



Foresight

FOR A SMARTER FUTURE

**FORESIGHT SOLAR FUND
LIMITED**

Results to 30 June 2024
September 2024

Agenda

Highlights to 30 June 2024

Capital allocation overview

Net Asset Value (NAV)

Operational and financial performance

Outlook

Q&A



Foresight Solar: more than a decade of investment in renewable energy

Dedicated investment team with measurable track record supported by broader group



Ross Driver
Managing Director, Infrastructure

Ross joined Foresight Group in 2021 to oversee the delivery of all aspects of Foresight Solar's investment mandate as part of the Company's advisory team.

He has 20 years of infrastructure and renewable energy investment experience, covering deal structuring and execution, debt financing and asset management across multiple asset classes.



Toby Virno
Associate Director, Infrastructure

Toby joined Foresight Group in 2018 and is an Associate Director in the Infrastructure team.

With a decade's experience in investment and financing of sustainable assets and projects, particularly solar PV and BESS, he joined the Foresight Solar team full-time in 2023 to help deliver the Company's investment mandate.



David Goodwin
Associate Director, Infrastructure

David joined Foresight Group in 2020 to lead the accounting and financial management of Foresight Solar.

He has been a chartered accountant for over a decade and has worked in infrastructure and renewable energy finance for almost 15 years.



Matheus Fierro
IR Lead, FSFL, Infrastructure

Matheus joined Foresight Group in 2023 to manage Foresight Solar's investor relations activities.

With more than a decade's experience in financial communications and IR, he has worked with companies in different industries, from start-ups to FTSE 100 multinationals, to raise capital, build reputations and engage stakeholder.

H1 2024: Continued implementation of prudent capital allocation strategy

Reliable cash distributions despite wettest Q1 in Company history

Capital allocation

Share buybacks: Increased by £10m to up to £50m

Divestments: Commenced Australian portfolio sale process; proceeds to be used for debt reduction

Future growth: 1GWp proprietary development pipeline requiring only modest upfront investment

Portfolio performance

Production resilience despite poor weather; revenue only 6.6% behind budget at £74.5m

Distributions from underlying investments: £28.4m

LTM total shareholder return: 10.1%⁴

Financial outlook

Well on track to pay 8.00pps target dividend with a 1.4x net cover

Estimated net dividend cover of 1.3x for 2025 based on current assumptions

Q2 24 Net Asset Value (NAV)

£656.8m

(31 December 2022: £697.9m)

UK portfolio valuation

£1.16m/MW

(31 December 2022: £1.17m/MW)

2024 target dividend

8.0pps (+6% YoY)

(2023 target: 7.55pps)

Renewable energy generation³

531.1GWh

(Enough to power 196,000 UK households for a year)

Total NAV return since IPO

+118.5%

(Annualised NAV TR since IPO: +7.6%)

Total shareholder return since IPO¹

+69.1%

(Annualised TSR since IPO: +5.0%)

Shareholder distributions²

£38.6m (+46% YoY)

(H1 23: £25.9m)

Total operating profit (EBITDA)

£60.6m

(30 June 2023: £79.1m)

Capital allocation overview



Foresight Solar's capital allocation strategy

The Company is returning capital to shareholders, reducing debt and preparing for future growth

Initiative	Objective	Outcome
Share buyback	<ul style="list-style-type: none">• Acquire own stock below fair value• Return cash to shareholders	<ul style="list-style-type: none">• May 2023 to June 2024: £36m repurchased• Average purchase price: 93.5p• 1.9pps NAV accretion
Dividend payments	<ul style="list-style-type: none">• 8.0pps dividend target for 2024• c.8.5% yield based on current share price	<ul style="list-style-type: none">• On track for FY payout with 1.4x cover• Based on current assumptions, 2025 dividend will be at least 1.3x covered
Divestment programme	<ul style="list-style-type: none">• 200MW+ phased divestment programme	<ul style="list-style-type: none">• Phase 2: Started the process to sell 170MW of solar and 122MWp of BESS in Australia
Debt repayment	<ul style="list-style-type: none">• Reduce variable interest rate exposure	<ul style="list-style-type: none">• Delivering options to lower interest costs
Proprietary development pipeline	<ul style="list-style-type: none">• Lay the foundation for future NAV growth	<ul style="list-style-type: none">• Almost 1GW of solar and BESS in Spain

