

Proactive One2One Investor Forum

April 2025



Presenter and agenda

FGEN is managed by Foresight Group LLP as its Alternative Investment Fund Manager (“AIFM”) with discretionary investment management authority for the Company

01

Introduction and track record

02

Portfolio overview

03

Case study 1: Cramlington Biomass

04

Case study 2: Food waste anaerobic digestion

05

Capital growth opportunities

06

Capital allocation and outlook

07

Q & A



Edward Mountney

Director, Foresight Group

Ed has been involved with FGEN since 2016, joining the management team in 2022.

Prior to that, Ed was Head of Valuations for Foresight Group covering over 350 assets and £9.5bn AUM. He has over 15 years' experience in infrastructure and renewables.

Ed is a qualified Chartered Accountant.



Introduction & Track record

The Manager - Foresight Group LLP

Founded in 1984, Foresight is a leading investment manager in real assets and capital for growth

Foresight Group Holdings Limited, ultimate parent company of Foresight Group LLP, listed on the LSE and a constituent of the FTSE 250 index.

Infrastructure

One of Europe's and Australia's most established real asset investors

£10.1bn
AUM

430+
assets

Private Equity

One of the most active UK&I regional SME investors

£1.6bn
AUM

250+
portfolio
companies

Foresight Capital Management

Private market expertise applied to listed markets

£0.7bn
AUM

4
investment
strategies

12.4bn
AUM

900+
infrastructure
investment
opportunities
reviewed

7
countries
across Europe
& Australia

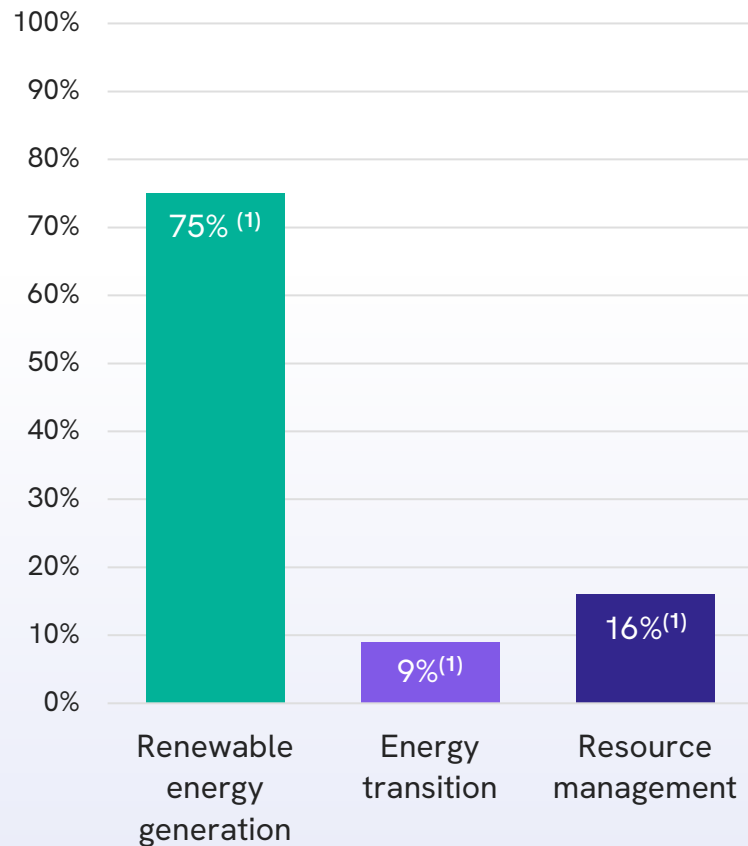
180+
dedicated
infrastructure
professionals

4.7 GW
total green energy
technology
capacity¹

★★★★★
PRI scores²

FGEN investment strategy

Creating value from essential environmental infrastructure



Renewable energy generation

- Bedrock of FGEN's portfolio in established income-generating assets
- Focused on diversification and harnessing negative correlations intended to deliver superior risk-adjusted returns

Energy transition

- Assets that support the transition towards Net Zero
- Driven by increased demand for electrification and supercharged by government backed legislation

Resource management

- Sustainable management of scarce resources and waste reduction to cut greenhouse gas emissions
- Key growth opportunity set beyond energy markets

