares

On 16 August 2019, the Company paid dividends of £133,333 in respect of the Company's A Shares

On 23rd April 2019, the Company paid dividends of £1,226,752 in respect of the Company's alphabet shares (see note 22 for further details of Alphabet Shares)

Year ended 31 March 2020

A Shares

On 24 May 2019, the Company paid dividends of £125,000 in respect of the Company's A Shares

On 16 August 2019, the Company paid dividends of £133,333 in respect of the Company's A Shares

On 28 November 2019, the Company paid dividends of £137,500 in respect of the Company's A Shares

On 6 March 2020, the Company paid dividends of £137,500 in respect of the Company's A Shares

Alphabet Shares

On 23rd April 2019, the Company paid dividends of £1,226,752 in respect of the Company's alphabet shares

On 26 November 2019, the Company paid dividends of £15,130 in respect of the Company's alphabet shares

Distributions

During the financial year, Foresight Group LLP paid distributions of £4,192,144 to its members

During the financial year, VCF Partners paid distributions of £152,434 to its members

During the financial year, Foresight Group Promoter LLP paid distributions of £5,154 to its members

Share buyback

On 26 November 2019, the Company enacted a share buyback of £1,059.82 per share, in respect of 9,999 of the company's A shares (£10,597,127)

On 26 November 2019, the Company enacted a share buyback of £292.40 per share, in respect of 53,135 of the company's B shares (£15,536,160)

On 25 November 2019, the Company enacted a share buyback of £246.40 per share, in respect 30,438 of the company's B shares (£7,500,000)

On 30 March 2020, the company enacted a share buyback of £292.40 per share, in respect of 10,944 of the company's B shares (£3,200,000).

Year ended 31 March 2019

A Shares

On 18 May 2018, the Company paid dividends of £125,000 in respect of the Company's A Shares

On 17 August 2018, the Company paid dividends of £125,000 in respect of the Company's A Shares

On 29 November 2018, the Company paid dividends of £125,000 in respect of the Company's A Shares

On 1 March 2019, the Company paid dividends of £125,000 in respect of the Company's A Shares

Alphabet Shares

On 9th January 2019, the Company paid dividends of £105,098 in respect of the Company's alphabet shares

Distributions

During the financial year, Foresight Group LLP paid distributions of £5,949,729 to its members

During the financial year, VCF Partners paid distributions of £121,793 to its members

Year ended 31 March 2018

A Shares

On 19 May 2017, the Company paid dividends of £125,000 in respect of the Company's A Shares

On 18 August 2017, the Company paid dividends of £125,000 in respect of the Company's A Shares

On 30 November 2017, the Company paid dividends of £125,000 in respect of the Company's A Shares

On 2 March 2018, the Company paid dividends of £125,000 in respect of the Company's A Shares

Alphabet Shares

On 23 October 2017, the Company paid dividends of £ 1,738,345 in respect of the Company's alphabet shares

On 17 January 2018, the Company paid dividends of £1,495,074 in respect of the Company's alphabet shares

On 27 March 2018, the company paid dividends of £2,014,323 in respect of the Company's alphabet shares

Distributions

During the financial year, Foresight Group LLP paid distributions of £2,746,290 to its members

During the financial year, VCF Partners paid distributions of £422,728 to its members

Share buyback

On 12 March 2018, the Company enacted a share buyback of £91.74 per share, in respect of 3,549 of the company's B shares (£325,595)

Redemptions on preference shares were as follows:

	31-Mar	31-Mar	31-Mar	30-Sep	30-Sep
	2018	2019	2020	2019	2020
	£000	£000	£000	(unaudited) £000	£000
Redemption of preference shares	12,711	8,889	2,416	2,416	2,750

Six months ended 30 September 2020

On 31 July 2020, FGCI exercised its right to redeem 1 preference redeemable shares for total consideration of £2,750,000.

Year ended 31 March 2020 and six months ended 30 September 2019

On 24 April 2019, FGCI exercised its right to redeem 2 redeemable preference shares for total consideration of £1,666,000. On 28 June 2019, FGCI exercised its right to redeem 2 preference redeemable shares for total consideration of £750,000. The value of these redemptions was determined by the Board of Directors of FGCI after taking into account FGCI's profits and working capital requirements.

Year ended 31 March 2019

On 23 April 2018, FGCI exercised its right to redeem 1 redeemable share for total consideration of £4,444,763. On 20 July, 2018, FGCI exercised its right to redeem 2 redeemable shares for total consideration of £1,666,786. On 12 October 2018 FGCI exercised its right to redeem 1 redeemable share for total consideration of £1,111,200. On 10 January 2019, FGCI exercised its right to redeem 2 redeemable shares for total consideration of £1,666,200. The value of these redemptions was determined by the Board of Directors of FGCI after taking into account FGCI's profits and working capital requirements.

Year ended 31 March 2018

On 24 July 2017, FGCI exercised its right to redeem 1 redeemable share for total consideration of £5,500,000. On 24 October, 2017, FGCI exercised its right to redeem 1 redeemable share for total consideration of £2,900,000. On 18 January 2018, FGCI exercised its right to redeem 2 redeemable shares for total consideration of £1,560,872. On 27 March 2018, FGCI exercised its right to redeem 1 redeemable share for total consideration of £2,750,000. The value of these redemptions was determined by the Board of Directors of FGCI after taking into account FGCI's profits and working capital requirements.

12. Intangible assets

	Capitalised Software £000	Other Intangibles £000	Total £000
Cost:			
At 1 April 2017	223	0	223
Additions	308	0	308
At 31 March 2018	531	0	531
Additions	141	0	141
At 31 March 2019	672	0	672
Additions	121	5,145	5,266
Disposals	(130)	-	(130)
At 31 March 2020	663	5,145	5,808
Additions	12	0	12
Business Combinations	0	2,378	2,378
Disposals	0	-	0
At 30 September 2020	675	7,523	8,198
<i>Amortisation/Impairment</i>			
Balance at 1 April 2017	-	-	-
Charge for the year	(63)	-	(63)
Balance at 31 March 2018	(63)	-	(63)
Charge for the year	(138)	-	(138)
Balance at 31 March 2019	(202)	-	(202)
Charge for the year	(223)	(772)	(995)
Disposals	130	-	130
Balance at 31 March 2020	(295)	(772)	(1,067)
Charge for the year	(144)	(574)	(717)
Disposals	-	-	-
Balance at 30 September 2020	(439)	(1,345)	(1,784)
<i>Net Book Value at 31 March 2018</i>	<i>468</i>	<i>0</i>	<i>468</i>
<i>Net Book Value at 31 March 2019</i>	<i>471</i>	<i>0</i>	<i>471</i>
<i>Net Book Value at 31 March 2020</i>	<i>368</i>	<i>4,373</i>	<i>4,741</i>
<i>Net Book Value at 30 September 2020</i>	<i>237</i>	<i>6,179</i>	<i>6,416</i>

Other intangibles relate partially to the capitalised value of the customer contracts acquired as part of the JLEN transaction. This was an asset acquisition where only the contract was acquired and no other assets or liabilities were taken on at acquisition. The other element of other intangibles relates to the intangible asset acquired as part of the PiP transaction discussed further below. The customer contracts and the PiP intangible assets are amortised over 5 years. The remaining element of intangible assets relate to capitalised software costs, which are amortised over 3-4 years. The amortisation charges above are recognised within administrative expenses in the income statement.

For further details of business combinations, refer to note 29.

13. Investments

	Unlisted		
	Investments	Associate	Total
	£000	£000	£000
At 1 April 2017	1,572	0	1,572
Additions	419	0	419
Revaluations	(41)	0	(41)
Disposals	(1,509)	0	(1,509)
At 31 March 2018	441	0	441
Additions	765	10	775
Revaluations	10	(10)	0
Disposals	(10)	0	(10)
At 31 March 2019	1,206	0	1,206
Additions	381	0	381
Revaluations	(147)	0	(147)
Share of profit	0	235	235
Disposals	(207)	0	(207)
At 31 March 2020	1,233	235	1,468
Additions	436	0	436
Share of loss	0	(20)	(20)
Revaluations	51		51
Disposals	(144)	0	(144)
At 30 September 2020	1,576	215	1,792

Investments comprise unlisted investments, which are all carried at fair value. The investment in Associate relates to a JV entered into by FG Italy which holds a 50% holding in FV Solar Labs SRL.

The Group has investments in the following subsidiary undertakings:

Entity	Domicile	Type	Country of registration	Interest
Foresight Solar Australia (UK) Limited	UK	Company	England & Wales	100%
Foresight Iberian Solar Development Limited	UK	Company	England & Wales	100%
Foresight Group Holdings (UK) Limited	UK	Company	England & Wales	100%
Foresight Asset Management Limited	UK	Company	England & Wales	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	Scotland	100%
General partners which are subsidiaries of PiP Manager Limited				
PiP RP-MA GP LLP	UK	LLP	England & Wales	100%
PiP Multi-Strategy Infrastructure GP LLP	UK	LLP	England & Wales	100%
PiP WM-MA GP LLP	UK	LLP	England & Wales	100%
Foresight Group CI Limited	Guernsey	Company	Guernsey	100%
Foresight Group LLP	UK	LLP	England & Wales	
Foresight Fund Managers Limited	UK	Company	England & Wales	100%
Foresight Group (SK) Limited	UK	Company	England & Wales	100%
Pinecroft Corporate Services Limited	UK	Company	England & Wales	100%
Foresight Group Promoter LLP	UK	LLP	England & Wales	100%
Foresight Company 1 Limited	UK	Company	England & Wales	100%
Foresight Company 2 Limited	UK	Company	England & Wales	100%
Foresight Investor LLP	UK	LLP	England & Wales	100%
Foresight Group S.R.L.	Italy	Company	Italy	100%
FV Solar Lab S.R.L.	Italy	Company	Italy	50%
Foresight Group Australia Pty Limited	Australia	Company	Australia	100%
Foresight Group Iberia SL	Spain	Company	Spain	100%
VCF Partners	UK	Partnership	England & Wales	
General partners which are subsidiaries of FGLLP and FGCI				
Foresight Environmental GP Co. Limited	UK	Company	Scotland	100%
Foresight NF GP 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 Group S.à r.l.	Luxembourg	Company	Luxembourg	100%
Foresight Energy Infrastructure Partners GP S.à r.l.	Luxembourg	Company	Luxembourg	100%
FGB Sari	Luxembourg	Company	Luxembourg	100%
Foresight European Solar Fund GP Ltd	Guernsey	Company	Guernsey	100%
Dormant				
Foresight (Guernsey) Limited	Guernsey	Company	Guernsey	100%
Foresight Environmental FP GP Co. Limited	UK	Company	Scotland	100%
Foresight NF FP GP Limited	UK	Company	England & Wales	100%
Foresight Legolas Founder Partner GP LLP	UK	LLP	Scotland	100%
FGA Ventures Pty Ltd	Australia	Company	Australia	100%
Above It Pty Ltd	Australia	Company	Australia	100%
KIS SAMCO Foresight Isabelle Holding GmbH	Germany	Company	Germany	100%
Venture Capital Funding Limited	UK	Company	England & Wales	
Foresight Solar LLP	UK	LLP	England & Wales	100%
Foresight European Solar Fund CIP GP Limited	UK	Company	Scotland	100%
In liquidation				
Foresight Metering Limited	UK	Company	England & Wales	100%
FMM Holding Limited	UK	Company	England & Wales	100%
Foresight European Solar Development BV	Netherlands	Company	Netherlands	100%
Other				
Foresight Investments PCC Ltd	Guernsey	Company	Guernsey	100%
Foresight Environmental GP LP	UK	LP	Scotland	100%
Carry vehicles - included in aggregation as fair value investments				
Foresight Environmental FP LP	UK	LP	Scotland	50%
Foresight NF FP LP	UK	LP	Scotland	50%
Foresight Regional Investment Founder Partner LP	UK	LP	Scotland	50%
Foresight Impact Midlands Founder Partner LP	UK	LP	Scotland	100%
Foresight Regional Investment II Founder Partner LP	UK	LP	Scotland	33%
Foresight Group Equity Finance (SGS) Founder Partner LP	UK	LP	Scotland	50%
NI Carried Interest LP	UK	LP	Scotland	33%
The UK Waste Resources and Energy Investments Founder Partner LP	UK	LP	Scotland	50%
The Recycling and Waste Founder Partner LP	UK	LP	Scotland	50%
The Waste Asset Founder Partner LP	UK	LP	Scotland	50%
FGB Carry SCSp	Luxembourg	Company	Luxembourg	70%
Foresight Energy Infrastructure Partners FP S.C.Sp	Luxembourg	Company	Luxembourg	65%
Sold in FY20				
Foresight Metering Management Limited	UK	Company	England & Wales	100%
Wound Up in FY20 FY21				
Huelves Vegasolar SL	Spain	Company	Spain	100%
Tarancon Vega Solar	Spain	Company	Spain	100%
FSB Holdco Limited	UK	Company	England & Wales	100%
Foresight Solar Buyback Limited	UK	Company	England & Wales	100%
Foresight Air Acquisitionco Limited	UK	Company	England & Wales	100%
Foresight Fire Acquisitionco Limited	UK	Company	England & Wales	100%
Energy Technology Provider Limited	UK	Company	England & Wales	100%

14. Gain on disposal of subsidiaries

This relates to the fair value gain on the disposal of interests in Foresight Solar Australia Pty Limited.

15. Property, plant and equipment

	Fixtures & Fittings £000	Short Leasehold Property £000	Long Leasehold Flat £000	Motor Vehicles £000	Total PPE £000
Cost:					
At 1 April 2017	288	13,499	326	21	14,134
Additions	144	5,094	0	0	5,237
Foreign Exchange Movement	0	4	0	0	4
Disposals	(116)	(336)	0	0	(452)
At 31 March 2018	315	18,261	326	21	18,923
Additions	87	664	0	0	751
Foreign Exchange Movement	(0)	(11)	0	0	(11)
Disposals	(27)	(53)	0	0	(80)
At 31 March 2019	375	18,861	326	21	19,583
Additions	194	1,891	0	16	2,101
Foreign Exchange Movement	(2)	(4)	0	0	(6)
Disposals	(246)	0	0	(21)	(266)
At 31 March 2020	322	20,748	326	16	21,412
Additions	40	28	0	0	69
Foreign Exchange Movement	2	0	0	0	2
Disposals	(35)	0	0	0	(35)
At 30 September 2020	329	20,777	326	16	21,447
Depreciation					
Balance at 1 April 2017	142	663	0	21	826
Depreciation charge for the year	125	1,839	0	0	1,964
Disposals	(116)	(172)	0	0	(287)
Effect of movements in foreign exchange	0	0	0	0	0
Balance at 31 March 2018	152	2,331	0	21	2,503
Depreciation charge for the year	134	2,164	0	0	2,298
Disposals	(26)	(53)	0	0	(78)
Effect of movements in foreign exchange	(0)	(2)	0	0	(2)
Balance at 31 March 2019	260	4,440	0	21	4,721
Depreciation charge for the year	126	2,239	20	2	2,387
Disposals	(246)	0	0	(21)	(266)
Effect of movements in foreign exchange	(1)	0	0	0	(1)
Balance at 31 March 2020	139	6,679	20	2	6,840
Depreciation charge for the period	73	1,169	16	2	1,259
Disposals	(35)	0	0	0	(35)
Effect of movements in foreign exchange	(1)	2	0	0	1
Balance at 30 September 2020	175	7,850	36	4	8,065
Net Book Value at 31 March 2018	163	15,930	326	0	16,419
Net Book Value at 31 March 2019	115	14,421	326	0	14,862
Net Book Value at 31 March 2020	183	14,069	306	13	14,571
Net Book Value at 30 September 2020	154	12,927	290	12	13,382

16. Trade debtors and other receivables

	31-Mar 2018 £000	31-Mar 2019 £000	31-Mar 2020 £000	30-Sep 2020 £000
Trade Debtors	11,137	5,508	6,842	8,416
Other Debtors	7,103	6,432	4,483	4,948
Prepayments	1,124	1,633	2,897	2,692
Shareholder Loans	0	0	3,344	3,100
	<u>19,364</u>	<u>13,573</u>	<u>17,567</u>	<u>19,156</u>

The directors consider that the carrying value of trade and other receivables approximates to their fair value. All trade and other receivables are due within one year. The shareholder loans at 31 March 2020 relate to partnership retention loans (£1.7 million) and £1.6 million of short term loans to various shareholders (repaid in the six months to 30 September 2020). At 30 September 2020, all £3.1 million relates to partnership retention loans. These partnership retention loans are repaid over 5 years but subject to clawback if the relevant individual leaves the Group.

The ageing profile of the Group's trade receivables was as follows:

	31-Mar 2018 £000	31-Mar 2019 £000	31-Mar 2020 £000	30-Sep 2020 £000
Current	9,414	1,806	3,607	4,543
<i>Overdue:</i>				
< 30 days	501	934	506	110
30-60 days	394	235	521	327
60-90 days	39	485	239	907
> 90 days	789	2,048	1,969	2,529
	<u>11,137</u>	<u>5,508</u>	<u>6,842</u>	<u>8,416</u>

The movement in the provision for impairment of trade receivables is as follows:

	31-Mar 2018 £000	31-Mar 2019 £000	31-Mar 2020 £000	30-Sep 2020 £000
B/Fwd Provision	(344)	(339)	(264)	(532)
Utilised	83	56	23	5
Profit and loss (charge)/credit	(79)	19	(291)	98
C/fwd Provision	<u>(339)</u>	<u>(264)</u>	<u>(532)</u>	<u>(429)</u>

The directors consider that the carrying value of trade and other receivables approximates to their fair value.

Trade receivables include amounts which are past due at the reporting date but against which the Group has not recognised a provision for impairment as there has been no significant change in credit quality and the amounts are still considered recoverable.

In determining the recoverability of trade receivables the directors considered any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date.

17. Cash and cash equivalents

	31-Mar 2018 £000	31-Mar 2019 £000	31-Mar 2020 £000	30-Sep 2020 £000
Cash and cash equivalents per balance sheet	10,577	10,069	13,904	11,972
Cash and cash equivalents per cash flow statements	10,577	10,069	13,904	11,972

18. Trade and other payables

	31-Mar 2018 £000	31-Mar 2019 £000	31-Mar 2020 £000	30-Sep 2020 £000
Trade creditors	964	660	1,570	645
Accruals	7,245	6,060	9,020	4,741
Deferred Income	558	243	73	20
Other Creditors	3,430	4,070	4,442	2,463
PiP Founder loans	0	0	0	606
VAT & PAYE	1,545	1,569	1,299	2,873
Corporation Tax	2	0	52	52
Hire Purchase	2	2	26	0
Shareholder Loan	0	0	750	750
Lease liability	889	1,454	1,984	2,147
	14,635	14,058	19,216	14,297

Trade and other payables comprise amounts outstanding for trade purchases and on-going costs.

The Directors consider the carrying amount of trade and other payables approximates to their fair value when measured by discounting cash flows at market rates of interest as at the balance sheet date. Deferred income relates to fees received in advance. The shareholder loans relate to partnership profit shares due to various shareholders plus a short-term unsecured loan of £750,000 at nil interest to Foresight Group Holdings Limited from Mr B Fairman. The PiP founder loan relates to the PiP acquisition and is discussed further in note 29. See note 20 for further details of the lease liability.

19. Creditors due after more than one year

	31-Mar 2018 £000	31-Mar 2019 £000	31-Mar 2020 £000	30-Sep 2020 £000
Right of Use Asset Lease Liability	13,736	12,753	12,127	10,973
PiP Founder loans	0	0	0	3,673
LTIP accrual	0	0	0	438
	13,736	12,753	12,127	15,084

The PiP founder loans were taken on as part of the PiP acquisition – see note 29 for further details. The LTIP accrual was also acquired as part of the PiP acquisition (note 29) – the Group agreed to take on this liability as part of the acquisition agreement and considers its fair value is materially in line with book value. Lease liabilities are discussed in note 20 below.

20. Leases

Set out below are the carrying amounts of the right-of-use assets recognised and associated lease liabilities (included under short and long-term creditors) together with their movements over the period. The leases all relate to the offices of the Group as follows:

VCF Partners

23rd Floor Shard, London

18th Floor Shard, London

High Pavement, Nottingham 3rd Floor

High Pavement, Nottingham 4th Floor

Foresight Group LLP

George Street, Edinburgh, Scotland

Station Road, Cambridge

King Street, Manchester

Foresight Group S.r.l.

Piazza Barberini, Rome

The leases are typically of 10 years duration.

Following the IPO, the leases currently held in the books of VCF Partners will be transferred to a new entity (VCF II LLP) within the Group.

	Land & Buildings £000
Right of Use Asset:	
Transition Impact	9,805
Additions	3,748
Amortisation & Depreciation	(1,415)
Closing Balance 31 March 2018	12,138
Additions	473
Amortisation & Depreciation	(1,614)
Closing Balance 31 March 2019	10,997
Additions	1,358
Amortisation & Depreciation	(1,690)
Closing Balance 31 March 2020	10,665
Additions	0
Amortisation & Depreciation	(882)
Closing Balance 30 September 2020	9,783
Lease Liability:	
Transition Impact	11,455
Additions	3,747
Lease Payment	(1,308)
Interest	730
Closing Balance at 31 March 2018	14,624
Short term	889
Long term	13,735
	14,624
Additions	471
Lease Payment	(1,609)
Interest	722
Closing Balance at 31 March 2019	14,208
Short term	1,454
Long term	12,754
	14,208
Additions	1,357
Lease Payment	(2,176)
Interest	722
Closing Balance at 31 March 2020	14,111
Short term	1,984
Long term	12,127
	14,111
Additions	0
Lease Payment	(1,318)
Interest	326
Closing Balance at 30 September 2020	13,119
Short term	2,147
Long term	10,972
	13,119

The maturity analysis of lease liabilities is:

	Less than	1-2	2-5	More than
Total	1 Year	Years	Years	5 Years
£000	£000	£000	£000	£000
13,119	2,147	2,334	6,703	1,935

The following are the amounts recognised in the combined statement of comprehensive income:

	31-Mar	31-Mar	31-Mar	30-Sep
	2018	2019	2020	2020
	£000	£000	£000	£000
Depreciation expense on ROU Assets	1,415	1,614	1,690	882
Interest expense on lease liabilities	730	722	722	326
	2,145	2,336	2,412	1,208

The weighted average incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application was 4.5%.

In accordance with IFRS 16.53(c), (d) and (e), (in respect of short term, low value and variable lease expenses) the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16 for these items. This expense is presented within administrative expenses in the combined statement of comprehensive income as follows; (Year ended 31 March 2018, £80,052, Year ended 31 March 2019, £185,094, Year ended 31 March 2020 £221,450, six months ended 30 September 2019 £112,263, six months ended 30 September 2020 £109,352).

21. Employee Benefits

The Group operates a number of defined contribution pension plans.

The amounts charged to the profit and loss in the Combined Statement of Comprehensive Income in respect of these schemes represents contributions payable in respect of the accounting period. The total annual pension cost for the defined contribution scheme was £356,000 for the year ended 31 March 2020 (31 March 2019: £101,000; 31 March 2018: £6,000).

For the 6 months ended 30 September 2020, the cost was £265,000 (6 months to 30 September 2019: £163,000).

22. Share capital

Ordinary Shares and preference shares

	31-Mar	31-Mar	31-Mar	30-Sep
	2018	2019	2020	2020
	£	£	£	£
<i>Share Capital:</i>				
Ordinary Shares	-	-	-	-
Preference shares brought forward	864	859	853	849
Preference shares redeemed	(5)	(6)	(4)	(1)
Preference shares carried forward	859	853	849	848

Ordinary Shares

	31-Mar 2018 No	31-Mar 2018 £	31-Mar 2019 No	31-Mar 2019 £	31-Mar 2020 No	31-Mar 2020 £	30-Sep 2020 No	30-Sep 2020 £
<i>A shares of no par value</i>								
In issue at start of year	10,000	-	10,000	-	10,000	-	1	-
Cancelled during the year	-	-	-	-	-9,999	-	-	-
In issue at end of the year	10,000	-	10,000	-	1	-	1	-
<i>B shares of no par value</i>								
In issue at start of year	208,502	-	376,644	-	436,657	-	539,840	-
Issued during the year	171,691	-	60,013	-	197,700	-	-	-
Cancelled during the year	-3,549	-	-	-	-94,517	-	-	-
In issue at end of the year	376,644	-	436,657	-	539,840	-	539,840	-
<i>D shares of no par value</i>								
In issue at start and end of the year	1,000	-	1,000	-	1,000	-	1,000	-
<i>E shares of no par value</i>								
In issue at start of the year	1,000	-	1,000	-	1,000	-	0	-
Cancelled during the year	-	-	-	-	-1,000	-	-	-
In issue at end of the year	1,000	-	1,000	-	0	-	-	-
<i>F shares of no par value</i>								
In issue at start and end of the year	1,000	-	1,000	-	1,000	-	1,000	-
<i>H shares of no par value</i>								
In issue at start and end of the year	1,000	-	1,000	-	1,000	-	1,000	-
<i>I shares of no par value</i>								
In issue at start and end of the year	1,000	-	1,000	-	1,000	-	1,000	-
<i>J shares of no par value</i>								
In issue at start and end of the year	1,000	-	1,000	-	1,000	-	1,000	-
<i>L shares of no par value</i>								
In issue at start and end of the year	1,000	-	1,000	-	1,000	-	1,000	-
<i>M shares of no par value</i>								
In issue at start and end of the year	1,000	-	1,000	-	1,000	-	1,000	-
<i>N shares of no par value</i>								
Issued during the year	1,000	-	-	-	-	-	-	-
In issue at end of the year	1,000	-	1,000	-	1,000	-	1,000	-
<i>P shares of no par value</i>								
Issued during the year	1,000	-	-	-	-	-	-	-
In issue at end of the year	1,000	-	1,000	-	1,000	-	1,000	-
<i>Q shares of no par value</i>								
Issued during the year	1,000	-	-	-	-	-	-	-
In issue at end of the year	1,000	-	1,000	-	1,000	-	1,000	-
<i>R shares of no par value</i>								
Issued during the year	1,000	-	-	-	-	-	-	-
In issue at end of the year	1,000	-	1,000	-	1,000	-	1,000	-
<i>S shares of no par value</i>								
In issue at start of year	-	-	-	-	1,000	-	1,000	-
Issued during the year	-	-	1,000	-	-	-	-	-
In issue at end of the year	-	-	1,000	-	1,000	-	1,000	-
<i>T shares of no par value</i>								
In issue at start of year	-	-	-	-	1,000	-	1,000	-
Issued during the year	-	-	1,000	-	-	-	-	-
In issue at end of the year	-	-	1,000	-	1,000	-	1,000	-
<i>U shares of no par value</i>								
In issue at start of year	-	-	-	-	1,000	-	1,000	-
Issued during the year	-	-	1,000	-	-	-	-	-
In issue at end of the year	-	-	1,000	-	1,000	-	1,000	-
<i>V shares of no par value</i>								
In issue at start of year	-	-	-	-	-	-	1,000	-
Issued during the year	-	-	-	-	1,000	-	-	-
In issue at end of the year	-	-	-	-	1,000	-	1,000	-
<i>W shares of no par value</i>								
In issue at start of year	-	-	-	-	-	-	1,000	-
Issued during the year	-	-	-	-	1,000	-	-	-
In issue at end of the year	-	-	-	-	1,000	-	1,000	-
<i>X shares of no par value</i>								
In issue at start of year	-	-	-	-	-	-	1,000	-
Issued during the year	-	-	-	-	1,000	-	-	-
In issue at end of the year	-	-	-	-	1,000	-	1,000	-
<i>Y shares of no par value</i>								
In issue at start of year	-	-	-	-	-	-	1,000	-
Issued during the year	-	-	-	-	1,000	-	-	-
In issue at end of the year	-	-	-	-	1,000	-	1,000	-
<i>Z shares of no par value</i>								
In issue at start of year	-	-	-	-	-	-	1,000	-
Issued during the year	-	-	-	-	1,000	-	-	-
In issue at end of the year	-	-	-	-	1,000	-	1,000	-
<i>AA shares of no par value</i>								
In issue at start of year	-	-	-	-	-	-	500	-
Issued during the year	-	-	-	-	500	-	-	-
In issue at end of the year	-	-	-	-	500	-	500	-

Rights for each Ordinary Share Class

A shares

Rights:

Income - entitled to receive and participate in dividends or other distributions attributable to the A shares resolved by the Board to be so distributed in respect of any accounting period or any other income or right to participate therein.

