

# Foresight Group Holdings Limited

Half-year Report

For the six months ended 30 September 2023

**Foresight**  
FOR A SMARTER FUTURE



# Our purpose

## At Foresight, we're investing for a smarter future.

Our world is changing, which means finding new ways to drive progress and seize opportunities. As a sustainable growth investor, we invest in innovation, back ambitious SMEs and make complex investment products accessible.

This is how we're creating a sustainable legacy.

### Our values



Sustainable  
impact



Achieve with  
ambition



Relationships with  
integrity



Collective  
success

### Company credentials



A FTSE 250 Company



Foresight was awarded the Green Economy Mark at IPO. This recognises companies that derive 50% or more of their revenues from environmental solutions.

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[www.foresightgroup.eu](http://www.foresightgroup.eu)

# Highlights

Our diversified business model continues to deliver profitable growth.

£12.2bn

AUM<sup>1</sup>  
(31 March 2023: £12.2bn)

£8.8bn

FUM<sup>1</sup>  
(31 March 2023: £9.0bn)

£67.8m

Total revenue  
(30 September 2022: £50.7m)

87.3%

Recurring revenue<sup>1</sup>  
(30 September 2022: 89.4%)

£27.6m

Core EBITDA pre-SBP<sup>1</sup>  
(30 September 2022: £21.5m)

40.7%

Core EBITDA pre-SBP margin<sup>1</sup>  
(30 September 2022: 42.4%)

£7.7m

Total comprehensive income  
(30 September 2022: £11.4m)

1. Alternative performance measures ("APMs") have been included to better reflect the Group's underlying activities. Whilst appreciating that APMs are not considered to be a substitute for, or superior to, IFRS measures, the Group believes their selected use may provide stakeholders with additional information which will assist in their understanding of the business. In particular, the Group believes Core EBITDA pre-SBP reflects the trading performance of the underlying business without distortion from the uncontrollable nature of the share-based payments charge. Recurring revenues % is recurring revenue divided by total revenue.

Note: Certain data contained in this document, including financial information, has been subject to rounding adjustments. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. In certain statistical and operating tables contained in this document, the sum of numbers in a column or a row may not conform to the total figure given for that column or row. Percentages in tables and elsewhere in this document may have been rounded and accordingly may not add up to 100%.

# Executive Chairman's statement



“Our diversified and resilient business model has continued to deliver profitable growth for the Group in H1 FY24, with our Core EBITDA pre-SBP 28% ahead of the prior year period.”

Bernard Fairman  
Executive Chairman

## Introduction and financial highlights

Our diversified and resilient business model has continued to deliver profitable growth for the Group in H1 FY24, with Core EBITDA pre-SBP 28% ahead of the prior year period. This has been driven by successful year-to-date and prior year fundraising into higher margin and longer tenure vehicles, the annualisation effect of FY23 acquisition activity and firm cost discipline in this inflationary environment.

While the long-term structural growth trends across our key markets remain strong, current macroeconomic conditions have led to a challenging institutional fundraising environment as investors delayed deployment. Higher interest rates also continued to impact the valuation of long duration infrastructure assets, driving outflows for our Foresight Capital Management (“FCM”) division. However, AUM remained resilient with 1% growth in the period as the Group once again benefitted from our diversification, with strong inflows into higher margin retail vehicles of £247 million and successful institutional fundraising in our Private Equity division.

Having generated a 40.7% Core EBITDA pre-SBP margin during the period, we remain confident in achieving our 43% margin target as the business builds scale and delivers operational leverage through institutional infrastructure fundraising.

We have also maintained our high-quality revenue composition delivering recurring revenue of 87%, which is within our target range of 85-90%. This visibility over our short and medium-term performance enables us to balance our divisions’ individual needs alongside our growth opportunities.

## Dividend

We continue to deliver a strong and growing dividend in line with the Group’s dividend policy, which targets a total dividend payout ratio of 60% of profit after tax before non-underlying items. Given our performance in the period, the Board is pleased to declare an interim dividend of 6.7 pence per share (H1 FY23: 4.6 pence) that will be paid on 26 January 2024.

## Strong performance in the period against strategic growth targets

22%<sup>1</sup>

20-25%  
growth in AUM averaged over  
a rolling three year period

87.3%

85-90%  
recurring  
revenue

40.7%

c.43%  
Core EBITDA pre-SBP  
margin over medium term

6.7 pence interim dividend

60%  
dividend  
payout ratio

1. H1 FY21 to H1 FY24 three year average.

## Executive Chairman's statement continued

### Strategic activity

Post IPO we have delivered a strong track record of profit growth, high cash conversion and firm cost discipline, allowing us to significantly grow our dividend. During the period, the Board determined that a Share Buyback programme of up to £5 million would be an optimal use of cash resources and in the best interests of the Company and its Shareholders. The Share Buyback programme commenced on 27 October 2023 and will continue until the earlier of the expiration of the authority granted to the Board of Foresight at its Annual General Meeting or the value of Ordinary Shares purchased under the Share Buyback equals the maximum pecuniary amount available or the share buyback process is terminated or paused.

### Sustainability

Elevated and volatile interest rates have slowed the pace of allocations to sustainable infrastructure during the period, but they have not reduced the future investment requirement. This, therefore, increases the size and rate of the future investment required to achieve established net zero targets and also improve energy security against the backdrop of recent global conflicts. With sustainability underpinning our investment approach and significant experience, we are very well placed to raise and deploy capital that will contribute to achieving global decarbonisation targets.

During the period, we contributed to a number of thought leadership opportunities, including the hosting of our inaugural Foresight Sustainability Forum in May 2023 in partnership with the Eden Project. International leaders in sustainability and investment gathered at this forum to explore the fundamental challenges and opportunities in this sector.

### People

Each year, the Board receives a comprehensive presentation on the results of our employee engagement survey, which celebrates our successes and acknowledges areas that require improvement. These insights are discussed at length and are core to shaping our people strategy, ensuring alignment with our employees' needs and expectations.

On behalf of the Board, I would like to thank our employees for their ongoing commitment and dedication to Foresight Group. Their efforts continue to drive the robust performance of the business.



# Executive Chairman's statement continued

## Governance

At our AGM held on 10 August 2023 and referenced in our AGM results announcement later that day, over 20% of Foresight's Shareholders voted against Resolutions 7 and 15. Resolution 7 related to the reappointment of Michael Liston, Chair of both the Remuneration and Nomination Committees, as a Director of the Company. Resolution 15 related to the Rule 9 Waiver.

That voting was in line with recommendations published by certain proxy voting agencies, particularly in regard to Resolution 15. In that regard, prior to the voting deadline and following engagement with these agencies, we also provided our larger Shareholders with additional information, explaining the purpose of these resolutions, and offered to meet with them to discuss any concerns. While the Shareholders appreciated our engagement and understood our rationale for the proposed resolutions, it was noted that many were acting in accordance with their corporate policy. While this engagement did not alter their final voting, it has provided the Company with valuable insight into their voting approach and highlighted the areas of Shareholder concern. We will seek to ensure that, going forward, our disclosures and explanations address those areas.

## Outlook

Our diversified business model leverages both organic and inorganic growth through acquisitions, alongside continuous retail and institutional fundraising. We remain confident in continuing our strong track record of Core EBITDA pre-SBP growth, alongside our stated target AUM growth rate of 20-25% per annum on a rolling three year average basis.

The long-term, international investment opportunities within our key markets continue to grow strongly. We remain one of Europe's and Australia's most established real asset investors with total future deployment rights of over £5 billion in our Infrastructure division.

Our Private Equity division is a market leader in regional UK&I private equity that continues to convert a promising pipeline of new fund mandates and additional further fund closes. We also continue to build out our FCM division's international distribution channels, positioning the division to return to growth once market sentiment improves.

To fully capitalise on these investment opportunities, we will continue to target strategic partnerships that can add scale to the distribution of our diversified products, allowing the Group to fully capitalise on the increasing investment opportunities created by these market trends.

Despite continued growth in investment opportunities within our key markets, the current market for institutional fundraising remains challenging and this has necessarily slowed the pace, but not the size or scope, of our institutional fundraising activities. In the near term, our Infrastructure fundraising will focus on second vintages across our FEIP and ARIF strategies. I believe that the green energy transition is the biggest investment opportunity of our generation and will shape all our lives for years to come. Foresight's considerable experience in sustainability-led investment ideally positions us to capitalise on this exceptional opportunity and create significant value for all our stakeholders.

We have continued to perform during the steepest increase in interest rates in living memory and the business is well positioned to benefit from interest rate stabilisation and normalisation.

**Bernard Fairman**  
Executive Chairman

29 November 2023

The Group's entrepreneurial culture and experience of product innovation ensures that our strategy pipeline remains strong and ideally positioned to capture the long-term structural growth trends in our key markets.

## About us

# Foresight Group, a sustainability-led alternative investment manager.

We understand the role sustainable investing can play in evolving established markets, creating new ones and generating long-term value and impact.

Through our three core investment divisions, Infrastructure, Private Equity and Foresight Capital Management, we target attractive returns from hard-to-access private markets for institutional and private investors.

Since 1984, we have built a track record of developing innovative products, scaling existing investment funds and delivering excellent investment performance, all contributing to profitable growth and total returns.



Skafståsen opening ceremony, Sweden

# About us continued

## Who we are



### Sustainable

Specialist in sustainability-led international infrastructure and regional UK&I private equity



### Diversified

Diversified and resilient business model with growing geographic footprint



### Predictable

Recurring and predictable long-term revenue model



### Market Growth

Ideally positioned to capture long-term structural growth trends in our key markets



### Scalable

Scalable growth platform



### Profitable

Demonstrable track record of profitable growth, delivering against strategic and financial priorities

All underpinned by our culture and the wealth of knowledge and experience of our people



# Business review

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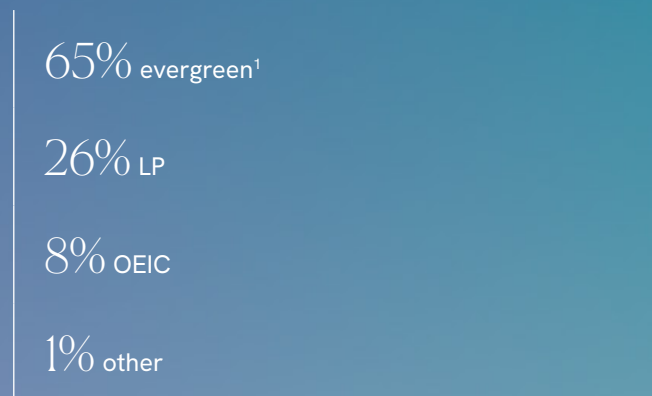


Foresight Solar Fund Limited celebrates the 10 Year Anniversary of its IPO

# Business review

Foresight’s investment strategies are designed to generate long-term investment returns while having a positive impact on the world and creating a sustainable legacy for future generations.

## AUM by fund type



1. Evergreen funds include listed investment trusts and are defined as having no pre-determined end of life and therefore have the capability to raise future capital.

## Investment

### Infrastructure

Foresight is a prominent European and Australian real assets investor. Our infrastructure investment strategy focuses on renewable energy and waste projects, as well as batteries, reserve power and interconnectors. In addition, we invest in social infrastructure, broadband companies, transport businesses and natural capital.

80% of AUM

59% of Core EBITDA pre-SBP

### Private Equity

Foresight is one of the most active UK and Ireland regional SME investors, having supported hundreds of companies through various economic cycles and has recently expanded its footprint to cover Ireland. We partner with promising SMEs across all sectors and deal stages, working together to achieve long-term sustainable growth. Each year we review over 3,000 business plans and are currently supporting more than 250 SMEs.

12% of AUM

36% of Core EBITDA pre-SBP

### Foresight Capital Management (“FCM”)

Our FCM Team applies private market expertise to opportunities in listed markets. The FCM Team and investment approach were established in 2017 to facilitate retail and institutional investors accessing infrastructure, renewables and real estate investment opportunities through actively managed open-ended funds investing in listed securities.

8% of AUM

5% of Core EBITDA pre-SBP

## Distribution

### Institutional

69%  
institutional AUM

### Retail

31%  
retail AUM

# Business review continued

# Infrastructure

<b>UK</b> 292 assets	<b>Italy</b> 59 assets	<b>Australia</b> 45 assets
<b>Germany</b> 4 assets	<b>Netherlands</b> 3 assets	<b>Finland</b> 1 asset
<b>Norway</b> 1 asset	<b>Spain</b> 26 assets	<b>Portugal</b> 2 assets
<b>Sweden</b> 2 assets		

## Operational overview

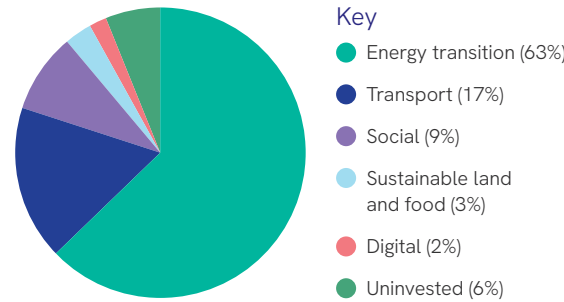
£9.8bn  
assets under management

435  
infrastructure assets

175  
investment, commercial and technical professionals

4.7GW  
total green energy technology capacity<sup>1</sup>

## Infrastructure AUM by theme



## Operational overview

Foresight’s Infrastructure division is one of Europe’s and Australia’s most established real assets investors. As at 30 September 2023, we managed 435 infrastructure assets across 12 distinct technology sub-sectors, including assets with 4.7GW of total green energy technology capacity.

The team comprises 175 investment, commercial and technical professionals who provide a complete end-to-end solution for retail and institutional investors. This includes:

1. Creating a bespoke range of products that meet the needs of investors, society and the environment
2. Investment origination and execution, including sourcing and structuring transactions
3. Ongoing active technical, commercial and operational management of our assets

We utilise our established international networks to access the best available markets at any given time. The division deploys and manages capital across a wide range of infrastructure sectors at various stages of an asset’s life, through development, construction and operational stages. This creates further investment opportunities and enables us to maximise return on investment.

When considering investment opportunities, we look for companies that make a positive impact and demonstrate a continuous improvement approach to their ESG practices. To ensure we achieve this, we apply five ESG principles to evaluate, monitor and encourage portfolio companies to make improvements:

1. Sustainable development contribution: contribution made towards the global sustainability agenda
2. Environmental footprint: localised environmental impact of an investment
3. Social: the interaction with local communities and the welfare of employees
4. Governance: compliance with relevant laws and regulations
5. Third-party interactions: the sustainability of key counterparties and the broader supply chain

Our in-house asset management team focuses on operational performance, asset optimisation, commercial and operational management as well as useful life enhancement, with the objective of generating sustainable long-term asset operations and associated economic benefits. We believe this team provides the wider Infrastructure division with a competitive advantage that few in the market can offer.

1. As defined by the London Stock Exchange Green Economy Mark.

# Business review continued

## Infrastructure continued

### Market opportunity

Powerful long-term structural and regulatory tailwinds within the sustainable infrastructure market arise from strong global decarbonisation agendas with the goals of:

1. Achieving net zero targets
2. Strengthening energy security in light of recent global conflicts

However, latest reports show that significant levels of incremental investment are required to achieve these energy transition goals. For example:

- **UK:** The National Infrastructure Commission highlights that with the large volumes of renewable energy forecast to be needed to meet net zero ambitions, the degree of investment in the UK required to support this is substantial. To reach net zero, the main areas for private sector investment will require between c.£20 billion and £35 billion per year between 2025 and 2050. There is further pressure on the government to support additional electricity storage and other demand-side response technologies, such as pumped hydro, to help ensure continuity of supply. This, in turn, will also demand an increased investment in the relevant infrastructure.

- **Europe:** The 2023 Bloomberg New Energy Outlook Report outlined that the Net Zero Scenario requires \$32.7 trillion of investment in Europe over 2022-2050. This includes investments across both low-carbon and fossil fuel energy supply infrastructure as well as in clean consumer technologies.
- **Australia:** The Australian Energy Market Operator's ("AEMO") 2023 Inputs, Assumptions and Scenarios Report highlighted key policy initiatives that will shape decarbonisation, including a range of state and federal targets. To achieve targets quickly, Australia's energy sector will need to invest heavily to significantly adopt electrification, green hydrogen and biomethane. Even a slower, more progressive energy sector change will need transformational investments.

The incremental investment required to meet these macro targets is so significant that it is difficult to translate this into a tangible impact today.

However, we are now seeing evidence of strategic plans at a country/regional level, supported by new regulations that will underpin these mega macro ambitions. For example:

- The UK Energy Act came into force in October 2023 aiming to create a more efficient energy system that can support the growth in the electrification of technologies to achieve net zero targets. It seeks to ensure the UK energy system is cleaner, more affordable and more secure, leveraging private investment in clean technologies to achieve this.
- The amended Renewable Energy Directive ("RED III"), that has been adopted by the EU Council, entered into force in November 2023. This sets out an aim to increase the share of renewable energy in the EU's overall energy consumption to at least 42.5% by 2030 with an aspiration for 45%. This has significant implications for many sectors across industry, transport and buildings. For example, in the industrial sector, RED III requires a 1.6% annual increase in renewable energy usage.

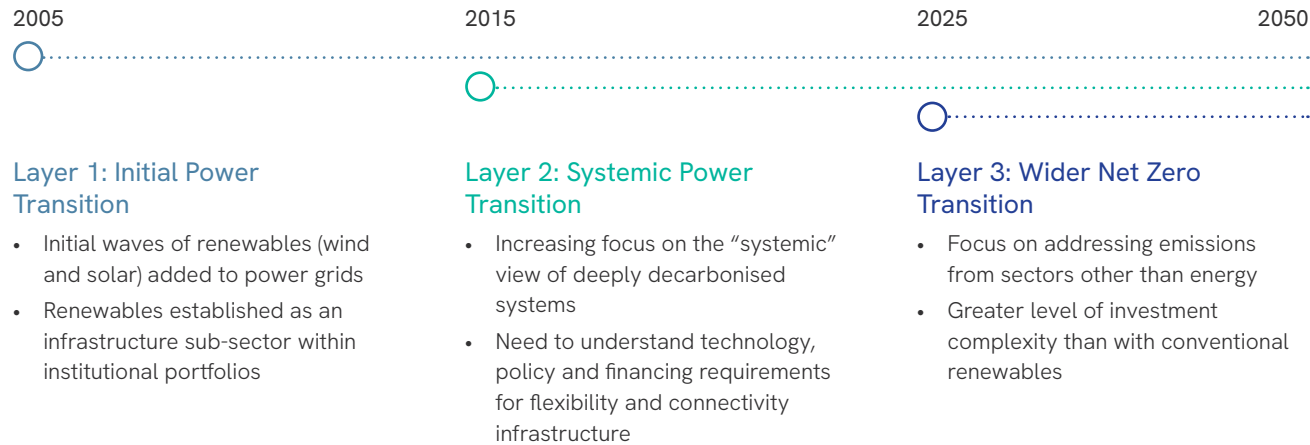
# Business review continued

## Infrastructure continued

### Market opportunity continued

- In August, the release of the Capacity Investment Scheme ("CIS") Public Consultation Paper in Australia outlined a series of competitive tenders between now and 2027 for renewable energy generation and storage projects to meet gaps in energy reliability. We are currently in the process of reviewing ARIF's development pipeline to assess our ability to participate in the CIS.
- The US Inflation Reduction Act ("IRA") was introduced in August 2022 as the largest climate investment in US history. It has been designed to mobilise private capital to achieve the US's climate goals, with considerable investment into domestic energy production to accelerate the transition to clean energy.

Foresight's Infrastructure division, through its current and identified future strategies, targets the resulting investment opportunities which can be categorised across three main layers:



Manfredonia, Italy, an energy-from-waste plant. Part of Foresight's and JLEN's portfolios

# Business review continued

## Infrastructure continued

### Fundraising update

The market for institutional fundraising remains challenging in 2023 and this has necessarily slowed the pace, but not the size or scope, of our institutional fundraising activities. Indications are that this should start to improve in the first half of 2024 as new allocations become available. Foresight is ideally positioned to capitalise on this with a number of high-quality institutional strategies in marketing and pre-marketing:

- **FEIP/FEIP II:** As part of our Foresight Energy Infrastructure Partners (“FEIP”) strategy, we endeavour to drive strong diversification across technologies and geographies, acquiring complementary and negatively correlated assets to deliver a superior risk-adjusted return. Since the conclusion of our FEIP I fundraising, we have made good progress with the Fund, which is on track to be fully committed by the end of its investment period.
- Foresight is now pre-marketing FEIP II, which will build on the success of the first Fund, investing in a diversified portfolio of energy assets across renewable generation, storage and grid assets.

