



Foresight
SOLAR FUND LIMITED

Foresight Solar Fund Limited

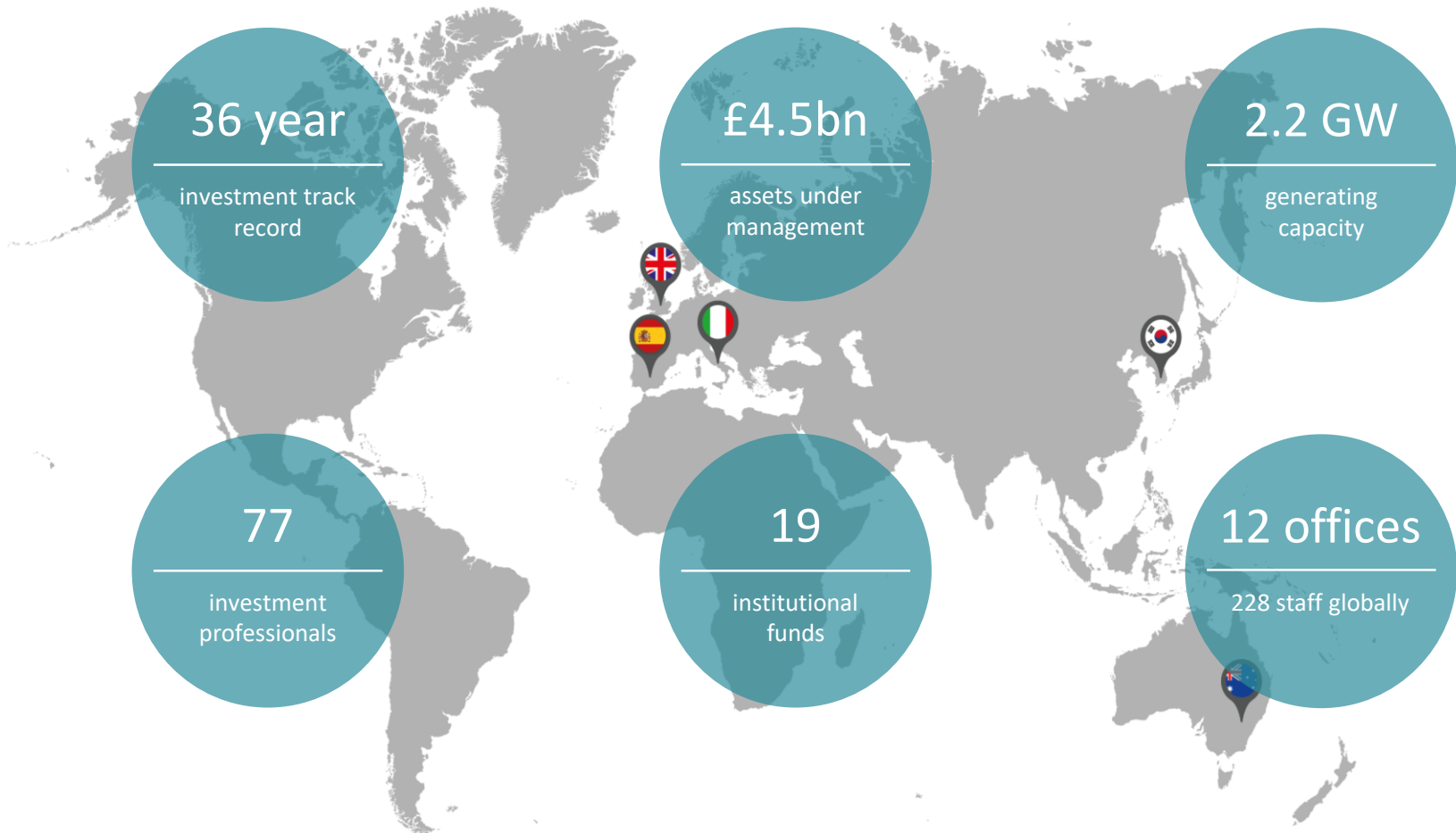
Annual Results
for the year ending
31 December 2019

Investor Presentation

March 2020

Foresight Group Overview

A leading sustainability-driven global infrastructure and private equity manager



FSFL – Investment Objective

FSFL aims to provide investors with sustainable and progressive dividends, and enhanced capital value, through investment in ground-based solar assets predominantly located in the UK

- ▶ Focused asset acquisition strategy: creating portfolio diversity through a disciplined approach to acquisitions.
- ▶ Predictability of operational cash flows: More than 50% of revenues underpinned by long-term, Government-backed, subsidies; flexibility to fix electricity sale revenues.
- ▶ Fund size and average asset size are key drivers to efficiencies of scale.
- ▶ Proven dividend delivery: all target dividends paid since IPO.

2019 Highlights

- Strong operational performance of the UK Portfolio - 3.9% above budget
- £65m raised through an oversubscribed fundraising
- Delivered value enhancing initiatives across the portfolio, including the refinancing of 28 UK assets and a PPA re-tender for 22 UK assets
- Change of dividend policy to progressive dividend, with a target dividend for 2020 6.91 pence per share (2.2% increase)*



Bilsthorpe



Bulls Head

* Target returns are not a profit forecast. There can be no assurance that target returns will be met and they should not be seen as an indication of the Company's expected or actual results or returns.