Australia: Commenced process to sell the solar + BESS portfolio

Closing expected in H1 2025 with proceeds intended to further pay down the RCF

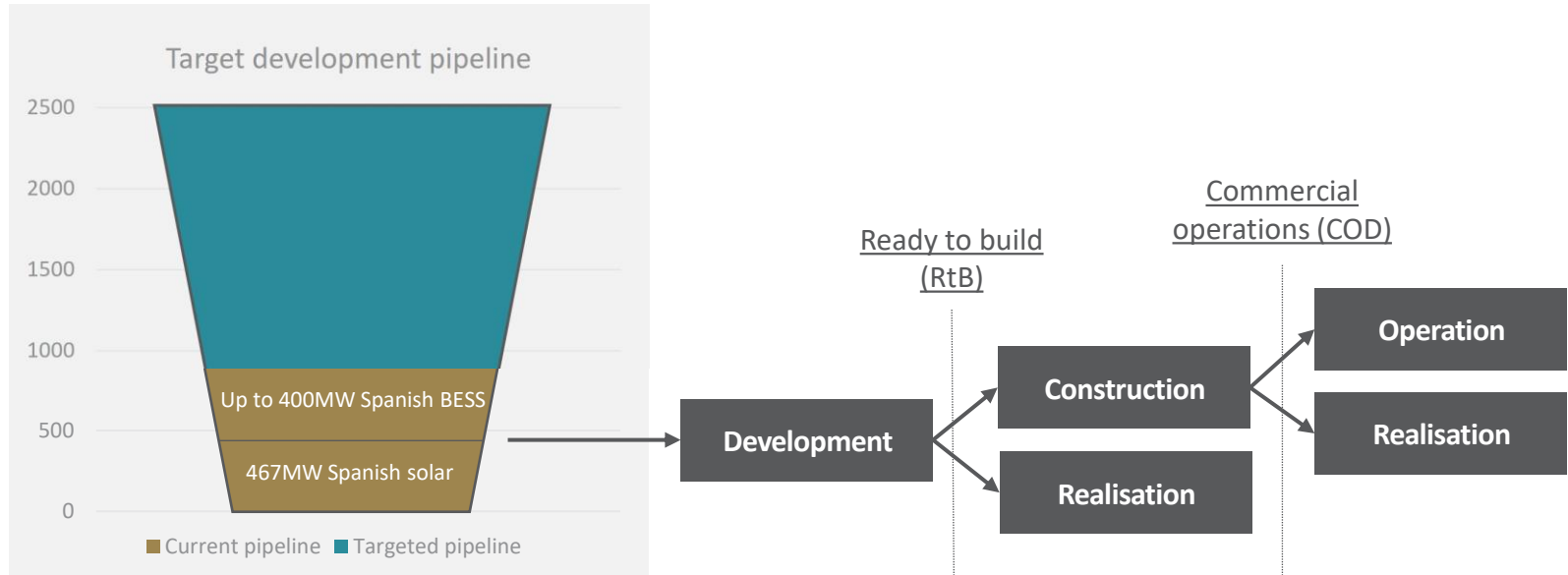


- Positioning of the portfolio, market conditions, timing all key to protecting Shareholder value
- Positive outlook for Australian generating assets has seen improved investor appetite for solar + BESS platforms
- Portfolio required work to conclude commercial matters, restructure debt
- Afforded time to self-develop BESS projects on two of the existing sites
- The portfolio includes assets with unique and scarce features i.e. PPAs on Queensland assets
- Proceeds intended to be used predominantly to repay the RCF. Long-term debt will also decrease
- Move represents a strategic priority to re-focus Foresight Solar on the UK and European markets

	Solar	BESS
Status	Operational	Development
Projects	4	2
Capacity	170MW	122MWp
Revenue model	Subsidies, long-term PPAs, merchant sales	Merchant sales

Future growth: Modest commitments to build a proprietary development pipeline

Balanced approach to lay the foundations for future growth



Core principles:

- Limited upfront capital with potential for significant upside return
- Payment milestones weighted to success fees when consents are granted
- Provides capital recycling opportunities and optionality as projects progress

Targeting a 2GW to 3GW across pipeline to provide a steady flow of RtB assets

Market outlook: Spain

Core market for Foresight Solar with a growing proprietary pipeline

- Spain has the highest proportion of solar generation of any large European market
- 2035 target to phase out nuclear and dramatically cut fossil fuel baseload from energy mix
- Solar and wind forecast to generate the majority of electricity. Renewables in total ~80%
- Energy storage is vital to the Spanish plan due to low interconnectivity, reducing baseload
 - Has the potential to alleviate high forecast levels of cannibalisation in medium term c.40-50%
- Highly liquid PPA market supports debt financing

Target investments

- **Solar:** Development stage and co-location
- **BESS:** Development-stage JV



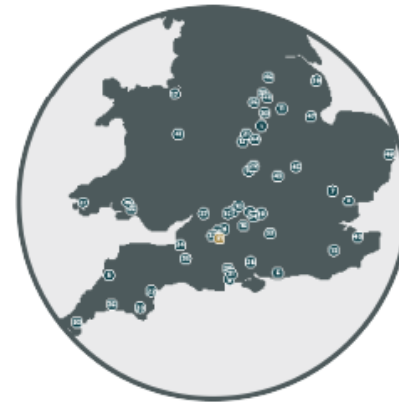
Market outlook: UK

The Company intends to continue supporting the build-out of UK solar

- Strong apparent support for solar from new government:
 - Aim to triple installed capacity by 2030
 - AR6 CfD pool increased by >50%
 - Statement of intent with early NSIP approvals
- Solar CfD strike price of ~£70/MWh (2024 prices) underpins the investment case
- Formation of National Energy System Operator (NESO) presents opportunity to focus on grid applications
- If greater clarity around future shape of market, with stability, UK could see a further solar boom

Target investments

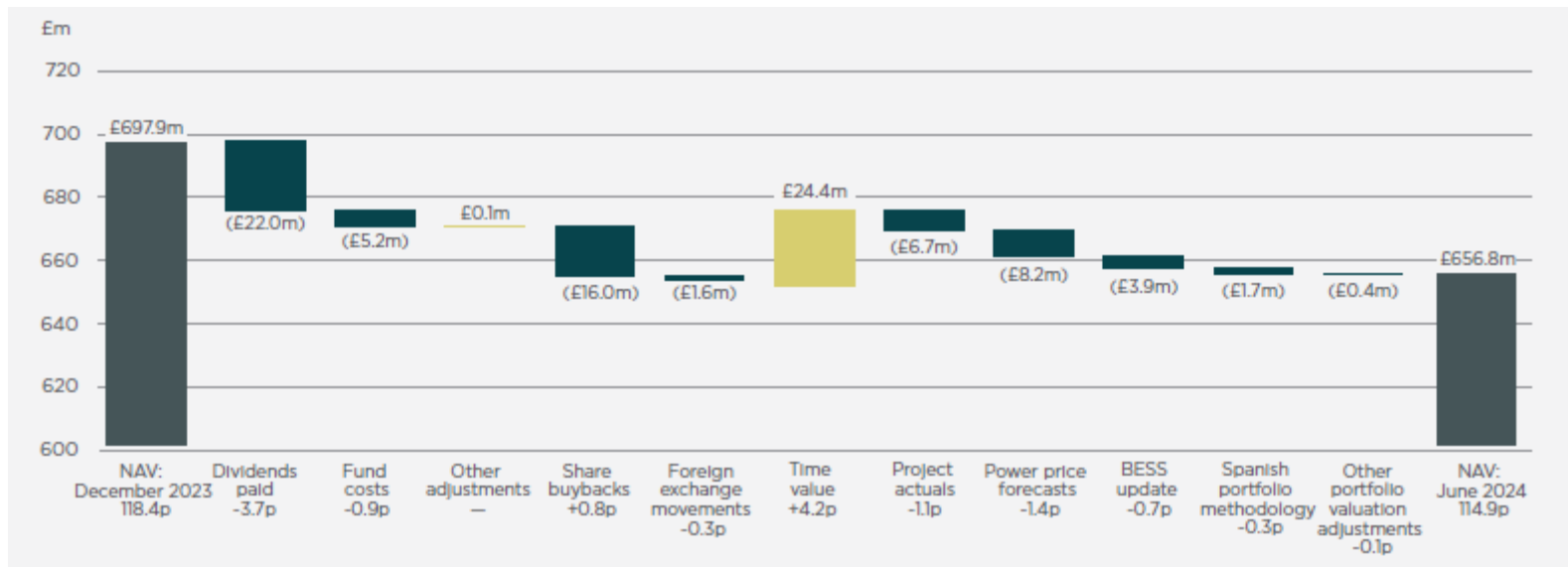
- Development-stage solar and co-location



