

Foresight acquires the technology ventures division of Downing LLP including the management of Downing's VCT and EIS businesses, creating a leading VCT offering and taking Foresight's Private Equity AUM to £1.2 billion

- **Foresight acquires the management of Downing ONE VCT¹, Downing FOUR VCT¹ and Downing's EIS businesses**
- **Foresight's strong track record, combined with the diversification provided by Downing's VCT and EIS businesses, creates a leading ventures offering**
- **Foresight's private equity AUM is now at £1.2 billion**
- **Key members of the Downing team will join Foresight on completion**

13 JUNE 2022, London: Foresight Group ("Foresight"), a leading infrastructure and private equity manager, has acquired the technology ventures division of Downing LLP ("Downing") including management of the Venture Capital Trust and Ventures Enterprise Investment Scheme businesses of Downing.

Foresight is expected to acquire the Funds for an initial consideration of £13.6 million. The funds are deployed across venture capital, AIM-quoted investee companies and a small number of legacy asset-backed debt investments.

Downing is a privately owned, UK-based asset manager and Foresight will acquire three funds with a combined AUM of £275 million. The funds are Downing ONE VCT Plc, Downing FOUR VCT Plc and Downing Ventures EIS Scheme. This will increase Foresight's private equity AUM to £1.2 billion.

These venture-focused funds, with c. 12,000 investors and assets predominantly across the UK as well as in the US and Israel, will diversify Foresight's existing portfolio. Foresight's offering will now include earlier stage venture investments with a thematic focus on Enterprise Software, deep technology and consumer, complementing the Foresight Williams Technology hard tech and industrial software focus. The acquisition will also diversify and expand Foresight's investment reach into the AIM-quoted sector and into the US and Israel.

This acquisition will increase Foresight's VCT NAV to £542 million, consolidating Foresight's position as a leading VCT manager. It is also expected that the broader client offering, when combined with Foresight's award-winning team, regional footprint and strong, well-invested retail sales platform, will provide enhanced growth opportunities for Foresight's private equity team over the coming years.

Key members of the Downing team, some of which currently manage the portfolio, will join Foresight.

The acquisition follows the Foresight private equity team's strong calendar 2021, with 58 investments and eight successful exits. This is Foresight's first acquisition post IPO and provides further evidence of Foresight delivering on its stated strategy, which includes increasing AUM by 20-25% per annum and growing its Core EBITDA pre-SBP margin to 43% over the medium term.

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Bernard Fairman, Executive Chairman of Foresight Group Holdings Limited, commented: *“The VCT and EIS businesses, which we are acquiring from Downing, are an excellent strategic fit for Foresight, complementing our existing portfolio and providing exciting diversification opportunities. We are investing in multi-stage, fast growing, scalable businesses with the potential to generate significant returns. The acquired businesses will deepen our retail investor offering and provide further opportunities for our extensive retail sales team to drive growth.*”

We said at the time of our IPO that M&A would be a core part of our growth strategy and I am delighted that we are successfully delivering on that promise. This transaction represents a significant strategic step, taking Group AUM to over £9 billion and private equity AUM to £1.2 billion. It also provides us with a broader set of funds and capabilities. We continue to actively pursue further M&A opportunities across the wider business, alongside delivering strong organic growth.”

Matt Smith, Partner at Foresight, commented: *“Downing’s Ventures business is complementary to our existing offering and will increase Foresight’s VCT NAV to £542 million. The AIM-quoted investment portfolio provides a platform to potentially expand into a new asset class. We are excited to be working with the Downing team and believe the combination will help to enhance returns for Downing investors and attract new investors as the Downing portfolios grow over time.”*

Jack Eadie, Partner at Downing, said: *“We are delighted to join Foresight’s award-winning team and benefit from their experience and expertise in delivering VCT and EIS growth, to both portfolio companies and investors. This partnership will create a market leading offering and we are excited about developing it further.”*

[¹] Excluding the Healthcare share class

ENDS

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Notes to Editors

About Foresight Group (“Foresight”):

Foresight Group was founded in 1984 and is a leading listed infrastructure and private equity investment manager. With a long-established focus on ESG and sustainability-led strategies, it aims to provide attractive returns to its institutional and private investors from hard-to-access private markets. Foresight manages over 300 infrastructure assets with a focus on solar and onshore wind

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assets, bioenergy and waste, as well as renewable energy enabling projects, energy efficiency management solutions, social and core infrastructure projects and sustainable forestry assets. Its private equity team manages eight regionally focused investment funds across the UK and a SME impact fund supporting Irish SMEs. This team reviews close to 2,500 business plans each year and currently supports more than 130 SMEs. Foresight Capital Management manages four strategies across six investment vehicles with an AUM of over £1.6 billion.

Foresight operates from 12 offices across six countries in Europe and Australia. Foresight Group Holdings Limited listed on the Main Market of the London Stock Exchange in February 2021.

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