

PRIVATE EQUITY AND SUSTAINABILITY GROWTH STORY: HORIZON ENERGY INFRASTRUCTURE

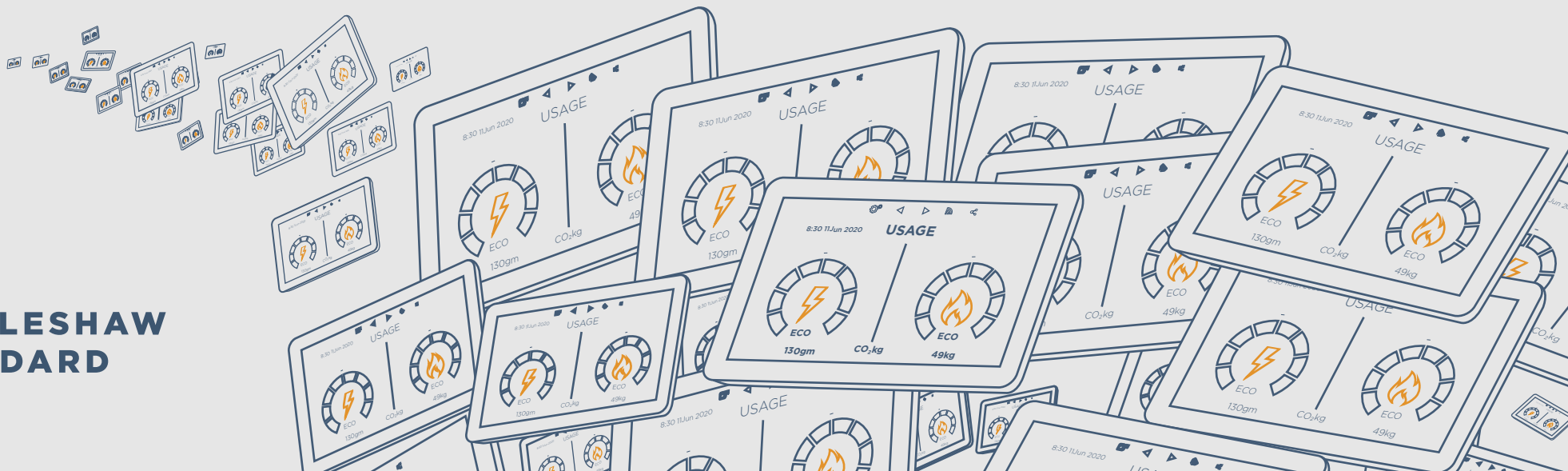
Supporting a pioneer in the smart metering revolution

INVESTOR: Foresight

INVESTEES: Utility Funding/Foresight Metering/Horizon Energy Infrastructure

THE OPPORTUNITY: The UK has embraced energy smart metering as a core infrastructure strategy to enable consumers to manage energy consumption, spend and choice of suppliers, and ultimately to assist in the reduction of UK carbon emissions. Managing energy consumption is central to the sustainability agenda as countries, industries and companies work to meet net-zero goals. Family owned Utility Funding was one of the UK's pioneers in providing metering solutions to UK energy companies and retailers, and an opportunity lay in providing further financial support to that company to help it tap into consumer and energy company demand, and the opportunities offered by the advancement of metering technology (with the roll-out of so-called SMETS 1 and SMETS 2 – Smart Metering Equipment Technical Specifications 1&2).

THE IMPACT: The business, now known as Horizon Energy Infrastructure, grew with Foresight's financial support from a portfolio of around 60,000 smart meters to over 400,000 currently. It now supports over 30 of the UK's best known energy suppliers, and is expanding its portfolio to include 2 adjacent core product lines with an eye to the future: funded asset solutions to provide electric vehicle charging infrastructure and air source heat pumps. The business was acquired by Arcus Infrastructure Partners, which are overseeing the next phase of this growing success story – one that is important for all of us as we move to a net zero carbon economy.



