

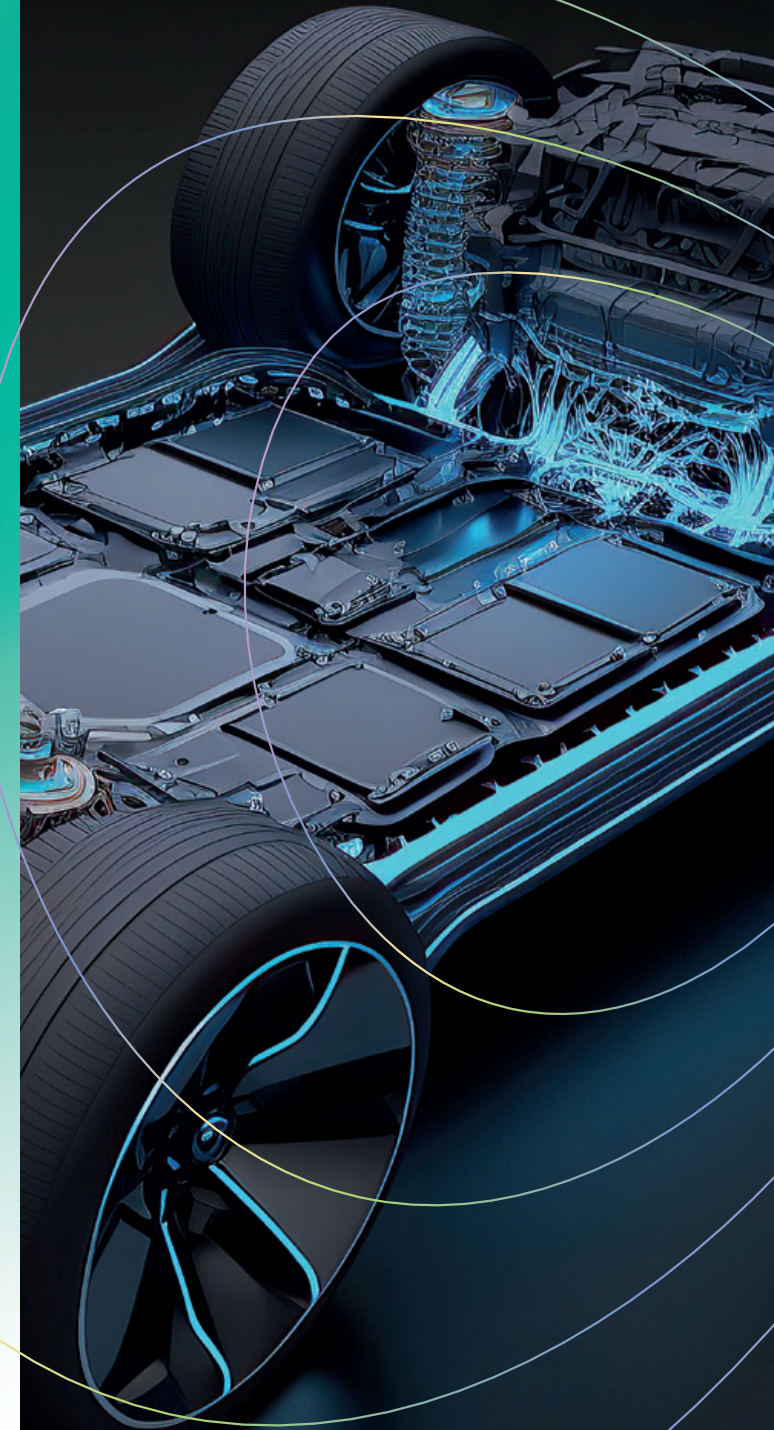
Foresight Technology VCT plc

FWT Shares

Securities Note
6 September 2023

Foresight
FOR A SMARTER FUTURE

WAE
A Fortescue Company



Important Notice

This document constitutes a securities note (the “Securities Note”) dated 6 September 2023 issued by Foresight Technology VCT plc (the “Company”), prepared in accordance with the Prospectus Regulation (EU) 2017/1129 as it forms part of domestic UK law by virtue of the European Union (Withdrawal) Act 2018 (the “Prospectus Regulation”).

Additional information relating to the Company is contained in a registration document (the “Registration Document”) issued by the Company of even date herewith. A brief summary written in non-technical language and conveying the essential characteristics and risks associated with the Company and the FWT Shares of 1p each in the capital of the Company (the “FWT Shares”) which are being offered for subscription (the “Offer”) is contained in a summary issued by the Company of even date herewith (the “Summary”).

The Summary, the Securities Note and the Registration Document together comprise a prospectus (the “Prospectus”) and you are advised to read the Prospectus in full.

This Prospectus has been approved by the FCA, as competent authority under the Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered an endorsement of the Company or of the quality of the securities that are the subject of this Prospectus and Investors should make their own assessment as to the suitability of investing in the securities.

The Company and the Directors (whose names are set out on page 73) accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Company and the Directors, the Prospectus is in accordance with the facts and makes no omission likely to affect its import.

Application has been made to the FCA for the FWT Shares offered for subscription pursuant to this Prospectus to be admitted to the Official List of the Financial Conduct Authority (the “FCA”). Application will also be made to the London Stock Exchange for such FWT Shares to be admitted to trading on its market for listed securities. It is expected that Admission will become effective and that trading in the FWT Shares will commence three Business Days following allotment.

Offer for Subscription to raise in aggregate up to £15 million (with an over-allotment facility of up to an additional £10 million) by issues of FWT Shares of 1p each.

Sponsored by BDO LLP

In connection with the Offer, BDO LLP (“BDO”) is acting as sponsor for the Company and for no-one else and will not be responsible (subject to the responsibilities and liabilities imposed by the Financial Services and Markets Act 2000 (“FSMA”) or the regulatory regime established thereunder) to anyone other than the Company for providing the protections afforded to customers of BDO nor for providing advice in relation to the Offer. BDO is authorised and regulated in the UK by the FCA.

In connection with the Offer, Foresight Group Promoter LLP (the “Promoter”), Foresight Group CI Limited (the “Adviser”) and Foresight Group LLP (the “Manager”), the promoter of the Offer, investment adviser and investment manager and administration service provider to the Company respectively, are acting for the Company and no-one else and will not be responsible (subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder) to anyone other than the Company for providing the protections afforded to customers of Foresight or the Promoter nor for providing advice in relation to the Offer.

The Manager is authorised and regulated in the UK by the FCA (with reference number 198020), and the Promoter is its appointed representative (with reference number 806061). The Adviser is licensed by the Guernsey Financial Services Commission (with reference number 2006518).

Copies of this document, the Registration Document and the Summary are available (and any supplementary prospectus published by the Company will be available) free of charge from the offices of the Manager at The Shard, 32 London Bridge Street, London SE1 9SG; from the Foresight website at <https://www.foresightgroup.eu/products/foresight-technology-vct-plc-fwf-shares>.

The procedure for, and the terms and conditions of, application under this Offer are set out at the end of this document. Completed Application Forms must be posted or delivered by hand to the Receiving Agent, Woodside Corporate Services. The Offer opens on 6 September 2023 and will close for new applications on 30 April 2024 or earlier at the absolute discretion of the Directors.

Your attention is drawn to the risk factors on pages 2 to 4.

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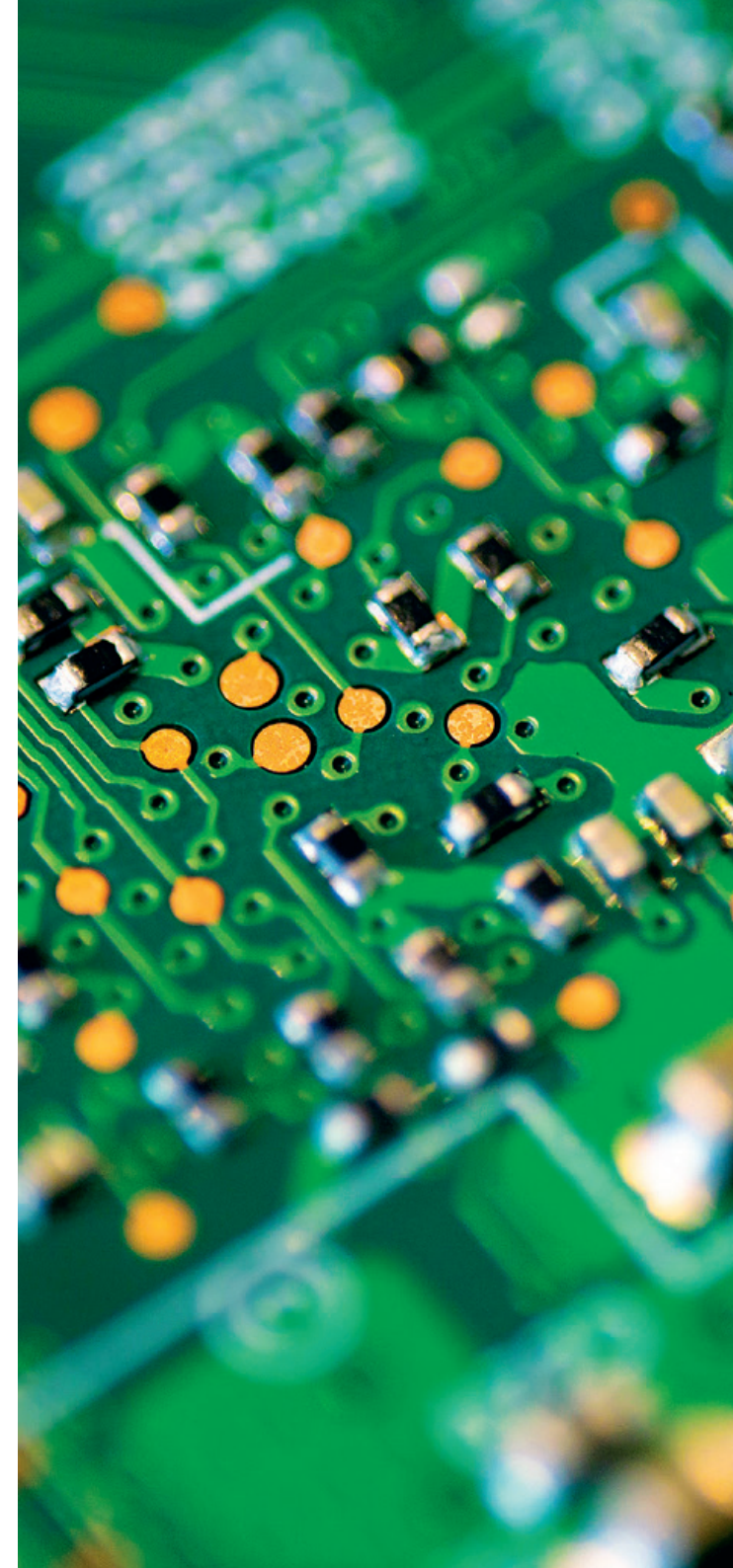
Risk Factors

Although the tax benefits available to investors in FWT Shares are significant, there are a number of risks which investors should consider carefully in addition to the other information presented in the Prospectus as a whole. The risks related to the Company, as opposed specifically to the FWT Shares, are set out in the Registration Document.

If any of the risks described below were to occur, it could have a material effect on the Company's business, financial condition or results of operations. The risks and uncertainties described below are not the only ones the Company, the Board or investors in the FWT Shares will face. Additional risks not currently known to the Company or the Board, or that the Company or the Board currently believe are not material, may also adversely affect the Company's business, financial condition and results of operations. The value of FWT Shares could decline due to any of these risk factors, and investors could lose part or all of their investment. Investors who are in doubt should consult their independent financial adviser authorised under FSMA.

General Investment Risks

- The net asset value of the FWT Shares and the return received by investors will be dependent on the values and performance of the underlying investments in the FWT Shares fund portfolio. The value of the investments and income derived from them can rise and fall and an investor may not receive back the full amount invested.
- It should be noted that the Company has particular exposure to the technology sector which has seen significantly falling valuations since early 2022. While this can afford opportunities for investors such as the Company to make new investments at attractive valuations, there is also the risk that, in the event this trend continues, the Company's own portfolio may fall in value.
- The past performance of the Company and other Foresight Funds is not a reliable indication of the future performance of the FWT Shares class.
- The Investee Companies will be small, unquoted companies. Realisation of investments in unquoted companies can be difficult and may take considerable time. Proper information for determining their value or the risks to which they are exposed may also not be available. Investment in such companies by its nature is illiquid and uncertain and consequently involves a higher degree of risk than a portfolio of quoted shares.
- The level of returns from investments may be less than expected if there is delay in the investment programme, such that all or part of the net proceeds of the Offer are held in cash or near cash investments for longer than expected, or if the returns obtained on investments are less than planned, or if investments cannot be realised at the expected time and values. There can be no guarantee that suitable investment opportunities will be identified in order to meet the Company's objectives.
- The performance of the FWT Shares class is dependent on the ability of the Manager to identify appropriate Investee Companies and on the ability of the Investee Companies to perform in line with their respective business plans. Early-stage businesses will be dependent on the skills of a small group of individuals, the loss of any of which may be particularly detrimental to those companies. Moreover, products and technologies developed by Investee Companies may prove not to be commercially or technically successful. While investments in these companies may present greater opportunities for growth, such investments may also entail greater risks than are customarily associated with investments in large companies. Commensurate with the nature of venture capital investing it should be expected that some companies, and the investments in those companies, may fail.



Risk Factors continued

General Investment Risks continued

- The returns from profitable exits will be paid to investors in the form of tax -free dividends at a targeted average rate of 5% per annum of the NAV of the FWT Shares. Investors should note that this is an estimated average target over a number of years and in any given year the 5% target may not be met (or may be exceeded). Due to the nature and returns profile of the underlying investments, the Board anticipates irregular dividends, paid as and when exits occur, to be a significant factor in the Company's ability to achieve or exceed the average 5% annual target.
- In addition, where VCT legislation would mean that the payment of Distributions would have an adverse effect on the Company's maintenance of VCT status, then such Distributions may not be made.
- Although it is anticipated that the FWT Shares will be admitted to the Official List of the FCA and traded on the London Stock Exchange's main market for listed securities, it is likely that there will not be a liquid market as there is a limited secondary market for VCT shares, due in part to the holding period required to maintain up-front income tax reliefs, and investors may find it difficult to realise their investments therefore any prospective investors should consider this a long-term commitment.
- Where more than one Foresight Fund wishes to participate in an investment opportunity, allocations will be made in accordance with Foresight's allocation policy, typically in proportion to the net cash available to each such fund, other than where investments are proposed to be made in a company where one or more Foresight Fund has a pre-existing investment where the incumbent investor will have priority.

Where an investment has been sourced from or introduced by WAE Technologies Limited ("WAE"), the Foresight WAE Technology EIS Fund and the FWT Shares class will always have priority over any other Foresight Fund. Implementation of this policy will also be subject to the availability of monies in each Foresight Fund to make the investment and other portfolio considerations such as portfolio diversity and regulatory or legislative requirements with respect to the Company's portfolio of qualifying Companies. This might mean that the FWT Shares class could receive a greater or lesser allocation, for instance when co-investing with the Foresight WAE Technology EIS Fund, than would otherwise be the case.

- Economic and global political uncertainty continues in the UK stemming from unprecedented energy prices, the continuing impact of Brexit, the COVID-19 pandemic and, most recently, the war in Ukraine. These macro-economic factors continue to present significant challenges and are adversely affecting, and will continue to adversely affect, the performance of companies in which the Company has invested or may invest, which in turn may adversely affect the performance of the Company. This may also negatively impact the number or quality of investment opportunities available to the Company. It is possible that currently unknown and unanticipated events, either domestic or international, may occur and have a negative effect on economic activity and adversely affect the future viability of the Company and/or the performance of companies in which the Company has invested or may invest which in turn may adversely affect the performance of the Company.

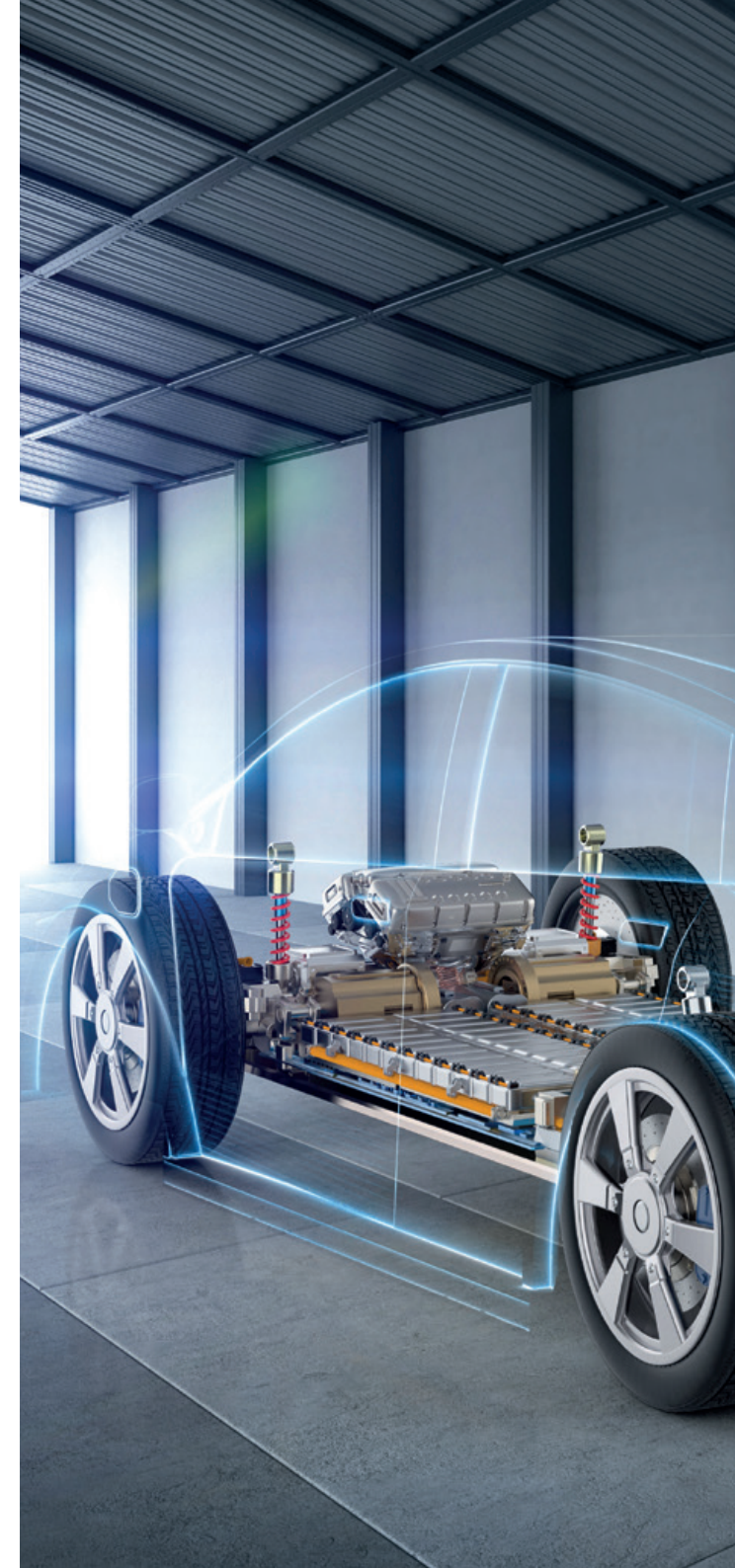
VCT and Taxation Risks

- If an investor who subscribes for FWT Shares disposes of those FWT Shares within five years, the investor is likely to be subject to clawback by HM Revenue & Customs of any income tax relief originally obtained on subscription.
- Changes to the VCT Rules in respect of investments made on or after 15 March 2018 have meant that VCTs may only invest in companies which pass a "risk to capital" gateway test requiring the investee company to have long term growth and development objectives and for the investment to carry a significant risk that invested capital will be lost over and above the net return to the Company irrespective of whether the return takes the form of income, capital growth, fees, other payments or anything else. This new test inherently increases the risk profile of companies in which the Company can invest going forward and stands in contrast to those in which the Company has historically invested, many of which may not have passed this gateway test due to their ownership of significant assets or their enjoyment of secured income streams.
- The VCT Rules also prohibit the making of secured loans by VCTs. Future loan capital held by the Company will therefore be unsecured and will rank behind secured creditors of the investee company in question. As loan capital investments by a VCT are separately restricted to a maximum of 30% of any new investment, and Investee Companies which meet the above noted "risk to capital" test tend not to be able to provide significant assets against which to secure loans in any case, the Board do not consider that this restriction further materially increases the risk profile of new investments made by the Company.

Risk Factors continued

VCT and Taxation Risks continued

- Venture capital trusts are now required to invest 30% of new funds raised within 12 months of the end of the accounting period in which they were raised. While the Company and the Manager believe this investment time horizon is achievable based on the Manager's existing pipeline of investment opportunities without impacting the quality of potential investments, this added pressure on the Company to complete investments in a timely fashion could result in less attractive investments being prioritised in order to meet the statutory requirement.
- The Finance (No.2) Act 2015 introduced changes to the VCT Rules which have placed greater restrictions on the range of investments into which the Company can deploy funds. As a result, the Company is required to invest in businesses which are less than seven years old (less than ten years for 'knowledge intensive' companies) and VCT funds cannot be used to finance acquisitions by investee companies. The penalty for breaching these new rules is the loss of VCT status, so the Company and its investors may face a higher risk of the loss of tax benefits than under the previous rules. Qualifying investee companies are also now subject to a lifetime risk finance investment limit of £12 million (£20 million for 'knowledge intensive' companies), which may restrict the Company's ability to make follow on investments.
- The Finance Act 2014 amended the VCT Rules, such that VCT status will be withdrawn if, in respect of shares issued on or after 6 April 2014, a dividend is paid (or other forms of distribution or payments are made to investors) from the capital received by the VCT from that issue within three years of the end of the accounting period in which shares were issued to investors. This may reduce the amount of distributable reserves available to the Company to fund dividends and share buybacks.
- The information, including tax rules, contained in this document is based on existing legislation. The tax rules or their interpretation in relation to an investment in the Company and/or the rates of tax, or other statutory provisions to which the Company is subject, may change during the life of the Company and such changes could be retrospective.



Expected Timetable, Statistics and Costs

Indicative Offer Timetable

Offer opens	6 September 2023
Closing date, tax year 2023/24 ¹	3 April 2024
Closing date, tax year 2024/25 ¹	30 April 2024
Allotments	Monthly
Effective date for the listing allowing allotment of the Offer Shares and commencement of dealings	Three Business Days following allotment
Share certificates dispatched	Within ten Business Days of allotment

1. The Offer will close earlier than the date stated above if it is fully subscribed or otherwise at the Directors' discretion.

