



**FORESIGHT
GROUP**
AN INTRODUCTION

CORPORATE PROFILE

SPRING / SUMMER 2016

Background

Foresight Group is a leading independent infrastructure and private equity investment manager with £1.8 billion of assets under management, raised from institutional investors, family offices, private and high net-worth individuals.

Foresight's broad and growing fund management activities now encompass investing in the private equity, infrastructure and environmental sectors in the UK, US, Australia and southern Europe.

Important notice

This document has been issued and approved by Foresight Group LLP, which is authorised and regulated by the Financial Conduct Authority. Past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of the investments and the income from them to fall as well as rise and investors may not get back the amount they originally invested. Where Investments are made in unquoted securities and smaller companies, their potential volatility may increase the risk to the value of, and the income from, the investment.

Creative Capital

At Foresight, we are well aware of the need to live up to our name. That means identifying opportunities ahead of the crowd; it means being flexible; it means being innovative; it means being fast and clear in our decision making; it means applying the expertise of our people to solve problems, to overcome obstacles, to push deals across the line. Above all, it means being completely focused and responsive to the needs of our investors while creating an environment that attracts and rewards the very best talent in our sector.

That's a lot to live up to, and we summarise it in just two words - Creative Capital. These two words sit behind everything we do - whether it's issuing a £60 million index-linked solar bond to enhance target returns for investors in UK solar plants, or delivering steady low risk yield to shareholders including more than 65 institutional investors through Foresight Solar Fund Ltd (FSFL), a solar focused infrastructure company on the LSE; whether it's bringing together institutions to invest in ground-breaking renewable energy projects alongside the UK's Green Investment Bank or in supporting the improvement of London's waste to energy infrastructure; whether it's supporting entrepreneurial managers of small businesses, or offering private investors tax efficient investments to help plan for the future.

It is in deploying our financial, intellectual and emotional capital creatively that helps us make a better future for our investors, for our investee companies, for our partners, for our colleagues and ultimately for the world in which we live.



The story so far

FORESIGHT FOUNDED

as Fleming Ventures (£20m) by Bernard Fairman & Peter English both ex-3i

FLEMING VENTURES RETURNED £80M

(4 x original investment)



EUROPEAN SOLAR LP LAUNCHED (£30m)

OPENED ITALIAN OFFICE to focus on Southern European Solar Investments

FORESIGHT INHERITANCE TAX SOLUTION LAUNCHED

SOLAR EIS LAUNCHED (£27.5m)

FORVEI - SOLAR MANAGED ACCOUNT COMPLETED (£40m)

FORESIGHT ISSUES LARGEST UK SOLAR BOND TO DATE of £60m raising NAV from 95.5p to 122.5p for the original equity investors



FORESIGHT RAISES £200M FOR SOLAR EIS FUNDS 2, 3, 4 & 5

FORESIGHT US OFFICE OPENED to commence US solar investments

FORESIGHT FLOATS £150M Foresight Solar Fund Ltd on LSE

FORESIGHT DOUBLES FORVEI COMMITMENT bringing total size to £75m

FORESIGHT RETURNS £1.33 to Solar EIS Fund Investors after 4 years for 70p net investment cost

£200M BIOENERGY INFRASTRUCTURE GROUP (BIG) LAUNCHED

RECYCLING AND WASTE LP (RAW) LAUNCHED (£50m cornerstoned by the GIB)

ENERGY INFRASTRUCTURE EIS £30M RAISED IN 2015

£60M REGIONAL INVESTMENT FUND LAUNCHED

REACHED £1.8BN ASSETS under management and **1 million tonnes** of waste processing capacity per year

FORESIGHT SOLAR FUND 16 assets 338MW

1984

1997

2000

2007

2008

2010

2011

2012

2013

2014

2015

2016

FORESIGHT VCT PLC LAUNCHED

SOLAR INFRASTRUCTURE TEAM ESTABLISHED

SOLAR VCT LAUNCHED (£39m)

FORESIGHT ENVIRONMENTAL FUND LP LAUNCHED (£60.6m) cornerstoned by the European Investment Bank

INFRASTRUCTURE VCT LAUNCHED (£33m)

AWARDED PRIMARY EXTERNAL MANAGER MANDATE by the UK Green Investment Bank (£50m)

