Maximising Funding Certainty

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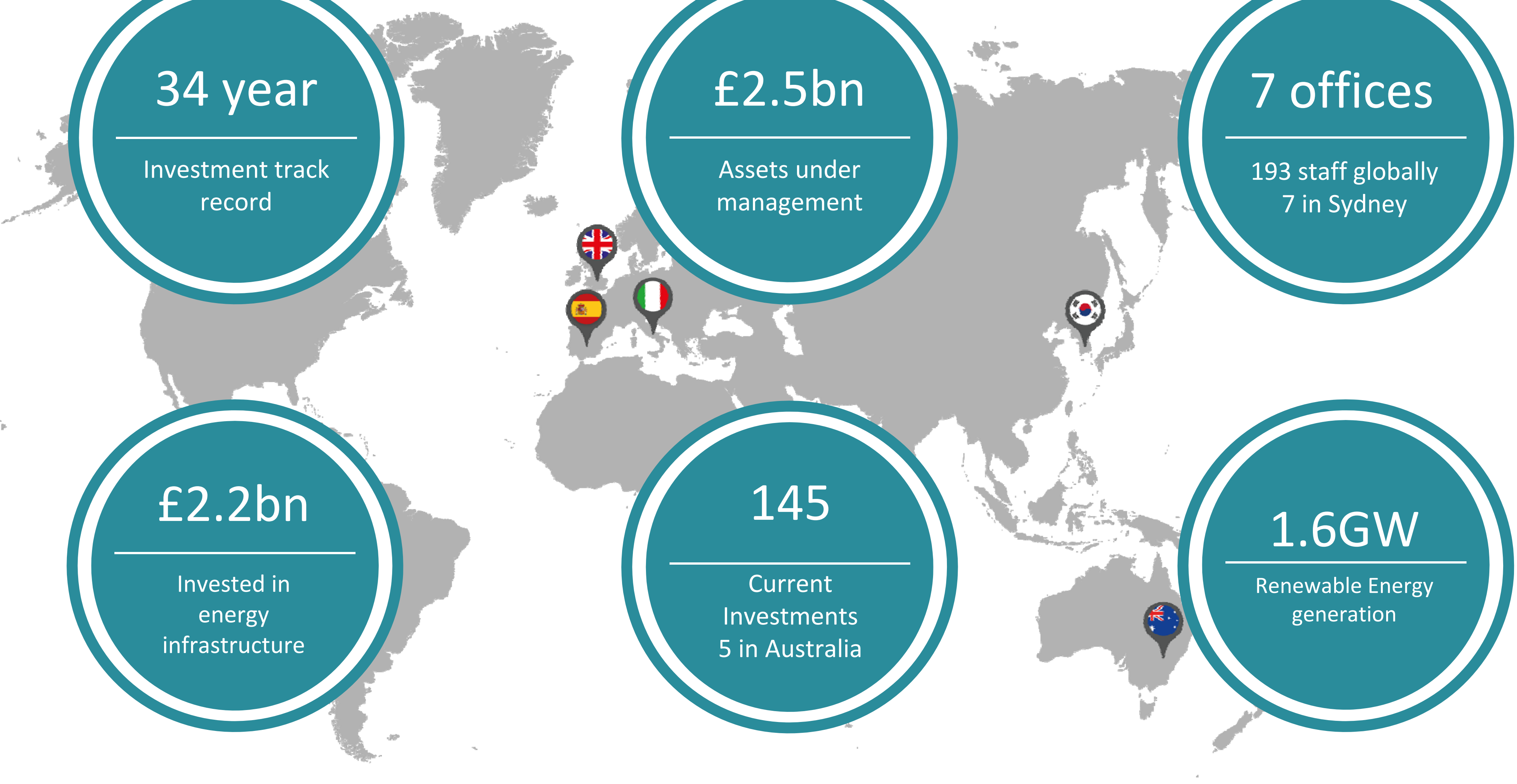
Foresight Group Overview