Capital - entitled on a winding up or sale to participate in the distribution of capital in the manner described in Companies Law and solely in respect of amounts paid up on such A Shares.

Voting - entitled to receive notice of and to attend general meetings of the Company but not vote at such meetings.

B shares

Rights:

Income - entitled to receive and participate in dividends or other distributions attributable to the B shares resolved by the Board to be so distributed in respect of any accounting period or any other income or right to participate therein.

Capital - entitled on a winding up or sale to participate in the distribution of capital in the manner described in Companies Law and in proportion to the number of B shares held by them.

Redemption – redeemable at the option of the Company upon the member ceasing to be an employee or ceasing to hold the shares for an employee.

Voting - entitled to receive notice of and to attend and vote at general meetings of the Company.

D to AA shares ("Alphabet shares" – each a separate share class)

Rights:

Income - entitled to receive and participate in dividends or other distributions attributable to the respective class of the Alphabet shares resolved by the Board to be so distributed in respect of any accounting period or any other income or right to participate therein.

Capital - entitled on a winding up or sale to participate in the distribution of capital in the manner described in Companies Law and solely in respect of amounts paid up on such Alphabet Shares.

Voting - entitled to receive notice of and to attend general meetings of the Company but not vote at such meetings.

Dividends paid on the above ordinary shares are included in note 11 above.

Preference Shares

These are held in the books of Foresight Group CI Limited ("FGCI"). The redeemable shares are redeemable at the sole option of FGCI, have no par value and have no voting rights, save in respect of any resolution to change the rights attached to them.

The Articles of Association of FGCI give it the power to issue an unlimited number of shares of no par value as permitted by law.

The redemption of preference shares over the period are included in note 11 above.

Group Reorganisation reserve

The Group reorganisation reserve consists of the ordinary share capital of FGCI. As there is no investment in FGCI held in the books of any holding companies (FGHL) this balance is left as a Group reserve.

Retained Earnings

Includes all current and prior period retained profits and losses.

Invested Capital

See note 1 (basis of preparation) above for details.

23. Commitments and contingencies

There were no capital commitments at 31 March 2018, 31 March 2019, 31 March 2020 and 30 September 2020.

24. Financial instruments – classification and measurement

Financial assets

Financial assets comprise cash and cash equivalents, trade receivables and other receivables and unlisted investments, as follows:

	31-Mar 2018 £000	31-Mar 2019 £000	31-Mar 2020 £000	30-Sep 2020 £000
Trade and other receivables	19,364	13,573	17,567	19,156
Cash and cash equivalents	10,577	10,069	13,904	11,972
Unlisted Investments	441	1,206	1,233	1,576
	<u>30,381</u>	<u>24,849</u>	<u>32,703</u>	<u>32,705</u>

Financial liabilities

Financial liabilities measured at amortised cost comprise trade payables, deferred income and other creditors/accruals as follows:

	31-Mar 2018 £000	31-Mar 2019 £000	31-Mar 2020 £000	30-Sep 2020 £000
Trade Creditors	964	660	1,570	645
Deferred Income	558	243	73	20
Other Creditors & Accruals	13,113	13,156	17,574	13,632
	<u>14,635</u>	<u>14,059</u>	<u>19,217</u>	<u>14,297</u>

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk), liquidity risk and credit risk. Risk management is carried out by the Board of directors. The Group uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed.

(a) Market risk

(i) Market price risk

Market price risk arises from uncertainty about the future prices of financial instruments held in accordance with the Group's investment objectives. It represents the potential loss that the Group might suffer through holding market positions in the face of market movements.

The investments in equity and loan stocks of unquoted companies are rarely traded and as such the prices are more difficult to determine than those of more widely traded securities. In addition, the ability of the Group to realise the investments at their carrying value will at times not be possible if there are no willing purchasers. The potential maximum exposure to market price risk, being the value

of the investments as at 31 March 2020 was £1.2m (31 March 2019: £1.2m, 31 March 2018: £441,000).

(ii) Interest rate risk

The Group has only £4.2 million of external debt, related to the PiP acquisition during the six months ended 30 September 2020 (see note 30 below) with a fixed interest rate. As the interest rates on shareholders loans and lease contracts are also fixed, interest rate risk is considered to be very low. Floating rate investments relate to the interest-bearing deposit account which earned interest based on the Bank of England rate of 0.1% at 31 March 2020. As at 31 March 2020 if the interest rate increased or decreased by 10 basis points the interest earned would increase or decrease by £1,100.

(iii) Foreign Exchange risk

The Group is not exposed to significant foreign exchange translation or transaction risk as the Group's activities are primarily within the UK. Foreign exchange risk is therefore considered immaterial.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group ensures that it has sufficient cash or working capital facilities to meet the cash requirements of the Group in order to mitigate this risk. Foresight is financed through a combination of partners' capital (repayable on demand when a member leaves the LLP), undistributed profits and cash.

Capital Risk Management

The Group is equity funded and this makes up the capital structure of the business. Equity comprises share capital, share premium and retained profits and is equal to the amount shown as 'Equity' in the balance sheet.

The Group's current objectives when maintaining capital are to:

- Safeguard the Group's ability as a going concern so that it can continue to pursue its growth plans
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term
- Maintain regulatory capital
- Provide a reasonable expectation of future returns to shareholders.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

During the period to 30 September 2020, the Group's strategy remained unchanged.

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise the risk, the Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the value of the outstanding amount.

The Group does not consider that there is any concentration of risk within either trade or other receivables. There are no impairments to trade or other receivables in each of the years presented.

Credit risk on cash and cash equivalents is considered to be very low as the counterparties are all substantial banks with high credit ratings.

Fair Value Hierarchy

Unquoted investments represents the Group's share of the value of the underlying investments held across various funds under management. These unquoted investments are valued on a net asset basis by the Group. The actual underlying investments are valued in accordance with the following rules, which are consistent with the IPEV Valuation Guidelines. When valuing an unquoted investment at fair value the following factors will be considered:

- (i) Where a value is indicated by a material arms-length transaction by an independent third party in the shares of a company, this value will be used.
- (ii) In the absence of (i), and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to either:
 - a) an earnings multiple basis. The shares may be valued by applying a suitable multiple to that company's historic, current or forecast earnings before tax, interest, depreciation and amortisation (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Manager compared to the sector including, inter alia, illiquidity); or
 - b) where a company's underperformance against plan indicates a diminution in the value of the investment, a write down against cost is made, as appropriate. Where the value of an investment has fallen permanently below cost, the loss is treated as a permanent write down and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments and, after agreement with the Manager, will agree the values that represent the extent to which a realised loss should be recognised. This is based upon an assessment of objective evidence of that investment's future prospects, to determine whether there is potential for the investment to recover in value;
- (iii) Premiums on loan investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable;
- (iii) Where an earnings multiple or cost less impairment basis is not appropriate and overriding factors apply, discounted cash flow, a net asset valuation, or industry specific valuation benchmarks may be applied. An example of an industry specific valuation benchmark would be the application of a multiple to that company's historic, current or forecast turnover (the multiple being based on a comparable sector but with the resulting value being adjusted to reflect points of difference including, inter alia, illiquidity).

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the instrument that are not based on observable market data (unobservable inputs) (Level 3).

The unobservable inputs may be summarised as follows:

<i>Asset Class and Valuation technique</i>	<i>Sep-20 Fair Value £000</i>	<i>Significant Unobservable Inputs</i>	<i>Range of Estimates</i>	<i>Sensitivity Factor</i>	<i>Change in Fair Value £000</i>
Net Asset Approach	1,576	NAV	1 *	+5%	+/- £79,000

As at 31 March 2018

	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Unquoted Investments	0	0	441	441
Net Financial Instruments	0	0	441	441

As at 31 March 2019

	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Unquoted Investments	0	0	1,206	1,206
Net Financial Instruments	0	0	1,206	1,206

As at 31 March 2020

	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Unquoted Investments	0	0	1,234	1,234
Net Financial Instruments	0	0	1,234	1,234

As at 30 September 2020

	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Unquoted Investments	0	0	1,576	1,576
Net Financial Instruments	0	0	1,576	1,576

Transfers

During the period there were no transfers between levels 1, 2 or 3.

25. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the parent company by the weighted average number of shares (total of A, B and Alphabet shares) in issue during the period.

There were no dilutive share options in issue during the period

	31-Mar 2018 £000	31-Mar 2019 £000	31-Mar 2020 £000	30-Sep 2019 (unaudited) £000	30-Sep 2020 £000
Earnings					
Earnings for the purposes of basic earnings per share					
being profit attributable to the owners of the parent company	15,768	7,002	6,502	5,591	7,106
	31-Mar 2018 No	31-Mar 2019 No	31-Mar 2020 No	2019 (unaudited) No	30-Sep 2020 No
Number of Shares					
Weighted average number of shares in issue during the period	359,169	446,292	532,256	466,112	560,341
Earnings Per Share (Basic)	£43.90	£15.69	£12.22	£11.99	£12.68

26. Related party transactions

Transactions between the parent company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed.

Transactions with key management personnel

The Group considers the Executive Committee (“Exco”) Members as the key management personnel. The total remuneration for key management personnel for the period was £4.7 million at 31 March 2020 (31 March 2019: £4.8 million; 31 March 2018: £5.9 million).

For the 6 months ended 30 September 2020, the cost was £440,000 (6 months to 30 September 2019: £393,000).

	31-Mar 2018 £000	31-Mar 2019 £000	31-Mar 2020 £000	30-Sep 2019 (unaudited) £000	30-Sep 2020 £000
Emoluments	4,945	4,346	4,700	393	440
Share Based Payments	965	444	0	0	0
	5,910	4,790	4,700	393	440

Balances with Carved Out Businesses

As part of the carve out discussed in the basis of preparation note, the below related party transactions are in respect of amounts due to and from BGEL and FMML and have impacted the respective balance sheets for the years ended 31 March 2018, 2019 and 2020 and the six months ended 30 September 2020 as follows:

	31-Mar 2018 £000	31-Mar 2019 £000	31-Mar 2020 £000	30-Sep 2019 (unaudited) £000	30-Sep 2020 £000
Management Fee due from FMML	170	170	0	0	0
Overpaid invoice due to FMML	(47)	0	0	0	0
Recharged expenses due from BGEL	0	4	0	0	0

Shareholder loan

During the year ended 31 March 2020 Mr BW Fairman made a short-term unsecured loan of £750,000 at nil interest to Foresight Group Holdings Limited.

Loans to shareholders

A loan of £500,000 was made to Richard Thompson, a shareholder, on 19 December 2019. It was interest free provided the loan was repaid by the repayment date (31 March 2020). The loan was repaid on 31 March 2020 following the buyback of some of Mr Thompson's shares.

Shareholder loans advanced during the year ended 31 March 2020 related to partnership retention loans (£1.7 million) and £1.6 million of short term loans to various shareholders (repaid in the six months to 30 September 2020). At 30 September 2020, £3.1 million of shareholder loans related to partnership retention loans. These partnership retention loans are repaid over 5 years but subject to clawback if the relevant individual leaves the Group. Included in the £3.1 million of shareholder loans at 30 September 2020 is a loan of £100,000 to Jo-anna Nicolle who was a director of the Company.

Income from managed funds

The Group manages a number of listed and unlisted funds, VCTs, EIS and ITS Schemes, OEICs and Managed Accounts ("Funds") and receives management fees and, in some instances, performance fees for providing this service. By virtue of the investment management agreements in place with these Funds, these are considered to be related parties. Total fees received in the six months to 30 September 2020 were £24.6 million (year ended 31 March 2018, £31.2 million, year ended 31 March 2019 £32.7 million, year ended 31 March 2020 £38.6 million, 6 months ended 30 September 2019 £19.2 million).

Repayment of loan to managed fund

Following a major expansion of the waste plastic bottle recycling plant of Closed Loop Recycling Limited ("CLR") in Dagenham and ahead of a planned listing of the company in 2014, CLR required increasing volumes of waste bottles to fill its capacity. To meet CLR's demand, Foresight's Inheritance Tax Solution ("ITS"), a tax scheme managed by Foresight for investors, provided a loan of £1.2m to AP Plastics, a waste plastics trading business, to purchase and supply bottles at a profit to meet this demand. In 2015, due to circumstances completely outside either Foresight's or CLR's control, the price of oil fell rapidly to a particularly low price resulting in CLR's business model becoming uneconomic as it was cheaper to make new bottles from oil rather than recycle them, which in turn led to CLR going into administration and losses at AP Plastics. After careful consideration of these totally unforeseen circumstances, the Foresight partners considered that ITS should not incur any such loss and so they assumed responsibility for repaying the ITS loan.

27. Ultimate Holding Company

Foresight Group Holdings Limited is the ultimate parent Company of a group of companies that form the Group presented in this financial information. The Company is a private company incorporated and domiciled in Guernsey. The Company is controlled by Mr B W Fairman.

28. Subsequent events

On 18 November 2020, the Company bought-back 4,055 B shares, 60 AA shares, 1,000 T shares and 1,000 Q shares for nil consideration. The shares were subsequently cancelled.

On 30 November 2020, the Company issued 464,215 B shares for nil consideration.

On 18 December 2020, Foresight Group LLP paid distributions of £2,205,092 to its members.

On 18 December 2020, VCF Partners paid a distribution of £91,117 to a member.

On 17 December 2020, FGCI redeemed two preference shares for a total consideration of £2,003,191.03.

On 18 December 2020, the Company repaid a short term unsecured loan of £750,000 received from Mr BW Fairman.

On 21 January 2021, a distribution of £14.8 million was declared in respect of the profits of the Group accrued in the period prior to Admission.

On 2 February 2021, Foresight Group LLP sold a long leasehold flat to Mrs JL Fairman, the wife of Mr BW Fairman, for a consideration of £450,000, being the fair market value.

On 3 February 2021, the Board approved that immediately prior to and conditional upon Admission, the existing classes of share (other than the B shares) in the capital of the Company will be repurchased, for nil consideration, and cancelled. The B shares will be subdivided on a 1:100 basis and re-designated as ordinary shares.

29. Business Combinations

Details of the acquisition are as follows:

Business	Country of Incorporation	Nature of Activity	Date of Acquisition	Consideration £000	Percentage Ownership
PIP Manager Limited	UK	Asset Management services to pension funds	18/08/2020	5,339	100%

The entity was acquired via direct investment in the share capital of the target.

The carrying amount of assets and liabilities in the books of the acquiree at the date of acquisition was as follows:

	£000
Trade and other receivables	377
Cash and cash equivalents	3,446
Trade and other payables	(362)
Non-current payables	(439)
Deferred taxation asset	50
Total Carrying Value	<u>3,072</u>

Purchase consideration was £1.1 million of cash and £4.2 million of loans due to the vendors taken on by the acquiror at acquisition (further details of these loans is included in note 30 below). Transaction costs of £184,000 (which have been expensed) comprise advisor fees, including financial, tax and legal due diligence costs. Consideration is broken down as follows:

	£000
Cash paid	<u>1,098</u>
	1,098
Founder loans taken on	4,241
Total Consideration	<u>5,339</u>

The above acquisition is reflected in the cashflow statement as follows:

	£000
Cash paid	(1,098)
	(1,098)
Cash acquired on acquisition of subsidiary	3,446
Total per cashflow statement	2,348

The following intangible assets were recognised at acquisition:

	£000
Intangible asset - customer lists	2,378

The fair values of the assets and liabilities and the associated goodwill arising from the acquisitions are as follows:

	£000
Intangible Asset	2,378
Trade and other receivables	377
Cash and cash equivalents	3,446
Trade and other payables	(362)
Non-current payables	(439)
Deferred taxation asset	50
Net assets acquired	5,450
Consideration	5,339
Goodwill	(111)
Transaction costs	184

The fair value of the intangible asset above was derived from cashflow forecasts for the standalone PiP business, firstly over a 3 year period using a 10% discount rate based upon Foresight's WACC and then using terminal value calculations at a more conservative rate of 15% to take into account longer term forecast risk. The intangible is being written off over 5 years, in line with the treatment adopted for the JLEN intangible as discussed in note 12 above.

The negative goodwill represents a bargain on purchase and has been credited to the Combined Statement of Comprehensive Income during the six months ended 30 September 2020, within administrative expenses.

Amounts that the acquisition contributed to both Group revenue and profit in the period of acquisition are as follows:

	£000
Revenue Contribution	266
Profit Before Tax Contribution	54

30. Other interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk, see note 24.

	31-Mar 2018 £000	31-Mar 2019 £000	31-Mar 2020 £000	30-Sep 2020 £000
<i>Non-Current Liabilities:</i>				
Loans	0	0	0	3,673
<i>Current Liabilities:</i>				
Loans	0	0	0	606
	0	0	0	4,279

Terms and debt repayment schedule

	Currency	Nominal Interest Rate	Year of Maturity	30-Sep 2020 Carrying amount* £000
Unsecured loan	GBP	2%	2027	4,279

* The carrying amount of these loans and borrowings equates to the fair value.

The movement on the above loans may be summarised as follows:

	30-Sep 2020 £000
At 1 April 2020	0
At acquisition	4,242
Interest	38
At 30 September 2020	4,279

31. Share Based Payments

The cost related to share-based payments recognised by the Group in the Combined Statement of Comprehensive Income is shown below:

	31-Mar 2018 £000	31-Mar 2019 £000	31-Mar 2020 £000	30-Sep 2019 (unaudited) £000	30-Sep 2020 £000
Foresight Plan	1,447	820	349	189	24

The Foresight Plan

The Foresight Plan was introduced in 2014 and provides for the grant of share awards to members of staff. Awards granted under the Foresight Plan vest after the members of staff have reached an

uninterrupted period of service of 10 years with Foresight Group (or any of its subsidiaries). Awards under the Foresight Plan are accounted for as equity-settled.

The equity-settled payments below represent the share-based payments relating to the Foresight Plan.

Total expense by year awards were granted (excluding national insurance) were as follows:

Year of	31-Mar	31-Mar	31-Mar	30-Sep	30-Sep
	2018	2019	2020	2019	2020
Grant	£	£	£	(unaudited)	£
2014	503,625	230,366	121,023	65,914	0
2015	303,888	134,601	62,516	38,599	4,602
2016	528,385	239,825	133,604	72,767	0
2017	778	778	781	390	390
2018	110,798	7,594	7,614	3,807	3,807
2019	0	207,290	13,115	7,530	5,556
2020	0	0	9,979	0	9,817
H120	0	0	0	0	0
H121	0	0	0	162	0
	1,447,474	820,454	348,632	189,169	24,172

Awards outstanding under the Foresight Plan were as follows:

Equity-settled awards

	31-Mar		31-Mar		31-Mar		30-Sep		30-Sep	
	2018		2019		2020		(unaudited)		2020	
	Number of	Weighted	Number of	Weighted	Number of	Weighted	Number of	Weighted	Number of	Weighted
	shares subject	Average	shares subject	Average	shares subject	Average	shares subject	Average	shares subject	Average
	to awards	share price	to awards	share price	to awards	share price	to awards	share price	to awards	share price
At the beginning of the year	27,017	247	20,165	233	16,030	175	16,030	233	45,605	27
Granted	3,849	92	10,888	41	36,498	5	36,498	5	0	0
Vested	(10,700)	218	(15,023)	156	(6,923)	254	(617)	194	0	0
Awards outstanding at year end	20,165	233	16,030	175	45,605	27	51,911	175	45,605	27

PART 12 - THE OFFER

1 The Offer

The Offer comprises an offer of 54,046,320 Offer Shares at the Offer Price. Of these 54,046,320 Offer Shares:

- 8,333,333 are New Shares being offered for subscription by the Company; and
- 45,712,987 are Existing Shares being offered for sale by the Selling Shareholders,

in each case by means of an offer of the Offer Shares in the United Kingdom and elsewhere outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S and by means of an offer of the Offer Shares in the United States to QIBs pursuant to Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the US Securities Act.

Immediately following Admission, it is expected that approximately 31.6 per cent. of the Shares will be held in public hands (within the meaning of paragraph 6.14.3 of the Listing Rules).

Certain restrictions that apply to the distribution of this Prospectus and Shares in jurisdictions outside the United Kingdom are described in "Selling restrictions" below.

When admitted to trading, the Shares will be registered with ISIN GG00BMD8MJ76 and SEDOL number BMD8MJ7 and will trade under the symbol "FSG".

2 The Price and size of the Offer

All Offer Shares issued or sold pursuant to the Offer will be issued or sold at the Offer Price of 420 pence per Offer Share.

The terms of the Offer are subject to change, and any terms to be varied shall be agreed between the Company and the Banks.

Full details of statutory rights to withdraw an offer to purchase Offer Shares pursuant to section 87Q of FSMA are set out below in this Part 12 "The Offer – Withdrawals".

The Shares allocated under the Offer will be underwritten, subject to certain conditions, by the Banks as described in paragraph 9 in Part 13 "Additional Information".

The rights attaching to the Offer Shares issued or sold pursuant to the Offer will be uniform in all respects, including the right to vote and the right to receive all dividends and other distributions declared, made or paid in respect of the Company's share capital after Admission. The Shares will, immediately on and from Admission, be freely transferable under the Articles.

The Banks will solicit bids from prospective institutional investors to acquire Shares in the Offer. Prospective investors will be required to specify the number of Shares which they would be prepared to acquire at the Offer Price.

In the event that demand for the Offer Shares being offered exceeds the number of Offer Shares made available in the Offer, allocations may be scaled down in any manner at the Company's and the Banks' discretion, and applicants may be allocated Offer Shares having an aggregate value which is less than the sum applied for. The Company and the Banks may allocate such Offer Shares as they see fit (and there is no obligation to allocate such Offer Shares proportionately and, as such, applicants may receive no Offer Shares).

Completion of the Offer will be subject, *inter alia*, to each of the Company's, the Selling Shareholders' and the Banks' decisions to proceed with the Offer and the satisfaction of conditions contained in the Underwriting Agreement, including Admission occurring and the Underwriting Agreement not being terminated. The Offer cannot be terminated once unconditional dealings in the Shares have commenced.

3 Application procedure

Under the Offer, the Offer Shares are being offered to (i) certain institutional investors in the United Kingdom and elsewhere outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S and (ii) in the United States, only to persons reasonably believed to be QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Certain restrictions that apply to the distribution of this Prospectus and the offer and sale of the Offer Shares in jurisdictions outside the United Kingdom are described in "Selling restrictions" below.

The latest time and date for indications of interest in acquiring Offer Shares under the Offer are set out in Part 4 "Expected timetable of principal events and offer statistics" but that time may be extended at the discretion of the Banks (with the agreement of the Company and the Selling Shareholders).

4 Use of proceeds

The net proceeds payable to the Company from the Offer are expected to be approximately £30.0 million after deduction of appropriate underwriting commissions and estimated fees and expenses (including VAT, where applicable) incurred in connection with the Offer.

The Company intends to use the net proceeds from the issue of New Shares pursuant to the Offer (estimated at £30.0 million) principally to fund working capital and business development opportunities.

5 Reasons for the Offer

The Directors believe that the Offer and Admission will:

- further enhance the Foresight Group's profile, strengthening the fund raising performance of the Foresight Group;
- provide an additional source of capital for, and the ability to use its Shares as consideration for further acquisitions;
- enable the existing Shareholders to realise part of the value of their investment in the Company; and
- enable employees to have the opportunity to own Shares in the Company and to share in the future success of the Company.

6 Allocation

The rights attaching to the Offer Shares will be uniform in all respects and the Shares will form a single class for all purposes. All Offer Shares issued or sold pursuant to the Offer have been underwritten, subject to certain conditions, by the Banks as described in the paragraph headed "Underwriting Agreement" below and in paragraph 9 of Part 13 "Additional Information". Allocations under the Offer will be agreed between the Company, the Selling Shareholders and the Banks.

All Offer Shares issued or sold pursuant to the Offer will be issued or sold, payable in full, at the Offer Price. Liability for UK stamp duty and stamp duty reserve tax is described in paragraph 13 of Part 13 "Additional Information".

Prospective investors in the Offer will be advised verbally or by electronic mail or otherwise of their allocation as soon as practicable following pricing and allocation. Upon notification of any allocation, prospective investors in the Offer will be committed to subscribe for the number of New Shares allocated to them at the Offer Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment. Dealing may not begin before notification is made.

7 Dealing arrangements

The Offer is subject to the satisfaction of certain conditions contained in the Underwriting Agreement, which are typical for an agreement of this nature. Certain conditions are related to events which are outside the control of the Company, the Directors, the Selling Shareholders and the Banks. Further details of the Underwriting Agreement are described in paragraph 9 of Part 13 "Additional Information".

It is expected that Admission will become effective, and that unconditional dealings in the Shares will commence on the Main Market at 8.00 a.m. (London time) on 9 February 2021. Settlement of dealings from that date will be on a three-day rolling basis. Prior to Admission, conditional dealings in the Shares

are expected to commence on the Main Market at 8.00 a.m. on 4 February 2021. Dealings on the Main Market before Admission will only be settled if Admission takes place. The earliest date for such settlement of such dealings will be 9 February 2021. **All dealings before the commencement of unconditional dealings will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. These dates and times may be changed without further notice.**

Each investor will be required to undertake to pay the Offer Price for the Offer Shares issued or sold to such investor in such manner as shall be directed by the Banks.