- **Australian Renewables Income Fund (“ARIF”):** Over the last year, the continued global demand for sustainable investment has renewed Australia’s push towards decarbonisation. Achieving the Australian Energy Regulator’s energy transition goals will require significant institutional investment, presenting substantial opportunities for ARIF, which remains open to capital commitments.
- **Hydrogen:** There is a compelling case to accelerate investment into the hydrogen sector through existing Foresight funds and potential new ones. Announced policies in key geographic regions, such as with RED III and the IRA, support projections that low carbon hydrogen opportunities will grow by 175x through to 2050. Building on experience gained through our recent hydrogen investments, as detailed in the case study on page 15, the Foresight Hydrogen Infrastructure Fund is in pre-marketing phase, exploring the opportunity to invest in the development and construction of hydrogen production plants on a global basis.



Los Llanos Solar Farm, Spain, part of Foresight’s portfolio

# Business review continued

## Infrastructure continued

### Performance and capital deployment

Our divisional AUM increased by 4% to £9.8 billion (FY23: £9.5 billion) in the period, driven by retail inflows.

During the period, we continued to deploy capital into compelling investment opportunities. Period on period, the number of transactions has reduced, reflecting the current market conditions.

	H1 FY24	H1 FY23
Transactions completed	14	24
Value (£m)	128	539
New future deployment rights (£m) <sup>1</sup>	519	409
<b>Total (£m)</b>	<b>647</b>	<b>948</b>

1. New future deployment rights associated with transactions completed during the period.

Transactions that were completed in H1 FY24 included:

- Mercia Power top-up investment – Reserve power and battery storage are essential, rapidly growing areas that are key to the energy transition.
- HH2E – Good progress towards final investment decision on the green hydrogen production site project in Lubmin, Germany, including the recent signing of an agreement by HH2E to aim to supply DHL and Sasol with at least 200,000 tonnes of sustainable aviation fuel per annum using green hydrogen from their facilities.

- In Australia, the Kondinin Energy Project with Shell has received developmental approval for a 280MW wind, 80MW solar and 60MW Battery Energy Storage System. Stage 1 of the development comprises approximately 120MW of wind; ongoing development activities have included offtake marketing, EPC tendering, grid connection and community engagement.
- Post period end, FEIP acquired the 1800MWh capacity development stage pumped storage hydro (“PSH”) project in Silvermines, Co Tipperary, Ireland, which is expected to be able to continuously generate at a rate of 300-360MW for up to 5-6 hours. This deal was FEIP’s second Irish infrastructure asset alongside the development stage MaresConnect Interconnector. It is also FEIP’s second PSH project, repurposing a disused open pit quarry mine.

Investment opportunities within our key markets continued to grow strongly during the period, with our total future deployment pipeline in international infrastructure now exceeding £5 billion. Notwithstanding this opportunity, current headwinds for listed renewable companies raising capital have created challenges to maintain the pace and scale of new investment that they have enjoyed in previous periods.

### Outlook

In the near term, the higher interest rate and continuing inflationary environment has created headwinds for institutional fundraising and has impacted the valuations of long duration assets. However, powerful long-term structural and regulatory tailwinds within the sustainable infrastructure market remain as a result of strong global decarbonisation agendas.

These powerful tailwinds will provide our experienced Infrastructure Team with a wealth of multi-year and high-quality investment opportunities to add to our existing total future deployment rights of in excess of £5 billion.

The scale of investment required will require increasing amounts of private capital to deliver the necessary infrastructure projects. Through our established strategies, such as FEIP and ARIF, as well as our pipeline of new strategies, in combination with our experience and international presence, we believe that we are ideally positioned to raise and deploy this capital. By doing so we continue to target strong returns for investors alongside the delivery of sustainable developments contributing towards global decarbonisation agendas.

# Business review continued

## Infrastructure continued

### Case study – Skaftåsen wind farm

In October 2023 we were delighted to welcome over 200 people to the grand opening of Skaftåsen wind farm, following construction completion in June 2023. Foresight acquired the greenfield 231MW Skaftåsen onshore wind project in the Härjedalen municipality of Sweden from Arise in 2020, which is forecast to produce 524GWh of green electricity a year. It is our first acquisition in the Nordic region and was the first investment made by our energy transition focused fund Foresight Energy Infrastructure Partners (“FEIP”).

The event was a unique opportunity for the local Härjedalen communities to come on site to get a better understanding of the scale of the operation and to learn more about how it will benefit them. Attendees included local schoolchildren ranging from six to 17, local politicians, regional businesses and Medvind för bygden, which is the Rural Funds Association that will receive 1% of the project revenues once the wind farm is fully operational.

It was also a great opportunity to celebrate the collaborative partnerships that worked together over the years to bring the project to take-over in June this year. This was marked with the unveiling of a commemorative plaque thanking all key stakeholders.

Skaftåsen plays an important role not only in creating local value, but also in helping to support Sweden’s energy transition. It is one of Sweden’s largest wind power projects and once it is operational it is expected to generate enough electricity to offset 425,000 tonnes of CO<sub>2</sub> emissions each year compared to fossil-fuel powered electricity generation.





# Business review continued

## Infrastructure continued

### Hydrogen opportunity and investment track record

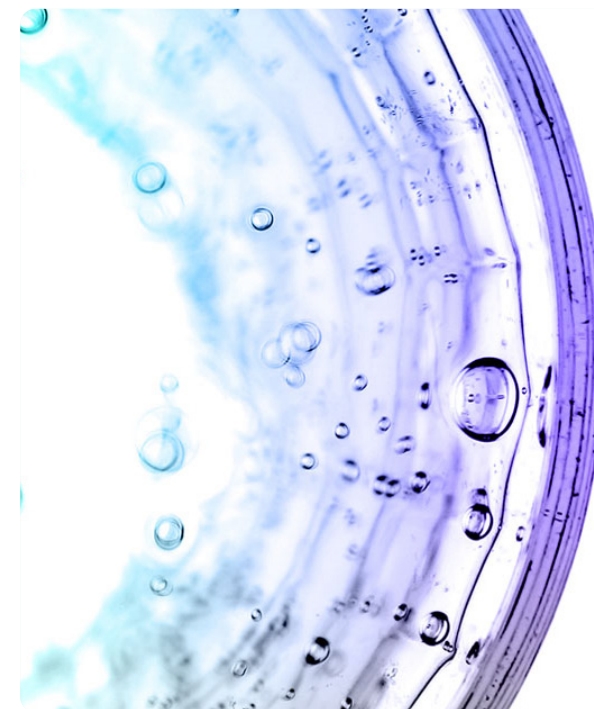
As an alternative to fossil fuels and with its capacity to lower carbon pollution, the demand for green hydrogen continues to grow. The ongoing need for clean energy production has seen many countries look to establish strategies around the use of green hydrogen as it doesn't emit polluting gases during its production or combustion. The policy progress that has been made globally over the last six months has reinforced our views on the importance of the green hydrogen market, with many of the key geographies aligned with our transactional expertise.

In June 2023 we announced the formation of Grenian Hydrogen Limited, a new joint venture company established with Statkraft, one of Europe's largest renewable energy producers, and Progressive Energy, an energy developer. The company will develop electrolytic hydrogen projects targeting a total capacity of 200MW in the UK, with the resulting CO<sub>2</sub> savings being equivalent to the electricity use of over 49,000 homes for one year or 107.3 million litres of petrol. It will also offer an alternative to major manufacturers looking to decarbonise by switching from gas to hydrogen.

Grenian's most advanced project has been shortlisted for the first UK Contracts for Difference allocation round and four further projects in development are well advanced in the subsidy process, with three supported by Strand 1 of the government's Net Zero Hydrogen fund.

In July 2023 we announced our backing of HH2E's 100MW green hydrogen plant in Lubmin, Germany, which will encompass high-capacity battery storage and electrolysis. This is our second investment in developing green hydrogen in Germany. Lubmin is located on the Baltic Sea coast with some of the best gas infrastructure in Europe and where all the Baltic Sea German offshore wind farms connect. This access to abundant renewable energy and to a gas distribution network provides an ideal location for a hydrogen project.

We have a significant and exclusive pipeline in hydrogen through our investments in Grenian and HH2E. We maintain great ambitions in the wider hydrogen sector and its derivatives, and plan to continue to provide impactful capital into those areas focused on the production of green hydrogen, eFuels and other vectors of clean energy.



	Germany	Spain	Portugal	Netherlands	France	USA	Canada	UK	Norway	South Korea	Japan	India	China	Australia
2023 production target	10GWe	4GWe	5.5GWe	3.4GWe	6.5GWe	10Mtpa	×	10GW	×	✓	3Mtpa	5Mtpa	0.2Mtpa by 2025	×
Incentives/tax	✓	✓	✓	✓	✓	✓	✓	✓	×	×	✓	✓	×	—
RFBNO <sup>1</sup> mandates	✓	✓	✓	✓	✓	—	—	—	✓	×	×	×	×	×
H2 project funding (US\$ bn) <sup>2</sup>	9.7	10.6	8.8	8.1	8.3	54.2	×	1.1	×	3.0	53.0	2.5	×	1.6
Net-zero targets legislated	✓	✓	✓	✓	✓	✓	✓	✓	×	✓	✓	—	—	✓

1. Renewable fuels of non-biological origin.

2. Total funding announced or estimated.

## Business review continued

# Private Equity

### Market opportunity

Foresight's Private Equity division operates strategies across Growth Private Equity, Venture Capital and Private Credit. We invest in SMEs in the UK and Ireland, and are increasingly addressing international markets. This, combined with diverse sources of funding from both retail and institutional investors, creates fundraising opportunities for new fund mandates and additional further fund closes.

We target investment in sectors with favourable long-term trends and structural growth drivers, partnering with promising SMEs to achieve long-term sustainable growth. Our investments cover a range of maturity profiles, from early stage to more mature small companies. Annual revenues at portfolio companies are typically in the £2 million to £20 million range, although venture and seed investments can be into high tech, pre-revenue companies, which include university spinouts.

Our Private Credit strategy deploys larger investments through attractive secured structures into innovative lenders targeting the SME market.

We believe smaller companies prefer to partner in their local market to source capital rather than travel to London. As a result, we have built a regional office network with ten offices across the UK and Ireland that is key to the deployment of capital raised.

- Our regional focus aligns with the UK Government's agenda to invest in and grow regional economies outside London and the South-East. This, combined with our strong track record, is leading to an increasing volume of fundraising opportunities.
- We continue to see a high volume of attractive investment opportunities across all our strategies and complete a high volume of new and follow-on transactions each year.
- Exits have slowed somewhat over the last 12 months, but we are still completing attractive exits, with a number of companies on the market currently.
- We target sustainable companies that deliver local impact. Progress on developing their ESG credentials is synergistic with value creation.
- Our impact on the market is increasingly recognised, winning multiple awards during the period.

Codeplay Software, a Private Equity investment, achieved 16.1x returns on exit



# Business review continued

## Private Equity continued

### Operational overview

We offer a variety of fund structures to facilitate investment by both institutional and retail investors. By undertaking multiple fundraising initiatives each year, we avoid risks associated with binary fundraising, allowing us to deliver incremental and consistent inflows in our retail funds and capitalising on the fundraising opportunities available to us across our institutional funds.

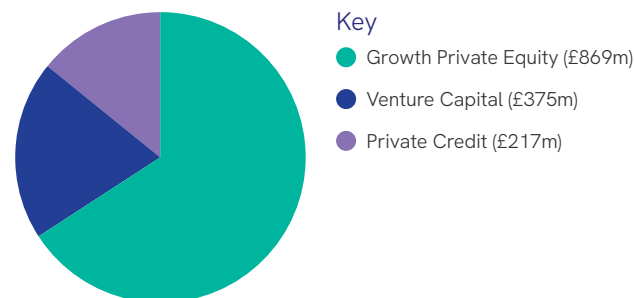
Deployment across Growth Private Equity, Venture Capital and Private Credit investments is driven by the team’s experience and differentiated and growing local network. The team includes over 50 dedicated investment professionals across a total of ten UK&I offices, following the opening of a new office in Newcastle during the period. This is alongside representatives based in the US, UAE and Israel. In addition, we provide Private Credit to secured lending companies, the majority of which service the UK SME market.

The division currently manages investments in over 250 small companies across UK&I. Supporting the Group’s diversified business model and providing the division’s portfolio with greater resilience through economic cycles, investments cover a wide range of sectors, including telecommunications, media and technology (“TMT”), healthcare and business services. The team also continues to seek out new asset classes and avenues for growth for Foresight Group more broadly.

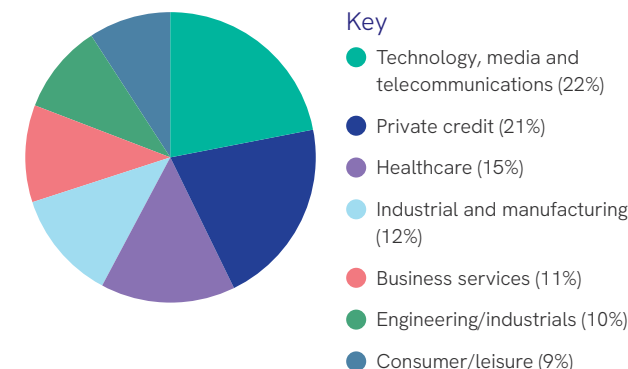
As is the Group’s ethos, sustainability is the key to our investment management approach. We look to invest in those SMEs that will create long-term ESG benefits from their operations and continuous improvement. Our expertise in growing businesses has long been recognised, but central to this is our ability to grow responsible, self-sufficient, sustainable businesses.

We do this by creating and sharing the tools and understanding necessary to make a material difference. We believe this not only improves business performance, but helps companies stand out from their peers and create competitive advantage, enabling us to drive real value at the time of exit.

### Divisional AUM split



### Portfolio split by carrying value



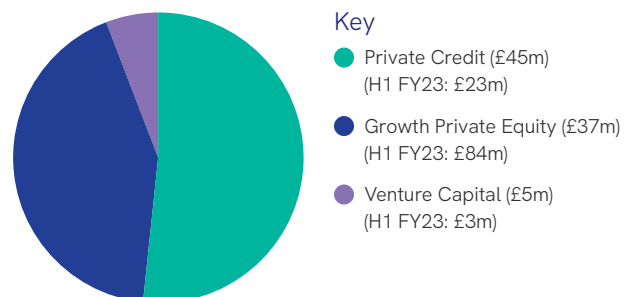
### Operational overview

£1.4bn assets under management	250+ portfolio companies	3,000+ business plans reviewed every year	21 different investment vehicles	10 UK and Ireland offices	50+ investment professionals
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# Business review continued

## Private Equity continued

### Funds raised (£m)



### Fundraising

The Private Equity division achieved further success in both institutional and retail fundraising during the period, to deliver a 2% increase to AUM, which totalled £1.4 billion as at 30 September 2023 (FY23: £1.4 billion).

Institutional fundraising consisted of a third close of our Foresight North East Fund, with a £30 million investment from Tyne and Wear Pension Fund. This Fund was initially corner-stoned by Durham County Council's Pension Fund, with additional support from the Teesside Pension Fund in June 2022, and a second close announced in March 2023 following a £20 million commitment from British Business Investments. This Fund helps small growth companies across the North-East and Yorkshire and, to further support investment in the region, we have opened an office locally in Newcastle.

Retail inflows in the period included our Foresight Inheritance Tax Fund allocating £45 million of total H1 FY24 fundraising to our Private Credit strategy. The remaining retail inflows resulted from offers for subscription for our VCT funds, which invest across both Growth Private Equity and Venture Capital.

### Division investment vehicles

13

**Growth Private Equity funds**  
(H1 FY23: 12 funds)

6

**Venture Capital funds**  
(H1 FY23: 6 funds)

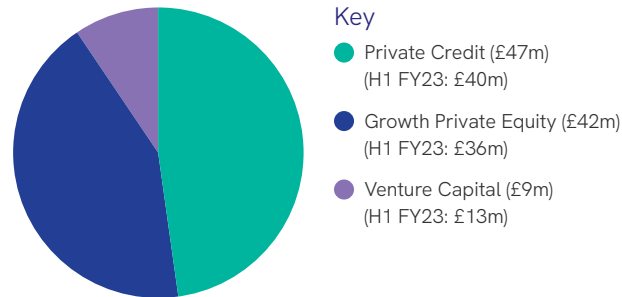
2

**Private Credit funds**  
(H1 FY23: 2 funds)

# Business review continued

## Private Equity continued

### Capital deployed (£m)



### Performance

Following a period of strong fundraising in FY23, the division continues to demonstrate its capabilities in sourcing and completing investments, as well as delivering strong exits despite volatility in the economic environment.

Capital deployed during H1 FY24 totalled £51 million (H1 FY23: £49 million) across 39 equity transactions (H1 FY23: 31) and £47 million across Private Credit investments (H1 FY23: £40 million). The funds deployed come from 21 vehicles, of which 19 continue to make new investments, and cover a wide variety of sectors and investment types.

Despite the challenging backdrop throughout the six months, we have continued to deliver a number of successful exits, utilising our understanding of the investment life cycle and building on our strong exit track record. Five exits were completed during the period at a 2.5x average cash-on-cash return:

- Protean is a leading seller of total business management software for field service management businesses. Originally investing in 2015, Foresight has helped Protean to significantly strengthen its senior leadership team, enabling it to increase revenues by 60%, develop its product offering and enhance its software suite. The exit to Joblogic delivered a 2.4x cash-on-cash return.

- Imagen helps sports organisations, businesses and media companies manage their content libraries with its highly customisable media management and distribution platform. Under Foresight, Imagen generated an annual revenue growth of c.35% whilst growing both their national and international headcount. The exit to Thomson Reuters generated a 1.9x cash-on-cash return for Foresight-managed funds.
- WeTrack offers easy-to-use collaborative management software for the sports and events industries. After the initial investment in 2015, WeTrack grew from two to 17 people and enhanced its service range with four new modules. WeTrack's exit to Momentus Technologies, a global leader in the field, delivered a 2.8x cash-on-cash return.
- S4RB is a Nottingham-based provider of cloud software platforms for retailers to evolve their private label brand products and work more closely with suppliers. Foresight has helped S4RB to grow their team and expand into new markets while developing further software solutions for clients. The exit generated a 1.3x cash-on-cash return for Foresight-managed funds.
- Fresh Relevance is an email marketing and e-commerce personalisation platform, with further detail provided as a case study on page 20.

# Business review continued

## Private Equity continued

### Market outlook

The division, reflecting our experience and differentiated operating model, remains one of the most active investors in UK and Irish SMEs. We continue to build and execute on our large investment pipeline, reinforcing our position as a market leader in regional UK&I private equity.

Our diversified investment portfolio spans both well-established smaller companies and earlier stage high-quality growth companies across a range of sectors, with our Private Credit strategy also deploying larger investments through attractive secured structures into innovative lenders that typically target SMEs. Our portfolio companies, as well as the structure of our investments, also retain low interest rate exposure. The diversity and low leverage profile of our portfolio, alongside the experience of our over 50 investment professionals in investing through various economic cycles, continues to enable us to successfully navigate the volatility that has been felt across many of our markets in 2023.

Against this market backdrop, the division continued to deliver profitable growth during the period, benefitting from revenues generated through successful FY23 and H1 FY24 fundraisings. Looking ahead, we remain confident in delivering continued growth from our promising pipeline of new fund mandates and additional further fund closes across our Growth Private Equity, Venture Capital and Private Credit strategies.

### Case study – Fresh Relevance

Launched in 2013 and headquartered in Southampton, Fresh Relevance is an email marketing and e-commerce personalisation platform. Recognising the challenge of data aggregation in the e-commerce space, the company provides online retailers with flexible software tools to aid customer acquisition and retention.

We originally invested in Fresh Relevance in 2017 and provided follow-on investment in 2021, recognising the ongoing growth opportunities within the company. Through the hands-on approach we take with our investments, we were able to offer them financial support, alongside management expertise, to grow and develop ahead of exit.

Together, with Fresh Relevance's dedication and hard work, we have tripled revenues and further developed the product offering. As part of our sustainable investment approach, we considered the social impact of our investment and what it can offer the local community. We are delighted that, as the company has grown, close to 40 high-quality and sustainable jobs have been created. This has had a positive impact on the local community, with many of the developers recruited locally from the University of Southampton.

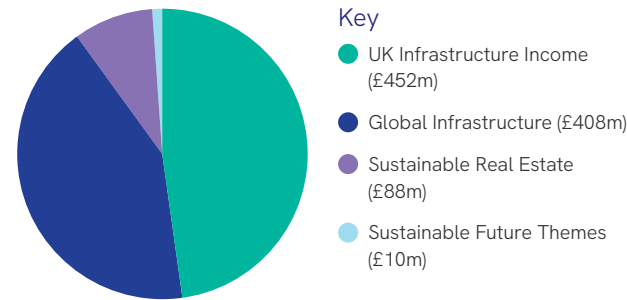
In September 2023 we announced our successful exit from Fresh Relevance, delivering a 4.0x cash-on-cash return to Foresight-managed funds. Our exit to Dotdigital Group plc marks the next stage of the company's growth journey and reflects the excellent business we have helped them become.