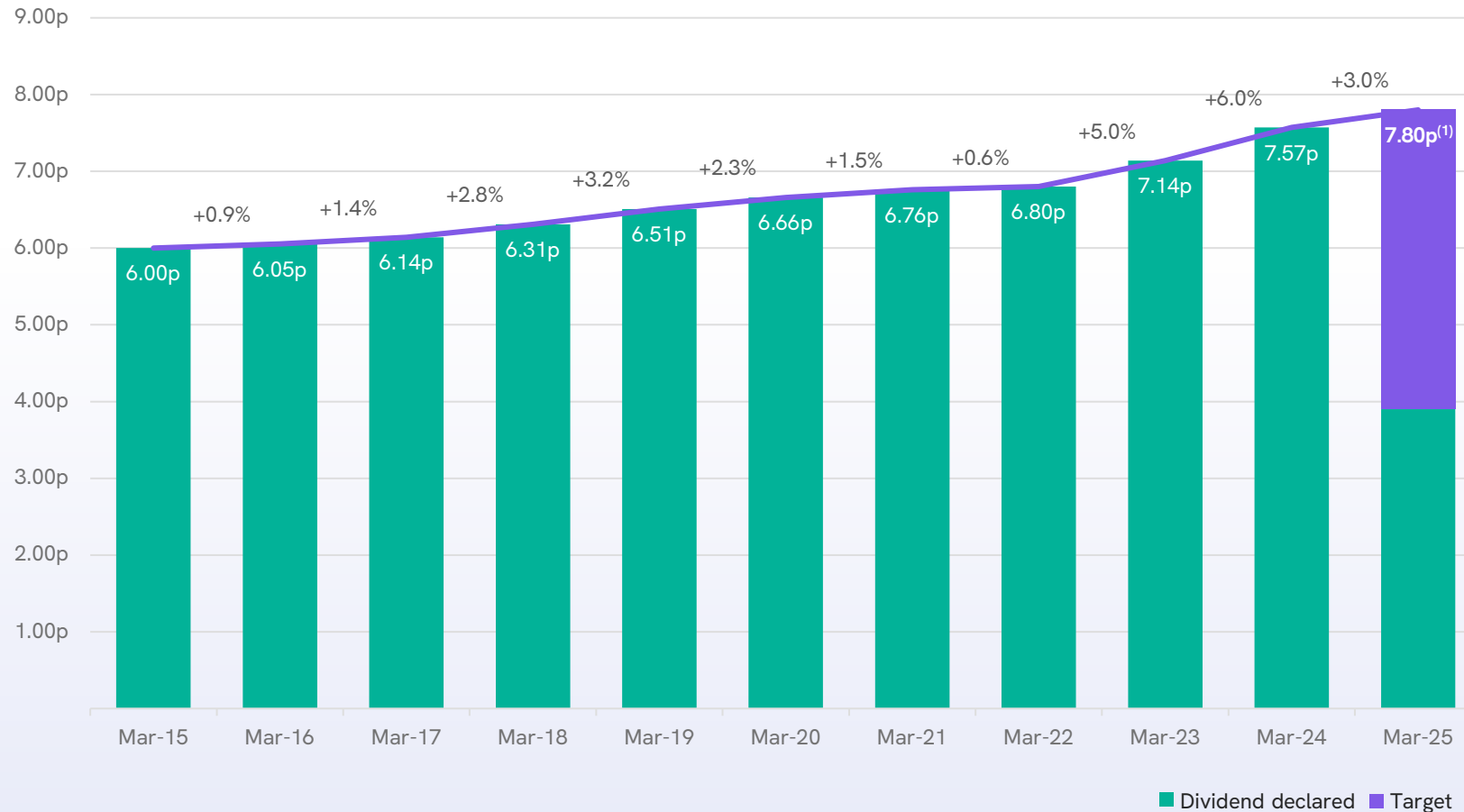
"Investing in critical systems and infrastructure that support more environmentally friendly approaches to economic activity whilst generating a sustainable financial return"

41
No. of assets
in portfolio

>10
Technology
sectors

Track record of annual dividends increases since IPO

A decade of dividend growth underpinned by strength of cashflows



- FGEN has a track record of delivering **sustainable and progressive year-on-year dividend growth** since IPO
- Dividend covered every year since IPO
- 7.80p target for FY25 = yield of 11.7% at current share price^{1,2,3}
- **+15% increase** over the past 3 years alone

Performance snapshot

“Consecutive periods of record cash generation demonstrates the strength of the underlying portfolio”

£695.4m

Net Asset Value¹

107.4p

NAV per share¹

7.6%

Annualised NAV Total Return since IPO

£46.6m

Record cash receipts from investments to 30 Sep 2024 (6 months)

7.80p

FY25 dividend target²

>1.20x

FY25 forecast dividend cover²

11.7%

Dividend yield³

28.7%

Gearing % of GAV

£30m

Buyback programme in operation

1. As at last reported figures to 31 December 2024
2. This is a target only, there can be no guarantee this target will be met.
3. Past performance is not indicative of future performance and returns are not guaranteed
4. Based on closing share price on 6 April 2025 of 66.9p



Portfolio overview

Recap: why diversify?

“We recognise that no single technology can deliver Net Zero on its own.”