2019 Key Metrics

Delivery of strong total return to shareholders since inception

Net Asset Value (“NAV”)

£628.0m

(31 Dec 2018: £610.3m)

NAV per Share

103.8p

(31 Dec 2018: 111.2p)

Gross Asset Value (“GAV”)

£1,071.5m*

(31 Dec 2018: £1,114.7m)

Dividend per Share declared
relating to the Year

6.76p

Annual Total Shareholder
Return since IPO

9.43%**

Market Capitalisation

£765.6m

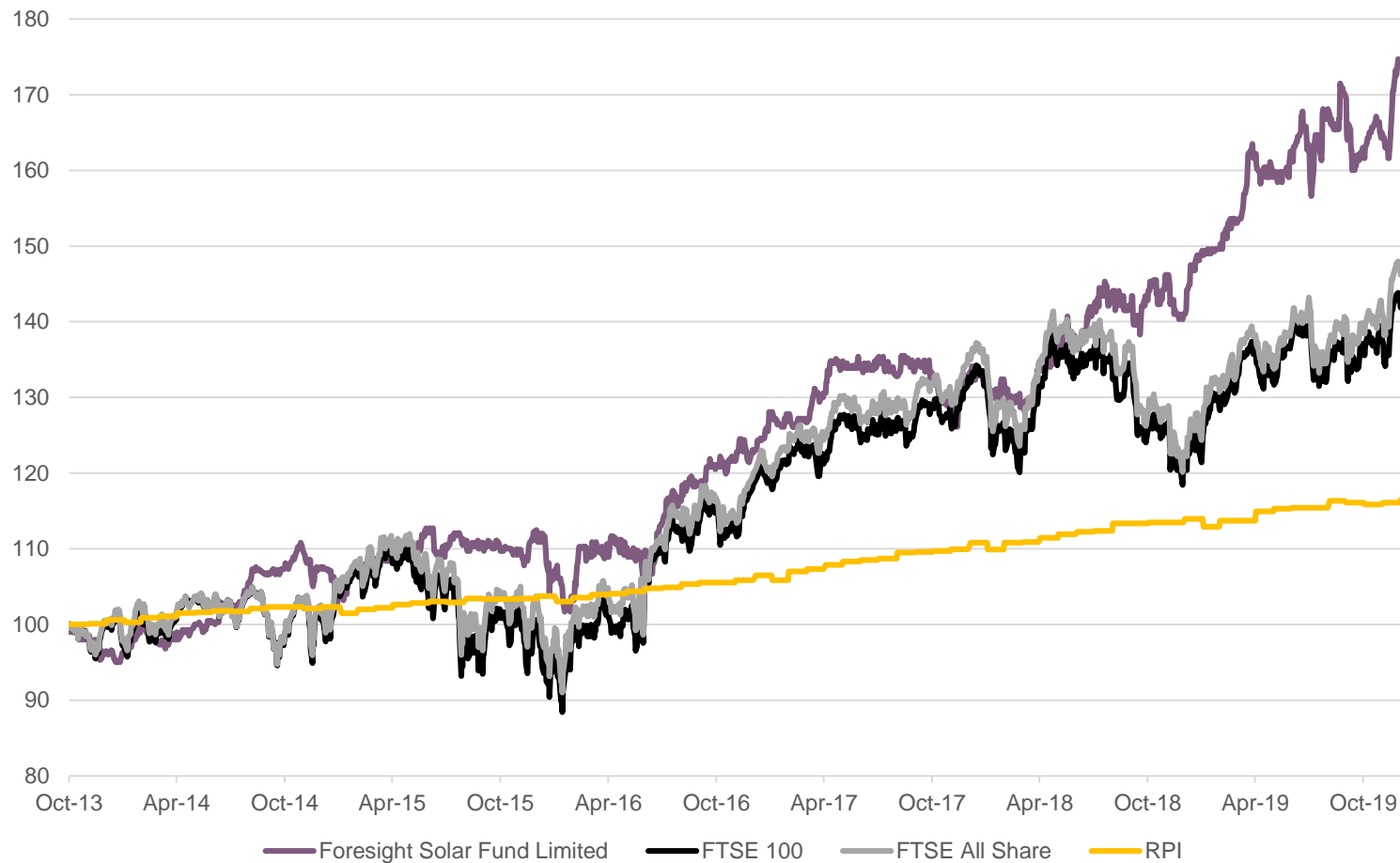
(31 Dec 2018: £485.9m)