Net Asset Value (NAV)



Movements in Net Asset Value



- ▼ Poor weather and network outages answered for the project actuals downside
- ▼ Power price forecasts reversed a five-quarter downward trend in Q2 2024, albeit not enough to positively impact NAV
- ▲ Share buybacks have delivered 1.9pps of NAV accretion since they started in May 2023

Foresight Solar's valuation methodology assumptions remained mostly unchanged

Inflation	2023	2024	2025-2030	2031+
UK	–	3.50%	3.00%	2.25%

Discount rates	2023	2024
UK	8.00%	8.00%
Spain	7.51%	6.51%
Australia	8.37%	8.28%
Weighted average	8.03%	7.89%

UK portfolio valuation

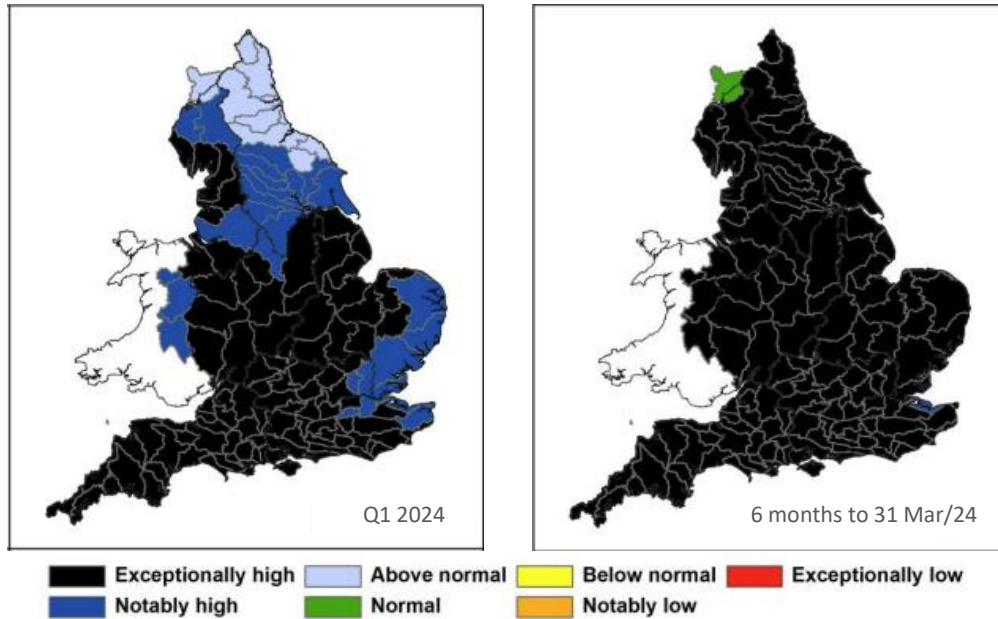
	30 June 2024	31 December 2023	30 June 2023
Portfolio value	£584.2m	£584.1m	£620.2m
Cash held	£25.4m	£25.4m	£14.8m
Portfolio equity valuation	£558.8m	£558.8m	£605.4m
Debt	£283.1m	£290.7m	£301.7m
Enterprise valuation	£841.9m	£849.5m	£907.1m
Capacity (MW)	723MW	723MW	723MW
£m/MW	1.16	1.17	1.25

Operational and financial performance



Record rainfall in England affected electricity production in H1 2024

Poor weather had a negative impact across markets, as did network outages



Source: [UK Met Office](#)

- Global production 7.1% below budget:
 - **UK:** Despite good plant availability, the wettest Q1 on record led to production 4.3% under forecast
 - **Spain:** Assets were impacted by rain bringing dust and sand from the Sahara, with generation 7.9% lower than expected
 - **Australia:** High economic curtailment and network outages impacted production, which was 14.0% below forecast

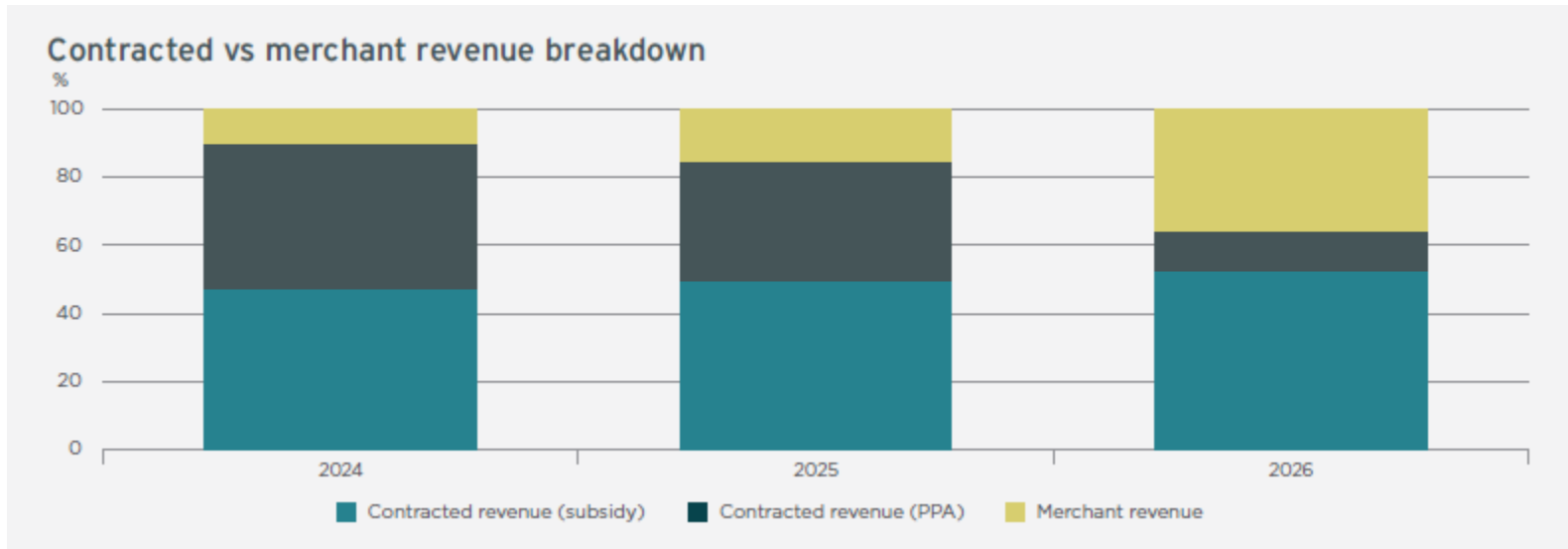
UK irradiation and portfolio production against budget