Application has been made to the FCA for all of the Shares, issued or to be issued pursuant to the Offer, to be admitted to the premium listing segment of the Official List. Application has also been made to the London Stock Exchange for the Shares, issued or to be issued pursuant to the Offer, to be admitted to trading on the Main Market. The Shares are not listed or traded on, and no application has been or is being made for the admission of the Shares to listing or trading on, any other stock exchange or securities market.

It is expected that Offer Shares allocated to investors in the Offer will be delivered in uncertificated form and settlement will take place through CREST on Admission. No temporary documents of title will be issued. Dealings in advance of crediting of the relevant CREST stock account shall be at the risk of the person concerned.

8 CREST

With effect from Admission, the Articles will permit the holding of Shares under the CREST system. CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer. Settlement of transactions in the Shares following Admission may take place within the CREST system if any Shareholder so wishes. CREST is a voluntary system and holders of Shares who wish to receive and retain share certificates will be able to do so.

9 Underwriting Agreement

The Banks have entered into commitments under the Underwriting Agreement pursuant to which they have agreed, subject to (a) Admission occurring by not later than 8:00 a.m. (London time) on 9 February 2021 or such later time and/or date as the Banks may agree; (b) there having occurred no material adverse change in relation to the Group; and (c) certain other customary conditions, to procure subscribers for the New Shares to be issued by the Company and purchasers for the Existing Shares to be sold by the Selling Shareholders in each case pursuant to the Offer, or, failing which, themselves to subscribe for or purchase such Offer Shares, at the Offer Price. The Underwriting Agreement contains provisions entitling the Banks to terminate the Offer (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Offer and these arrangements will lapse and any moneys received in respect of the Offer will be returned to applicants without interest. The Offer will be fully underwritten by the Banks upon publication of the Prospectus (subject to the satisfaction of the conditions described above). The Underwriting Agreement provides for the Banks to be paid commission in respect of the New Shares issued and the Existing Shares sold. Any commissions received by the Banks may be retained, and any Shares acquired by them may be retained or dealt in, by them, for their own benefit.

Further details of the terms of the Underwriting Agreement are set out in paragraph 9 of Part 13 "Additional Information". Certain selling and transfer restrictions are set out below.

10 Lock-up arrangements

Pursuant to the Underwriting Agreement, the Company has agreed that, subject to certain exceptions, during the period of 180 days from the date of Admission, it will not, without the prior written consent of the Banks, issue, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

Pursuant to the Lock-up Agreement, except pursuant to certain customary exceptions, the Selling Shareholders have agreed to refrain from selling any of their Shares, without the consent of the Banks, in the case of Bernard Fairman (or Beau Port Investments Limited) for 545 days from the date of Admission, and in the case of the other Selling Shareholders (with the exception of David Hughes, Peter English, Marjorie English and Ben Thompson, who are not subject to any lock-up) for 365 days from the date of Admission (the "**Restricted Period**").

As such, 18,915,954 Shares in aggregate, representing 17.5 per cent. of the issued share capital at Admission will be subject to the lock-up under the Lock-up Agreement for 365 days following Admission and 32,324,699 Shares, 29.8 per cent., of issued share capital will be subject to a lock-up for 545 days from Admission.

Gary Fraser, Nigel Aitchison, Russell Healey, Michael Currie and Federico Giannandrea have agreed that, subject to certain customary exceptions, during the period of 180 days beginning on the last day of the Restricted Period, any sales of their Shares will be coordinated and conducted in an orderly manner. At the date of Admission, 12.4 per cent. of the Shares will be subject to these restrictions.

In addition to the lock-up arrangements described above, Members, officeholders, directors, partners and employees of the Foresight Group who hold Shares immediately prior to Admission (with the exception of Bernard Fairman, David Hughes, Peter English, Marjorie English and Ben Thompson) have agreed that, subject to certain exceptions:

- if they have been with the Foresight Group for 10 years or more (or in certain limited cases, 3 years or more) at Admission, for a period of 3 years from the date of Admission: (i) following the expiry of the Restricted Period and the first year of the three year period, they will not offer, sell or contract to sell, or otherwise transfer or dispose of more than 33 per cent. of their Shares; (ii) following the expiry of the second year of the three year period, they will not offer, sell or contract to sell, or otherwise transfer or dispose of more than 66 per cent. of their Shares; and (iii) following the expiry the third year, they may dispose of the balance of their Shares, in each case, by reference to their shareholding immediately post-Admission and less such number of Shares sold in the preceding year(s) of the three year restricted period. At the date of Admission, 13.2 per cent. of the Shares will be subject to these restrictions;
- if they have been with the Foresight Group for less than 10 years (or in certain limited cases, 3 years or more) at Admission, for a period of 5 years from the date of Admission (i) following the expiry of the Restricted Period and the first year of the five year period, they will not offer, sell or contract to sell, or otherwise transfer or dispose of more than 20 per cent. of their Shares; (ii) following the expiry of the second year of the five year period, they will not offer, sell or contract to sell, or otherwise transfer or dispose of more than 40 per cent. of their Shares; (iii) following the expiry of the third year of the five year period, dispose of more than 60 per cent. of their Shares; (iv) following the expiry of the fourth year of the five year period, they will not offer, sell or contract to sell, or otherwise transfer or dispose of more than 80 per cent. of their Shares; and (iii) following the expiry the fifth year, they may dispose of the balance of their Shares, in each case, by reference to their shareholding immediately post-Admission and less such number of Shares sold in the preceding year(s) of the five year restricted period. At the date of Admission, 4.3 per cent. of the Shares will be subject to these restrictions.

Further details of these arrangements, which are contained in the Underwriting Agreement or Lock-up Agreement, are set out in paragraph 9 of Part 13 "Additional Information".

11 Selling Shareholders

The following table sets out the interests of the Selling Shareholders (all of which, unless otherwise stated, are beneficial or are interests of a person connected with the Selling Shareholder), prior to Admission and the number of Existing Shares such Selling Shareholders are selling in the Offer. The business address of each such Selling Shareholder is The Shard, 32 London Bridge St, London SE1 9SG.

Shareholder	Shares owned immediately prior to Admission ⁽¹⁾		Shares to be sold in the Offer		Shares owned following Admission	
	No.	per cent.	No.	per cent.	No.	per cent.
Bernard Fairman	55,166,700	55.2	22,842,001	21.1	32,324,699	29.8
David Hughes	8,275,000	8.3	5,378,750	5.0	2,896,250	2.7
Gary Fraser	8,024,300	8.0	3,610,935	3.3	4,413,365	4.1
Russell Healey	4,764,300	4.8	2,143,935	2.0	2,620,365	2.4
Nigel Aitchison	5,265,900	5.3	2,369,655	2.2	2,896,245	2.7
Federico Giannandrea	3,009,000	3.0	1,354,050	1.3	1,654,950	1.5
Michael Currie	3,319,000	3.3	1,493,550	1.4	1,825,450	1.7
Other Individual Selling Shareholders ⁽²⁾	12,130,800	12.1	6,520,111	6.0	4,260,689	3.9

(1) Assuming completion of the Share Capital Reorganisation.

(2) There are 30 Other Individual Selling Shareholders.

12 Dilution

The Existing Shares will be diluted by the issue of 8,333,333 New Shares pursuant to the Offer. Assuming that the Company issues sufficient New Shares to raise net proceeds of £30.0 million, the Existing Shares will represent 92.3 per cent. of the total issued Shares immediately following Admission.

In addition, SIP awards may be issued to eligible employees of the Foresight Group from Admission. The Company intends to issue Partnership Shares, with the closure of such invitation period taking place on or prior to 31 March 2021. The Company intends to award Matching Shares of two free Matching Shares for each Partnership Share purchased. The acquisition price for such Partnership Shares would be at a price equal to closing mid-market value at a specified acquisition date, intended to be on or around 31 March 2021. Following the initial grant of the Shares under the SIP as described above, the Company intends to award further Partnership Shares and Matching Shares on an annual basis in accordance with the terms of the SIP.

It is envisaged that up to £350,000 of Partnership Shares and £700,000 of Matching Shares will be awarded as part of the initial award of Partnership Shares and Matching Shares. By way of illustration, the maximum number of Shares that may be acquired by all eligible participants at the Offer Price on the basis of these amounts would be 249,999 Shares (being 0.2 per cent. of the Shares in issue on Admission, assuming the issue of 54,046,320 Shares pursuant to the Offer). This amount includes 83,333 Partnership Shares and 166,666 Matching Shares. Up to 45,000 Shares may be satisfied by Shares currently held by Foresight (Guernsey) Limited on an unallocated basis.

13 Withdrawals

In the event that the Company is required to publish a supplement to this Prospectus, applicants who have applied to subscribe for or purchase Offer Shares pursuant to the Offer will have at least two business days commencing on the first business day after the date of publication of the supplement within which to withdraw their offer to acquire Offer Shares pursuant to the Offer.

The right to withdraw an application to purchase Offer Shares in the circumstances set out above will be available to all investors. If the application is not withdrawn within the period stipulated in any supplement to this Prospectus or announcement (as described above), any offer to apply for Offer Shares pursuant to the Offer will remain valid and binding.

Any supplement to this Prospectus will be published in accordance with the Prospectus Regulation Rules (and notification thereof will be made to a Regulatory Information Service) but will not be distributed to investors individually. Any such supplement will be published online at www.foresightgroup.eu and be available in printed form free of charge at the registered office of the Company until 14 days after Admission.

Details of how to withdraw an application will be made available if a supplement to this Prospectus or relevant announcement (as described above) is published.

14 Selling restrictions

The distribution of this document and the offer of the Offer Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Offer Shares, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Offer Shares may be distributed or published in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on the distribution of this Prospectus and the offer of the Offer Shares contained in this Prospectus. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute an offer to subscribe for or purchase any of the Offer Shares to any person in any jurisdiction to whom it is unlawful to make such offer of solicitation in such jurisdiction.

14.1 *European Economic Area*

In relation to each member state of the European Economic Area (each, a "**relevant member state**"), no Offer Shares have been offered or will be offered pursuant to the Offer to the public in that relevant member state or the UK prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the EU Prospectus Regulation, except that offers of the Offer Shares may be made to the public in that relevant member state at any time under the following exemptions under the EU Prospectus Regulation:

- (a) to any legal entity which is a qualified investor as defined under the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) in such relevant member state subject to obtaining the prior consent of the Banks; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of the Offer Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the EU Prospectus Regulation or a supplement to a prospectus pursuant to Article 23 of the EU Prospectus Regulation and each person who initially acquires any Offer Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with each of the Banks and the Company that it is a qualified investor.

For the purpose of this provision, the expression an "offer to the public" in relation to any Offer Shares in any relevant member state means a communication in any form and by any means presenting sufficient information on the terms of the offer and the Shares to be offered so as to enable an investor to decide to subscribe for or purchase the Offer Shares. The expression "EU Prospectus Regulation" means Regulation (EU) 2017/2019 as it applies in the European Economic Area (as amended).

In the case of any Offer Shares being offered to a financial intermediary, as that term is used in Article 1(4) of the EU Prospectus Regulation, such financial intermediary will also be deemed to have represented that the Offer Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Offer Shares to the public other than their offer or resale in a relevant member state or the UK to qualified investors as so defined or in circumstances in which the prior consent of the Banks has been obtained to each such proposed offer or resale. The Company, the Selling Shareholders, the Banks and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Banks of such fact in writing may, with the prior consent of the Banks, be permitted to acquire Offer Shares in the Offer.

14.2 **UK**

In relation to the UK, no Offer Shares have been offered or will be offered pursuant to the Offer to the public in the UK prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the FCA, except that offers of the Offer Shares may be made to the public in the UK at any time under the following exemptions under the Prospectus Regulation:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Banks; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Offer Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation or a supplement to a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Offer Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with each of the Banks and the Company that it is a qualified investor.

For the purpose of this provision, the expression an "offer to the public" in relation to any Offer Shares in the UK means a communication in any form and by any means presenting sufficient information on the terms of the offer and the Shares to be offered so as to enable an investor to decide to subscribe for or purchase the Offer Shares.

In the case of any Offer Shares being offered to a financial intermediary, as that term is used in Article 1(4) of the Prospectus Regulation, such financial intermediary will also be deemed to have represented that the Offer Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Offer Shares to the public other than their offer or resale in the UK to qualified investors as so defined or in circumstances in which the prior consent of the Banks has been obtained to each such proposed offer or resale. The Company, the Selling Shareholders, the Banks and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Banks of such fact in writing may, with the prior consent of the Banks, be permitted to acquire Offer Shares in the Offer.

14.3 **United States**

The Shares have not been, and will not be, registered under the US Securities Act, or under the securities laws of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered, sold, resold, pledged, delivered, distributed or transferred, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

The Offer Shares will be offered (i) in the United States only to QIBs, as defined in Rule 144A pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and (ii) outside of the United States in "offshore transactions" as defined in, and in reliance on, Regulation S.

In addition, until 40 days after the commencement of the Offer of the Shares, an offer or sale of Shares within the United States by any dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the US Securities Act.

Each subscriber or purchaser of Shares within the United States, by accepting delivery of this document, will be deemed to have represented, agreed and acknowledged that it has received a copy of this document and such other information as it deems necessary to make an investment decision and that:

- (a) it is (a) a QIB within the meaning of Rule 144A, (b) acquiring the Shares for its own account, or for the account of one or more QIBs with respect to whom it has the authority to make, and does make, the representations, warranties, undertakings, agreements and acknowledgements set forth herein, (c) is acquiring the Shares for investment purposes, and not with a view to any further distribution of such Shares, and (d) is aware, and each beneficial owner of the Shares has been advised, that the

offer and sale of the Shares to it is being made in reliance on Rule 144A or in reliance on another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

- (b) it understands that the Shares are being offered and sold in the United States only in a transaction not involving any public offering in the United States within the meaning of the US Securities Act and that the Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except (a) to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, (b) in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S, (c) pursuant to an exemption from registration under the US Securities Act provided by Rule 144 thereunder (if available) or (d) pursuant to an effective registration statement under the US Securities Act and, in each case, in accordance with any applicable securities laws of any state of the United States. It further (a) understands that the Shares may not be deposited into any unrestricted depositary receipt facility in respect of the Shares established or maintained by a depositary bank so long as such Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, (b) acknowledges that the Shares (whether in physical certificated form or in uncertificated form held in CREST) are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of the Shares and (c) understands that the Company may not recognise any offer, sale, resale, pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.
- (c) it understands that the Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THE SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHO THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (A "QIB") WITHIN THE MEANING OF RULE 144A UNDER THE US SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN "OFFSHORE TRANSACTION" IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE US SECURITIES ACT, AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE US SECURITIES ACT FOR REALES OF THE SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE SHARES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS; and

- (d) it represents that if, in the future, it offers, resells, pledges or otherwise transfers such Shares while they remain "restricted securities" within the meaning of Rule 144, it shall notify such subsequent transferee of the restrictions set out above.

The Company, the Banks and their affiliates and others will rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements.

14.4 Canada

Any offer and sale of the Offer Shares in Canada is being made on a private placement basis only and is exempt from the requirement that the Company prepares and files a prospectus under applicable Canadian securities laws. Any resale of the Offer Shares into Canada must be made in accordance with applicable Canadian securities laws, which may vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with Canadian prospectus requirements, a statutory exemption from the prospectus requirements, in a transaction exempt from the prospectus requirements or otherwise under a discretionary exemption from the prospectus requirements granted by the applicable local Canadian securities regulatory authority. These resale restrictions may under certain circumstances apply to resales of the Offer Shares outside of Canada. There will be no public offering of the Offer Shares in Canada. This document does not contain all of the information that would normally appear in a prospectus under applicable Canadian securities laws. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the Offer Shares. Any representation to the contrary is an offense. This document is not, and under no circumstances is to be construed as, a prospectus, an advertisement or a public offering of the Offer Shares in Canada.

In Canada, the Offer will only be made by way of private placement to persons ("**Canadian Qualified Investors**"): (a) in the provinces of Ontario, Québec, Alberta, Manitoba or British Columbia: (b) who are a "accredited investor" within the meaning of Section 1.1 of NI 45-106 or subsection 73.3(1) of the OSA, as applicable, and is either purchasing the Offer Shares as principal for its own account, or is deemed to be purchasing the Offer Shares as principal for its own account in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution; (c) not created or used solely to purchase or hold the Offer Shares as an accredited investor under NI 45-106; (d) who are a "permitted client" within the meaning of NI 31-103; and (e) entitled under applicable Canadian securities laws to purchase the Offer Shares without the benefit of a prospectus under such securities laws. Any offer and sale of the Offer Shares in Canada will be made on a private placement basis only and will be exempt from the requirement that the Company prepares and files a prospectus under applicable Canadian securities laws. Each Canadian person who purchases the Offer Shares will be deemed to have represented that it qualifies as a Canadian Qualified Investor and will also be required to provide a Canadian investor letter certifying and acknowledging certain matters, including certifying its status as a Canadian Qualified Investor.

Securities legislation in certain provinces or territories of Canada may provide Canadian investors with remedies for rescission or damages if an "offering memorandum" such as this document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 - *Underwriting Conflicts* ("**NI 33-105**") of the Canadian Securities Administrators, the Banks (and any other dealers) are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Offer.

Any discussion of taxation and related matters contained in this document does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a Canadian investor when deciding to purchase the Offer Shares and, in particular, does not address any Canadian tax considerations. No representation or warranty is hereby made as to the tax consequences to a resident, or deemed resident, of Canada of an investment in the Offer Shares or with respect to the eligibility of the Offer Shares for investment by such investor under relevant Canadian federal and provincial legislation and regulations.

Upon receipt of this document, each Canadian person hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Offer Shares described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

14.5 ***Other Overseas territories***

Investors in jurisdictions other than the United Kingdom, European Economic Area, the United States and Canada should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to purchase any Offer Shares under the Offer.

The Company, the Selling Shareholders and the Banks and their respective affiliates and others will rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements.

15 **Payment for Shares**

Each investor agrees to pay the Offer Price for the Offer Shares issued to or acquired by such investor in such manner as shall be directed by the Banks.

In the event of any failure by any investor to pay as so directed by the Banks, the relevant investor will be deemed thereby to have appointed the Banks or any nominee of the Banks to sell (in one or more transactions) any or all of the Offer Shares in respect of which payment has not been made as directed by the Banks and such investor shall indemnify the Banks and/or any relevant nominee of the Banks in respect of any liability for stamp duty and/or SDRT arising in respect of any such sale or sales and/or any other loss suffered in connection with such failure.

If Admission does not occur, monies will be returned without interest at the risk of the applicant.

Liability for UK stamp duty and SDRT is described in Part 13 "Additional Information" of this Prospectus.

PART 13 - ADDITIONAL INFORMATION

1 Responsibility Statement

The Directors, whose names appear in Part 7 "Directors, Senior Management and Corporate Governance", and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Company, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

2 Incorporation and share capital

- 2.1 The Company was incorporated and registered in Guernsey on 24 February 2010 as a limited company under the Guernsey Act with the registered number 51521.
- 2.2 The Company's registered office is Ground Floor, Dorey Court, Admiral Park, St Peter Port, GY1 2HT, Guernsey and the principal office of the Foresight Group is at The Shard, 32 London Bridge St, London SE1 9SG and its telephone number is +44 203 667 8100.
- 2.3 Immediately prior to Admission, the business of the Company, and its principal activity, will be to act as the ultimate holding company of the Foresight Group.
- 2.4 The principal legislation under which the Company operates and the Shares have been created is the Guernsey Act and regulations made thereunder. The Company operates in conformity with its constitution.
- 2.5 The share capital history of the Company for the period covered by the historical financial information set out in this Prospectus is as follows:
 - 2.5.1 On incorporation the share capital of the Company was 2 ordinary shares of nil par value.
 - 2.5.2 As at 1 April 2017, the first day covered by the historical financial information included in Part 9, the issued share capital of the Company was: 0 ordinary shares; 10,000 A shares; 208,502 B shares; 1,000 D shares; 1,000 E shares; 1,000 F shares; 1,000 H shares; 1,000 I shares; 1,000 J shares; 1,000 L shares; and 1,000 M shares.
 - 2.5.3 On 29 June 2017, the Company issued 171,691 B shares; 1,000 N shares; 1,000 P shares; 1,000 Q shares and 1,000 R shares bringing the issued share capital to 10,000 A shares; 380,193 B shares; 1,000 D shares; 1,000 E shares; 1,000 F shares; 1,000 H shares; 1,000 I shares; 1,000 J shares; 1,000 L shares; 1,000 M shares; 1,000 N shares; 1,000 P shares; 1,000 Q shares and 1,000 R shares.
 - 2.5.4 On 12 March 2018, the Company repurchased and cancelled 3,549 B shares bringing the issued share capital to 10,000 A shares; 376,644 B shares; 1,000 D shares; 1,000 E shares; 1,000 F shares; 1,000 H shares; 1,000 I shares; 1,000 J shares; 1,000 L shares; 1,000 M shares; 1,000 N shares; 1,000 P shares; 1,000 Q shares and 1,000 R shares.
 - 2.5.5 On 29 June 2018, the Company issued: 60,013 B shares; 1,000 S shares; 1,000 T shares and 1,000 U shares bringing the issued share capital to 10,000 A shares; 436,657 B shares; 1,000 D shares; 1,000 E shares; 1,000 F shares; 1,000 H shares; 1,000 I shares; 1,000 J shares; 1,000 L shares; 1,000 M shares; 1,000 N shares; 1,000 P shares; 1,000 Q shares; 1,000 R shares; 1,000 S shares; 1,000 T shares and 1,000 U shares.
 - 2.5.6 On 27 September 2019, the Company issued: 197,700 B shares; 1,000 V shares; 1,000 W shares; 1,000 X shares; 1,000 Y shares and 1,000 Z shares bringing the issued share capital to 10,000 A shares; 634,357 B shares; 1,000 D shares; 1,000 E shares; 1,000 F shares; 1,000 H shares; 1,000 I shares; 1,000 J shares; 1,000 L shares; 1,000 M shares; 1,000 N shares; 1,000 P shares; 1,000 Q shares; 1,000 R shares; 1,000 S shares; 1,000 T shares; 1,000 U shares; and 1,000 V shares; 1,000 W shares; 1,000 X shares; 1,000 Y shares and 1,000 Z shares.
 - 2.5.7 On 25 November 2019, the Company repurchased and cancelled 30,438 B shares and 1,000 E shares bringing the issued share capital to 10,000 A shares; 603,919 B shares; 1,000 D shares; 1,000 F shares; 1,000 H shares; 1,000 I shares; 1,000 J shares; 1,000 L shares; 1,000 M shares; 1,000 N shares; 1,000 P shares; 1,000 Q

- shares; 1,000 R shares; 1,000 S shares; 1,000 T shares; 1,000 U shares; and 1,000 V shares; 1,000 W shares; 1,000 X shares; 1,000 Y shares and 1,000 Z shares.
- 2.5.8 On 27 March 2020, the Company issued 500 AA shares bringing the issued share capital to 10,000 A shares; 603,919 B shares; 1,000 D shares; 1,000 F shares; 1,000 H shares; 1,000 I shares; 1,000 J shares; 1,000 L shares; 1,000 M shares; 1,000 N shares; 1,000 P shares; 1,000 Q shares; 1,000 R shares; 1,000 S shares; 1,000 T shares; 1,000 U shares; and 1,000 V shares; 1,000 W shares; 1,000 X shares; 1,000 Y shares; 1,000 Z shares; and 500 AA shares.
- 2.5.9 On 31 March 2020, the Company repurchased and cancelled 10,944 B shares bringing the issued share capital to 10,000 A shares; 592,975 B shares; 1,000 D shares; 1,000 F shares; 1,000 H shares; 1,000 I shares; 1,000 J shares; 1,000 L shares; 1,000 M shares; 1,000 N shares; 1,000 P shares; 1,000 Q shares; 1,000 R shares; 1,000 S shares; 1,000 T shares; 1,000 U shares; and 1,000 V shares; 1,000 W shares; 1,000 X shares; 1,000 Y shares; 1,000 Z shares; and 500 AA shares.
- 2.5.10 On 18 November 2020, the Company repurchased and cancelled: 4,055 B shares; 60 AA shares; 1,000 T shares; and 1,000 Q shares bringing the issued share capital to 10,000 A shares; 588,920 B shares; 1,000 D shares; 1,000 F shares; 1,000 H shares; 1,000 I shares; 1,000 J shares; 1,000 L shares; 1,000 M shares; 1,000 N shares; 1,000 P shares; 1,000 R shares; 1,000 S shares; 1,000 U shares; and 1,000 V shares; 1,000 W shares; 1,000 X shares; 1,000 Y shares; 1,000 Z shares; and 440 AA shares.
- 2.5.11 On 30 November 2020, the Company repurchased and cancelled 9,999 A shares and 53,135 B shares⁷⁴ and issued 464,215 B shares bringing the issued share capital to 1 A share; 1,000,000 B shares; 1,000 D shares; 1,000 F shares; 1,000 H shares; 1,000 I shares; 1,000 J shares; 1,000 L shares; 1,000 M shares; 1,000 N shares; 1,000 P shares; 1,000 R shares; 1,000 S shares; 1,000 U shares; 1,000 V shares; 1,000 W shares; 1,000 X shares; 1,000 Y shares; 1,000 Z shares; and 440 AA shares.
- 2.6 On 3 February 2021, by resolutions passed by the Company, it was resolved that:
- 2.6.1 1 A Share; 1,000 D shares; 1,000 F shares; 1,000 H shares; 1,000 I shares; 1,000 J shares; 1,000 L shares; 1,000 M shares; 1,000 N shares; 1,000 P shares; 1,000 R shares; 1,000 S shares; 1,000 U shares; 1,000 V shares; 1,000 W shares; 1,000 X shares; 1,000 Y shares; 1,000 Z shares; and 440 AA shares be repurchased and cancelled upon and subject to Admission;
- 2.6.2 1,000,000 B shares be subdivided on a 1:100 basis and redesignated as ordinary shares in the capital of the Company by varying the rights and obligations attaching to each of the 1,000,000 B shares to be as set out in the Articles with respect to an Ordinary Share (as defined in the Articles) and subdividing and redesignating each such B share as an Ordinary Share (as defined in the Articles), such redesignation being approved by special resolution of the holders of the B Shares (the resolutions in paragraphs 2.6.1 and 2.6.2 together, the **"Share Capital Reorganisation"**);
- 2.6.3 the Articles (which are in a form suitable for the Company as a company whose shares are admitted to the Official List and to trading on the Main Market) be adopted in substitution for the existing articles of incorporation with effect from Admission;
- 2.6.4 the Directors of the Company are authorised to issue and allot up to 8,333,333 Shares in connection with the Offer without regard to the pre-emption rights contained in the Articles (including those specified in Article 5.1), such authority to expire at close of business on 12 February 2021;
- 2.6.5 the Directors of the Company be and they are generally and unconditionally authorised to exercise all or any of the powers of the Company to issue Shares in the Company or to grant rights to subscribe for, or to convert any security into Shares in the Company: (a) up to (or equivalent to), in aggregate, 36,111,111 Shares to such persons at such times as the Directors see fit and as if Article 5.1 of the Articles did not apply to such issue; (b) up to (or equivalent to), in aggregate, 72,222,222 Shares (including within such limit any Shares granted under (a) above) in connection with an offer by way of a rights issue