* Calculated as NAV plus outstanding debt

** Annualised from IPO on 29 October 2013

FSFL Performance Against Major Equity Indices Since IPO

Total Shareholder Return* of FSFL vs. Key Indices, Rebased to 100



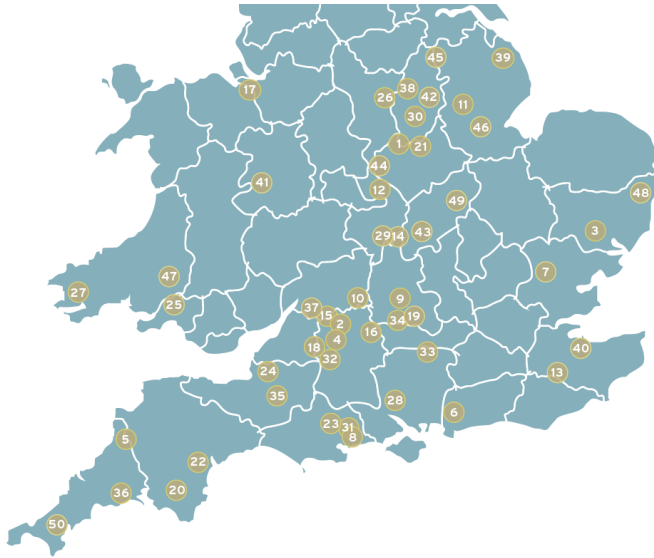
Source: Bloomberg, to 31 December 2019

* Total Shareholder Return is calculated as the theoretical growth in value of a shareholding over a specified period, assuming that dividends are re-invested to purchase additional units of equity at the closing price applicable on the ex-dividend date.