	HY2014	HY2015	HY2016	HY2017	HY2018	HY2019	HY2020	HY2021	HY2022	HY2023	HY2024
Irradiation	-2.2%	+7.7%	-2.0%	-1.4%	+3.2%	+3.1%	+17.1%	+2.6%	+8.9%	+6.2%	-2.7%
Production	+2.4%	+7.4%	-9.8%	-1.9%	+0.9%	+2.9%	+15.9%	+3.4%	+8.0%	+4.3%	-4.3%

Power price hedging

Strategy for revenue visibility supports 1.4x dividend cover target for 2024, 1.3x for 2025

- UK average realised price was £89.57/MWh for the period vs HY N2EX average of £65/MWh
- Active power price hedging, especially in the UK and Spain, helped minimise the impacts of poor weather in H1 2024
- The Investment Manager is pursuing options to extend hedging further into the future and secure more advantageous prices

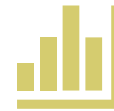
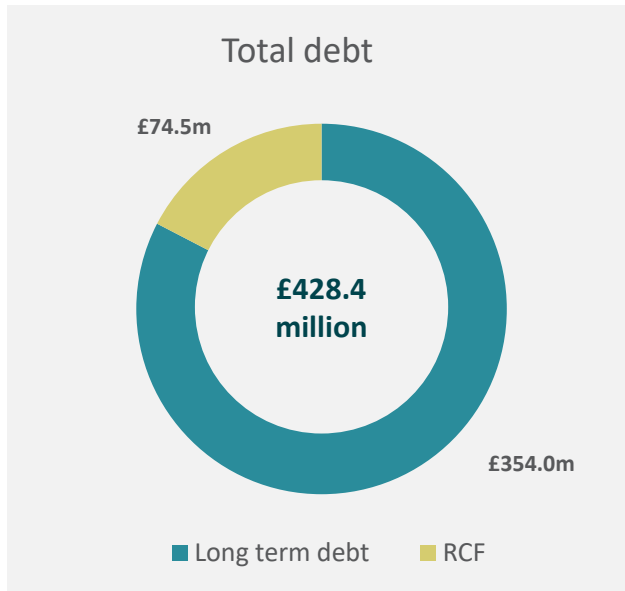


As at 30 June 2024	2024	2025	2026
Average fixed price for UK portfolio (£/MWh)	£96.48	£86.29	£92.98
Proportion of contracted revenue for the global portfolio	89%	83%	63%

Gearing

RCF repayment remains priority

- **Total outstanding debt:** Reduced to £428.4m from £442.6m at 31 December 2023
- **RCF:** Lowered interest costs by drawing in EUR (Euribor) and repaying GBP (SONIA), with potential savings of £360k to year-end
- **Long-term debt:** Reduced to £354.0m from £367.6m; fully amortising, fully hedged against interest rate movements



Total gearing
39.5%

of GAV

(FY 2023: 38.8%)



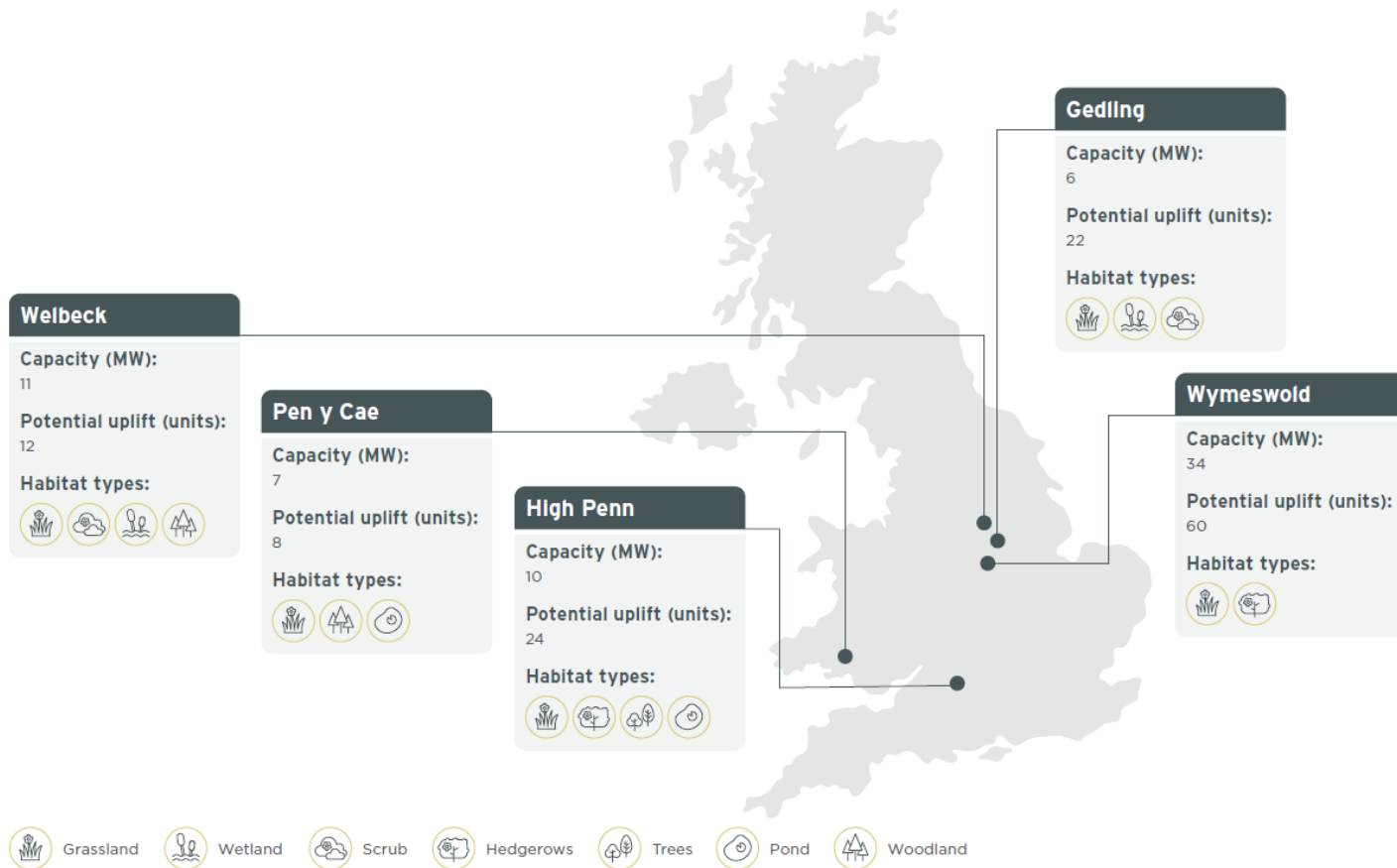
Long-term gearing
32.6%

of GAV

(FY 2023: 32.2%)