Offer Statistics

Most recent audited NAV per FWT Share (as at 31 March 2023)	102.8p
Maximum number of FWT Shares to be issued under the Offer	30 million
Estimated net proceeds of the Offer, after issue costs, at full subscription ¹	£14,175,000

1. Based on an aggregate amount subscribed for FWT Shares of £15 million less offer costs of 5.5%; number is approximate due to the operation of the Pricing Formula.

Offer Costs

Investors with an agreed Adviser Charge

Promoter's Fee	2.5%
Initial Adviser Charges ¹	Variable
Such charges as are agreed between each investor and their authorised financial intermediary	

1. Note: Initial adviser charges may be facilitated up to a maximum of 4.5% of the amount subscribed and ongoing adviser charges will not be facilitated by the Company.

Commission-Eligible Investors

Promoter's Fee ¹	2.5%
Initial commission to Intermediaries ²	3.0%
Annual commission to Intermediaries ³	0.5%

Direct Investors

Promoter's Fee ¹	5.5%
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1. The Promoter's Fee may be reduced at the sole discretion of the Promoter and will be reduced by any applicable Early Bird or Loyalty Discounts.
2. Only payable where permissible under FCA Rules and may be waived for additional shares.
3. Only payable where permissible under FCA Rules. Calculated by reference to net asset base value and subject to a cumulative maximum of 3.0%.

The Promoter's Fee (and applicable initial commission and adviser charges) will be expressed as a percentage of the Net Asset Value per FWT Share and included in the Pricing Formula to determine the number of FWT Shares to be allotted in each case. Annual commission will be paid by the Company and not taken into account when applying the Pricing Formula.

Discounts

Early Bird Discount¹

Discount to the Offer costs in respect of applications received by 12 noon on 1 December 2023	1.0%
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Existing Foresight Shareholder Loyalty Discount¹

Loyalty Discount - available to any investor who currently holds shares in any VCT managed by Foresight	0.5%
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1. Expressed as a percentage of an Investor's subscription.

Annual Charges and Expenses¹

Annual Investment Management Fees	2.0% of net assets
Annual Administration Fees	0.3% of net assets (subject to a minimum index-linked fee of £60,000)
Annual Expenses ² Cap	3.6% of net assets NB. actual expenses for the year ended 31 March 2023 represented 2.5% of net assets
Performance Incentive Fees	20% of distributions in excess of 110p (including the most recently announced NAV) per FWT Share (subject to annual adjustment of this hurdle in line with the Retail Price Index. See page 75 for more details.

1. Expressed as a percentage of net assets (where relevant).

2. These being the normal annual running costs of the Company excluding performance incentive fees, annual trail commission and exceptional items.

Letter from the Chair



“The partnership between Foresight and WAE has evolved significantly since 2016.”

Ernie Richardson

Chair
Foresight Technology VCT plc

6 September 2023

Dear Investor

On behalf of the Board, I am delighted to introduce this offer, which provides investors with the opportunity to invest in a portfolio of early-stage, intellectual property-rich, deep technology and advanced engineering companies with high growth potential.

FWT share class investors benefit from a maturing strategy which has been operating since 2016. Across the EIS and VCT funds, the FWT strategy has invested over £67 million into 34 companies across 64 investments and recorded two exits to date, generating an average return of 6.7x. The Fund and the investment team are now recognised as one of the UK’s leading and most informed investors in the deep technology and advanced engineering sectors.

The FWT strategy is a unique collaboration between Foresight Group, a leading independent infrastructure and private equity investment manager which has been managing investment funds on behalf of institutions and retail clients for more than 39 years and WAE Technologies Limited (WAE), a global engineering and zero emissions powertrain business. The concept of the collaboration is that by working together, Foresight and WAE can deliver better results for investors than would be the case if either company were working individually.

The relationship between WAE and Foresight began in early 2015. Following an initial period of due diligence, the FWT EIS Fund was launched in November 2016. Throughout this period the Foresight and WAE teams have worked closely together in sourcing opportunities and carrying out the due diligence on potential investments. The FWT Share class was launched in December 2019 and has already raised c.£27 million and, as at the time of going to print, has made 36 investments (including nine follow-ons).

We believe that the collaboration between Foresight and WAE provides a sustainable competitive advantage when it comes to sourcing investment opportunities, carrying out due diligence and working with portfolio companies to maximise development and growth from investment. We believe this proposition should ultimately lead to more successful exits at higher multiples.

There are four key reasons why you might consider this an attractive investment opportunity:

Letter from the Chair continued

1. An Experienced Deep Technology Investor

The FWT team has built a strong reputation in the UK early-stage ecosystem and is now seen as one of the UK's top investors in the deep technology sector.

Deep technology can be defined as the successful commercialisation of a technology that has required a significant amount of scientific research and engineering resource. The Fund is particularly focused on companies that are developing technologies that offer an order of magnitude improvement in terms of performance or cost compared to the status quo. In Foresight's experience, this magnitude of improvement is required to successfully displace industry incumbents. Often, these technologies are seeking to address challenges in large, valuable markets including green energy, robotics, aerospace and supercomputing, where a scientific or technical breakthrough could have a transformational impact on the world we live in. The sector is expanding rapidly, with investment into UK deep technology growing 33x in the ten years to 2021, reaching £6.8 billion. Indeed, the number of deep technology start-ups operating in the UK has grown by 33% in the last year alone.

One reason for the growth in investment in the sector is the potential for high returns, which are driven by two important characteristics. Firstly, because deep technology companies are born through ground-breaking scientific research or technical breakthroughs, they are Intellectual Property (IP) rich. As a result, the solution that companies bring to market is usually highly defensible through a large body of IP, which reduces competition allowing successful companies to capture a large market share. Secondly, deep technology companies are by definition tackling big, difficult to solve problems, so if they succeed in finding a solution, they have the potential to disrupt existing markets or create entirely new ones. Both these factors make deep technology companies attractive for investors seeking outsized returns.

2. UK Tailwinds

Over the last 12 months, the UK Government has shown significant support for science and engineering companies, implementing initiatives to bolster the growth of these sectors. Science and innovation have been identified as key pillars for economic growth, and the UK aspires to become a leading tech hub similar to Silicon Valley. The establishment of the Department for Science, Innovation, and Technology in February 2023 further solidifies the government's commitment to fostering a stronger digital and technology-focused economy. Additionally, the government's Science and Technology Framework outlines its support for core technologies, including AI, Future Telecoms, Semiconductors, and Quantum Technologies, with plans to invest in the semiconductor market and support start-ups and fast-growing companies. The nascent initiative to unlock up to £50 billion of capital from defined contribution pension schemes has the potential to transform the UK's start-up ecosystem. Looking ahead, while the political outlook remains uncertain, the Labour Party claims to be ambitious and supportive of business growth.

Letter from the Chair continued

3. Unique Collaboration and Competitive Advantage

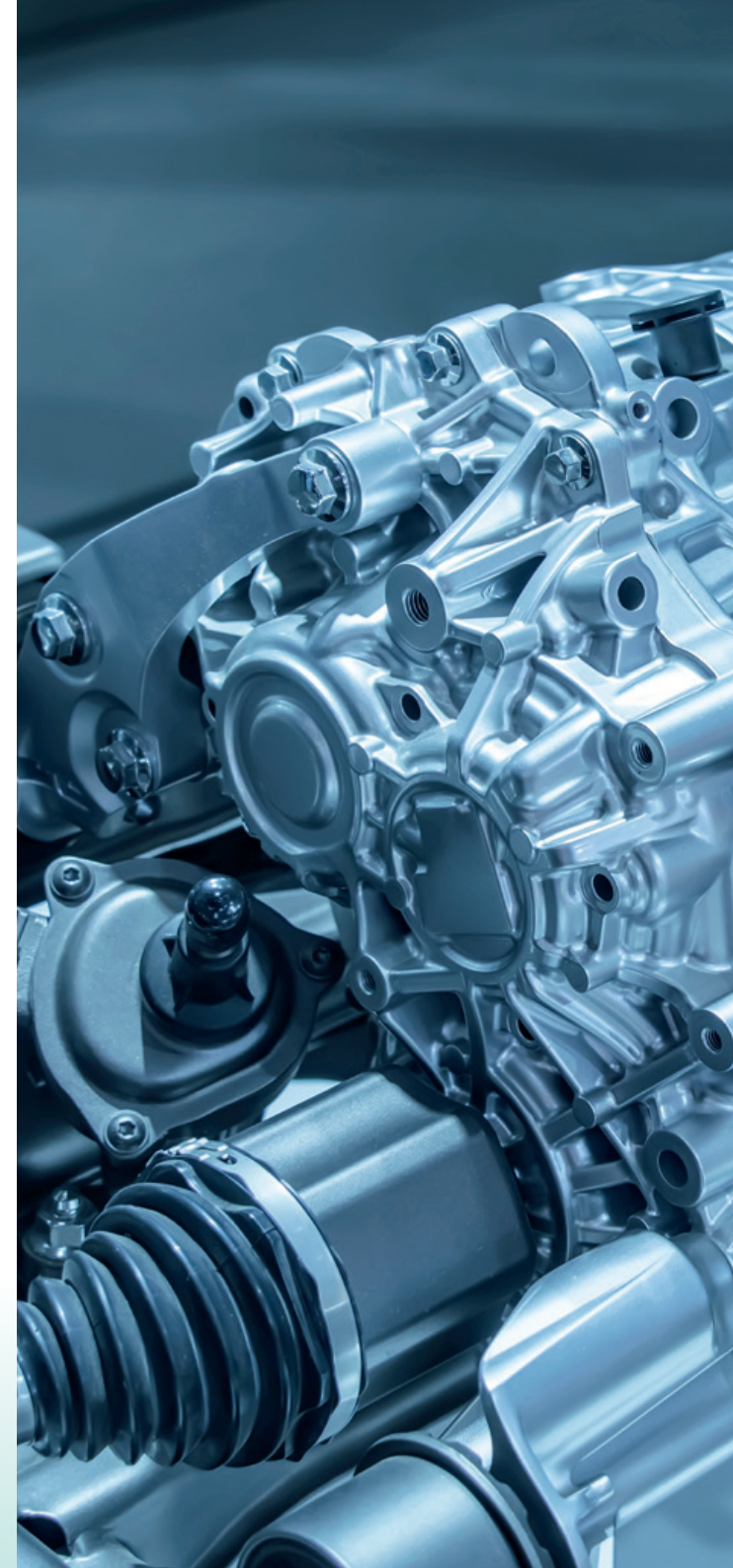
The collaboration between Foresight Group and WAE provides a unique advantage for investors wishing to access the opportunity presented by the UK deep technology sector.

Established in 1984, Foresight is proud of its 39-year track record of investing in and growing early-stage companies. Foresight now has c.£12.billion of assets under management from a wide and varied investor base of private and institutional investors. This includes Foresight-managed Venture Capital Trusts and Enterprise Investment Schemes, which currently have over 30,000 investors, and three listed investment trusts.

Foresight Group has an excellent track record of translating promising early-stage technology into major commercial success. In 2011/12 the VCT in which the FWT Share Class sits within was launched. The VCT raised c.£52 million which was invested into Solar PV electricity generating sites, a nascent asset class at the time. Foresight completed the final exit of the solar assets in February 2023 delivering an excellent return of 185p for every 100p invested (not including any of the various tax breaks available). This is a good example of Foresight's ability to generate significant returns from newer technologies and one which we plan to repeat with the young technologies currently in the FWT portfolio.

WAE is a global engineering and zero emissions powertrain business, that until December 2019, was part of the Williams Group, which also includes Williams Grand Prix Engineering (WGPE) Limited. In 2010, WGPE began diversifying its operations, leading to the establishment of the Williams Advanced Engineering division, which eventually became WAE Technologies Limited. Now owned by Fortescue, the company has grown to become a global engineering and zero emissions powertrain business playing a key role in decarbonising the world. Their 1,000 strong team provide cutting-edge solutions that address sustainability and technology challenges for a diverse range of clients, including international corporate partners.

WAE's extensive experience and resources provide a sustainable competitive advantage through every stage of the investment process. Pre-investment this includes generating a pool of attractive investment opportunities, interested in accessing WAE's technical capabilities and carrying out due diligence to assess the strength of new technologies. Post-investment, WAE work with portfolio companies to improve their technology, providing access to their expert engineers, state-of-the-art facilities and specialist commercial, IP and marketing support. We believe the collaboration gives investee companies a greater chance of success and will lead to higher returns for investors.



Letter from the Chair continued

4. **Diversification**

Despite VCT market inflows growing substantially, the number of VCT management teams has halved since 2006 from 44 to 22. This is driven by recent market consolidation coupled with very few new market entrants. As such, building a diversified portfolio of VCTs can be challenging for investors, especially considering the majority of VCTs follow similar strategies, typically investing in later stage companies that focus on the enterprise software and healthcare sectors.

In contrast, the FWT Share class invests at an earlier stage (pre-revenue to pre-profit) into deep technology companies, which, combined with the relative youth of the portfolio, provides investor's access to a more traditional venture capital return profile with the potential for higher returns. Combined, these factors make the FWT Share class an attractive diversifier for investors with an existing portfolio of VCTs.

Environmental, Social, and Governance (ESG) considerations lie at the core of the FWT share class' investment philosophy. We recognise that within the realm of deep technology and advanced engineering, innovation often brings about profound ESG benefits. By strategically focusing on companies that prioritise sustainability, innovation, and ethical practices, the FWT strategy not only seeks financial returns but also aims to drive positive societal and environmental impact.

The FWT strategy has progressed considerably since its inception in November 2016 and is now proven in the marketplace. This strategy can evidence strong deal flow, relationships with over 80 existing co-investors, and a portfolio that is now seeing some of its earliest investments maturing, exiting or looking for follow-on funding for their next stage of growth. I also believe the Company is well-positioned to capitalise on the current economic cycle by being closer to the beginning of its investment period.

If you would like more details on the Company, please call us on 020 3667 8199. I hope you find this Securities Note clear and easy to understand and please do read the Prospectus in full and seek financial advice before taking any investment decision.

I look forward to welcoming you as a shareholder over the next few months.

Yours faithfully

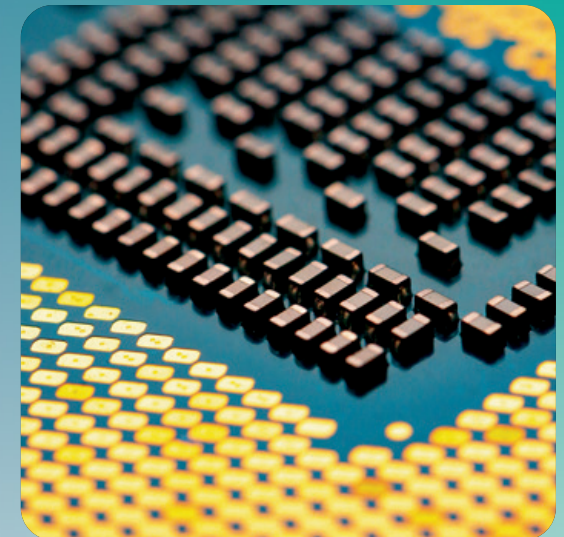
Ernie Richardson

Chair
Foresight Technology VCT plc

“This strategy is now seeing some of its earliest investments maturing and looking for follow-on funding for their next stage of growth.”

Ernie Richardson

Chair
Foresight Technology VCT plc



Part One:

Investment Opportunity and Strategy

Investment Opportunity and Strategy

1. Internal Expertise

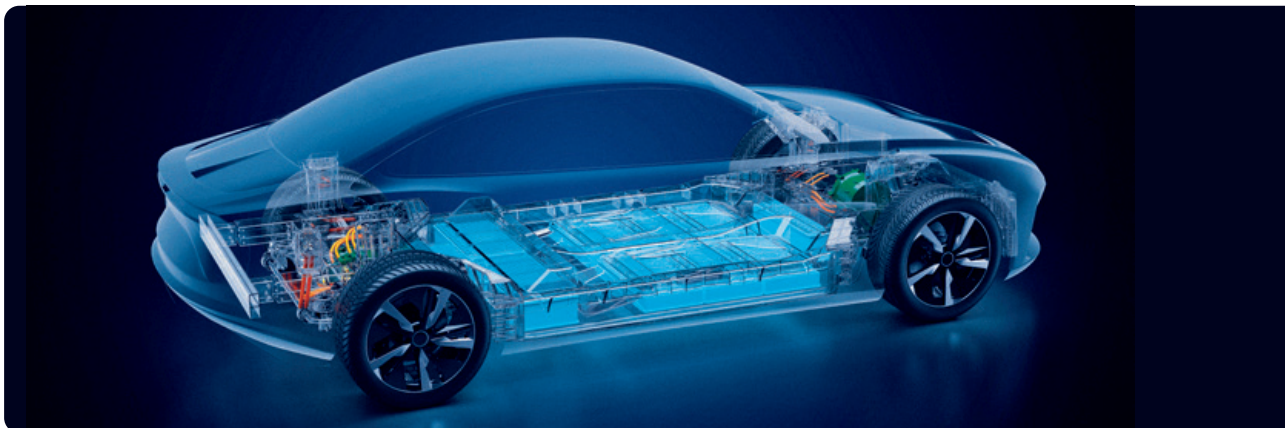
The sector agnostic investment strategy of the FWT Share class focuses on early-stage companies developing disruptive engineering technologies supported by strong Intellectual Property (“IP”), operating in attractive, substantive markets where, in the majority of cases, WAE’s technical knowledge, commercial opportunity understanding or marketing support offer attractive added value potential to Investee Companies. This means the FWT Share class will invest in opportunities which other funds may overlook due to the apparent complexity of the technology or the market. It also means the FWT Share class can avoid investing in opportunities where WAE’s unique insights identify potential technical, commercial, market or regulatory forces which are likely to prove challenging for the potential Investee Company to overcome.

2. Industry Trends

The FWT Share class’ underlying investment thesis is that there remains a vast opportunity to improve the productivity, efficiency and environmental impact of nearly every industrial sector from manufacturing through to energy via the intelligent application of automation and digitalisation. To facilitate this transition, there will be an increasing need for enabling technologies such as industrial machine learning software, novel sensors, low-cost robotics and 3D printers. Some of the most exciting investment opportunities will come from companies that combine technologies, such as robotics, computer vision and machine learning, to deliver a solution that is greater than the sum of its parts. Another trend of particular interest is the application of cutting edge technologies from highly developed sectors into more traditional industries; for example, the application of augmented reality technology from the gaming sector into the industrial maintenance sector to enable remote collaboration.

“The FWT Share class fits perfectly with our business model and allows us to take the learnings and technologies from motor sport and apply them to other industries.”

Matthew Burke
Director of Technology Ventures
WAE



Investment Opportunity and Strategy continued

3. External Factors

While the recent macroeconomic environment of rising interest rates and inflation has been impacting the valuations of venture-backed companies¹, the Fund believes that companies developing advanced engineering technologies are likely to prove more robust in this market compared to many software based companies. This is because business models which require significant capital to grow and sustain market share look increasingly challenging in a world with rising interest rates and tighter monetary policy. Increasingly investors are expecting to see companies generate a profit in the near term, rather than in the distant future, leading to a significant revaluation of companies with these business models. A good example includes Cazoo, a car buying platform, which IPO'd in August 2021 but has since lost 99% of its value².

Similarly, the net present value of the long-term cash flows generated by software companies are reduced in a high interest rate world due to a correspondingly higher discount factor. This dynamic therefore favours companies whose products and services are monetised over a nearer-term and shorter time period.

There is also a greater awareness of the need for hardware and physical technologies to resolve some of society's biggest problems including climate change, an ageing population, food security and national security and defence. Software alone is not able to solve these global issues.

As a result of these dynamics, the FWT team is seeing more interest from VC funds in companies which are commercialising research and innovation in the life sciences and physical sciences sectors. In many ways, this transition is seeing venture capital revert to its origins of investing in electronics and semiconductor companies in Silicon Valley in the 1960s and 1970s³.

On a domestic level, despite the economic headwinds that the UK economy is currently facing, over the last 12 months the UK Government has set out a series of initiatives to support the growth of science and engineering companies in the UK and increase the funding opportunities for these companies:

- In the Chancellor's 2022 Autumn Statement, science and innovation was identified as one of the three pillars for economic growth along with the government's desire to turn the UK into the "World's next Silicon Valley"⁴.
- To increase the support for the science and technology sectors, the UK Government created the Department for Science, Innovation and Technology in February 2023⁵, giving the technology sector a stronger voice in government and reinforcing the Government's ambition for the UK to build a stronger digital and technology-focused economy.

- In March 2023 the Department for Science, Innovation and Technology published a Science and Technology Framework⁶, setting out a strategic view of how the Government will support UK science and technology up to 2030. In addition to identifying five core technologies, four of which are in scope for the FWT funds – Artificial Intelligence, Future Telecoms, Semiconductors and Quantum Technologies – the framework identified four themes to support the development of these technologies.
- As part of this Framework, in May 2023 the Government announced a £1 billion semiconductor strategy⁷ which aims to expand the domestic market, remove supply chain issues and enhance the country's security.
- Most recently, in July 2023, the Chancellor Jeremy Hunt announced the Mansion House Compact⁸, an agreement between nine UK pension funds to invest at least 5% of their default funds into UK-based start-ups and fast growing companies by 2030. It is estimated that this scheme could unlock up to £50 billion by 2030, providing significant capital to companies which are in scope for the fund.

Over the coming months it is likely that further initiatives will be launched to stimulate growth within the start-up ecosystem, with a particular focus on the life sciences and physical sciences sectors. As of July 2023, the Labour Party has not issued a clear policy on science and technology, however the party's position claims to be ambitious and supportive of business growth⁹.

1. <https://pitchbook.com/news/articles/european-2022-venture-valuation-trends-in-six-charts>

2. <https://uk.finance.yahoo.com/quote/CZOO/>

3. https://en.wikipedia.org/wiki/History_of_private_equity_and_venture_capital

4. <https://www.digit.fyi/next-silicon-valley-jeremy-hunt/>

5. <https://www.techuk.org/resource/new-department-for-science-innovation-and-opportunity-could-see-tech-better-recognised-in-whitehall.html>

6. <https://www.techuk.org/resource/the-government-s-science-and-technology-framework-is-a-welcome-step-and-now-must-to-be-backed-by-action.html>

7. <https://www.uktech.news/news/government-and-policy/uk-semiconductor-strategy-20230519>

8. <https://sifted.eu/articles/uk-government-pension-funds-startups-jeremy-hunt-news>

9. <https://techmonitor.ai/policy/digital-economy/so-what-are-labours-tech-policies-exactly>

Investment Opportunity and Strategy continued

4. Profile of Companies

4.1 Company Profile

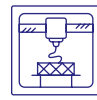
The Fund will make investments into companies developing innovative and disruptive technologies which are often protected by intellectual property. While the Fund will adopt a technology and sector agnostic investment strategy, many of the investments made and opportunities seen by the team are aligned with the eight core deep technology themes and sectors shown below:



Semiconductors



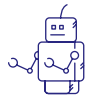
Future of mobility



Future of manufacturing



AR, VR and immersive technologies



Robotics



Future of computing



Advanced simulation



Medtech & Scientific instrumentation

A crucial criterion for potential investments will be the development of technologies that offer an order of magnitude improvement in terms of performance or cost compared to the existing status quo. In Foresight's experience, early-stage companies lacking an extensive track record or trading history need to provide a value proposition that is circa ten times better, faster, or cheaper to successfully displace industry incumbents. This becomes even more critical in sectors where incumbents possess substantial market power - for example by offering a comprehensive suite of products and services across the value chain - or where a low risk profile and high safety standards are imperative.