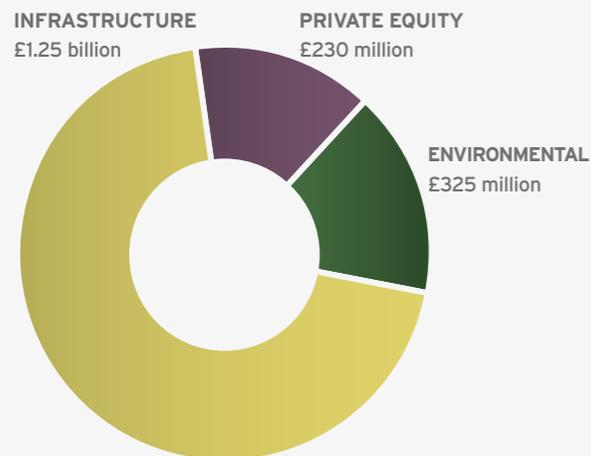
UKWREI FUND received an extension of £28m

FORESIGHT SOLAR FUND secures £150m acquisition facility and raises £135m by September 2015



£100M AUSTRALIA BIOENERGY FUND LAUNCHED cornerstoned by CEFC

ASSETS UNDER MANAGEMENT BY SECTOR



Exceptional fund management expertise	<ul style="list-style-type: none"> £1.8 billion AUM: led by partners of 250+ yrs collective experience Top 4 VCT manager both in FUM and human resource
Market leading in-house fundraising team	<ul style="list-style-type: none"> Team of fifteen experienced professionals Recent fundraisings: £450m (2014 & 2015)
Dedicated environmental and infrastructure investment teams	<ul style="list-style-type: none"> Award-winning environmental team managing UK Government & EIB mandates and £325m AUM Infrastructure team £1.25bn AUM in the UK, US and southern Europe in Solar, PFI and Energy Efficiency
Highly experienced generalist SME Private Equity investment team	<ul style="list-style-type: none"> Managing £230m of later stage investments across diversified range of sectors Team of thirteen investment professionals
Funds addressing today's unique market opportunities	<ul style="list-style-type: none"> Withdrawal of banks from SME market Enhanced entrepreneurs' relief / demand for equity release

WHERE WE ARE TODAY

2015 was a strong year for Foresight Group with AUM growth of 33%. We relocated our UK headquarters to Level 23 in The Shard, and will be opening new offices in Manchester and Australia during 2016.

We're busy making our mark on each new place we encounter.

Our assets under management have reached £1.8 billion and staff numbers have grown by 47% in the last six months.

Our Environmental team announced the £100m Australia Bioenergy Fund (ABF), cornerstoned by the Clean Energy Finance Corporation (CEFC), and launched the Bioenergy Infrastructure Group with initial £200m of Equity. Foresight now manages 18 waste projects with a combined waste processing capacity of more than one million tonnes per annum and the capacity to create 126MW of clean electricity.

Our infrastructure team now boasts over £1 billion of infrastructure assets under management with 68 operational solar plants and a capacity of 702MW. Foresight Solar Fund Limited (FSFL) has grown to 16 assets, 338MW and Foresight US increased its portfolio, bringing its total solar assets to 10.1MW.

The Private Equity team has been hard at work having launched a second regional growth fund, the £60m Foresight Regional Investment Fund, which sits alongside the £40m Foresight Nottingham Fund. The team continues to invest our VCT funds in dynamic growth companies across the UK following successful realisations from the portfolio and fundraising for Foresight VCT.

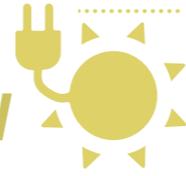


We were recognised by our peers for the second year running as **'Financier of the Year'** at the 2015 New Energy and Cleantech Awards. We were also awarded the honour of **'Company of the Year'**. Other recent awards include SME Deal of the Year for Positive Outcomes, East Midlands Dealmakers Awards 2014 and Deal of the Year for Evermore, Northern Ireland Dealmakers Awards 2014.

Foresight infrastructure

Targeting solar energy and secondary PFI projects in the UK, US, Australia and Southern Europe, managing infrastructure assets worth over £1 billion.

OVER
700MW
OF SOLAR
GENERATING
CAPACITY



SOLAR ENERGY

Our Solar Infrastructure funds are managed on behalf of leading global institutional investors and private investors. Projects are typically financed either wholly with equity from Foresight funds, or together with debt facilities from banks reflecting the low risk nature of the operating plants and the attractiveness of government subsidies.