Biodiversity net gain: Gauging upside risk from new legislation in England

Ongoing analysis to generate tradeable units; first phase indicated potential at 5 sites



Outlook



Summary

- **Performance:**
 - Portfolio showed resilience despite the worst Q1 in UK recorded history
 - Good availability in Q2 2024 and an active power price hedging strategy contributed to revenue for the period being only 6.6% below budget
- **Capital allocation:**
 - Returning capital: Distributed £38.6m to shareholders between buybacks and dividend payments
 - Reducing debt: Lowered interest costs by optimising drawdowns on multi-currency RCF
 - Preparing for future growth: Continued building the proprietary development pipeline with modest upfront capital deployment to ensure access to future financial upside
- **Industry tailwinds:**
 - Interest rate cuts in the UK and Europe in the summer and more expected before the end of the year
 - Stabilising power prices after the shock from Russia's invasion of Ukraine
 - Support for renewables from a government with strong parliamentary majority brings policy certainty





Q&A

Contact details

Investment Manager

Foresight Group

+44 (0)20 3911 2318

fsflir@foresightgroup.eu

Matheus Fierro

Follow Foresight Solar on [LinkedIn](#) 

PR

Sodali & Co

+44 (0)20 7100 6451

Justin Griffiths

Gilly Lock

Joint Corporate Brokers

Jefferies International Limited

+44 (0)20 7029 8140

Singer Capital Markets

+44 (0)20 7496 3000



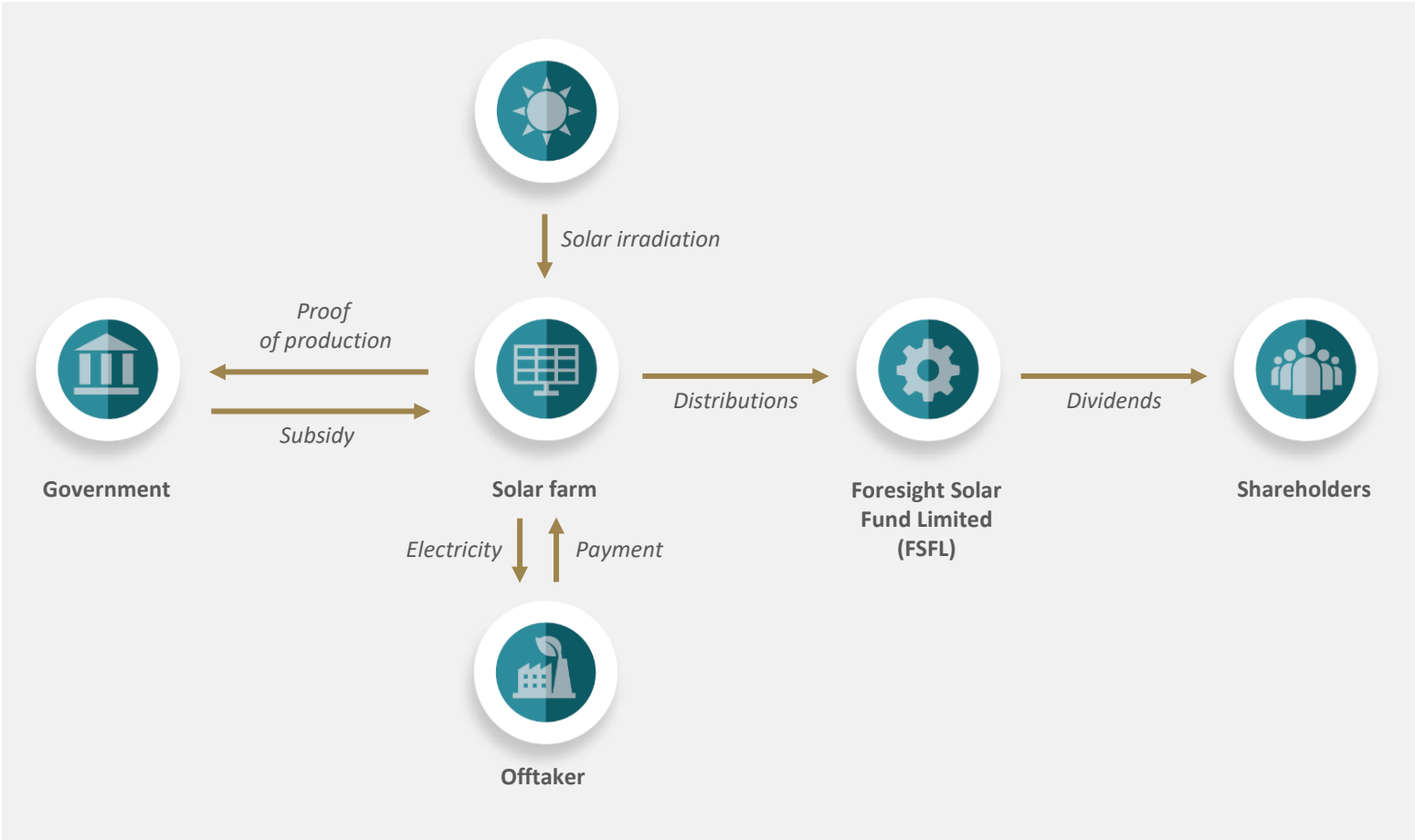


Appendix

Secure income: More than a decade of sustainable, progressive dividend growth

Foresight Solar has paid out £317 million to Shareholders since its IPO in 2013

Business model



Foresight Solar: 10 years building, managing and operating solar assets

58 solar farms in the UK, Spain and Australia, and a growing proprietary development pipeline