Investment Opportunity and Strategy continued

4.

Profile of Companies continued

4.2 Maturity Profile

The FWT Share class seeks to deploy capital into businesses that are both pre and post-revenue, i.e. from technologies that have reached proof of concept up to technologies that, having proven commercial designs in test markets, are launched into their initial markets but have yet to reach full commercial deployment and scale.

These opportunities correlate to levels 4 to 8 on the Technology Readiness Level (TRL) index, a scale originally developed by NASA to describe the level of technology maturity. The scale, shown below, ranges from 1 (basic research) up to 9 (full commercial deployment) and is widely used across government, academia and industry. The TRL range of the FWT Share class corresponds to Commercialisation Readiness Levels (CRL) 2 to 4b (seed to market launch and growth), also shown below. The CRL scale helps to classify the commercial maturity of a technology and business.

Technology Readiness Level ("TRL")

1	2	3	4	5	6	7	8	9
Research		Applied Research & Development			Demonstration		Pre-commercial Deployment	
Basic Research	Applied Research	Proof of Concept	Lab Testing Compon't	Lab Testing System	Prototype System Verified	Pilot System Demo.	Incorp. in Comm'l Design	Full Comm'l Deploy't

← Fund Focus →

Commercial Readiness Level ("CRL")

1	2	3a	3b	3c	3d	4a	4b	4c
Concept	Seed	Product Development				Market Launch/Growth		
Idea to Exploit	Market Research, Initial Product Spec	Resource & Plan	Validate Market & Build Venture	Route to Market, Supply Chain	Client Trials & First Sale	Market Entry	Proven	Growth

← Fund Focus →

Investment Opportunity and Strategy continued

4.

Profile of Companies continued

4.3 Defensible Intellectual Property

The technology developed by the investee companies will typically be protected, usually through Intellectual Property ("IP") including patents, know-how, software code or trade secrets. This helps to protect the technology from replication by a competitor, giving the investee company a sustainable competitive advantage and a strong opportunity to generate attractive commercial returns from its products and/or services.

Furthermore, companies that have developed a defensible technology which has successfully proven market adoption are often attractive acquisition targets for strategic buyers or corporates. This is because strategic buyers and particularly corporates can struggle to replicate the same success with their resources as quickly due to their larger size and corporate inertia, which leads to slow decision making and technical progress. Finally, because IP cannot easily be replicated, buyers are often willing to pay a significant premium, meaning that companies can exit for valuations which are disconnected to their underlying financial performance.

4.4 Strong Team with a Clear Strategic Vision and Ability to Execute

In addition to World-class technologies, the Fund seeks to invest in outstanding entrepreneurs who have both the technical, commercial and personal skills to successfully bring their technology to market and scale rapidly. However, no one individual can grow a successful company single-handedly, so the investment team often looks for founding teams which bring a broad range of skills and experience to bear, or works closely with the founders to help build out a well-rounded management team.

Based on FWT's experience to date, one possible dynamic of successful founding teams is the combination of an enthusiastic and hungry academic entrepreneur, whose energy is effectively channelled by a successful industry veteran who has direct experience of leading high-growth companies. This interplay works particularly well at an early stage when the team lacks the full range of experiences and skills present in a fully formed management team.

Another necessary attribute, particularly amongst the founders, is a high Emotional Quotient ("EQ"). This is because the skills which made the founders successful at a start-up stage are often different to those required in a CEO during the scale-up stage. Founders who have the emotional intelligence to understand their own limitations and move to a role benefitting their strengths is a key criterion to enable the company to grow successfully and without significant management disruption.

Building successful management teams that comprise the skillsets and personalities necessary for each stage of a company's growth is an area where Foresight seeks to add significant value. Throughout the investment period, FWT works closely with the management team, Chair and other investors to identify personnel gaps and potentially initiate changes to the leadership team before they become the rate limiting factor to growth. The investment team will leverage FWT's and the wider Foresight Private Equity & Venture Capital team's extensive network of Chairs, experienced industry executives and recruitment/search agencies to help fill these roles.

Investment Opportunity and Strategy continued

4.

Profile of Companies continued

4.5 Roadmap to Commercialisation and Large Obtainable Market

A common weakness observed in many early-stage technology companies is that the commercialisation plan is not sufficiently defined. Entrepreneurs and founders often have a strong desire to release their technology without thoroughly understanding the target market and what customers are willing to pay for it, i.e. the “value proposition” for their customers. Consequently, a requirement for investee companies is the ability to clearly articulate the market problem they are addressing, identify their target customers and explain why these customers would be motivated to purchase the technology, even if it’s not yet perfected. This commercial understanding develops over time through engaging with industry stakeholders and potential customers and is further refined by assembling a capable team of industry veterans within the management team.

Early-stage companies developing technology and IP often face the challenge of a lengthy research and development period, during which quantitative metrics of progress, such as revenue, may not exist. This makes it challenging for companies to demonstrate progress to both new and existing investors and assure them that the business is still on the right track.

To overcome these challenges, FWT collaborates with investee companies to ensure they understand the key drivers of value in their business and identify the technical and commercial milestones and “value inflection points” that must be achieved within the funding round’s timeframe.

These inflection points can be technical, such as proving the technology’s scalability, or commercial, such as securing a first commercial contract. Typically, companies should consider raising a funding round once one or several value inflection points have been accomplished.

4.6 Scalable Business Model and Clear Exit Potential

The Fund will steer clear of highly capital-intensive companies and instead primarily focus on those aiming to commercialise products and services based on their IP. By licensing their IP to commercial partners, either partially or in its entirety, investee companies can leverage the partner’s extensive infrastructure, supply chain and customer base to scale up production and commercialisation. By adopting this commercial strategy, investee companies can achieve significant scale and impact in a relatively capital-efficient manner, eliminating the need to scale their operations and workforce linearly with revenue growth.

However, it’s important to note that these companies will commonly require substantial capital to fund the extended research and development period, as well as demonstrate sub-commercial scale, proof-of-concept products.

4.7 Value-add from the Foresight and WAE Partnership

Since the Fund launched, the partnership between an experienced institutional investor and a technical partner has brought multiple benefits across the full deal origination and execution process, as well as during the investment management phase.



Investment Opportunity and Strategy continued

4. Profile of Companies continued

4.7 Value-add from the Foresight and WAE Partnership continued

During the deal origination process, Foresight leverages its regional investment teams and network of introducers and co-investors to source investment opportunities. Furthermore, the reputation of, and commercial introductions that WAE might offer has helped the Fund access highly competitive deals and secure investments on favourable terms.

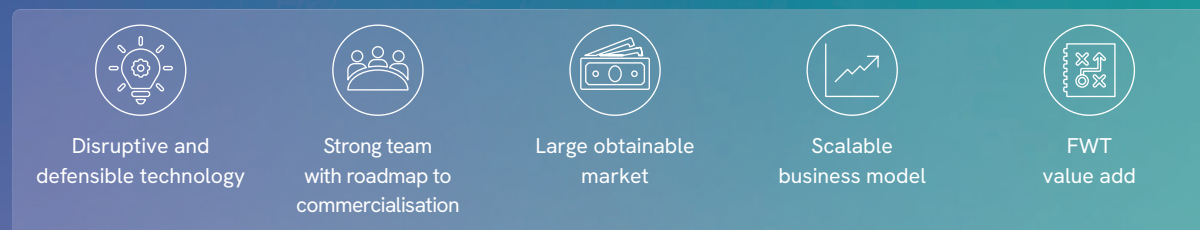
During due diligence, Foresight follows a disciplined process refined over decades of smaller company investing to identify key issues. Similarly, WAE has leveraged its extensive expertise and network to validate the customer and market demand for the technology once commercialised and help shape the plan for successful commercialisation.

Post investment, Foresight supports and challenges investee companies through its seat on the board, again tapping into the experience of the investment committee and wider Foresight team, gained from managing a current portfolio of 200+ smaller companies and years of early stage investing across multiple economic cycles. Similarly, WAE has supported companies with a variety bespoke engineering support as well as more general technical and commercial advice. Some of WAE's core engineering specialisms, developed from years of competitive motorsport and more recently providing technology and engineering consultancy to international companies, are set out below.

Over time, the positive impact that Foresight and WAE has at each stage of the investment process improves the probability of investee companies being successful and enhances the Fund's reputation in the market, establishing it as the preferred investor for companies seeking funding. This results in a feedback loop, as summarised below.



A summary of FWT's investment strategy is shown below:



£0.5-2.5m Initial investments targeting at least a 10x return potential

Areas we specialise in:

- Aerodynamics and thermodynamics
- Battery systems and energy storage
- Composites, materials and nanomaterials
- Data analytics
- Electric machines and drives
- Electronics and control systems
- Embedded software
- IP Protection
- Lightweight structures
- Manufacturing Best Practice
- Programme Management
- Prototyping
- Systems integration

Investment Opportunity and Strategy continued

5. Investment Structuring

5.1 Investment Stage and Size

The Fund will seek to invest into companies which are at a Seed or Series A stage. This means that, before receiving investment from FWT, these companies have usually raised some funds through equity funding (e.g. from technology transfer offices, accelerators and business angels) or non-dilutive funding (academic funding, R&D grants). They may or may not have received institutional or corporate venture capital investment prior to the Fund's investment.

The Fund will typically make an initial investment ranging from £0.5m-£2.5m, aiming to acquire a minority shareholding in the company, the size of which will vary depending upon the amount invested. Funding rounds would normally provide investee companies with a cash runway of at least 18 months, preferably over 24-36 months. Foresight's experience suggests that this timeframe is necessary for companies to achieve the technical or commercial milestones required to raise further funding, and that companies should begin fundraising at least six months before cash-out.

5.2 Syndicated Investment Rounds

Early-stage, IP-rich start-ups commonly rely on investment rounds composed of a syndicate of investors. This approach offers several advantages:

- Funding requirements often exceed the amount that a single VC fund can allocate to any one investment, given the need to build a portfolio of investments to mitigate exposure to any one company.
- A syndicate of investors reduces the burden on any one investor to finance the company with an internal "bridging round". These rounds are sometimes required if the company needs additional runway to deliver a significant technical or commercial inflection point.
- A syndicate of high-quality investors can make the company more appealing to new investors at subsequent funding rounds, particularly if these investors are continuing to invest in the company.
- Excessive equity ownership by a single investor may deter new investors.

Therefore, it is preferable to be a smaller yet influential investor in a successful company rather than a large shareholder in a company struggling to secure further funding. Building an extensive network of high-quality co-investors is crucial for the Fund's long-term success. Maintaining a positive reputation in the market is equally important, achieved through cooperative collaboration with portfolio companies and co-investors, using broadly market-standard terms and fostering an ethos of shared success.

The Fund is willing to take on the role of lead investor in a funding round but is also comfortable 'following' a lead investor, particularly in rounds which are either very competitive or are well advanced at the point when Foresight engages. Finally, Foresight already has a strong network of relevant co-investors, having co-invested with over 80 investors alone on the FWT Fund.

Investment Opportunity and Strategy continued

5. Investment Structuring continued

5.3 Investment Terms

The Fund expects to make the majority of its returns from a small number of investments that achieve a valuation many times higher than that at the time of the investment. Consequently, investments will be structured in ways which are aligned with the long-term success of the business.

In early-stage investments where subsequent funding rounds are expected, simple equity terms are generally preferred. In Foresight's experience, overly structured deals in early rounds can pose long-term disadvantages, as investors in future rounds often request more onerous terms which take priority over earlier investors. However, the Fund will seek to negotiate a downside protection, meaning the original investment is returned ahead of ordinary shareholders in a realisation event.

All investments will include industry-standard information and consent rights, and Foresight will typically aim to ensure that the Fund benefits from a Director or Board Observer position on the Board whenever possible. This enables the investment team to closely monitor company performance, shape strategy, challenge the management team during board meetings and drive necessary management and structural changes for successful outcomes.

5.4 Portfolio Structuring

The Fund will seek to build a broad portfolio with varying exposure across a number of metrics:

Technology diversification: the Fund will not seek to over-invest into any one technology (e.g. semiconductors), but it may make more than one investment in any given field. Equally, the fund will invest into both hardware and software focused technologies.

Geography: the Fund will invest into companies throughout the UK. The Fund may also invest in Companies located overseas, but which have a permanent establishment in the UK.

Technology maturity: the Fund will invest in technologies that are between TRL 4 – successfully demonstrated a proof of concept – and TRL 8 – technologies that have been launched in initial markets but have not yet achieved full commercial deployment and scale.

Funding stage: the Fund will target initial investments at a Seed and Series A stage, which will evolve into a diversified portfolio of early and later stage companies over time.

Operating model: the Fund will invest into technologies which are being commercialised through a variety of business models and operating models, although all investee companies will need to meet the investment strategy set out above.

Because most investee companies will require additional rounds of funding, with subsequent investments growing in size if FWT wishes to maintain a pro-rata shareholding, the Fund will ensure sufficient reserves are maintained for follow-on investments. Finally, it should be noted that the maximum amount invested into any company, or the number of companies in the portfolio may change in response to the overall size of the Fund.

5.5 Exits and Return Cash Flows

Foresight has developed a deep understanding of exiting investments, having managed 61 exit processes across its Private Equity & Venture Capital team since 2010. In Foresight's experience, the specific exit process that a company may take is often uncertain and a successful exit may occur at any stage if the company is making good progress through its value journey and delivering on its key milestones.

While this is often the case, companies that are developing innovative technologies may plan their exit timing around two windows of opportunity. The chart below illustrates the value growth profile that a successful company may take and these two exit windows, but it is important to note that a Company should always be ready for a potential exit.

Investment Opportunity and Strategy continued

5. Investment Structuring continued

5.5 Exits and Return Cash Flows continued

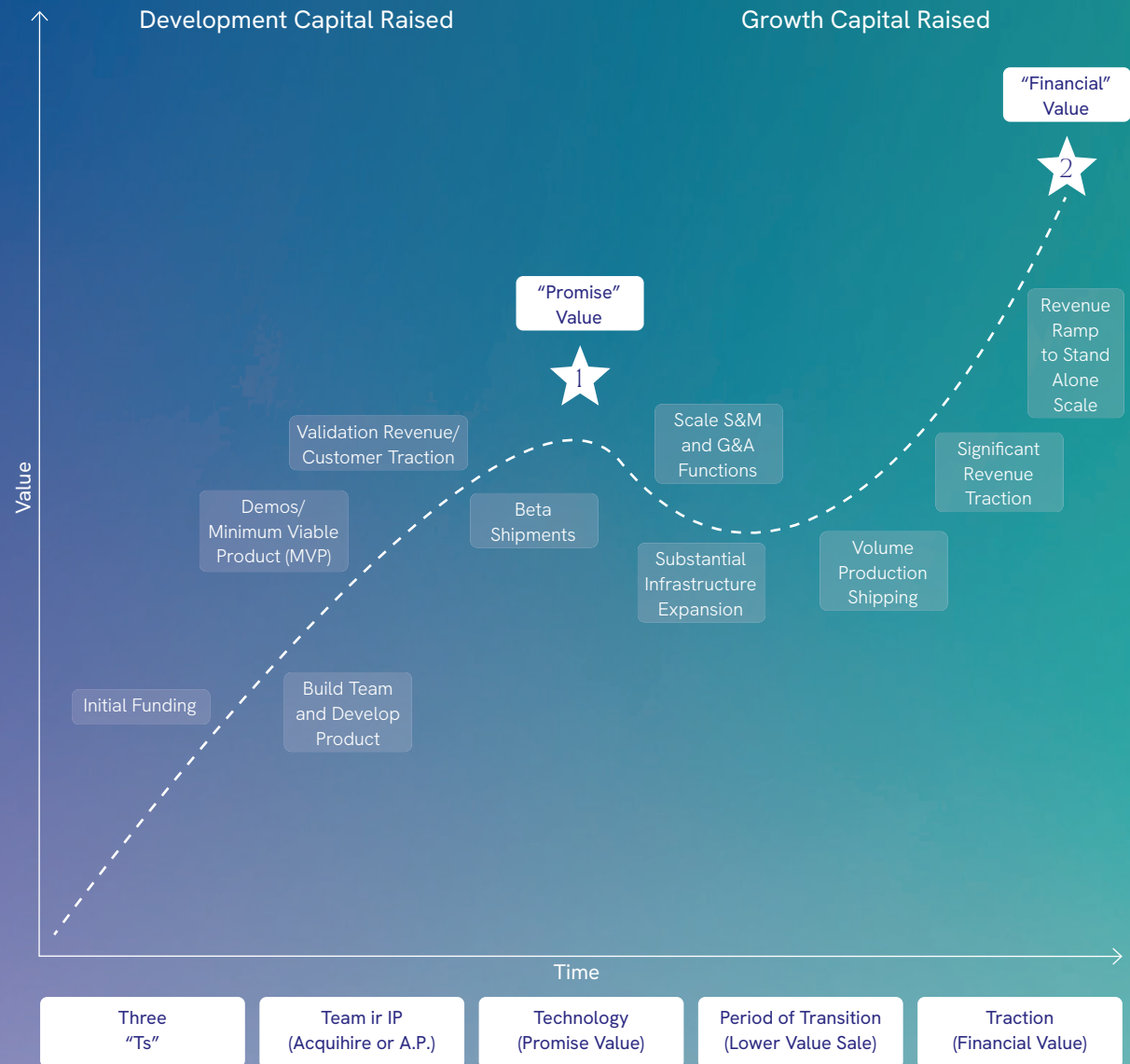
The first exit opportunity is based on the technology's "promise value." Typically, a trade buyer acquires a company to integrate the technology or neutralise the competitive threat. Effective management of this exit process can foster competition among buyers, resulting in a higher premium. This strategy was used particularly effectively during the exit of FWT EIS portfolio company Codeplay, which was acquired following a competitive process for \$165 million, generating a 15.7x return on Foresight's investment. For companies with longer R&D and commercialisation cycles targeted by the Fund, this window for "promise value" occurs approximately 4-8 years after the initial investment. However, the timing and macroeconomic landscape influence this exit period.

The second potential exit window - the "financial value" - occurs when the company has scaled its non-technical operations and achieved significant commercial growth. Acquirers at this stage will likely be motivated by a combination of both the Company's technology and financial performance, and may include trade buyers or Private Equity funds. Alternatively, the company may seek to IPO. Again, market and sector trends may affect the timing and valuation multiples acquirers are willing to pay.

To align with the Fund's mandate and generate returns within a four to eight year timeframe, the Fund will generally target "promise value" exits as a strategy. Foresight proactively manages the exit process, collaborating with industry-leading advisors to generate significant interest and create competitive tension among potential buyers.

Lastly, it's important to note that the Fund targets companies with a high risk-return profile, implying that a significant portion of the portfolio may experience failure or yield less than the initial investment.

Exit opportunities for companies which develop innovative technologies¹



1. Source: Menalto Partners.

Investment Opportunity and Strategy continued

6. Investment Process

6.1 Existing Pipeline and Future Deal Flow Strategy

After six years of investing in 36 advanced technology companies through the FWT Funds, the Investment Manager believes that the FWT team has built a strong reputation in the UK early-stage ecosystem and is now seen as one of the UK's top investors in the deep technology and advanced hardware sectors. Over this period, the FWT team has reviewed more than 1,900 opportunities across a multitude of sectors from transport and manufacturing to energy and industrial engineering.

FWT's growing reputation drives deal-sourcing activities across the UK and the team now has a robust network of contacts with Technology Hubs, Universities and their Technology Transfer Offices, Innovation Networks and Business Accelerators. This is in addition to a wide network of other early-stage investors including Institutional Venture Capital funds, Corporate Venture Capital funds and Angel Investment networks. In Foresight's experience, beyond direct origination, co-investors often prove the best source of deal flow. However, it takes a close working relationship, built up over time, to be referred to the very best investment opportunities, which are often highly competitive. Equally, these co-investors are likely to be attractive sources of funding for existing companies in the portfolio.

The growing reputation of FWT also results in the team receiving direct approaches from entrepreneurs seeking funding.

The FWT Share class will derive pipeline from sources as diverse as:

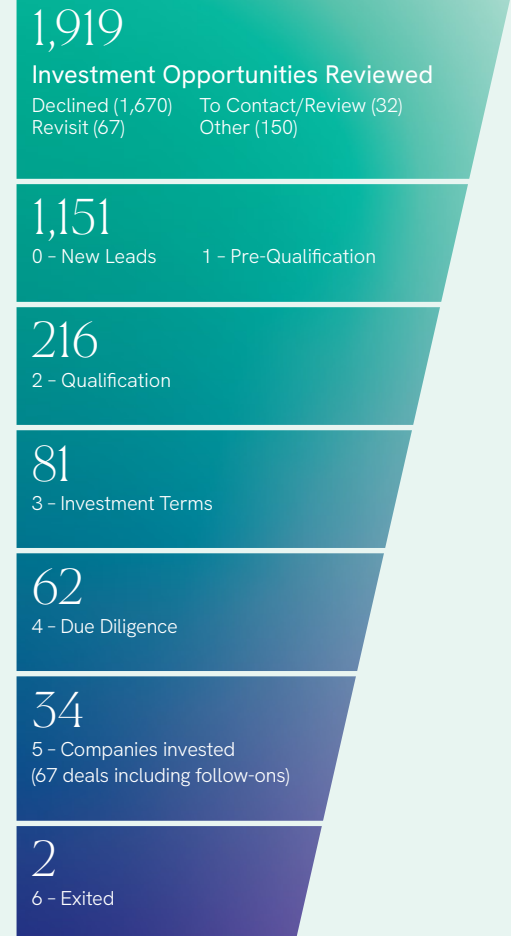
- University Technology Transfer Offices
- UK Research and Innovation Councils, including: Innovate UK, the Science and Technology Funding Council and the Catapult Centres
- Business Incubators and Accelerators:
- Innovation Networks
- Foresight's own network of 1,300+ corporate advisers
- WAE's internal and external networks
- Other VC Funds with similar or complementary objectives
- Angel Investor Networks
- Family offices
- Self-sourced

To date, FWT Funds have engaged in more than 30 co-investments with over 80 different investors.

“The partnerships team is here to work alongside FWT Funds Portfolio companies to unlock growth opportunities by utilising WAE's resources, capabilities and network.”