Subsequent to the listing of the Foresight Solar Fund Limited (LSE ticker: FSFL) on the London Stock Exchange in late 2013, the Company has acquired a portfolio of 16 assets, including four of the UK's largest operational solar plants. Since IPO, FSFL has raised a further £135 million which has grown the company to around £400 million in gross asset value.

Foresight manages £250m in five Solar EIS Funds and Foresight Solar & Infrastructure VCT generating capital growth and tax-free dividends for private investors.

In the US, Foresight is building its solar assets under management following acquisitions of solar plants in California and Colorado.

CURRENTLY MANAGING
£1 BILLION
IN FULLY-CONTRACTED
SOLAR ASSETS
GLOBALLY
REPRESENTING OVER
700MW
OF INSTALLED CAPACITY

SECONDARY PFI

Secondary PFI projects have long-term contracted revenues, often index-linked with governmental and blue chip counterparties. These investments are able to attract substantial levels of bank financing by virtue of their contracted revenues or other government subsidies.

Foresight oversees a portfolio of secondary PFI assets comprising **13 schools** and **4 hospitals** across England, Scotland and Northern Ireland. Foresight expects to make significant additions to this portfolio in due course.



TEAM EXPERTISE

Our global team has consistently demonstrated innovative deal structures which prove their expertise in this sector.

The team has developed sector specific networks of advisers, contractors, lending banks and key strategic partners. These relationships generate a growing international pipeline of attractive opportunities for our investors.



MULTINATIONAL
TEAM
EXPERTISE
30 STRONG

FORESIGHT FUND ASSETS



“ Foresight funds manage a portfolio of assets totalling 700MW of capacity, generating enough electricity annually to power over 200,000 homes*.

*based on UK average electricity consumption per household : source Ofgem

Foresight private equity

Creative capital for SMEs since 1984, typically investing between £1 million and £5 million in well-established growth companies

3X RETURN ON OUR FULL & PARTIAL EXITS SINCE 2010

APPROACH

We invest in a wide range of transaction types, including:

- **Management buy-outs (MBOs), management buy-ins (MBIs) and buy-in management buy-outs (BIMBOs).**
- **Growth capital to fund organic expansion, capital expenditure and acquisitions.**
- **Equity release or cash outs, allowing shareholders to release value from their businesses whilst maintaining an ongoing involvement and gaining a supportive new partner.**

We are one of the UK's leading and longest established investors in smaller growth companies, and our team currently manages over £200 million of investments across a broad portfolio of more than 30 companies. In the last 30 years we have supported more than 150 SMEs and their growth plans.

While many private equity firms have increasingly focused on mid-market and larger transactions, Foresight Private Equity remains focused on generating attractive returns for investors by applying its expertise in smaller growth companies.

Core Sectors

-  **BUSINESS SERVICES**
-  **INDUSTRIALS AND MANUFACTURING**
-  **TECHNOLOGY, MEDIA & TELECOMMUNICATIONS ("TMT")**
-  **CONSUMER AND LEISURE**
-  **HEALTHCARE**

INVESTMENT FOCUS



We invest in established growth businesses, which are typically profitable or on track to profitability in the short to medium term. Companies that enjoy a high visibility of future earnings through long term contracts and recurring revenues are particularly attractive. To facilitate the eventual realisation of the investment, we invest in markets with a history of merger and acquisition activity.

Investment Criteria

- **High quality management team**
- **Sustainable competitive advantage**
- **Defensible margins**
- **Well formulated strategy**
- **Clear vision for growth**
- **Sector experience and proven track record**

While investing across a wide range of industry sectors, we prefer not to invest in sectors driven by short-term trends or consumer preferences, such as high fashion.

With a broad range of funds, we are able to be flexible in structuring deals, providing a mix of equity, loans or mezzanine finance depending on the transaction and the company's requirements.