34 year

Investment track record

£2.5bn

Assets under management

7 offices

193 staff globally
7 in Sydney

£2.2bn

Invested in energy infrastructure

145

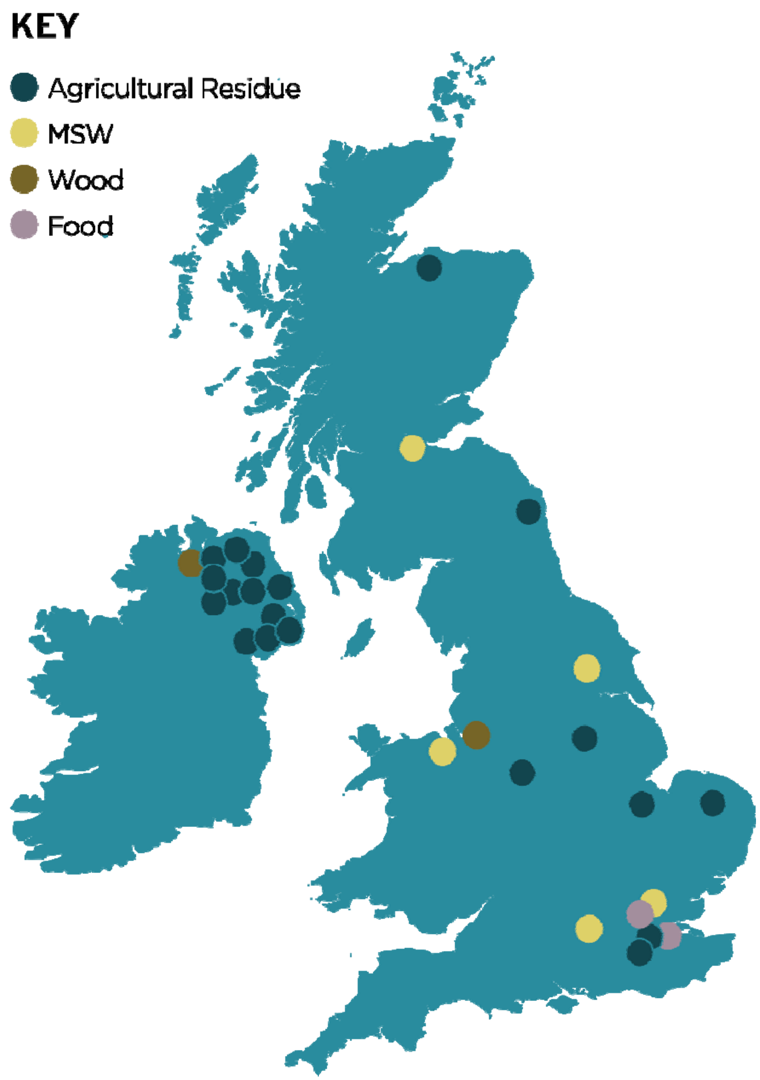
Current Investments
5 in Australia

1.6GW

Renewable Energy generation

Data as of 31 March 2018

Biomass and Waste to Energy Portfolio as at 31 March 2018



- 28 Assets – **c.£800M** Capital
- **Over 2 Million tonnes** per anum of processing capacity
- **c.150 MW** & Base Load Capacity
- **1st German investment** with acquisition of five AD plants completed in **June 18**
- **1st Italian biomass** plant completed **June 18**