⁷⁴ The proceeds for the redemption and cancellation of 9,999 A shares and 53,135 B shares were paid on 26 November 2019 and the Company has treated the redemption and cancellation as taking effect on 26 November 2019

to: (i) the holders of Shares in proportion as nearly as practicable to their respective holdings of such shares; and (ii) the holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, and so that the Directors may impose any limits or restrictions and make any arrangements as the Directors may otherwise consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, and generally on such terms and conditions as the Directors may determine (subject always to the Articles), provided that this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the first annual general meeting of the Company or at close of business on 9 May 2022 (if earlier) save that the Directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Shares to be issued, or rights to subscribe for or to convert any security into Shares to be granted, after the expiry of such period and the Directors of the Company may issue Shares and grant rights in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired;

- 2.6.6 the Directors of the Company be and are generally and unconditionally authorised to issue equity securities (as defined in the Articles) for cash and/or to sell Shares held by the Company as treasury shares for cash, as if article 5.1 of the Articles did not apply to any such issue or sale, provided that this power shall be limited to the issue of equity securities or sale of treasury shares up to, in aggregate, 5,416,666 Shares, and such power shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting of the Company or at close of business on 9 May 2022 (if earlier) save that the Directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require equity securities to be issued and treasury shares to be sold after the expiry of such period and the Directors of the Company may issue equity securities and sell treasury shares in pursuance of such offer or agreement as if such power had not expired;
- 2.6.7 the Directors of the Company be and are hereby generally and unconditionally authorised to issue equity securities (as defined in the Articles) for cash and/or to sell Shares held by the Company as treasury shares for cash, as if Article 5.1 of the Articles did not apply to any such issue or sale, provided that: (a) this power shall be limited to the issue of equity securities or sale of treasury shares for cash up to (or equivalent to), in aggregate, 5,416,666 Shares; and (b) the issue of equity securities or sale of treasury shares for cash is for the purposes of financing (or refinancing, if the power is used within six months of the original transaction) a transaction which the Directors of the Company determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights published by the Pre-Emption Group in 2015 (being the most recent version published), and such power shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the first annual general meeting of the Company or at close of business on 9 May 2022 (if earlier) save that the Directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require equity securities to be issued and treasury shares to be sold after the expiry of such period and the Directors of the Company may issue equity securities and sell treasury shares in pursuance of such offer or agreement as if such power had not expired; and
- 2.6.8 in accordance with the Guernsey Act, and in substitution for all existing authorities, the Company be, and is generally and unconditionally authorised to make one or more market acquisitions as defined in section 316 of the Guernsey Act of its Shares on such terms and in such manner as the Directors may determine, provided that: (a) the maximum aggregate number of Shares authorised to be acquired does not exceed 10,833,333 Shares; (b) the minimum price (exclusive of expenses) which may be paid for a Share shall be nil; (c) the maximum price (exclusive of expenses) which may be paid for a Share shall be not more than the higher of: (i) 5 per cent above the average of the middle market quotations for a Share as derived from the Daily Official List of London Stock Exchange plc for the five business days immediately before the purchase

is made; and (ii) the higher of the price of the last independent trade of a Share, and the highest independent bid as derived from the London Stock Exchange Trading System at the time of the purchase for the Shares; (d) the authority conferred shall expire at the conclusion of the first annual general meeting of the Company or at close of business on 9 May 2022 (if earlier); (e) notwithstanding (d) above, the Company may make a contract to purchase Shares under the authority conferred prior to the expiry of such authority which will or may be completed wholly or partly after the expiration of such authority, and may make a purchase of Shares pursuant to any such contract; and (f) any Shares bought back may be held as treasury shares in accordance with the Guernsey Act or be subsequently cancelled by the Company.

2.7 Save as disclosed above and in paragraph 7:

2.7.1 no share or loan capital of the Company has, within three years of the date of this document, been issued or agreed to be issued, or is now proposed to be issued (other than pursuant to the Offer), fully or partly paid, either for cash or for a consideration other than cash, to any person;

2.7.2 no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of any such company; and

2.7.3 no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option and the Company holds no treasury shares.

2.8 The Shares have been and will be issued under the Guernsey Act and they do and will conform with the laws of Guernsey. The Shares have been and will be duly authorised according to the requirements of the Company's constitution and have and the Company will have all necessary statutory and other consents.

2.9 The Shares are in registered form and, subject to the provisions of the Regulations, the Board may permit the issuance of Shares of any class in uncertificated form or shares may be changed from certificated to uncertificated form and title to such Shares may be transferred by means of a relevant system. Where Shares are held in certificated form, share certificates will be sent to the registered members. Where Shares are held in CREST, the relevant CREST stock account of the registered members will be credited.

2.10 **Shares in the Company held by subsidiaries**

45,000 Shares are held by Foresight (Guernsey) Limited, a subsidiary of the Company, as trustee for and on behalf of selected members and employees of the Foresight Group and on an unallocated basis pending formalisation of the share incentive arrangements referred to under paragraph 7 of Part 13 "Additional Information" of this Prospectus.

3 **Articles of Incorporation**

The Articles include provisions to the following effect:

3.1 ***Voting rights***

Subject to any special rights, restrictions or prohibitions as to voting upon which the Shares may be issued, every member who is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote on a show of hands. However, if a proxy has been duly appointed by more than one shareholder entitled to vote on the resolution and the proxy has been instructed by one or more of those shareholders to vote for the resolution and by one or more other shareholders to vote against it then the proxy shall have one vote for and one vote against the resolution. On a poll, every shareholder present in person or by proxy (or by duly authorised representative in the case of a corporate member) shall have one vote for every Share of which they are the holder.

A shareholder is not entitled to vote unless all calls due from them have been paid (unless the Board decides otherwise).

A shareholder may not be entitled to attend or vote at meetings of the Company in respect of any shares held by them in relation to which he has been duly served with a disclosure notice and, having failed to comply with such notice within the period specified in such notice (being 14 days from the date of service of such or such other reasonable period as the Directors may determine), is served with a direction notice.

Such direction notice will apply only for so long as the disclosure notice from the Company has not been complied with or until the Company has withdrawn the direction notice or the shares to which the direction notice relates have been transferred by means of an excepted transfer, whichever is the earlier.

3.2 General meetings

The Company must hold an annual general meeting each year in addition to any other general meetings held in the year. The Directors can call a general meeting at any time.

At least 21 clear days' written notice must be given for every annual general meeting. For all other general meetings, not less than 14 clear days' written notice must be given. All members who are entitled to receive notice under the Articles must be given notice.

Before a general meeting starts, there must be a quorum, being two members present in person or by proxy or, in the case of a corporate member, by a duly authorised representative.

Each Director can attend and speak at any general meeting.

3.3 Dividends and other distributions

Subject to the Guernsey Act and the provisions of the Articles, the Company may, by ordinary resolution, declare dividends and/or make distributions in accordance with the respective rights of the members, but no dividend or other distribution shall be declared in excess of the amount recommended by the Board.

Subject to the Guernsey Act and the provisions of the Articles, the Board may from time to time pay to the shareholders of the Company such interim dividends and/or distributions as appear to the Board to be justified by the assets of the Company, on such dates and in respect of such periods as it thinks fit.

Except insofar as the provisions of the Articles or the rights attaching to, or the terms of issue of, any share otherwise provide (no such shares presently being in issue), all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid (other than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid. Any dividend unclaimed after a period of 12 years from the date when it became due for payment shall, if the Directors so resolve, cease to remain owing by the Company.

A general meeting declaring a dividend or other distribution may, upon the recommendation of the Board, direct that it be satisfied wholly or partly by the distribution of assets, in respect of any dividend or distribution.

The Board may, if specified in a direction notice, withhold dividends (including shares issued in lieu of dividends) payable on shares representing not less than 0.25 per cent. by number of the issued shares of any class (excluding treasury shares) after there has been a failure to comply with any direction notice requiring the disclosure of information relating to interests in the shares concerned (as referred to in paragraph 3.9 below).

3.4 Return of capital

Upon a winding-up of the Company the surplus assets of the Company shall be divided amongst the holders of the Shares pro rata to their holdings of Shares.

On a winding-up of the Company the liquidator may, with the sanction of a special resolution of the Company and subject to the Guernsey Act, divide amongst the shareholders of the Company in specie the whole or any part of the assets of the Company, or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator (or where there is no liquidator, the Directors), with the like sanction, shall determine.

3.5 Transfer of shares

The Shares are in registered form.

The Articles provide for Shares to be held in CREST accounts, or any other relevant uncertificated system, ("**Uncertificated Shares**"). Subject to such of the restrictions in the Articles as shall be applicable, any member may transfer all or any of his Shares. In the case of Shares represented by a certificate ("**Certificated Shares**") the transfer shall be made by an instrument of transfer in the usual form or in any other form which the Board may approve. Transfers of Uncertificated Shares need not be in writing, but shall comply with the regulations applicable to the relevant uncertificated system.

The instrument of transfer of a Certificated Share shall be executed by or on behalf of the transferor and (in the case of a partly paid Share) by or on behalf of the transferee and the transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members.

The Board may, in its absolute discretion and without giving a reason, refuse to register any instrument of transfer of Certificated Shares, which are not fully paid or which are subject to a lien by the Company, provided that in the case of a listed or quoted Share, this would not prevent dealings in the share from taking place on an open and proper basis.

The Board may also refuse to register a transfer of a Certificated Share unless:

- (a) the instrument of transfer is lodged at the office of the Company or at some other place as the Board may appoint accompanied by the relevant share certificate and such other evidence of the right to transfer as the Board may reasonably require;
- (b) the instrument of transfer is in respect of only one class of share; and
- (c) in the case of a transfer to joint holders, the transfer is in favour of not more than four such transferees.

In the case of Uncertificated Shares, the Board may only refuse to register a transfer if the applicable regulations allow it to do so or in circumstances adopted by the Board on behalf of the Company from time to time or prescribed by the rules of the relevant uncertificated system, where, in the case of a transfer to joint holders, the number of joint holders to whom the Uncertificated Share is to be transferred exceeds four.

The Board may also decline to register a transfer of Shares if they represent not less than 0.25 per cent. by number of their class (excluding treasury shares) and there has been a failure to comply with a notice requiring disclosure of interests in the shares (as referred to in paragraph 3.9 below) unless the shareholder has not, and proves that no other person who is interested in the Shares subject to the transfer has, failed to supply the required information. Such refusal may continue until the failure has been remedied, but the Board shall not decline to register:

- (a) a transfer in connection with a bona fide sale of the whole of the beneficial interest in any Share to any person who is unconnected with the shareholder and with any other person appearing to be interested in the Share;
- (b) a transfer pursuant to the acceptance of an offer made to all the Company's shareholders or all the shareholders of a particular class (or to all such shareholders other than the person making the offer and their nominees) to acquire all or a proportion of the Shares or the shares of a particular class; or
- (c) a transfer in consequence of a sale made through a recognised investment exchange or any stock exchange outside the United Kingdom on which the Company's shares are normally traded.

3.6 Pre-emption rights

The Company shall not allot and issue equity securities, nor sell them from treasury, for cash on any terms to a person unless:

- (a) it has made an offer to each person who holds equity securities of the same class in the Company to allot and issue to them on the same or more favourable terms a proportion of those equity securities which is as nearly as practicable equal to the proportion in number held by them of the share capital of the Company of that class; and
- (b) the period during which any such offer may be accepted by the relevant current holders has expired or the Company has received a notice of the acceptance or refusal of every offer so made from such holders,

provided that the Directors may impose such exclusions and/or make such other arrangements as they deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange in any territory or otherwise howsoever. The holders of equity securities affected as a result of such exclusions or arrangements shall not be deemed, or be deemed to be, a separate class of shareholders for any purposes whatsoever.

If the relevant holder in relation to an pre-emptive offer has no registered address in the United Kingdom or Guernsey for the service of notices on them, the offer may be made by causing it or a notice of where

a copy may be obtained or inspected to be published in at least one United Kingdom national newspaper and one daily newspaper circulated in Guernsey. The Directors may exclude from a pre-emptive offer any holders of equity securities where they believe that the making of the offer to them would or might involve the contravention of the laws of any territory.

The pre-emption provisions may be disapplied by a special resolution of the Company.

3.7 *Variation of rights*

Subject to terms of the Articles (including without limitation, the pre-emption provisions described above at paragraph 3.6), the special rights conferred upon the holders of any shares or class of shares shall, unless otherwise expressly provided by the conditions of issue of such shares, be deemed not to be varied by the creation or issue of new shares ranking *pari passu* therewith or by any purchase by the Company of its own shares.

3.8 *Share capital and changes in capital*

Subject to and in accordance with the provisions of the Guernsey Act, the Company may issue redeemable shares which are, or at the option of the Company or a shareholder are, liable to be redeemed and convert all or any class of shares into redeemable shares.

Subject to the provisions of the Articles and the Guernsey Act, the power of the Company to offer, allot and issue any new shares in the Company shall be exercised by the Board at such time and for such consideration and upon such terms and conditions as the Board shall determine.

The Company may acquire its own shares. Any such shares acquired by the Company may be cancelled or may be held as treasury shares, subject to and in accordance with the Guernsey Act.

The Company may by ordinary resolution alter its share capital in accordance with the Guernsey Act.

3.9 *Disclosure of interests in shares*

The Articles provide the Board with the means to require persons who it knows to be or has reasonable cause to believe are, or have within the last three years been, interested in its relevant share capital to indicate whether or not that is the case and to provide further information about the nature of any such interests. When a person receives a notice of this nature, they have 14 days from the date of service of such (or such other reasonable period as the Directors may determine) to comply with it, failing which the Company may decide to restrict the rights relating to the relevant shares and send out a further notice to the shareholder (known as a "**direction notice**"). The direction notice may state that the identified shares no longer give the shareholder any right to attend or vote at a shareholders' meeting or to exercise any other right in relation to shareholders' meetings, or where the shares represent not less than 0.25 per cent. by number of the issued shares of any class (excluding treasury shares), a restriction on transfers and/or the payment of dividends (as described in paragraphs 3.3 and 3.5 above).

The Company may withdraw the direction notice at any time, and the direction notice will be deemed to have been withdrawn within seven days from the date on which the requested information was supplied.

3.10 *Untraced shareholders*

Subject to various notice requirements, the Company may sell any of a shareholder's shares in the Company if, during a period of 12 years, at least three cash dividends on such shares have become payable and no payment made by the Company has been claimed or accepted during that period in respect of such shares and the Company has received no communication from such shareholder.

3.11 *Borrowing powers*

Except as provided in the Articles, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any of its undertaking, property and assets (present and future) and to issue debentures, as guarantee or security for any liability or obligations of the Company or any third party.

3.12 *Directors*

Save as mentioned below, a Director shall not vote in respect of any matter in which they have, directly or indirectly, an interest which (together with any interest of any person connected with them) is, to their knowledge, a material interest (otherwise than by virtue of their interest in shares or debentures or other securities of or otherwise in or through the Company). A Director shall not be counted in the quorum at a meeting in relation to any resolution on which they are debarred from voting.

A Director shall (in the absence of material interests other than those indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:

- (a) the giving of any guarantee, security or indemnity in respect of money lent, or an obligation incurred by any Director or any other person at the request of or for the benefit of, the Company or any of its subsidiaries;
- (b) the giving of any guarantee, security or indemnity in respect of any debt or obligation of the Company or any of its subsidiaries for which they have assumed any responsibility in whole or in part alone or jointly under a guarantee or indemnity or by the giving of security;
- (c) any contract, transaction, arrangement or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiaries for subscription or purchase, in which offer they are or may be entitled to participate as a holder of securities or them being a participant in the underwriting or sub-underwriting of such an offer;
- (d) any contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning any other company in which they (and any persons connected with them) are interested and whether as an officer, shareholder, creditor or otherwise, provided that they (and any persons connected with them) do not to their knowledge hold an interest in 1 per cent. or more of any class of the equity share capital, of such company (or of any company through which their interest is derived) or of the voting rights available to members of the relevant company;
- (e) any contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its subsidiaries which does not accord to any Director any privilege or advantage not generally accorded to the employees to which such arrangement relates; and
- (f) any contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy for the benefit of any of the Directors or for persons who include Directors.

The Directors shall be paid such remuneration by way of fees for their services as may be determined by the Board, save that, unless otherwise approved by ordinary resolution of the Company in general meeting, the aggregate amount of such fees of all Directors shall not exceed £2.0 million per annum (excluding any remuneration of a Director under or in connection with an executive service contract). The Directors shall also be entitled to be repaid by the Company all reasonable hotel expenses and other expenses of travelling to and from board meetings, committee meetings, general meetings or otherwise incurred while engaged in the business of the Company and all reasonable expenses properly incurred by them in seeking independent professional advice on any matter that concerns them in the furtherance of their duties as a Director.

The Company may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, to or for the benefit of past directors who held (but no longer hold) any executive office or employment with the Company or any body corporate which is or has been a subsidiary or a predecessor in business of any of them or to or for the benefit of persons who are or were related to or dependants of any such Directors, and may (as well before as after they cease to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

To the fullest extent permitted by law, each person who is or was a Director, alternate director or secretary of the Company and their respective heirs and executors are entitled to be indemnified against all losses and liabilities which they may sustain in the execution of the duties of their office, except such (if any) as would otherwise attach to them in connection with any negligence, default, breach of duty or breach of trust in relation to the Company.

Each Director shall be subject to annual re-election by the shareholders.

There is no age limit for Directors.

Unless and until otherwise determined by ordinary resolution of the Company, the Directors (other than alternate Directors) shall not be less than 2 nor more than 8 in number.

3.13 Redemption

The Shares are redeemable.

3.14 Electronic Communications

The Company may communicate electronically with its members.

The above is a summary only of certain provisions of the Articles of Incorporation, the full provisions of which are available for inspection as described in paragraph 22 below.

4 Mandatory bids and compulsory acquisition rules relating to the Shares

4.1 Mandatory bids

The City Code applies to the Company. Under Rule 9 of the City Code, if:

- a person acquires, whether by a series of transactions over a period of time or not, an interest in shares in the Company which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- a person who, together with persons acting in concert with him, is interested in shares carrying 30 per cent. or more but does not hold shares carrying more than 50 per cent. of the voting rights of the Company, acquires (or any person acting in concert with him acquires) additional interests in shares which increase the percentage of shares carrying voting rights in which that person (together with those acting in concert with him) is interested,

the acquiror would normally be required (except with the consent of the Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the shares by the acquiror or its concert parties during the previous 12 months to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights.

The parties to the Relationship Agreement (other than the Company) which is described in paragraph 12 of this Part 13 "Additional Information" (together, the "**Concert Party**") are treated by the Panel as acting in concert with each other by virtue of their long standing close business relationship in relation to the Company and their on-going role in the management of the Company. Immediately following Admission, the Concert Party will be interested (directly or indirectly) in approximately 44.9 per cent. of the voting rights of the Company. The individual members of the Concert Party, their respective holding and their role in the business is set out in the table below:

Member of Concert Party	Role	Immediately prior to Admission			Immediately following Admission		
		Number of Shares immediately prior to the completion of the Share Capital Reorganisation	Number of Shares immediately following the completion of the Share Capital Reorganisation	Percentage of issued ordinary share capital	Number of Shares	Percentage of issued ordinary share capital	Percentage of issued ordinary share capital following the exercise of the Buyback Authority ⁽³⁾
Bernard William Fairman ⁽¹⁾	Executive Chairman	551,667	55,166,700	55.2	32,324,699	29.8	33.2
Gary Fraser	Chief Financial Officer and Chief Operating Officer	80,243	8,024,300	8.0	4,413,365	4.1	4.5
David Hughes	Chief Investment Officer	82,750	8,275,000	8.3	2,896,250	2.7	3.0
Nigel Aitchison	Head of Infrastructure	52,659	5,265,900	5.3	2,896,245	2.7	3.0
Russell Healey	Head of Private Equity	47,643	4,764,300	4.8	2,620,365	2.4	2.7
Michael Currie	Head of Retail Sales	33,190	3,319,000	3.3	1,825,450	1.7	1.9
Federico Giannandrea	Head of Business Development and Continental Europe	30,090	3,009,000	3.0	1,654,950	1.5	1.7
Foresight (Guernsey) Limited ⁽²⁾	Subsidiary of the Company	450	45,000	0.1	45,000	0.04	0.1
Total		878,692	87,869,200	87.9	48,676,324	44.9	49.9

⁽¹⁾ Bernard Fairman intends to transfer his shares to Beau Port Investments Limited (a company wholly owned by him) prior to Admission (or as soon as possible thereafter) and subject to obtaining any necessary regulatory approvals.

⁽²⁾ Foresight (Guernsey) Limited held Shares immediately prior to Admission as trustee for and on behalf of selected members and employees of the Foresight Group and on an unallocated basis pending formalisation of the share incentive arrangements referred to under paragraph 7 of Part 13 "Additional Information" of this Prospectus. Immediately following Admission, the trustee arrangements pursuant to which it held Shares for and on behalf of selected members and employees of the Foresight Group on an allocated basis will be terminated and these individuals will hold their respective Shares in their own name.

⁽³⁾ Assuming that: (i) no member of the Concert Party has Shares bought back pursuant to the Buyback Authority; (ii) no further Shares are issued; and (iii) the Buyback Authority is exercised in full.

When a company redeems or purchases its own voting shares, under Rule 37 of the City Code any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9 of the City Code. Rule 37 of the City Code provides that, subject to prior consultation, the Panel will normally waive any resulting obligation to make a general offer if there is a vote of independent shareholders and a procedure along the lines of that set out in Appendix 1 to the City Code is followed. Appendix 1 to the City Code sets out the procedure which should be followed in obtaining that consent of independent shareholders. Under Note 1 on Rule 37 of the City Code, a person who comes to exceed the limits in Rule 9.1 in consequence of a company's redemption or purchase of its own shares will not normally incur an obligation to make a mandatory offer unless that person is a director, or the relationship of the person with any one or more of the directors is such that the person is, or is presumed to be, concert parties with any of the directors. However, there is no presumption that all the directors (or any two or more directors) are concert parties solely by reason of a proposed redemption or purchase by a company of its own shares, or the decision to seek shareholders' authority for any such redemption or purchase.

Under Note 2 on Rule 37 of the City Code, the exception in Note 1 on Rule 37 described above will not apply, and an obligation to make a mandatory offer may therefore be imposed, if a person (or any relevant member of a group of persons acting in concert) has acquired an interest in shares at a time when they had reason to believe that such a redemption or purchase of their own shares by the company would take place. Note 2 generally will not be relevant unless the relevant person knows that a redemption or purchase for which requisite shareholder authority exists is being, or is likely to be, implemented (whether in whole or in part).

The Panel must be consulted in advance in any case where Rule 9 of the City Code might be relevant. This will include any case where a person or group of persons acting in concert is interested in shares carrying 30 per cent. or more but do not hold shares carrying more than 50 per cent. of the voting rights of a company, or may become interested in 30 per cent. or more on full implementation of the proposed purchase by the company of its own shares. In addition, the Panel should always be consulted if the aggregate interests in shares of the directors and any other persons acting in concert, or presumed to be acting in concert, with any of the directors amount to 30 per cent. or more, or may be increased to 30 per cent. or more on full implementation of the proposed purchase by a company of its own shares.

In the present case, if the exercise by the Company of its authority to purchase its own Shares referred to in paragraph 2.6.8 of this Part 13 "Additional Information" (the "**Buyback Authority**") is such as to result in an increase in the percentage of the Shares owned or controlled by the Concert Party, then the effect of Rule 37.1 of the City Code is that, unless independent shareholders approve a waiver of Rule 9 or the Panel grants a dispensation, a mandatory offer under Rule 9 would be required.

The Panel has however confirmed that, through disclosure in this document, any obligation on the Concert Party to make a general offer pursuant to Rule 9 or Rule 37 of the City Code that would otherwise arise in such circumstances as a result of the exercise of the Buyback Authority in full over Shares not held by members of the Concert Party is waived.

4.2 Compulsory acquisitions

Under Part XVIII of the Guernsey Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value) to which such offer relates (within a period of 4 months after the date of making the offer) it may then compulsorily acquire the outstanding shares not assented to the offer on the terms of the offer. It would do so by sending a notice (within a period of 2 months immediately after the last day on which the offer can be accepted) to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, one month later, it would pay or transfer the consideration to the Company which would hold the consideration on trust for the outstanding holders of shares and the Company shall thereupon register the transferee as holder of those shares.

5 Directors' and Senior Management's interests

- 5.1 The Directors and members of the Senior Management, their functions within the Group and brief biographies are set out in Part 7 "Directors, Senior Management and Corporate Governance".
- 5.2 Each of the Directors can be contacted via the Foresight Group's principal office address at The Shard, 32 London Bridge St, London SE1 9SG.
- 5.3 It is expected that the interests in the ordinary share capital of the Company of the Directors and Senior Management (all of whom, unless otherwise stated, are beneficial or are interests of a person connected with a Director or a member of Senior Management) immediately prior to, and immediately following, Admission are as follows:

Director / Member of Senior Management	Immediately prior to Admission			Immediately following Admission	
	Number of Shares immediately prior to the completion of the Share Capital Reorganisation	Number of Shares immediately following the completion of the Share Capital Reorganisation	Percentage of issued ordinary share capital	Number of Shares	Percentage of issued ordinary share capital
Bernard William Fairman ⁽¹⁾	551,667	55,166,700	55.2	32,324,699	29.8
Gary Fraser	80,243	8,024,300	8.0	4,413,365	4.1
Geoffrey Gavey	0	0	0.0	11,904	0.01
Michael Liston, OBE	0	0	0.0	11,904	0.01
Alison Hutchison, CBE	0	0	0.0	5,952	0.01
David Hughes	82,750	8,275,000	8.3	2,896,250	2.7
Nigel Aitchison	52,659	5,265,900	5.3	2,896,245	2.7
Russell Healey	47,643	4,764,300	4.8	2,620,365	2.4

⁽¹⁾ Bernard Fairman intends to transfer his shares to Beau Port Investments Limited (a company wholly owned by him) prior to Admission (or as soon as possible thereafter) and subject to obtaining any necessary regulatory approvals.