Fresh Relevance, a Private Equity investment, achieved a 4.0x cash-on-cash return to Foresight managed Funds

## Business review continued

# Foresight Capital Management

### AUM by investment strategy as at period end



We leverage Foresight's deep knowledge of private markets to provide investors with access to real assets and sustainable investment opportunities in listed markets.

As a leader and innovator in sustainability-led investment strategies, FCM is well placed to develop and implement actively managed investment strategies to address the evolving investment landscape. Core investment competencies cover renewable energy, the energy transition, infrastructure, real estate, natural capital and sustainable equity.

### Market opportunity

Globally, there continues to be strong demand from retail and institutional investors for access to sustainability-orientated investment products that hold listed securities in asset classes such as infrastructure and real estate. Our differentiated approach to this market sets us apart from others, drawing on Foresight Group's experience in investing in private markets through the Infrastructure and Private Equity divisions.

Foresight's experience investing in private markets allows us to uniquely apply this knowledge and skill base to make compelling investments in public markets. We believe that the market opportunity is characterised by:

- Continued demand for our open-ended funds
- International investors demanding access to sustainable investment strategies, with FCM vehicles now covering the US as well as Europe
- Opportunities for us to launch further investment vehicles globally to provide access to our existing strategies
- Our FCM platform being scalable, with significant capacity for further growth in AUM
- Potential to expand the existing investor base beyond the current focus on independent financial advisers ("IFAs") and wealth managers
- A dedicated OEIC UK sales team, focused solely on FCM's OEIC product range and working in conjunction with our large national intermediary distribution team with high-quality, long-established client networks

# Business review continued

## Foresight Capital Management continued

### Operational overview

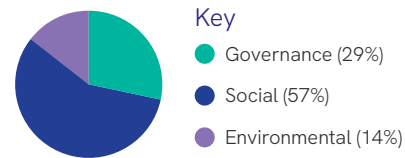
Our team of specialist listed securities professionals follow a sustainable, active and bottom-up investment process. The team of 11 draws on the wider Group's experience in investing in private markets through its other divisions and applies these skills and knowledge to investing in public markets.

This experience, combined with dedicated internal resource focused on sustainability due diligence and analysis, creates valuable capabilities and insights that are hard to replicate. By establishing our position as a thought leader, we have also enhanced the sophistication of our approach beyond others in the market.

During the period, the FCM Team onboarded new engagement monitoring software, tracking FCM engagement dialogue that aims to preserve and enhance the value of assets and occurs in the form of written responses or through investment meetings. The tool is used in tandem with our voting software to improve stewardship reporting, with seven engagements with six separate holdings recorded during the period.

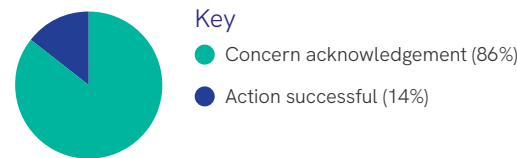
### ESG categories

Percentage distribution of ESG categories linked to engagements:



### Engagement milestone status

Distribution of milestones across engagements:



Our UK distribution, which was enhanced during the period by the creation of a dedicated OEIC UK sales team, is primarily through IFAs, wealth managers and private banks with whom we work to develop strong relationships. We also act as a sub-adviser to two external fund groups: VAM Funds in Europe, and Cromwell Funds in the US.

Our investment approach is to target those companies at the leading edge of global sustainable development which offer potential for value accretion through increasing yield and capital appreciation. We seek to invest in businesses that are at the forefront of driving changes and making a tangible difference. To achieve this, we follow a rigorous process to ensure that we continue to identify those companies in growth markets that can offer ongoing resilience, especially during periods of macroeconomic uncertainty.

### Operational overview

£1.0bn assets under management	4 differentiated investment strategies	7 investment vehicles	11 dedicated professionals	2 institutional sub-advisory mandates
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# Business review continued

## Foresight Capital Management continued

### Investment strategies and funds

FCM offers four investment strategies, which clients can access through four UK, one US and two Luxembourg domiciled funds:

Strategy	Fund	Investment focus
Foresight UK Infrastructure	FP Foresight UK Infrastructure Income Fund ("FIIF")	<p>Harnesses Foresight's infrastructure investment expertise and taps into the demand for lower-volatility, predictable inflation-linked income.</p> <p>The investment objective of the Fund is to generate income and preserve capital with potential for capital growth over an investment term of five years.</p> <p>As at 30 September 2023, the strategy's total net assets were £452 million.</p>
Foresight Global Infrastructure	<p>FP Foresight Global Real Infrastructure Fund ("GRIF")</p> <p>VAM Global Infrastructure Fund (Lux) ("VAM")</p> <p>Foresight Global Real Infrastructure (Lux) Fund ("Foresight SICAV")</p> <p>Cromwell Foresight Global Sustainable Infrastructure Fund (US)</p>	<p>Invests in publicly traded shares of companies located in developed economies, which own or operate real infrastructure or renewable energy assets anywhere in the world.</p> <p>The Fund aims to grow, over any five year period, by more than 3% per annum above the rate of UK inflation (as measured by the UK Consumer Prices Index).</p> <p>As at 30 September 2023, the strategy's total net assets were £408 million.</p>
Foresight Sustainable Real Estate	FP Foresight Sustainable Real Estate Securities Fund ("REF")	<p>Provides investors with exposure to a highly liquid and globally diversified portfolio of Real Estate Trusts. Given the lack of liquid open-ended funds in the UK that address sustainable real estate in a focused manner, REF is a highly differentiated strategy.</p> <p>The Fund aims to provide an income yield of 4% net of fees with a secondary objective to achieve capital growth over a rolling five year period.</p> <p>As at 30 September 2023, the strategy's total net assets were £88 million.</p>
Foresight Sustainable Future Themes	FP Foresight Sustainable Future Themes Fund ("SFT")	<p>Invests in a global portfolio of scalable listed companies that address the following core themes of sustainable development and decarbonisation as a key sustainable investment focus:</p> <ul style="list-style-type: none"> <li>• Sustainable Energy</li> <li>• Sustainable Land, Food, Forestry</li> <li>• Waste, Water and the Circular Economy</li> <li>• Health and Education</li> <li>• Digital World</li> </ul> <p>The Fund aims to grow capital over a five year period by investing in companies which meet the manager's sustainability criteria for positive environmental and/or social impact.</p> <p>As at 30 September 2023, the strategy's total net assets were £10 million.</p>

# Business review continued

## Foresight Capital Management continued

### Performance

H1 FY24 was characterised by continued elevated volatility in listed infrastructure markets, with significant pressure on portfolio company share prices. This was driven by increases in long-term government bond yields, with a greater than 50 basis points increase in September alone. Portfolio companies continue to adjust well operationally and financially to an economic environment that is inevitably more restrictive for growth, but negative investor sentiment continued to weigh on their share price performances.

Against this challenging backdrop we delivered a robust relative performance, with AUM reducing by 27% to £1.0 billion (FY23: £1.3 billion). This reflected market performance of £(0.1) billion and net outflows of £(0.2) billion, noting that net outflows decelerated in Q2 when compared with Q1.

Fund	Inception date	12 month TSR	TSR since inception
FP Foresight UK Infrastructure Income Fund	4 December 2017	-15.75%	11.44%
FP Foresight Global Real Infrastructure Fund <sup>1</sup>	3 June 2019	-17.53%	9.37%
FP Foresight Sustainable Real Estate Securities Fund	15 June 2020	-8.74%	-13.21%
FP Foresight Sustainable Future Themes Fund	28 March 2022	-0.02%	-6.45%

1. Return figures relate to UK domiciled vehicles in GBP.

### FCM market outlook

The FCM division has navigated the challenging macroeconomic conditions experienced by equity markets over the last 18 months. We have remained committed to our fundamental investment principles, holding sustainability focused companies with excellent earnings quality, which is driven by critical, cash flow generative assets.

Market sentiment across the sector remained pessimistic and many portfolio companies continue to trade at material discounts to their NAVs or equivalent; however, demand from private market focused institutional investors remains strong. There is a large and growing body of evidence from private market transactions and portfolio company asset sales, that supports reported valuations and the very high quality of the portfolio companies' assets.

We have continued to focus on expanding the international reach of our distribution channels in the period by signing a new strategic agreement covering the Nordic region and we intend to expand this to cover other European markets in due course. This agreement adds to our existing US partnership, as well as the recent creation of a specialist OEIC UK sales team with FCM products as its sole focus.

As monetary policy stabilises, we would expect to see both a recovery in performance and greater capital flowing back into the sector. The division is well placed to capitalise on any such increase in capital allocations to the sector, through our expanded distribution channels and the highly scalable nature of our four investment strategies, with significant investment headroom across our current vehicles and the potential to launch new vehicles.

We remain confident in the long-term prospects of the FCM portfolio, as well as the division's strategic positioning, which provides customer, product and geographic diversification.

# Business review continued

Foresight Capital Management continued

## Case study – Expansion of distribution channels

Through our focus on investing for a smarter future we have built a diversified and resilient business model, and by enhancing and broadening our distribution channels we further strengthen this resilience. This not only helps us to expand our geographic footprint to reach more investors, but it enables us to build scale within the funds and elevate the profile of the Foresight brand with new investors in different countries.

In January 2023 we launched the Cromwell Foresight Global Sustainable Infrastructure Fund. This partnership with Baltimore-based Cromwell Funds enhances our reach into the important US asset management market. We continue to develop the relationship, working with Cromwell to build our US presence, and have achieved small initial inflows.

We extended our European presence in September 2023 by signing a strategic agreement with House of Reach, a Nordic firm comprising over 20 senior industry experts, including former CEOs, CIOs and distribution heads in the region. House of Reach, as a Business Development Partner, will support the distribution of our Foresight Global Real Infrastructure (Lux) Fund (“Foresight SICAV”) in Europe as their relationships with professional investors across all tiers allows them to support Foresight Group to scale smaller funds whilst continuing to support us as the fund grows.

House of Reach will identify prospective professional investors and introduce FCM to those interested in Foresight SICAV. Whilst we will start marketing the fund in Sweden, Denmark and Norway, the intention is to extend our reach into Switzerland and other countries in due course.

Finally, we have also enhanced our UK distribution, creating a dedicated OEIC UK sales team in August 2023. This specialist team is solely focused on FCM’s OEIC product range, working in conjunction with our large national intermediary distribution team. The team comprises a Head of FCM Distribution, who brings over 25 years’ experience to the role, and four OEIC sales specialists. The team is based in our London office and will seek to increase capital raising and retention by deepening both investor relationships and market penetration.

The continued expansion of our distribution channels enhances our growth potential, helping to provide access to established distribution and marketing channels and open new markets and countries to us. As a result of this strategic activity, we have positioned ourselves to deliver growth and ongoing sustainable investment opportunities and performance.

In January 2023, Baltimore-based Cromwell Funds enhanced our reach into the important US asset management market

## Business review continued

# Sustainability

During the period, we successfully hosted our inaugural Sustainability Forum and published our first Sustainability Report. Additionally, we updated the Group's Sustainability Policy to reflect the many improvements made around the Group.

3,000+

Sustainability  
Report clicks

1.4m+

Over 1.4 million tonnes  
of emissions avoided  
compared with the  
UK grid<sup>1</sup>

1.8m+

Over 1.8 million  
homes powered  
for a year<sup>1</sup>

5m+

Over 5 million MWh  
renewable energy  
generated<sup>1</sup>

1. Through Foresight's Infrastructure investments.



Beekeeping at Sandridge Solar Farm

# Business review continued

Sustainability continued

## The Foresight Sustainability Forum May 2023

International leaders in sustainability and investment gathered at the Eden Project in Cornwall to explore the fundamental sustainability challenges and opportunities from the future of food to the evolution of natural capital investment.

The key question was: How can we use cross-sector collaboration to mobilise capital towards sustainable goals?

The keynote was given by Chris Skidmore MP, who published "Mission Zero", the final report of the UK Government's Net Zero Review.

Lord Deben, Chair of the UK Climate Change Committee, featured amongst other influential speakers in a Nature vs Technology solutions panel discussion.

(Link to videos/panels: <https://www.foresightgroup.eu/landing/foresight-sustainability-forum>)

## Audiences

31

external guests  
with us in  
Cornwall

89

guests  
live online

47,500+

total post-event  
audience

332

hours of video  
viewing time by  
online audiences  
since

35

companies in  
attendance



Chris Skidmore MP opening his key note speech at our Sustainability Forum 2023

# Business review continued

Sustainability continued

## Foresight awards 2023

### Group:

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#### Private Equity Wire European ESG awards:

- Won "Best ESG Firm A Rating"
- 

#### The Investor Society Relations "Best Practice Awards 2023":

- Finalist for Best Communication of Sustainability (Small Cap)
- Finalist for Best in IR (Small Cap)

### Infrastructure:

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#### The Financecommunity.it Awards:

- Shortlisted for Team of the Year Debt Capital Markets
  - Shortlisted for Team of the Year Private Debt
  - Shortlisted for Team of the Year Energy & Infrastructure
  - Shortlisted for Team of the Year Corporate Lending
- 

#### Inspiratia Awards 2023:

- Finalist for Best Energy Transition Fund Manager
  - Finalist for Best Hydrogen Investor
    - Winner of ESG Leader

### Private Equity:

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#### Growth Investor Awards 2023:

- Runner up - ESG Champion of the Year
- 

#### Real Deals ESG Awards 2023:

- Small Cap House of the Year

# Business review continued

Sustainability continued

## Highlights

### Sustainability Policy update

An update of the 2021 policy and approach showed the progress Foresight has made at Group level and within all our Investment divisions, which includes FCM's Stewardship Framework, Infrastructure's Sustainable Investing in Infrastructure Paper ("SIIP") and our Private Equity division's approach to investing.

### ESG Advantage questionnaire results

From 2022 to 2023 our "ESG Performance" improved within the ESG Advantage questionnaire that we complete at the request of Shareholders, increasing from 3 to 4.5 out of 5. This is an average of our manager rating of 5 and portfolio rating of 4, placing us in the "Future Proof" category for both.

### Foresight charity initiatives

In April, our Retail Sales team led a fundraiser for Open Bionics Foundation (an investee company's charity). In August, our Infrastructure Team raised money for Walking4Hope. Teams across the firm partnered with Svitlo School, an online education charity, to deliver career sessions to Ukrainian students.

### The UK Business Biodiversity Forum

We joined the UK Business Biodiversity Forum ("UKBBF") - an international working group that promotes best practice in integrating biodiversity into strategy and TNFD implementation.

### FSFL's ten year anniversary

FSFL was the UK's largest investment trust dedicated to solar when it completed its £150 million initial public offering on 24 October 2013. With over £1.0 billion of AUM, the fund manages 61 assets, directly contributing to a lower carbon economy, producing over 6TWh of renewable electricity - enough to power approximately 7% of UK households for an entire year - and avoiding an estimated two million tonnes of CO<sub>2</sub> per annum.

### The Good Economy's Place Based Impact Investment Network ("PBII")

Our Private Equity Team has become a founding member of the PBII. The initiative explores how to scale-up institutional investment into opportunities that enhance local economic resilience, sustainable development and the Levelling Up agenda. Foresight was featured as one of three in-depth case studies in their first groundbreaking report on how asset managers should consider their place-based impact.

### Industry engagement: UKSIF sign-on letter

As part of the UK Sustainable Investment and Finance Association ("UKSIF") working group, Foresight Group signed an open letter warning the UK Government of the consequences of wavering in their climate commitments. The open letter urged the government to provide long-term policy certainty to ensure the UK is a world leader in sustainable finance.



Wildflower Seed Collection at Fordie Estate Scotland, part of Foresight Sustainable Forestry Company Plc's portfolio

# Business review continued

Sustainability continued

## Next steps

- Our Nature Recovery Ambition Statement Update will be published in November 2023 and will include the latest information regarding nature from across Foresight.
- Preparation for future Taskforce on Nature-related Financial Disclosures (“TNFD”) reporting.
- The Group Sustainability team will be focusing on conducting a Group-wide double materiality assessment in line with future European Corporate Sustainability Reporting Directive requirements.
- JLEN, one of our Infrastructure investment trusts, is in the process of developing a Transition Plan in line with the Transition Plan Taskforce (“TPT”) draft disclosure framework which is anticipated to be published in early 2024. It believes that the application of the TPT disclosure framework to JLEN is a valuable tool in developing the Fund’s net zero strategy. While JLEN continues to embed assessment and monitoring of ESG criteria into its business-as-usual activities, Foresight will review its current ESG KPIs in line with the Transition Plan to ensure they are fit for purpose.
- Private Equity is currently developing its software-based Platform for Advancing Change Together (“PACT”) further. The next phase will involve user experience improvements and onboarding all remaining portfolio companies. This will continue to improve our capacity to engage with and report on our investee companies.
- FCM: Further focus is being placed on the quantification of investment processes, increased formalisation of impact frameworks across FCM’s OEICs and making progress across FCM’s reporting suite, including producing a Stewardship Report.





# Financial review

For the six months ended 30 September 2023



“We have delivered another robust period of performance with revenue and Core EBITDA pre-SBP both significantly ahead of the prior year.”

Gary Fraser  
Chief Financial Officer

£12.2bn

AUM<sup>1</sup>  
(31 March 2023: £12.2bn)

87.3%

Recurring revenues<sup>1</sup>  
(30 September 2022: 89.4%)

40.7%

Core EBITDA  
pre-SBP margin<sup>1</sup>  
(30 September 2022: 42.4%)

## Key financial metrics

	30 September 2023	30 September 2022	31 March 2023
Period-end AUM <sup>1</sup> (£m)	12,245	12,483	12,167
Retail	3,824	3,996	3,790
Institutional	8,421	8,487	8,378
Period-end FUM <sup>1</sup> (£m)	8,830	9,203	9,022
Retail	3,681	3,901	3,747
Institutional	5,149	5,302	5,275
Average AUM <sup>1</sup> (£m)	12,173	10,022	11,176
Average FUM <sup>1</sup> (£m)	8,878	7,576	8,353
Total revenue (£000)	67,848	50,720	119,155
Recurring revenue (£000)	59,241	45,347	103,208
Recurring revenue/total revenue (%)	87.3%	89.4%	86.6%
Core EBITDA pre share-based payments <sup>1</sup> (£000)	27,584	21,522	50,158
Core EBITDA pre share-based payments margin <sup>1</sup> (%)	40.7%	42.4%	42.1%
Total comprehensive income (£000)	7,710	11,399	20,905
Basic earnings per share before non-underlying items <sup>1</sup> (pence)	16.0	14.4	34.6
Dividend per share (pence)	6.7	4.6	20.1

1. Alternative performance measures described and explained in the appendix to the half-year financial statements on pages 77 to 87.

# Financial review continued

For the six months ended 30 September 2023

## We continue to extend our track record of profitable growth

### Highlights during the period

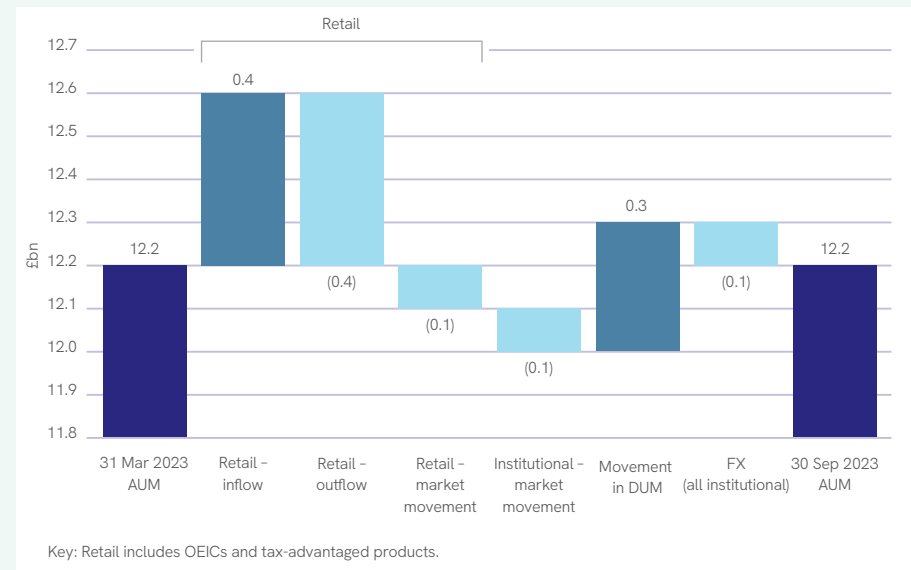
- £30 million third close of our Foresight North East Fund, generating £0.8 million of additional revenue.
- Continued strong fundraising for our ITS product, with £226 million raised in the period.
- Acquisition of Wellspring Finance Company Limited and its subsidiary Wellspring Management Service Limited for £4.8 million, funded wholly from existing financial resources.