UK WIDE PORTFOLIO COMPANIES

KEY:

-  Foresight UK offices
-  Foresight UK investments



Accessory Bits Limited
NORTHAMPTONSHIRE

Aerospace Tooling
DUNDEE

Always On
BRACKNELL

AppInstitute
NOTTINGHAM

Aquasium
CAMBRIDGE

Autologic
WHEATLEY

Biofortuna
LIVERPOOL

Blackstar Amplification
NORTHAMPTON

Crowle Wharf Engineers
SCUNTHORPE

Datapath
DERBY

FFX
FOLKESTONE

Flowrite
MAIDSTONE

GGTC
HERTFORDSHIRE

Hospital Services Limited
IRELAND

ICA
SURREY

Industrial Efficiency
LINCOLNSHIRE

Industrial Engineering Plastics
BIRMINGHAM

Integrated Environmental Solutions
GLASGOW

ITAD
EAST SUSSEX

Ixaris
LONDON

Mercia Power Response
NOTTINGHAM

mplsystems
WARWICK

Morgan Tucker
NOTTINGHAM

Positive Outcomes
NOTTINGHAM

Positive Response
DUMFRIES

Procam
LONDON & UK WIDE

Protean
COVENTRY

QS Recruitment
NOTTINGHAM

Specac International
KENT

The Bunker
SANDWICH

The Idle Man
LONDON & NOTTINGHAM

Thermotech
STOCKPORT

TFC Europe
EAST SUSSEX

Trilogy
ANDOVER

Vectorcommand
HAVANT

Zoo Digital
SHEFFIELD

OUR TEAM

With backgrounds in industry, strategy consultancy, banking, corporate finance, private equity, and accountancy, our award-winning private equity team works with management to apply expertise and experience with a view to enhance and build long-term value and ultimately realise investments successfully.

We pride ourselves on our track record, having delivered over 3x return on our full and partial exits since 2010.



AWARD WINNING TEAM BUILDING LONG-TERM VALUE

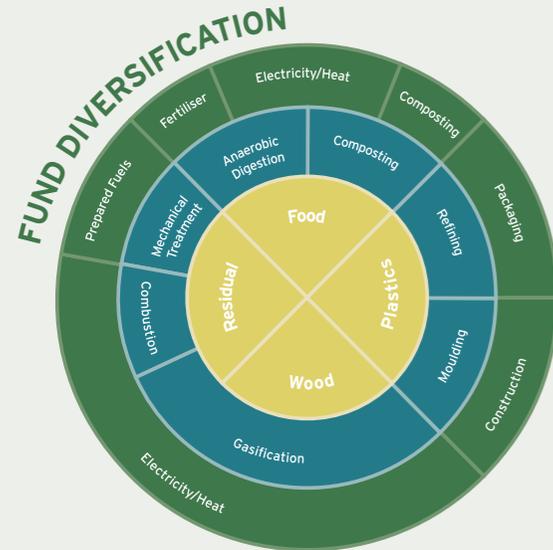
“ We are one of the UK's leading and longest established investors in smaller growth companies, and our team currently manages over £230 million of investments. ”

Foresight environmental

Foresight has completed investments in projects with an aggregate waste processing capacity of over one million tonnes per annum.



APPROACH



We invest in environmental infrastructure and related support services in the UK, Europe and Australia. These opportunities include waste processing, biomass energy and other similar capital infrastructure developments at a local or regional scale.

Our funds invest structured equity in supporting the construction and operation of capital intensive and sophisticated processing facilities with a typical capital cost of between £3 million and £200 million, together with the critical support businesses that serve these markets.

These investments offer attractive returns and deliver clear environmental benefits through generating valuable renewable energy and recycled commodity materials, diverting waste from landfill and reducing greenhouse gas emissions.

Our financing in this sector comes from private investors and a series of institutional funds with leading investors including insurers, Local Authority pension funds, family offices, specialist sector investors and Government supported banks including the UK's Green Investment Bank, the European Investment Bank and Australia's Clean Energy Finance Corporation.

“As the Prime Minister recently said “It’s time the market got to work on climate change”. If we are going to make real difference, make worldwide progress in cutting emissions, then we need more than government actions.

Secretary of State, Department for Business Innovation and Skills, The Rt Hon Sajid Javid MP

OUR TEAM

Our environmental team combines senior management experience within the recycling, waste and renewable energy generation sectors with extensive industrial, operational management and financial expertise, particularly in structuring and managing complex projects and contracts.

We are proud our commitment and contribution to the sector has been recognised by the award “Financier of the Year” for two years running in the New Energy and Cleantech Awards 2014 and 2015.