Risk reduction

Less exposed to individual risk factors, unpredictable weather patterns & regulatory changes

Stable returns

Zero or negative correlation between asset classes provides stability

Growth opportunities

Targeted investment strategy focused on attractive investment characteristics, not limited by technology



Investment portfolio overview

Uniquely diversified mandate follows evolution of opportunity set beyond renewable energy

>40

No. of assets in portfolio

>10

Underlying technology sectors

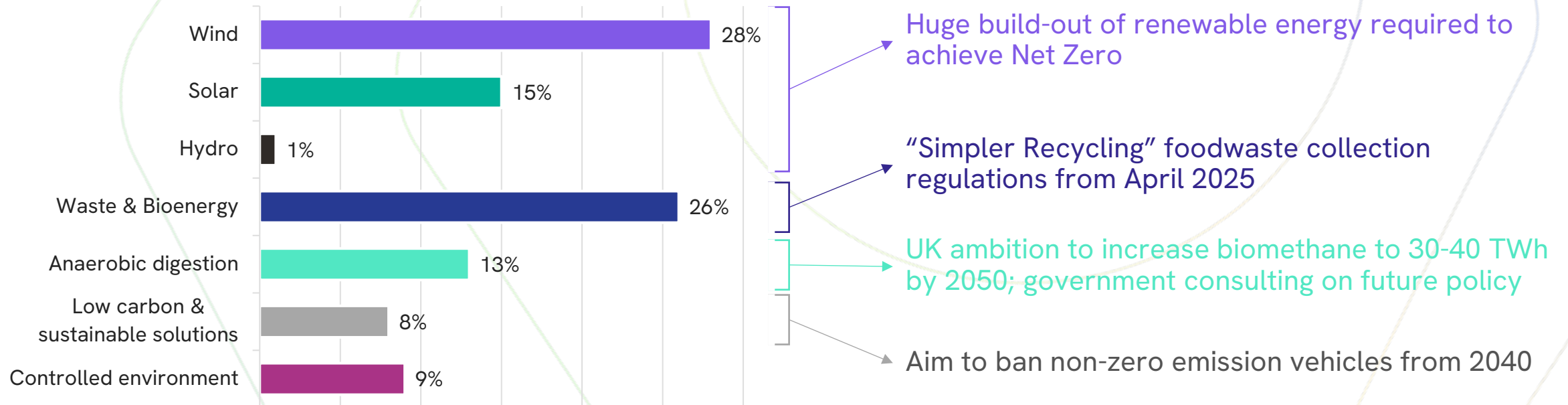
18%

Project level gearing¹

9.5%

Weighted average discount rate¹

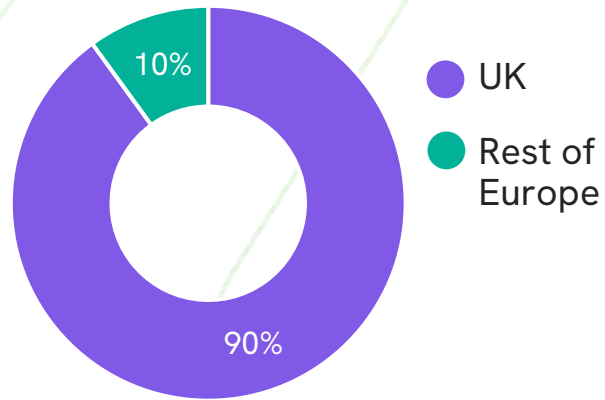
Sectors: split by portfolio value¹



Portfolio analysis

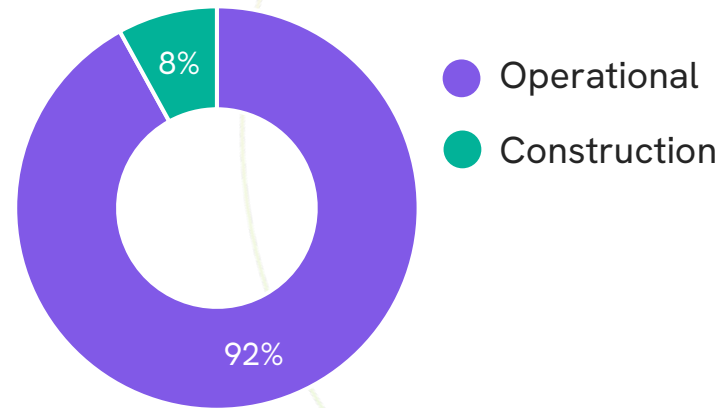
Diversification leads to low exposure to individual risk factors¹

Geographies



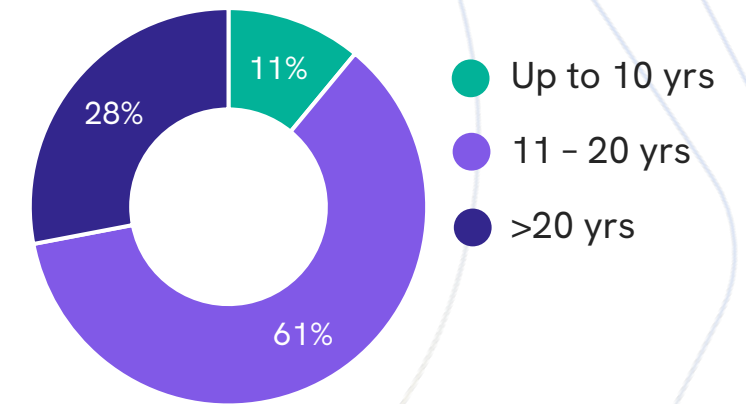
- Predominantly UK based portfolio, reflecting availability of historic government-backed subsidies
- Growing allocation to European investments as construction of newer overseas assets progresses