Matthew Burke

Director of Technology Ventures, WAE



Investment Opportunity and Strategy continued

6. Investment Process continued

6.2 Strong Regional Presence

The FWT Share class also benefits from the wider network of Foresight's Private Equity team which generally reviews more than 2,500 investment opportunities annually across the UK and Ireland. This is enabled by a systematic deal origination process, which is core to the team's operations. Each member of the investment team actively participates in this process, leveraging an extensive network of co-investors and advisors. They take ownership of specific geographical regions, ensuring comprehensive coverage and fostering stronger relationships with management teams, aided by our network of regional offices.

Foresight is committed to developing a strong regional presence across the UK and in the last five years alone has been appointed the equity Fund Manager for seven new regional funds covering Northwest and Northeast England, West Yorkshire, East of England, East Midlands, Scotland and Ireland. Through this expanding regional presence, Foresight has built up an extensive network of active corporate finance advisers and other professional Small and Medium Enterprise ("SME") advisers through investment teams based in its Cambridge, Nottingham, Manchester, Leeds, Newcastle, Dublin, Edinburgh, Leicester and Milton Keynes regional offices and its head office in London. That network now numbers more than 1,300.

6.3 The Investment Process

The investment process for a new company will typically take three to six months to complete. Once the FWT team has identified an opportunity, a series of initial fact-finding calls, meetings and visits are arranged between the company and multiple members of both the Foresight and WAE teams. Each opportunity is then assessed against a comprehensive scorecard system and the opportunity must meet a certain threshold to be progressed further. This process also helps to identify aspects of the opportunity which need to be addressed further during due diligence.

Once the opportunity has passed this scorecard process the team negotiates a non-binding offer letter which outlines the structure of the proposed investment. Once agreed, the company presents to both the Foresight and WAE investment committees, which comprise members of the senior leadership team of the respective organisations. The opportunity must be recommended by the WAE investment committee and approved by the Foresight investment committee before progressing to confirmatory due diligence, a c.8 weeks process which assesses the legal, financial, commercial, technical, intellectual property and leadership attributes of the company. Incorporating the key findings from the due diligence process, FWT team submit a detailed investment proposal for final sign-off by both investment committees.

This rigorous process ensures that the material aspects of the opportunity are carefully considered by multiple individuals with technical, commercial, financial and legal backgrounds, preventing potential 'group think' and ensuring a high level of scrutiny is applied. This approach also means the potential risks with the investment are well understood and mitigated against where possible before completion. Of the more than 1,900 opportunities assessed by the FWT team to date, only 27 companies have received investment at the time of going to print, clearly illustrating the high standards set by the team and this process.

Initial investments made from the FWT Funds will typically range between £0.5 million and £2.5 million. Where the FWT Funds have made an initial investment, it is expected that some of the funds raised will be used for follow-on investments as the investee companies mature and start generating revenues and profits.

Foresight will also consider co-investing beyond the existing FWT EIS Fund with other VCT funds, EIS funds, institutional and corporate VC funds, family offices and/or university spin-out funds. This is to provide additional investment for companies as well as spreading the risk in early-stage investment.

Investment Opportunity and Strategy continued

6. Investment Process continued

6.4 Governance

From a governance perspective, Foresight, as Manager, will ensure each investee company has a formally constituted board in place which may comprise an independent chair, senior leadership of the company, non-executives and an investor director. Typically, Foresight will appoint a member of its team as Investor Director or Board Observer and where appropriate may also introduce an independent non-executive chairperson to the Investee Company. These appointees will provide guidance and support to the management team through regular board meetings and help drive the development strategy of each business.

Approximately 100 days after the initial investment, all new Investee Companies are required to present back to the Foresight Investment Committee on their progress since investment. In addition to ensuring that the management team continues with the momentum built up during the investment period, this process ensures the investee company undertakes the outstanding actions which were captured in the 100 day plan as part of the due diligence process. As a result, the investee company finishes the process with a robust governance and operating structure in place, providing a solid foundation on which to grow.

Finally, growth update meetings, which take place around 18 months after the initial investment, are an opportunity for the FWT team to assess an investee company's growth plans. In a situation where the investee company is planning to fundraise, both investment committees will also attend to give a recommendation on participation.

6.5 Foresight Value-add

Leveraging its experience with early-stage companies, Foresight provides valuable input into investee companies' overall strategy, including market positioning, product development, sales, marketing, and business model. The Fund can also leverage the broader experience of the Foresight Private Equity & Venture Capital team, comprising industry experts, ex-strategy consultants, and ex-investment bankers, offering valuable external guidance and complementing management's strategic capabilities. This enables the Investor Director to work closely with the senior and middle management teams to develop the value creation plan required to raise a further funding round grow or achieve a successful exit.

A key area where Foresight adds value post-investment is in supporting the investee company with follow-on funding rounds. Multiple rounds of funding will typically be needed for investee companies to reach profitability or exit, requiring careful consideration of timing, size, and valuation from the beginning to ensure attractive shareholder returns.

While the Fund often leads the initial funding round, the team aims to follow industry best practice by having a new investor lead and price subsequent funding rounds. A key source of value-add for investee companies is the introductions that Foresight can make to potential new investors. In Foresight's experience, a new investor is more likely to closely review a pitch deck if it has been recommended to them by an existing co-investor. Equally, FWT's existing investment in a company is often seen as a measure of quality for new investors, giving them further confidence during the initial screening process.

The Fund will have several options regarding the level of participation in follow-on funding rounds. If the company performs well, Foresight exercises its pre-emption rights to maintain or may increase its shareholding. Conversely, if the company fails to meet expectations, Foresight may choose not to invest or invest significantly less. In highly competitive rounds or when additional benefits are offered, Foresight may on occasion invest below pro-rata to accommodate new investors.

6.6 WAE Support

Investee companies can benefit from direct access to WAE's partnerships team who work with the portfolio to identify and deliver WAE value add services. The scope of these services may vary depending on the technology and stage of development and can include engineering, prototyping, programme management, marketing support and IP guidance. Investee Companies can also be introduced to WAE's strategic partners and wider customer network which can lead to trials and sales.

Investment Opportunity and Strategy continued

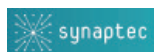
6. Investment Process continued

6.6 WAE Support continued

WAE has already provided value add services to many of the companies invested in by the FWT Funds. Selected examples include:



- Technical programme advisory service to advance Freeflow’s e-bike product development



- Mechanical system design, prototyping and testing to unlock new applications for Synaptec’s optical fibre sensors



- Thermodynamic modelling of Mixergy’s smart hot water tank to engage technical audiences and speed up future redesign work



- Cross functional design review to improve robustness of Novosound’s high temperature corrosion monitoring sensor



- User feedback and strategic guidance on Master of Pie’s collaborative engineering platform



- WAE are also working in collaboration with Novosound to develop a new, high value application of their thin film, flexible sensors for which WAE could provide a route to market

Collaborative Working Relationship

Foresight and WAE seek to work collaboratively, and the diagram below illustrates how responsibilities are split between the teams.

Foresight FOR A SMARTER FUTURE	WAE A Fortescue Company
Fundraising	Fundraising support through events and knowledge sharing
Fund management and administration	Technical due diligence for each investment opportunity ¹
Fundraising for portfolio companies through relationships with other investors	Production of IP due diligence relating to the strength of any patents (unless otherwise agreed with Foresight Group)
Transaction management and investment negotiation	Investee company technical, commercial & marketing support
Investee company financial & commercial support	Commercial introductions
Board representation	
Exit planning	
Regular investor communication	
Co-investment sourcing	
Sourcing of Non-Executive Chairpersons/Directors	Sourcing of Non-Executive Chairpersons/Directors
Proprietary deal flow and sourcing of investment opportunities	Deal flow and sourcing of investment opportunities
Legal due diligence for each investment opportunity	

1. Where possible, WAE will undertake technical due diligence.

Investment Opportunity and Strategy continued

6. Investment Process continued

6.6 WAE Support continued

In addition to pro bono support, where WAE and an Investee Company agree to work together on specific projects, where relevant, a Master Services Agreement (“MSA”) is put in place between WAE and the Investee Company to enable the two organisations to work closely together.

Although WAE’s technical and commercial understanding alone can offer a distinct advantage in identifying and securing investment opportunities, identifying the opportunity for WAE post-investment support for Investee Companies is an important part of the investment strategy. However, it should be noted that not all Investee Companies will require WAE support.

Fee Sharing Arrangements Between Foresight Group and WAE

The collaboration between Foresight Group and WAE is a full commercial partnership reflected in the following fee sharing arrangements agreed between the two firms:

Initial Fee to be paid to the Promoter of 2.5% (in most cases) to be divided 80% to the Promoter and 20% to WAE

Annual Management Fee of 2.0% to be divided 1.5% to the Manager and 0.5% to WAE

Performance Fee: any performance fees which become due will be shared equally between the Manager and WAE

Full details of the fees and charges are set out in Part Three of this document.

“The FWT Funds bring together the outstanding technical capabilities of WAE with the commercial acumen and investment experience from Foresight. Over the past six years, we have continued to refine our investment hypothesis through 36 new investments including 9 follow-ons, building a credible reputation along the way. The FWT Share class now offers a unique opportunity to build on this experience and to invest in some of the UK’s most advanced deep technology companies.”

Matthew Burke
Director of Technology Ventures
WAE

Investment Opportunity and Strategy continued

6. Investment Process continued

6.6 WAE Support continued

The Benefits WAE bring to the FWT Funds Portfolio:



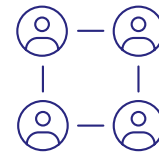
CREDIBILITY

- WAE confirmation of core technology
- WAE confirmation of IP strategy and defensibility
- WAE confirmation of product development, manufacturing and supply chain plans



EXPERTISE

- Dedicated partnership management team
- Technical specialist feedback
- Guidance from WAE's business and leadership team
- WAE consultancy at preferential roles



NETWORK

- Introductions to WAE's suppliers, customers and partners
- Marketing via WAE's news and social media
- Access to WAE's brand and journalist contracts
- Introduction to co-investor network

Our Specialisms



Product Strategy & Investment



Intellectual Property



Industrial Design



Mechanical Engineering



Composites/Lightweighting



Street Testing & CAE Analysis



Aerodynamics



Thermodynamics



Data Analytics



Electronics



Battery Technology



Prototype & Test



Supplier Sourcing



Manufacturing & Assembly



Compliance & Certification



New Product Induction Process

Investment Opportunity and Strategy continued

Why is Environmental, Social and Governance (ESG) Important?

The primary aim of the FWT Funds is to invest in deep technology businesses with potentially game-changing technologies.

Innovation within the hardware and advanced engineering sector can often lead to significant Environmental, Social and Governance (“ESG”) benefits. The FWT team strongly believes these ESG benefits should be identified, monitored and celebrated.

Many early-stage companies face enough challenges in developing a new product and bringing it to market without also having to think about their environmental or social impact. Why should investee companies concentrate on developing their ESG credentials then? There are at least three compelling answers to this question:

1. → Delivers Better Financial Returns:

Academic literature on ESG concludes that strong ESG propositions correlate with higher equity returns while also reducing downside risk¹. This is because a focus on ESG can help to facilitate top-line growth, reduce costs, increase employee productivity and optimise investment and capital expenditure². In short, companies with an ESG focus can deliver profit and purpose.

2. → Motivates Employees:

There is greater awareness amongst society of the need to change consumption habits to reduce humans’ impact on the environment. This awareness is strongest amongst millennials, of whom 85% say that environmental sustainability is extremely important to them³. As millennials now make up the largest single generation in the workforce, companies with a strong ESG proposition are more likely to attract and retain high performing employees, enhance employee motivation and increase productivity.

3. Attracts Investment:

In 2020, global sustainable investment exceeded \$35 trillion⁴, up 55% since 2016. This growth has, in part, been driven by the realisation that a strong ESG proposition can safeguard a company’s long-term success. Early-stage companies with a strong ESG culture are therefore more likely to have a wider range of funding options available to them as they grow.

1. Mozaffar Khan, George Serafeim, and Aaron Yoon, "Corporate sustainability: First evidence on materiality," *The Accounting Review*, November 2016, Volume 91, Number 6, pp. 1697-724, ssrn.com; Zoltán Nagy, Altaf Kassam, and Linda-Eling Lee, "Can ESG add alpha? An analysis of ESG tilt and momentum strategies," *Journal of Investing*, Summer 2015, Volume 25, Number 2, pp. 113-24, joi.pm-research.com.
2. <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/five-ways-that-esg-creates-value#>
3. <https://www.nielsen.com/eu/en/insights/article/2018/global-consumers-seek-companies-that-care-about-environmental-issues/>
4. Global Sustainable Investment Review 2020, Global Sustainable Investment Alliance, 2020, gsi-alliance.org.

Investment Opportunity and Strategy continued

Why is Environmental, Social and Governance (ESG) Important? continued

We believe that companies in the FWT Funds' portfolio can have a positive ESG impact in one of two ways:

Firstly, FWT Funds may choose to invest in companies which have a direct positive ESG impact through their core business activities. Some examples of such companies from the FWT EIS Fund are shown below. All these companies are addressing large market opportunities which are forecast to grow as the World adapts to the energy, climate and social challenges it faces. Indeed, it is because these opportunities are large and growing which makes companies solving these challenges attractive investments.



Theme	Example investments	Impact
Resource efficiency Improving productivity and economic output while using fewer resources	 	Allows engineers and technicians to access detailed service records and online support when servicing large industrial equipment in the field. Result is a greater number of issues resolved on the first visit, reducing down-time and service costs. Enables virtual collaboration on large 3D models, speeding up development time and reducing the requirement for engineers to co-locate
Decarbonisation of the energy system Enabling the transition to a low carbon energy system	  	Advanced hot water tank which enables the decarbonisation of domestic hot water while also acting as an energy load to balance the National Grid Advanced monitoring of sub-sea infrastructure, including wind farms, helping to improve operational availability while reducing maintenance costs Remote control and monitoring of gas grids, helping to reduce the leakage of methane and enabling the injection of bio-methane into the gas network
Direct impact on end users Improving the quality of life to end-users and local communities	  	3D printed bionic arms which help to overcome the social stigma of conventional prosthetics. Helping to turn disabilities into superpowers Innovative aerosol valve design for consumer and industrial products which allows hydrocarbon-based propellants to be replaced with inert gases Accurate, local advanced flood warning software, used by insurance companies and critical infrastructure operators. Allows asset owners to take precautionary actions ahead of a predicted flood, reducing damage and loss.

Investment Opportunity and Strategy continued

Why is Environmental, Social and Governance (ESG) Important? continued

Secondly, all companies within the FWT Funds portfolio can have an ESG impact through the choices they make regarding their organisation and daily operations. To help new companies understand this, Foresight has developed a five-principle framework for ESG monitoring, illustrated. The UN's Sustainable Development Goals are then overlaid on this framework to help determine outcomes that are measured and intentional.



“Foresight has developed a five-principle framework for ESG monitoring.”

Five Principles Overview:



1. Strategy and Awareness

- Does the business demonstrate a good awareness of corporate social responsibility?
- Is this reflected in its processes and management structure?



2. Environmental

- Does the company follow good practice for limiting or mitigating its environmental impact, in the context of its industry?
- How does it encourage the responsible use of the world's resources?



3. Social

- What impact does the company have on its employees, customers and society as a whole?
- Is it taking steps to improve the lives of others, either directly, such as through job creation, or indirectly?



4. Governance

- Does the company and its leadership team demonstrate integrity?
- Are the correct policies and structures in place to ensure it meets its legislative and regulatory requirements?



5. Third Party Interactions

- Is the principle of corporate responsibility evidenced in the company's supply chain and customers?
- How does it promote ESG values and share best practice?

Investment Opportunity and Strategy continued

Why is Environmental, Social and Governance (ESG) Important? continued

At the point of the initial investment and on a recurring annual basis, the investment team undertakes an extensive assessment of the company's performance against this framework. The results are presented in a spider chart as illustrated below. This framework allows areas for improvement to be easily identified and monitored on an ongoing basis, for example through a specific Key Performance Indicator (KPI) reported monthly at board meetings.

Foresight is committed to making investments with an ESG impact and is proud of its ESG credentials. The company is accredited as a Living Wage Employer and is a signatory of the HM Treasury Women in Finance Charter. Foresight has also been a member of the UK Sustainable Investment and Finance Association since 2009 and a member of the Climate Bonds Initiative since 2018. Finally, Foresight has been a signatory to the United Nations-backed Principles for Responsible Investment ("PRI") since 2013 and in 2020 received a 5 star rating for both Strategy and Governance and an 'A' for Private Equity.

WAE aspires to become one of the World's leading providers of innovative electrification and lightweight technologies that will drive the future of global mobility and create a positive impact on the World. Advancing sustainability is at the heart of everything that WAE does, and its approach to sustainable development is founded on an understanding of its responsibility towards its partners, its staff members, society and the environment. WAE is fully committed to the promotion and delivery of its sustainability principles to attain sustainable growth and focuses its approach to sustainability using its ESG framework.

Tables and graphs in this section have been sourced from Foresight Group

Portfolio

The FWT Share Class was launched in December 2019 and made its first investment in October 2020. By 31 March 2023, the VCT had made investments into a further 26 companies. The current portfolio of 27 companies comprises a blend of new investments for the FWT strategy, where typically the VCT invests alongside the sister FWT EIS fund; and follow-on rounds into businesses which the FWT EIS has previously invested into. Typically, the follow-on investments are into companies that have made significant progress since receiving initial funding from FWT. For example, Foresight Technology VCT has recently participated in investment rounds into the following companies, all of which had received earlier investment from the FWT EIS Fund:

Refeyn - April 2022 Series B. Led by Northpond Ventures. Other investors included Oxford Science Enterprises (OSE), Horizons Ventures and (FWT). Amount was undisclosed.

Rovco - 2022 £20 million Series B (£15 million first close in March, £5 million second close in June/July). Co-led by L&G Capital and Equinor Ventures. Included Future Planet Capital, FWT and InQTel.

Living Optics - August 2022 £20 million Series A. Co-led by OSE and Octopus Ventures. Included FWT, Braavos Capital and Oxford Investment Consultants.

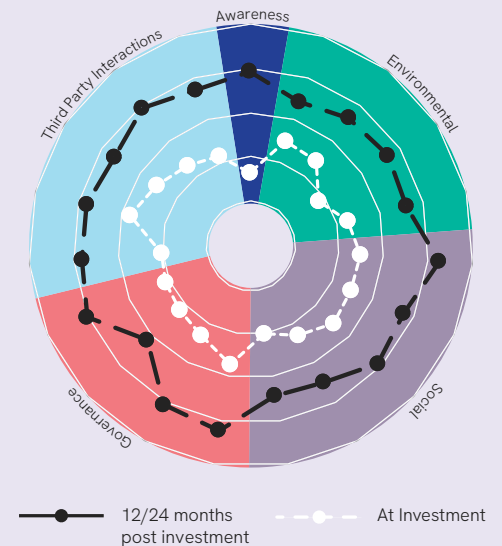
Cambridge GaN - August 2022 £15 million Series B. Included Parkwalk Advisors, BGF, IQ Capital, CIC, FWT and Martlet Capital.

The size of these investment rounds coupled with many institutional co-investors is representative of these companies having developed considerably since the initial investment was made.

Impact of FWT's portfolio in 2022

In 2022 the FWT Funds Portfolio:

- created over 200 jobs of which 75% are in STEM roles
- filed 59 patent families
- spent over £19 million on R+D



Illustrative example of ESG analysis carried out on each portfolio company to monitor progress since investment

“Foresight is committed to making investments with an ESG impact and is proud of its ESG credentials.”

Investment Opportunity and Strategy continued

Below is full list of portfolio companies as at 30 June 2023 (with valuations stated as at 31 March 2023).

Company Name	Date of Latest Investment	Investment Amount (£)	Valuation (as at 31 March 2023) (£)
Acu-flow Limited	05/04/2022	315,000.00	331,357
Additive Manufacturing Technologies Limited	18/06/2021	1,200,001	626,805
Audioscenic Limited	12/12/2022	1,751,432.03	2,304,243
Cambridge GaN	02/08/2022	984,139.35	1,327,265
dRISK Inc	29/03/2022	530,596.94	565,038
Forefront RF Limited	22/02/2023	1,120,210.36	1,558,967
Insphere Limited	01/04/2021	334,421	334,421
Kognitiv Spark Inc	16/02/2022	1,255,579.04	1,144,658
Living Optics	12/08/2022	1,247,663.26	1,247,663
Machine Discovery Limited	01/04/2021	236,250.95	397,832
Mirico Limited	12/07/2022	262,472.04	264,311
Mixergy Limited	08/02/2023	374,998.15	374,998
Novosound Limited	28/07/2022	74,999.56	81,525
Open Bionics Limited	30/06/2022	166,668.34	166,668
Opsydia Limited	23/06/2022	1,145,155.68	1,145,156
Oxford Space Systems Limited	11/02/2022	323,412.82	581,963
Phlux Limited	25/11/2022	345,174.48	345,174
Previsico Limited	24/08/2021	647,993.00	1,174,460
Refeyn Limited	09/11/2020	360,000.29	795,769
Rovco Limited	31/03/2022	565,387.03	565,387
Synaptec Limited	16/09/2022	99,994.38	99,994
The Salford Valve Company Limited	29/04/2022	250,014.71	250,015
Vector Photonics	22/12/2022	474,998.52	475,000
VividQ Limited	28/05/2021	1,068,697.40	1,068,697
Vypercore Limited	29/03/2023	674,521.44	674,521
Zero Point Motion Limited	16/11/2021	813,750.06	961,537
Zomp Group Limited	01/02/2023	264,999.84	265,000

Investment activity since 30 June 2023

Since June 2023, the Company has made one additional follow on investment of £125,000 into Previsico Ltd and one additional follow on investment of £500,000 in Machine Discovery Limited.

Case Studies

There are six case studies below. The first two profile companies that received investment from the FWT EIS Fund only (the investments were made prior to inception of the FWT Share class). These case studies have been included to illustrate that the combined FWT strategy (EIS and VCT) has now delivered exits.

The companies featured in the other four case studies are all current holdings within the Company's FWT Shares portfolio.