### Assets under management/funds under management (“AUM/FUM”)

AUM increased marginally by 1% to £12.2 billion in the six months ended 30 September 2023, with FUM finishing the period at £8.8 billion (FY23: £12.2 billion and £9.0 billion). On a constant currency basis, AUM increased to £12.4 billion in the period, with FUM at £8.9 billion.

The recent period of higher interest rates impacted our FCM division, with net outflows and performance leading to a £0.35 billion decrease in AUM to £1.0 billion as at 30 September 2023. However, the Group once again benefitted from its diversified business model, with strong inflows into higher margin retail vehicles of £0.25 billion and successful institutional fundraising in our Private Equity division.

### AUM bridge



# Financial review continued

For the six months ended 30 September 2023

## Net inflows

We generated strong inflows of £226 million into our ITS product, a significant increase on the same period last year. We have recently launched new offers for three of our VCT products and expect to also successfully raise monies into those funds over the course of the next six months. As noted above, within FCM, our OEIC products experienced net outflows over the period of £(207) million, reflecting the wider macroeconomic factors resulting from the rapid increase in interest rates impacted by higher rates of inflation in the UK.

As noted in the Executive Chairman's statement, the current market for institutional fundraising within our Infrastructure division remains challenging, but within our Private Equity division, we achieved a third close of the Foresight North East Fund of £30 million and we have a promising pipeline of new fund mandates and additional further fund closes, as illustrated by the recently announced closing of the £50 million Investment Fund for Wales ("IFW") and £10 million Foresight Northern Ireland Fund.

## Alternative performance measures ("APMs")

In line with previous periods, and for comparability, we continue to quote Core EBITDA pre-SBP to assess the financial performance of the business. This measure was introduced as our key performance measure because the Group believes this reflects the trading performance of the underlying business, without distortion from the variability in the fair value measurement of the share-based payments charge.

Following its introduction for FY23, the Group also presents profit before non-underlying items as an APM, which excludes non-underlying items from statutory measures. In particular, this removes the impact of the IFRS 3 acquisition accounting. Consequently, the Group also now calculates earnings per share before non-underlying items. As this measure was only introduced for the FY23 Annual Report, the HY23 numbers have been re-presented to reflect this measure.

All of the Group's APMs are set out in the appendix to the half-year financial statements on pages 77 to 87, including explanations of how they are calculated and how they are reconciled to a statutory measure where relevant. A full reconciliation of statutory profit, profit before non-underlying items and Core EBITDA pre-SBP is provided in the appendix.

While the Group appreciates that APMs are not considered to be a substitute for, or superior to, IFRS measures, we believe the selected use of these provides stakeholders with additional information which will assist in the understanding of the business.

## Completion of business combination accounting for the Downing and Infrastructure Capital acquisitions

During the prior period for the six months ended 30 September 2022, the Group commenced its business combination accounting for the Downing and Infrastructure Capital acquisitions. This involved carrying out valuations of the respective management contracts acquired and assessment of the fair value of all other identifiable assets and liabilities. This accounting was not finalised at the time of the publication of the HY23 report, and the fair value of the assets and liabilities acquired were provisional at that time. The accounting was finalised and reported in the FY23 Annual Report and the HY23 comparatives have been restated here to reflect the final fair values, see note 20.

# Financial review continued

For the six months ended 30 September 2023

## Summary Statement of Comprehensive Income and Core EBITDA pre-SBP reconciliation before non-underlying items

	30 September 2023 Before non-underlying items £000	30 September 2022 Before non-underlying items £000	31 March 2023 Before non-underlying items £000
Revenue	67,848	50,720	119,155
Cost of sales	(3,566)	(3,033)	(6,303)
<b>Gross profit</b>	<b>64,282</b>	<b>47,687</b>	<b>112,852</b>
Administrative expenses	(41,448)	(29,670)	(70,630)
<b>Operating profit</b>	<b>22,834</b>	<b>18,017</b>	<b>42,222</b>
Other non-operating gains and losses	593	(313)	378
<b>Profit on ordinary activities before taxation</b>	<b>23,427</b>	<b>17,704</b>	<b>42,600</b>
Tax on profit on ordinary activities	(4,850)	(2,008)	(3,696)
<b>Profit</b>	<b>18,577</b>	<b>15,696</b>	<b>38,904</b>
<b>Other comprehensive income</b>			
Translation differences on foreign subsidiaries	(775)	256	(2,720)
<b>Total comprehensive income</b>	<b>17,802</b>	<b>15,952</b>	<b>36,184</b>

	30 September 2023 Before non-underlying items £000	30 September 2022 Before non-underlying items £000	31 March 2023 Before non-underlying items £000
<b>Adjustments:</b>			
Non-operational staff costs and other	467	300	760
Depreciation and amortisation	3,082	1,976	5,214
Profit on disposal of tangible fixed assets	—	—	(10)
Finance income and expense (excluding fair value gain on derivatives)	(96)	483	733
Foreign exchange on acquisitions	653	353	2,436
Tax on profit on ordinary activities	4,850	2,008	3,696
<b>Core EBITDA</b>	<b>26,758</b>	<b>21,072</b>	<b>49,013</b>
Share-based payments	826	450	1,145
<b>Core EBITDA pre share-based payments</b>	<b>27,584</b>	<b>21,522</b>	<b>50,158</b>

# Financial review continued

For the six months ended 30 September 2023

## Summary Statement of Comprehensive Income and Core EBITDA pre-SBP reconciliation before non-underlying items continued

### Revenue

	30 September 2023 £000	30 September 2022 £000	31 March 2023 £000
Management fees	56,107	42,923	97,373
Secretarial fees	1,450	975	2,719
Directors' fees	1,684	1,449	3,116
<b>Recurring fees</b>	<b>59,241</b>	<b>45,347</b>	<b>103,208</b>
Marketing fees	5,243	2,564	6,129
Arrangement fees	2,350	1,331	4,054
Performance and other fees	1,014	1,478	5,764
<b>Total revenue</b>	<b>67,848</b>	<b>50,720</b>	<b>119,155</b>

Total revenue increased by 34% year-on-year to £67.8 million (30 September 2022: £50.7 million) with high-quality recurring revenue increasing by 31% to £59.2 million (30 September 2022: £45.3 million). Recurring revenue increased due to both organic and inorganic growth, with organic growth contributing £4.4 million and inorganic growth £9.5 million of the additional recurring revenue (of which Infrastructure Capital totalled £7.9 million, Downing £1.3 million and Wellspring £0.3m). The period finished with 87.3% (30 September 2022: 89.4%) of our revenue being classified as recurring, remaining comfortably within the range of our stated target. 20% of our revenues were generated in non-GBP currencies in the period (30 September 2022: 10%) reflecting the Infrastructure Capital acquisition in the prior year and further deployment in our EUR denominated Foresight Energy Infrastructure Partners ("FEIP") fund.

The largest increase in revenue year-on-year came from management fees, which grew by £13.2 million (of which £4.5 million was organic and £8.7 million inorganic). The organic increase was driven by FUM growth in our ITS product, driving an additional £3.3 million of revenue, whilst additional revenue of £2.1 million arose from our Private Equity regional funds, alongside a £0.7 million increase from FEIP.

The continuing challenging market conditions for our Foresight Capital Management division and most other OEIC asset managers, resulted in its revenue contribution decreasing by c.£1.7 million year-on-year. The remaining increase of c.£0.1 million was spread across small movements from our other funds.

Secretarial fees increased by c.48% year-on-year, predominantly due to the Downing and Infrastructure Capital acquisitions, whilst Directors' fees increased c.16% year-on-year as a result of the larger number of companies within the Private Equity portfolio as a result of continued deployment, plus the Downing acquisition.

Marketing fees increased year-on-year due to the strong fundraising from our ITS product, as noted earlier in my report.

Arrangement fees were £1.0 million higher than the six month period ended 30 September 2022 as a result of continued strong deployment, whilst there were performance fees generated in the period following further successful realisations from one of our Private Equity regional funds and Foresight Enterprise VCT plc.

### Administrative expenses before non-underlying items

	30 September 2023 Before non-underlying items £000	30 September 2022 Before non-underlying items £000	31 March 2023 Before non-underlying items £000
Staff costs	28,324	19,926	48,144
Depreciation and amortisation	3,082	1,976	5,214
Legal and professional	2,734	2,235	5,288
Other administration costs	7,308	5,533	11,984
<b>Total</b>	<b>41,448</b>	<b>29,670</b>	<b>70,630</b>

Year-on-year, underlying administrative expenses increased by £11.8 million. Part of this increase (c.£6.3 million) related to the ongoing administrative expenses arising from the Downing and Infrastructure Capital acquisitions, which were only included for part of the comparative six month period, with the remainder relating to our continued organic growth.

# Financial review continued

For the six months ended 30 September 2023

## Summary Statement of Comprehensive Income and Core EBITDA pre-SBP reconciliation before non-underlying items continued

### Administrative expenses before non-underlying items continued

Staff costs increased by c.£8.4 million compared to the six month period ended 30 September 2022, of which £4.2 million related to staff that joined us as part of the Downing and Infrastructure Capital acquisitions. Overall FTE increased by 44.1 versus 30 September 2022, with approximately one-third of this increase from within our Private Equity division to support the launch of our new funds and growth in FUM over the last 12 months. Most of the rest of the increase was seen within our Retail Sales team to bolster our fundraising in this area and back office functions to support the continued growth of the business. At the start of the current financial year, a benchmarking review of base remuneration for senior management was undertaken, with increases enacted from 1 April 2023 where necessary to bring people in line with market standards. This contributed an increase of £0.6 million to staff costs in the six month period.

Depreciation and amortisation costs in the period under review were c.£1.1 million higher than the six months ended 30 September 2022 as a result of the increased number of offices across our business. This increased office footprint is a result of the continued success of our regional Private Equity strategy, with new offices in Leeds, Newcastle and Dublin supporting the launch of new funds in these areas. In the period, there was also a full six months of depreciation on the leases in relation to our Sydney and Melbourne offices, which we inherited as part of the Infrastructure Capital acquisition.

Legal and professional costs were slightly higher year-on-year due to one-off costs associated with the Korn Ferry senior management remuneration review referred to above and a review of our transfer pricing policies, plus the timing of the launches of our current VCT fundraising offers, which were launched in H1 this year (compared with H2 last year).

The increase in other administration costs versus the six month period ended 30 September 2022 was principally due to increases associated with the growth in our headcount (e.g. subscriptions and IT-related costs) plus the annual marketing spend this year was heavily weighted towards H1, with a re-branding of our website and wider marketing literature, in addition to us hosting our successful Foresight Sustainability Forum event in partnership with the Eden Project.

### Core EBITDA pre share-based payments ("SBP")

Core EBITDA pre-SBP increased 28.2% year-on-year to £27.6 million (30 September 2022: £21.5 million) with the associated margin percentage being 40.7% (30 September 2022: 42.4%). The high inflationary environment, together with the challenging infrastructure fundraising markets across the globe, has led to a lower margin versus the same period last year. In the second half, however, with our firm cost discipline, we expect our margin to improve. Cost-saving initiatives have been implemented since period end which, if annualised, would see us achieve our 43% margin target, all other things being equal.

### Non-underlying items

Items which are not considered part of the normal operations of the business, are non-recurring or are considered exceptional because of their size, nature or incidence, are treated as non-underlying items, and disclosed separately. Further detail can be found in note 9 of these accounts.

	30 September 2023 £000	30 September 2022 £000	31 March 2023 £000
Administrative expenses			
Staff costs - acquisitions excluding SBP	2,122	746	3,153
Staff costs - acquisitions SBP	7,938	1,049	9,514
Other administration costs - foreign exchange	—	(782)	(782)
	10,060	1,013	11,885
Acquisition-related costs	—	3,474	3,721
Fair value gains on contingent consideration (incl. finance expense)	48	66	(327)
Gain on business combination	(16)	—	—
<b>Total non-underlying items</b>	<b>10,092</b>	<b>4,553</b>	<b>15,279</b>

# Financial review continued

For the six months ended 30 September 2023

## Non-underlying items continued

### Administrative expenses

Staff costs - acquisitions relate to the acquisitions made during the prior year and reflect the IFRS 3 accounting treatment of the contingent consideration from the Infrastructure Capital acquisition. As previously disclosed, this is being treated as remuneration for post-combination services and will continue to accumulate over the vesting period.

### Gain on business combination

On 20 June 2023, the Group completed the acquisition of 100% of the issued share capital of Wellspring Finance Company Limited and its 100% owned subsidiary Wellspring Management Services Limited ("WMS") for £4.8 million. WMS holds the asset management contracts for seven operational PFI projects in Scotland and will generate recurring revenues within our Infrastructure division at an attractive Core EBITDA margin on contracts that have a final expiry of May 2045. The acquisition is expected to drive incremental annual revenues and profits of c.£1.2 million and £0.8 million respectively. The Group carried out a provisional purchase price allocation which fair valued the assets and liabilities on the date of acquisition and gave rise to a provisional gain on business combination.

### Reconciliation of total comprehensive income before non-underlying items to total comprehensive income

	30 September 2023 £000	30 September 2022 £000	31 March 2023 £000
Total comprehensive income before non-underlying items	17,802	15,952	36,184
Non-underlying items	(10,092)	(4,553)	(15,279)
<b>Total comprehensive income</b>	<b>7,710</b>	<b>11,399</b>	<b>20,905</b>

## Summary Statement of Financial Position

	30 September 2023 £000	30 September 2022 £000	31 March 2023 £000
<b>Assets</b>			
Property, plant and equipment	2,528	2,536	2,522
Right-of-use assets	6,907	8,036	7,281
Intangible assets	66,713	67,229	62,911
Investments	4,259	3,321	3,967
Deferred tax asset	1,851	791	1,742
Derivative assets	638	89	648
Contract costs	3,670	4,259	3,965
Trade and other receivables	25,821	22,716	21,742
Cash and cash equivalents	48,437	32,271	39,761
Net assets of disposal group classified as held for sale	—	64	64
<b>Total assets</b>	<b>160,824</b>	<b>141,312</b>	<b>144,603</b>
<b>Liabilities</b>			
Trade and other payables	(54,831)	(45,681)	(35,382)
Loans and borrowings	(491)	(3,048)	(3,131)
Lease liabilities	(8,544)	(10,223)	(9,251)
Acquisition-related liabilities	(6,925)	(4,152)	(5,973)
Derivative liability	—	(13)	—
Deferred tax liability	13,827	(13,440)	(12,827)
Provisions	(819)	(783)	(800)
<b>Total liabilities</b>	<b>(85,437)</b>	<b>(77,340)</b>	<b>(67,364)</b>
<b>Net assets</b>	<b>75,387</b>	<b>63,972</b>	<b>77,239</b>

# Financial review continued

For the six months ended 30 September 2023

## Summary Statement of Financial Position continued

Net assets remained broadly flat over the six month period. A summary of the key movements in the Statement of Financial Position are as follows:

- **Intangible assets** increased by c.£3.8 million from year end due to the Wellspring acquisition, less amortisation in the period.
- **Trade and other receivables** increased by c.£4.1 million from 31 March 2023 due to the revenue accrued for management fees in relation to our EIS products (which will be settled as exits crystallise across the portfolios), plus the performance fee from Foresight Enterprise VCT plc, which was settled in October.
- **Cash and cash equivalents** remains healthy and increased by c.£8.7 million from year end in line with our positive trading performance during the period and continued strong cash conversion. We completed the Wellspring acquisition from our own cash resources and continue to maintain significant headroom above our regulatory liquidity requirement.
- **Trade and other payables** increased from year end predominantly due to the final dividend of 15.5 pence per share, which was paid to Shareholders on 20 October 2023.

## Dividends

As stated in the FY23 Annual Report, the interim dividend is now being calculated as 33% of the total dividend from the prior year. On that basis, the Board has recommended an FY24 interim dividend of 6.7 pence per share, which will be paid on 26 January 2024, with an ex-dividend date of 11 January 2024 and a record date of 12 January 2024.

## Gary Fraser

Chief Financial Officer

29 November 2023



# Risks

The Board is accountable for risks and has oversight of the risk management process across the Group. The Board is also responsible for establishing the risk culture across the Group’s businesses and functions.

## Our approach to risk management

The Group’s approach to risk management, risk governance and risk appetite is set out in the risks section of the 2023 Annual Report and is established through the risk management framework. Engagement by management at all levels is expected across the Group and is measured through co-operation with and support of the second line of defence functions.

The executive oversight of the risk framework is delegated by the Board to the Chief Financial Officer, who is currently responsible for the risk and control frameworks across the Group.

The Company has identified six principal risk areas for the Group which are set out in the 2023 Annual Report. The risk assessment processes are continuous and principal risk categories may be updated in the event of material change to the business constituency or market conditions. The types of risks to which the Group is exposed have not changed significantly over the period, although the relative focus has shifted toward cyber security, inflation persisting at current levels and geopolitical tensions. There has been a shift in the cyber security threat levels, marked by an increase in the level of sophistication in phishing attempts. The Company has responded to this by hiring additional information security resources and strengthening our control environment, reflecting the dependence on robust cyber security as part of the risk mitigation approach for other Top Ten Risks.

Top Ten Risks:
Cyber risk - information security
Macroeconomic conditions
Geopolitical uncertainty
Third-party risk
Sustainability risk
Operational resilience
Regulatory compliance
Conduct & culture
Human capital risk
Data and records management

## Risk appetite

As a provider of regulated services, Foresight is required to document its risk appetite in relation to its entities within the Group. Foresight Group LLP has its principal office based in London and the risk appetite for this entity is considered the minimum standard for the Group.

Foresight’s risk appetite statement sets out the level and types of risk that it is willing to assume to achieve its strategic objectives and business plan.

The risk appetite statement has early warning triggers and hard risk limits covering business and strategic risk, market risk, credit risk, operational risk, legal and regulatory risk, financial crime risk, conduct risk and information security risk.

Risk position versus risk appetite is reviewed annually, with any changes to key metrics reviewed, challenged and adopted by the Board if appropriate, through the risk appetite framework.

The Group continues to maintain strong liquidity across a range of scenarios, with the greatest threats to capital and liquidity positions represented by the risks of new and escalating conflicts and persistent inflation.

# Half-year financial statements

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# Directors' responsibility statement

The condensed consolidated half-year financial statements are the responsibility of, and have been approved by, the Directors. In that regard, we confirm that to the best of our knowledge:

- The condensed consolidated half-year financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union ("EU") and the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority
- That the condensed consolidated half-year financial statements include a true and fair review of the information required by sections 4.2.7R and 4.2.8R of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority, being:
  - An indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year
  - A fair review of related parties transactions

By order of the Board

**Jo-anna Nicolle**

Company Secretary

29 November 2023

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2023

	Note	Unaudited Six months ended 30 September 2023			Unaudited Six months ended 30 September 2022 as restated			Audited Year ended 31 March 2023		
		Before non-underlying items <sup>1</sup> £000	Non-underlying items <sup>2</sup> £000	Total £000	Before non-underlying items <sup>1</sup> £000	Non-underlying items <sup>2</sup> £000	Total £000	Before non-underlying items <sup>1</sup> £000	Non-underlying items <sup>2</sup> £000	Total £000
Revenue	5	67,848	—	67,848	50,720	—	50,720	119,155	—	119,155
Cost of sales		(3,566)	—	(3,566)	(3,033)	—	(3,033)	(6,303)	—	(6,303)
<b>Gross profit</b>		<b>64,282</b>	<b>—</b>	<b>64,282</b>	<b>47,687</b>	<b>—</b>	<b>47,687</b>	<b>112,852</b>	<b>—</b>	<b>112,852</b>
Administrative expenses	7	(41,448)	(10,060)	(51,508)	(29,670)	(1,013)	(30,683)	(70,630)	(11,885)	(82,515)
Acquisition-related costs	8	—	—	—	—	(3,474)	(3,474)	—	(3,721)	(3,721)
Other operating income		—	—	—	—	—	—	—	—	—
<b>Operating profit</b>		<b>22,834</b>	<b>(10,060)</b>	<b>12,774</b>	<b>18,017</b>	<b>(4,487)</b>	<b>13,530</b>	<b>42,222</b>	<b>(15,606)</b>	<b>26,616</b>
Finance income		688	—	688	83	—	83	883	—	883
Finance expenses		(259)	—	(259)	(490)	—	(490)	(854)	—	(854)
Fair value gains on investments	18	164	—	164	94	—	94	349	—	349
Fair value gains on contingent consideration (incl. finance expense)		—	(48)	(48)	—	(66)	(66)	—	327	327
Gain on business combination (provisional)	19	—	16	16	—	—	—	—	—	—
<b>Profit on ordinary activities before taxation</b>		<b>23,427</b>	<b>(10,092)</b>	<b>13,335</b>	<b>17,704</b>	<b>(4,553)</b>	<b>13,151</b>	<b>42,600</b>	<b>(15,279)</b>	<b>27,321</b>
Tax on profit on ordinary activities	11	(4,850)	—	(4,850)	(2,008)	—	(2,008)	(3,696)	—	(3,696)
<b>Profit for the period attributable to Ordinary Shareholders</b>		<b>18,577</b>	<b>(10,092)</b>	<b>8,485</b>	<b>15,696</b>	<b>(4,553)</b>	<b>11,143</b>	<b>38,904</b>	<b>(15,279)</b>	<b>23,625</b>
<b>Other comprehensive income</b>										
Items that will or may be reclassified to profit or loss:										
Translation differences on foreign subsidiaries		(775)	—	(775)	256	—	256	(2,720)	—	(2,720)
<b>Total comprehensive income</b>		<b>17,802</b>	<b>(10,092)</b>	<b>7,710</b>	<b>15,952</b>	<b>(4,553)</b>	<b>11,399</b>	<b>36,184</b>	<b>(15,279)</b>	<b>20,905</b>

# Condensed Consolidated Statement of Comprehensive Income continued

For the six months ended 30 September 2023

	Note	Unaudited Six months ended 30 September 2023			Unaudited Six months ended 30 September 2022 as restated			Audited Year ended 31 March 2023		
		Before non-underlying items <sup>1</sup>	Non-underlying items <sup>2</sup>	Total	Before non-underlying items <sup>1</sup>	Non-underlying items <sup>2</sup>	Total	Before non-underlying items <sup>1</sup>	Non-underlying items <sup>2</sup>	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Earnings per share attributable to Ordinary Shareholders</b>										
<b>Profit or loss</b>										
Basic (pence)	12			7.3			10.2			21.0
Diluted (pence)	12			7.1			10.1			20.7
Basic before non-underlying items (pence) (non-IFRS measure)	12	16.0			14.4			34.6		
Diluted before non-underlying items (pence) (non-IFRS measure)	12	15.6			14.2			34.0		

The notes on pages 49 to 76 form part of this financial information.

