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Trading update for the three months to 31 December 2022

Profitable portfolio realisations and continued momentum in capital deployment

Foresight Group Holdings Limited ("Foresight", the "Group"), a leading infrastructure and private equity investment manager, is pleased to announce a trading update for the three months to 31 December 2022 ("Q3 FY23", "the quarter", "the period").

Financial Highlights¹

- Further material upgrade of between 8 - 10% to core EBITDA pre-Share Based Payments ("SBP") versus latest consensus² due to profitable portfolio realisations³
- Assets under Management ("AUM") and Funds under Management ("FUM") of £12.3 billion and £9.0 billion respectively as at 31 December 2022 (H1 FY23: £12.5 billion AUM and £9.2 billion FUM), both down marginally by (2)% in the quarter but up 39% and 35% year-to-date, remain ahead of target growth rate
 - AUM materially unchanged under challenging macro-economic conditions
 - Reflects a £(0.2) billion foreign exchange movement on the Australian portfolio assets
- Recurring revenue for the period remained within our target range of 85-90% reflecting Foresight's high quality revenue composition
- Interim dividend of 4.6 pence per share will be paid on 27 January 2023

Operational Highlights

Infrastructure

Infrastructure AUM totalled £9.5 billion at the period end (H1 FY23: £9.7 billion). Year-to-date, Infrastructure AUM has increased by an exceptional 51% (FY22: £6.3 billion) driven by the acquisition of Infrastructure Capital Group which completed in September 2022.

Capital deployment remained strong with 11 transactions completed in the period across our core and adjacent asset classes:

- Resulting in a total of 35 transactions completed at a value of £600 million in the nine months to 31 December 2022. When coupled with future deployment rights of £508 million, this gives a total potential investment of £1,108 million in the year-to-date

Successful realisations, relating to the sale of Foresight Solar & Technology VCT's portfolio of solar assets and Foresight's EIEIS portfolio of Spanish and Portuguese solar assets generated performance fees in the period. These transactions provide further evidence of the strength of Foresight's investment strategies, its asset management capabilities and the value it can add to investment assets throughout their lifecycle.

Foresight's commitment to sustainability and innovation was demonstrated on 5 December 2022 when Foresight Sustainable Forestry Company Plc ("FSF") became the first ever company to receive the London Stock Exchange's Voluntary Carbon Market ("VCM") designation:

- The launch of the VCM is a major milestone in the UK's fight against climate change, connecting investors with net zero ambitions to entities such as FSF that generate voluntary carbon credits through climate mitigation projects

Private Equity

Organic fundraising drove the Private Equity division's growth during the period, with AUM increasing by 4% to £1.4 billion (H1 FY23: £1.3 billion):

- Foresight Regional Investment Fund V, our second fund focused on SMEs in Scotland, achieved first close, including a £62 million raise from institutionally led investors
- Foresight, a manager of the Midlands Engine Investment Fund since 2018, received a further £12 million commitment in the period for this Midlands focused fund, evidencing the strength of this important strategic relationship

Sustained fundraising such as the above, combined with consistent deployment, enables this division to maintain its position as one of the most active regional SME investors.

Foresight Capital Management ("FCM")

FCM AUM was £1.4 billion as at 31 December 2022, with challenging market conditions in the quarter resulting in a (6)% reduction (H1 FY23: £1.5 billion). This movement reflects net outflows of £(70) million and market performance of £(17) million, against a backdrop of significant outflows experienced by the wider UK open-end fund sector.

We believe that FCM's sustainability-focused strategies, which leverage Foresight's deep knowledge of private markets, remain attractive to clients and that these funds are very well positioned to return to growth when market conditions improve.

The division is actively pursuing sub-advisory opportunities in the US, the largest asset management market globally, and we expect to be able to provide further details in the near future. In the long term, we believe that the growth opportunities in the US should exceed FCM's current UK business.

Bernard Fairman, Executive Chairman of Foresight Group Holdings Limited, commented:

"Both financially and operationally, Foresight continues to deliver. In the three months to 31 December 2022, we completed two profitable portfolio realisations, raised a new private equity fund and made continued progress to expand our geographic footprint in challenging macro-economic conditions.

Foresight's well-established, resilient and diversified business model is creating exciting growth opportunities across the business and positions us to strongly meet market challenges. We are confident that we will continue to thrive and deliver against our strategic growth targets as we move through 2023 and beyond."

Notes:

1. Please note that all figures contained in this announcement are unaudited and subject to change.
2. Based on consensus core EBITDA pre-SBP of £44.8 million, last updated on 6 December 2022.
3. The Foresight Solar & Technology VCT portfolio sale is anticipated to complete over the next two months subject to the satisfaction of certain change of control conditions.

Q4 FY23 Announcement

The next scheduled market update for Foresight Group will be a Q4 FY23 trading update in April 2023.

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About Foresight Group Holdings Limited

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 £1.4 billion.

Foresight operates across seven countries in Europe and Australia with AUM of £12.3 billion. Foresight Group Holdings Limited listed on the Main Market of the London Stock Exchange in February 2021.

<https://www.foresightgroup.eu/shareholders>

Disclaimer – Forward-looking statements

This announcement, prepared by Foresight Group Holdings Limited (the “Company”), may contain forward-looking statements about the Company and its subsidiaries (the “Group”). Such forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “projects”, “estimates”, “plans”, “anticipates”, “targets”, “aims”, “continues”, “expects”, “intends”, “hopes”, “may”, “will”, “would”, “could” or “should” or, in each case, their negative or other various or comparable terminology. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which are beyond the Company’s control and are based on the Company’s beliefs and expectations about future events as of the date the statements are made. If the assumptions on which the Company bases its forward-looking statements change, actual results may differ from those expressed in such statements. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including those set out under “Principal Risks” in the Company’s annual report for the financial year ended 31 March 2022. The annual report can be found on the Company’s website (<https://www.foresightgroup.eu/>). Forward-looking statements speak only as of the date they are made. Except as required by applicable law and regulation, the Company undertakes no obligation to update these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.