- 5.4 As at 3 February 2021 (the latest practicable date prior to publication of this Prospectus), in so far as is known to the Company, there are the following interests (other than interests held by the Directors and members of Senior Management) which represent, or will at Admission represent, directly or indirectly, 3 per cent. or more of the issued ordinary share capital of the Company:

Shareholders	Immediately prior to Admission			Immediately following Admission	
	Number of Shares immediately prior to the completion of the Share Capital Reorganisation	Number of Shares immediately following the completion of the Share Capital Reorganisation	Percentage of issued ordinary share capital	Number of Shares	Percentage of issued ordinary share capital
Michael Currie	33,190	3,319,000	3.3	1,825,450	1.7
Federico Giannandrea	30,090	3,009,000	3.0	1,654,950	1.5
Henderson Global Investors Limited	0	0	0.0	7,300,000	6.7
Jupiter Asset Management	0	0	0.0	6,500,000	6.0
Slater Investments	0	0	0.0	6,000,000	5.5
Soros Fund Management	0	0	0.0	4,300,000	4.0
Hargreave Hale Limited	0	0	0.0	4,000,000	3.7
Chelverton Asset Management Limited	0	0	0.0	3,500,000	3.2
Schroder Investment Management Limited	0	0	0.0	3,400,000	3.1

Save as disclosed above, in so far as is known to the Directors, there is no other person who is or will be immediately following Admission, directly or indirectly, interested in 3 per cent. or more of the issued ordinary share capital of the Company, or of any other person who can, will or could, directly or indirectly, jointly or severally, exercise control over the Company. The Directors have no knowledge of any arrangements the operation of which may at a subsequent date result in a change of control of the Company. None of the Company's major shareholders have or will have different voting rights attached to the Shares they hold in the Company.

- 5.5 No Director has or has had any interest in any transactions which are or were unusual in their nature or conditions or are or were significant to the business of the Group or any of its subsidiary undertakings and which were effected by the Group or any of its subsidiaries during the current or immediately preceding financial year or during an earlier financial year and which remain in any respect outstanding or unperformed.

6 Directors and Senior Management

The Directors and their functions are set out in Part 7 "Directors, Senior Management and Corporate Governance". On 3 February 2021, each of the Executive Directors entered into a new service agreement with the Company and the non-executive Directors entered into letters of appointment with the Company.

6.1 Executive Directors

- (a) On 3 February 2021, Bernard Fairman and Gary Fraser entered into new service agreements with the Company for the positions of Executive Chairman, and Chief Financial Officer and Chief Operating Officer, respectively. Although Bernard and Gary are appointed as Executive Directors at the date of this Prospectus, the terms of their respective service agreements will become effective from Admission. Gary and Bernard's service agreements will be terminable on not less than 6 and 12 months' notice respectively by either party.
- (b) On and from the date of Admission, Bernard Fairman and Gary Fraser will receive base salaries of £550,000 and £220,000, respectively, per annum. Bernard intends to transfer his shares to Beau Port Investments Limited prior to Admission and subject to obtaining necessary regulatory approvals. To the extent that the Company declares a distribution in favour of Bernard (or Beau Port Investments Limited) prior to Admission, Bernard's salary will reduce by the amount of such dividend to £20,000 until the start of the Company's financial year 2022, when his salary will revert to £550,000. Gary and Bernard will benefit from private medical insurance.
- (c) Each of Bernard and Gary will be subject to post-termination restrictions for a period of, in the case of Bernard, twelve months' after the date on which the service agreement terminates (less any garden leave period), and, in case of Gary, six months' after the date on which his employment terminates (less any garden leave period). The post-termination restrictions are as follows: non-solicitation of clients and prospective clients, non-interference with suppliers, non-poaching of employees and non-compete. Bernard and Gary will each be subject to confidentiality obligations without limitation in time.
- (d) As Bernard is resident in Jersey, his service agreement will be governed by Jersey law and he will benefit from statutory employment law protections in Jersey. Whilst Jersey and English employment law are very similar, there are certain differences including in respect of the statutory protection against unfair dismissal. In England, this protection is available to employees with at least two years' service. Awards are capped at the lesser of one year's salary and c. £90,000 (this figure is revised in April each year). In Jersey, the protection against unfair dismissal is available to employees with at least one year's service and awards for successful claims are calculated according to length of service and capped at 26 weeks' pay (with no cap on a week's pay for the purposes of the calculation). In relation to restrictive covenants, the existing case law in Jersey indicates the same considerations around enforceability apply as under English law although the Jersey case law in this area is limited.
- (e) On Admission, Gary will remain a member of Foresight Group LLP but will not continue to receive his Tier 1 Drawings post-Admission.
- (f) Bernard (or Beau Port Investments Limited) and Gary will receive dividend income derived from holding Shares and Bernard and Gary may participate in the share based incentive plans described at paragraph 7 of this Part 13 "Additional Information".

6.2 ***Non-Executive Directors***

- (a) Geoffrey Gavey, Michael Liston, OBE, and Alison Hutchinson, CBE were appointed to the Board pursuant to letters of appointment dated 3 February 2021. The appointment letter dated 3 February 2021 will replace Geoffrey Gavey's existing letter of appointment with the Company. Payments to Geoffrey Gavey in respect of his non-executive directorship will be made to FNB International Trustees Limited.

The appointments of each of the Non-Executive Directors are for an initial term of three years from the date of appointment unless terminated earlier by either party on one month's notice. The appointment of each Non-Executive Director is also subject to annual re-election by the Shareholders at the annual general meeting.

- (b) On and from Admission, each Non-Executive Director shall be entitled to a base fee of, in the case of Geoffrey and Michael, £50,000, and in the case of Alison, £60,000 (which comprises £50,000 base fee and a £10,000 fee for her role as Senior Independent Director), respectively per annum for performing their role as a Non-Executive Director. The Non-Executive Directors will be entitled to receive a further fee of £5,000 per annum for each Board committee they chair. Their fees will increase by a further £10,000 per annum if the Company is admitted to the FTSE 250.
- (c) Each Non-Executive Director is also entitled to reimbursement of reasonable expenses.
- (d) The Non-Executive Directors are not entitled to receive any compensation on termination of their appointment and are not entitled to participate in the Foresight Group's share, bonus or pension schemes.
- (e) The Non-Executive Directors are subject to confidentiality obligations without limitation in time.

6.3 ***Executive Directors' and Senior Management's Remuneration***

Under the terms of their then service agreements, the aggregate remuneration and benefits to the then directors of Foresight Group Holdings Limited and the senior management of the Group who served during FY 2020, being Bernard Fairman, Geoffrey Gavey, Jo-anna Nicolle (who resigned as director prior to the publication of this Prospectus and was appointed as Company Secretary), Gary Fraser, David Hughes, Nigel Aitchison and Russell Healey, totalled £4.9 million.

The aggregate amount set aside by the Group to provide pension, retirement or similar benefits in relation to the Directors and the Senior Management of the Group who served during FY 2020 was £6,588.

There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this Prospectus.

With effect from Admission, the partners of Foresight Group LLP (including Director: Gary Fraser, and Senior Management: David Hughes, Nigel Aitchison and Russell Healey) will continue to be self-employed members of Foresight Group LLP. As described in Part 2 "Presentation of Financial and Other Information", like other Members they will (with the exception of Gary Fraser) continue to receive their respective Tier 1 Drawings on a fixed basis post-Admission. In addition, Bernard (or Beau Port Investments Limited), Gary, David, Nigel and Russell will receive dividend income derived from holding Shares. For further details on the changes to the Member's remuneration as a result of the Reorganisation and Admission, see Part 2 "Presentation of Financial and Other Information". Bernard (or Beau Port Investments Limited), Gary, David, Nigel and Russell may participate in the share based incentive plans described at paragraph 7 of this Part 13 "Additional Information".

6.4 ***Remuneration Policy***

As a company incorporated in Guernsey, the Company is not bound by UK law or regulation in the area of directors' remuneration to the same extent that it applies to UK incorporated listed companies. However, reflecting the Company's approach to good governance, the Company intends to adopt in full the disclosure and shareholder voting requirements of a UK incorporated listed company.

The Company's Directors' remuneration policy will be submitted for Shareholder approval at the Company's annual general meeting in 2021. In respect of their role as Directors of the Company, the Executive Directors (Bernard Fairman and Gary Fraser) will each be remunerated through fixed pay. Fixed pay will be comprised of: (a) base salary; and (b) benefits.

In addition to the fixed pay Bernard and Gary will receive under the terms of their respective service agreements, they will be entitled to receive dividend income derived from holding Shares (including any pre-Admission dividend declared in respect of Bernard or Beau Port Investments Limited) as described in paragraph 6.3 of this Part 13 "Additional Information" above. These payments will not form part of the remuneration policy. Details of any variable pay (for example via bonuses) will be part of the remuneration policy.

The Company's Remuneration Committee will consider each year whether it is appropriate to make an award to members and Senior Management under the PSP as described in paragraph 7.2 of this Part 13 "Additional Information". Appropriate disclosures regarding any such awards (including the detail of performance conditions) will be made in the relevant Annual Report and Accounts regarding those awards when made. Any such PSP awards would be subject to the limits described in paragraph 7.2 of this Part 13 "Additional Information".

Material terms of the Executive Directors' service agreements with the Company are described in paragraph 6.1 of this Part 13 "Additional Information". Details of the fees which the non-executive directors are entitled to receive, and the material terms of their appointment are described paragraph 6.2 of this Part 13 "Additional Information".

6.5 ***Directors' and Senior Management's current and past directorships and partnerships***

Set out below are the directorships (unless otherwise stated) and partnerships held by the Directors and members of Senior Management (other than, where applicable, directorships held in the Company and other members of the Group), in the five years prior to the date of this Prospectus:

Name	Current directorships / partnerships	Past directorships / partnerships
Bernard William Fairman	Calyx Limited Beau Port Investments Limited Knowle Park Holdings Limited	FGIB Limited
Gary Fraser	Leisure Efficiency Limited Industrial Efficiency Limited Industrial Efficiency II Limited Ardross Infrastructure Limited Blackmead Infrastructure Limited Averon Park Limited Foresight Energy VCT Limited Foresight 1 VCT Limited Knowle Park Limited VCF II LLP	Utility Funding Holdings Limited ⁽¹⁾ AP Plastic Trading Limited ⁽²⁾ FS Ford Farm Solar 2 Limited ⁽³⁾ Rosskeen Infrastructure Limited ⁽⁴⁾ Foresight IHT LLP ⁽⁵⁾ Foresight ITS Limited ⁽⁵⁾ Foresight SMT Limited ⁽⁶⁾ Foresight Metering Limited ⁽⁷⁾ UK Waste Resources and Energy Investments (GP) Limited FS Ford Farm Solar 1 Limited FS Kencot Limited FS Hunters Race Limited FS Bournemouth Limited
Geoffrey Gavey	Archer Investments Limited AR Investments Limited Ashburton Investments International Holdings Limited Bedford Park Investments Limited Binutra (Holdings) Guernsey Limited Brooklands Investments Limited C1 Lend Company Limited Cerulean Properties Limited Cumbria Investments Limited Export Holdings Limited Fiduciary Services Limited FNB International Trustees Limited FNB Nominees Limited FNB Secretaries Limited Manchester Hotel Investments Limited LS Investments Limited Monitoring Partners Limited Primrose Properties Limited Raman Holdings Limited RCP Limited Sassnitz Holdings Limited Scottish House Investments Limited Stock Investments Ltd	Beau Port Investments Limited DMC Investments Limited Eastleigh Investments Limited Eastside and City Developments Limited Heathcote Holdings Limited Kossak Limited Mega International Limited Rustic Properties Limited Sequence Limited SWB Holdings Limited The Nottingham Island Site Management Company Limited Walton Green Investments Limited Westside and City Holdings Limited

Name	Current directorships / partnerships	Past directorships / partnerships
	Stoneham Park Limited Subhash Holdings Limited Sunguard Land Limited Westhill Limited WMI Limited WSM Investments Limited Yeovil Investments Limited	
Michael Liston, OBE	JTC plc Foresight European Solar Fund GP Ltd Foresight Solar & Technology VCT Plc	Renewable Energy Generation Limited
Alison Hutchinson, CBE	DFS Furniture plc Liverpool Victoria Financial Services Limited Yorkshire Building Society Your Penny Limited	Aviva Life Services UK Limited Aviva Life & Pensions UK Limited Aviva Annuity UK Limited Aviva Life Holdings UK Limited Aviva Administration Limited Friends Life and Pensions Limited Friends Life Limited Aviva Insurance Limited CAF Nominees Limited Undershaft FAL Limited
David Hughes	Brighter Green Engineering Limited Knowle Park Limited Blackmead Infrastructure Limited VCF II LLP	Alliance Trust Equity Partners Limited Utility Funding Holdings Limited ⁽¹⁾ FMM Holding Limited ⁽⁹⁾ Foresight Metering Limited ⁽⁷⁾
Nigel Aitchison	FG Biomass Limited	BioEnergy Infrastructure Finance Limited Bioenergy Infrastructure Holdings Limited Bioenergy Infrastructure Limited Bioenergy Infrastructure Holdings (Dev) Limited Big Legolas Holdings Limited BIH Holdings Limited RAW (LP) Limited RAW (GP1) Limited RAW (GP2) Limited TWALP (LP) Limited TWALP (GP2) Limited TWALP (GP1) Limited UKWREI (LP) Limited UKWREI (GP) Limited UK Waste Resources and Energy Investments (GP) Limited
Russell Healey	Whitchurch PE 1 Limited Aquasium Technology Limited	Evance Wind Turbines Limited ⁽¹⁰⁾ Greenland Publishing Limited ⁽¹¹⁾ Ixaris Group Holdings Limited Datapath Group Limited The Business Advisory Limited General Advisory Specialists Limited ⁽¹²⁾ Government Grant & Tax Consultants Limited Entropay Limited

⁽¹⁾Dissolved on 18 February 2020 pursuant to the voluntary strike off procedure.

⁽²⁾Dissolved on 11 October 2016 pursuant to the voluntary strike off procedure.

⁽³⁾Dissolved on 1 March 2016 pursuant to the compulsory strike off procedure.

⁽⁴⁾Dissolved on 31 January 2017 pursuant to the voluntary strike off procedure.

⁽⁵⁾Dissolved on 22 January 2019 pursuant to the voluntary strike off procedure.

⁽⁶⁾Dissolved on 5 September 2017 pursuant to the voluntary strike off procedure.

⁽⁷⁾In members' voluntary liquidation from 27 December 2019.

⁽⁸⁾In members' voluntary liquidation from 18 December 2019. David Hughes' appointment as a director ended on 13 December 2019.

⁽⁹⁾In members' voluntary liquidation from 30 April 2020.

⁽¹⁰⁾Russell Healey was appointed as a representative director of Evance Wind Turbines Limited by the Foresight Group. The company was dissolved on 3 June 2019 pursuant to the creditors' voluntary winding up procedure. FRP Advisory LLP were appointed as the administrator on 24 April 2014 and then subsequently as the liquidator on 14 August 2019. The business and

assets of the company were sold to Ecotricity Group Limited in May 2014. Upon the dissolution of the company, Evance Wind Turbines Limited owed £5.2 million to certain Foresight VCT entities. £815,597 of this was repaid to the Foresight VCT entities, which were the sole secured creditors. Unsecured creditors claimed £494,606 in total and £116,587 was distributed between them.

⁽¹¹⁾Dissolved on 17 November 2017 pursuant to the creditors' voluntary winding up procedure. Constantinos Pedhiou was appointed as the liquidator on 14 June 2016. Upon the dissolution of the company, Greenland Publishing Limited owed £123,667 to unsecured creditors (being only Russell Healey and his wife). The company was not able to make a distribution to its creditors.

⁽¹²⁾Dissolved on 17 December 2019 pursuant to the voluntary strike-off procedure.

Within the period of five years preceding the date of this Prospectus, none of the Directors or members of Senior Management:

- (a) has had any convictions in relation to fraudulent offences;
- (b) has been a member of the administrative, management or supervisory bodies or director or senior manager (who is relevant in establishing that a company has the appropriate expertise and experience for management of that company) of any company at the time of any bankruptcy, receivership or liquidation of such company (except as described above); or
- (c) has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of affairs of a company.

7 Employee share plans

7.1 Proposed share incentive arrangements following Admission

Conditional upon Admission, the Group intends to operate the following incentive schemes for selected Members and employees of the Group (including the Executive Directors).

The principal features of the Share Plans are summarised below. Each of the Share Plans were adopted by the Board on 3 February 2021, conditional upon Admission.

7.2 Performance Share plan ("PSP")

The Board shall administer the operation of the PSP.

7.2.1 Eligibility

Any employee, (including executive office holder) and Member within the Foresight Group may participate in the PSP ("**eligible person**"). Participation in the PSP is at the discretion of the remuneration committee of the Company, which will be appointed with effect from Admission (the "**Remuneration Committee**").

Awards under the PSP can be granted as options or conditional rights to acquire Shares ("**Awards**", and each, an "**Award**"). An Award may only be granted to the extent that there is no restriction on dealing in Shares imposed by any law, order, regulation, directive or rules (including, but not limited to, any regulation, order or requirement imposed by the London Stock Exchange or the Financial Conduct Authority) ("**Dealing Restriction**") and only: within the period of 42 days (i) from (and including) Admission, (ii) following the date on which the PSP or any amendment to the PSP is adopted, (iii) following the announcement of the Company's final or interim results for any financial period, (iv) following (and including) the date of commencement of an eligible employee's employment with or Member's Membership in the Foresight Group; and in any other period of 42 days from (and including) the occurrence of an event or set of circumstances which, in the opinion of the Board or Remuneration Committee, is an exceptional event or circumstances justifying the grant of an Award. If the Company is restricted from granting Awards within any period as a result of a Dealing Restriction, the Company may grant Awards within the period of 42 days beginning with the date on which such Dealing Restriction ceases to apply.

7.2.2 Scheme limits

The PSP may operate over newly issued Shares, Shares held in treasury or Shares purchased in the market. In any ten-year period, the Company may not issue (or grant rights to issue) more than ten per cent. of the issued ordinary share capital of the Company under the PSP and (if applicable) any other employee share plan adopted by the Company. For the purposes of the above limits, Shares held in treasury count as newly issued Shares for so long as it is required by UK investor share incentive scheme guidelines, but Shares issued (or in respect of which rights were granted to issue) comprising any Shares where the right to acquire them has lapsed will not count towards such limits.

The maximum aggregate Market Value of Shares (calculated on the date of grant of an Award) over which Awards may be granted to any eligible participant during any financial year will be subject to a maximum cap to be determined (for example 150 per cent. of their base salary/earnings/Tier 1 Drawings) on the date of grant. In exceptional circumstances (including, but not limited to) the recruitment of a new eligible employee or Member, the Board or the Remuneration Committee may grant an Award in excess of these limits, up to a maximum of 300 per cent. of base salary/earnings/Tier 1 Drawings.

7.2.3 *Vesting of awards*

Awards will normally vest on a date specified by the Remuneration Committee at the time of grant, or, should the Remuneration Committee not specify such a date, the third anniversary of the grant, provided that in the case of any grant of an Award to an individual who is, on the date of grant, an executive director of the Company, such date may not be earlier than the third anniversary of the date of grant, unless the Award is granted on or in relation to their recruitment, and to the extent that any applicable performance conditions have been satisfied.

If a participant is a concert party with the Company for the purposes of the City Code on Takeovers and Mergers (the "**Code**"), they shall not be entitled to exercise an Award (or otherwise acquire Shares) if by doing so they would trigger a mandatory offer pursuant under Rule 9 of the Code without Board approval.

The Remuneration Committee will set applicable performance conditions before Awards are made.

An unvested Award will lapse upon a participant ceasing to be a Member of or employee or office holder within the Foresight Group, unless the Remuneration Committee determines otherwise to any extent. However, if a participant ceases to be a Member, an employee or office-holder by reason of ill-health, injury, disability, redundancy (in each case, as defined in the rules), the sale or transfer of his employing company or undertaking out of the Foresight Group or for any other reason approved in the discretion of the Remuneration Committee, then their Award will vest on the normal vesting date (that is, the third anniversary of the grant date). Alternatively, the Remuneration Committee may decide that the Award will vest immediately on the participant ceasing to be a Member, employee or office holder. In all cases, vesting will still be subject to the satisfaction of the applicable performance conditions and there will also be a pro rata reduction in the number of Shares that vest to reflect the period of time that elapsed from the date of grant to the date of cessation, relative to the original vesting period, unless the Remuneration Committee acting fairly and reasonably decides that there are circumstances to justify the application of the pro rata reduction to a greater or lesser extent. Where a participant dies, the participant's Award will vest on the date of death, subject to the satisfaction of the applicable performance conditions and time pro rating as set out above.

The Remuneration Committee may determine that the number of Shares comprised in an unvested Award should be reduced, including to nil, ('malus') or that the participant may be required to repay up to the amount of cash or number of Shares received in respect of a vested Award ("**clawback**"), where:

- (a) the Company or any Foresight Group member materially misstated its financial results for any reason and that misstatement results or resulted either directly or indirectly in an Award being granted or vesting to a greater extent than would have been the case had that misstatement not been made;
- (b) any performance condition and/or any other condition is satisfied based on an error, or on inaccurate or misleading information or assumptions which resulted either directly or indirectly in an Award being granted or vesting to a materially greater extent than would have been the case had that error not been made;
- (c) circumstances arose (or continued to arise) during the vesting period which would have warranted the summary dismissal of the Award holder; and/or
- (d) any other circumstances have arisen that in the sole opinion of the Remuneration Committee have (or would have if made public) a sufficiently significant impact on the reputation of any Foresight Group company or the business in which the participant is a partner or employee.

The period during which the Remuneration Committee will be entitled to apply the clawback provisions will be determined by the Remuneration Committee at grant (and in the absence of any other determination by the Remuneration Committee shall be two years from the date of vesting). The 'malus' provisions shall apply for the vesting periods of the Awards.

7.2.4 *Consequences of Vesting*

Subject to the conditions of the PSP, on or as soon as reasonably practicable after the vesting of an Award (and by no later than 30 days after the vesting of an Award), the Remuneration Committee shall issue, transfer or procure the transfer of the relevant number of Shares to the participant (or to a nominee or other shareholding account on the participant's behalf). Subject to the conditions of the PSP upon vesting of an Award that is an option, such vested options will become exercisable in respect of vested shares and will continue to be exercisable, from the date of vesting until midnight on the day prior to the 10th anniversary of the date of grant of such Award.

In lieu of the participant's right to receive Shares, Awards may be satisfied by the making of a cash payment equal in value to the Shares in respect of which the Award vested. Participants may receive, at the discretion of the Remuneration Committee, cash or further Shares equal in value, so far as possible, to any dividends paid or payable on the Shares in relation to which an Award vests, by reference to the record dates between the date of grant and the date of vesting.

7.2.5 *Change of Control (including exchange of awards)*

In the event any company obtains control of the Company, the Remuneration Committee may determine (with the consent of the acquiring company), that the Awards will be exchanged for equivalent Awards in respect of shares in the acquiring company or another company within the acquiring company's group. Absent such determination, all Awards will vest in the event a person (or any group of persons acting in concert) obtains control of the Company by way of a general offer, on court sanction of a scheme of arrangement, a 'squeeze out and sell out' arrangement or a voluntary winding up (each, a "**Corporate Event**"), subject to: (i) the extent to which the performance conditions have been satisfied at that time or any earlier time determined by the Remuneration Committee; and (ii) a pro rata reduction in the number of Shares that vest to reflect the reduced period of time between the grant and the Corporate Event (relative to the original vesting period), unless the Remuneration Committee acting fairly and reasonably decides that there are circumstances to justify the application of the pro rata reduction to a greater or lesser extent.

7.2.6 *Variation of Share Capital*

In the event of any variation of the Company's share capital, including a demerger or payment of a special dividend, the Company may adjust the number and/or type of Shares in respect of which an Award is granted provided that where such variation has the effect of reducing the price at which Shares may be subscribed for on the exercise of an option to less than their nominal value (should such value be higher than nil), the Company may (if and to the extent that the Board is authorised):

- (a) capitalise from its reserves a sum equal to the amount by which the nominal value of the Shares in respect of which the option is exercised and which are to be allotted after such exercise exceeds the price at which the Shares may be subscribed for; and
- (b) apply that sum in paying up such amount on such Shares.

7.2.7 *Amendments and General*

The Remuneration Committee may at any time alter the PSP or the terms of any Award. No alteration to the material disadvantage of any participant's existing Awards (other than a change to any performance condition) shall be made unless: (i) the Remuneration Committee shall have invited every relevant participant to indicate whether or not they approve the alteration; and (ii) the alteration is approved by a majority of those participants who have given such an indication. The Remuneration Committee may amend, waive, or replace any performance condition if an event has occurred which causes the Remuneration Committee to consider (in its absolute discretion) that it would be appropriate to amend, waive, or replace the performance condition. However, any amended or replaced performance condition shall not, in the reasonable opinion of the Remuneration Committee, be materially more or less difficult to satisfy than what the unaltered performance condition would have been but for the event in question. Awards granted under the PSP shall not be pensionable.

The Remuneration Committee may establish further sub-plans based on the PSP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any Shares made available under such further plans are treated as counting against the limits on individual or overall participation in the PSP.

7.3 The sharesave scheme (the "Sharesave Scheme")

The Sharesave Scheme is intended to meet the requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 ("ITEPA") and provides for the grant of tax-advantaged options. The Sharesave Scheme shall be administered by the Board or a committee of Directors appointed by the Board to carry out any of its functions under the scheme.

7.3.1 Eligibility

All employees and full-time directors of the Foresight Group, who have been in continuous service for such period of time (not exceeding five years) as may be determined by the Board prior to the relevant date of grant of an option who are liable to UK income tax, and who have not given or received notice to terminate their employment and/or office (which will have the effect that they will no longer be an employee or full time director on the relevant date of grant of an option under the Sharesave Scheme), will be eligible to participate in the Sharesave Scheme. Participation may also be offered, at the discretion of the Board, to other directors or employees who otherwise do not satisfy all of the above criteria.

7.3.2 Issue of Invitations

Invitations to participate in the Sharesave Scheme may be made during the period of 42 days (i) from and including Admission, (ii) following the date on which the Sharesave Scheme (or any amendment to the Sharesave Scheme) is adopted, (iii) following the announcement of the Company's final or interim results for any financial period, (iv) following the occurrence of an event which the Board considers to be an exceptional event concerning the Foresight Group or (v) of any changes to legislation affecting tax advantaged share plans.

If the Board is restricted by statute, order or regulation (including the Market Abuse Regulation) from granting options within one of these periods, the Board may grant options within 42 days of such restrictions being removed. No invitations may be issued or options granted more than 10 years after the adoption of the Sharesave Scheme.