Operational status



- Mandate allows for up to 25% of the portfolio to be in construction
- Balance will vary from period to period, as assets go through construction and become operational

Remaining asset lives

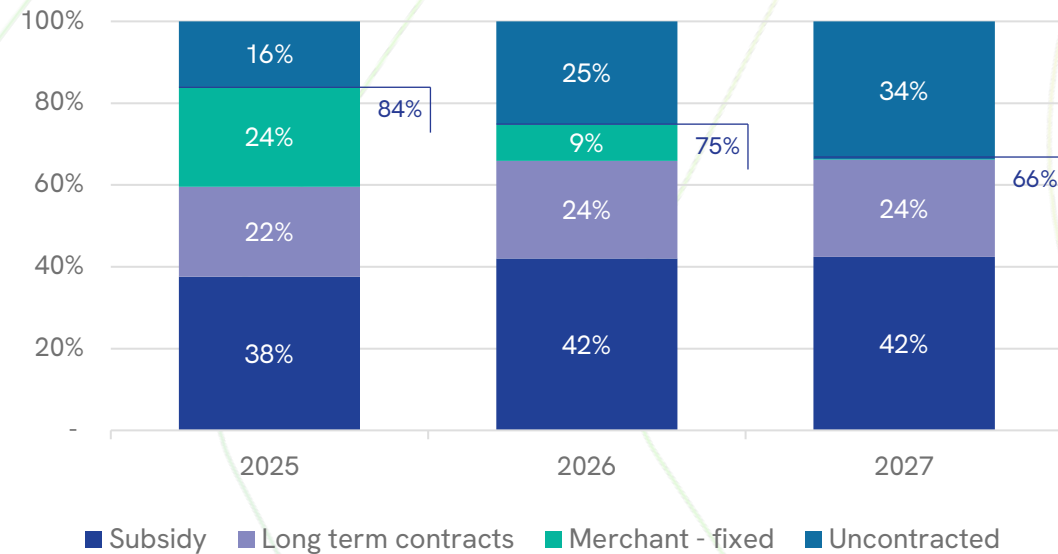


- Weighted average remaining asset life 16.5 years
- Potential for life extensions; particularly on AD

Portfolio revenue analysis

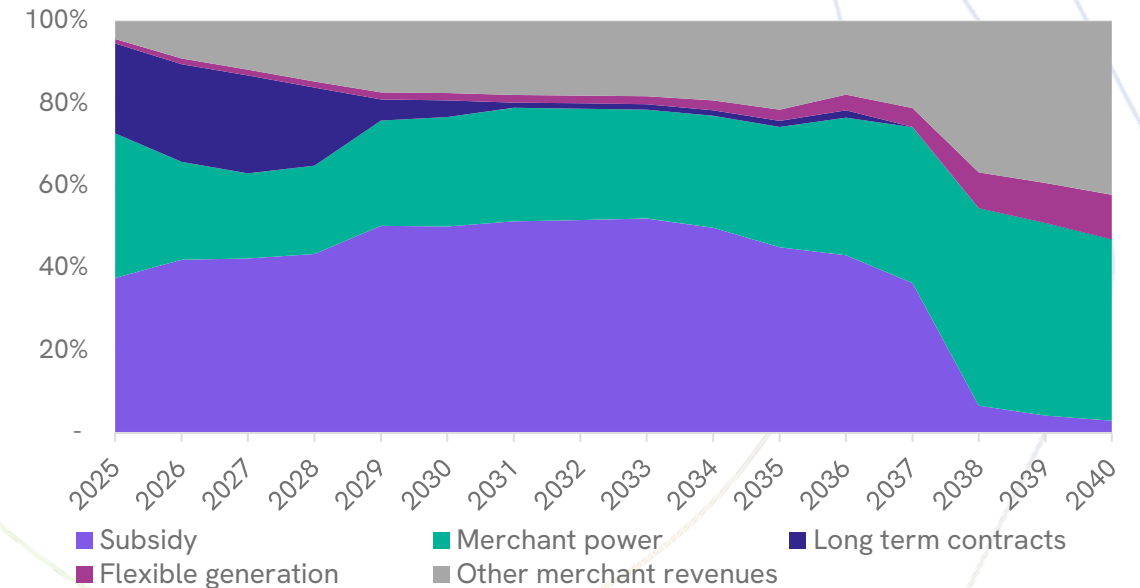
Diversified revenue streams with ongoing inflation protection

Low exposure to merchant power



- Near term merchant generation typically fixed for 6 months to 3 years, providing a high degree of contracted revenues each year
- Dividend cover forecast to remain strong – even under severe downside price scenarios

Revenue mix over time



- Chart shows changing revenue mix over time
- High levels of subsidised and contracted revenues mean 60% of portfolio revenues feature contractual inflation linkage²