Portfolio Overview 2019

Geographically diversified portfolio of operational assets

United Kingdom

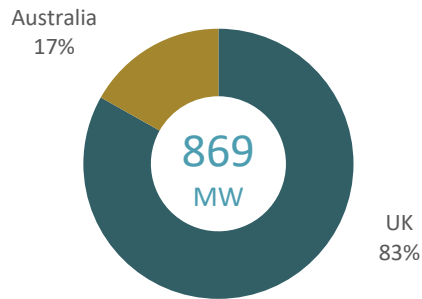


Australia

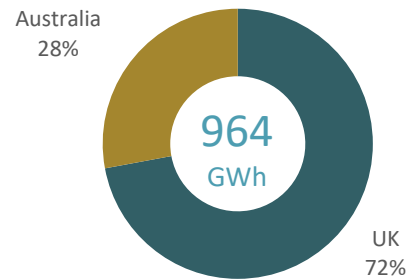


See Appendix for full list of sites

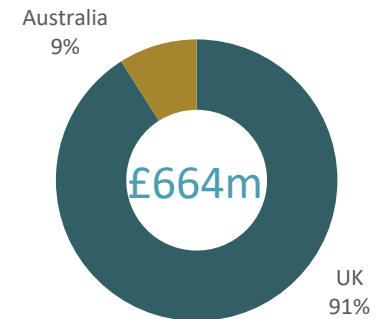
COUNTRIES BY INSTALLED CAPACITY



DISTRIBUTION BY PRODUCTION



COUNTRIES BY EQUITY INVESTED



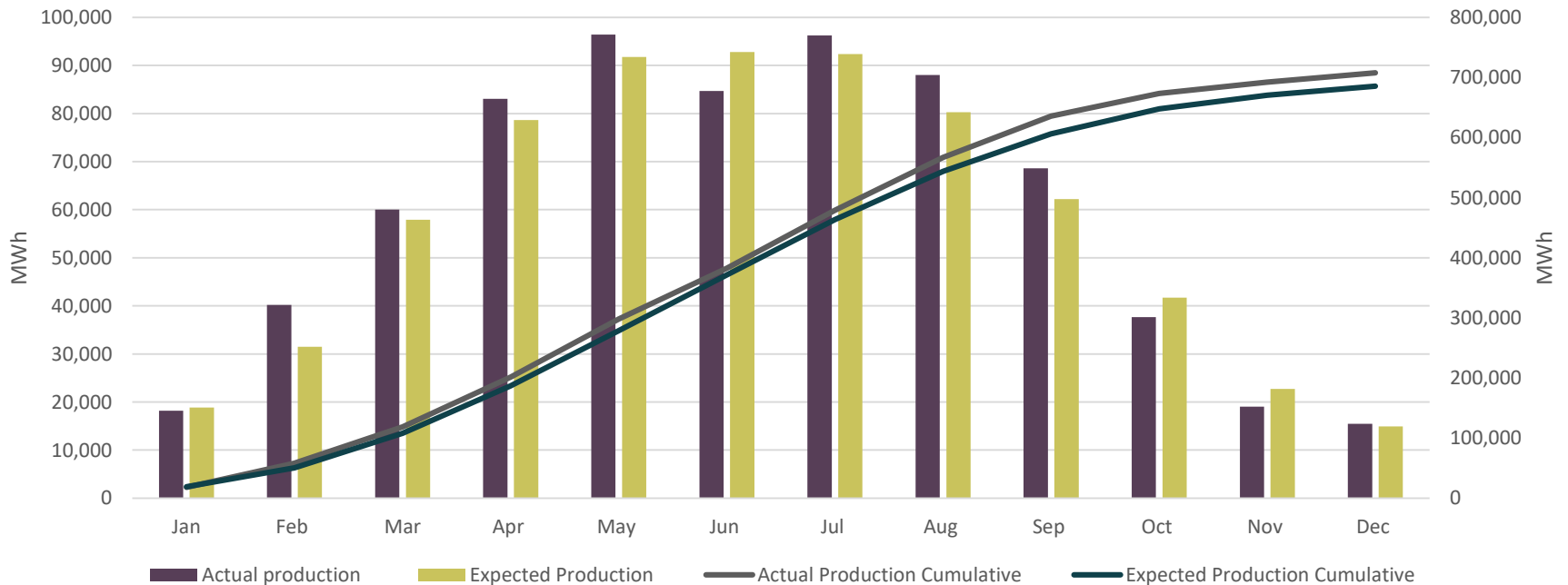


UK Portfolio Performance

Continued strong performance of the UK portfolio

- FY2019 generation was **3.9%** above expectations compared to UK irradiation levels up **3.8%** versus base case

Summary of FSFL portfolio generation



Portfolio Optimisation

Medium and long-term value enhancing initiatives

- Foresight's Infrastructure Team contains 48 portfolio and asset management professionals, many of whom have technical engineering backgrounds
- Beyond prioritising solar output, value-enhancement projects have been pursued:

Short-term:

- Health & Safety culture strengthened;
- Spare part procurement alongside O&M to avoid lost revenues linked to downtime (c.£1.3m benefit):

Site	Failed Item	Resolution time	Weeks/£ saving
Port Farm	VT	3 days	6-8weeks; £559k-£787k
Playters	TX	19 days	12-14 weeks; £275k-£334k
Spriggs	TX	8 days	12-14 weeks; £313k-£370k
Roskrow	TX	24 days	12-14 weeks; £119k-£147k
Trehawke	VT	3 days	6-8 weeks; £33k-44k

Mid-term:

- Useful asset life extension opportunities (based on lease and planning);
- Battery storage co-location opportunities (based on grid costs, land availability and planning).



Australia Portfolio Performance

Further progress achieved across the portfolio

- **Longreach and Oakey 1:** Fully operational and performing in line with expectations, with the exception of minor curtailment levels at Longreach
- **Bannerton:** First electricity export in July 2018 and reached full export capacity in the first quarter of 2019. Has been curtailed since September 2019 due to an oscillation issue on the network
- **Oakey 2:** Project completion was delayed due to grid connection issues and a storm event that caused damage to 15% of the solar farm equipment. The project is expected to reach full commissioning during the second half of 2020