7.3.3 Exercise Price

The price at which an option holder may acquire Shares on the exercise of an option shall be determined by the Board, but shall not be less than the greater of 80 per cent. of the market value of a Share at the time of grant and its nominal value (being nil par value).

7.3.4 Savings contract

Upon applying for an option, the participant will be required to enter into an approved Sharesave contract with a savings institution nominated by the Company which lasts for either three or five years (or such other standard periods as may be available under HM Treasury specifications for savings arrangements). The maximum amount which an employee is permitted to contribute under Sharesave contracts is £500 per month (or such other amount specified in Schedule 3 to ITEPA to be the maximum). The Board may set lower savings limits than this for different participants by reference to objective criteria such as levels of salary or length of service. The minimum contribution is £5 per month (or such greater amount as the Board may specify, not to exceed £10 and, in both cases, subject to such other amounts as are specified by HM Treasury or in Schedule 3 ITEPA to be the minimum or maximum). The total exercise price of the Shares over which the option is granted may not exceed the aggregate of the monthly contributions and bonus payable at the end of the participant's related Sharesave contract.

7.3.5 Scheme limit

The number of Shares over which options may be granted under the Sharesave Scheme on any date of grant shall be limited so that the total number of Shares issued or capable of being issued in any 10-year period under all the Company's employee share plans is restricted to 10 per cent. of the Company's issued Shares calculated at the relevant time. For the purposes of the above limits, Shares held in treasury count as newly issued Shares for as long as it is required by UK investor share incentive scheme guidelines, but any Shares where the right to acquire them has lapsed will not count towards such limits.

7.3.6 Exercisability

Options will normally be exercisable during a period of six months following the allocation of a bonus under the related Sharesave contract and will normally lapse upon cessation of employment. Earlier exercise is,

however, permitted if the participant dies or leaves employment through injury, disability, redundancy or retirement, or where a participant leaves employment of the Foresight Group by reason of his employing company ceasing to be a member of the Foresight Group, or if the undertaking in which he is employed is sold outside the Foresight Group. Early exercise will also be permitted in the event of a takeover, reconstruction or amalgamation, on court sanction of a scheme of arrangement, or voluntary winding-up of the Company.

7.3.7 Manner of exercise

Within 30 days of the receipt of a notice of exercise of an option, the Shares in respect of which the option has been exercised must be issued by the Company or the Company must procure their transfer (which for the purposes of the scheme includes the transfer of Shares out of treasury) to the option holder and shall issue a definitive certificate in respect of the Shares allotted or transferred or such other evidence of allotment or issue as may be prescribed by the Board where such allotment and issue is by means of a relevant system, as defined in Regulation 2(1) of the Uncertificated Securities Regulations 2001). Shares issued or transferred by the Company on the exercise of options will rank equally with existing Shares.

7.3.8 Exchange of options on change of control

If any company obtains control of the Company as a result of a takeover offer or the sanctioning of a scheme of arrangement or if a company has become bound or entitled to acquire all the Shares or as a result of an overseas reorganisation, an option holder may, by agreement with that other company, seek the release of his options in return for the grant of equivalent options.

7.3.9 Variation of share capital

In the event of a variation of the share capital of the Company (whether that variation is a capitalisation issue other than a scrip dividend) or offer by way of rights, consolidation, subdivision or reduction or other variation of the Company's capital), the number of Shares subject to the option and/or the exercise price may be adjusted in such manner as the Board in its absolute discretion considers to be fair and appropriate provided that the exercise price per Share remains at least equal to the nominal value of a Share (being nil par value) and the total market value of the Shares and the total exercise price of the option is substantially the same immediately before and after the variation. If the exercise price would otherwise fall below the nominal value, the Company may capitalise reserves to the extent it is lawful to pay up additional shares for allotment to option holders.

7.3.10 General and amendments

No rights under an option may be transferred by an option holder to any other person except in the event of an option holder's death when rights will become exercisable by the option holder's personal representative within 12 months of the date of death. Options granted under the Sharesave Scheme shall not be pensionable.

The Sharesave Scheme may be amended by the Board in any way provided that:

- (a) no material amendment may be made to options already granted without the consent of the option holders; and
- (b) no amendment may be made without the prior approval of the Company in general meeting if it would make the terms on which the options may be granted materially more generous or increase any of the limits specified in the plan or expand the class of potential option holders or change the rights of option holders in the event of a variation of share capital (in each case) to the benefit of option holders unless they are minor amendments to benefit the administration of the plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for option holders, the Company or a member of the Foresight Group.

The Board may add to, vary or amend the rules of the Sharesave Scheme by way of a separate schedule to take account of overseas legal, taxation or securities laws.

7.4 **The SIP**

The SIP is intended to meet the requirements of Schedule 2 to ITEPA and provides for the grant of tax-advantaged awards. The SIP shall be administered by a UK resident employee benefit trustee (the "**Trustee**") and supervised by the Board or a committee of the Board to carry out any of its functions under the plan.

7.4.1 *Eligibility*

All UK resident employees of the Foresight Group, who have been in continuous service for such period of time as may be determined by the Board prior to the relevant date of award of SIP Shares who are liable to UK income tax, and who have not given or received notice to terminate their employment and/or office (which will have the effect that they will no longer be an employee or full-time director on the relevant date of grant of an award under the SIP), will be eligible to participate in the SIP.

7.4.2 *Issue of Invitations*

Invitations to participate in the SIP may be made during a time period to be specified, including (i) from and including Admission, (ii) following the date on which the SIP (or any amendment to the SIP) is adopted, (iii) following the announcement of the Company's final or interim results for any financial period, (iv) following the occurrence of an event which the Board considers to be an exceptional event concerning the Foresight Group or (v) of any changes to legislation affecting tax advantaged share plans. If the Board is restricted by statute, order or regulation (including the Market Abuse Regulation) from granting any SIP Shares within one of these periods, the Board may grant awards following such restrictions being removed. No invitations may be issued or SIP Shares awarded more than 10 years after the adoption of the SIP.

7.4.3 *Types of Award*

Awards of Shares may be made by the Trustee on a free basis (the "**Free Shares**") and/or, in the case of Matching Shares, on a matching basis. Employees can also agree to the acquisition of Partnership Shares out of their pre-tax salary by the Trustee on their behalf. The Company may direct that cash dividends paid on shares held within the SIP are reinvested in further shares to be held within the SIP ("**Dividend Shares**") (together, the "**SIP Shares**").

(a) *Partnership Shares*

Under the SIP, Partnership Shares may be purchased on behalf of eligible employees. Up to a maximum of £1,800 per year or 10 per cent. of an employee's annual pre-tax salary (whichever is lower) can be used to buy Partnership Shares. Partnership Shares can be withdrawn from the SIP at any time and cannot be subject to forfeiture for less than the lower of their market value and the price originally paid for them. Partnership Shares acquired pursuant to the SIP will rank equally with existing Shares. On or shortly after Admission, the Company intends to issue invitations to eligible employees to acquire Partnership Shares, with the closure of such invitation period taking place on or prior to 31 March 2021. The acquisition price for such Partnership Shares would be at a price equal to closing mid-market value at a specified acquisition date, intended to be on or around 31 March 2021. Following this initial issue of Partnership Shares, the Company intends to issue further Partnership Shares on an annual basis in accordance with the terms of the SIP.

(b) *Matching Shares*

Employees who elect to purchase Partnership Shares may be awarded Matching Shares on the basis of up to two free Matching Shares for each Partnership Share purchased. Matching Shares may be forfeited in certain circumstances if the employee ceases to be employed by a participating company following their award or if the corresponding Partnership Shares are transferred out of the SIP within three years. On or shortly after Admission, the Company intends to award Matching Shares on this basis (being two free Matching Shares for each Partnership Share). Following this initial grant of Matching Shares, the Company intends to issue further Matching Shares on an annual basis in accordance with the terms of the SIP.

(c) *Free Shares*

Under the SIP, up to £3,600 worth of Free Shares in the Company may be awarded to each eligible employee in each tax year. The award of Free Shares can be linked to individual, team, divisional and

corporate performance. Free Shares must be held by the Trustee for between three and five years. Free Shares will be made subject to forfeiture if a participant ceases to be an employee of the Group. The Company has elected not to offer Free Shares under the SIP on Admission.

(d) *Dividend Shares*

The Company may direct or permit cash dividends paid on shares held within the SIP to be re-invested by participants in Dividend Shares. Dividend shares are subject to a three year holding period and may not be forfeited but may be subject to compulsory sale for an amount at least equal to the lower of the cash dividend applied to acquire them and the market value of the shares at the time of sale.

7.4.4 *Dividends and voting rights*

Participants in the SIP will be beneficial owners of the Shares held by the Trustee on their behalf. All dividends (other than those applied in the acquisition of Dividend Shares) and other distributions received in respect of the Shares will be passed on to the participants concerned as soon as practicable after receipt subject to the requirements of ITEPA. The Trustee will vote only in accordance with the wishes of participants provided the participants have given the Trustee prior voting directions in writing.

7.4.5 *Scheme limit*

The number of Shares over which awards may be granted under the SIP on any date of grant shall be limited so that the total number of Shares issued or capable of being issued in any 10-year period under all the Company's employee share plans is restricted to 10 per cent. of the Company's issued Shares calculated at the relevant time. For the purposes of the above limits, Shares held in treasury count as newly issued Shares for so long as it is required by UK investor share incentive scheme guidelines, but any Shares where the right to acquire them has lapsed will not count towards such limits.

7.4.6 *General and amendments*

No rights under the SIP may be transferred by a participant to any other person other than on death and awards made under the SIP shall not be pensionable. The SIP may be amended by the Board in any way provided that:

- (a) no amendment may be made without prior approval of the Company in general meeting if it would make the terms on which awards may be made materially more generous or increase any of the limits specified in the plan or expand the class of potential participants or change the rights of award holders in the event of a variation of share capital (in each case) to the benefit of participants unless they are minor amendments to benefit the administration of the SIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the Company or a member of the Group; and
- (b) no amendment may be made to a key feature of the SIP if, as a result, the plan would no longer meet the requirements of Schedule 2 to ITEPA.

The Board may add to, vary or amend the rules of the SIP by way of a separate schedule to take account of overseas legal, taxation or securities laws.

8 Pensions

The Foresight Group operates a defined contribution pension scheme in the UK operated by Royal London for its employees. Employees who joined the Foresight Group pursuant to the acquisition of PiP held their pension through their existing scheme with Legal & General until they transitioned onto the Royal London scheme in January 2021.

9 Underwriting and Lock-up Arrangements

9.1 Underwriting Agreement

On 4 February 2021, the Company, the Directors, Bernard Fairman and Gary Fraser (in their capacity as Selling Shareholders) and the Banks entered into the Underwriting Agreement. The Underwriting Agreement is conditional upon Admission occurring no later than 8:00 am on 9 February 2021 or such later time or date as the Company and the Banks may agree in writing.

Pursuant to the Underwriting Agreement:

- (a) the Company has agreed, subject to the determination of the Offer Price and certain other conditions, to allot and issue, at the Offer Price, the New Shares to be issued in connection with the Offer;
- (b) Bernard Fairman and Gary Fraser in their capacity as Selling Shareholders have agreed, subject to the determination of the Offer Price and certain other conditions, to sell the Shares in the Offer at the Offer Price;
- (c) the Banks have agreed, subject to the determination of the Offer Price and certain other conditions, to use reasonable endeavours to procure subscribers or, failing which, themselves to subscribe for the New Shares (in such proportions as are set out in the Underwriting Agreement) and to procure purchasers or purchase themselves the Existing Shares (in such proportions as are set out in the Underwriting Agreement);
- (d) subject to the conditions in the Underwriting Agreement having been satisfied or waived and the Underwriting Agreement not having been terminated in accordance with its terms prior to Admission:
 - each of the Company and Bernard Fairman and Gary Fraser, has agreed that the Banks may deduct from the proceeds payable to the Company and the Selling Shareholders, a commission of up to 2 per cent. on the gross proceeds of the Offer (plus VAT, if applicable); and
 - each of the Company and Bernard Fairman and Gary Fraser, has agreed that the Company may each in its sole discretion, pay the Banks an additional commission of up to 1 per cent. on the gross proceeds of the Offer (plus VAT, if applicable);
- (e) the Company has agreed to pay the costs, charges, fees and expenses of the Offer (together with any related VAT, if applicable);
- (f) each of the Company, the Directors and Bernard Fairman and Gary Fraser (in their capacity as Selling Shareholders) have given certain representations, warranties and undertakings, subject to certain limitations, to the Banks;
- (g) the Company has given an indemnity to the Banks on customary terms; and
- (h) the parties to the Underwriting Agreement have given certain covenants to each other, including regarding compliance with laws and regulations affecting the making of the Offer in relevant jurisdictions.
- (i) The Selling Shareholders (other than Bernard Fairman and Gary Fraser) are not party to the Underwriting Agreement and instead have agreed, subject to the IPO proceeding, to sell their Existing Shares in the Offer at the Offer Price pursuant to a Deed of Election.

9.2 ***Company lock-up arrangements***

Pursuant to the Underwriting Agreement, the Company has agreed that, subject to certain exceptions, during the period of 180 days from the date of Admission, it will not, without the prior written consent of the Banks, issue, offer, sell or contract to sell, or otherwise transfer or dispose of, directly or indirectly, or announce an offer of any Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

9.3 ***Selling Shareholder lock-up arrangements***

Pursuant to the Lock-up Agreement, the Selling Shareholders (including the Directors and Senior Management) have agreed that:

- (a) subject to certain exceptions, during the period of, in the case of Bernard Fairman (or Beau Port Investments Limited), 545 days from the date of Admission, and in the case of the other Selling Shareholders (with the exception of David Hughes, Peter English, Marjorie English and Ben Thompson), 365 days from the date of Admission (the "**Restricted Period**"), they will not, without the prior written consent of the Banks, offer, sell or contract to sell, or otherwise transfer or dispose of, directly or indirectly, or announce an offer of any Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing. At the date of Admission, 29.8 per cent. and 17.5 per cent. of the Shares will be subject to the 545 day and 365 day restriction, respectively.

- (b) Gary Fraser, Nigel Aitchison, Russell Healey, Michael Currie and Federico Giannandrea have agreed that, subject to certain exceptions, during the period of 180 days beginning on the last day of the Restricted Period, any sales of their Shares will be coordinated and conducted in an orderly manner. At the date of Admission, 12.4 per cent. of the Shares will be subject to these restrictions.
- (c) Members, officeholders, directors, partners and employees of the Foresight Group who hold Shares immediately prior to Admission (with the exception of Bernard Fairman, David Hughes, Peter English, Marjorie English and Ben Thompson) have agreed that, subject to certain exceptions, they will not:
 - (i) if they have been with the Foresight Group for 10 years or more (or in certain limited cases, 3 years or more) at the date of Admission, for a period of three years from the date of Admission, offer, sell or contract to sell, or otherwise transfer or dispose of: (i) following the expiry of the Restricted Period and the first year of the three year period, more than 33 per cent. of their Shares; (ii) following the expiry of the second year of the three year period, more than 66 per cent. of their Shares; and (iii) following the expiry the third year, the balance of their Shares, in each case, by reference to their shareholding immediately post-Admission and less such number of Shares disposed of in the preceding year(s) of the three year restricted period. If a Shareholder subject to the three year restrictions ceases to hold tenure with the Foresight Group prior to the end of the three year period, their remaining restricted period at their leaving date will double in length. At the date of Admission, 13.2 per cent. of the Shares will be subject to these restrictions.
 - (ii) if they have been with the Foresight Group for less than 10 years (or in certain limited cases, less than 3 years) at the date of Admission, for a period of five years from the date of Admission, offer, sell or contract to sell, or otherwise transfer or dispose of: (i) following the expiry of the Restricted Period and the first year of the five year period, more than 20 per cent. of their Shares; (ii) following the expiry of the second year of the five year period, more than 40 per cent. of their Shares; (iii) following the expiry of the third year of the five year period, more than 60 per cent. of their Shares; (iv) following the expiry of the fourth year of the five year period, more than 80 per cent. of their Shares; and (iii) following the expiry the fifth year, the balance of their Shares, in each case, by reference to their shareholding immediately post-Admission and less such number of Shares disposed of the preceding year(s) of the five year restricted period. If a Shareholder subject to the five year restrictions ceases to hold tenure with the Foresight Group prior to end of the five year period, the Company may repurchase for nil consideration their Shares less the number of Shares they were permitted to dispose of at such date. At the date of Admission, 4.3 per cent. of the Shares will be subject to these restrictions.
- (d) The Company has discretion to waive the operation of the restrictions described in paragraph (c) in certain circumstances, including where the Board consider them to be a "good leaver".

10 Subsidiaries, investments and principal establishments

Immediately prior to Admission, the Company will be the holding company of the Group. The principal subsidiaries and subsidiary undertakings of the Company will, with effect from Admission, be as follows:

Subsidiaries and subsidiary undertakings

Name	Country of incorporation	Proportion of ownership interest (including voting power)
Foresight Group CI Limited	Guernsey	100
Foresight Group LLP	England & Wales	100
Foresight Group Holdings (UK) Limited	England & Wales	100
Foresight Group Italy SRL	Italy	100
Foresight Fund Managers Limited	England & Wales	100
Pinecroft Corporate Services Limited	England & Wales	100
Foresight Group Australia Pty Limited	Australia	100
Foresight Solar Australia (UK) Limited	England & Wales	100
VCF Partners II ⁽¹⁾	England & Wales	100
Foresight Asset Management Limited	England & Wales	100
Foresight Group Promoter LLP	England & Wales	100
Foresight Investor LLP	England & Wales	100
PiP Manager Limited	England & Wales	100
Foresight Holdco 2 Limited	England & Wales	100

⁽¹⁾ Following the completion of the Reorganisation described in paragraph 11 of this Part 13 "Additional Information".

Principal investments

The Company currently has no principal investments (in progress or planned for the future on which the Directors have made firm commitments or otherwise) other than the subsidiaries and subsidiary undertakings listed above.

Principal establishments

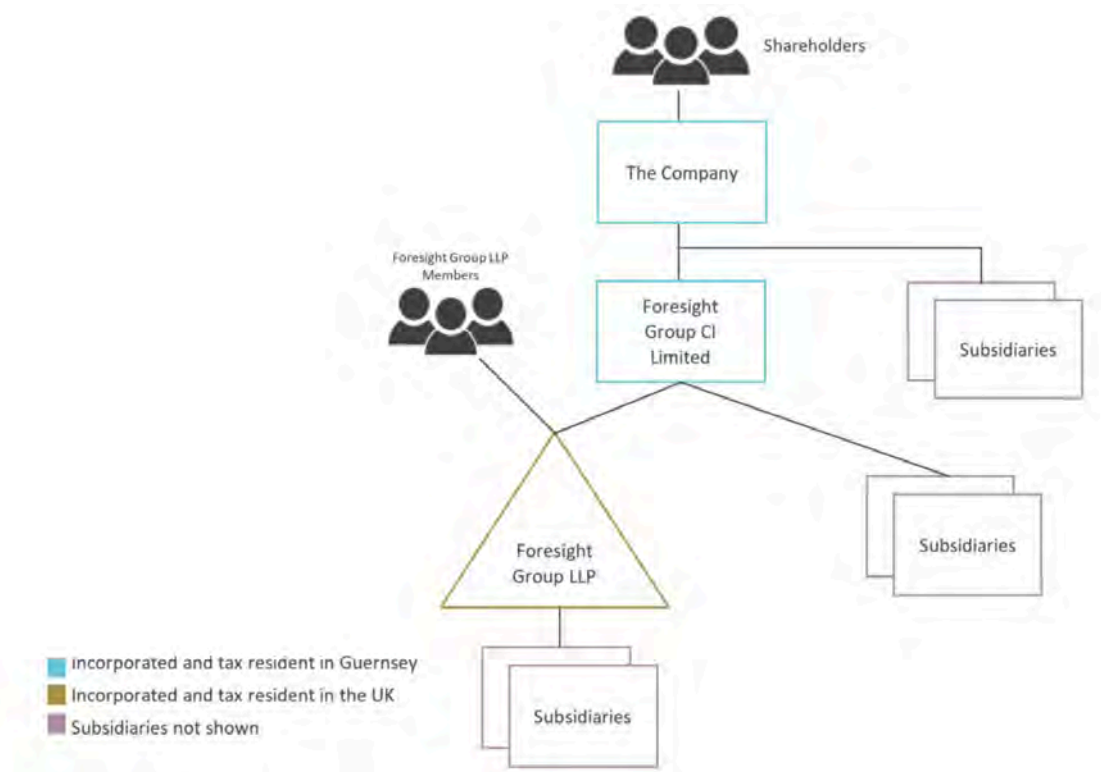
The following are the principal establishments of the Foresight Group:

Name and location	Tenure
The Shard, 32 London Bridge St, London SE1 9SG, United Kingdom	Leasehold
Piazza Barberini, 52, 00187 Roma, Italy	Leasehold
Level 35, One International Tower, 100 Barangaroo Avenue, Sydney, NSW 2000, Australia	Leasehold

The Foresight Group also has leased offices in Guernsey, the UK, Spain, Italy and Luxembourg.

11 Reorganisation

The Foresight Group will undertake a corporate reorganisation (the "**Reorganisation**") in order to implement a corporate structure that is appropriate for the Foresight Group upon Admission. The following diagram is a simplified structure of the Foresight Group prior to the completion of the Reorganisation:



In preparation for the Reorganisation, the Foresight Group has incorporated a new UK limited liability partnership, VCF II LLP (of which Gary Fraser and David Hughes are the sole members), and a new English private limited company, Foresight Holdco 2 Limited (which is a wholly owned subsidiary of Foresight Group CI Limited). The principal steps of the Reorganisation are as follows:

- prior to Admission:
 - certain of the Foresight Group's UK subsidiaries will be transferred from Foresight Group LLP to Foresight Group Holdings (UK) Limited.
- immediately prior to and conditional upon Admission:
 - Foresight Holdco 2 Limited will become the new corporate member of VCF II LLP;
 - individual members of Foresight Group LLP will (with the exception of Gary Fraser, who will not receive any remuneration from Foresight Group LLP and will instead be paid a salary by the Company, further details of which are set out in paragraph 6.1 of this Part 13 "Additional Information") retain their right to receive their Tier 1 Drawings including, in the case of staff who are director grade, partners in the retail sales team and other eligible Members, a bonus (which exceptionally may include discretionary performance based awards for eligible Members) (but not their Discretionary Distributions) in Foresight Group LLP;
 - Foresight Group CI Limited will transfer its capital and voting rights in Foresight Group LLP to Foresight Holdco 2 Limited in consideration for the issue of new shares in the capital of and loan notes issued by Foresight Holdco 2 Limited (such loan notes will be listed prior to the date of the first interest payment in respect of them); and
 - the Share Capital Reorganisation will be completed.
- immediately prior to and conditional upon Admission, or as soon as practicable thereafter, VCF Partners (an existing general partnership of which Gary Fraser and David Hughes are the sole members, which is used to hold certain of the Foresight Group's leasehold interests) will transfer its assets and liabilities, including its leasehold interests in the Nottingham and The Shard offices to VCF II LLP;

- following Admission, individual members of Foresight Group LLP will make a capital contribution to Foresight Group LLP.

The Company entered documentation to effect the Reorganisation and the Share Capital Reorganisation on 4 February 2021 and these will come into effect as described above.

Change in membership of Foresight Group LLP

Foresight Holdco 2 Limited is to become the new Corporate Member of Foresight Group LLP. Ordinary Members will cease to be entitled to Discretionary Distributions with Foresight Holdco 2 Limited becoming entitled to such profits. As a consequence, these profits will remain within the Foresight Group and/or be available for distribution to Shareholders (subject to the Company's ability to pay dividends in accordance with applicable laws).

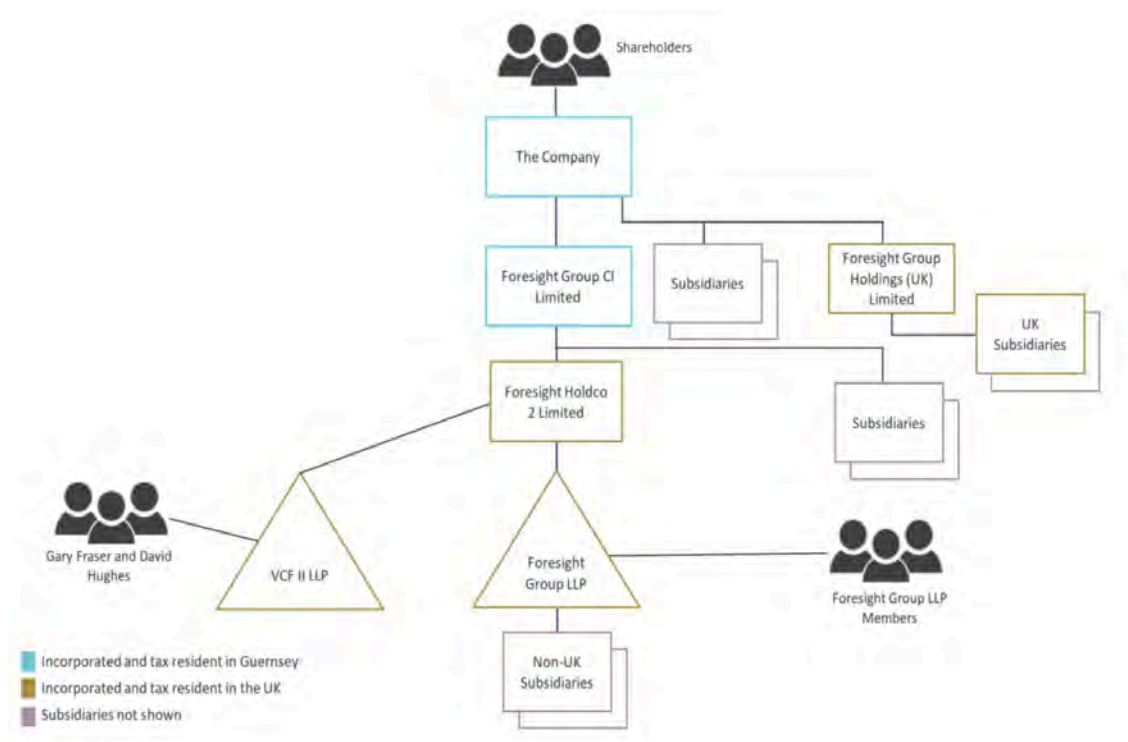
Member remuneration is currently determined by reference to the profit-sharing rules specified within the Existing Membership Agreement which stipulates that Members receive their Tier 1 Drawings including, in the case of staff who are director grade, partners in the retail sales team and other eligible Members, a bonus (which exceptionally may include discretionary performance based awards for eligible Members). As described in Part 2 "Presentation of Financial and Other Information", Tier 1 Drawings and bonuses are charged to profit and loss within "staff costs" under "administrative expenses" in the Historical Financial Information.