Details of the restatement are provided in note 20.

1. Alternative performance measure. The Group has defined and explained the purpose of its alternative performance measures in note 2b.  
2. See note 9 for an analysis of non-underlying items.

# Condensed Consolidated Statement of Financial Position

As at 30 September 2023

	Note	Unaudited 30 September 2023 £000	Unaudited 30 September 2022 as restated £000	Audited 31 March 2023 £000
<b>Non-current assets</b>				
Property, plant and equipment		2,528	2,536	2,522
Right-of-use assets		6,907	8,036	7,281
Intangible assets	13	66,713	67,229	62,911
Investments at FVTPL		4,259	3,321	3,967
Derivative assets		236	22	245
Deferred tax asset		1,851	791	1,742
Contract costs		3,091	3,729	3,435
Trade and other receivables		2,715	2,480	2,599
		88,300	88,144	84,702
<b>Current assets</b>				
Derivative assets		402	67	403
Contract costs		579	530	530
Trade and other receivables		23,106	20,236	19,143
Cash and cash equivalents		48,437	32,271	39,761
		72,524	53,104	59,837
Assets and liabilities of disposal group classified as held for sale		—	64	64
<b>Current liabilities</b>				
Trade and other payables		(54,831)	(45,617)	(35,382)
Loans and borrowings	14	(127)	(624)	(2,646)
Lease liabilities		(2,644)	(2,593)	(2,562)
Acquisition-related liabilities	15	(1,360)	(1,392)	(1,150)
		(58,962)	(50,226)	(41,740)
<b>Net current assets</b>		13,562	2,942	18,161

	Note	Unaudited 30 September 2023 £000	Unaudited 30 September 2022 as restated £000	Audited 31 March 2023 £000
<b>Non-current liabilities</b>				
Trade and other payables		—	(64)	—
Loans and borrowings	14	(364)	(2,424)	(485)
Lease liabilities		(5,900)	(7,630)	(6,689)
Acquisition-related liabilities	15	(5,565)	(2,760)	(4,823)
Derivative liability		—	(13)	—
Provisions		(819)	(783)	(800)
Deferred tax liability		(13,827)	(13,440)	(12,827)
		(26,475)	(27,114)	(25,624)
<b>Net assets</b>		75,387	63,972	77,239
<b>Equity</b>				
Share capital	16	—	—	—
Share premium	16	61,886	61,886	61,886
Shares held in escrow reserve	16	(17,664)	(26,496)	(26,496)
Own share reserve	16	(995)	(668)	(729)
Share-based payment reserve	16	11,012	1,948	11,118
Group reorganisation reserve	16	30	30	30
Foreign exchange reserve	16	(3,705)	46	(2,930)
Retained earnings	16	24,823	27,226	34,360
<b>Total equity</b>		75,387	63,972	77,239

The financial statements were approved and authorised for issue by the Board of Directors on 29 November 2023 and were signed on its behalf by:

**Gary Fraser**                      **Geoffrey Gavey**  
Chief Financial Officer          Director

The notes on pages 49 to 76 form part of this financial information.

Details of the restatement are provided in note 20.

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2023

	Share capital £000	Share premium £000	Shares held in escrow reserve £000	Own share reserve £000	Share-based payment reserve £000	Group re-organisation reserve £000	Foreign exchange reserve £000	Retained earnings £000	Total equity £000
<b>Audited balance at 1 April 2022</b>	—	32,040	—	(454)	481	30	—	26,490	58,587
Transfer	—	—	—	—	—	—	(210)	210	—
Profit for the six months (as restated)	—	—	—	—	—	—	—	11,143	11,143
Other comprehensive income	—	—	—	—	—	—	256	—	256
<b>Contributions by and distributions to owners</b>									
Premium on issue of shares	—	29,846	—	—	—	—	—	—	29,846
Dividends	—	—	—	—	—	—	—	(10,617)	(10,617)
Shares held in escrow arising from acquisition	—	—	(26,496)	—	—	—	—	—	(26,496)
Purchase of own shares	—	—	—	(214)	—	—	—	—	(214)
Share-based payments	—	—	—	—	1,450	—	—	—	1,450
Deferred tax	—	—	—	—	17	—	—	—	17
<b>Unaudited balance at 30 September 2022 (as restated)</b>	—	61,886	(26,496)	(668)	1,948	30	46	27,226	63,972
Profit for the six months	—	—	—	—	—	—	—	12,482	12,482
Other comprehensive income	—	—	—	—	—	—	(2,976)	—	(2,976)
<b>Contributions by and distributions to owners</b>									
Dividends	—	—	—	—	—	—	—	(5,348)	(5,348)
Purchase of own shares	—	—	—	(61)	—	—	—	—	(61)
Share-based payments	—	—	—	—	9,143	—	—	—	9,143
Deferred tax	—	—	—	—	27	—	—	—	27
<b>Audited balance at 31 March 2023</b>	—	61,886	(26,496)	(729)	11,118	30	(2,930)	34,360	77,239

# Condensed Consolidated Statement of Changes in Equity continued

For the six months ended 30 September 2023

	Share capital £000	Share premium £000	Shares held in escrow reserve £000	Own share reserve £000	Share-based payment reserve £000	Group re-organisation reserve £000	Foreign exchange reserve £000	Retained earnings £000	Total equity £000
Profit for the six months	—	—	—	—	—	—	—	8,485	8,485
Other comprehensive income	—	—	—	—	—	—	(775)	—	(775)
<b>Contributions by and distributions to owners</b>									
Dividends	—	—	—	—	—	—	—	(18,022)	(18,022)
Purchase of own shares	—	—	—	(266)	—	—	—	—	(266)
Share-based payments	—	—	—	—	8,726	—	—	—	8,726
Deferred tax	—	—	—	—	—	—	—	—	—
Transfer on vesting of initial consideration shares issued for Infrastructure Capital acquisition	—	—	8,832	—	(8,832)	—	—	—	—
<b>Unaudited balance at 30 September 2023</b>	<b>—</b>	<b>61,886</b>	<b>(17,664)</b>	<b>(995)</b>	<b>11,012</b>	<b>30</b>	<b>(3,705)</b>	<b>24,823</b>	<b>75,387</b>

Details of the restatement are provided in note 20.



# Condensed Consolidated Cash Flow Statement

For the six months ended 30 September 2023

	Note	Unaudited six months ended 30 September 2023 £000	Unaudited six months ended 30 September 2022 as restated £000	Audited year ended 31 March 2023 £000
<b>Cash flows from operating activities</b>				
Profit before taxation		13,335	13,151	27,321
Adjustments for:				
Gain on business combination (provisional)	19	(16)	—	—
Fair value gains on investments	18	(164)	(94)	(349)
Finance expenses		259	490	854
Finance income		(688)	(83)	(883)
Fair value gains on contingent consideration (incl. finance expense)	15	48	66	(327)
Share-based payment (including share-based staff costs - acquisitions)	10	8,764	1,499	10,659
Staff costs - acquisitions (excluding share-based staff costs - acquisitions)	15	2,122	289	2,503
Amortisation in relation to intangible assets (customer contracts)	13	1,515	751	2,414
Depreciation and amortisation (excluding amortisation in relation to intangible assets (customer contracts))	7	1,567	1,225	2,800
Profit on disposal of tangible and intangible fixed assets		—	—	(10)

	Note	Unaudited six months ended 30 September 2023 £000	Unaudited six months ended 30 September 2022 as restated £000	Audited year ended 31 March 2023 £000
Loss on disposal of discontinued operations		23	—	—
Foreign currency losses		(102)	(339)	(1,104)
Decrease in contract costs		295	296	590
(Increase)/decrease in trade and other receivables		(4,009)	2,006	2,771
(Decrease)/increase in trade and other payables		(1,867)	6,188	7,746
<b>Cash generated from operations</b>		<b>21,082</b>	<b>25,445</b>	<b>54,985</b>
Interest paid on loan liabilities <sup>1</sup>	14	—	(92)	—
Interest paid on lease liabilities <sup>1</sup>		—	(249)	—
Tax paid		(1,400)	(1,361)	(3,624)
<b>Net cash from operating activities</b>		<b>19,682</b>	<b>23,743</b>	<b>51,361</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment		(507)	(218)	(619)
Acquisition of intangible assets		—	(4)	(13)
Acquisition of investments at FVTPL	18	(250)	(850)	(1,310)
Proceeds on sale of investments at FVTPL	18	122	404	473

# Condensed Consolidated Cash Flow Statement continued

For the six months ended 30 September 2023

	Note	Unaudited six months ended 30 September 2023 £000	Unaudited six months ended 30 September 2022 as restated £000	Audited year ended 31 March 2023 £000
Proceeds on disposal of property, plant and equipment		—	29	29
Proceeds from derivative instruments		343	—	114
Interest received		355	7	121
Proceeds from discontinued operations		40	—	—
Contingent consideration paid		(1,169)	—	—
Acquisition of Wellspring Finance Company Limited	19	(4,607)	—	—
Acquisition of Infrastructure Capital	19	—	(29,557)	(31,391)
Acquisition of the technology ventures division of Downing LLP	19	—	(13,633)	(13,425)
<b>Net cash used in investing activities</b>		<b>(5,673)</b>	<b>(43,822)</b>	<b>(46,021)</b>
<b>Cash flows from financing activities</b>				
Dividends and distributions to equity members	17	—	—	(15,965)
FGLLP members' capital contributions		(788)	35	35
Purchase of own shares	16	(266)	(214)	(275)
Principal paid on lease liabilities		(1,398)	(1,154)	(2,451)

	Note	Unaudited six months ended 30 September 2023 £000	Unaudited six months ended 30 September 2022 as restated £000	Audited year ended 31 March 2023 £000
Interest paid on lease liabilities <sup>1</sup>		(206)	—	(512)
Principal paid on loan liabilities	14	(2,545)	(606)	(606)
Interest paid on loan liabilities <sup>1</sup>	14	(130)	—	(92)
Other interest paid <sup>1</sup>		—	—	(2)
<b>Net cash used in financing activities</b>		<b>(5,333)</b>	<b>(1,939)</b>	<b>(19,868)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>8,676</b>	<b>(22,018)</b>	<b>(14,528)</b>
Cash and cash equivalents at beginning of period		39,761	54,289	54,289
Cash and cash equivalents at end of period		48,437	32,271	39,761

The notes on pages 49 to 76 form part of this financial information.

Significant non-cash transactions from investing in the period ended 30 September 2022 and year ended 31 March 2023 were the shares issued for the Infrastructure Capital acquisition.

Significant non-cash transactions from financing in the period ended 30 September 2023 were in respect of the final dividend declared on 20 October 2023 for the year ended 31 March 2023 of £18.0 million which will be paid in the subsequent six month period (period ended 30 September 2022: £10.6 million).

Details of the restatement are provided in note 20.

# Notes to the financial statements

For the six months ended 30 September 2023

## 1. Corporate information

Foresight Group Holdings Limited (the “Company”) is a public limited company incorporated and domiciled in Guernsey and whose shares are publicly traded on the Main Market of the London Stock Exchange. The registered office is located at PO Box 650, 1st Floor Royal Chambers, St Julian’s Avenue, St Peter Port, Guernsey, GY1 3JX. The condensed consolidated half-year financial statements for the six months ended 30 September 2023 (the “half-year financial statements”) comprise the financial statements of the Company and its subsidiaries (collectively, the “Group”).

## 2. Basis of preparation and other reporting matters

### 2a. Basis of preparation

The half-year financial statements for the six months to 30 September 2023 have been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the European Union (“EU”), the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority and the Companies (Guernsey) Law, 2008. They do not include all the information required for a complete set of IFRS financial statements. Accordingly, the half-year financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2023, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the EU.

The Independent Auditor’s Report on the annual consolidated financial statements for the year ended 31 March 2023 was unqualified and did not contain an emphasis of matter paragraph. The half-year financial statements for the six months ended 30 September 2023 and restated 30 September 2022 are unaudited.

Selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements for the year ended 31 March 2023.

The financial information is presented in sterling, which is the Company’s functional currency. All information is given to the nearest thousand (except where specified otherwise).

The half-year financial statements have been prepared on a historical cost basis, except for investments, derivatives and contingent consideration that have been measured at fair value.

### Going concern

These financial statements have been prepared on the going concern basis.

The Directors have considered the resilience of the Group, taking into account its current financial position and the principal and emerging risks facing the business. The Board reviewed the Group’s cash flow forecasts and trading budgets for a period of 12 months from the date of approval of these accounts as part of its overall review of the Group’s three year plan, and concluded that, taking into account plausible downside scenarios that could reasonably be anticipated, the Group will have sufficient funds to pay its liabilities as they fall due for that period. Taking into consideration the impact of inflation, rising interest rates and the wider economic environment, the forecasts have been stress tested to ensure that a robust assessment of the Group’s working capital and cash requirements has been performed. The stress test scenarios adopted involved severe but plausible downside scenarios with respect to the Group’s trading performance. Downside scenarios included a material reduction in revenues through lower fundraising, lower deployment and reduction in valuation of the funds managed by the Group. Any mitigating actions available to protect working capital and strengthen the balance sheet, including deferring non-essential capital expenditure and increased cost control, were also taken into account.

In considering the above, the Directors have formed the view that the Group will generate sufficient cash to meet its ongoing liabilities as they fall due for at least the next 12 months; accordingly, the going concern basis of preparation has been adopted.

### 2b. Alternative performance measures (“APMs”)

The Group has identified measures that it believes will assist the understanding of the performance of the business. These APMs are not defined or specified under the requirements of IFRS. The Group believes that these APMs, which are not considered to be a substitute for, or superior to, IFRS measures, provide stakeholders with additional useful information on the underlying trends, performance and position of the Group and are consistent with how business performance is measured internally. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies’ APMs.

In line with previous periods, and for comparability, we continue to quote Core EBITDA pre-SBP to assess the financial performance of the business. This measure was introduced as our key performance measure because the Group believes this reflects the trading performance of the underlying business, without distortion from the variability in the fair value measurement of the share-based payments charge.

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 2. Basis of preparation and other reporting matters continued

### 2b. Alternative performance measures (“APMs”) continued

The Group also reports profit before non-underlying items as an APM, which excludes non-underlying items from statutory measures. Non-underlying items are described below (see note 2c). Consequently, the Group also now calculates earnings per share before non-underlying items. Other alternative performance measures include recurring revenues, dividend payout ratio and assets and funds under management (“AUM”, “FUM”). The APMs are set out in the appendix to the half-year financial statements on pages 77 to 87 including explanations of how they are calculated and how they are reconciled to a statutory measure where relevant.

### 2c. Non-underlying items

The Group has chosen to present a measure of profit and earnings per share which excludes certain items that are considered non-underlying and exceptional due to their size, nature or incidence, and are not considered to be part of the normal operations of the Group. This is as a result of the financial effect of non-underlying items relating to business combinations (more specifically remuneration for post-combination services), acquisition-related costs, fair value gains on contingent consideration and gain on business combination. In respect of remuneration for post-combination services, these are deferred consideration payments to sellers that are contingent on the recipients remaining employees of the Group which are exceptional due to both their size and their nature. The Group believes that the separate disclosure of these items provides additional useful information to users of the financial statements to enable a better understanding of the Group’s underlying financial performance. Further details of non-underlying items are provided in note 9. These non-underlying items are also excluded from Core EBITDA pre-SBP.

## 3. Significant events and transactions

The financial position and performance of the Group was affected by the following events and transactions during the six months ended 30 September 2023:

### Acquisition of Wellspring Finance Company Limited

The Group completed the acquisition of Wellspring Finance Company Limited and its subsidiary Wellspring Management Services Limited for £4.8 million on 20 June 2023. Wellspring Management Services Limited holds the asset management contracts for seven operational PFI projects. The acquisition has been accounted for as a business combination under IFRS 3. The accounting for the acquisition is further explained in note 19.

### Restatement of prior period comparatives

#### Provisional identifiable assets acquired and liabilities assumed on business combinations

The Group carried out a purchase price allocation after the completion of a business combination during the prior period six months ended 30 September 2022. This included intangible assets at fair value in respect of the earnings the investment management contracts acquired are expected to generate, together with an associated deferred tax liability.

The fair value of the identifiable assets acquired and liabilities assumed on business combinations in the period were provisional at 30 September 2022. The final fair value was adopted in the Group’s annual consolidated financial statements for the year ended 31 March 2023 in line with IFRS 3 and the prior period comparatives have been restated. See note 20.

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 4. Accounting policies

The accounting policies applied in these half-year financial statements are the same as those applied by the Group in its annual consolidated financial statements for the year ended 31 March 2023 except for the policies below and the mandatory amendments that had an effective date prior to the start of the six month period. None of the mandatory amendments had an impact on the Group's financial statements. The changes in accounting policies will also be reflected in the Group's annual consolidated financial statements for the year ended 31 March 2024.

A number of new amendments to standards and interpretations will be effective for periods beginning on or after 1 April 2024. None are expected to have a material impact on the Group's financial statements.

### A. Estimates and judgements

The preparation of the half-year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the reporting date.

In preparing these half-year financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation were the same as those that applied to the annual consolidated financial statements for the year ended 31 March 2023 except for the below:

#### Key sources of estimation uncertainty

Provisional identifiable assets acquired and liabilities assumed on business combinations

The Group carries out a purchase price allocation after the completion of a business combination. This often includes an intangible asset at fair value in respect of the earnings the investment management contracts acquired are expected to generate together with an associated deferred tax liability. The key assumptions used to determine the fair value are the expected earnings and discount rate applied.

The fair value of the identifiable assets acquired and liabilities assumed on business combinations in the period are provisional at 30 September 2023 while the Group finalises the valuation for the customer contracts owned by Wellspring Management Services Limited, as explained further in note 19. The valuation had not been completed by the date the half-year financial statements were approved for issue; therefore, this is a key source of estimation uncertainty in these half-year financial statements. Given that the valuation of the intangible assets is provisional, no sensitivity is provided at this stage.

#### Key judgements

Customer contract intangibles purchased through acquisitions

When the Group completes an acquisition, a judgement is made as to whether the transaction should be accounted for as a business combination or as an asset acquisition. In making this judgement, the Group assesses the assets, liabilities, operations and processes that were the subject of the transaction against the definition of a business combination in IFRS 3. In particular, consideration is given to the scale of the operations subject to the transaction and whether this consists of inputs and substantive processes that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort or delay in the ability to continue producing outputs. As a result of the assessment, the Group has determined that the acquisition of Wellspring Finance Company Limited should be accounted for as the acquisition of a business under IFRS 3.

### B. Financial risk management

The Group's financial risk management objectives and policy are consistent with those disclosed in the annual consolidated financial statements for the year ended 31 March 2023.

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 5. Revenue

	Unaudited six months ended 30 September 2023 £000	Unaudited six months ended 30 September 2022 £000	Audited year ended 31 March 2023 £000
Management fees	56,107	42,923	97,373
Secretarial fees	1,450	975	2,719
Directors' fees	1,684	1,449	3,116
<b>Recurring revenue</b>	<b>59,241</b>	<b>45,347</b>	<b>103,208</b>
Marketing fees	5,243	2,564	6,129
Arrangement fees	2,350	1,331	4,054
Performance incentive fees	982	1,388	5,740
Other income	32	90	24
	<b>67,848</b>	<b>50,720</b>	<b>119,155</b>

## 6. Business segments

Management monitors the performance and strategic priorities of the business from a business unit ("BU") perspective, and in this regard has identified the following three key "reportable segments": Infrastructure, Private Equity and FCM.