Oakey 1



Bannerton



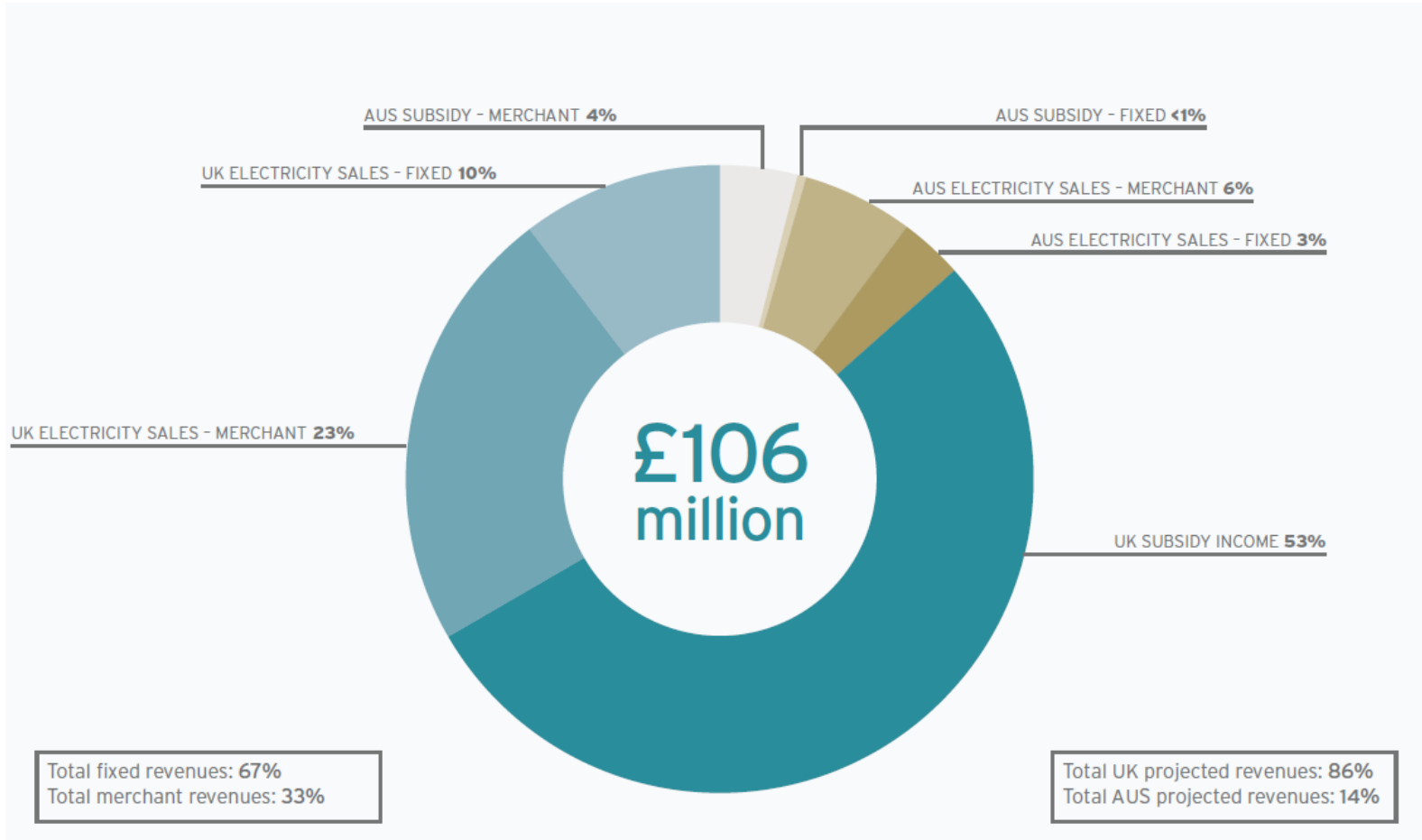
Longreach



Portfolio Revenue Analysis

High predictability of cash flows in the short and medium term

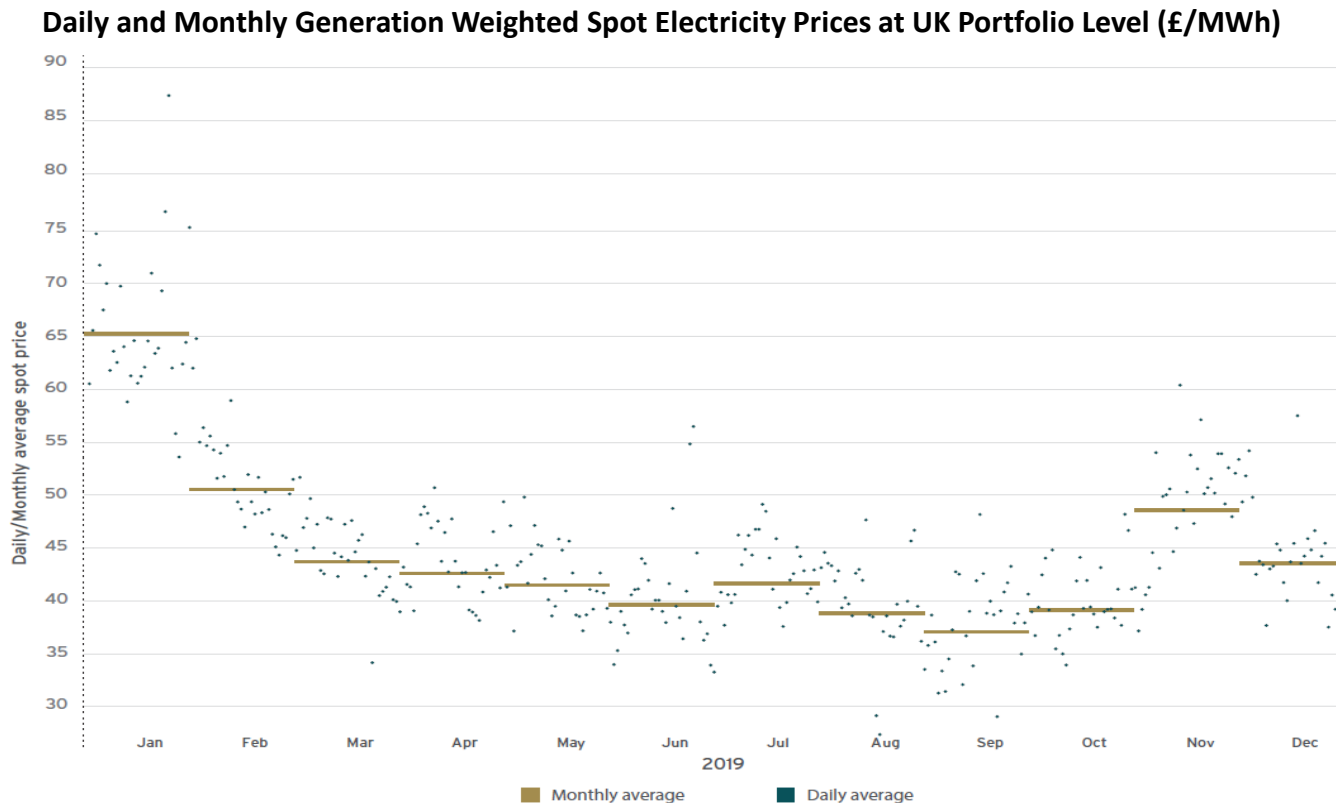
PROJECTED 2020 GLOBAL PORTFOLIO REVENUE SPLIT



UK Portfolio Power Prices 2019

Fixed electricity price arrangements supported stable cash flow generation

- 8.4% decrease in average power price achieved to £45.38/MWh (FY2018: £49.54/MWh)*
- Continued to take advantage of attractive forward electricity prices through fixed price arrangements:
 - 31 Dec 19: **32%** of UK portfolio fixed at weighted average price of **£52.33/MWh** (31 Dec 18: 53% at £53.38/MWh)