Read more:

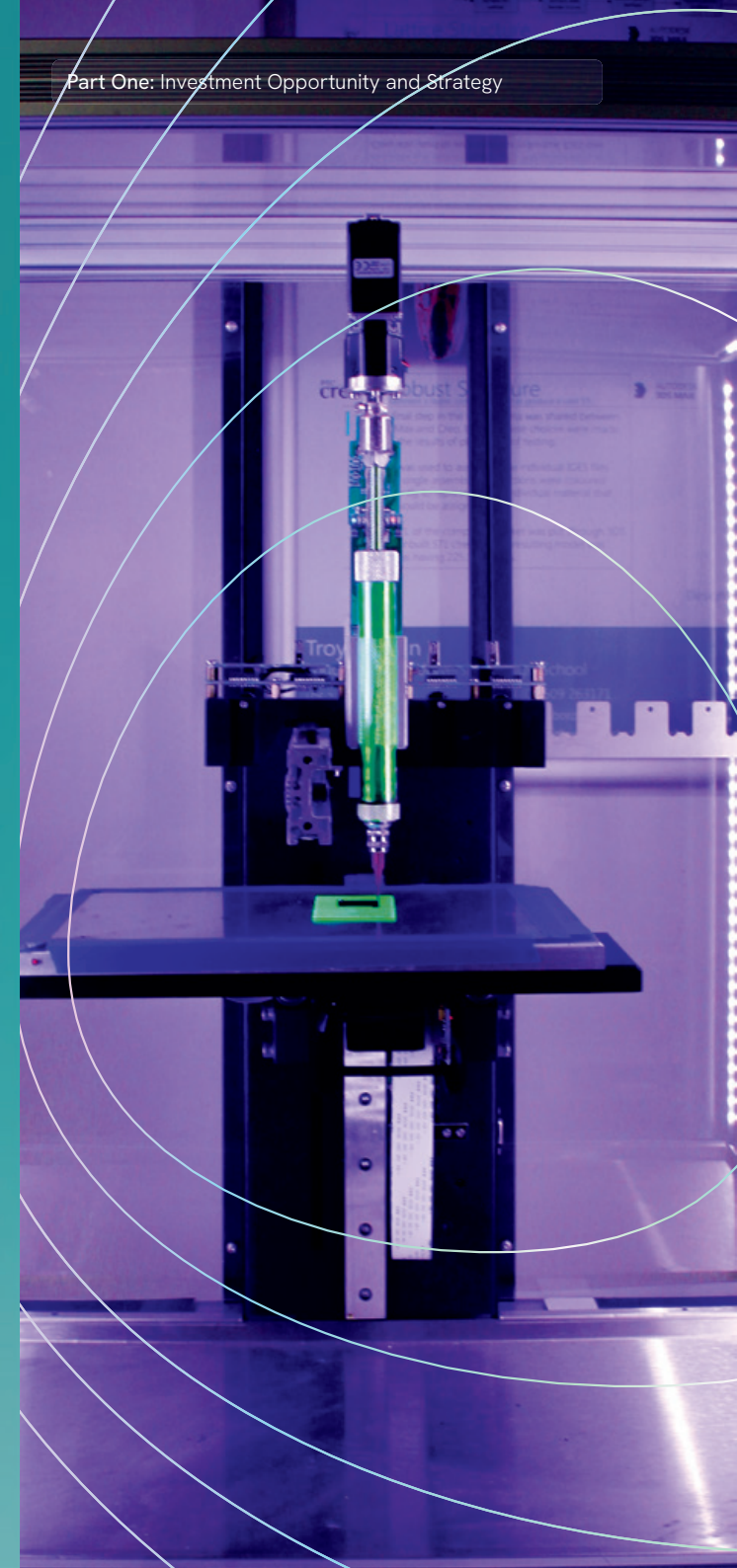
Codeplay	33
Flusso	36

Current Portfolio Companies

The FWT Share class has made 36 investments (including nine follow-ons) as at 30 June 2023. Case studies on four of these investments – Refeyn, Cambridge GaN Devices, Audioscenic, and Previsico – are shown on the following pages. Dates of investment shown are for the earliest investment made by either the FWT Share class or the FWT EIS Fund.

Read more:

Refeyn	37
Cambridge GaN Devices ("CGD")	40
Audioscenic	42
Pervisico	44



Case study 01 (Exit)

Codeplay

An Edinburgh-based software developer with acknowledged expertise in special purpose computing systems, such as artificial intelligence (AI) processor acceleration.



codeplay



Company Key Facts

Name:	Codeplay Software Ltd
Industry:	Software development

Initial £1.05 million
FWT EIS investment in
April 2018



Exited in June 2022
returning 16x cost

Technology

In order to achieve optimal performance in AI models, it is necessary for the hardware, on which an AI model runs, to be carefully matched. This is a time-consuming and expensive process which is usually beyond the scope of most software development companies. Codeplay effectively offers a layer between the hardware and the AI, which is hardware agnostic and automatically optimises the AI model, making it easier for developers to adopt different types of hardware.

Codeplay was established in 2002 in Edinburgh, Scotland and developed some of the first software tools enabling AI to be accelerated using graphics processors (“GPUs”) hardware. Codeplay aimed to help vendors, such as AMD and Intel, and users with adoption of AI accelerator chips by establishing an open standards-based, hardware-agnostic software layer and ecosystem.

Initial Investment Thesis

Codeplay had built software tools for a large number of top-tier, Fortune 500 companies, including Qualcomm, Broadcom, Imagination Technologies and Renesas, which mass produce and sell hardware processor chips, to enable software written for their chip to extract the best performance from the chip. Codeplay had also developed a new technology which addressed the pain point of deploying and optimising AI applications into mass produced devices, with an initial focus on the automotive sector and, specifically, Advanced Driver Assistance Systems (“ADAS”) and autonomous vehicles.

The increasing use of sensors and associated AI models within road vehicles had been a clear trend over many years and was being exacerbated by the rise of autonomous and electric vehicles. Codeplay was well-placed to service this rapidly growing market, enabling AI developers to deploy algorithms more rapidly into vehicles.

Case study 01 (Exit) continued

“It was an attractive investment opportunity and a competitive process to win the deal in the first place. I don’t think we would have won without WAE’s involvement.”

Chris Wardle
Investment Director
Foresight Group

Codeplay continued

FWT Value-add

Shortly after investing, Foresight instrumented a change in the Codeplay Chair, appointing Jim Nicholas to provide a more technical and hands-on approach. Jim had experience working with a number of Codeplay’s current and potential customers and in delivering efficient growth from development teams. This gave Codeplay a renewed focus on margins, efficiency and relationships with customers and potential acquirers.

WAE worked with Codeplay to raise its profile with large automotive original equipment manufacturers. This helped Codeplay introduce its unique product to automotive OEM engineers, which previously was not possible without the support of WAE.

WAE also worked with Codeplay as part of an Innovate UK consortium, developing a new Battery Management System with the support of UK Government funding.

Result

Codeplay grew steadily to become a profitable business. It was establishing itself as a leader in its niche and was gaining momentum working with the World’s largest chipmakers on increasingly high-profile projects. These factors made Codeplay an attractive target for acquisition and it was acquired by a global chip manufacturer in June 2022 returning 16x on the investment by FWT EIS in April 2018.



Case study 02 (Exit)



Flusso

Flusso, a University of Cambridge spin-out, had developed the World's smallest and best value flow sensor.

Company Key Facts

Name:	Flusso Ltd
Industry:	Industrial sensors

Initial £1.5 million
FWT EIS investment in
April 2020



Exited in July 2022
returning 3x cost

Technology

Flow sensors are widely used in consumer, medical and industrial products where gas or liquid flows need to be monitored or controlled, such as automotive powertrains or drug delivery. Existing products were cheap bulky and lacked repeatability or were too large and expensive to be employed in many industries and applications. Flusso's technology, based on a semiconductor chip design, was significantly smaller and lower cost than existing alternatives and offered reliable repeatability and accuracy. This made its products ideal for mass production and incorporating into a wider range of products than competing solutions.

Initial Investment Thesis

Flusso's exciting and patent-protected technology offered a radical step change in flow sensor miniaturisation without compromising performance. With a portfolio of further products in development, Flusso showed the potential to revolutionise the flow sensing industry, opening up multiple markets and applications that were previously unserviceable.

Flusso's first product was being tested by potential customers and the management team was in early discussions with a wide range of potential partners across multiple industries, including consumer electronics, medical devices and industrial safety.

Flusso planned to design and sell flow sensor products based on semiconductor chips. The manufacturing and packaging of products was to be outsourced to overseas suppliers to keep capital expenditure to a minimum and retain a focus on research and development of new products and applications. The management team had already identified key semiconductor industry suppliers with the necessary capabilities and resources, having worked with them in previous roles.

FWT Value-add

During FWT's investment period, WAE engaged with Flusso to explore using the technology in high performance applications to measure fluid flow-rate parameters. This validation of Flusso's technology helped to make Flusso an attractive acquisition target.

Case study 02 (Exit) continued

“WAE have actively contributed to the definition of a business case for the introduction of a new sensing technology thanks to their technical expertise and network among major automotive OEMs. This is definitely their wow factor!”

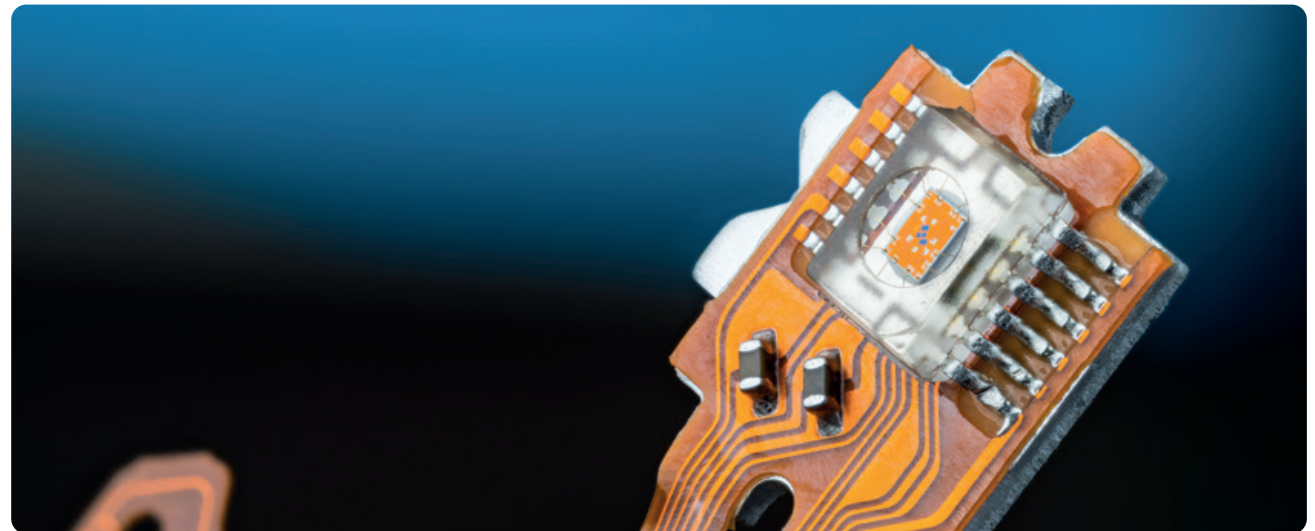
Andrea De Luca
CEO
Flusso

Flusso continued

Result

Flusso won a number of industry awards and has regularly been named a start up to watch for its innovative flow sensor technology. It released two ground-breaking products in the FLS110, the World’s smallest flow sensor, and the FLS122, the World’s smallest air velocity sensor. Target applications included data centres and gaming PCs that rely on efficient air cooling to maximise performance and energy-efficiency, and consumer appliances such as HVAC, air purifiers and vacuum cleaners.

Flusso demonstrated the ability to unlock new applications with easy and low-cost integration. This made it an attractive acquisition for a company targeting new sectors within high-volume industrial, medical and consumer markets. Whilst the company could have continued growing, further returns were not without considerable risk and would have required significant further funding. Flusso was acquired in July 2022 by a PE-backed business and returned 3x, which was an acceptable result for a short hold period.



Case study 03

“Refeyn was founded on the belief that mass photometry has the potential to offer transformational analytical information to the scientific community. We are delighted by the endorsement from our investors in supporting this financing. It is a testament to the progress of the technology and the team to date, and I look forward to the new frontiers for mass photometry that Refeyn will open over the coming years.”

Jonathan Flint

Chair
Refeyn

Refeyn

Developer and manufacturer of a disruptive technology application for molecular mass measurement. Investment to scale manufacturing and support new product development.

Company Key Facts

Name:	Refeyn Ltd
Industry:	Mass photometry

FWT Share class
commitment: £360,000
(£3.3 million FWT
Funds total, including
£1.7 million FWT EIS
Fund in this round
and £1.2 million FWT
EIS Fund in 2019)



FWT Share class
ownership: 0.6%
(9.0% FWT Funds total,
including 8.4% FWT
EIS Fund)

First FWT investment:
November 2020

Investment

This investment was part of a larger growth round, led by new investor Northpond Ventures, a US-based \$1 billion life-sciences focused fund, alongside Oxford Science Enterprises (“OSE”) and the University of Oxford. The investment would further support the commercialisation of Refeyn’s products and position the company for future growth.

FWT EIS Fund previously invested £1.2 million across two tranches in 2019 as part of a £3.5 million round led by OSE.

Technology

Identifying and measuring protein molecules is an integral part of life sciences research, particularly in the development of new medicines. Refeyn is commercialising a disruptive technology that uses light to measure a molecule’s mass (mass photometry).

In particular, mass photometry has the potential to disrupt the protein analysis market. Refeyn’s revolutionary patented technology was invented at, and spun out of, the University of Oxford in 2018. Mass photometry detects light scattered by individual molecules in a solution. From the degree of scattering observed, Refeyn’s software can calculate the molecule’s mass, a key parameter used in protein science. Refeyn’s instruments are easy to use and allow users to characterise molecules, such as proteins, significantly faster and at a lower cost than existing techniques.

Refeyn has been recognised with three prestigious science and innovation awards for its revolutionary mass photometry technology. The company was a winner in the Royal Society of Chemistry’s Emerging Technologies Competition, the R&D100 Awards by R&D World Magazine and The Scientist Top 10 Innovations 2019.

Case study 03 continued

“Working with the team at Williams Advanced Engineering was remarkably easy and they were able to deliver a full service through from design to manufacture in just a few weeks.”

Simon Wells

Head of Engineering
Refeyn

REFEYN



Refeyn continued

Team

Shortly after the funding round, Refeyn appointed Anthony Fernandez as its CEO. Most recently, Anthony served as the Vice President of Teledyne e2v Asia Pacific, based in Hong Kong.

Anthony’s appointment followed original CEO and Founder Philipp Kukura, assuming the role of non-executive Director, to concentrate again on leading his research group at Oxford University. His fellow professor and co-founder, Justin Benesch also remains a scientific adviser to Refeyn.

The executive team also includes Matthias Langhorst as Chief Product Officer, who joined from Thermo Fisher, and Andrew Justo, as Chief Financial Officer, who joined from OSE.

Jonathan Flint joined the company as Chair following the initial funding round in 2019. He was previously CEO of £300 million+ revenue Oxford Instruments plc.

Investment Thesis

The technology developed by Refeyn has been packaged into a compact desktop instrument with a simple user interface. It can provide data within seconds, reducing the duration of protein research projects or quality control checks by 40%. The associated increase in productivity translates directly into cost savings and should lead to the acceleration of highly expensive drug development. The technology has already allowed researchers to perform experiments that were previously impossible due to the limitations of other techniques.

At the time of the original investment in 2019, the company had made pilot sales of its “OneMP” product to academic users and was developing a “Lite” model, which was lower cost and for use in more routine analysis. The company also had ambitions of entering the lucrative biopharma market through the development of a specialist higher throughput “AutoMP” product.

In the 12 months leading up to the investment, the company had successfully scaled its operations in response to strong demand, doubling the number of instruments installed and with more in the pipeline. Whilst the development of the Lite and Auto models had taken longer than planned, the company had still been able to make sales into the biopharma market with its OneMP product. Several pharma clients were conducting long-term on-site evaluations with a view to installing the products at multiple premises.

Refeyn had established a rapidly growing presence in both the academic and biotech sectors. It has already demonstrated a strong demand for its technology with global customers and has distributors in place.

FWT Value-add

Since FWT EIS Fund’s initial investment, Refeyn has worked with the team at WAE on product design and manufacture, and electrical systems design and development. The engagement resulted in a sleek industrial design for the Refeyn One instrument and optimisation of the electronic system design specification.

Other shareholders in the company include:

- Oxford Science Enterprises (OSE)
- University of Oxford
- Northpond Ventures
- Horizons Ventures
- Oxford Technology EIS Fund

Case study 03 continued

“In little over three years, Refeyn has established mass photometry as a game-changing bioanalytical tool – helping the scientific and biopharma communities characterise biomolecules and accelerate the development of novel therapies. Thanks to our team’s rapid progress and the support of our Series B investors, Refeyn is well-positioned to further expand the use of mass photometry – by unlocking new applications in the life sciences and beyond, and scaling our platform for use in process development and manufacturing in biopharma.”

Anthony Fernandez
CEO
Refeyn

Refeyn continued

Result

Refeyn has expanded its offering of mass photometry systems. Following on its market success with the OneMP, the TwoMP, a second-generation mass photometry solution pushing the performance further, was released in 2021. In January 2022, Refeyn released the SamuxMP mass photometer, which dramatically improves the time and cost efficiency of adeno-associated-virus (AAV) characterisation. This was followed by an automated mass photometer, the TwoMP Auto, in February 2022, which is ideal for performing series of repeated measurements such as screenings and titration assays.

In April 2022, the company announced the successful completion of its oversubscribed significant Series B funding round led by Northpond Ventures alongside other shareholders. Proceeds from the round will support further portfolio expansion. The company is positioning mass photometry as a key analysis method for biotherapeutics – from discovery to manufacture – while also growing the pool of mass photometry applications outside the bioanalytics space.



Case study 04

“This round will help CGD reach the next phase of growth and expand in the US and Europe. Our product portfolio will expand to meet the market need for higher power energy efficient power electronics. We are extremely thankful for the continuous support of our current investor Foresight WAE, and we look forward to working together to bring CGD to market leadership.”

Giorgia Longbardi
CEO
CGD

Cambridge GaN Devices (“CGD”)

University of Cambridge spinout developing a new generation of energy-efficient gallium nitride semiconductor power devices. Follow-on investment as a part of £15 million oversubscribed round to support the maker of greener electronics scale up.

Company Key Facts

Name:	Cambridge GaN Devices (CGD)
Industry:	Semiconductors

FWT Share class
commitment: £0.45
million (£1.07 million
FWT Funds total,
including £0.62 million
FWT EIS Fund)



FWT Share class
ownership: 2.4% (4.0%
FWT Funds total,
including 1.6% FWT EIS
Fund)

First FWT investment:
August 2022

Investment

This investment was part of an oversubscribed £15 million growth round, led by existing investors BGF and IQ Capital, alongside Parkwalk and FWT. This round of investment aimed to drive the company through several key value inflection points. The funding would enable building out the customer support team as well as sales teams in US and Asia to drive growth. Additionally, the funds would accelerate research, with additional hires in R&D and development of the next series of products.

Foresight Technology VCT and FWT EIS previously invested £0.8 million as part of a £6.9 million round led by IQ Capital and BGF in January 2021.

Technology

CGD is a developer of a new generation of gallium nitride (GaN) semiconductor chip power devices. Power devices are used to control and convert electricity in all modern power electronics systems, including power supplies, lighting drivers and electric vehicle chargers. While most power devices are currently based on silicon, GaN-based electronic devices switch faster and consume less energy than classic silicon-based devices, enabling a new generation of compact and lighter power converters with reduced environmental impact.

Case study 04 continued

Cambridge GaN Devices (“CGD”) continued

Team

CGD is entering a period of rapid growth. In addition to significant investment in R&D, the headcount is forecast to grow from around 40 to around 80 in the two years following investment.

CGD has made several important additions to its senior management team. Owen Lewis joined as Finance Director, following nine years at the leading technology provider ARM. Carryll Chen became the first local hire in Taiwan as a Vice President of Sales across Asia Pacific. Alain Charles, with over 30 years of experience in the semiconductor industry, joined the Board as a non-executive Director.

Investment Thesis

CGD’s “ICeGaN” devices reduce thermal dissipation by 20°C, minimising heat loss and reducing the need for cooling. The chips are also up to 50% more efficient than silicon, extending GaN applications to the fastest growing semiconductor markets, including consumer electronics, renewable energy, connectivity, data centres and electro mobility. This efficiency has led to GaN increasingly being viewed as the best alternative to silicon, particularly in mass-market applications – a market worth over \$30 billion.

One of CGD’s key market differentiators is the superior efficiency of its products and, as a result, their reduced impact on the environment. CGD research suggests that replacing all silicon chips in data centres with GaN chips could provide an annual carbon dioxide reduction of 9,000,000 tons. In 2021, CGD was named Tech Scaleup of the Year by Business Weekly in the category of green electronics.

Since the initial investment in January 2021, the company has progressed in line with its plan. The company’s product development efforts had continued uninterrupted, with a pipeline of new products being commercialised and the patent portfolio expanded.

FWT Value-add

CGD planned to enter the automotive market in 2023/24 and was therefore attracted to work with WAE given its expertise and relationships in this market. Also, as an end-user of power devices there was the potential for collaboration with WAE in developing new applications.

Other shareholders in the company include:

- BGF
- IQ Capital
- Parkwalk
- Cambridge University
- Cambridge Angels

Result

The Company has delivered against its plan to date and is led by an experienced and driven management team. The development pipeline and growing traction with the company’s distributor network provide the opportunity for CGD to grow rapidly and become an attractive acquisition target.



Case study 05

“Audioscenic is changing the way users experience audio and we are delighted that FWT is supporting us on this mission. We have developed World-leading 3D audio technology that is already starting to be used in consumer applications. We are excited to leverage FWT’s expertise and assistance to help us deliver our vision of personal audio reproduction systems into the automotive and simulator markets.”

David Monteith
CEO
Audioscenic

Audioscenic

Immersive 3D audio technology for loudspeaker systems which uses head-tracking technology to revolutionise the way users experience sound.

Company Key Facts

Name:	Audioscenic Ltd
Industry:	3D Audio technology

FWT commitment:
£360,000 (£1.05 million
FWT Funds total
including £690,000
FWT EIS Fund)



FWT Share class
ownership: 8.8% (25.7%
FWT Funds total
including 16.9% FWT
EIS Fund)
First FWT investment:
October 2020

Technology

Audioscenic was spun out of the Institute of Sound and Vibration Research (ISVR) at the University of Southampton in 2017, where the company’s technology was co-developed by Dr. Marcos Simón, Chief Technology Officer and Prof. Filippo Fazi, Chief Scientific Officer, a World-leading expert in 3D audio theory and algorithms. Dr Simón and Prof. Fazi have developed a method of monitoring the location of a listener’s head and beaming separate sound waves to their left and right ear from a single, compact soundbar, creating an immersive 3D audio experience. Audioscenic’s “Virtua Software Suite” combines advanced head tracking and a patented audio signal processing technology that gives listeners a way of experiencing audio in a new and unique way.

Team

Dr. Simón co-developed the underlying technology during his work as research fellow at the University of Southampton and has joined the business in a full-time role. Prof. Fazi will remain at the ISVR and will work part-time at the company.