RECYCLING, WASTE & RENEWABLE ENERGY
TEAM EXPERTISE

UK WIDE PORTFOLIO

- Project:** Ince Bio Power
Process: EFW (Gasification)
Feedstock: Waste Wood
Energy: 21.5MWe
Capacity: 160,000 tpa
- Project:** Energy Works Hull
Process: EFW (Gasification)
Feedstock: Refuse Derived Fuel
Energy: 25MWe
Capacity: 240,000
- Project:** Edenmore
Process: AD
Feedstock: Organic Waste
Energy: 499 kW
Capacity: 18,500 tpa
- Project:** Bowtown
Process: AD
Feedstock: Organic Waste
Energy: 499 kW
Capacity: 18,000 tpa
- Project:** Evermore Renewable Energy
Process: CHP
Feedstock: Waste Wood
Energy: 15.8 MWe
Capacity: 110,000 tpa
- Project:** Birmingham BioPower Ltd
Process: EFW (Gasification)
Feedstock: Waste Wood
Energy: 10.3 MWe
Capacity: 70,000 tpa
- Project:** Mersey Bioenergy Ltd
Process: CHP
Feedstock: Waste Wood
Energy: 20.2 MWe
Capacity: 146,000 tpa
- Project:** Bridge Energy
Process: AD
Feedstock: Farm Waste
Energy: 499 kW
Capacity: 18,500 tpa
- Project:** Par Biogas
Process: AD
Feedstock: Farm Waste
Energy: 499 kW
Capacity: 18,500 tpa
- Project:** Levenseat Renewable Energy Ltd
Process: EFW & MRF
Feedstock: C & I/MSW
Energy: 12.3 MWe
Capacity: 215,000 tpa
- Project:** Hoddesdon
Process: EFW (Gasification)
Feedstock: Refuse Derived Fuel
Energy: 10 MWe
Capacity: 90,000 tpa
- Project:** Recycling & Waste LP Quarrington
Process: AD
Feedstock: Farm Waste
Energy: 499 kW
Capacity: 12,000 tpa

LONDON PORTFOLIO

- Project:** PlasRecycle Ltd
Process: Plastic Film Recycling
Feedstock: Plastic Bags & Film
Capacity: 17,000 tpa
- Project:** East London Biogas Limited
Process: AD & IVC
Feedstock: Organic Waste
Energy: 1.4 MWe
Capacity: 50,000 tpa
- Project:** LRRE Ltd
Process: MRF/WTE
Feedstock: C & I
Energy: 4.5 MWe
Capacity: 150,000 tpa
- Project:** Edmonton PC Ltd
Process: WTE
Feedstock: Waste Wood
Energy: 10 MWe
Capacity: 70,000 tpa
- Project:** Willen Biogas
Process: AD & Composting
Feedstock: Food & Green Waste
Energy: 1.2 MWe
Capacity: 55,000 tpa
- Project:** Orion Support Services Ltd
Process: Waste Collection
Feedstock: C&I and C&D
Capacity: 50,000 tpa

INVESTMENT FOCUS

We invest in businesses supporting and operating in various sectors in the UK and Europe, including the waste sector outlined below:



Food waste for energy generation and agriculture

Anaerobic Digestion and In-Vessel Composting have an increasing role to play in recycling food waste to produce fertilizer and renewable energy. Source segregated food waste is collected by many councils and organisations and volumes collected are growing strongly, driven by escalating costs of disposal to landfill and to meet targets set by the government. We have invested in seven anaerobic digestion plants and two composting facilities.



Wood waste for renewable energy generation

Waste wood is a valuable resource which is being increasingly captured, recycled and used in a range of markets. The uses of waste wood are broadening beyond its traditional use in boarding products and uses now includes renewable fuel, both commercially attractive markets for such products. Our experience has extended to three large-scale waste to energy projects including Evermore which is responsible for generating 10% of Northern Ireland's renewable energy.



Plastics recycling

Close to 10 million tonnes of plastic waste enters the waste stream in Europe each year, some of which is still sent to landfill, despite many forms of plastic being of high value and readily recyclable. Plastics are derived principally from finite oil resources, the price of which has demonstrated significant volatility over recent years. We have direct experience of investing in the plastic recycling sector.



Residual waste sorting and energy generation

Significant opportunities exist to process domestic, commercial, industrial and construction waste, extract and recycle valuable materials within these waste streams and sell the remaining fractions as a raw material or as a fuel for energy generation. To date we have supported two investments in companies which have business plans to develop such facilities such as the £111m Levenseat project in Scotland, the £200m Energy Works Hull project and the £60m Hoddesdon project in Hertfordshire.

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