Upon the completion of the Reorganisation and following Admission, Member remuneration will be determined by the new Foresight Group LLP agreement (which is described further at paragraph 12.7 of this Part 13 "Additional Information"). Under the new Foresight Group LLP agreement, Members (other than Gary Fraser, who will not receive any remuneration from Foresight Group LLP and will instead be paid a salary by the Company, further details of which are set out in paragraph 6.1 of this Part 13 "Additional Information") will continue to receive their Tier 1 Drawings on a fixed basis and, in the case of staff who are director grade, partners in the retail sales team and other eligible Members, a bonus (which exceptionally may include discretionary performance based awards for eligible Members). In addition to Tier 1 Drawings and bonus (where applicable), Members will be entitled to receive dividend income derived from holding Shares, and depending upon eligibility, to participate in the share based incentive plans (described at paragraph 7 of this Part 13 "Additional Information"). As described above, Ordinary Members will cease to be entitled to Tier 2 Drawings with Foresight Holdco 2 Limited becoming entitled to such profits. For further details on the changes to the Member's remuneration as a result of the Reorganisation, see Part 2 "Presentation of Financial and Other Information".

Share Capital Reorganisation

Immediately prior to and conditional upon Admission, the existing classes of share (other than the B shares) in the capital of the Company will be repurchased and cancelled, and as a result Ordinary Members will no longer be entitled to the Alphabet Share Dividend. The B shares will be re-designated as ordinary shares and subdivided, such that each B share shall be re-designated and subdivided into 1,000,000 Shares, to ensure the Company has an appropriate number of Shares in issue. The Shares will rank *pari passu* on distributions, return of capital and carry the right to vote.

The following diagram is a simplified corporate structure of the Foresight Group following the completion of the Reorganisation:



12 Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Group: (a) within the two years immediately preceding the date of this Prospectus which are, or may be, material to the Company or any member of the Group, and (b) at any time and contain provisions under which the Company or any member of the Group has an obligation or entitlement which is, or may be, material to the Company or any member of the Group as at the date of this Prospectus:

12.1 Underwriting Agreement

The Underwriting Agreement described in paragraph 9 of this Part 13 "Additional Information".

12.2 Relationship Agreement

The Company entered into the Relationship Agreement, on 4 February 2021, with Bernard Fairman, Gary Fraser, Beau Port Investments Limited, Foresight (Guernsey) Limited, David Hughes, Nigel Aitchison, Russell Healey, Michael Currie and Federico Giannandrea (together, the "**Principal Shareholders**") which will regulate (in part) the degree of control that the Principal Shareholders and their respective affiliates may exercise over the management of the Company.

The principal purpose of the Relationship Agreement is to ensure that the Company is capable at all times of carrying on its business independently of the Principal Shareholders. The substantive provisions of the Relationship Agreement will take effect on and from Admission. The Relationship Agreement will continue, in respect of the Principal Shareholders until, amongst other things, they cease to hold an interest of, in the case of Bernard Fairman and/or Beau Port Investments Limited, 10 per cent. or more in the Company, and in the case of the other Principal Shareholders, 20 per cent. or more in the Company in aggregate. The Relationship Agreement will terminate in respect of any Principal Shareholder who ceases to be a Member, officeholder, director, partner or employee of the Foresight Group, subject to the Panel's and the FCA's confirmation that such Principal Shareholder no longer forms part of the Concert Party.

The Relationship Agreement regulates the continuing relationship between the Principal Shareholders and the Company on and after Admission. In particular:

- the Principal Shareholders agree, so far as they are reasonably able to procure the same, to ensure that the independence of the Board is maintained and that the Company shall be capable of carrying on its business independently of the Principal Shareholders;
- all transactions and relationships between the Principal Shareholders, any of their respective affiliates and the Company and its subsidiaries will be conducted on arm's length and normal commercial terms;
- the Principal Shareholders shall not take any action which would prevent the Company from complying with any of its obligations under the Listing Rules;
- the Principal Shareholders shall not propose any resolution which is intended or appears intended to circumvent the proper application of the Listing Rules; and
- the Principal Shareholders shall not vote on any resolution to which they or any of their respective associates are considered to be a related party for the purposes of the Listing Rules.

The Directors believe that the terms of the Relationship Agreement will enable the Company to carry on its business independently from the Principal Shareholders and their respective affiliates, and ensure that all transactions and relationships between the Company and the Principal Shareholders and their respective affiliates are, and will be, at arm's length and on a normal commercial basis.

12.3 **JLEN Business Transfer Agreement**

John Laing Capital Management Limited ("**JLCML**"), John Laing Investments Limited ("**JLIL**"), and Foresight Group CI Limited entered into a business transfer agreement on 4 June 2019 (the "**JLEN BTA**") pursuant to which Foresight Group CI agreed to acquire the advisory mandate for JLEN (the "**JLEN Mandate**"). The acquisition of the JLEN Mandate completed in July 2019.

The consideration paid by Foresight Group CI Limited for the JLEN Mandate was £5,100,000 in cash together with the assumption of certain liabilities.

Customary warranties, which are typical for a transaction of this nature, were provided by the parties under the JLEN BTA.

Under the JLEN BTA, certain employees were transferred pursuant to TUPE from JLCML's group and JLCML and Foresight Group CI Limited each provided indemnities, which are typical for a transaction of this nature, in favour of the other in connection with the employee transfer.

JLCML provided a restrictive covenant in favour of Foresight Group CI Limited not to solicit any Foresight Group employees within 12 month period following the completion of the acquisition of the JLEN Mandate.

JLIL guaranteed certain obligations assumed by JLCML under the JLEN BTA.

The First Offer Agreement (entered into on 8 April 2019, as amended by a side letter dated 4 June 2019) between John Laing Limited and JLEN, which gives JLEN a right of first refusal in respect of certain projects John Laing Limited wishes to sell, remains effective. Pursuant to the JLEN BTA, Foresight Group CI Limited shall pay JLCML a fee equal to 0.8 per cent. of the purchase price in respect of such projects sold to JLEN (or its subsidiaries) by John Laing Group PLC or its subsidiaries under the terms of the First Offer Agreement. The First Offer Agreement has a 12 month notice period from the end of its anniversary, and notice to terminate the First Offer Agreement was served by JLCML on 13 November 2020 and will, therefore, terminate on 13 November 2021.

12.4 **PiP Manager Limited Share Purchase Agreement**

Pensions Infrastructure Platform Limited ("**PIPL**"), Foresight Infra Holdco Limited, and Foresight Group LLP entered into a sale and purchase agreement on 8 July 2020 (the "**PiP SPA**") pursuant to which Foresight Infra Holdco Limited agreed to purchase the entire issued share capital of PiP Manager Limited. The acquisition of PiP Manager Limited completed in August 2020.

The consideration paid by Foresight Infra Holdco Limited for the entire issued share capital of PiP Manager Limited was: (i) £1 in cash; (ii) the procurement of a repayment of loan provided to PiP Manager Limited by certain founding members (being an amount equal to £4,241,565.83); and (iii) the procurement of a repayment of an intercompany balance owed by PIPL to PiP Manager Limited (being an amount equal to £1,052,914.05).

Customary warranties, which are typical for a transaction of this nature, were provided by the parties under the PiP SPA.

Foresight Group LLP guaranteed obligations assumed by Foresight Infra Holdco Limited under the PiP SPA.

12.5 Foresight Metering Management Limited Share Purchase Agreement

FMM Holding Limited ("**FMMHL**"), certain individual warrantors, Salisbury Bidco Limited ("**SBL**") and the Company entered into a share purchase agreement on 29 October 2019 (the "**Metering SPA**") pursuant to which SBL purchased the entire issued share capital of Foresight Metering Management Limited. The disposal of Foresight Metering Management Limited completed in November 2019.

The consideration paid by SBL was approximately £100 million, including debt, preference share capital and minority interests.

Customary warranties, which are typical for a transaction of this nature, were provided by the parties under the Metering SPA. The warranties given by FMMHL were given on an insured basis (other than in respect of warranties relating to title and capacity).

FMMHL provided restrictive covenants in favour of SBL that it would not, for a period of 18 months following completion: (i) directly or indirectly compete with Foresight Metering Management Limited; (ii) solicit any customer or material supplier of Foresight Metering Management Limited; and (iii) solicit any employees of Foresight Metering Management Limited. These restrictive covenants were subject to customary carve-outs.

The Company guaranteed obligations assumed by FMMHL under the Metering SPA.

12.6 Existing Membership Agreement

Foresight Group LLP, the Corporate Member and the Members entered into a membership agreement on 4 January 2021 in order to regulate the Corporate Member's and the Members' rights and obligations in respect of Foresight Group LLP. For the purposes of the Existing Membership Agreement, Members are either "Ordinary Members", who are the more senior Members (including Gary Fraser, David Hughes, Nigel Aitchison and Russell Healey), or "Participating Members", who are the more junior Members.

Under the terms of the Existing Membership Agreement, the business and affairs of Foresight Group LLP shall be managed by the Executive Committee.

All profits will be distributed by reference to the profit-sharing and drawings rules contained in the Existing Membership Agreement, pursuant to which, operating profits are allocated firstly to the Members in an amount equal to their tier 1 shares (the "**Tier 1 Shares**") (the drawings on account of the Tier 1 Shares by the Members being the Tier 1 Drawings) including, in the case of staff who are director grade, partners in the retail sales team and other eligible Members, a bonus (which exceptionally may include discretionary performance based awards for eligible Members). The balance of profits following the allocation of the Tier 1 Drawings and bonus, such amount being the Tier 2 Drawings, are available for distribution to the Ordinary Members. If there are insufficient operating profits to cover the Tier 1 Shares, drawings on account of the Tier 1 Shares may be reduced on a pro rata basis in respect of Ordinary Members. The distribution of the Tier 1 Shares to the Ordinary Members may be restricted in certain circumstances, including in order to meet Foresight Group LLP's regulatory capital requirements, if they consider that further reserves are beneficial for the development of the business or if Foresight Group LLP is unable to pay its debts.

The Existing Membership Agreement includes provisions for the establishment and operation of capital accounts in the name of each Member. Repayments of capital may only be made if the Member's membership is terminated, on the winding up of Foresight Group LLP or if approved by an ordinary resolution of the Members. No Member is required to contribute additional capital on the insolvency of Foresight Group LLP. Capital profits are allocated between the Corporate Member and the Ordinary Members in accordance with the capital profit-sharing rules contained in the Existing Membership Agreement.

Members owe duties to Foresight Group LLP, including (without limitation) to devote their full time and attention to the business of the Foresight Group (unless otherwise agreed with the Executive Committee), be just and faithful to Foresight Group LLP, promote the business for the benefit of Foresight Group LLP, and comply with the terms of the Existing Membership Agreement and all applicable laws, regulations and professional standards. The Members are subject to restrictive covenants for a period of six months after the date on which their membership terminates (unless prior approval by ordinary resolution of the

Members is obtained). The post-termination restrictions, which apply to Ordinary Members, include non-solicitation of clients and prospective clients, non-poaching of Members and senior employees and non-compete. The Members are subject to confidentiality obligations without limitation in time.

The Existing Membership Agreement contains other customary provisions, including provisions concerning the admission and retirement of Members, preparation of statutory accounts and provisions governing the procedures for meetings.

As part of the Reorganisation described in paragraph 11 of this Part 13 "Additional Information", immediately prior to and conditional upon Admission, Foresight Group CI Limited will transfer its capital and voting rights in Foresight Group LLP to Foresight Holdco 2 Limited. The Existing Membership Agreement will be replaced with a new Foresight Group LLP members' agreement with effect from Admission (the **"New Membership Agreement"**) and which is described in paragraph 12.7 below.

12.7 **New Membership Agreement**

As part of the Reorganisation, Foresight Group LLP will adopt a new membership agreement which will replace the Existing Membership Agreement with effect from Admission. Immediately upon the adoption of the New Membership Agreement, the Corporate Member will transfer its interest in Foresight Group LLP to Foresight Holdco 2 Limited and Foresight Holdco 2 Limited will adhere to the terms of the New Membership Agreement.

The New Membership Agreement is on the same terms as the Existing Membership Agreement save for the following principal differences:

- Foresight Holdco 2 Limited (the **"New Corporate Member"**) will replace the Corporate Member.
- All profits will be distributed by reference to the profit-sharing and drawings rules contained in the New Membership Agreement, pursuant to which, operating profits are allocated firstly to the Members in an amount equal to their Tier 1 Shares (the drawings on account of the Tier 1 Shares by the Members being the Tier 1 Drawings) including, in the case of staff who are director grade, partners in the retail sales team and other eligible Members, a bonus (which exceptionally may include discretionary performance based awards for eligible Members). The balance of profits following the allocation of the Tier 1 Drawings and bonus, will be allocated to the New Corporate Member. The Members will no longer be entitled to any Tier 2 Drawings.
- All capital profits and losses of Foresight Group LLP will be allocated to the New Corporate Member.
- The New Corporate Member will hold all the voting rights in Foresight Group LLP. However, the terms of the New Membership Agreement and changes to voting thresholds cannot be amended without the consent of the Members in accordance with the requisite voting thresholds.
- Members will be required to contribute and maintain a capital contribution equal to at least 25 per cent. of their anticipated Tier 1 Share for the following year.
- Repayments of capital may only be made if the Member's membership is terminated, on the winding up of Foresight Group LLP, if approved by an ordinary resolution of the New Corporate Member or, if there has been an over-payment in respect of a Member's capital contribution (as described above), an amount equal to such excess may be returned to the Member if the Executive Committee so determine.
- The New Corporate Member may transfer its interest in Foresight Group LLP to any other company with the consent of the Executive Committee.

13 **UK Taxation**

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Shares. They are based on current UK law and what is understood to be the current practice of HMRC (which might not be binding on HMRC) as at the date of this Prospectus, both of which may change, possibly with retroactive effect. They apply only to Shareholders who are resident and, in the case of individuals, domiciled or deemed domiciled, for tax purposes in (and only in) the UK (except in the case of paragraph 13.3 or insofar as express reference is made to the treatment of non-UK residents) and references in the following statements to 'UK resident individual Shareholders' and 'UK resident corporate Shareholders' should be read accordingly. The following statements apply only to Shareholders who hold their Shares as an investment, who are the absolute beneficial owner of both the Shares and any dividends paid on them and, in the case of individuals, to whom "split year" treatment does not apply.

The tax position of certain categories of Shareholders (including without limitation those carrying on certain financial activities, dealers in securities, insurance companies, collective investment schemes, those subject to specific tax regimes or benefiting from certain reliefs or exemptions, those who hold their Shares in an individual savings account or pension arrangement, those connected with the Company or the Group and those acquiring their Shares in connection with employment) is not considered.

The statements summarise the current position and are intended as a general guide only. Prospective Shareholders and equity investors who are in any doubt as to their tax position, or who are resident in or who may be subject to tax in a jurisdiction other than the UK, are strongly recommended to consult their own professional advisers immediately. Prospective Shareholders and equity investors should be aware that the tax legislation of any jurisdiction where a Shareholder is resident or otherwise subject to taxation may also have an impact on the tax consequences of an investment in the Shares, or of acquiring, holding or disposing of Shares, including in respect of any income received from the Shares.

13.1 *Taxation of dividends*

The Company is not required to withhold UK tax when paying a dividend.

(a) *UK resident individual Shareholders*

Dividends received by a UK resident individual Shareholder from the Company will generally be subject to tax as dividend income. Under current UK tax rules specific rates of tax apply to dividend income.

An amount (the **"Dividend Allowance"**, which is £2,000 for the tax year ending 5 April 2021) of dividend income received by a UK resident individual Shareholder in a tax year (taking into account dividends received from the Company and any other dividend income received by a Shareholder) will be taxed at a nil rate (such that no income tax will be payable in respect of such amounts). For these purposes "dividend income" includes without limitation UK and non-UK source dividends and certain other distributions in respect of shares.

If and to the extent that (taking into account dividends received from the Company and any other dividend income received by the Shareholder) the dividend income received by a UK resident individual Shareholder in a tax year exceeds the Dividend Allowance (the amount of such excess being referred to as the **"Taxable Amount"**) the Taxable Amount will be subject to income tax at the rates determined by the tax rate band or bands that it falls within.

If and to the extent that the Taxable Amount falls at or below the basic rate limit, the Shareholder will be subject to income tax on it at the dividend basic rate of 7.5 per cent. If and to the extent that the Taxable Amount falls above the basic rate limit but at or below the higher rate limit, the Shareholder will be subject to income tax on it at the dividend higher rate of 32.5 per cent. If and to the extent that the Taxable Amount falls within the additional rate band, the Shareholder will be subject to income tax on it at the dividend additional rate of 38.1 per cent.

For the purposes of determining which of the taxable bands dividend income falls into, the Shareholder's total income (including from dividends and other sources) is taken into account and dividend income is treated as the highest part of a Shareholder's income. In addition, dividends within the Dividend Allowance which would (if there was no Dividend Allowance) have fallen within the basic or higher rate bands will use up those bands respectively for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded.

(b) *UK resident corporate Shareholders*

Shareholders within the charge to UK corporation tax will be subject to corporation tax on dividends paid by the Company, unless (subject to special rules for Shareholders that are "small companies" for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009) the dividend falls within one of the exempt classes set out in Part 9A and certain other conditions are met. Each Shareholder's position will depend on its own individual circumstances, and the exemptions are not comprehensive and are subject to anti-avoidance rules, though it would generally be expected that the dividends paid by the Company would fall within an exempt class. Shareholders that are "small companies" for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 should also be entitled to an exemption under Chapter 2 of Part 9A of the Corporation Tax Act 2009 provided that the conditions set out therein are satisfied.

13.2 ***Taxation of disposals***

(a) *UK resident individual Shareholders*

A disposal of Shares by a UK resident individual Shareholder may, depending upon the Shareholder's circumstances and subject to any available exemption or relief, give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains. In the case of individual Shareholders, an annual tax-free allowance (the "**Annual Exempt Amount**", which is £12,300 for the tax year ending 5 April 2021) is available. Any chargeable gain arising from a disposal of Shares which is in excess of the Annual Exempt Amount (or, where the individual has other chargeable gains in the tax year concerned, the unused remainder of the Annual Exempt Amount) and which, when aggregated with that Shareholder's taxable income for the relevant tax year, falls within the basic rate band will be subject to capital gains tax at a rate of 10 per cent. Any amount of such gains which, when aggregated with that Shareholder's taxable income for the relevant tax year, exceeds the basic rate band will be taxed at a rate of 20 per cent.

(b) *UK resident corporate Shareholders*

For UK corporate resident Shareholders, a disposal of Shares may give rise to a chargeable gain at the rate of corporation tax applicable to that Shareholder (currently at the rate of 19 per cent) or an allowable loss for the purposes of UK corporation tax, subject to any available exemptions or reliefs.

(c) *Non-UK resident Shareholders*

Provided that the Company does not derive at least 75 per cent. of its value from UK land (in which case special rules apply), Shareholders who are not resident in the UK will not generally be subject to UK taxation of chargeable gains on the disposal of Shares unless they are carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the Shares are used, held or acquired (regardless of whether or not, in the case of individual Shareholders, the Shareholder is domiciled or deemed domiciled in the UK). Non-UK tax resident Shareholders may be subject to non-UK taxation on any gain under local law.

An individual Shareholder who has been resident for tax purposes in the UK but who ceases to be so resident or becomes treated as a non-resident pursuant to a relevant double tax treaty for a period of five years or less and who disposes of all or part of his or her Shares during that period of non-residence may be liable to capital gains tax in respect of such disposal on his or her return to the UK (such that the individual Shareholder becomes UK tax resident), subject to any available exemptions or reliefs.

13.3 ***Stamp Duty and Stamp Duty Reserve Tax ("SDRT")***

(a) *The Offer*

No UK stamp duty or SDRT will arise on the issue of New Shares. Subject to the following, no UK stamp duty or SDRT will be required to be accounted for on the transfer of, or agreement to transfer, Existing Shares by the Selling Shareholders, provided that (i) the Shares are not registered in any register kept in the UK by or on behalf of the Company, (ii) the Shares are not paired with shares issued by a company incorporated in the UK and (iii) all instruments effecting or evidencing the transfer (other than a CREST transfer form) (or all matters or things done in relation to the transfer) are not executed or done in the UK (and such instruments are kept outside the UK) and no matters or actions relating to the transfer are performed in the UK.

Even if instruments effecting or evidencing the transfer of non-UK shares are executed and kept outside of the UK, there is a risk that the instrument of transfer could fall within the scope of UK stamp duty if it relates to a thing done or to be done in the UK. This risk could apply in respect of the transfer of legal title to Numis of certain Existing Shares prior to Admission as well as any subsequent transfers of certificated shares (other than by CREST transfer form) (though it is noted that no such subsequent transfers of Existing Shares are expected on or prior to Admission). However, it is noted that in such circumstances the books of the Company can be written up without stamp duty being paid. It is usual practice for such instruments of transfer not to be stamped as a practical matter and as such it is not intended that stamp duty will be paid on the transfer of legal title to Numis of certain Existing Shares prior to Admission.

(b) *Subsequent transfers*

No UK stamp duty will be payable on an instrument transferring Shares, provided that all instruments effecting or evidencing the transfer (or all matters or things done in relation to the transfer) are not executed or done in the UK (and such instruments are kept outside the UK) and no matters or actions relating to the transfer are performed in the UK and provided that the Shares are not registered in any register kept in the UK by or on behalf of the Company and that the Shares are not paired with shares issued by a company incorporated in the UK.

In terms of paperless transfers of Shares, and agreements to transfer Shares, provided that the Shares are not registered in any register kept in the UK by or on behalf of the Company and that the Shares are not paired with shares issued by a company incorporated in the UK, such transfers or agreements will not be subject to UK SDRT.

13.4 Information reporting

The UK has entered into international agreements with a number of jurisdictions which provide for the exchange of information in order to combat tax evasion and improve tax compliance, and has also introduced legislation implementing other international exchange of information arrangements. HMRC may pass information collected under these rules on to the authorities in other jurisdictions.

13.5 UK Offshore Fund Rules

The Directors consider that, under current law, the Company should not be an “offshore fund” for the purposes of United Kingdom taxation and that the offshore fund legislation contained in Part 8 of the Taxation (International and Other Provisions) Act 2010 (other than section 363A in that Part 8), should not apply.

13.6 Certain other United Kingdom Tax Considerations

(a) *Controlled Foreign Companies*

The UK “controlled foreign company” provisions subject UK resident companies to tax on the profits of companies not so resident in which they have a controlling interest, subject to certain “gateway” provisions and exemptions. UK corporate shareholders are advised to consult their own professional tax advisers as to the implications of these provisions.

(b) *Transfer of Assets Abroad*

Individuals resident in the United Kingdom should note that Chapter II of Part XIII of the Income Tax Act 2007, which contains provisions for preventing avoidance of income tax by transactions resulting in the transfer of income to persons (including companies) abroad, may render them liable to taxation in respect of any undistributed income and profits of the Company.

(c) *Close Company Transfer of Assets Abroad Provisions*

The attention of Shareholders resident in the United Kingdom is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances, a portion of capital gains made by the Company can be attributed to UK resident participators to whom more than one quarter of any gain made by the company would be attributable. This applies if the non-UK resident company would be a close company, were the company to be resident in the United Kingdom for taxation purposes.

14 Certain US federal income tax considerations

The following discussion is a general summary based on present law of certain US federal income tax considerations relevant to the acquisition, ownership and disposition of Shares. This discussion addresses only US Holders (as defined below) that purchase Shares in the Offer, will hold Shares as capital assets and use the US dollar as their functional currency. This discussion does not address the tax treatment of persons subject to special rules, such as financial institutions, insurance companies, regulated investment companies, real estate investment trusts, dealers, traders in securities that elect to mark-to-market, tax-exempt entities, persons owning directly, indirectly or constructively 10 per cent. or more of the Company's share capital (by vote or value), US expatriates, persons liable for alternative minimum tax, persons holding Shares as part of a hedge, straddle, conversion, constructive sale or other integrated financial transaction

or persons holding Shares in connection with a permanent establishment or fixed base outside the United States. The discussion does not cover all aspects of US federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Shares by particular investors (including consequences under the alternative minimum tax), and does not address US federal taxes other than income tax (e.g., estate and gift taxes), US state and local, or non-US tax considerations.

As used in this section, "US Holder" means a beneficial owner of Shares that is, for US federal income tax purposes (i) a citizen or individual resident of the United States, (ii) a corporation or other business entity treated as a corporation created or organised under the laws of the United States or its political subdivisions, (iii) a trust that (a) is subject to the control of one or more US persons and the primary supervision of a US court or (b) has a valid election in effect to be treated as a US person or (iv) an estate the income of which is subject to US federal income tax without regard to its source.

The US federal income tax treatment of a partner in an entity or arrangement treated as a partnership for US federal income tax purposes that holds Shares generally will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for US federal income tax purposes should consult their own tax advisors regarding the specific US federal income tax consequences to them and their partners of the partnership's acquisition, ownership and disposition of Shares.

The Company believes that it was not classified as a passive foreign investment company, or PFIC, for US federal income tax purposes for its most recent taxable year and, based on the composition of Company's current gross assets and income (including the income and assets of the Group) and the manner in which the Company expects the Group to operate its business in future years, the Company believes that it should not be classified as a PFIC for US federal income tax purposes for the Company's current taxable year or in the foreseeable future. In general, a non-US corporation is a PFIC for any taxable year in which, taking into account a pro rata portion of the income and assets of 25 per cent. or more owned subsidiaries, either (i) at least 75 per cent. of its gross income is passive income or (ii) at least 50 per cent. of the average value of its assets is attributable to assets that produce or are held to produce passive income. For this purpose, passive income generally includes, among other things, interest, dividends, rents, royalties and gains from the disposition of investment assets (subject to various exceptions) and property that produces passive income. Based on the manner in which the Group currently operates its business, the Company believes its income consists primarily of management fees, secretarial fees, director's fees, arrangement fees, performance incentive fees and marketing fees and it does not realize sufficient amounts of interest income or other passive income or hold sufficient amounts of loans or other debt instruments or other passive assets that it would be treated as a PFIC under either of these tests.

Moreover, the Company's assets include goodwill (as measured by the market price of the Shares), which the Company believes would generally not be expected to be considered a passive asset. Whether the Company is a PFIC is a factual determination made annually, however, and the Company's status could change depending upon, among other things, changes in the composition and relative value of its gross receipts and assets, including as a result of a change in its business model (which is not anticipated), and as a result of changes in the value of its goodwill, as measured by the market price of the Shares. Thus, there can be no assurance that the Company will not become a PFIC in any future taxable year. The remainder of the discussion herein assumes that the Company will not become a PFIC.