The Group's senior management assesses the performance of the operating segments based on Core EBITDA pre-SBP. See the appendix to the half-year financial statements for further explanation.

Unaudited Six months ended 30 September 2023	Infrastructure £000	Private Equity £000	FCM £000	Total £000
<b>Revenue</b>	<b>41,007</b>	<b>21,292</b>	<b>5,549</b>	<b>67,848</b>
Cost of sales	(2,063)	(461)	(1,042)	(3,566)
<b>Gross profit</b>	<b>38,944</b>	<b>20,831</b>	<b>4,507</b>	<b>64,282</b>
Administrative expenses	(35,983)	(12,165)	(3,360)	(51,508)
<b>Operating profit</b>	<b>2,961</b>	<b>8,666</b>	<b>1,147</b>	<b>12,774</b>
Non-operating items	426	127	8	561
<b>Profit on ordinary activities before taxation</b>	<b>3,387</b>	<b>8,793</b>	<b>1,155</b>	<b>13,335</b>
Translation differences on foreign subsidiaries	(775)	—	—	(775)
Core EBITDA reconciling items	13,675	1,190	159	15,024
<b>Core EBITDA pre-SBP</b>	<b>16,287</b>	<b>9,983</b>	<b>1,314</b>	<b>27,584</b>

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 6. Business segments continued

Unaudited Six months ended 30 September 2022	Infrastructure £000	Private Equity £000	FCM £000	Total £000
<b>Revenue</b>	28,366	15,425	6,929	50,720
Cost of sales	(1,505)	(322)	(1,206)	(3,033)
<b>Gross profit</b>	26,861	15,103	5,723	47,687
Administrative expenses	(18,935)	(7,937)	(3,811)	(30,683)
Acquisition-related costs	(3,109)	(365)	—	(3,474)
<b>Operating profit</b>	4,817	6,801	1,912	13,530
Non-operating items	(218)	(120)	(41)	(379)
<b>Profit on ordinary activities before taxation</b>	4,599	6,681	1,871	13,151
Translation differences on foreign subsidiaries	256	—	—	256
Core EBITDA reconciling items	6,380	1,534	201	8,115
<b>Core EBITDA pre-SBP</b>	11,235	8,215	2,072	21,522

Audited Year ended 31 March 2023	Infrastructure £000	Private Equity £000	FCM £000	Total £000
<b>Revenue</b>	73,035	33,411	12,709	119,155
Cost of sales	(714)	(3,349)	(2,240)	(6,303)
<b>Gross profit</b>	72,321	30,062	10,469	112,852
Administrative expenses	(56,107)	(19,308)	(7,100)	(82,515)
Acquisition-related costs	(415)	(3,295)	(11)	(3,721)
<b>Operating profit</b>	15,799	7,459	3,358	26,616
Non-operating items	430	328	(53)	705
<b>Profit on ordinary activities before taxation</b>	16,229	7,787	3,305	27,321
Translation differences on foreign subsidiaries	(2,720)	—	—	(2,720)
Core EBITDA reconciling items	16,811	8,149	597	25,557
<b>Core EBITDA pre-SBP</b>	30,320	15,936	3,902	50,158

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 6. Business segments continued

The Group operates in different geographic regions. Revenue by region is summarised below:

	Unaudited six months ended 30 September 2023 £000	Unaudited six months ended 30 September 2022 £000	Audited year ended 31 March 2023 £000
United Kingdom	53,925	45,769	100,237
Australia	9,198	1,647	11,010
Luxembourg	2,972	2,366	5,414
Italy	523	663	1,498
Spain	369	275	602
Ireland	861	—	394
	67,848	50,720	119,155

Non-current assets (excluding derivative assets, deferred tax assets, contract costs and trade and other receivables) by region are summarised below:

	Unaudited six months ended 30 September 2023 £000	Unaudited six months ended 30 September 2022 as restated £000	Audited year ended 31 March 2023 £000
United Kingdom	38,104	33,620	32,523
Australia	38,193	43,214	39,704
Luxembourg	2,609	2,041	2,584
Italy	1,016	1,689	1,353
Spain	485	558	517
	80,407	81,122	76,681

## 7. Administrative expenses

	Unaudited six months ended 30 September 2023 £000	Unaudited six months ended 30 September 2022 £000	Audited year ended 31 March 2023 £000
Staff costs	28,324	19,926	48,144
Staff costs - acquisitions (refer to note 9)	10,060	1,795	12,667
Depreciation and amortisation (excluding amortisation in relation to intangible assets (customer contracts))	1,567	1,225	2,800
Amortisation in relation to intangible assets (customer contracts)	1,515	751	2,414
Legal and professional	2,734	2,235	5,288
Other administration costs	7,308	4,751	11,202
	51,508	30,683	82,515

Other administration costs mainly relate to irrecoverable VAT, computer maintenance, marketing, subscriptions, bank charges and sundries.

## 8. Acquisition-related costs

	Unaudited six months ended 30 September 2023 £000	Unaudited six months ended 30 September 2022 £000	Audited year ended 31 March 2023 £000
Acquisition of Infrastructure Capital	—	3,006	3,121
Acquisition of the technology ventures division of Downing LLP	—	365	452
Other	—	103	148
	—	3,474	3,721



# Notes to the financial statements continued

For the six months ended 30 September 2023

## 9. Non-underlying items

Items which are not considered part of the normal operations of the business, are non-recurring or are considered exceptional because of their size, nature or incidence, are treated as non-underlying items and disclosed separately. Further details of non-underlying items are included in note 2c.

The Group has re-presented the comparative figures to consistently reflect the presentation of non-recurring items in the Condensed Consolidated Statement of Comprehensive Income.

	Unaudited six months ended 30 September 2023 £000	Unaudited six months ended 30 September 2022 £000	Audited year ended 31 March 2023 £000
Administrative expenses (note 7)			
Staff costs – acquisitions (see below)	10,060	1,795	12,667
Other administration costs – foreign exchange	—	(782)	(782)
	10,060	1,013	11,885
Acquisition-related costs (note 8)			
Legal and professional costs in respect of acquisition of Infrastructure Capital	—	3,006	3,121
Legal and professional costs in respect of acquisition of the technology ventures division of Downing LLP	—	365	452
Other legal and professional costs	—	103	148
	—	3,474	3,721
Fair value gains on contingent consideration (incl. finance expense)	48	66	(327)
Gain on business combination (provisional)	(16)	—	—
<b>Total non-underlying items</b>	<b>10,092</b>	<b>4,553</b>	<b>15,279</b>

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 9. Non-underlying items continued

### Breakdown of staff costs – acquisitions

The table below shows the breakdown of staff costs – acquisitions related to the deferred payments from the acquisition of Infrastructure Capital for the six months ended 30 September 2023.

	Cash £000	Shares £000	Total £000
Initial share consideration	—	7,226	7,226
Earn-out consideration	1,267	344	1,611
Revenue earn-out consideration	227	—	227
Performance consideration	628	368	996
	2,122	7,938	10,060

Refer to note 33 of the annual consolidated financial statements for the breakdown of costs for the year ended 31 March 2023.

## 10. Share-based payments

	Unaudited six months ended 30 September 2023 £000	Unaudited six months ended 30 September 2022 £000	Audited year ended 31 March 2023 £000
<b>Included in staff costs (note 7)</b>			
Performance Share Plan (equity-settled)	632	289	840
UK Share Incentive Plan (equity-settled)	156	112	239
Overseas Phantom Share Plan (cash-settled)	38	49	66
	826	450	1,145
<b>Included in staff costs – acquisitions (note 7)</b>			
Infrastructure Capital – post-combination services (equity-settled)	7,938	1,049	9,514
	8,764	1,499	10,659

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 10. Share-based payments continued

The classification of share-based payments above is as follows:

	Unaudited six months ended 30 September 2023 £000	Unaudited six months ended 30 September 2022 £000	Audited year ended 31 March 2023 £000
Equity-settled	8,726	1,450	10,593
Cash-settled	38	49	66
	<b>8,764</b>	<b>1,499</b>	<b>10,659</b>

### Performance Share Plan

The Remuneration Committee approved the implementation of the Performance Share Plan ("PSP") following the IPO. Options are granted under the plan for no consideration, carry no dividend or voting rights and are linked to an absolute total shareholder return ("TSR") of 6% compound growth per annum over a three year period. The absolute TSR condition vests over a range as set out in the Remuneration Committee Report in the Annual Report for the year ended 31 March 2023. The exercise price is £nil. The Group is authorised to issue new shares to satisfy share plans which must not exceed 10% of the issued share capital in any rolling ten year period. The Group's position against the dilution limits at 30 September 2023 since Admission was c.3%.

Details of movements in the number of shares are as follows:

	Unaudited 30 September 2023		Unaudited 30 September 2022		Audited 31 March 2023	
	Number of shares granted	Average exercise price per share option £	Number of shares granted	Average exercise price per share option £	Number of shares granted	Average exercise price per share option £
At the beginning of period	2,359,530	—	1,071,830	—	1,071,830	—
Granted	1,162,311	—	1,316,700	—	1,316,700	—
Vested	—	—	—	—	—	—
Extinguished	—	—	(3,500)	—	(29,000)	—
Awards outstanding at end of period	<b>3,521,841</b>	—	2,385,030	—	2,359,530	—

No options expired during the current or prior six month period to 30 September 2023 or 2022 as well as the year ended 31 March 2023.

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 10. Share-based payments continued

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	Share options 30 September 2023	Share options 30 September 2022	Share options 31 March 2023
4 September 2021	31 July 2024	—	1,042,830	1,068,330	1,042,830
9 August 2022	31 July 2025	—	1,316,700	1,316,700	1,316,700
10 August 2023	31 July 2026	—	1,162,311	—	—
			<b>3,521,841</b>	<b>2,385,030</b>	<b>2,359,530</b>
Weighted average remaining contractual life of share options outstanding at end of period			<b>1.87 years</b>	<b>2.39 years</b>	<b>1.89 years</b>

### Share Incentive Plan

Under the Foresight Share Incentive Plan ("SIP"), for each one Partnership Share that an employee buys, Foresight offers two free matching shares. In each tax year, employees can buy up to £1,800 or 10% of salary (whichever is lower) of Partnership Shares from their pre-tax salary. If an employee leaves the Group, any matching shares held for less than three years will be withdrawn, i.e. the vesting period of the matching shares is three years with the performance condition of continuous service. The SIP shares are held in trust by the SIP Trustee. Voting rights are exercised by the SIP Trustee on receipt of participants' instructions.

As the SIP options have a zero strike price and the participant is entitled to dividends (with the dividend cash received into the trust used to purchase additional shares) during the vesting period, the fair value of the award is indistinguishable from the share price. Therefore, the share price on the award date is used when calculating the share-based payment expense.

The movement in matching shares purchased under this scheme during the year was as follows:

	Unaudited 30 September 2023 Number of shares purchased	Unaudited 30 September 2022 Number of shares purchased	Audited 31 March 2023 Number of shares purchased
At the beginning of period	218,494	152,769	152,769
Movement	43,248	53,060	65,725
At end of period	<b>261,742</b>	<b>205,829</b>	<b>218,494</b>

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 10. Share-based payments continued

### Overseas Phantom Share Plan

During the year ended 31 March 2023, the Group launched the Overseas Phantom Share Plan (the “Plan”) which was introduced to create a plan similar to the UK Share Incentive Plan for non-UK employees. All non-UK employees may participate except those who participate in the Performance Share Plan. The Plan is a cash-bonus scheme whereby each non-UK employee is granted a number of notional share options replicating the terms of the UK SIP. At 30 September 2023, the Group made awards of 43,634 notional matching shares under the plan.

### Infrastructure Capital – post-combination services

Payments of consideration arising from the acquisition of Infrastructure Capital require the sellers to remain either employed or contracted to the Group or the payments will be forfeited. They are therefore accounted for as remuneration for post-combination services. Where the consideration is paid in shares, these are accounted for as equity-settled share-based payments under IFRS 2. Further explanation of the consideration is contained in note 33 of the Group’s annual consolidated financial statements for the year ended 31 March 2023.

The expiry dates of shares issued under this arrangement are as follows:

Grant date	Expiry date	Exercise price <sup>1</sup>	Share options 30 September 2023	Share options 30 September 2022	Share options 31 March 2023
8 September 2022	30 September 2023	—	—	2,276,784	2,276,784
8 September 2022	30 September 2024	—	2,276,784	2,276,784	2,276,784
8 September 2022	30 September 2025	—	2,276,784	2,276,784	2,276,784
			4,553,568	6,830,352	6,830,352
Weighted average remaining contractual life of share options outstanding at end of period			1.5 years	2 years	1.5 years

1. Exercise price not applicable as shares have already been issued.

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 11. Taxation

	Unaudited six months ended 30 September 2023 £000	Unaudited six months ended 30 September 2022 £000	Audited year ended 31 March 2023 £000
<b>Current tax</b>			
UK corporation tax	3,843	2,079	3,260
Foreign taxation	1,338	97	1,708
<b>Total current tax charge</b>	<b>5,181</b>	<b>2,176</b>	<b>4,968</b>
<b>Deferred tax</b>			
Origination and reversal of temporary differences	(331)	(168)	(1,272)
<b>Total deferred tax</b>	<b>(331)</b>	<b>(168)</b>	<b>(1,272)</b>
<b>Tax on profit on ordinary activities</b>	<b>4,850</b>	<b>2,008</b>	<b>3,696</b>

The Group is headquartered in Guernsey although its principal trading office is in the UK. The Group also has international offices in Italy, Australia, Spain, Luxembourg and Ireland. The Group pays taxes according to the rates applicable in the countries in which it operates.

Tax is charged at 20.7% on profit before non-underlying items for the six months ended 30 September 2023 (30 September 2022 as restated: 11.3%, 31 March 2023: 8.7%) representing the best estimate of the average annual effective tax rate expected to apply for the full year, applied to the pre-tax profit of the six month period.

## 12. Earnings per share

	Unaudited six months ended 30 September 2023 £000	Unaudited six months ended 30 September 2022 as restated £000	Audited year ended 31 March 2023 £000
<b>Earnings</b>			
Profit for the period for purpose of basic and diluted earnings per share	8,485	11,143	23,625
Non-underlying items (note 9)	10,092	4,553	15,279
Profit before non-underlying items for the period for purpose of basic and diluted earnings per share before non-underlying items	18,577	15,696	38,904

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 12. Earnings per share continued

	Unaudited 30 September 2023 £000	Unaudited 30 September 2022 as restated £000	Audited 31 March 2023 £000
<b>Number of shares</b>			
Weighted average number of shares in issue during the period	116,271	109,288	112,770
Less time apportioned own shares held <sup>1</sup>	(238)	(197)	(193)
Weighted average number of Ordinary Shares for the purpose of basic earnings per share	116,033	109,091	112,577
Add back weighted average number of dilutive potential shares			
Performance Share Plan	2,690	1,162	1,727
Weighted average number of Ordinary Shares for the purpose of diluted earnings per share	118,723	110,253	114,304

1. The Group has identified that the time apportioned own shares held incorrectly included the shares held in escrow at 30 September 2022. The 30 September 2022 numbers have therefore been restated.

Weighted average number of Ordinary Shares for the purpose of diluted earnings per share does not include the impact of contingent shares to be issued for both the earn-out consideration and performance consideration arising from the Infrastructure Capital acquisition as the amount of shares potentially to be issued is not currently known.

	Unaudited six months ended 30 September 2023 pence	Unaudited six months ended 30 September 2022 as restated pence	Audited year ended 31 March 2023 pence
<b>Earnings per share</b>			
Basic	7.3	10.2	21.0
Diluted	7.1	10.1	20.7
Basic before non-underlying items	16.0	14.4	34.6
Diluted before non-underlying items	15.6	14.2	34.0

Earnings per share before non-underlying items is calculated in the same way as earnings per share, but by reference to non-underlying items attributable to Shareholders.

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 13. Intangible assets

Unaudited	Computer software £000	Customer contracts £000	Goodwill £000	Total £000
<b>Cost</b>				
At 1 April 2023	663	47,035	18,426	66,124
Business combinations (provisional) (see note 19)	—	6,422	—	6,422
Foreign exchange	—	(771)	(324)	(1,095)
<b>At 30 September 2023</b>	<b>663</b>	<b>52,686</b>	<b>18,102</b>	<b>71,451</b>
<b>Amortisation/impairment</b>				
At 1 April 2023	477	2,736	—	3,213
Charge for the period	26	1,515	—	1,541
Foreign exchange	—	(16)	—	(16)
<b>At 30 September 2023</b>	<b>503</b>	<b>4,235</b>	<b>—</b>	<b>4,738</b>
<b>Net book value at 30 September 2023</b>	<b>160</b>	<b>48,451</b>	<b>18,102</b>	<b>66,713</b>

Unaudited as restated	Computer software £000	Customer contracts £000	Goodwill £000	Total £000
<b>Cost</b>				
At 1 April 2022	650	4,558	—	5,208
Additions	4	—	—	4
Business combinations	—	44,798	19,404	64,202
Foreign exchange	—	(427)	(180)	(607)
<b>At 30 September 2022</b>	<b>654</b>	<b>48,929</b>	<b>19,224</b>	<b>68,807</b>
<b>Amortisation/impairment</b>				
At 1 April 2022	394	383	—	777
Charge for the period	50	751	—	801
<b>At 30 September 2022</b>	<b>444</b>	<b>1,134</b>	<b>—</b>	<b>1,578</b>
<b>Net book value at 30 September 2022</b>	<b>210</b>	<b>47,795</b>	<b>19,224</b>	<b>67,229</b>



# Notes to the financial statements continued

For the six months ended 30 September 2023

## 13. Intangible assets continued

Audited	Computer software £000	Customer contracts £000	Goodwill £000	Total £000
<b>Cost</b>				
At 1 April 2022	650	4,558	—	5,208
Additions	13	—	—	13
Business combinations	—	44,798	19,404	64,202
Foreign exchange movement	—	(2,321)	(978)	(3,299)
<b>At 31 March 2023</b>	<b>663</b>	<b>47,035</b>	<b>18,426</b>	<b>66,124</b>
<b>Amortisation/impairment</b>				
At 1 April 2022	394	383	—	777
Charge for the period	83	2,414	—	2,497
Foreign exchange movement	—	(61)	—	(61)
<b>At 31 March 2023</b>	<b>477</b>	<b>2,736</b>	<b>—</b>	<b>3,213</b>
<b>Net book value at 31 March 2023</b>	<b>186</b>	<b>44,299</b>	<b>18,426</b>	<b>62,911</b>

## Customer contracts

The table below shows the carrying amount assigned to each component of customer contracts and the remaining amortisation period.

	Remaining amortisation period	Carrying value £000
Acquisition of Infrastructure Capital	18.9 years	13,059
Acquisition of Downing's technology ventures business	13.8 years	25,971
Acquisition of PiP Manager Limited	16.9 years	2,429
Acquisition of FV Solar Lab S.R.L.	1.1 years	647
Acquisition of Wellspring Management Services Limited	19.4 years	6,345
		<b>48,451</b>

## Goodwill

The table below shows the carrying amount of goodwill.

	Carrying value £000
Acquisition of Infrastructure Capital (see note 19)	11,564
Acquisition of Downing's technology ventures business (see note 19)	6,538
	<b>18,102</b>

## Computer software

The remaining element of intangible assets relates to capitalised software costs, which are amortised over three to four years. The amortisation charges above are recognised within administrative expenses in the Condensed Consolidated Statement of Comprehensive Income.

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 14. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. Loans and borrowings arose from the acquisition of PiP Manager Limited in the year ended 31 March 2021.