Following seed investment in 2019, serial entrepreneur David Monteith joined Audioscenic as CEO. David has over 25 years’ experience in internationally-focused audio IP businesses. Together, the management team has been able to combine academic expertise with commercial leadership. They are supported by three other members of staff.

Case study 05 continued

“Moving forward, I am sure Foresight will continue helping us and supporting our growth - so I am very happy we became part of the FWT portfolio!”

Marcos Simón
CTO and Co-Founder of
Audioscenic



Audioscenic continued

Investment Thesis

The audio industry has developed several formats to accurately record the intensity, depth and direction of a sound, to offer the listener the sensation of being in the middle of the original “sound field”. Such 3D sound formats are increasingly being adopted by content providers including Netflix, Amazon and BT Sport. However, replicating the immersive 3D sound experience in consumer hardware other than headphones has proven challenging as most 3D loudspeaker systems confine the user to a small pre-determined ‘sweet spot’ or rely on cumbersome and expensive multi speaker systems.

Audioscenic is commercialising technology that aims to overcome these limitations, enabling 3D sound to be used in new applications such as in public space kiosks, streaming personalised content and in-car audio entertainment. The company has already signed a partnership with Razer a leading integrated solutions provider, which is developing a range of gaming soundbars based on Audioscenic’s revolutionary Virtua 3D Audio technology.

Other near-term applications for the technology include TV soundbars, gaming laptops and smart speakers. Beyond consumer electronics, Audioscenic can target the flat panel display, full-size simulator and automotive infotainment markets by loading their software suite onto a hardware module composed of off-the-shelf components, the manufacture of which will be outsourced.

FWT Value-add

The WAE team has supported Audioscenic with guidance on process from a Senior Project Manager, and WAE’s IP Manager held an IP strategy session with the company. In the future, WAE may also be able to introduce the company to key companies in the automotive infotainment market, a segment that Audioscenic sees as a long-term area of growth for the company’s technology and one in which WAE is well connected.

Other shareholders in the company include IP Group plc.

Result

The Audioscenic team has grown to 16 FTEs today. It has improved the core 3D audio experience, ‘productised’ the software for commercial adoption and secured its first design with Razer, a leading computer and gaming peripherals company, for a gaming soundbar. This soundbar was launched at the Consumer Electronics Show in Las Vegas in January 2023 and collected 12 prestigious industry awards. Audioscenic has also furthered development of a multi-listener technology, proven out the technology in an automotive application, and built a robust pipeline of customers in gaming, video conferencing, living room soundbars and laptops.

The company is now pursuing a growth funding round to expand the team, accelerate commercial adoption in multiple verticals, and continue R&D on new concepts such as the multi-listener technology.

The delivery and sale of Razer’s first gaming soundbar containing Audioscenic’s technology represented a true value inflection point for the company. The targeted growth funding round, coupled with a clear growth strategy should result in Audioscenic becoming an attractive acquisition target in the coming years.

Case study 06



Previsico

Previsico's FloodMap Live platform predicts flood impacts, including surface water flooding, and automated alerts allow users to protect assets and minimise damage. Funding will enable further product development, team expansion and support sales growth, in the UK and beyond.

Company Key Facts

Name:	Previsico
Industry:	Insurtech

FWT Share class
commitment: £0.6
million (£1.75 million
Foresight Funds total,
including £0.6 million
FWT EIS Fund and
£0.5 million MEIF)



FWT Share class
ownership: 10.7%
(29.1% Foresight Funds
total)
First investment:
August 2021

Technology

As climate change makes severe weather occurrences more common, there is an increased need for accurate predictions of flooding events in the UK and beyond. Previsico's system, FloodMap Live, combines data with proprietary algorithms to produce automated alerts, highlighting areas liable to flooding and provides a street level visualisation tool. This allows clients to more accurately predict the potential for damage and prevent the level of losses previously seen.

False alarms and inaccurate data are common with incumbent solutions. Unlike other flood modelling systems on the market, FloodMap Live is more accurate, includes rivers and coastal water as well as surface water. It can also warn customers up to 48 hours earlier, providing more time to take preventative action.

Previsico's underlying technology was developed by founder and Chief Scientific Officer, Dapeng Yu, Professor of River Dynamics at Loughborough University and a leading expert on hydrology.

Case study 06 continued

“Previsico’s mission is to be the Worldwide leading provider of cutting-edge flood prediction technology. We are gaining great traction in the market and are thrilled that Foresight, the Midlands Engine Investment Fund and Foresight WAE Technology have recognised this, enabling us to accelerate our product development, team expansion and sales growth, in the UK and beyond.”

Jonathan Jackson
CEO
Previsico

Previsico continued

Team

Previsico was spun out of Loughborough University in 2019 following an approach to develop a more accurate flood forecasting system.

Today, the well-rounded, experienced senior leadership team is led by Jonathan Jackson, CEO, who joined in 2019. Jonathan brings commercial experience and has a solid track record of growing businesses. Kate Barnes-Quinn is the company’s Chief Financial Officer. Industry veterans Graham Brodgen and Matthew Grant are both Non-Executive Directors. Foresight is supporting the recruitment of a Non-Executive Chair as part of this funding round. Altogether, the company has a full-time staff of 12, nine of which are employed in the UK and three are based in Hong Kong.

Investment Thesis

The UK Environment Agency (“EA”) recently stated that surface water flooding threatens more people in the UK than any other form of flooding and it is notoriously difficult to predict. The flash floods in London in 2021, which resulted in the closure of eight tube stations, a DLR station, numerous roads and damage to hundreds of homes, the affected areas were not covered by EA warnings.

Previsico offers the only solution currently available to forecast and provide alerts for surface water flood events. The company has already gained early traction with some large insurance providers that have already conducted trials and placed orders as well as within the self-insured market.

FloodMap Live currently covers the UK but has also been applied overseas. Moving into new territories, particularly the USA and South East Asia, is a large part of Previsico’s plans to scale their business.

Flood alerts are a subset of the global incident and emergency management market, which was estimated to be \$92 billion per annum in 2020 and is forecast to grow to \$123 billion per annum by 2025.

FWT Value-add

Previsico is currently in dialogue with WAE as to how it is best placed to add value. This could include supporting the company with programme management and helping develop the technology roadmap.

Result

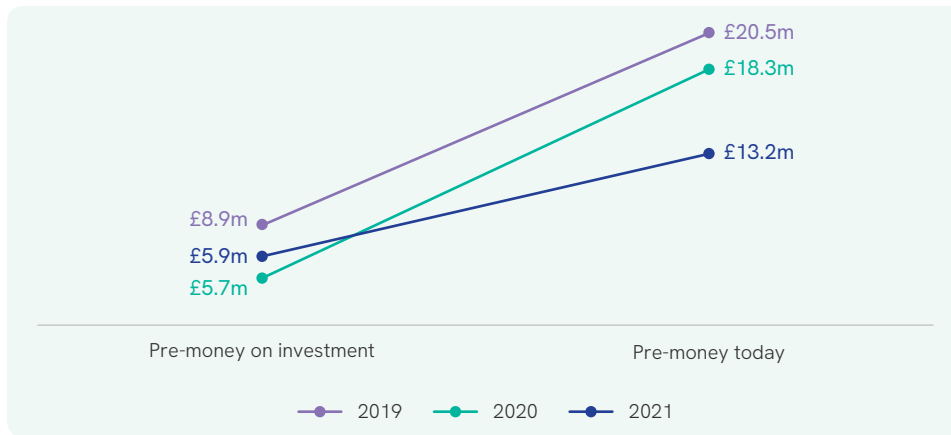
Previsico uniquely fills the largest global flood risk forecast gap – surface water flooding; the need for which is growing rapidly because of climate change. The technology has been enhanced significantly and is now an exemplar for ESG for asset owners and their insurers.

The company is now generating more than £1 million of annualised recurring revenue, after acquiring top tier insurers such as Liberty and Zurich Municipal and rolling out a new sensor IoT product. Strong customer satisfaction has quickly led to account growth and requests to develop US launch plans. As such, Previsico achieved a growth funding round, receiving a meaningful valuation uplift over the last round.

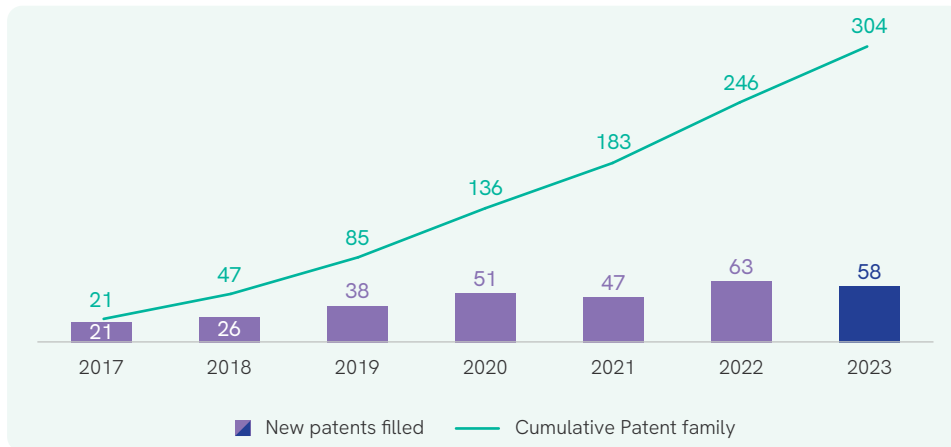
Performance and Impact of the FWT Funds' Portfolio

The infographics below illustrates the growth and impact of all FWT investments made since inception of the FWT strategy in 2017. Please note that the VCT did not make its first investment until October 2020. Some of the portfolio companies only received investment from FWT EIS.

Average Pre-money Valuation Uplift



Patent Family



Growth

£62m

Invested in deep-tech startups since 2017

296%

Uplift in valuation first and follow on funding rounds

Impact

900+

Jobs created,
59% of which are in R&D and STEM

£101m

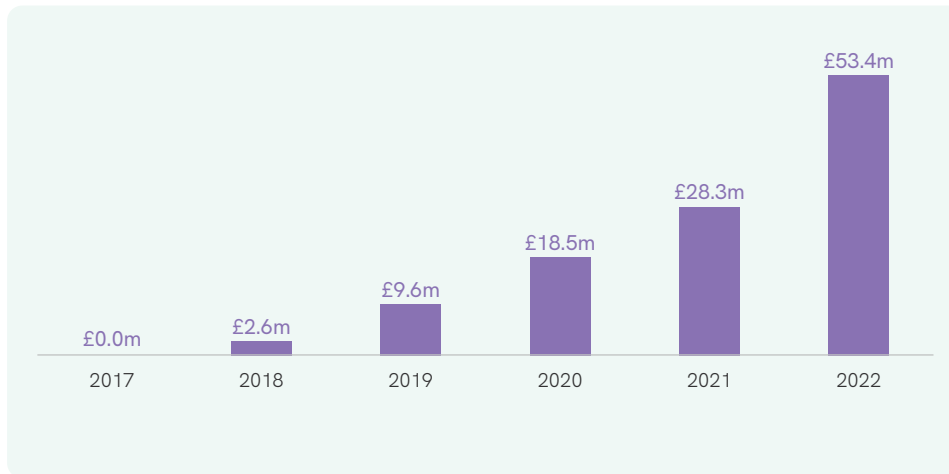
Invested in R&D by portfolio startups

304

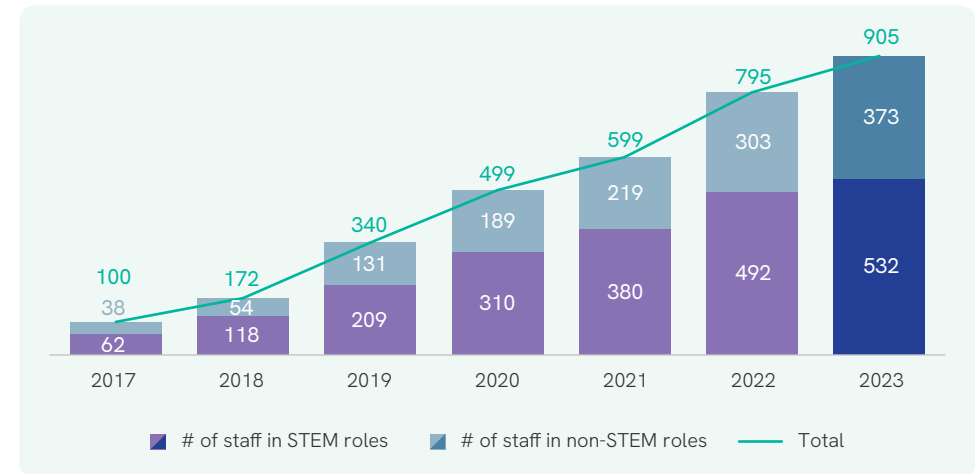
Patents under management

Performance and Impact of the FWT Funds' Portfolio continued

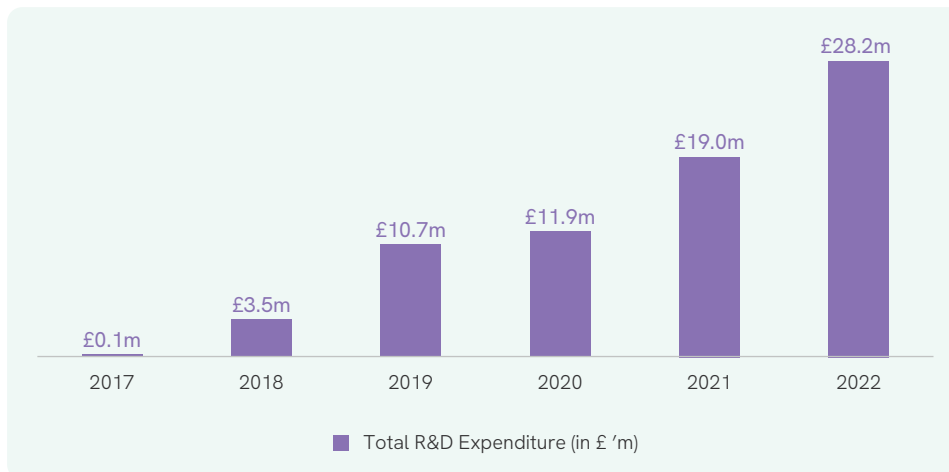
Total Portfolio Sales Revenue



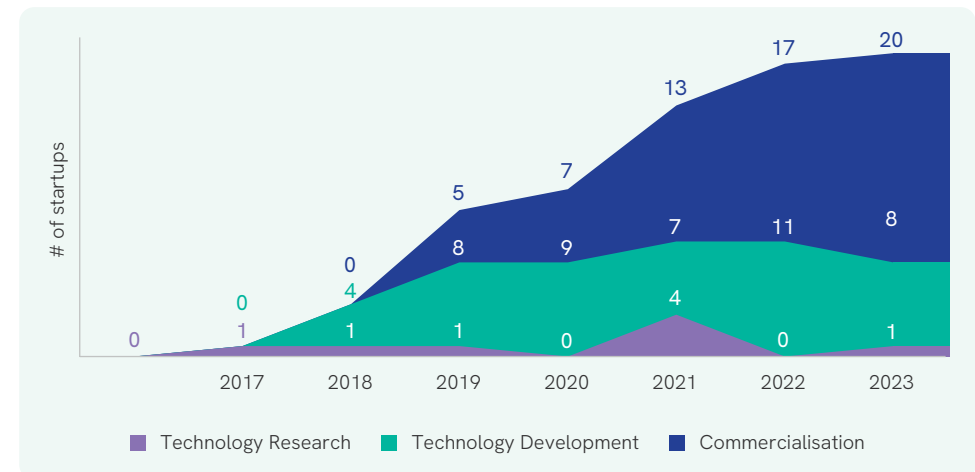
Portfolio Headcount



R&D Expenditure



TRL Growth



The infographic illustrates the growth and impact of all FWT investments made since inception of the FWT strategy in 2017. Please note that the VCT did not make its first investment until October 2020. Some of the portfolio companies only received investment from FWT EIS.

Part Two:

Technology Adviser and Fund Manager

1. WAE Technologies Limited

WAE has grown from an embryonic business in 2010 to a company employing more than 1,000 people engaged in many innovative and transformative technical areas.

WAE is a global engineering and zero emissions powertrain business, that until December 2019, was part of the Williams Group, which also includes Williams Grand Prix Engineering Limited, a company that operates a Formula One racing team. Williams Grand Prix Engineering Limited was formed in 1977 by the late Sir Frank Williams and Sir Patrick Head and has secured 16 FIA Formula One World Championship titles since its foundation.

In 2010, Williams Grand Prix Engineering Limited began diversifying its operations, leading to the establishment of the Williams Advanced Engineering division, which eventually became WAE Technologies Limited. Now owned by Fortescue, the company has grown to become a global engineering and zero emissions powertrain business playing a key role in decarbonising the world.

Headquartered in Oxfordshire, WAE has grown from an embryonic business in 2010 to a company employing more than 1,000 people engaged in many innovative and transformative technical areas for a growing list of corporate clients.

Technology Incubation and Commercialisation

The genesis of the diversification of the Williams Group was the hybridisation of Formula One in 2009. However, the origins of WAE can be traced back even further, as the Williams Group had undertaken projects outside Formula One on an ad hoc basis for over 30 years, such as creating the Metro 6R4 rally car in the 1980s and running touring cars for Renault and Le Mans cars for BMW in the 1990s.

Composite flywheel energy storage technology had been evaluated by the Williams Group for use in Formula One. It also identified uses for the technology in other industries such as public transport and began to commercialise the technology through a new venture, Williams Hybrid Power Limited, which was sold to global engineering firm GKN plc in 2014. In parallel WAE developed a similar composite flywheel energy storage technology for stationary applications such as renewable energy micro grid stabilisation and successfully deployed systems on two remote Scottish islands (Fair Isle and Isle of Eigg) as part of a UK Government supported initiative.

WAE's expertise in battery energy storage systems has been applied across different industry sectors. Its high performance batteries have been used in the Formula E racing series, which is a test bed for electrification and new technologies for the automotive industry. Working with Nissan Europe it has repurposed electric vehicle batteries to help power buildings in combination with solar photovoltaic (PV) energy. In partnership with Unipart Manufacturing Group it has established Hyperbat to create the UK's largest independent vehicle battery manufacturer. WAE is now playing a key role in its parent company Fortescue's objective, to decarbonise their mining operations designing, building, testing and integrating a battery system to power their electric mining haul truck fleet.

Broad Diversity of Skills

The team at WAE is deployed across a wide range of engineering skill sets including mechanical and industrial design, electrical, electronics and control systems design, and working in areas such as prototype, additive and advanced manufacturing. Engineering programmes are supported by specialists across disciplines including aerodynamics, thermodynamics, materials and structures and by dedicated programme management and procurement teams.

1. WAE Technologies Limited continued

Technical Due Diligence

Both Foresight and WAE will source investment opportunities. Foresight will take responsibility for selection, structuring and execution while WAE will, where possible, undertake technical due diligence and unless otherwise agreed with Foresight, will arrange for IP due diligence relating to the strength of any patents. As part of this due diligence process, WAE will analyse the technical maturity of the technology including its TRL, identify any significant hurdles and determine where WAE may be able to add value. The type of target company and its assets will influence to some extent the technical due diligence necessary. For example, for a control systems company, WAE may want to assess whether the control algorithms developed by the company comply with recognised code development standards, whereas for a manufacturing business, WAE will want to assess manufacturing processes and quality standards. The overall process will be largely similar irrespective of the business type but adjusted to suit where more depth is necessary.

ESG

WAE aspires to deliver high performance, cost effective zero emissions power systems with integrated digital energy management solutions, driving the future of global mobility, creating a positive impact on the World. Advancing sustainability is at the heart of everything that WAE does, and its approach to sustainable development is founded on an understanding of its responsibility towards its partners, its staff members, society and the environment. WAE is fully committed to the promotion and delivery of its sustainability principles to attain sustainable growth and focuses its approach to sustainability using its ESG framework.

“As a technology business, we understand first-hand, the challenges companies face when commercialising their technologies.”

Matthew Burke

Director of Technology Ventures,
WAE



1. WAE Technologies Limited continued

WAE Awards



1. WAE Technologies Limited continued

Selected WAE customers



Case study

In 2015, WAE partnered with UK start-up Aerofoil Energy to develop a new aerodynamic device that significantly reduces the energy usage of refrigerators in supermarkets and convenience stores.



Aerofoil

“We’re committed to becoming a net-zero business by 2035 and have already begun to make headway by investing substantial time, research and money into different areas that can help us achieve this goal – including the fitting of the pioneering Aerofoil technology. Since rolling out Aerofoils, we’ve seen a 15% reduction in energy created from fridges across our estate and over the next few years we’ll continue innovating and investing in technology to help us combat climate change.”

Dave Merefield, Carbon, Utilities and Engineering Manager, Sainsbury’s

Energy consumption makes up a significant percentage of a supermarket’s operational costs. Open fronted multi deck refrigerators consume excessive energy, with some of the cold air used to cool produce spilling out into the aisles resulting in increased energy consumption and “cold aisle syndrome” which can be unpleasant for shoppers. Aerofoil Energy and WAE developed a new retrofittable aerofoil system that attaches onto each refrigerator shelf to keep more of the cool air inside the refrigerator cabinet. This innovative technology delivers significant energy savings for supermarkets and convenience stores, with corresponding benefits for their carbon footprint. Aerofoil Energy is working closely with WAE to refine the aerofoil concept, utilising WAE’s proven expertise in aerodynamic design and testing. WAE used computational fluid dynamics to model and simulate new designs before testing at its facilities in Oxfordshire.

According to research, supermarkets nationwide consume approximately 3% of the UK’s electricity production. As part of its Plan for Better sustainability strategy, Sainsbury’s, one of the UK’s largest grocery retailers, has committed £1 billion to become a net-zero business by 2035 (brought forward from its original goal of 2040) and the aerofoil shelf edge technology is playing a key role in achieving this target.

In November 2017 Sainsbury’s announced that it would roll out aerofoils across its 1,400 UK stores. Aerofoils have also been rolled out by Tesco, Asda, M&S and other high-profile retailers in the UK, and in the US Aerofoils are being deployed in Target’s 1,900 stores. To date nearly 2 million aerofoils have been installed in over 7,000 stores across nine countries. In recognition of its achievements in improving the energy efficiency of retail refrigeration, Aerofoil Energy received the Queen’s Award for Enterprise in Innovation in April 2021.

Aerofoil Energy is a good example of the type of company in which the FWT Share class might invest.

2. Foresight Group

Foresight Group is a leading independent infrastructure and private equity investment manager listed on the London Stock Exchange.

The investment teams operate on a collaborative basis with a pro-active and pragmatic investment style. Foresight Group's vision to be a leader in investing in trends ahead of the curve is achieved through its dynamic and entrepreneurial values of flexibility, innovation, problem-solving and a commitment to attracting and retaining the best professionals in the industry.