14.1 Dividends

Distributions on the Shares will be treated as dividends to the extent paid out of the Company's current or accumulated earnings and profits (as determined under US federal income tax principles). Because the Company does not maintain calculations of its earnings and profits under US federal income tax principles, financial intermediaries through which distributions are paid generally will be required to report distributions to US Holders as dividends. Accordingly, distributions on the Shares generally should be included in a US Holder's gross income as ordinary dividend income from foreign sources upon receipt. Dividends will not be eligible for the dividends-received deduction generally available to US corporations. If the Company qualifies for benefits under the United States-United Kingdom tax treaty (the "Treaty"), dividends on the Shares generally will qualify for the reduced rates applicable to qualified dividend income of certain eligible non-corporate US Holders that satisfy a minimum holding period and other generally applicable requirements. Assuming that Shares are traded in sufficient quantity on the London Stock Exchange, the Company believes it will qualify for benefits under the Treaty.

Dividends paid in a currency other than US dollars (a "non-US currency") will be includable in income in a US dollar amount based on the exchange rate in effect on the date of receipt whether or not the non-

US currency is converted into US dollars or otherwise disposed of at that time. If dividends received in a non-US currency are converted into US dollars on the day they are received, the US Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income. A US Holder's tax basis in the non-US currency will equal the US dollar amount included in income. Any gain or loss realised on a subsequent disposition or conversion of the non-US currency for a different US dollar amount generally will be US source ordinary income or loss.

14.2 Sale or other Disposition

A US Holder generally will recognise capital gain or loss on the sale or other disposition of Shares in an amount equal to the difference, if any, between the US Holder's adjusted tax basis in the Shares and the US dollar value of the amount realised from the sale or other disposition.

A US Holder's adjusted tax basis in the Shares generally will be the US dollar value of the purchase price paid in the Offer. Any gain or loss generally will be treated as arising from US sources and will be long-term capital gain or loss if the US Holder's holding period exceeds one year. Deductions for capital losses are subject to limitations. A loss may nonetheless be a long-term capital loss regardless of a US Holder's actual holding period to the extent the US Holder has received qualified dividends eligible for reduced rates of tax prior to a sale or other disposition of its Shares that exceeded 10 per cent. of such US Holder's basis in the Shares.

A US Holder that receives non-US currency on the sale or other disposition of Shares will realise an amount equal to the US dollar value of the non-US currency received at the spot rate on the date of sale or other disposition (or, in the case of cash basis and electing accrual basis US Holders, the settlement date). An accrual basis US Holder that does not elect to determine the amount realised using the spot rate on the settlement date will recognise foreign currency gain or loss equal to the difference between the US dollar value of the amount received based on the spot exchange rates in effect on the date of sale or other disposition and the settlement date. A US Holder will have a tax basis in the non-US currency received equal to the US dollar value of the non-US currency received at the spot rate on the settlement date. Any gain or loss realised on a subsequent disposition or conversion of the non-US currency for a different US dollar amount generally will be US source ordinary income or loss.

14.3 Medicare Tax on Net Investment Income

Certain non-corporate US Holders whose income exceeds certain thresholds generally will be subject to a 3.8 per cent. surtax tax on their "net investment income" (which generally includes, among other things, dividends on, and capital gain from the sale or other disposition of, Shares). Non-corporate US Holders should consult their own tax advisors regarding the possible effect of such tax on their ownership and disposition of Shares.

14.4 Reporting and Backup Withholding

Dividends on the Shares and proceeds from the sale or other disposition of Shares may be reported to the US Internal Revenue Service ("IRS") unless the US Holder is a corporation or otherwise establishes a basis for exemption. Backup withholding may apply to reportable payments unless the US Holder makes the required certification, including providing its taxpayer identification number or otherwise establishes a basis for exemption. Any amount withheld may be credited against a US Holder's US federal income tax liability or refunded to the extent it exceeds the US Holder's liability, provided the required information is timely furnished to the IRS.

Certain US Holders are required to report information with respect to Shares not held through an account with a US financial institution to the IRS. US Holders who fail to report required information could become subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisors about these and any other reporting obligations arising from their investment in Shares.

14.5 Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("**FATCA**") rules generally impose reporting and withholding with respect to certain US source payments (including dividends and interest) and gross proceeds from the disposition of property that can produce US source interest and dividends. The FATCA rules also provide that a "foreign financial institution" (which could include an intermediary holding Shares or through which payments on the Shares are made) may be required to withhold on "foreign passthru payments" to persons that fail to meet certain certification, reporting, or related requirements, even if such payments are non-US source. However, under current proposed regulations, such withholding will not apply prior to

the date that is two years after the date on which final regulations defining foreign passthru payments are published. As a result, the Company does not expect that withholding under FATCA will apply to payments on the Shares. However, significant aspects of whether or how FATCA will apply to non-US issuers like the Company remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments on the Shares in the future. Shareholders and prospective investors should consult their own tax advisers regarding the potential impact of FATCA on an investment in the Shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE SHARES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

15 Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Company's and/or the Foresight Group's financial position or profitability.

16 Related party transactions

Save as described in the Foresight Group's combined historical information set out in Section A of Part 11 "Financial Information" or in this paragraph 16, there are no related party transactions between the Company or members of the Group that were entered into during the financial years ended 31 March 2018, 2019 and 2020, the six months ended 30 September 2020 and during the period between 30 September 2020 and 3 February 2021 (the latest practicable date prior to printing of this Prospectus).

On 2 February 2021, Mrs JL Fairman, the wife of Bernard Fairman, entered into a sale and purchase agreement to purchase the Foresight Group's residential flat in Kent. The market value consideration was £450,000. Following completion of the sale of the residential flat, the Foresight Group will pay council tax, utilities and services charges and rates payable in connection with the flat.

On 18 December 2020, the Company repaid the short term unsecured loan of £750,000 made by Bernard Fairman during FY20.

17 Working capital

In the opinion of the Company, taking into account the estimated net proceeds of the Offer receivable by the Group, the working capital available to the Group is sufficient for the Group's present requirements, that is for at least the next 12 months following the date of this Prospectus.

18 No significant change

Save as set out below, there has been no significant change in the financial position or financial performance of the Foresight Group since 30 September 2020, being the date to which the historical financial information in Part 11 "Financial Information" was prepared.

As at 30 September 2020, the Company had cash and cash equivalents of £12.0 million, and since that date the Foresight Group has paid £2.3 million to Members by way of distribution, and redeemed preference shares in Foresight Group CI Limited held by Beau Port Investments Limited for consideration of £2.0 million. On 21 January 2021, the Foresight Group undertook to make a further distribution of £14.8 million in respect of the profits of the Foresight Group accrued in the period prior to Admission, with such amount to be paid to Members and to Bernard Fairman (which may be made either directly or to Beau Port Investments Limited).

19 Auditors

The auditor of the Foresight Group is BDO LLP, chartered accountants, whose registered address is at 55 Baker Street, London W1U 7EU. BDO LLP is authorised to audit companies incorporated in Guernsey, including companies regulated by the GFSC.

20 Consent

KPMG LLP is a member firm of the Institute of Chartered Accountants in England and Wales and has given, and has not withdrawn, its written consent to the inclusion of its accountant's report set out in Section

A of Part 11 "Financial Information" and has authorised the contents of this report as part of this Prospectus for the purposes of item 1.3 of Annex 1 of Commission Delegated Regulation (EU) 2019/980.

21 General

- 21.1 The fees and expenses to be borne by the Company in connection with Admission, including the FCA's fees, professional fees and expenses and the costs of printing and distribution of documents are estimated to amount to approximately £5.0 million (including VAT).
- 21.2 The financial information contained in this Prospectus does not amount to statutory accounts within the meaning of section 434(3) of the Act.

22 Documents available for inspection

Copies of the following documents are displayed on the Company's website at www.fsg-investors.com and may be inspected during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months following the date of this Prospectus at the offices of the Company:

- (a) the Articles of the Company;
- (b) the historical financial information in respect of the financial years ended 31 March 2018, 2019 and 2020, and the six months ended 30 September 2020, together with the related report from KPMG LLP which is set out in Part 11 "Financial Information";
- (c) the consent letters referred to in "Consent" in paragraph 20 above; and
- (d) this Prospectus.

Dated: 4 February 2021

PART 14 - DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

"Act"	the Companies Act 2006, as amended
"Admission"	the proposed admission of the Shares to the premium listing segment of the Official List and to trading on the Main Market
"AIF"	alternative investment fund
"AIFM"	alternative investment fund manager
"AIFM Act"	the Luxembourg Act of 12 July 2013 on alternative investment fund managers
"AITS"	Foresight Accelerated Inheritance Tax Solutions
"Alphabet Share"	each of the D, F, H, I, J, L, M, N, P, R, S, U, V, W, X, Y, Z and AA shares of nil par value in the capital of the Company
"Alphabet Share Dividend"	a dividend entitled to be received by the holders of Alphabet Shares
"Articles"	the Articles of Incorporation of the Company to be adopted with effect from Admission
"AuM"	the 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
"Average AuM"	calculated as the average of the quarterly AuM valuations in each period
"Average FuM"	calculated as the average of the quarterly FuM valuations in each period
"Award"	option or conditional right to acquire Shares awarded to participants under the PSP, as further described in paragraph 7.2 of Part 13 "Additional Information"
"Banks"	Jefferies and Numis
"Bio-CNG"	biomethane compressed natural gas
"Board"	the board of Directors of the Company
"Brexit"	the UK formally ceasing to be a member of the EU
"CAGR"	compound annual growth rate
"City Code" or "Code"	the City Code on Takeovers and Mergers
"Company" or "Foresight"	Foresight Group Holdings Limited

"Core Infrastructure"	an asset-backed investment in a developed market with low demand risk, often a long-term revenue stream, and typically underpinned by economic regulation. Core infrastructure covers network assets, including water, electricity and gas transmission and distribution, regulated airports and rail networks
"Corporate Member"	the corporate member of Foresight Group LLP from time to time, currently being Foresight Group CI Limited
"CRO"	the Chief Risk Officer of the Foresight Group
"CREST"	the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear UK and Ireland Limited is the operator
"CSR"	corporate social responsibility
"CSSF"	the Commission de Surveillance du Secteur Financier in Luxembourg
"Dealing Restriction"	a restriction on dealing in Shares imposed by any law, order, regulation, directive or rules (including, but not limited to, any regulation, order or requirement imposed by the London Stock Exchange or the Financial Conduct Authority
"Debt"	the debt owed by Foresight Holdco 2 Limited to Foresight Group CI Limited as a consequence of the acquisition of capital and voting rights in Foresight Group LLP as part of the Reorganisation
"Directors"	the Executive Directors and the Non-Executive Directors of the Company from time to time. Further details regarding the current Directors are set out in Part 7 "Directors, Senior Management and Corporate Governance"
"Discretionary Distributions"	Alphabet Share Dividends and Tier 2 Drawings
"Dividend Shares"	Shares acquired by means of cash dividends paid on shares held within the SIP which the Company directs to be reinvested in further shares to be held within the SIP as further described in paragraph 7.4.3 of Part 13 "Additional Information"
"EEA"	the European Economic Area
"EIS"	enterprise investment scheme
"ESG"	environmental, social and governance
"EU"	the European Union
"Euroclear"	Euroclear UK & Ireland Limited, the operator for the time being of CREST UK system or any successor
"Executive Committee"	the executive committee of Foresight Group from time to time, currently being Bernard Fairman, Gary Fraser, David Hughes, Nigel Aitchison and Russell Healey

"Executive Directors"	the executive directors of the Company from time to time, currently being Bernard Fairman and Gary Fraser
"Existing Membership Agreement"	the Foresight Group LLP agreement between Foresight Group LLP, the Corporate Member and the Members dated 4 January 2021, which is further described at Part 13 "Additional Information"
"Existing Shares"	existing Shares in the capital of the Company in issue immediately prior to Admission and following completion of the Share Capital Reorganisation
"FCA"	the Financial Conduct Authority
"FEIP"	Foresight Energy Infrastructure Partners SCSp
"FIIF"	FP Foresight UK Infrastructure Income Fund
"FITS"	Foresight Inheritance Tax Solutions
"FMMHL"	FMM Holding Limited
"Foresight Assets"	the Foresight Infrastructure Fund Assets and the Foresight Private Equity Fund Assets
"Foresight Funds"	the Foresight Infrastructure Funds and the Foresight Private Equity Funds
"Foresight Group" or "Group"	the Company and its subsidiaries
"Foresight Infrastructure"	the infrastructure segment of the Foresight Group's business
"Foresight Infrastructure Fund Assets"	the assets of the Foresight Infrastructure Funds
"Foresight Infrastructure Funds"	the infrastructure funds and products managed by the Foresight Group
"Foresight Private Equity"	the private equity segment of the Foresight Group's business
"Foresight Private Equity Fund Assets"	the assets of the Foresight Private Equity Funds
"Foresight Private Equity Funds"	the private equity funds and products managed by the Foresight Group
"Free Shares"	awards of Shares made by the Trustee on a free basis as further described in paragraph 7.4.3 of Part 13 "Additional Information"
"FSFL"	Foresight Solar Fund Ltd.
"FSJ Law"	the Financial Services (Jersey) Law 1998
"FSMA"	the Financial Services and Markets Act 2000, as amended

"FuM"	the Foresight Group's funds under management, being the NAV of the Foresight Funds plus the capital that the Foresight Group is entitled to call from investors in the Foresight Funds pursuant to the terms of their capital commitments to those Foresight Funds
"FY 2018"	the financial year ended 31 March 2018
"FY 2019"	the financial year ended 31 March 2019
"FY 2020"	the financial year ended 31 March 2020
"GDPR"	the EU General Data Protection Regulation
"GFSC"	the Guernsey Financial Services Commission
"GRIF"	FP Foresight Global Real Infrastructure Fund
"Group" or "Foresight Group"	the Company and its consolidated subsidiaries and subsidiary undertakings
"Gross Funds Raised"	Gross Institutional Funds Raised and Gross Retail Funds Raised
"Gross Institutional Funds Raised"	inflow of funds from institutional investors, excluding fund inflows from acquisitions
"Gross Retail Funds Raised"	inflow of funds from retail investors, excluding fund inflows from acquisitions
"Guernsey Act"	Companies (Guernsey) Law, 2008 (as amended)
"Historical Financial Information"	the combined historical financial information in Part 11 "Financial Information"
"HMRC"	HM Revenue and Customs
"IFRS"	International Financial Reporting Standards as issued by the IASB, as adopted by the European Union
"IHT"	inheritance tax
"ITEPA"	the Income Tax (Earnings and Pensions) Act 2013
"ITS"	Foresight Inheritance Tax Solution
"JFSC"	the Jersey Financial Services Commission
"JLCML"	John Laing Capital Management Limited
"JLEN"	JLEN Environmental Assets Group Limited
"JLEN BTA"	the business transfer agreement dated 4 June 2019 entered into between JLCML, JLIL and Foresight Group CI Limited
"JLEN Mandate"	the advisory mandate for JLEN

"JLIL"	John Laing Investments Limited
"JLSD"	joint life second death
"Jefferies"	Jefferies International Limited
"KPI"	key performance indicators of the Foresight Group
"LGPS"	local government pension schemes
"Listing Rules"	the listing rules of the FCA made under section 74(4) of the FSMA
"London Stock Exchange"	London Stock Exchange plc
"Main Market"	the London Stock Exchange's main market for listed securities
"Major Shareholders"	the Shareholders who are directly or indirectly interested in 3 per cent. or more of the voting rights of the Company as set out in the summary to this Prospectus
"Market Abuse Regulation"	the UK version of Regulation (EU) No 596/2014 which has effect in English law by virtue of the European Union (Withdrawal) Act 2018
"Matching Shares"	awards of Shares made by the Trustee on a matching basis as further described in paragraph 7.4.3 of Part 13 "Additional Information"
"Members"	the members of Foresight Group LLP from time to time (excluding the Corporate Member)
"Member State"	a member state of the European Union
"Metering SPA"	the share purchase agreement dated 29 October 2019 entered into between FMMHL, certain individual warrantors, SBL and the Company
"NAV"	net asset value
"Net Funds Raised"	Gross Funds Raised less outflows of funds for the same period (predominantly consisting of outflows through the OEICs)
"New Shares"	new Shares in the capital of the Company to be allotted and issued by the Company as part of the Offer
"Non-Executive Directors"	the non-executive directors of the Company from time to time, currently being Geoffrey Gavey
"Numis"	Numis Securities Limited
"OEIC"	open-ended investment company
"Offer"	the issue of the New Shares by the Company and the sale of Existing Shares by the Selling Shareholders to institutional investors in the

	United Kingdom and elsewhere as described in Part 12 "The Offer"
"Offer Price"	the price at which each Share is to be issued or sold under the Offer being 420 pence
"Offer Shares"	the New Shares to be issued and the Existing Shares to be sold as part of the Offer
"Official List"	the Official List of the FCA
"Ordinary Member"	the ordinary members designated as such by Foresight Group CI Limited
"O&M Contractor"	operations and maintenance contractor
"Panel"	the Panel on Takeovers and Mergers
"Partnership Shares"	Shares acquired out of employees' pre-tax salary by the Trustee on their behalf as further described in paragraph 7.4.3 of Part 13 "Additional Information"
"PCAOB"	the Public Company Accounting Oversight Board (United States)
"PiP"	PiP Manager Limited
"PIPL"	Pensions Infrastructure Platform Limited
"PiP SPA"	the sale and purchase agreement dated 8 July 2020 entered into between PIPL, Foresight Infra Holdco Limited and Foresight Group LLP
"POI Law"	the Protection of Investors (Bailiwick of Guernsey) Law, 1987
"PPA"	power purchase agreement
"PRI"	Principles for Responsible Investment
"Prospectus"	this document
"Prospectus Regulation"	the UK version of the Prospectus Regulation (EU) No 2017/1129 which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018
"Prospectus Regulation Rules"	the prospectus regulation rules published by the FCA under section 73 A of FSMA
"PSP"	performance share plan
"qualified institutional buyers" or "QIBs"	has the meaning given by Rule 144A under the US Securities Act of 1993, as amended

"Qualified Investors"	persons who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Regulation Rules
"Registrar"	Computershare Investor Services (Guernsey) Limited
"Regulations"	The Uncertificated Securities (Enabling Provisions) Guernsey Law, 2005, the CREST Guernsey Regulations, The Uncertificated Securities Regulations 2001 (SI 2001 No 3755), as amended by the Uncertificated Securities (Amendment) (Eligible Debt Securities) Regulations 2003 (SI 2003 No. 1633), and such other regulations as are applicable to Euroclear and/or the CREST relevant system and are from time to time in force
"relevant system"	a relevant system as defined in the Regulations
"Remuneration Committee"	the remuneration committee of the Company, which is appointed with effect from Admission
"Reorganisation"	the corporate reorganisation of the Foresight Group as further described in paragraph 11 of Part 13 "Additional Information"
"RMC"	the risk management committee of the Foresight Group
"Rule 144A"	Rule 144A under the US Securities Act
"SBL"	Salisbury Bidco Limited
"Selling Shareholders"	existing Shareholders who sell Existing Shares as part of the Offer
"Senior Management"	Bernard Fairman, Gary Fraser, David Hughes, Nigel Aitchison and Russell Healey, further details of whom are set out in Part 7 "Directors, Senior Management and Corporate Governance"
"Share Capital Reorganisation"	the share capital reorganisation of the Company in preparation for the Offer (as described in paragraph 11 of Part 13 "Additional Information")
"Shareholders"	the holders of shares in the capital of the Company
"Shares"	the ordinary shares of nil par value of the Company, having the rights set out in the Articles
"Sharesave Scheme"	the sharesave scheme as further described in paragraph 7.3 of Part 13 "Additional Information"
"SIP"	the share incentive plan as further described in paragraph 7.4 of Part 13 "Additional Information"
"SIP Shares"	Partnership Shares, Matching Shares, Free Shares and Dividend Shares
"SMA"	separately managed account
"SMEs"	small and medium sized enterprises

"Social Infrastructure"	foundational services and structures that support the quality of life of a nation, region, city or neighbourhood. Social Infrastructure includes education, transport and healthcare assets such as schools, roads and highways, hospitals and social housing
"SPV"	special purpose vehicle
"Sponsor"	Numis
"SREF"	FP Foresight Sustainable Real Estate Fund
"Tier 1 Drawings"	Members' fixed profit share as determined by the Existing Membership Agreement
"Tier 2 Drawings"	the balance of profits following the allocation of the Tier 1 Drawings to Members including, in the case of staff who are director grade, partners in the retail sales team and other eligible Members, a bonus (which exceptionally may include discretionary performance based awards for eligible Members)
"Trustee"	a UK resident employee benefit trustee as further described in paragraph 7.4 of Part 13 "Additional Information"
"UK Corporate Governance Code"	the UK Corporate Governance Code published by the Financial Reporting Council in July 2018, as amended from time to time
"UK GDPR"	the UK's equivalent domestic legislation, which mirrors the key principles, rights and obligations of the GDPR
"UK - EU Trade and Cooperation Agreement"	the trade agreement concluded on 24 December 2020 between the EU and the UK which governs the relationship between the EU and the UK after Brexit
"uncertificated"	means a unit of a Guernsey security title to which is recorded on the relevant register of securities as being held in uncertificated form and title to which may be transferred by means of the CREST UK system, or any other Uncertificated System; and certificated means a unit of a security which is not an uncertificated unit
"Underwriting Agreement"	the underwriting agreement entered into between the Company, the Directors, Bernard Fairman and Gary Fraser (in their capacity as Selling Shareholders) and the Banks, as described in paragraph 9.1 of Part 13 "Additional Information"
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia
"US Exchange Act"	the United States Securities Exchange Act of 1934, as amended
"US GAAP"	generally accepted accounting principles in the United States
"US GAAS"	auditing standards generally accepted in the United States
"US Securities Act"	the United States Securities Act of 1933, as amended

"VAT"

value added tax

"VCT"

venture capital trust

PART 15 - SCHEDULE OF CHANGES

This Prospectus contains the information from the registration document published by the Company on 5 January 2021 (the "**Registration Document**") and updates and replaces the Registration Document in full. Set out below is a summary of the principal changes made to the Registration Document. This summary of principal changes is no substitute for reading this Prospectus as a whole. Any investor participating in the Offer should invest solely on the basis of consideration of this Prospectus as a whole together with any supplement thereto.

Purpose

The purpose of this Schedule of Changes is to:

- (a) highlight material changes made in the Prospectus, as compared with the Registration Document;
- (b) highlight the new disclosure made in the Prospectus to reflect information required to be included in a securities note; and
- (c) highlight the new disclosure made in the Prospectus to reflect information required to be included in a summary.

1 Registration Document Changes

- 1.1 Changes have been made to the description of the Tier 1 Drawings on pages 22, 83 and 168 of the Registration Document. Please see pages 32, 99, 200, 201, 204 and 205 of the Prospectus.
- 1.2 Changes have been made under the Unlisted infrastructure investment market overview heading in the Industry Overview section on page 33 of the Registration Document. Please see page 45 of the Prospectus which includes the new statement regarding the CAGR of solar assets and wind assets.
- 1.3 Changes have been made under the Implementing ESG-Focused Investment Strategies heading in The Business section on page 42 of the Registration Document. Please see page 55 of the Prospectus which includes the new statement regarding the Company expecting to qualify for the London Stock Exchange's Green Economy Mark at Admission.
- 1.4 Changes have been made to the total AuM of (i) institutional, (ii) government-backed and (iii) retail tax efficient funds on page 52 of the Registration Document. Please see page 65 of the Prospectus.
- 1.5 Changes have been made under the Retail Products heading in The Business section on page 54 of the Registration Document. Please see page 67 of the Prospectus which includes the new statement regarding The Foresight Group's IHT solutions achieving or exceeding their minimum investor return targets in six out of the last seven years.
- 1.6 Changes have been made to the amount of funds raised by FEIP and the total Gross Institutional Funds Raised for the six months ended 30 September 2020 in the Business Section on page 58 of the Registration Document. Please see page 70 of the Prospectus.
- 1.7 Changes have been made to the Core EBITDA Margin target on page 80 of the Registration Document. Core EBITDA Margin target changed from 40 per cent., which was calculated on a pre-IFRS basis, to 43 per cent., which was calculated on a post-IFRS basis. Please see page 95 of the Prospectus.
- 1.8 Changes have been made to the Current trading and prospects heading in the Operating and Financial Review section on page 81 of the Registration Document. Please see pages 96 and 97 of the Prospectus.
- 1.9 Changes have been made to the Accountant's Report in respect of the Historical Financial Information section on pages 99 to 101 of the Registration Document. Please see pages 117 to 119 of the Prospectus.
- 1.10 Changes have been made to the Reorganisation section on page 154 of the Registration Document. Please see pages 200 to 202 of the Prospectus.

2 Securities Note Information

- 2.1 A new section entitled "Risks relating to the Offer and the Shares" has been added to the Prospectus. Please see page 26 of the Prospectus.
- 2.2 A new section entitled "Expected Timetable of Principal Events and Offer Statistics" has been added to the Prospectus. Please see page 40 of the Prospectus.
- 2.3 A new section entitled "Capitalisation and Indebtedness" has been added to the Prospectus. Please see page 114 of the Prospectus.
- 2.4 A new section entitled "The Offer" has been added to the Prospectus. Please see page 165 of the Prospectus.
- 2.5 A new section entitled "Articles of Incorporation" has been added to the Prospectus. Please see page 178 of the Prospectus.
- 2.6 A new section entitled "Mandatory bids and compulsory acquisition rules relating to the Shares" has been added to the Prospectus. Please see page 183 of the Prospectus.
- 2.7 A new section entitled "Underwriting and Lock-up Arrangements" has been added to the Prospectus. Please see page 196 of the Prospectus.
- 2.8 A new section entitled "Subsidiaries, investments and principal establishments" has been added to the Prospectus. Please see page 199 of the Prospectus.
- 2.9 A new section entitled "Reorganisation" has been added to the Prospectus. Please see page 200 of the Prospectus.
- 2.10 New paragraphs entitled "UK Taxation" and "Certain US federal income tax considerations" have been added to the Prospectus. Please see pages 205 and 208 of the Prospectus.
- 2.11 A new paragraph entitled "Working Capital" has been added to the Prospectus. Please see page 211 of the Prospectus.
- 2.12 A new paragraph entitled "General" has been added to the Prospectus. Please see page 212 of the Prospectus.

3 Summary Information

A new section entitled "Summary" has been added into the Prospectus to reflect the addition of a summary as required by Article 7 of the Prospectus Regulation. Please see pages 1 to 7 of the Prospectus.

Foresight

FOR A SMARTER FUTURE

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