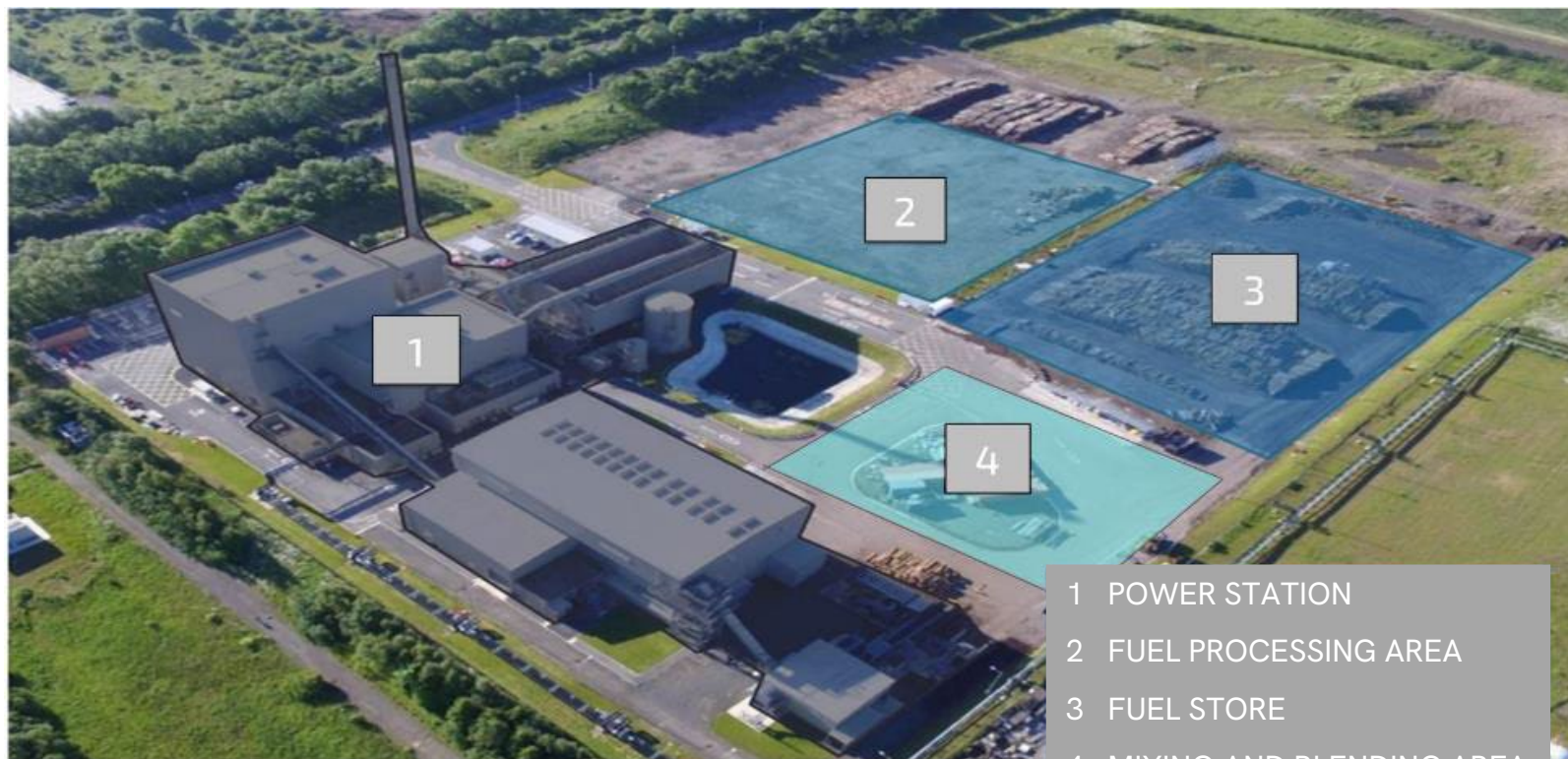
Case study: Cramlington Biomass

Case study – Cramlington Biomass CHP

Biomass plays a significant role in decarbonising major sectors of the economy including heat, transport and electricity

Investment highlights

Project description	Biomass Combined Heat & Power plant creating up to 26MW of electrical power & 6MW of heat
Commercial operations date	2018
FGEN acquisition date	June 2021
Ownership	100% FGEN
Total invested	£51.1 million
FGEN distributions received to date	£51.2 million
IRR	>20%