Foresight Group was founded in 1984, initially as an early-stage technology investor. The two founders, Bernard Fairman and Peter English, raised a £20 million venture capital fund, which was invested in unquoted technology companies in the UK, Europe and USA and returned £80 million to investors. Building on the success of the first fund, in 1997 Foresight raised one of the first VCTs, the technology/media focused Foresight VCT plc which remains one of the best-performing VCTs ever launched 25 years later. The FWT Share class heralds a return to technology investing which is a core part of the firm's DNA. The other side of Foresight Group's business growth has been a successful diversification into infrastructure with a specialist focus on renewable energy projects including solar, wind, bioenergy, battery storage, flexible generation and sustainable forestry. Foresight has its principal offices in London and Guernsey and has operations in Italy, Spain and Australia.

With assets under management of over £12 billion (unaudited as at 30 June 2023), raised from UK and international private and high net worth individuals, pension funds and other institutional investors, Foresight Group strives to generate capital appreciation and yield for its investors over the long term alongside the additional benefit to UK taxpayers of tax reliefs available through venture capital trusts, the enterprise investment scheme and business relief.

Over the last seven years, Foresight Group has raised a number of Regional Growth Funds based out of Foresight offices in Nottingham, Manchester, Edinburgh and Cambridge and most recently Dublin, Leeds and Newcastle. These funds, supported by various local government pension funds, the British Business Bank, British Business Investments and the Scottish Government, are targeting growth capital deals across these regions, investing between £1 million and £5 million into technology-related and more traditional management-led businesses.

£12.0bn

Assets Under
Management

55

New investments including
38 follow-ons in 2022

AVG. 3.7x

SME returns on full or
partial exits since 2010

250

Current portfolio of more
than 250 SMEs



Regional growth funds based out of offices in
Nottingham, Manchester, Milton Keynes, Leicester,
Leeds, Newcastle, Cambridge, Dublin & Edinburgh

2. Foresight Group continued

Awards

2023

Best VCT Investment Manager	(Finalist) - Growth Investor Awards
Best Investor Return (for our exit from Codeplay Software)	(Finalist) - Growth Investor Awards
Exit of the Year (for our exit from TFC Europe Ltd)	(Finalist) - Growth Investor Awards
ESG - Small Cap House of the Year (EV on entry less than €25m)	(Finalist) - Real Deals ESG Awards
Best Venture Capital Trust Provider	(Finalist) - Investment Life & Pension Awards

2022

Private Equity/Venture Capital Deal of the Year	Winner - Insider Northern Ireland Dealmaker Awards
Best VCT Investment Manager	Winner - Growth Investor Awards
Deal of the Year (Sub £10m)	Insider South East Dealmaker Awards
VC/Private Equity	Winner - North West Rainmaker Awards 2022
Private Equity Exit of the Year	Winner - North West Rainmaker Awards 2022
Real Deals Future 40 Investment Leaders	Claire Alvarez for DA languages
ABL Health (portfolio company)	Growing Business Award
Best BR Investment Manager (unlisted)	Finalist - Growth Investors Awards
Most Impactful Investment for flood mapping prevention (Previsico)	One to Watch - Growth Investors Awards
Exit of the Year (Codeplay)	Runner up - Growth Investor of The Year



2. Foresight Group continued

Awards continued

2021

ESG Champion of the Year	Growth Investor Awards 2021
Unquote British Private Equity Awards	Winner – Venture/Growth Cap House of the year
Insider South East Dealmakers Awards	Winner – Emerging Dealmaker of the Year: Chris Wiles

2020

Best BR Investment Manager (unlisted)	Growth Investor Awards 2020
Best New Product or Service Runner Up	Growth Investor Awards 2020
Best Sustainable & ESG Alternative Assets Fund (JLEN)	Investment Week Sustainable & ESG Awards 2020
Best Communication of ESG Award (JLEN)	IR Society Best Practice Awards 2020
Best Venture Capital Trust Provider (Commended)	ILP Moneyfacts Awards 2020

2018

Generalist VCT of the Year	Investment Week Tax Efficiency Awards 2018
Fund Manager of the Year	Plc Awards 2018
Exit of the Year – Highly Commended – (Simility)	Investment Week Tax Efficiency Awards 2018/19
SME Deal of the Year (200 Degrees)	Insider East Midlands Dealmakers Awards 2018
Deal of the Year (The Naked Deli)	Insider North East Dealmakers Awards 2018
Exit of the Year – ‘One to Watch’ – (Simility)	Growth Investors Awards 2018

2017

Best VCT Investment Manager	Growth Investor Awards 2017
Infrastructure Financier of the Year	Green Innovation And Finance Awards 2017
Deal of the Year (sub £10m)	Insider Central And East Dealmakers Awards 2017
British Renewable Energy Project 2017 – Shotwick	Renewable Energy Association Awards
Best on-farm AD Plant UK	AD Biogas Industry Awards
Best Generation Project 2017 – Ballymena	Sustainable Ireland Awards 2017

2016

VCT House of the Year	Unquote British Private Equity Awards 2016
Best IHT Portfolio Service, Foresight AITS	Tax Efficiency Awards 2016

2. Foresight Group continued

Successful exits by Foresight Private Equity Funds

These examples are illustrative only and not necessarily representative of the investments or returns the FWT Shares fund may make. Capital at risk.

Codeplay

Technology:	Software enabling the acceleration of artificial intelligence processing	16x
Amount invested:	£1.05 million	
Exit:	Purchased by Intel	
Proceeds:	£16.8 million	

Flusso

Technology:	Miniaturised flow sensors	3x
Amount invested:	£1.5 million	
Exit:	Purchased by private equity-backed international buyer	
Proceeds:	£4.5 million	

Simulity

Technology:	Embedded communications software for SIM cards	3x
Amount invested:	£4.0 million	
Exit:	Purchased by ARM, part of Softbank	
Proceeds:	£11.7 million	

Alaric

Technology:	Credit & debit card authorisation & anti-fraud software	5x
Amount invested:	£2.2m	
Exit:	Purchased by NCR Corporation	
Proceeds:	£10.9 million	

Advanced Composites Group

Technology:	High performance composite materials	6x
Amount invested:	£1.6 million	
Exit:	Purchased by UMECO	
Proceeds:	£10 million	

AppDNA

Technology:	Aptitude software to evaluate compatibility of a change in software operating systems	32x
Amount invested:	£0.8 million	
Exit:	Purchased by Citrix Systems Inc	
Proceeds:	£25.0 million	

Gemplus

Technology:	Smart cards	30x
Amount invested:	£1.9 million	
Exit:	Floated on Euronext Paris and Nasdaq	
Proceeds:	£57.5 million	

2. Foresight Group continued

Recent large growth investment rounds into FWT funds portfolio companies.

Refeyn

Technology:	Life sciences instrumentation measuring molecular mass using light
Amount invested:	£3 million across 2019 Seed (FWT EIS) and 2020 Series A (FWT EIS and VCT)
Recent funding:	Significant Series B April 2022

Rovco

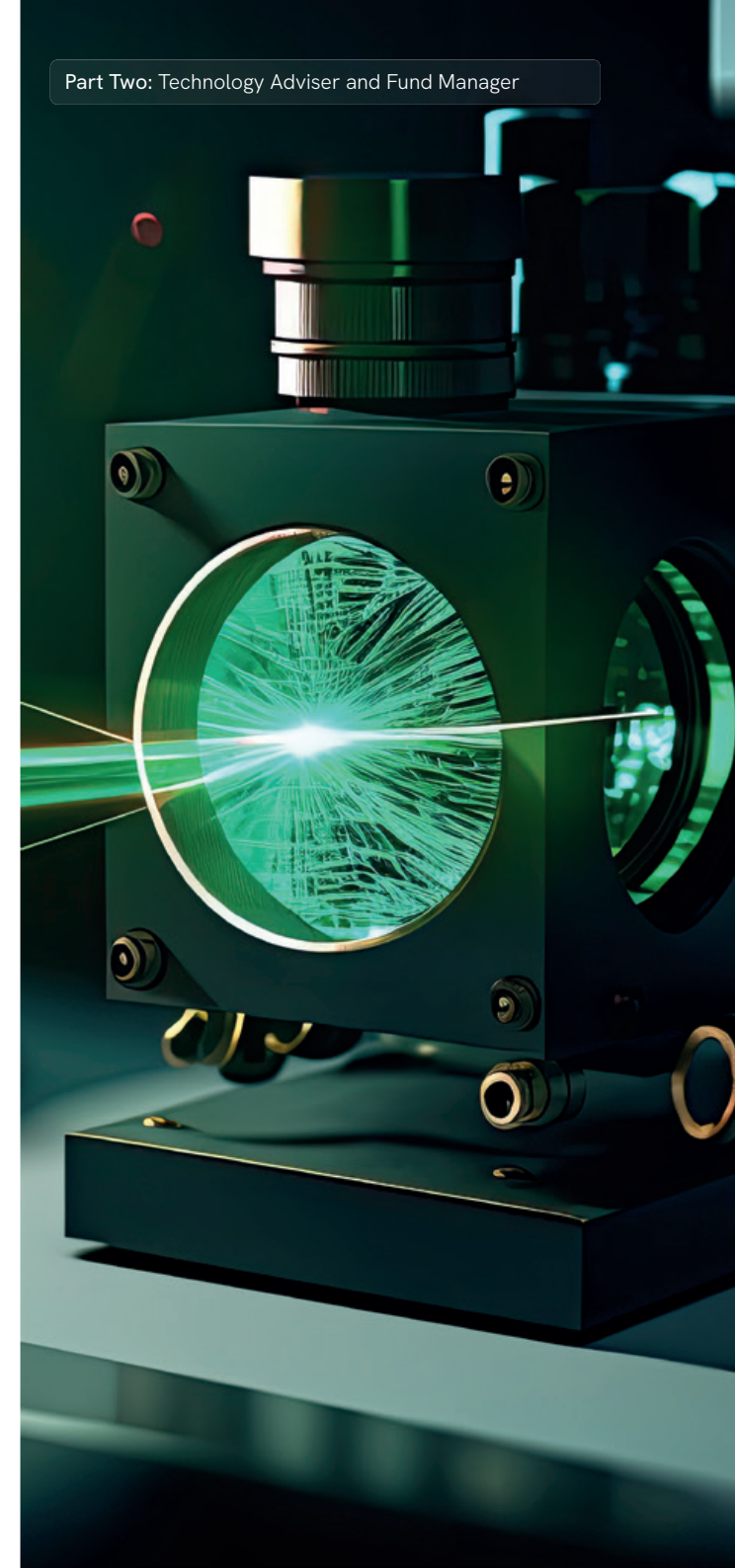
Technology:	Subsea infrastructure survey services and technology
Amount invested:	£2.0 million 2019 Series A (FWT EIS) and Series B (FWT EIS and VCT)
Recent funding:	£20 million Series B July 2022

Living Optics

Technology:	Next generation hyperspectral camera
Amount invested:	£2.3 million across 2020 Seed (FWT EIS) and 2022 Series A (FWT EIS and VCT)
Recent funding:	£20 million Series A August 2022

Cambridge GaN Devices

Technology:	New generation of gallium nitride power semiconductor devices
Amount invested:	£1.9 million across 2021 Series A (FWT EIS and VCT) and 2022 Series B (FWT EIS and VCT)
Recent funding:	£15 million Series B August 2022



3. Investment Committees

There are separate Foresight and WAE Investment Committees that include the following team members:



Bernard Fairman
Chairman, Foresight Group

Bernard has over 40 years' investment experience. He founded Foresight Group, formerly VCF Partners, with Peter English in 1984, having worked with several small electronics companies before joining the newly formed 3i Ventures in 1981. Bernard obtained a degree in Economics from Nottingham University and began his career as an Oil Investment Analyst with Panmure Gordon, then moved to Edward Bates, a specialist City investment bank.



David Hughes
Chief Investment Officer,
Foresight Group

David is responsible for Foresight's overall investment activities and portfolio management. He has 40+ years' experience of unquoted investment management, initially with 3i and subsequently establishing fund management operations for Framlington Investment Management Ltd, Bank Austria AG, London and technology VCT investing at Advent Venture Partners. David has been involved in VCT management since 2002.



James Livingston
Co-Head of Private Equity,
Foresight Group

James is a Partner, a member of the firm's Executive Committee and Co-Head of Private Equity based in the London office. He joined Foresight in 2007 and has some 20 years' experience. Prior to Foresight, James worked at Deloitte.



Matt Smith
Co-Head of Private Equity,
Foresight Group

Matt is a Partner, a member of the firm's Executive Committee and Co-Head of Private Equity based in the London office. He joined Foresight in 2010 and has some 20 years' experience. Prior to Foresight, Matt worked at Rothschild.

3. Investment Committees continued



Chris Copland
Chief Financial Officer, WAE

Chris joined WAE in March 2023 and brings with him 15 years' of financial and commercial experience covering engineering, manufacturing, retail and professional services. Prior to joining WAE, Chris held several senior roles at IMI Plc, which designs and manufactures valves for critical applications. His roles have covered both regional and global geographies with specific focus on the energy sectors. Chris joined IMI from Npower, the energy supplier, and began his career at Deloitte, qualifying in audit before moving into corporate finance where he advised on a variety of mid-market buy and sell side deals. Chris is also a Director of WAE Ventures Limited.



Rupert Finch
General Counsel, WAE

Rupert joined WAE in September 2021. Prior to WAE, Rupert spent 11 years at Johnson Matthey Plc and for the last two years, was Sector General Counsel of the Johnson Matthey Battery Systems, Fuel Cells and Green Hydrogen businesses. Rupert is responsible for all legal aspects at WAE, managing a team of four lawyers who work closely with the commercial, procurement, programmes, finance and ventures functions. His focus is on managing legal risk and enabling WAE navigate complex contractual relationships with customers, suppliers and other third parties.



James Colgate
CSO, WAE

James joined WAE in 2022 and is responsible for the design and execution of the strategic plan for the growth of the WAE business. Prior to joining WAE, James spent 12 years within the Williams F1 Group culminating with four years as Operations Director, responsible for the delivery of the Formula One racing cars to track, along with all manufacturing, test and infrastructure assets. Prior to joining Williams, James worked for global management consultancy firm OC&C Strategy Consultants providing advisory services across the technology, industrial and FMCG sectors.



Paul McNamara
Technical Director, WAE

Paul joined WAE in 2015 and oversees technical management and project excellence across the company. He has previously held executive director positions at Shanghai Automotive Industries and Ricardo. Paul is key to ensuring that WAE continues to build a reputation for delivering innovative projects and developing new technology.



Matthew Burke
Director of Technology Ventures, WAE

Matthew joined WAE in 2011 and led the commercialisation of its stationary flywheel energy storage technology at Williams Technology Centre Qatar. He returned to the UK in 2014 and established Technology Ventures to lead wider technology commercialisation activities. He is a Chartered Engineer and Fellow of the IMechE. Matthew is also a Director of WAE Ventures Limited.

Matthew Burke, Chris Copland, Julian Peck, Matthew Hicks, Kusal Ranawaka, Nithish Bhat Kunjar, Sam Stephens and Kirsten Spry have been appointed to carry out the customer functions for and on behalf of WAE Ventures Limited, in its capacity as appointed representative of Foresight.

4. The Investment Team

The core team that will be responsible for identifying investment opportunities and making investments for the FWT Share class, alongside the FWT EIS Fund, is shown below.



Andrew Bloxam

Managing Director, Foresight Group

Andrew joined Foresight Group and the Foresight FWT team in 2018 and brings over 15 years' experience advising and investing in fast growing UK technology SMEs. Most recently, Andrew was a Director at Committed Capital, a technology-focused EIS investor. Previously he was an Associate at Strata Partners, a technology-focused corporate finance adviser, and an Analyst at investment bank JP Morgan, in the London Technology M&A team. Andrew holds an MA in Economics from Cambridge and an MBA from the University of Surrey.



Chris Wiles

Investment Director, Foresight Group

Chris joined Foresight Group in September 2019 and focuses on the FWT Funds. Having started his career with McLaren Automotive as a Project Engineer, he moved to PwC to work in Strategy Consulting. Subsequently Chris joined Centrica Plc where he managed Centrica's £10 million early stage impact fund and was a Venture Principal in Centrica Innovations, the £100 million Corporate Innovation fund. Chris holds a first class Master's in mechanical engineering from the University of Southampton and an MBA with Distinction from Warwick Business School.



Anastasia Sagaidachna

Investment Manager, Foresight Group

Anastasia is an Investment Manager based in the London office. Prior to joining Foresight, Anastasia worked at EBRDI and a lower mid-market private equity fund focusing on B2B SaaS and generalist investments. Anastasia holds an MSc in Corporate Finance from Bayes Business School (formerly Cass Business School) and a BSc in Business Administration from the University of Economics in Prague.



Gianmarco Del Bono

Investment Manager, Foresight Group

Gianmarco joined Foresight in 2023 and is an Investment Manager focused on the Foresight WAE Technology EIS and VCT funds. He has over six years of investment experience, having previously worked at AtmosClear, an early-stage deep tech VC fund, Silverpeak, a technology-focused investment bank, and Atlantic Bridge, a growth stage venture capital fund. Gianmarco holds a Joint Masters degree in Micro and Nanotechnologies for ICT from the École Polytechnique Fédérale de Lausanne and a Bachelors degree in Physical Engineering and Information Technology from the Politecnico di Torino.

The Foresight team draws on the expertise and experience of other members of Foresight's 50-strong award-winning Private Equity team as required.

4. The Investment Team continued

The team also benefits from the technical expertise of three venture partners, located in the key innovation hubs of Silicon Valley and Israel. These venture partners provide valuable insights on the international landscape and competition that potential investee companies must overcome. They are also able to facilitate introductions to international investors, a key source of finance in later stage companies:



Joe Raffa

Venture Partner, Foresight Group

Joe joined Foresight in 2022 and is a consultant based in Silicon Valley. Prior to Foresight Joe worked at Downing Ventures as a Venture Partner and before this, was an executive at IBM and Partner at IBM Ventures. Joe was also a Partner at Adams Capital, an early-stage VC fund based in Palo Alto, California with \$800 million under management. Joe holds a BS in Applied Physics and Electrical Engineering from Case Western Reserve University and an MS in Electrical Engineering and Artificial Intelligence from Stanford University. Joe also holds an MBA from Harvard Business School.



Gideon Shmuel

Venture Partner, Foresight Group

Gideon joined Foresight as part of the Downing Ventures acquisition in July 2023. Gideon is responsible for the Israeli Tech investments and supporting some of the portfolio companies. Prior to joining Downing, Gideon was a CEO of multiple technology companies in the areas of Deep Tech, AI, Computer vision, SaaS, Automotive, Enterprise Software and more. As CEO Gideon worked with many VCs and raised \$70 million in funding.



Jon Sofield

Venture Partner, Foresight Group

Jon joined Foresight in January 2023 as a Venture Partner based in California and will help with a number of activities including deal sourcing and supporting Foresight portfolio companies looking to raise, expand or exit in the US. Jon has over 20 years of experience in SaaS and digital businesses and has held a variety of commercial roles. Jon's experience also includes eight years at Google and as an adviser at e.fundamentals. Jon holds a BA in Economics from The University of Bolton and a CEng Hons in Civil Engineering from Coventry University.

4. The Investment Team continued

WAE's Technology Ventures team brings technology commercialisation expertise to complement the Foresight team's investment skills. The WAE team brings extensive experience of opportunity sourcing, technology assessment, IP evaluation and new product introduction.



Julian Peck
Investment Manager, WAE

Julian joined WAE in 2022. Previously he was Commercialisation Manager at Cambridge Enterprise, the University's technology transfer office. Julian has led the spinout of numerous technologies from Cambridge and has latterly worked in the in-house VC team building, investing and supporting spinouts including business planning, investment and as Investor Director. Julian holds a MEng in Manufacturing Engineering from the University of Cambridge and is a Chartered Engineer and Member of the IMechE.



Matt Hicks
Senior Investment Associate, WAE

Matthew's principal focus will be in scouting opportunities and working on the end-to-end investment process for the for the FWT Funds. Matt is a graduate of the University of Southampton with a BSc in Geography and an MSc in Sustainability.



Kusal Ranawaka
Investment Associate, WAE

Kusal focuses on sourcing and evaluating new opportunities and working across all stages of the investment process. He previously worked at the Creative Destruction Lab, a deep-tech accelerator at the University of Oxford and before this, spent time performing venture development at a cleantech start-up. He holds a MEng in Mechanical Engineering from University of Sussex.



Kirsten Spry
Senior Partnerships Associate,
WAE

Kirsten supports the provision of WAE value add services to the FWT Funds portfolio companies. Prior to her current role, she successfully completed Williams' Business Graduate Scheme. Kirsten holds an MSci in Natural Sciences from the University of Cambridge.



Nithish Bhat Kunjar
Investment Analyst, WAE

Nithish is focused on sourcing, origination, and evaluation of portfolio opportunities and execution support. He is a Civil Engineer with experience in project management, strategy and business development growing a scale up and holds an MBA from the University of Cambridge.



Sam Stephens
Investment Analyst, WAE

Sam focuses primarily on sourcing and origination activities, evaluating portfolio opportunities and execution support. Prior to joining WAE, he worked as a consultant in the Technology Strategy & Advisory practice at Accenture and holds an MEng in Mechanical Engineering from the University of Warwick.

Part Three:

Fund Structure and Details

Fund Structure and Details

Investors in the FWT Shares become entitled to qualify for tax reliefs upon allotment of shares (subject to their personal circumstances).

VCT Structure

The VCT Scheme was introduced in 1995 to incentivise UK taxpayers to invest into early-stage, high growth potential UK companies. Since that time more than £8 billion has been raised by VCTs. If you choose to invest into FWT Shares, you should qualify for three attractive tax reliefs:

- 30% income tax relief
- Tax free dividends
- Tax free capital growth

These tax reliefs are available to UK taxpayers up to a maximum of £200,000, with the income tax relief subject to holding the shares for a minimum of five years. More information on tax reliefs can be found on pages 81 and 82.

Evergreen

The VCT has been set up as an evergreen investment. This means that it does not have a defined lifespan, with the intention being to manage the VCT for the long term.

Share Buy Back Policy

Although investors typically wait for a minimum of five years in order to retain the income tax relief, the VCT operates a share “buy back” policy to enable investors to sell their shares from time to time.

The Board’s policy is to buy back FWT Shares in the market at a 10% discount to their Net Asset Value for the first five years following the launch of the FWT Share fund, with an intention to reduce to a 5% discount thereafter, in each case less transaction costs payable to market makers and stockbrokers (see page 75 for more information). In addition, shares can be sold anytime on the Stock Market although the secondary market for VCT shares is generally illiquid.

Return Profile

Returns will be generated through the growth in NAV and the sale of shares in portfolio companies.