	Unaudited 30 September 2023 £000	Unaudited 30 September 2022 £000	Audited 31 March 2023 £000
<b>Current liabilities</b>			
Loans	127	624	2,646
<b>Non-current liabilities</b>			
Loans	364	2,424	485
	<b>491</b>	<b>3,048</b>	<b>3,131</b>

### Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Unaudited 30 September 2023 Carrying amount <sup>1</sup> £000
Unsecured loan	GBP	Base rate + 2%	2027	491

1. The carrying amount of these loans and borrowings equates to their fair value.

The movement on the above loans may be summarised as follows:

	Unaudited 30 September 2023 £000	Unaudited 30 September 2022 £000	Audited 31 March 2023 £000
At beginning of period	3,131	3,690	3,690
At acquisition	—	—	—
Interest	35	56	139
Repayment	(2,675)	(698)	(698)
<b>At end of period</b>	<b>491</b>	<b>3,048</b>	<b>3,131</b>

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 15. Acquisition-related liabilities

	Contingent consideration £000	Remuneration for post- combination services £000	Total £000
At 1 April 2022	—	—	—
Business combinations	3,797	—	3,797
Arising in the period	—	289	289
Fair value movements	66	—	66
<b>At 30 September 2022</b>	<b>3,863</b>	<b>289</b>	<b>4,152</b>
Current liabilities	1,392	—	1,392
Non-current liabilities	2,471	289	2,760
Arising in the period	—	2,214	2,214
Fair value movements	(393)	—	(393)
<b>At 31 March 2023</b>	<b>3,470</b>	<b>2,503</b>	<b>5,973</b>

	Contingent consideration £000	Remuneration for post- combination services £000	Total £000
Current liabilities	1,104	46	1,150
Non-current liabilities	2,366	2,457	4,823
Arising in the period	—	2,122	2,122
Payments <sup>1</sup>	(1,169)	—	(1,169)
Fair value movements	48	—	48
Foreign exchange	—	(49)	(49)
<b>At 30 September 2023</b>	<b>2,349</b>	<b>4,576</b>	<b>6,925</b>
Current liabilities	1,119	241	1,360
Non-current liabilities	1,230	4,335	5,565

1. The payment for contingent consideration relates to the first cash payment for Downing's technology ventures business combination that was conditional on achieving certain AUM targets. Refer to note 33 of the annual consolidated financial statements for the year ended 31 March 2023.

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 16. Share capital and other reserves

### Ordinary Shares and share premium

Ordinary Shares issued by the Group are recognised at the proceeds or fair value received, with the excess of the amount received over nominal value being credited to the share premium account:

	Unaudited 30 September 2023 Number	Unaudited 30 September 2023 £000	Unaudited 30 September 2022 Number	Unaudited 30 September 2022 £000	Audited 31 March 2023 £000	Audited 31 March 2023 £000
At beginning of period	116,271,212	61,886	108,333,333	32,040	108,333,333	32,040
Shares issued on acquisition of Infrastructure Capital (see note 19)	—	—	7,937,879	29,846	7,937,879	29,846
<b>At end of period</b>	<b>116,271,212</b>	<b>61,886</b>	<b>116,271,212</b>	<b>61,886</b>	<b>116,271,212</b>	<b>61,886</b>

### Shares held in escrow reserve

The shares held in escrow reserve arises from the acquisition of Infrastructure Capital and accounting treatment of the initial share consideration under IFRS 3 (see note 19). If a seller forfeited their shares, under the terms of share and purchase agreement, these shares would be proportionally allocated to the other sellers. Forfeiture does not apply to good leavers, of which there were three on completion; therefore, any other forfeited shares would be allocated to the good leavers and not returned to the Company.

On 30 September 2023, 33.33% of the shares were no longer subject to forfeiture. Consequently, a transfer of £8,832,000 was made between the shares held in escrow reserve and the share-based payment reserve.

### Own share reserve

The Group operates a Share Incentive Plan as per note 10. The Group operates a trust which holds shares that have not yet vested unconditionally to employees of the Group.

At 30 September 2023, the total number of shares held in trust was 398,035 (30 September 2022: 310,539, 31 March 2023: 342,403), including 261,742 (30 September 2022: 205,198, 31 March 2023: 218,494) of matching shares at a cost of £995,000 (30 September 2022: £668,000, 31 March 2023: £729,000), an increase of £266,000 on the previous reporting period.

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 16. Share capital and other reserves continued

### Share-based payment reserve

The share-based payment reserve represents the cumulative cost of the Group's share-based remuneration schemes and associated deferred tax together with the cumulative cost of the remuneration for post-combination services arising from acquisitions. See note 10 for share-based payments and the breakdown of the cost of equity-settled share-based payments taken to the reserve in each period.

### Group reorganisation reserve

The Group reorganisation reserve consists of the Ordinary Share capital of Foresight Group CI Limited. As there is no investment in Foresight Group CI Limited held in the books of any holding companies (Foresight Group Holdings Limited) this balance is left as a Group reserve.

### Foreign exchange reserve

Includes cumulative translation differences on translating foreign subsidiaries from their local currency into sterling.

### Retained earnings

Includes all current and prior period retained profits and losses less dividends.

## 17. Dividends

Dividends on Ordinary Shares declared or paid during the year:

	Unaudited six months ended 30 September 2023 £000	Unaudited six months ended 30 September 2022 £000	Audited year ended 31 March 2023 £000
Interim dividend	—	—	5,348
Final dividend	18,022	10,617	10,617
	18,022	10,617	15,965

The final dividend related to the year ended 31 March 2023 of 15.5 pence per Ordinary Share was approved by Shareholders at the Annual General Meeting held on 10 August 2023 and paid on 20 October 2023. Accordingly, this was accounted for as payable at 30 September 2023.

### Dividends proposed by the Board of Directors (not recognised as a liability at 30 September 2023, 30 September 2022 or 31 March 2023)

	Unaudited six months ended 30 September 2023 £000	Unaudited six months ended 30 September 2022 £000	Audited year ended 31 March 2023 £000
Interim dividend	7,790	5,348	—
Final dividend	—	—	18,022

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 18. Financial instruments – classification and measurement

### (a) Carrying amount versus fair value

#### Financial assets

Financial assets comprise cash and cash equivalents, trade receivables and other receivables (at amortised cost) and investments and derivative assets at FVTPL, as follows:

	Unaudited 30 September 2023 £000	Unaudited 30 September 2022 as restated £000	Audited 31 March 2023 £000
Trade and other receivables	22,394	20,529	18,662
Cash and cash equivalents	48,437	32,271	39,761
Derivative assets	638	89	648
Investments at FVTPL	4,259	3,321	3,967
	<b>75,728</b>	<b>56,210</b>	<b>63,038</b>

#### Financial liabilities

Financial liabilities comprise trade payables, other payables, accruals, loans and borrowings and lease liabilities (at amortised cost) and acquisition-related liabilities (at FVTPL) as follows:

	Unaudited 30 September 2023 £000	Unaudited 30 September 2022 as restated £000	Audited 31 March 2023 £000
Trade payables	1,959	2,519	1,945
Other payables	23,209	20,823	5,708
Accruals	13,167	11,155	17,504
Loans and borrowings	491	3,048	3,131
Lease liabilities	8,544	10,223	9,251
Acquisition-related liabilities	6,925	4,152	5,973
Derivative liability	—	13	—
	<b>54,295</b>	<b>51,933</b>	<b>43,512</b>

The Group considers the carrying amount of trade and other receivables, cash and cash equivalents, trade payables, other payables and accruals to be a reasonable approximation of fair value largely due to the short-term maturities of these instruments. Loans and other borrowings are not materially different to their carrying amounts since the interest payable is close to current market rates.

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 18. Financial instruments – classification and measurement continued

### (b) Fair value hierarchy

For financial instruments not traded in an active market, such as derivatives, the fair value is determined using appropriate valuation techniques that take into account the terms and conditions of the contracts and utilise observable market data, such as spot and forward rates, as inputs. Investments at FVTPL are the Group's co-investment into Limited Partnership funds and VCT investments managed by the Group. These unquoted investments are valued on a net asset basis by the Group. The actual underlying investments are valued in accordance with the following rules, which are consistent with the IPEV Valuation Guidelines.

- i) Where a value is indicated by a material arms-length transaction by an independent third party in the shares of a company, this value will be used
- ii) In the absence of i), and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to either:
  - a) an earnings multiple basis. The shares may be valued by applying a suitable multiple to that company's historic, current or forecast earnings before tax, interest, depreciation and amortisation (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified compared to the sector including, inter alia, illiquidity); or
  - b) where a company's under-performance against plan indicates a diminution in the value of the investment, a write down against cost is made, as appropriate. Where the value of an investment has fallen permanently below cost, the loss is treated as a permanent write down and as a realised loss, even though the investment is still held. The Group assesses the portfolio for such investments and, after agreement with the relevant manager, will agree the values that represent the extent to which a realised loss should be recognised. This is based upon an assessment of objective evidence of that investment's future prospects, to determine whether there is potential for the investment to recover in value
- iii) Premiums on loan investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable

- iv) Where an earnings multiple or cost less impairment basis is not appropriate and overriding factors apply, discounted cash flow, a net asset valuation, or industry specific valuation benchmarks may be applied. An example of an industry specific valuation benchmark would be the application of a multiple to that company's historic, current or forecast turnover (the multiple being based on a comparable sector but with the resulting value being adjusted to reflect points of difference including, inter alia, illiquidity)

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 September 2023 unaudited	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
<b>Financial assets</b>				
Investments at FVTPL	—	—	4,259	4,259
Derivative assets	—	638	—	638
	—	638	4,259	4,897
<b>Financial liabilities</b>				
Acquisition-related liabilities: Contingent consideration	—	—	2,349	2,349
Acquisition-related liabilities: Remuneration for post-combination services	—	—	4,576	4,576
	—	—	6,925	6,925

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 18. Financial instruments – classification and measurement continued

### (b) Fair value hierarchy continued

As at 30 September 2022 unaudited	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
<b>Financial assets</b>				
Investments at FVTPL	—	—	3,321	3,321
Derivative assets	—	89	—	89
	—	89	3,321	3,410
<b>Financial liabilities</b>				
Acquisition-related liabilities: Contingent consideration	—	—	3,863	3,863
Acquisition-related liabilities: Remuneration for post- combination services	—	—	289	289
Derivative liability	—	13	—	13
	—	13	4,152	4,165

At 31 March 2023 audited	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
<b>Financial assets</b>				
Investments at FVTPL	—	—	3,967	3,967
Derivative assets	—	648	—	648
	—	648	3,967	4,615
<b>Financial liabilities</b>				
Acquisition-related liabilities: Contingent consideration	—	—	3,470	3,470
Acquisition-related liabilities: Remuneration for post- combination services	—	—	2,503	2,503
	—	—	5,973	5,973

Derivative assets have arisen from the forward foreign currency contracts entered into during the year ended 31 March 2023 and are classified as Level 2. These were fair valued using valuation techniques that incorporate foreign exchange spot and forward rates. Otherwise, financial assets and liabilities are classified as Level 3.



# Notes to the financial statements continued

For the six months ended 30 September 2023

## 18. Financial instruments – classification and measurement continued

### (c) Reconciliation: Level 3 recurring fair value measurements

Investments at FVTPL	Total £000
At 1 April 2022	2,781
Additions	850
Fair value movements	94
Sales proceeds	(404)
<b>At 30 September 2022</b>	<b>3,321</b>
Additions	460
Fair value movements	255
Sales proceeds	(69)
<b>At 31 March 2023</b>	<b>3,967</b>
Additions	250
Fair value movements	164
Sales proceeds	(122)
<b>At 30 September 2023</b>	<b>4,259</b>

A reconciliation of opening to closing balances for acquisition-related liabilities is disclosed in note 15.

### (d) Transfers

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

During the period there were no transfers between Levels 1, 2 or 3.

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 18. Financial instruments – classification and measurement continued

### (e) Valuation techniques

The unobservable inputs may be summarised as follows:

Asset class and valuation	Unaudited 30 September 2023 fair value £000	Significant unobservable inputs	Range estimates	Sensitivity factor	Change in fair value £000
Investments at FVTPL	4,259	NAV	1x	+/- 5%	+/- 213
Acquisition-related liabilities: Contingent consideration	2,349	NAV	1x	+/- 5%	+/- 117
Acquisition-related liabilities: Remuneration for post-combination services	4,576	Forecast	1x	Forecast	See below

As can be seen in the table above, the most significant unobservable input is in relation to the NAV of the relevant investments. A change of 5% to this assumption would increase or decrease the value of these investments by £213,000.

Acquisition-related liabilities: Remuneration for post-combination services; see note 28 of the annual consolidated financial statements for further guidance.

Unrealised gains and losses on investments at FVTPL are recognised in the Condensed Consolidated Statement of Comprehensive Income as fair value gains on investments. Unrealised gains and losses on contingent consideration are recognised in the Condensed Consolidated Statement of Comprehensive Income as fair value gains on contingent consideration (incl. finance expense). Fair value gains and losses on remuneration for post-combination services are recognised over the vesting period as staff costs – acquisitions.

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 19. Business combinations

### Acquisitions in the reporting period for the six months ended 30 September 2023

On 20 June 2023, the Group completed the acquisition of 100% of the issued share capital of Wellspring Finance Company Limited. The principal activity of the company is that of providing outsourced management services through the 100% owned subsidiary Wellspring Management Services Limited.

Wellspring Management Services Limited holds the asset management contracts for seven operational PFI projects in Scotland. The acquisition allowed the Group to increase recurring revenue at an attractive Core EBITDA margin on contracts that have a final expiry of May 2045.

#### Consideration transferred

The following table summarises the acquisition date fair value of each class of consideration transferred:

	£000
Cash consideration	4,870
<b>Total carrying value</b>	<b>4,870</b>

Cash consideration comprises an initial cash payment of £4,800,000 paid on 20 June 2023 and a further payment of £70,000 to be paid at a later date.

#### Acquisition-related costs

There were no acquisition-related costs.

### Identifiable assets acquired and liabilities assumed

The provisional fair value of the identifiable net assets acquired at the acquisition date were as follows:

	Carrying amounts £000	Fair value £000	Recognised amounts £000
Intangible assets – customer contracts	3,948	2,474	6,422
Trade and other receivables	70	—	70
Cash and cash equivalents	193	—	193
Trade and other payables	(193)	—	(193)
Deferred tax liability	—	(1,606)	(1,606)
<b>Total net assets acquired</b>	<b>4,018</b>	<b>868</b>	<b>4,886</b>

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 19. Business combinations continued

### Acquisitions in the reporting period for the six months ended 30 September 2023 continued

The Group requires further information to conclude its purchase price allocation in accordance with IFRS 3 paragraph 45, so currently the fair value of the identifiable net assets is provisional. More specifically, a provisional valuation of intangible assets – customer contracts has been carried out for the purpose of the half-year financial statements. This represents the present value of the earnings that the asset management contracts acquired are expected to generate; however, more analysis is required to finalise this valuation. Therefore, the Group will conclude this exercise and provide finalised net assets in the annual consolidated financial statements for the year ending 31 March 2024. Any change in the fair value of the net assets will then impact on the gain on business combination recognised.

The acquisition is reflected in the Cash Flow Statement as follows at 30 September 2023:

	£000
Cash paid	(4,800)
Cash acquired on acquisition of subsidiary	193
<b>Total per Cash Flow Statement</b>	<b>(4,607)</b>

### Gain on business combination

The provisional gain on business combination on the acquisition of Wellspring Finance Company Limited has been recognised as follows:

	£000
Provisional fair value of net assets acquired	4,886
Less total consideration	(4,870)
Gain on business combination (provisional)	16

The gain on business combination arises due to the provisional fair value of net assets acquired being greater than the total consideration.

### Revenue and profits of Wellspring Finance Company Limited

Amounts that the acquisition contributed to both Group revenue and profit in the post-acquisition period are as follows:

	£000
Revenue contribution	326
Profit on ordinary activities before taxation	236

Had the acquisition occurred at the start of the period, the acquisition would have made the following contributions to both Group revenue and profit:

	£000
Revenue contribution	586
Profit on ordinary activities before taxation	424

### Acquisitions in the previous reporting period for the six months ended 30 September 2022

On 4 July 2022, the Group completed the acquisition of the technology ventures division of Downing LLP. The fair value of the assets and liabilities were provisional at 30 September 2022 and were finalised during the year ended 31 March 2023. Details of the business combination were disclosed in note 33 of the Group's annual consolidated financial statements for the year ended 31 March 2023.

On 8 September 2022, the Group completed the acquisition of 100% of the issued share capital of Infrastructure Capital. The fair value of the assets and liabilities were provisional at 30 September 2022 and were finalised during the year ended 31 March 2023. Details of the business combination were disclosed in note 33 of the Group's annual consolidated financial statements for the year ended 31 March 2023.

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 20. Restatement of prior period comparatives

As described in note 19, the fair values of the assets and liabilities of Infrastructure Capital and Downing were finalised during the year ended 31 March 2023. IFRS 3 requires fair value adjustments to be recorded with effect from the date of acquisition and consequently result in the restatement of previously reported financial results.

The impact on the Condensed Consolidated Statement of Financial Position as at 30 September 2022 is shown below:

	As reported 30 September 2022 £000	Infrastructure Capital adjustments £000	Downing adjustments £000	Total adjustments at acquisition £000	Other <sup>1</sup> £000	As restated 30 September 2022 £000
Intangible assets - customer contracts	72,506	(30,786)	5,644	(25,142)	431	47,795
Goodwill	10,028	12,866	(3,490)	9,376	(180)	19,224
Trade and other receivables	23,281	—	(565)	(565)	—	22,716
Trade and other payables	(45,699)	18	—	18	—	(45,681)
Acquisition-related liabilities	(3,974)	—	(178)	(178)	—	(4,152)
Deferred tax liability	(18,198)	6,169	(1,411)	4,758	—	(13,440)
Shares held in escrow reserve	(26,966)	470	—	470	—	(26,496)

The impact on the Condensed Consolidated Statement of Comprehensive Income for the six months ended 30 September 2022 is shown below:

	As reported 30 September 2022 £000	Infrastructure Capital adjustments £000	Downing adjustments £000	Total adjustments at acquisition £000	Other <sup>1</sup> £000	As restated 30 September 2022 £000
Gain on business combination	12,203	(12,203)	—	(12,203)	—	—
Translation differences on foreign subsidiaries	5	—	—	—	251	256

1. Other adjustments represents the impact of exchange rate movements on the Infrastructure Capital adjustments from the date of acquisition to the balance sheet date.

The cash flows from operating activities in the Condensed Consolidated Cash Flow Statement have been restated as a result of the change to profit before taxation and gain on business combination. There has, however, been no overall change in the Condensed Consolidated Cash Flow Statement.

The Condensed Consolidated Statement of Changes in Equity has been restated as a result of the changes to total comprehensive income.

# Notes to the financial statements continued

For the six months ended 30 September 2023

## 21. Related party transactions

Transactions between the parent company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed.

### Transactions with key management personnel

The Group considers Executive Committee members as the key management personnel and the table below sets out all transactions with these personnel and the Directors. The share-based payments below arise from participation in the Performance Share Plan; none of the Directors participate in this plan however.

	Unaudited six months ended 30 September 2023 £000	Unaudited six months ended 30 September 2022 £000	Audited year ended 31 March 2023 as restated <sup>1</sup> £000
Emoluments	1,246	1,121	3,078
Other benefits	19	15	37
Share-based payments	180	81	222
<b>Total</b>	<b>1,445</b>	<b>1,217</b>	<b>3,337</b>

1. Emoluments for the year ended 31 March 2023 have been restated for discretionary bonuses that were incorrectly excluded from the disclosure.

Discretionary bonuses are not included in the emoluments for the six months ended 30 September 2023 as these are not yet certain.

## 22. Subsequent events

### Share Buyback

On 27 October 2023, the Group announced that it had appointed Numis Securities Limited (which is trading for these purposes as Deutsche Numis) ("Deutsche Numis") to conduct a share buyback programme of up to £5 million for Foresight (in accordance with certain pre-set parameters) (the "Share Buyback") to buy back (repurchase) Ordinary Shares (as defined in Foresight's articles of incorporation) (the "shares" or "Ordinary Shares") in the capital of Foresight. Deutsche Numis will be authorised by the Board of Directors of Foresight (the "Board") to make trading decisions in relation to the Share Buyback independently of Foresight.

The Share Buyback will take place within the limitations of the authority granted to the Board of Foresight at its Annual General Meeting ("General Authority"), held on 10 August 2023 (the "AGM"), pursuant to which the maximum number of shares which may be bought back is 11,627,121.

# Appendix to the half-year financial statements

## Alternative performance measures

In reporting financial information, the Group presents alternative performance measures (“APMs”) which are not defined or specified under the requirements of IFRS.

The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional useful information on the underlying trends, performance and position of the Group and are consistent with how business performance is measured internally. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies’ APMs.

### Core EBITDA pre share-based payments (“SBP”)

The Group uses Core EBITDA and Core EBITDA pre-SBP as two of its key metrics to measure performance because it views these as the closest profitability number comparable to the Group’s recurring revenue model (i.e. a cash profit number after removing/adjusting for any one-offs, both positive and negative). Core EBITDA pre-SBP is shown as the Group considers that there is no cash alternative to the share-based payments and due to the variability from its fair value measurement. Core EBITDA and Core EBITDA pre-SBP may not be comparable to other similarly titled measures used by other companies and they have limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of the Group’s operating results as reported under IFRS.

### Non-underlying items

The Group has chosen to present a measure of profit and earnings per share which excludes certain items, that are considered non-underlying and exceptional due to their size, nature or incidence, and are not considered to be part of the normal operations of the Group. This is as a result of the financial effect of non-underlying items relating to business combinations (more specifically remuneration for post-combination services), acquisition-related costs, fair value gains on contingent consideration and gain on business combination. In respect of remuneration for post-combination services, these are deferred consideration payments to sellers that are contingent on the recipients remaining employees of the Group which are exceptional due to both their size and their nature. The Group believes that the separate disclosure of these items provides additional useful information to users of the financial statements to enable a better understanding of the Group’s underlying financial performance.