OUR ROLE:

We first helped Foresight in 2013 to design and execute an innovative funding package to support the ongoing smart meter installations by UFL. Working alongside Foresight on all of its smart metering activities following that transaction, we were then the natural choice to advise them when they acquired UFL in 2016 to bring it within Foresight Metering, Foresight's own meter asset provider (MAP) business.

Following on from the acquisition, we worked alongside Foresight Metering on all their ongoing commercial contract and regulatory advice needs as the roll-out of smart meters accelerated. That close relationship and working knowledge positioned us well to prepare a comprehensive bespoke vendor diligence report on all of the company's contracts, and the clearest possible legal view of the company for bidders, to support Foresight's exit process. Working closely with Foresight, their advisors RBC and the company's management team, we were proud to contribute to a swift and successful sale to Arcus Infrastructure Partners.

We now continue to support Horizon as it expands its activities beyond smart metering into adjacent technologies.

TESTIMONIALS:



I HAVE ALWAYS BEEN IMPRESSED WITH HOW QUICKLY AG HAVE BEEN ABLE TO FIND A COMMERCIAL AND CONTRACTUAL SOLUTION TO PARTICULAR SITUATIONS THAT WE HAVE EXPERIENCED IN OUR RAPID GROWTH, ADDED TO WHICH IS THEIR EXCELLENT KNOWLEDGE OF THE ENERGY AND SMART METER MARKETS THAT WE OPERATE IN.

Tom Thorp, CEO, Horizon Energy Infrastructure

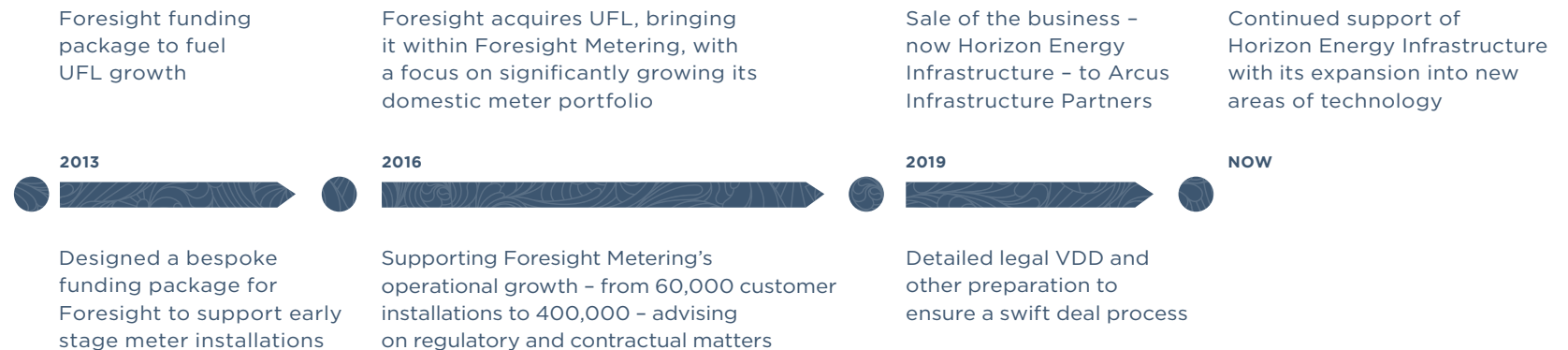


AT ALL STAGES OF FORESIGHT'S INVOLVEMENT IN SMART METERING, AG WERE THERE, PROVIDING SUPPORT AND ADVICE WHENEVER NEEDED FROM THE VERY BEGINNING TO THE SUCCESSFUL, SWIFT EXIT. THEIR PRACTICAL YET CREATIVE COMMERCIAL APPROACH WAS INVALUABLE IN ACHIEVING SUCH A GOOD OUTCOME.

David Hughes, Chief Investment Officer, Foresight

OPPORTUNITY TO EXIT:

AG's JOURNEY THUS FAR WITH FORESIGHT AND HORIZON ENERGY INFRASTRUCTURE



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