* Including fixed price arrangements

Dividends

Delivered on all target dividends since IPO

2019:

- Total dividends of £36.0 million were paid during the year to 31 December 2019, equating to 6.76p per share.
- Dividend cover for the period was 1.19x (excluding dividends paid to new shares issued in the period and including the impact of the scrip dividend program). Dividend cover for the year on a cash basis was 1.12x.
- The Company continues to deliver solid underlying profits underpinned by stable operating margins of c.80% from £98.2 million of portfolio income.

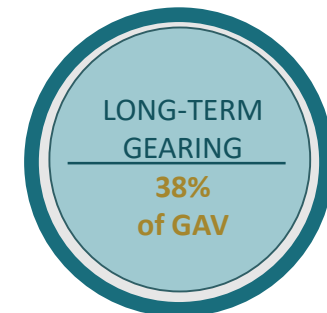
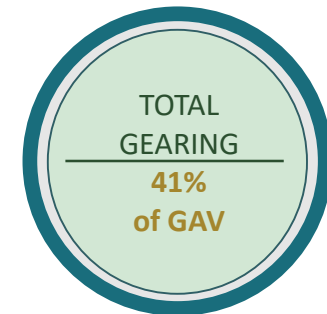
Change in Dividend policy

- Change of dividend policy to progressive dividend from inflation-linked, following the increasing divergence in correlation between inflation and UK power prices.
- FY2020 target dividend of 6.91 pence, a 2.2% increase compared with 2019.

Gearing Position

Further optimisation of the capital structure

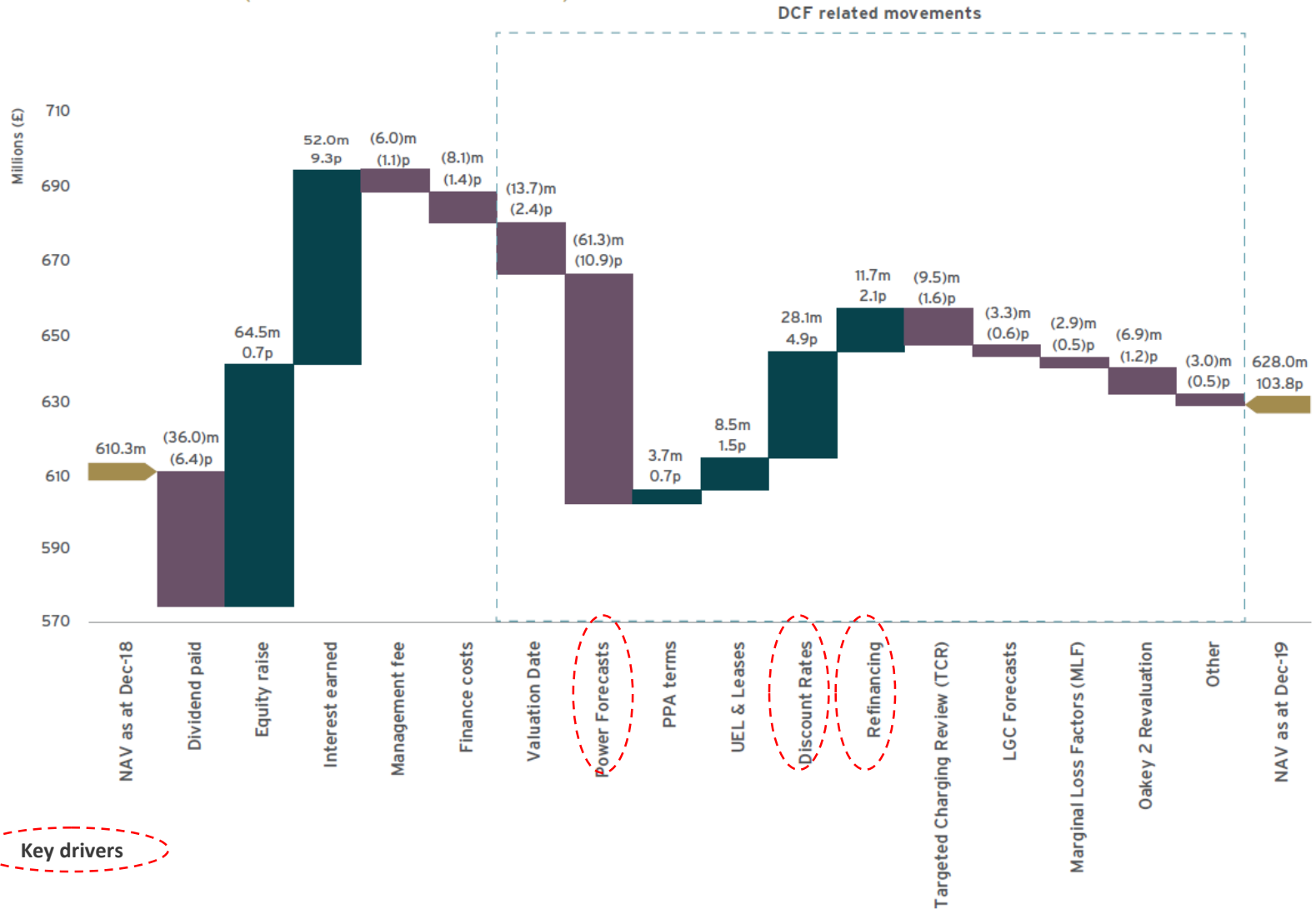
- **Refinancing Terms:** improved debt terms secured in the refinancing of the Company's UK debt facilities in August 2019, resulting in a positive impact on NAV per share. Fully amortising term loan eliminates refinancing risk
- Following the refinancing no further UK assets include debt at project level
- Total outstanding debt of £443.5 million (41% of GAV), including:
 - **Long-term debt:** £403.5 million (38% of GAV)
 - **Revolving Credit Facilities ("RCFs"):** £105.0 million
- £65m available for deployment
- Limited exposure to benchmark rates by entering long-term interest rate swaps and fixed rate agreements