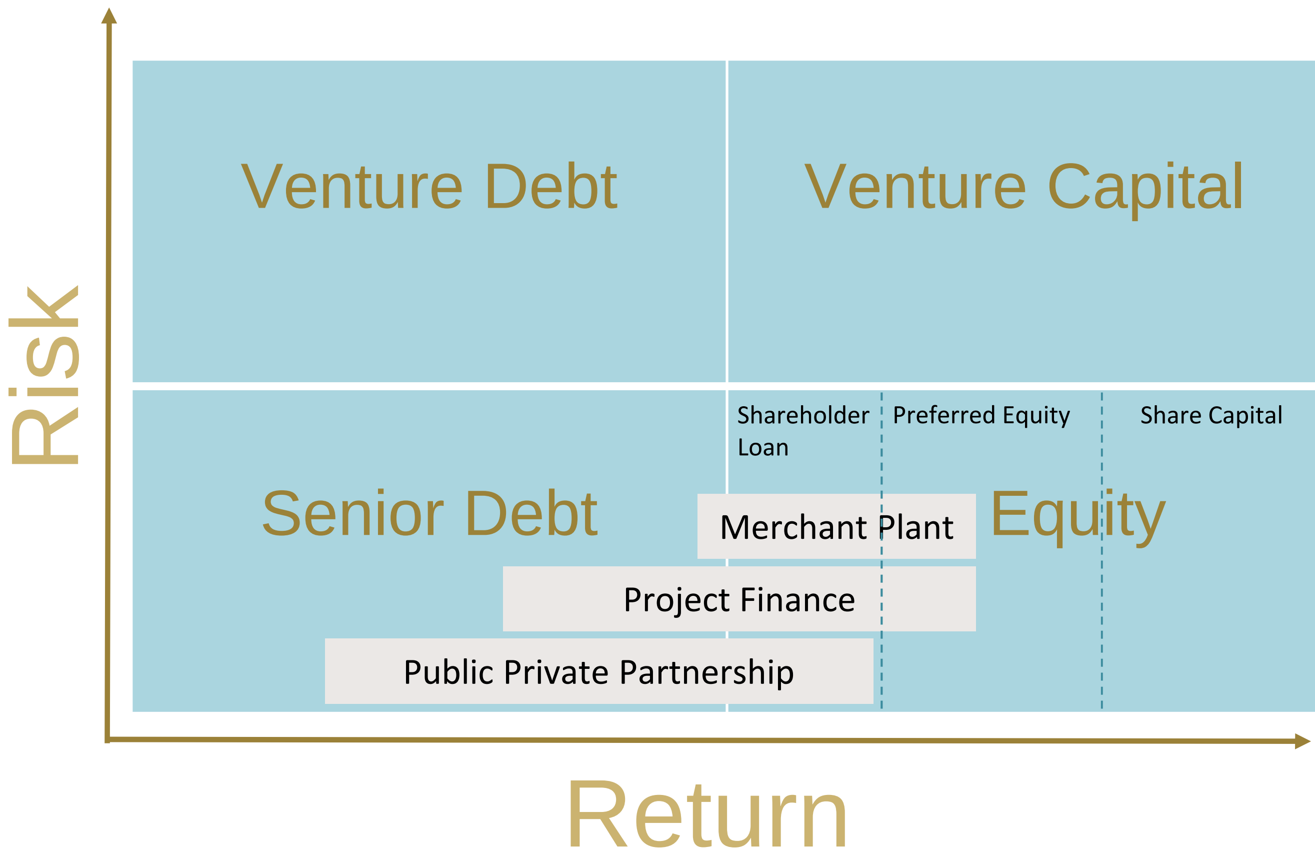
Technology and Feedstock

Utilise a range of proven and established technologies

		TECHNOLOGY		
FEEDSTOCK		Combustion	Advanced Conversion Technology	Anaerobic Digestion
	Municipal Solid Waste	✓	✓	X
	Commercial & Industrial	✓	✓	X
	Refuse Derived Fuel	✓	✓	X
	Waste Wood	✓	✓	X
	Virgin Wood	✓	X	X
	Sustainable Virgin Biomass	✓	X	X
	Source Segregated Food Waste	X	X	✓
	Agricultural Waste	✓	X	✓

- Inexperienced Developers
- Utilising wrong technology for wrong feedstock
- Residual Material
- High Environmental Standards

Risk Profiles Versus Funding Appetite



- Parallel Asset Classes
  - Solar
  - Wind
  - Geared IRRs 6-8%
- Technology Choice
- Delivery Model
  - EPC
  - O&M
- Contracted feedstock
- PPA arrangements
- Competition for funding