- 1 POWER STATION
- 2 FUEL PROCESSING AREA
- 3 FUEL STORE
- 4 MIXING AND BLENDING AREA

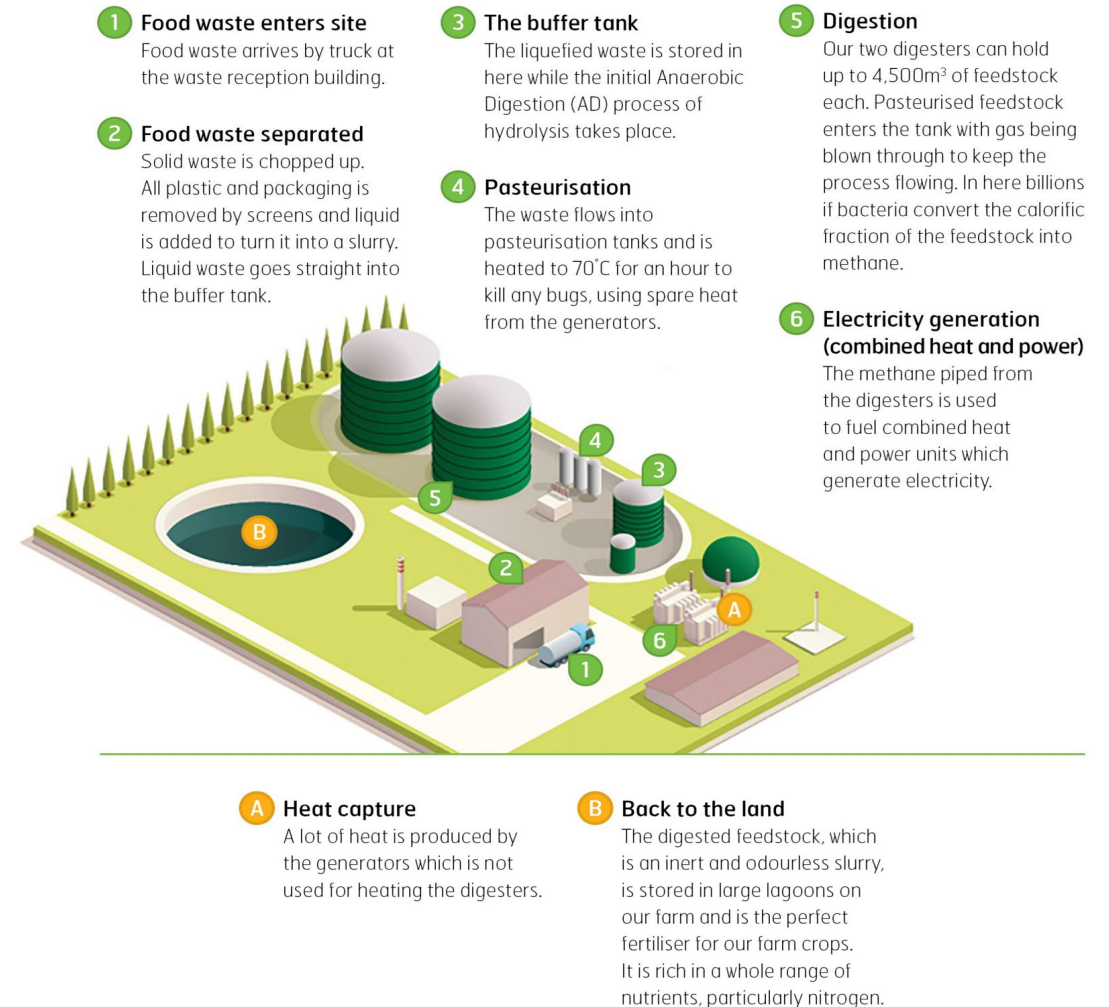


Case study Food waste Anaerobic Digestion

What is food waste anaerobic digestion?

And how does it work?

- A complex biological process involving the breakdown of organic matter in the absence of air in large vessels with controlled heating and mixing
- Food waste enters a sealed building where it is processed into a liquid porridge and then pumped into temperature controlled sealed vessels known as digesters
- It is here that bacteria feed on the food waste and produce biogas that is captured and used as a fuel in CHP engines. At other sites, it can be purified into biomethane and injected into the gas grid
- Digestate biofertiliser byproduct undergoes pasteurisation to ensure that any pathogens are destroyed and is stored in large lagoons ready to be applied twice a year on farmland
- The use of this high nutrient biofertiliser replaces the use of fossil-fuel derived fertilisers and ensures a complete loop of carbon and energy capture