Net Asset Value Movements

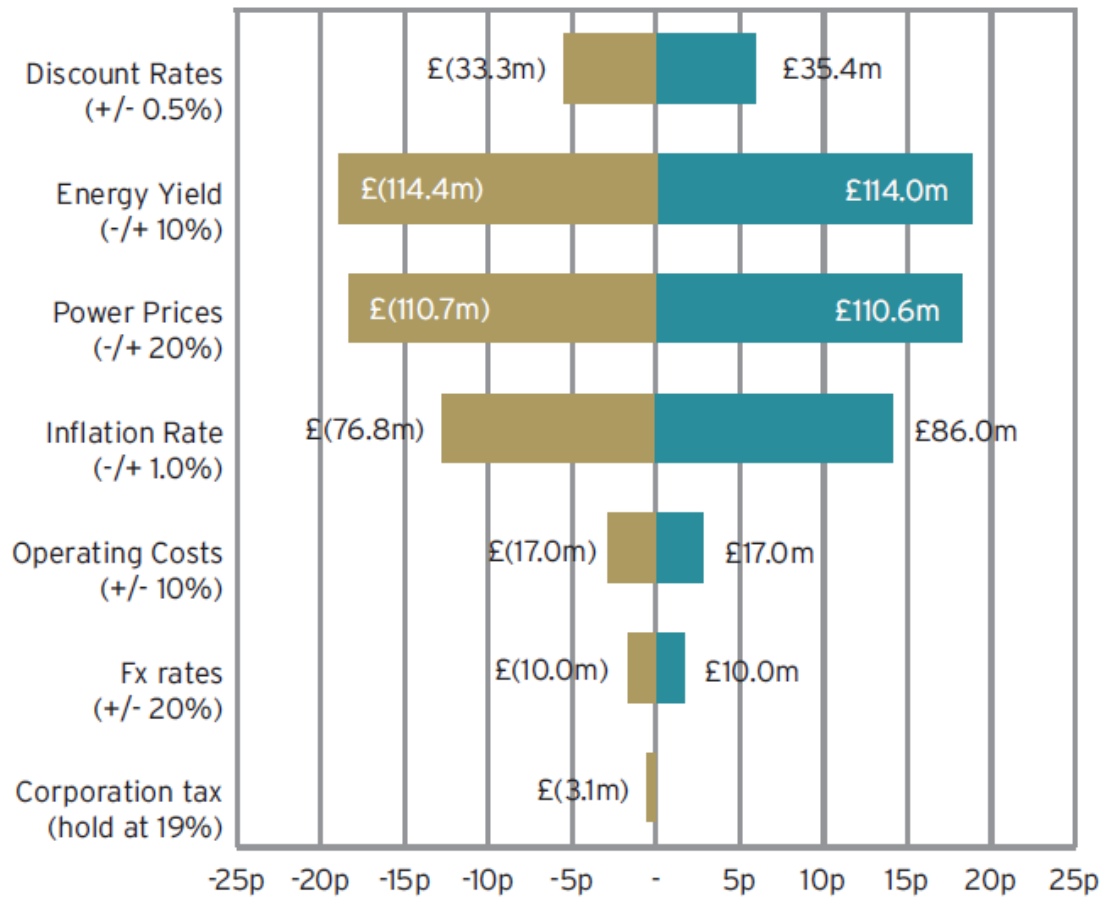
MOVEMENTS IN NAV (£M AND PENCE PER SHARE)