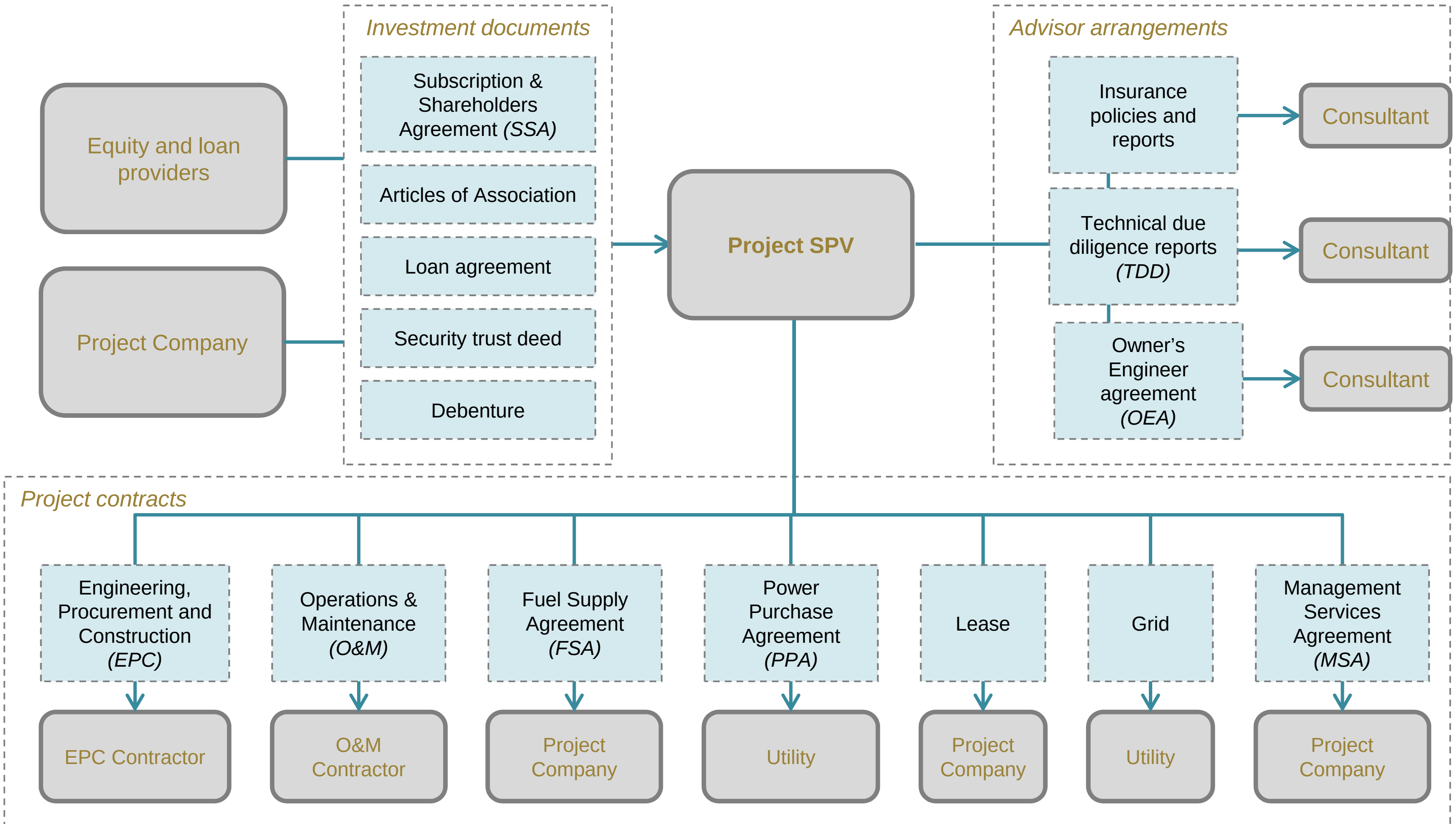
Fund Investment Considerations

Project fundamentals	EBITDA / cash generation	Capital intensity	Risk / reward
Strategy	**Operations**	**Investment**	**Funding**
• Vision, mission, strategy • Market opportunity • Competitors & competitive advantage • Management team • Key customers & relationships • Location	• Volume assumptions • Price assumptions • Overhead & margin assumptions • Payment mechanism and terms • Variability and risk • Licenses / consents • Benchmarking • Project life	• Capex • Working capital • Contingency • Fees • Sources & uses – construction and commissioning • Development, project and technology risks	• Project return • Capital structure • Hurdles • Term • Long term ownership? • Funding to date and cash investment

Assessment of risks across the entire supply chain of the project – only as strong as the weakest link

Risk Mitigation through Contractual Structure

Through various contracts and arrangements, selected risks are removed from the Project SPV



Australian Bioenergy and Waste to Energy Market Opportunity

Generation of renewable energy from waste and biomass streams and the reduction of emissions from existing disposal routes are priorities for the Country

Development of infrastructure to support this is not occurring naturally or as rapidly as is desired Despite landfill levies already in existence or coming into being

Good recycling levels but poor diversion – so why?

Influencing Factors

- Cheap coal?
- Landfill costs
- Longevity and transparency of environmental policy
- Critical mass – waste volumes v plant scale
- Gas price spikes

- Limited project development expertise
- Low public sector leadership
- Operator inertia – catalyst for change v business as usual
- Increasing focus on ESG

- PPA Availability – corporates
- Historical failures have dampened future appetite
- Feedstock and technology mismatches
- Cost of technology transfer into country
- China's National Sword

Summary

Key Messages

- Choose the right technology for the waste stream
- Choose your procurement route, public procurement or merchant plant
- Choose your Advisors carefully
- Determine where the project will sit in terms of risk/reward
- Engage early with the financial community
- **Persistence and determination**

Contact Details

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