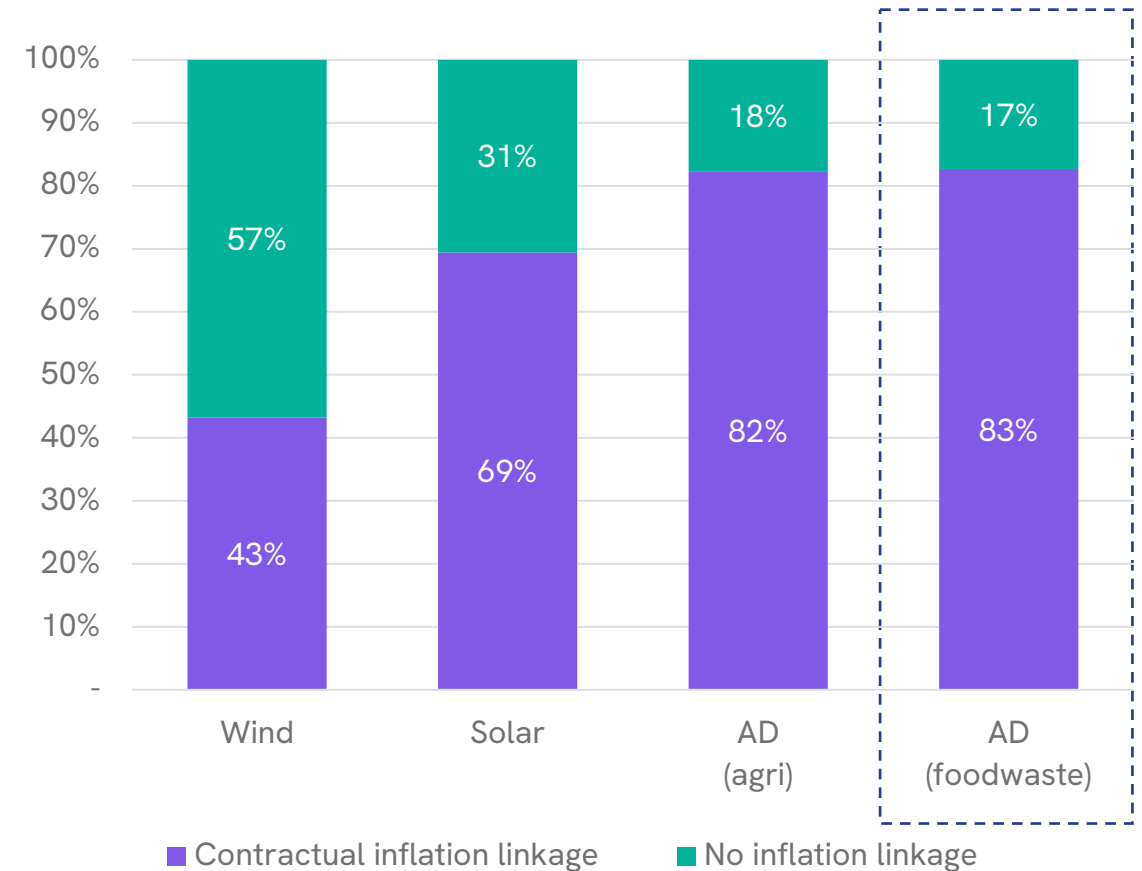


AD sector attractions

And how it compares to other sectors

- Baseload generation provides a complimentary profile when combined with wind and solar intermittency
- Subsidy support through FIT & RHI
- High proportion of RPI linked cashflows (see chart)
- Relatively low exposure to merchant gas/electricity price
- Typically higher returns than wind or solar
- Opportunity for value enhancements
- Limited competition at point of FGEN investment, with subsequent growth in interest around sourcing renewable biogas
- Strong ESG credentials & links with local communities

The relative degree of revenue contractual inflation¹:



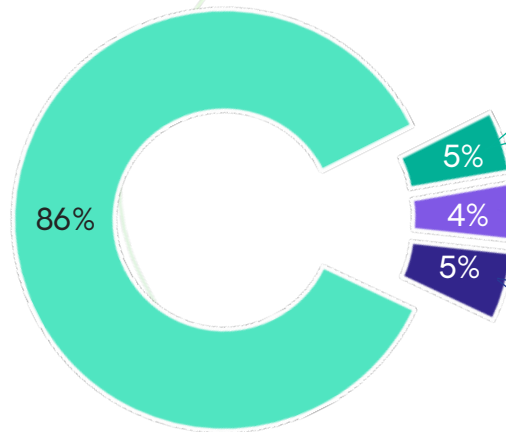


Capital growth opportunities

Asset spotlights

FGEN's earlier stage, non-energy assets with potential for capital growth

FGEN portfolio (31 Dec 2024):



The Glasshouse



- CE glasshouse using surplus heat and power from co-located AD plant
- Phase 1 (2.1 hectare facility) construction complete
- Currently in operational ramp up period
- Targeting full sales by 2026

CNG



- Nationwide network of low-carbon transport refuelling hubs
- 15 operational sites and 1 under construction
- Sales ramp up and build out of station network
- Targeting 5m kg of CNG dispensed per month

Rjukan



- Land based recirculating aquaculture facility in Norway
- Partial operations with eggs delivered throughout 2024
- Construction ongoing for later-life areas of facility
- First harvest targeted for H2 2025



Capital allocation & outlook

Capital allocation strategy

Disciplined navigation through challenging environment

Initiative	Objective	Status
Asset sales	<ul style="list-style-type: none"> Demonstrate asset valuations Recycle capital from lower return parts of the portfolio 	<ul style="list-style-type: none"> Successfully disposed of >10% of the portfolio; including a majority stake in FGEN's AD portfolio & 100% interests in rooftop solar Asset sales to date continue to support valuations
Share buybacks	<ul style="list-style-type: none"> Share buybacks to enhance NAV and return capital to shareholders 	<ul style="list-style-type: none"> £30m share buyback programme underway Will continue to be active in the new financial year
Debt management	<ul style="list-style-type: none"> Maintain stable RCF lending position Maintain sufficient headroom to cover near term commitments Retain conservative approach to gearing - one of lowest in the sector 	<ul style="list-style-type: none"> Surplus cash generated from the portfolio plus proceeds from asset disposals used to reduce gearing to below 30% Continue to minimise drawdowns by recycling free cash generated
Income growth	<ul style="list-style-type: none"> Maintain progressive dividend policy Pay quarterly dividends to shareholders 	<ul style="list-style-type: none"> +3% dividend increase to 7.80 pence per share for FY25 Yield of 11.7% based on current share price (at 6 April 2025) Dividend grown by 15% over past three years
Capital growth	<ul style="list-style-type: none"> Prioritise existing commitments, earmarked follow-on investments and value enhancements 	<ul style="list-style-type: none"> Immediate focus on NAV growth from existing portfolio via construction stage assets and other value enhancements Longer term, selective approach to deployment of capital