NAV Sensitivities

December 2019 NAV - £628.0m



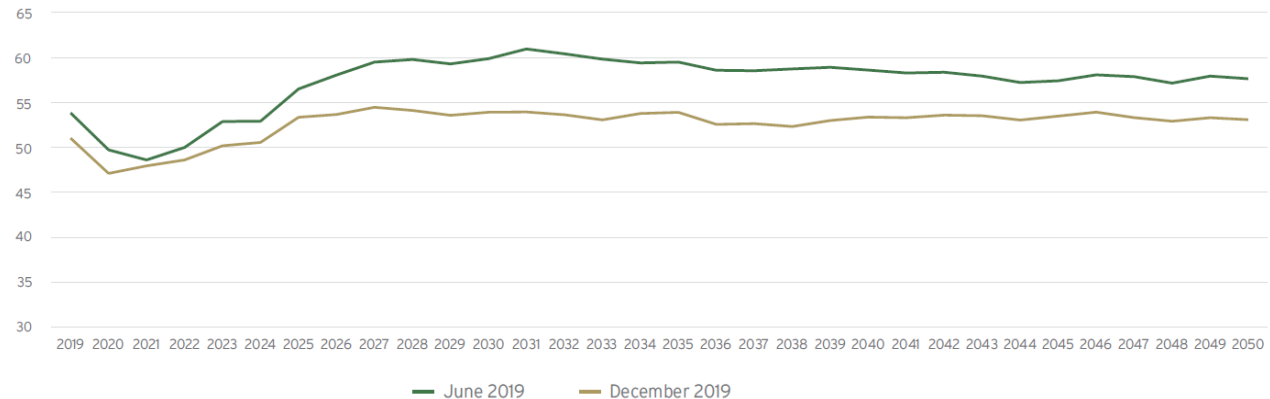


Power Price Forecasts

Conservative forecast based on independent power price analysis

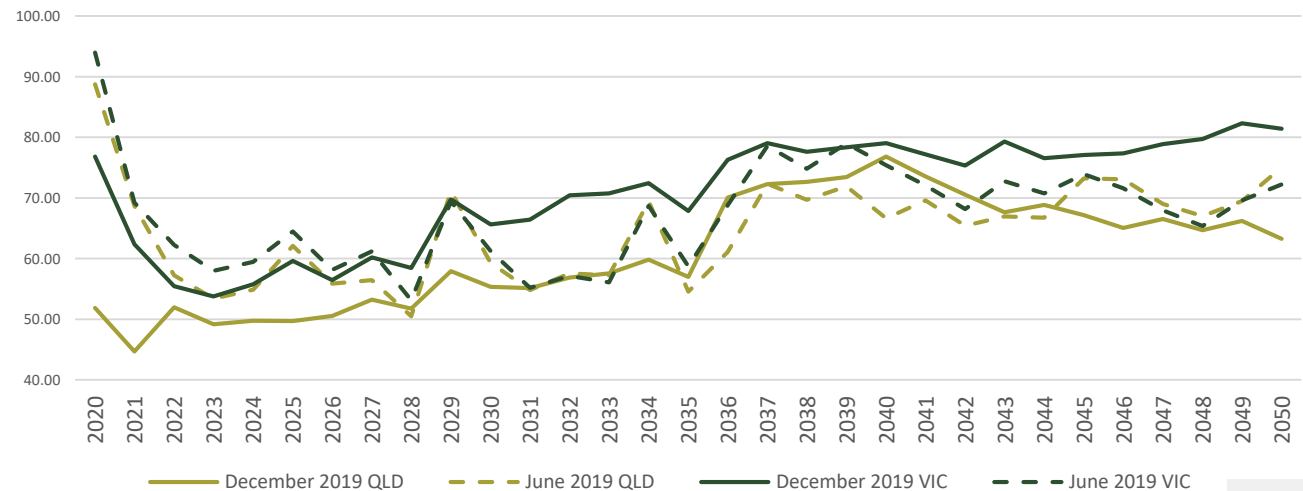
UK Wholesale Power Prices (£/MWh)

- FY2019 forecast decreased 11.5% year-on-year
- Long term increase in real terms of 0.4% per annum



Australian Wholesale Power Prices (A\$/MWh)

- FY2019 forecast: decline in the short term
- Gradual increase from early 2020's as coal generation retires, offset by increases in renewable capacity



ESG Best Practice



Environmental Stewardship

- Partner of the Solar Trade Association’s Large-Scale Asset Management Working Group & Signatory to the Solar Farm Land Management Charter
- Biodiversity management via hedgerow planting, beehive installation, sheep grazing

Social Engagement

- Engagement with contractors, local residents, community organisations, landowners and local authorities
- 79 site inspections conducted in 2019
- Approximately £184,000 in community grants awarded in 2019

Good Governance

- Actively reviews all consents
- Signatory of UNPRI since 2013. Grade A+ in 2019 submission
- Participated in the Global Real Estate Sustainability Benchmark (“GRESB”) 2019 Infrastructure Asset Assessment

550,383

tonnes CO2 production avoided



229,982

homes powered



35,772

metres hedgerows planted



Outlook

- ▶ **Explore subsidy-free solar opportunities, particularly in Southern European markets due to higher production profile and longer PPA contracts**
- ▶ **Opportunistic approach to secondary market opportunities in the UK and other European markets**
- ▶ **Continue to focus on portfolio optimisation initiatives and maintaining high operational performance**
- ▶ **Deliver an asset management approach focused on sustainability**



Sandridge



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