UK



Solar **723MW**

BESS **75MWp**

Total generating capacity
across 53 assets

Spain



76MW

Total generating capacity
across 4 assets

Pipeline **867MWp**

Australia



Solar **170MW**

BESS **122MWp**

Total generating capacity
across 4 assets

Sustainability performance

- **Minimal carbon footprint:** Foresight Solar's Scope 1 and Scope 2 emissions, totalling 83.3 tCO₂e, fell 71% in comparison to the same period of last year.
- **Sustainability metrics per outstanding share:**
 - 0.93kWh of renewable electricity produced/share
 - 324.2gCO₂e avoided/share
- **Biodiversity net gain:** Portfolio analysis of the potential for credit creation, collaborated with the Eden Project to develop and launch the Nature Recovery Blueprint, which provides guidance to land managers on measures to enhance nature and biodiversity
- **SDR:** Shareholders approved the Company's new investment objective, opening the way for equivalence to the FCA's Sustainability Focus label, in accordance with the new Sustainability Disclosure Requirements

ESG is core to FSFL's investment strategy



531.1GWh¹

of clean electricity generated



185,289

tCO₂e avoided compared to country-specific grid



196,332

UK homes powered

1. Generation figures have been adjusted, where relevant, for events in which compensation has been, or will be, received.

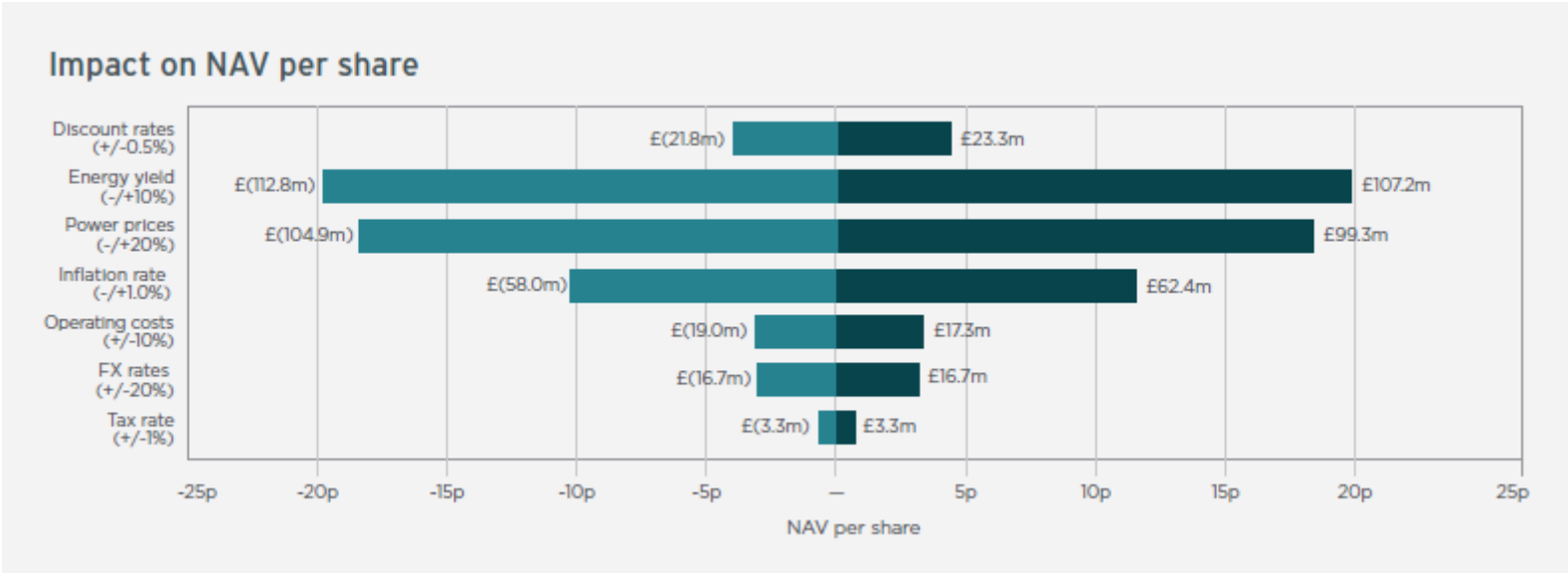
Consolidated profit and loss of underlying investments

Combined profit and loss of the underlying investments for the period to 30 June 2024

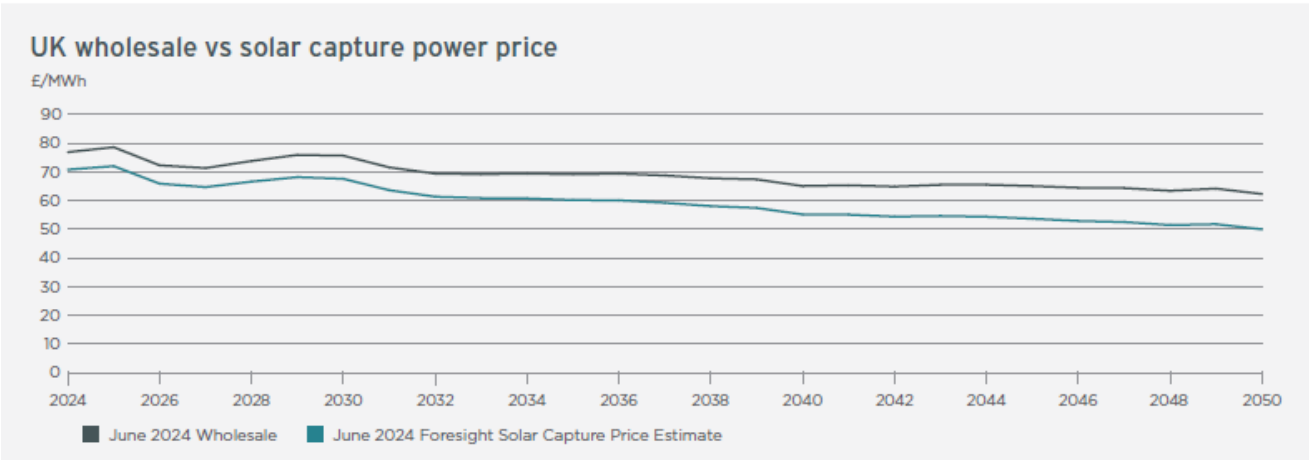
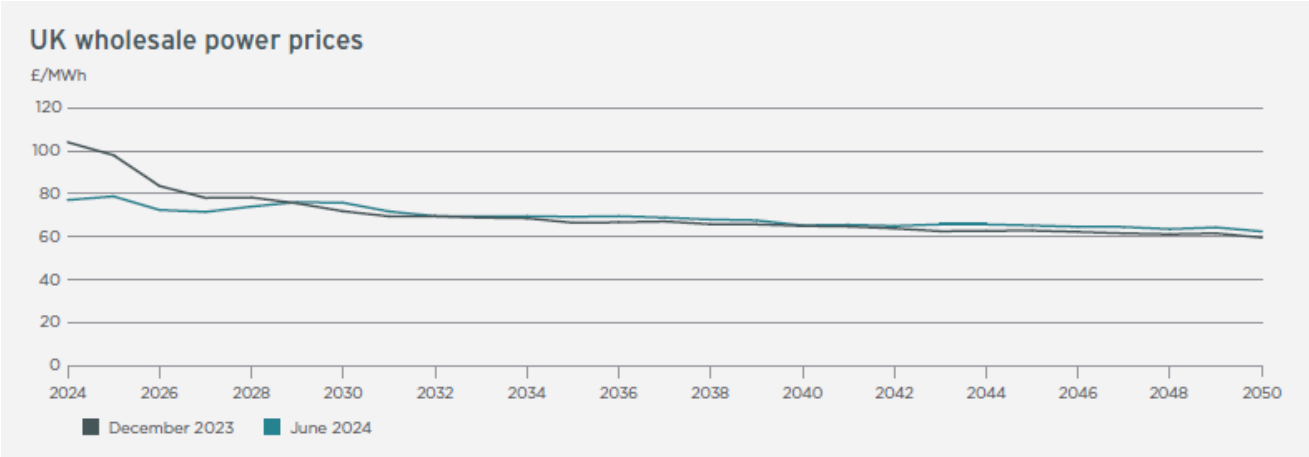
For the period ended 30 June 2024	UK £m	Australia A\$m ¹	Spain €m ²	Combined £m
Revenue				
Wholesale revenue	31.9	6.6	2.0	37.1
Subsidised revenue ³	35.1	1.0	—	35.6
Other income	1.7	0.2	—	1.8
Total revenue	68.7	7.8	2.0	74.5
Operating expenditure				
O&M quarterly	(2.9)	(0.6)	(0.1)	(3.3)
O&M variable	(0.6)	(0.2)	—	(0.7)
Other operating costs	(7.6)	(3.3)	(0.6)	(9.9)
Total expenditure	(11.1)	(4.1)	(0.7)	(13.9)
Total operating profit (EBITDA)	57.6	3.7	1.3	60.6