# Appendix to the half-year financial statements continued

## Alternative performance measures

### Definitions and reconciliations

In line with the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (“ESMA”), we have provided additional information on the APMs used by the Group below, including full reconciliations back to the closest equivalent statutory measure.

APM	Closest equivalent IFRS measure	Reconciling items to IFRS measure	Definition and purpose
<b>Financial measures derived from the financial statements</b>			
<b>Statement of Comprehensive Income measures</b>			
Recurring revenue	Revenue	Refer to definition, note 5 to the financial statements and note A1	Recurring revenue is management fees, secretarial fees (including administration) and directors’ fees. The Group believes that recurring revenue may provide prospective investors with a meaningful supplemental measure to evaluate the stability and quality of earnings.
Recurring revenue %	None	Refer to definition and note A2	Recurring revenue % is recurring revenue divided by total revenue.
Core EBITDA	None	Refer to definition and notes A3 and A6	Key metric to measure performance because the Group views this as the closest profitability number comparable to the Group’s recurring revenue model (i.e. a cash profit number after removing/adjusting for any one-offs, both positive and negative).
Core EBITDA pre share-based payments (“SBP”)	None	Refer to definition and notes A3 and A7	Core EBITDA pre-SBP is shown as the Group considers that there is no cash alternative to the share-based payments and due to the variability from its fair value measurement. It is calculated by adding back share-based payments to Core EBITDA.  A reconciliation of the above measures is shown in note A3.
Core EBITDA pre-SBP margin (%)	None	Refer to definition and note A4	Core EBITDA pre-SBP divided by total revenue.
Core EBITDA reconciling items	None	Refer to definition and note A5	Core EBITDA reconciling items is calculated as the sum of the adjustments made to Core EBITDA pre-SBP before tax. A reconciliation of the above measures is shown in note A5.



# Appendix to the half-year financial statements continued

## Alternative performance measures

APM	Closest equivalent IFRS measure	Reconciling items to IFRS measure	Definition and purpose
Financial measures derived from the financial statements <small>continued</small>			
Statement of Comprehensive Income measures <small>continued</small>			
Non-underlying items	None	See note 9 to the financial statements and note A6	Items which are not considered part of the normal operating costs of the business, are non-recurring and considered exceptional because of their size, nature or incidence, are treated as non-underlying items and disclosed separately. The Group believes that the separate disclosure of these items provides additional useful information to users of the financial statements to enable a better understanding of the Group's underlying financial performance. An explanation of the nature of the items identified as non-underlying is provided in note 9 to the financial statements, and in a full reconciliation to Core EBITDA as per note A7.
Before non-underlying items profit and total comprehensive income	Profit and total comprehensive income	Refer to definition, Statement of Comprehensive Income and note A7	Total profit and comprehensive income excluding non-underlying items as shown in the Statement of Comprehensive Income and reconciled to Core EBITDA as per note A7.
Earnings per share before non-underlying items	Earnings per share	Non-underlying items, note 12 to the financial statements and note A8	Profit for the period attributable to Ordinary Shareholders divided by the weighted average number of shares in issue during the period.
Dividend payout ratio	None	Refer to definition, before non-underlying items profit and total comprehensive income and note A8 of the annual consolidated financial statements	The dividend payout ratio is the ratio of the total amount of dividends paid out to Ordinary Shareholders divided by profit for the period attributable to Ordinary Shareholders before non-underlying items relative to the same period. The dividend payout ratio is only calculated at year end. Refer to note A8 of the annual consolidated financial statements for the year ended 31 March 2023.
Dividend per share	None	Refer to definition and note A9	Total dividend paid or proposed for the period to Ordinary Shareholders divided by the total number of shares at the end of the relative period.

# Appendix to the half-year financial statements continued

## Alternative performance measures

APM	Closest equivalent IFRS measure	Reconciling items to IFRS measure	Definition and purpose
<b>Financial measures not derived from the financial statements</b>			
Funds under management ("FUM")	None	Refer to definition	The Group's funds under management, being the NAV of the funds managed plus the capital that the Group is entitled to call from investors in the funds pursuant to the terms of their capital commitments to those funds. FUM is calculated on a quarterly basis.
Assets under management ("AUM")	None	Refer to definition	The Group's assets under management, being the sum of: (i) FUM; and (ii) debt financing at Infrastructure Fund level and at the Asset level of these Infrastructure Funds at a period end. AUM is calculated on a quarterly basis.
AUM growth %	None	Refer to definition and note A10	AUM at current period end less AUM at prior period end divided by AUM at prior period end as per note A10.
Average FUM	None	Refer to definition	Calculated as the average of the quarterly FUM valuations in each period.
Average AUM	None	Refer to definition	Calculated as the average of the quarterly AUM valuations in each period.

# Appendix to the half-year financial statements continued

## Alternative performance measures

### A1. Recurring revenue

Amounts shown below are derived from note 5 to the financial statements.

	Unaudited 30 September 2023 £000	Unaudited 30 September 2022 £000	Audited 31 March 2023 £000
Management fees	56,107	42,923	97,373
Secretarial fees	1,450	975	2,719
Directors' fees	1,684	1,449	3,116
	<b>59,241</b>	<b>45,347</b>	<b>103,208</b>

### A2. Recurring revenue %

Amounts shown below are derived from note 5 to the financial statements.

	Unaudited 30 September 2023 £000	Unaudited 30 September 2022 £000	Audited 31 March 2023 £000
Recurring revenue	59,241	45,347	103,208
Divided by total revenue	67,848	50,720	119,155
<b>Recurring revenue %</b>	<b>87.3%</b>	<b>89.4%</b>	<b>86.6%</b>

### A3. Core EBITDA and Core EBITDA pre share-based payments ("SBP")

The specific items excluded from Core EBITDA and Core EBITDA pre-SBP are the amounts included in non-underlying items and other non-recurring items. Non-recurring items are non-trading or one-off items disclosed separately below, where the quantum, nature or volatility of such items are considered by the Directors to otherwise distort the underlying performance of the Group. The Group has assessed the following items as either non-underlying items or non-recurring items for the purposes of calculating Core EBITDA and Core EBITDA pre-SBP:

- Gain on business combination which is non-recurring
- Acquisition-related costs: these are costs related to acquisitions in the period (see note 7)
- Staff costs – acquisitions, being the expense of consideration from acquisition of Infrastructure Capital which has the requirement of continued employment plus non-recurring staff bonuses related to the acquisitions (see note 19)
- All depreciation and amortisation costs are added back, including amortisation arising on intangible assets (customer contracts)
- Non-operational staff costs: staff advances expensed have been added back as these are not deemed to reflect the core underlying performance of the business
- Profits or losses on disposal of fixed assets are added back as these are classed as non-recurring
- Fair value gains/(losses) on contingent consideration (incl. finance expense): this gain or loss is also related to contingent consideration arising from acquisitions
- All financing and taxation costs are added back
- Foreign exchange gains or losses on balances arising from acquisitions, including a foreign exchange gain on the share issuance, a foreign exchange loss on the transfer of the Infrastructure Capital cash consideration and a foreign exchange loss on the intangible asset and associated deferred tax liability recognised on the acquisition of Infrastructure Capital

# Appendix to the half-year financial statements continued

## Alternative performance measures

### A3. Core EBITDA and Core EBITDA pre share-based payments ("SBP") continued

A reconciliation of net profit after other comprehensive income to Core EBITDA and Core EBITDA pre-SBP is set out below:

	Unaudited 30 September 2023 £000	Unaudited 30 September 2022 £000	Audited 31 March 2023 £000
Net profit after other comprehensive income	7,710	11,399	20,905
Gain on business combination (provisional)	(16)	—	—
Acquisition-related costs	—	3,474	3,721
Staff costs - acquisitions (excluding share-based payments)	2,122	746	3,153
Staff costs - other	167	—	—
Amortisation in relation to intangible assets (customer contracts)	1,515	751	2,414
Non-operational staff costs	300	300	760
Depreciation and amortisation (excluding amortisation in relation to intangible assets (customer contracts))	1,567	1,225	2,800
Profit on disposal of tangible fixed assets	—	—	(10)
Finance income and expense (excluding fair value gain on derivatives)	(96)	483	733
Fair value (gains)/losses on contingent consideration (incl. finance expense)	48	66	(327)
Foreign exchange - administrative expenses	—	(116)	(782)
Foreign exchange - translation differences on foreign subsidiaries	653	(313)	2,436
Tax on profit on ordinary activities	4,850	2,008	3,696
<b>Core EBITDA</b>	<b>18,820</b>	<b>20,023</b>	<b>39,499</b>
Share-based payments	8,764	1,499	10,659
<b>Core EBITDA pre-SBP</b>	<b>27,584</b>	<b>21,522</b>	<b>50,158</b>

# Appendix to the half-year financial statements continued

## Alternative performance measures

### A4. Core EBITDA pre-SBP margin

	Unaudited 30 September 2023 £000	Unaudited 30 September 2022 £000	Audited 31 March 2023 £000
Core EBITDA pre-SBP (see note A3)	27,584	21,522	50,158
Divided by total revenue (see note A2)	67,848	50,720	119,155
<b>Core EBITDA pre-SBP margin %</b>	<b>40.7%</b>	<b>42.4%</b>	<b>42.1%</b>

### A5. Core EBITDA reconciling items

	Unaudited 30 September 2023 £000	Unaudited 30 September 2022 £000	Audited 31 March 2023 £000
Gain on business combination (provisional)	(16)	—	—
Acquisition-related costs	—	3,474	3,721
Staff costs - acquisitions (excluding share-based payments)	2,122	746	3,153
Staff costs - other	167	—	—
Amortisation in relation to intangible assets (customer contracts)	1,515	751	2,414
Non-operational staff costs	300	300	760
Depreciation and amortisation (excluding amortisation in relation to intangible assets (customer contracts))	1,567	1,225	2,800
Profit on disposal of tangible fixed assets	—	—	(10)
Finance income and expense (excluding fair value gain on derivatives)	(96)	483	733
Fair value (gains)/losses on contingent consideration (incl. finance expense)	48	66	(327)
Foreign exchange - administrative expenses	—	(116)	(782)
Foreign exchange - translation differences on foreign subsidiaries	653	(313)	2,436
Tax on profit on ordinary activities	4,850	2,008	3,696
Share-based payments	8,764	1,499	10,659
	19,874	10,123	29,253
Less tax on profit on ordinary activities	(4,850)	(2,008)	(3,696)
<b>Core EBITDA reconciling items (note 6)</b>	<b>15,024</b>	<b>8,115</b>	<b>25,557</b>

# Appendix to the half-year financial statements continued

## Alternative performance measures

### A6. Non-underlying items

Items which are not considered part of the normal operations of the business, are non-recurring or are considered exceptional because of their size, nature or incidence, are treated as non-underlying items and disclosed separately. Further details of non-underlying items are included in note 2c and note 9.

	Unaudited 30 September 2023 £000	Unaudited 30 September 2022 £000	Audited 31 March 2023 £000
Administrative expenses (see note 7)			
Staff costs - acquisitions	10,060	1,795	12,667
Other administration costs - foreign exchange	—	(782)	(782)
	10,060	1,013	11,885
Acquisition-related costs (see note 8)			
Legal and professional costs in respect of acquisition of Infrastructure Capital	—	3,006	3,121
Legal and professional costs in respect of acquisition of the technology ventures division of Downing LLP	—	365	452
Other legal and professional costs	—	103	148
	—	3,474	3,721
Fair value gains on contingent consideration (incl. finance expense)	48	66	(327)
Gain on business combination (provisional)	(16)	—	—
<b>Total non-underlying items</b>	<b>10,092</b>	<b>4,553</b>	<b>15,279</b>

# Appendix to the half-year financial statements continued

## Alternative performance measures

### A7. Summary Statement of Comprehensive Income and Core EBITDA pre-SBP and before non-underlying items reconciliation

	Unaudited 30 September 2023			Unaudited 30 September 2022			Audited 31 March 2023		
	Before non-underlying items £000	Non-underlying items <sup>1</sup> £000	Total £000	Before non-underlying items £000	Non-underlying items <sup>1</sup> £000	Total £000	Before non-underlying items £000	Non-underlying items <sup>1</sup> £000	Total £000
Revenue	67,848	—	67,848	50,720	—	50,720	119,155	—	119,155
Cost of sales	(3,566)	—	(3,566)	(3,033)	—	(3,033)	(6,303)	—	(6,303)
<b>Gross profit</b>	<b>64,282</b>	<b>—</b>	<b>64,282</b>	<b>47,687</b>	<b>—</b>	<b>47,687</b>	<b>112,852</b>	<b>—</b>	<b>112,852</b>
Administrative expenses	(41,448)	(10,060)	(51,508)	(29,670)	(1,013)	(30,683)	(70,630)	(11,885)	(82,515)
Acquisition-related costs	—	—	—	—	(3,474)	(3,474)	—	(3,721)	(3,721)
Other operating income	—	—	—	—	—	—	—	—	—
<b>Operating profit</b>	<b>22,834</b>	<b>(10,060)</b>	<b>12,774</b>	<b>18,017</b>	<b>(4,487)</b>	<b>13,530</b>	<b>42,222</b>	<b>(15,606)</b>	<b>26,616</b>
Other non-operating gains and losses	593	(32)	561	(313)	(66)	(379)	378	327	705
<b>Profit on ordinary activities before taxation</b>	<b>23,427</b>	<b>(10,092)</b>	<b>13,335</b>	<b>17,704</b>	<b>(4,553)</b>	<b>13,151</b>	<b>42,600</b>	<b>(15,279)</b>	<b>27,321</b>
Tax on profit on ordinary activities	(4,850)	—	(4,850)	(2,008)	—	(2,008)	(3,696)	—	(3,696)
<b>Profit</b>	<b>18,577</b>	<b>(10,092)</b>	<b>8,485</b>	<b>15,696</b>	<b>(4,553)</b>	<b>11,143</b>	<b>38,904</b>	<b>(15,279)</b>	<b>23,625</b>
<b>Other comprehensive income</b>									
Translation differences on foreign subsidiaries	(775)	—	(775)	256	—	256	(2,720)	—	(2,720)
<b>Total comprehensive income</b>	<b>17,802</b>	<b>(10,092)</b>	<b>7,710</b>	<b>15,952</b>	<b>(4,553)</b>	<b>11,399</b>	<b>36,184</b>	<b>(15,279)</b>	<b>20,905</b>

# Appendix to the half-year financial statements continued

## Alternative performance measures

### A7. Summary Statement of Comprehensive Income and Core EBITDA pre-SBP and before non-underlying items reconciliation continued

	Unaudited 30 September 2023			Unaudited 30 September 2022			Audited 31 March 2023		
	Before non-underlying items £000	Non-underlying items <sup>1</sup> £000	Total £000	Before non-underlying items £000	Non-underlying items <sup>1</sup> £000	Total £000	Before non-underlying items £000	Non-underlying items <sup>1</sup> £000	Total £000
<b>Adjustments:</b>									
Gain on business combination (provisional)	—	(16)	(16)	—	—	—	—	—	—
Acquisition-related costs	—	—	—	—	3,474	3,474	—	3,721	3,721
Staff costs - acquisitions (excluding share-based payments)	—	2,122	2,122	—	746	746	—	3,153	3,153
Staff costs - other	167	—	167	—	—	—	—	—	—
Amortisation in relation to intangible assets (customer contracts)	1,515	—	1,515	751	—	751	2,414	—	2,414
Non-operational staff costs	300	—	300	300	—	300	760	—	760
Depreciation and amortisation (excluding amortisation in relation to intangible assets (customer contracts))	1,567	—	1,567	1,225	—	1,225	2,800	—	2,800
Profit on disposal of tangible fixed assets	—	—	—	—	—	—	(10)	—	(10)
Finance income and expense (excluding fair value gain on derivatives)	(96)	—	(96)	483	—	483	733	—	733
Fair value (gains)/losses on contingent consideration (incl. finance expense)	—	48	48	—	66	66	—	(327)	(327)
Foreign exchange - administrative expenses and translation differences on foreign subsidiaries	653	—	653	353	(782)	(429)	2,436	(782)	1,654
Tax on profit on ordinary activities	4,850	—	4,850	2,008	—	2,008	3,696	—	3,696
Core EBITDA	26,758	(7,938)	18,820	21,072	(1,049)	20,023	49,013	(9,514)	39,499
Share-based payments	826	7,938	8,764	450	1,049	1,499	1,145	9,514	10,659
Core EBITDA pre-SBP	27,584	—	27,584	21,522	—	21,522	50,158	—	50,158

1. See note A6.



# Appendix to the half-year financial statements continued

## Alternative performance measures

### A8. Earnings per share before non-underlying items

	Unaudited 30 September 2023 £000	Unaudited 30 September 2022 £000	Audited 31 March 2023 £000
<b>Earnings</b>			
Profit before non-underlying items for the period for purpose of basic and diluted earnings per share before non-underlying items (see note A7)	18,577	15,696	38,904

Weighted average number of Ordinary Shares and earnings per share are derived from note 12 to the financial statements.

	Unaudited 30 September 2023 000	Unaudited 30 September 2022 000	Audited 31 March 2023 000
<b>Number of shares</b>			
Weighted average number of Ordinary Shares for the purpose of basic earnings per share	116,033	109,091	112,577
Weighted average number of Ordinary Shares for the purpose of diluted earnings per share	118,723	110,253	114,304

	Unaudited 30 September 2023 pence	Unaudited 30 September 2022 pence	Audited 31 March 2023 pence
<b>Earnings per share before non-underlying items</b>			
Basic	16.0	14.4	34.6
Diluted	15.6	14.2	34.0

### A9. Dividend per share

All dividends are derived from note 17 except for the proposed interim dividend for the year ending 31 March 2024 which has not yet been paid.

	Unaudited 30 September 2023 £000	Unaudited 30 September 2022 £000	Audited 31 March 2023 £000
Interim dividend paid	—	5,348	5,348
Final dividend declared	—	—	18,022
Interim dividend proposed	7,790	—	—
	7,790	5,348	23,370
Divided by total number of shares (note 16)	116,271	116,271	116,271
<b>Dividend per share</b>	6.7	4.6	20.1

### A10. AUM growth %

	Unaudited 30 September 2023 £000	Unaudited 30 September 2022 £000	Audited 31 March 2023 £000
AUM at current period end	12.2	12.5	12.2
Less AUM at prior period end	(12.2)	(8.8)	(8.8)
	—	3.7	3.4
Divided by AUM at prior period end	12.2	8.8	8.8
<b>AUM growth %</b>	1%	41%	38%

Note the % has been subject to a rounding adjustment.

# Glossary

AGM	Annual General Meeting	FVTPL	Fair value through profit and loss
AITS	Foresight's Accelerated Inheritance Tax Solution	FY22/FY23/FY24	Twelve months ending 31 March 2022/2023/2024
ARIF	Australian Renewables Income Fund	H1 FY22/FY23/FY24	Six months ending 30 September 2021/2022/2023
AUM	Assets Under Management (FUM + DUM)	IFRS	International Financial Reporting Standard(s)
Company	Foresight Group Holdings Limited	Infrastructure Capital	Infrastructure Capital Holdings Pty Ltd
Core EBITDA	Core earnings before interest, taxes, depreciation and amortisation. See explanation in the appendix to the financial statements	IPO	Initial Public Offering
DUM	Debt Under Management	ITS	Foresight's Inheritance Tax Solution
ESG	Environmental, Social and Governance	JLEN	JLEN Environmental Assets Group
FCM	Foresight Capital Management	OEIC	Open Ended Investment Company
FEIP	Foresight Energy Infrastructure Partners	PIP	Pensions Infrastructure Platform
FGLLP/LLP	Foresight Group LLP	PSP	Performance Share Plan
Foresight/Foresight Group/Group	Foresight Group Holdings Limited together with its direct and indirect subsidiary undertakings	Recurring revenue	Management, secretarial and Directors' fees
FSFC	Foresight Sustainable Forestry Company Plc	SBP	Share-based payment
FSFL	Foresight Solar Fund Limited	Shareholder	Holder of the Company's Ordinary Shares
FTE	Full-Time Equivalent	SIP	Share Incentive Plan
FUM	Funds Under Management	SME(s)	Small and Medium Sized Enterprise
		TCFD	Task Force on Climate-related Financial Disclosures
		VCT	Venture Capital Trust

# Corporate information

## Registered number

51521

## Directors

### Bernard Fairman

(Executive Chairman)

### Gary Fraser

(Chief Financial Officer  
and Chief Operating Officer)

### Alison Hutchinson, CBE

(Senior Independent Non-Executive Director)

### Geoffrey Gavey

(Independent  
Non-Executive Director)

### Mike Liston, OBE

(Independent  
Non-Executive Director)

## Company Secretary

Jo-anna Nicolle

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# Foresight

FOR A SMARTER FUTURE

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