

Foresight announces first close of the Foresight Scotland Fund at more than £60m

- The Fund has been launched with support from British Business Investments and Strathclyde Pension Fund
- The Fund will support the growth of established smaller companies throughout Scotland
- This is Foresight's second fund dedicated to Scottish SMEs and will support the growth of Foresight's Scottish team
- The Fund is Foresight's eleventh regional fund and will replicate the strategy successfully deployed in other regions across the UK

Edinburgh 12 January 2023: Foresight Group ("Foresight"), a leading listed regional private equity and infrastructure investment manager, has announced the launch of a new Fund dedicated to investment in Scotland.

The first close, at more than £60m, was supported by cornerstone commitments from Strathclyde Pension Fund and British Business Investments, a wholly-owned commercial subsidiary of the British Business Bank. This is Foresight's eleventh regional fund, replicating the successful strategy already deployed in other regions of the UK. It is also Foresight's second fund dedicated to Scotland, having launched the £32m Foresight Scottish Growth Fund with the support of the Scottish Government in 2019.

The Fund will target debt and equity investments of £1m to £5m in established SMEs with growth potential. It will be managed by Foresight's collegiate Private Equity team, with growth of the existing team in Scotland.

The Fund will support the local Scottish economy and deliver a positive social impact across Scotland, creating high-quality, local jobs. Since 2016, Foresight's regional funds have created thousands of jobs in regions throughout the UK. The Fund will also enable companies to achieve their growth potential. Notably, during the summer of 2022, Foresight exited Edinburgh-based Codeplay, generating a 16x return for investors.

Foresight is one of the most active investors in small and medium-sized businesses in the UK and Ireland, providing flexible funding and partnering with companies across all sectors and deal stages. In 2022, Foresight made 94 investments into SMEs and delivered eight successful exits.

Matt Smith, Partner at Foresight Group, commented: "We are very pleased to be launching this Fund in partnership with British Business Investments and Strathclyde Pension Fund. We look forward to delivering a positive impact and working with exciting growth SMEs throughout Scotland to create value and jobs. The Fund reflects our commitment to the Scottish market, where we believe there is a funding gap for the provision of capital and expertise to smaller companies. We look forward to strengthening our ties with the local business community and further building our local team."

Daniel Halliday, a Director based in Foresight's Edinburgh office, commented: "We are delighted to be able to increase our commitment to the Scottish market. We continue to see an excellent opportunity to invest in Scotland, supporting the vibrant SME community that has historically been underserved by professionally managed capital. We look forward to growing our local team, building on the good work since establishing our office in 2019."

Judith Hartley, CEO at British Business Investments, said: "British Business Investments is committed to improving choice and diversity of funding options for UK small businesses seeking to grow. By investing in funds like Foresight's Scotland Fund, we help smaller businesses in the UK's nations and regions to access capital and unlock rapid growth. Our commitment to Foresight will support established Scottish businesses with growth potential."

Ian Jamison, Investment Manager at Strathclyde Pension Fund, said: "We are pleased to have been able to support the launch of the Foresight Scotland Fund. The Fund is a great opportunity to help growth within small and medium businesses across Scotland, which in turn will create local jobs and attract further investment, supporting economic growth whilst generating strong returns for our pension fund members."

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Contacts

Chris Barry, Influential: Barry@thisisinfluential.com / +44 (0)7733 103 693

Lucy Sherwood, Foresight Group: marketing@foresightgroup.eu / +44 (0)20 3667 8100

Notes to Editors

About Foresight Group

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 350 infrastructure assets with a focus on solar and onshore wind 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 eleven regionally focused investment funds across the UK and an SME impact fund supporting Irish SMEs. This team reviews over 2,500 business plans each year and currently supports more than 250 investments in SMEs. Foresight Capital Management manages four strategies across six investment vehicles with an AUM of over £1.5 billion.

Foresight operates across seven countries in Europe and Australia with AUM of £12.5 billion. Foresight Group Holdings Limited listed on the Main Market of the London Stock Exchange in February 2021. foresightgroup.eu/shareholders

About British Business Investments

British Business Investments Limited is a wholly owned commercial subsidiary of British Business Bank plc, the UK government's economic development bank. British Business Investments aims to earn a commercial return by investing – through finance providers – in smaller businesses and small mid-caps, pursuing investments on a fully commercial basis without receiving any economic advantage from the government. Since it was established in 2014, British Business Investments has committed more than £3.3 billion to providers of finance to UK smaller businesses. Find out more at bbinv.co.uk.

The Bank and its subsidiary entities are not banking institutions and do not operate as such. They are not authorised or regulated by the Prudential Regulation Authority (PRA) or the Financial Conduct Authority (FCA). A complete legal structure chart for British Business Bank plc and its subsidiaries can be found on the British Business Bank plc website.

The transaction described above does not constitute or imply any endorsement, warranty or recommendation by the UK government, the British Business Bank plc or its subsidiaries or any other party of Foresight or its products or services.

About Strathclyde Pension Fund

Strathclyde Pension Fund (SPF) was established in 1974 and has been managed by Glasgow City Council since 1996. It is part of the Local Government Pension Scheme (LGPS) and is a multi-employer, defined benefits scheme and is one of 11 LGPS funds in Scotland.

SPF has over 150 participating employers including the 12 local authorities in the west of Scotland; Scottish Police Authority; Scottish Fire and Rescue; Scottish Water; a number of universities and colleges; and a wide range of other organisations with funding or service links to the local government sector.

With over 266,000 pension fund members and investment assets of £28.4bn (as at 31st March 2022), SPF is the largest LGPS fund in Scotland and the second largest in the UK.