1. The profit and loss accounts of the Australian assets are combined based on the Company's ownership, using an average AUD/GBP exchange rate of 0.5235.
2. The profit and loss accounts of the Spanish assets are combined using an average EUR/GBP exchange rate of 0.8581.
3. Subsidised revenue consists of ROCs, ROC recycle, Feed-in Tariff, embedded benefits and LGCs.

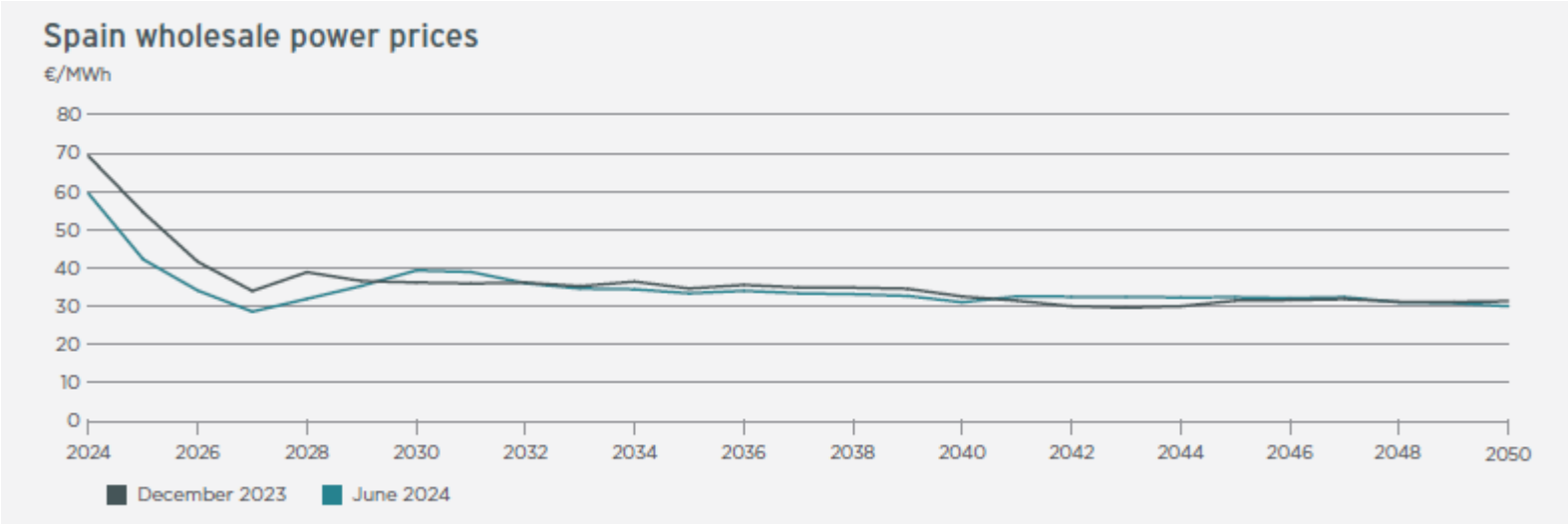
Portfolio valuation sensitivities