Summary & outlook

A unique proposition in the environmental investment landscape

- Long term business case for the environmental infrastructure remains as strong as ever
- Uniquely diversified mandate spanning renewables, energy transition and sustainable resource management
- Demonstratable track record of generating value from both operational and construction assets
- Strong operational performance – generating record cashflows
- One of the lowest gearing ratios in the sector
- Priority remains to progress construction and early-stage operational assets to realise capital growth
- Perfectly positioned to benefit from the massive opportunity set facing environmental investment



A photograph of several rows of solar panels installed in a grassy field. The panels are tilted and arranged in a grid pattern. In the background, there are green trees. Overlaid on the image are several thin, curved lines in light blue and yellow, creating a modern, abstract design.

Q&A

Appendices

Fund Governance and terms

The Fund	<ul style="list-style-type: none">• Domiciled in Guernsey• Independent Board of Directors• Premium listing on the LSE (Chapter 15)
Alternative Investment Fund Manager	<ul style="list-style-type: none">• Foresight Group LLP• Authorised and regulated by the Financial Conduct Authority ("FCA") under firm reference number 198020• Monitors and reviews projects
Base Fee	<ul style="list-style-type: none">• Up to and including £0.5 bn of Net Assets: 0.95%• Between £0.5 bn - £1bn: 0.8%• Over £1 bn - 0.75%
Performance Fee	<ul style="list-style-type: none">• No performance fee
Asset Origination Fee	<ul style="list-style-type: none">• No origination fee
Alternative Investment Fund Manager Term	<ul style="list-style-type: none">• Rolling one year notice
Discount Control	<ul style="list-style-type: none">• The Company can buy up to 14.99% p.a. of the ordinary shares in issue at prices below the estimated prevailing NAV per ordinary share where the Directors believe such purchases will result in an increase in the NAV per ordinary share
Discontinuation Vote	<ul style="list-style-type: none">• Would take place if in any financial year, the ordinary shares have traded, on average, at a discount in excess of 10% to the Net Asset Value per share

Investment policy

Sector	<ul style="list-style-type: none"> • The Company seeks to achieve its objectives by investing in a diversified portfolio of environmental infrastructure • FGEN defines environmental infrastructure as infrastructure assets, projects and asset-backed businesses that utilise natural or waste resources or support more environmentally friendly approaches to economic activity, support the transition to a low carbon economy or which mitigate the effects of climate change • Environmental infrastructure that the Company invests in typically has one or more of the following characteristics: <ul style="list-style-type: none"> • long-term, predictable cash flows, which may be wholly or partially inflation-linked cash flows; • long-term contracts or stable and well-proven regulatory and legal frameworks; or • well-established technologies, and demonstrable operational performance
Geography	<ul style="list-style-type: none"> • At least 50% of the portfolio by value will be based in the UK • Will only invest in environmental infrastructure located in the UK, member states of the European Union or OECD countries
Operational Status	<ul style="list-style-type: none"> • The substantial majority of investments in the portfolio by value and number will be operational. The Company will not acquire investment interests in any investment if, as a result of such investment: <ul style="list-style-type: none"> (i) 5% or more of the NAV is attributable to environmental infrastructure in the development phase (including in developers or development funding structures); or (ii) 25% or more of the NAV is attributable to projects that are either in the development phase (including in developers or development funding structures) or are in construction and are not yet fully operational
Single Asset Limit	<ul style="list-style-type: none"> • No more than 30% of NAV invested in a single asset post-acquisition
Gearing	<ul style="list-style-type: none"> • Asset level: no more than 65% of Gross Project Value for Renewable Energy projects and no more than 85% of Gross Project Value for PFI/PPP projects • Fund level: no more than 30% of NAV immediately post-acquisition; any acquisition debt intended to be repaid periodically by equity raising

Debt

FGEN continues to apply a conservative approach to gearing

18.0%

Project level gearing¹

Project level debt

- Gearing levels low compared to both the broader peer group, as well as what the assets themselves could sustain
- Long-term **debt fully amortising** within subsidy lives
- **No refinancing risk** on long-term project finance debt
- **Interest rate risk fully hedged** on long-term project finance debt
- **Weighted average cost of project debt: 4.2%**

28.7%

Overall fund gearing (i.e. incl. RCF)¹

Fund level debt

- Prudent approach to balance sheet management gives FGEN one of the lowest gearing levels in the sector
- £113.7m drawn on £200m Revolving Credit Facility ("RCF") at 30 September 2024
- RCF runs to June 2027 with margins between 205 – 215 bps depending on performance against fixed ESG targets
- **Weighted average cost of debt including RCF: 5.0%**

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Notes

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