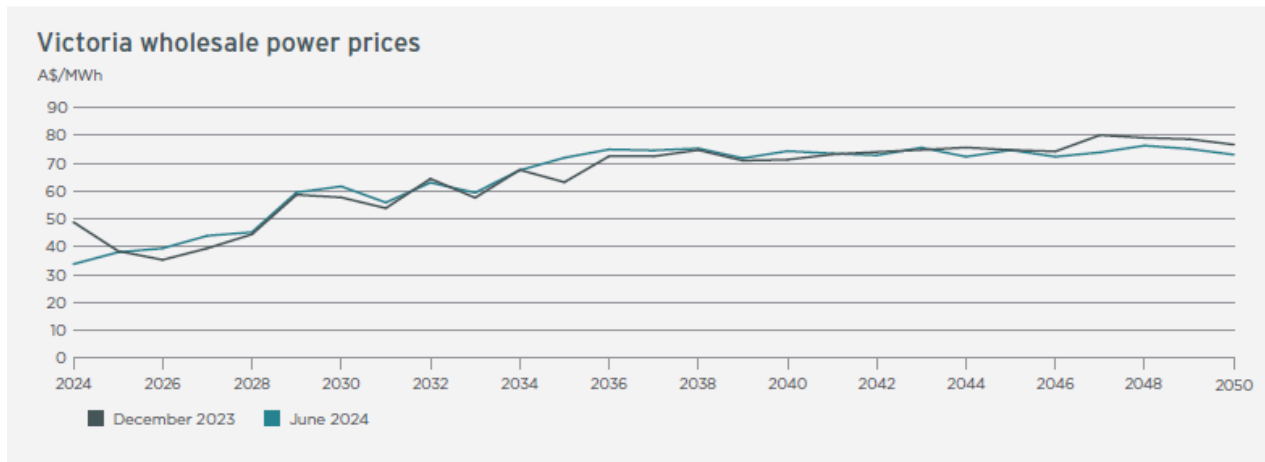
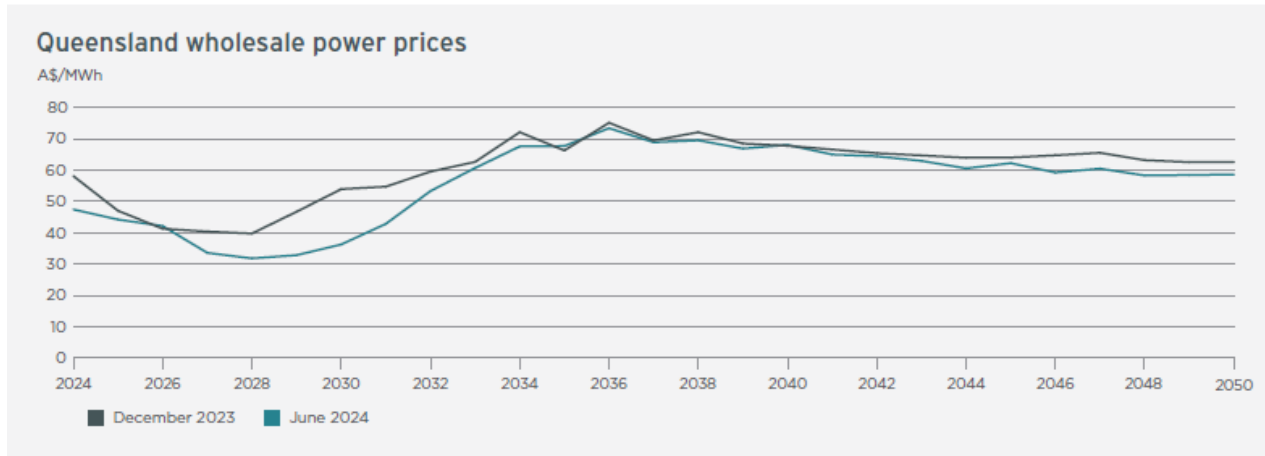
UK power curves



Spain power curve



Australia power curves



Foresight Group: International alternatives manager with £12.1bn AUM¹

Deep infrastructure expertise with strong focus on sustainability-led strategies

Infrastructure

£9.8bn
of AUM



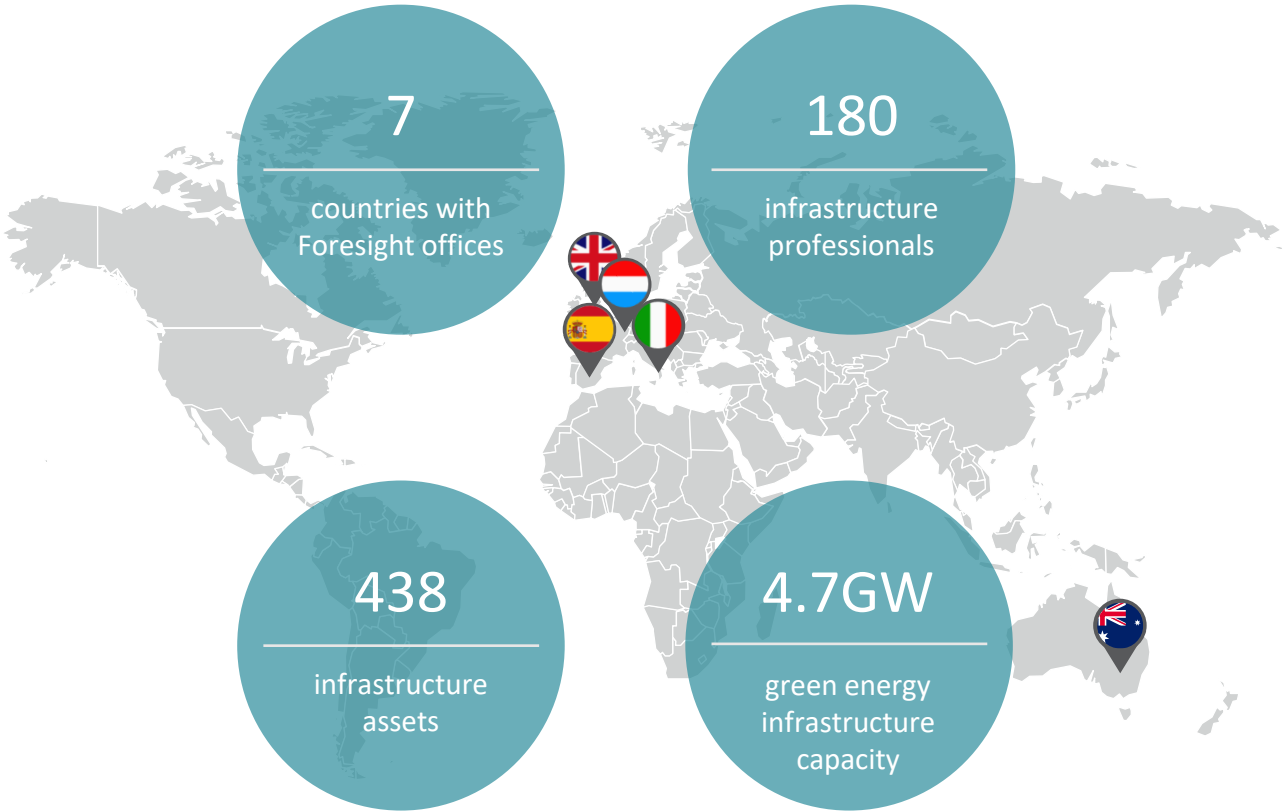
Investment vehicles

17



Group FY 23 deployment

£359m



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