Fund Structure and Details continued

Fees and Charges

Initial Charges

More details of the initial charges relating to the Offer can be found on pages 69 and 70. These are summarised below:

	Where adviser charge agreed	Where commission is payable	Direct Investors
Promoter's Fee	2.5%	2.5%	5.5%
Initial Commission (% of amounts subscribed)	n/a	3.0%	n/a
Annual Commission (% of net asset base value) ¹	n/a	0.5%	n/a
Adviser Charges ²	Variable	n/a	n/a

1. Capped at 3.0%.

2. See page 69 and section 7 of the Application Form.

Annual Charges

Further details of the annual fees and expenses can be found on page 75.

Annual Fees: Foresight Group CI Limited will be entitled to an annual management fee of 2.0% of the Net Asset Value of the FWT Shares fund in respect of investment management services. An annual fee of 0.3% of the NAV of the FWT Shares (subject to a minimum index-linked fee of £60,000) will be payable to Foresight Group LLP in respect of secretarial and accounting services provided to the Company. The costs of a VCT also include the cost of the Board, audit and professional fees and the cost of communicating with investors.

Performance Fees: After actual Distributions (including capital distributions of NAV) of 110p per FWT Share (issued under the Offer and remaining in issue at the date of calculation) have been paid to FWT Shareholders by the Company including the offer of such a Distribution which Shareholders elect not to accept by remaining invested,

Foresight Group CI Limited will become entitled to a performance incentive which will be calculated at the rate of 20% of Distributions in excess of 110p (including the most recently announced NAV) per FWT Share (subject to annual adjustment of this hurdle in line with the Retail Price Index). The performance incentive may be satisfied in cash or by the issue of new FWT Shares to Foresight Group CI Limited at its discretion.

In summary the following annual fees will apply:

- Annual Management Charge: 2.0%
- Annual Administration Fee: 0.3% or £60,000 per annum (greater of)
- Performance Fee: 20% of distributions over 110p per investor (subject to RPI adjustment)

Investor Journey & Suitability

Investing into the FWT Share class should be viewed as a long-term investment (five to eight+ years).

To benefit from the income tax relief, the VCT must be held for a minimum of five years following allotment of the shares.

It is typically the case with early-stage venture capital that investment portfolios go through a "J Curve" effect over the investments' lifetime. In the early years, portfolio valuations tend to reduce as investments are made and fees are incurred. Typically, the weaker investments within the Portfolio come to light before the stronger investments emerge. It is therefore likely that some investments in the Portfolio will be written down prior to others in the Portfolio being written up, following the so-called "J curve".

Foresight Group is not responsible for confirming whether the FWT Share class is suitable for any particular investor. Any investor who is unsure should consult a financial adviser. Foresight Group also cannot advise professional clients.

Part Four:

Details of the Offer

Details of the Offer

1. FWT Shares

The securities being offered pursuant to the Offer are FWT Shares of one penny each (ISIN: GBOOBKF2JH04).

The FWT Shares are created under the CA 2006 will be issued pursuant to resolutions proposed to be passed at the Company's General Meeting to be held on 20 September 2023. All Shareholders will have the same voting rights in respect of the existing share capital of the Company.

The FWT Shares are separate from the Company's existing classes of Deferred Shares and Deferred Convertible Preference Shares. All investments and cash attributable to any other share class are kept separate from the FWT Shares fund. Accordingly, investors in the FWT Shares will not have any exposure to the investment gains and losses of any other share class of the Company.

Pursuant to a special resolution passed at a general meeting held on 5 July 2023, the Company resolved to pay a final special dividend of 5.5p per Ordinary Share (which dividend was paid on 25 July 2023) and to close the Ordinary Shares fund. This closure was achieved by the redesignation of the 34,593,623 Ordinary Shares as 547,034 FWT Shares (representing the residual value of the Ordinary Shares fund after the payment of the final dividend) and 34,046,589 Deferred Convertible Preference Shares (the "Ordinary Share Redesignations"). The Deferred Convertible Preference Shares held by the former Ordinary Shareholders carry the right to be converted into further FWT Shares (at their then value) in the event that the Company receives future payments from claims the Company has made against the Spanish and Italian Governments in respect of misrepresentations around the availability of tax subsidies related to solar installations, which are currently in progress but without a clear timeline for their conclusion.

The holders of FWT Shares will have the exclusive right to Distributions from the assets within the FWT Shares fund. Equally the holders of other Shares will continue to have the exclusive right to Distributions from assets attributable to such Shares but not from assets attributable to FWT Shares. All Shareholders will share the benefit of spreading the Company's administration costs over a wider asset base. FWT Shareholders will be entitled to receive certificates in respect of their FWT Shares and will also be eligible for electronic settlement. Holders of FWT Shares will be entitled to vote at meetings of the Company in the same way as existing Shareholders. No change may be made to the rights attaching to FWT Shares without the approval of the holders of FWT Shares. The FWT Shares are not redeemable or convertible. An existing holder of FWT Shares who does not subscribe under the offer would experience dilution in terms of their voting power but no dilution in terms of net asset value of their holding due to the application of the Pricing Formula pursuant to which Offer Shares are issued at a price equal to their NAV plus associated offer costs.

Details of the Offer

2. Costs of the Offer

The Company will pay the Promoter a fee equal to 2.5% of the amount subscribed under the Offer by those Investors who apply through an authorised financial intermediary and 5.5% of the amount subscribed under the Offer by those Investors who apply direct.

In respect of each investor, the Promoter's fees will be reduced by any applicable Early Bird or Loyalty Discount (as referred to below) and any other discount the Promoter may agree to offer any particular investor or group of investors. From its fees the Promoter will meet all of the costs of the Offer other than intermediary commissions and adviser charges.

The costs of the Promoter's fees and any applicable up-front intermediary commissions and adviser charges applicable to a particular investor will be borne by that Investor through the application of the Pricing Formula set out on page 70.

Investors applying through an authorised intermediary

Promoter's Fee ¹	2.5%
Initial Adviser Charge	Variable
Such charges as are agreed between each investor and their authorised financial intermediary up to a maximum of 4.5% of the amount subscribed	

Note: ongoing adviser charges will not be facilitated by the Company.

OR

Initial commission to Intermediaries ²	3.0%
Annual commission to intermediaries ³	0.5%

Direct Investors

Promoter's Fee ¹	5.5%
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1. The Promoter's Fee may be reduced at the sole discretion of the Promoter and will be reduced by any applicable loyalty bonus.
2. Only payable where permissible under FCA Rules and may be waived for additional shares.
3. Only payable where permissible under FCA Rules. Calculated by reference to net asset base value and subject to a cumulative maximum of 3.0%

The Promoter's Fee (and applicable initial commission and adviser charges) will be expressed as a percentage of the Net Asset Value per FWT Share and included in the Pricing Formula to determine the number of FWT Shares to be allotted in each case. Annual commission will be paid by the Company and not taken into account when applying the Pricing Formula.

Details of the Offer continued

2. Costs of the Offer continued

Discounts

Early Bird Discount

Discount to the Offer costs in respect of applications received by 12 noon on 1 December 2023	1.0% ¹
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Existing Foresight Shareholder Loyalty Discount

Discount to the Offer costs	0.5% ¹
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1. Expressed as a percentage of an Investor's subscription

Commission and Adviser Charges

In accordance with the regulatory changes introduced pursuant to MiFID II, commission (including on-going trail commission) is generally not permitted to be paid to Intermediaries who provide advice or personal recommendations to UK clients in respect of their investments in VCTs.

Instead of commission being paid by the Company, an adviser charge will usually be agreed between the Intermediary and Investor for the advice and related services. This fee can either be paid directly by the Investor to the Intermediary or, if it is an initial one-off fee, the payment of such fee may be facilitated by the Company. Ongoing fees to Intermediaries will not be facilitated by the Company. If the payment of the adviser charge is to be facilitated by the Company, then the Investor is required to specify the amount of the charge in the relevant box on the Application Form.

The Investor will be issued fewer Offer Shares (to the equivalent value of the adviser charge) through the application of the Pricing Formula set out overleaf. The adviser charge is deemed to be inclusive of VAT, where applicable. Adviser charge facilitation payments will be made on behalf of Investors from the Company's share premium account (or reserves created therefrom) in respect of share capital issued prior to 6 April 2014 or which was created pursuant to shares issued more than three full years prior to the payment.

Commission may be payable in respect of applications by an execution-only Investor who has received no advice in respect of the investment and, as such, the Company will only pay commission to firms:

- (a) which do not provide personal recommendations or investment advice (save where this is restricted advice given to professional clients of the adviser);
- (b) where the payment of such commission is designed to enhance the quality of the relevant (non-advisory) service to the investor;
- (c) where the intermediary has confirmed that they will clearly disclose to the investor the existence, nature and amount of such commission prior to the provision of the service; and
- (d) in the case of on-going payments (trail commission) where such criteria are fulfilled on an on-going basis.

Those Intermediaries who are permitted to receive commission will usually receive an initial commission of 3.0% of the amount invested by their clients under the Offer unless waived by the Intermediary. Additionally, provided that the Intermediary continues to act for the Investor and meet the criteria above and the Investor continues to be the beneficial owner of the Offer Shares, and subject to applicable laws and regulations, the Intermediary will usually be paid an annual trail commission of 0.5% of their client Investors' gross subscriptions up to an aggregate maximum of 3.0%.

Trail commission will be paid quarterly commencing in the first March following the close of the Offer.

By offering investors a bespoke issue price per Offer Share as determined by the Pricing Formula (set out below), all Investors are entitled to claim tax relief on the full amount of their investment and all Investors are treated fairly by the Company as regards the payment of up-front commission and Adviser Charges.

3. Pricing Formula

Investors are invited to subscribe an amount in pounds sterling rather than apply for a particular number of Offer Shares. The number of Offer Shares issued to an Investor will be determined by reference to the Pricing Formula as follows:

$$\text{Price} = \text{NAV}/X$$

Where:

NAV	=	the latest published Net Asset Value per FWT Share
X	=	1 - Total Net Fees
Total Net Fees	=	Promoter's fee; plus Up-front adviser charge or commission; less any Early Bird or Loyalty Discount as applicable to each Investor

The number of Offer Shares to be allotted will be determined by dividing the amount subscribed by an Investor by the price given by the above formula.

Details of the Offer continued

4. Tax Benefits for Investors

The tax reliefs set out below make the FWT Shares tax efficient for UK income taxpayers and are available on the gross amount subscribed under the Offer through the mechanism of the Pricing Formula. Although there is no maximum size of investment, VCT tax reliefs are available on investments up to a maximum by any individual of £200,000 for 2023/24 tax year and are expected to remain the same for the 2024/25 tax year.

The table below shows how the initial 30% income tax relief can provide an unrealised uplift of 35% on a retail investor's net cost of investment after a reduction in the investor's tax bill. The income tax relief can be used to offset up to 100% of a retail investor's income tax liability, subject to a minimum holding period for the FWT Shares of five years. This is only a summary of the UK tax position of investors in VCTs, based on current law and practice. Further details are set out in Part Seven of this document. Potential investors are recommended to seek their own independent tax advice.

Cost of Investment

If you subscribe	£10,000 to the Offer
Subject to your personal circumstances you can claim	
Income tax relief of	£3,000
So your net cost of investment would be	£7,000

Initial Value of Investment

Gross subscription	£10,000
Assumed Cost of 5.5%	(550)
Initial Net Asset Value	£9,450

This initial NAV is £2,450 more than the net cost of your investment of £7,000 or a gain of 35% on your net cost of investment.

The level of issue costs will be variable depending on the applicability of agreed adviser charges, commission and any Early Bird or Loyalty Discount to a given Investor.

5. Share Certificates, CREST and Nominees

The FWT Shares will be issued in the Applicant's name in certificated form (unless otherwise requested). Investors will receive a share certificate in respect of their holding within ten Business Days of allotment. The Company is registered with CREST, a paperless settlement system. Applicants can request that FWT Shares be issued into a CREST account and/or a nominee by providing the relevant details when submitting their Application Form. In all cases, no temporary documents of title will be issued.

Part Five:

The Company

The Company

1. The Directors

The Board has overall responsibility for the Company's affairs and has delegated investment decisions to Foresight Group.

The Board comprises three Non-Executive Directors and brings together substantial board-level experience of quoted and unquoted companies and expertise in investment management, insurance and electricity supply sectors. The Board has overall responsibility for the Company's affairs and has delegated investment decisions to Foresight Group.



Ernie Richardson

Ernie has over 30 years' experience in the venture capital sector and was until 2009 chief executive of venture capital investment firm MTI Partners. He is a graduate chemical engineer and Fellow of the Chartered Institute of Management Accountants and has served as a member of the Council of the British Venture Capital Association and also served as Chair of the investment committee of the National Endowment for Science, Technology and the Arts. He also has over 20 years' operational management experience gained within businesses including British Steel Chemicals Division and speciality chemicals company Laporte Industries and is chairman of several smaller companies. He has also served as Financial Controller of the European Division of the Royal Bank of Canada.



Tim Dowlen

Tim, a director of insurance broking companies from 1973 to 2016, was most recently a divisional director of City-based Lloyd's broking firm Tasker & Partners where he was responsible for developing the retail insurance broking activities of the firm. Tim was for many years Senior Examiner in liability insurance for the Chartered Insurance Institute. A practising expert witness since 1998, he has given independent evidence to the Courts in over 130 disputes in the insurance sector and is director, insurance, of GBRW Expert Witness Limited. Tim has specialised in the venture capital sector since starting his own insurance firm in 1974. He acted as insurance broker to a number of fund managers and other financial institutions.



Carol Thompson

Carol has over 25 years' experience in governance and strategic financial management and has spent large parts of her career as a board member in technology and regulated businesses. She has held senior positions at Hellman & Friedman, a leading private equity investment firm, and JP Morgan. She has also held non-executive and advisory roles at a number of firms including Livingbridge, DWF and JP Morgan. Carol is also a non-executive director of Maintel Holdings plc and Nexteq plc. Carol serves as a Non-Executive Director, and also chairs the Company's Audit Committee.

The Company continued

2. Investment Policy

The Company will target unquoted companies which it believes will achieve the objective of producing attractive returns for Shareholders.

Investment Securities

The Company invests in a range of securities including, but not limited to, ordinary and preference shares, loan stock, convertible securities, and fixed-interest securities as well as cash. Unquoted investments are usually structured as ordinary shares. Pending investment in unquoted and AIM listed securities, cash will be primarily held in a range of interest-bearing accounts as well as a range of permitted non-qualifying investments including alternative investment funds and listed shares. The Company may invest in other funds managed by Foresight (or its associates).

UK Companies

The companies in which investments are made must satisfy a number of tests set out in Part 6 of the Income Tax Act 2007 to be classed as VCT qualifying holdings, including that they have a permanent establishment in the UK.

Asset Mix

The FWT Share class intends to invest principally in early stage UK technology companies and funds raised by the FWT Share offer will, no later than three years following the end of the accounting period in which those shares are issued, be invested as to at least 80% in unquoted disruptive UK technology companies with 30% of such funds so invested within the first 12 months. The remainder of such funds raised will be held in cash or other permitted non-qualifying investments. Funds raised in the future will be invested in accordance with prevailing VCT rules at the time of investment.

Risk Diversification and Maximum Exposures

Risk in the FWT Share class will be spread by investing in a number of different companies developing different technologies which are applicable to different target markets and at different levels of the value chains within those markets and with a targeted minimum of five investments.

The maximum amount invested by the Company in any one company is limited to 15% of the portfolio at the time of investment.

Borrowing Powers

The Company's Articles permit borrowing, to give a degree of investment flexibility. Under the Company's Articles no money may be borrowed without the sanction of an ordinary resolution if the principal amount outstanding of all borrowings by the Company and its subsidiary undertakings (if any), then exceeds, or would as a result of such borrowing exceed, a principal amount equal to the aggregate of the share capital and consolidated reserves of the Company and each of its subsidiary undertakings as shown in the latest available audited consolidated balance sheet. The underlying portfolio companies in which the Company invests may utilise bank borrowing or other debt arrangements to finance asset purchases but such borrowing would be non-recourse to the Company.

3. Co-investment Policy

Foresight Group currently manages other funds which may invest alongside the FWT Shares fund, including the FWT EIS Fund. Investment opportunities will normally be offered initially to the FWT Shares fund on a basis which is pro rata to the net cash raised pursuant to the Offer and any future FWT Share offer compared to the net cash raised by the other Foresight Funds, other than where investments are proposed to be made in a company where one or more Foresight Funds has a pre-existing investment, where the incumbent investor will have priority. Implementation of this policy will be subject to the availability of monies to make the investment and other portfolio considerations, such as portfolio diversity and the need to maintain VCT status.

Where the FWT Shares fund invests in companies in which Foresight Funds have invested or subsequently invest, conflicts of interest may arise and the Board will exercise its independent judgement to manage any such conflicts. In such circumstances, the Manager will apply Foresight Group's conflicts policy in order to reconcile the conflict in the first instance and thereafter, if required, the Board will exercise its independent judgement, so far as it is able, to protect the interests of the Company. It may not, in such circumstances, be possible to fully protect the interests of the Company.

The Company continued

4. Valuation Policy

Unquoted investments will be valued at fair value in accordance with International Private Equity and Venture Capital (IPEVC) valuation guidelines. Investments traded on AIM and on the main market segments of the ICAP Securities and Derivatives Exchange Limited will be valued at the prevailing bid price.

5. Share Buyback Policy

The Board is aware that although the FWT Shares are intended to be traded on the London Stock Exchange's market for listed securities, it is unlikely that there will be a liquid market for such shares as there is a limited secondary market for VCT shares due to the holding period required to maintain up-front income tax reliefs and the lack of income tax relief on second hand VCT shares. Shareholders may, therefore, find it difficult to realise their investments.

The Board's policy is to buy back FWT Shares in the market at a 10% discount to their Net Asset Value for the first five years following the launch of the FWT Share class, with an intention to reduce to a 5% discount thereafter, in each case less transaction costs payable to market makers and stockbrokers.

Operation of this policy is restricted by the Listing Rules which restrict the price that a VCT can pay for its own shares (to no more than 5% above the average market value of the shares for the five Business Days prior to the day a purchase is made) and prohibit the purchase of its own shares during any close period or any period when there exists any matter which constitutes inside information in relation to the Company. The operation of this policy is also subject to the Company having sufficient liquidity and distributable reserves.

As Investors must hold their FWT Shares for at least five years in order to avoid a clawback of income tax relief received in respect of their investment by HMRC, the Directors expect that the number of FWT Shares which may be offered for the Company to buy back during the five-year holding period will be small.

Share buy backs will be subject to Shareholder authorities, CA 2006, the Listing Rules and any other statutory or regulatory requirements from time to time.

6. Dividend Policy

The returns from profitable exits will be paid to investors in the form of tax-free dividends at a targeted average rate of 5% per annum of the NAV of the FWT Shares. Investors should note that this is an estimated average target over a number of years and in any given year the 5% target may not be met (or may be exceeded). Due to the nature and returns profile of the underlying investments, the Board anticipates irregular dividends, paid as and when exits occur, to be a significant factor in the Company's ability to achieve or exceed the average 5% annual target. The Board is committed to initiate dividend payments as soon as possible and conducts regular portfolio reviews of potential exits with the Investment Team.

7. Fees and Expenses

Annual Fees and Expenses

Foresight Group CI Limited will be entitled to an annual fee of 2.0% of the Net Asset Value of the FWT Shares fund in respect of investment management services. An annual fee of 0.3% of the Net Asset Value of the FWT Shares (subject to a minimum index-linked fee of £60,000) will be payable to Foresight Group LLP in respect of secretarial and accounting services provided to the Company.

The costs of a VCT also include the cost of the Board, audit and professional fees and the cost of communicating with investors.

Overall, for Foresight Technology VCT plc as a company, total annual expenses are capped at 3.6% of NAV (calculated, amongst other things, before any performance incentive to Foresight Group CI Limited), above which any excess will be borne by Foresight Group. Foresight Entities may retain for their own benefit and without liability to account to the Company (subject to full disclosure having been made to the Board) any arrangement fees and directors' or monitoring fees which are received in connection with any investments made by the Company. The Company will not be liable for legal, accounting and any other fees incurred on potential investments which do not proceed to completion, which costs shall be borne by Foresight Group.

Performance Incentive

After Distributions (including capital distributions of NAV) of 110p per FWT Share (remaining in issue at the date of calculation) have been paid to FWT Shareholders by the Company, including the offer of such a Distribution which Shareholders elect not to accept by remaining invested, Foresight Group CI Limited will become entitled to a performance incentive which will be calculated at the rate of 20% of Distributions in excess of 110p (including the most recently announced NAV) per FWT Share (subject to annual adjustment of this hurdle in line with the Retail Price Index). The performance incentive may be satisfied in cash or by the issue of new FWT Shares to Foresight Group CI Limited at its discretion.

Part Six:

Additional Information

Additional Information

1. Use of Proceeds

It is intended that the proceeds of the Offer will be used in accordance with the FWT Shares' investment policy set out on page 74 of this document.

2. The Offer for Subscription

It is proposed to allot up to 30 million FWT Shares to the public pursuant to the Offer. The FWT Shares will be offered to individual investors at a price determined in accordance with the Pricing Formula on page 70, such price per share (less costs) to be payable in full, by bank transfer or by cheque or bankers draft drawn on a UK bank. Application has been made to the FCA for all of the FWT Shares issued pursuant to the Offer to be admitted to the Official List. Applications will also be made to the London Stock Exchange for Admission to trading on the London Stock Exchange's market for listed securities. The Offer will open on 6 September 2023 until 30 April 2024, but may close earlier if fully subscribed or otherwise at the discretion of the Directors.

There are no conditions to the Offer and FWT Shares may be issued notwithstanding that the Offer is not fully subscribed. In the event that the Offer is oversubscribed, allotment will be made to investors on a first come- first served basis. Any excess amounts paid by applicants will be refunded by cheque to the person named in the Application Form.

The Company is seeking to raise £15 million under the Offer (with an over-allotment facility of up to an additional £10 million), before expenses. The FWT Shares will be issued on a fully paid basis in registered form. FWT Shares will be allotted and issued in respect of valid applications under the Offer usually on a monthly basis or at any other time as the Directors decide. Details of allotments will be announced through a Regulatory Information Service provider by no later than the end of the Business Day following the allotment and dealings in such Shares are expected to commence within three Business Days following allotment. If the Company is required to publish a supplementary prospectus, subscribers who have yet to be entered on to the Company's registers of members will be given two days to withdraw from the subscription. In the event that the notification of withdrawal is given by post, such notification will be effected at the time the subscriber posts such notification rather than at the time of receipt by the Company.

The terms and conditions of application are set out at the back of this document along with an application form and details of the application procedure.

3. Minimum and Maximum Investment

The minimum subscription under the Offer will be £3,000. Applications in excess of £3,000 may be made for any higher amount in multiples of £1,000. The maximum investment on which income tax relief can be claimed by any individual is £200,000 in the 2023/2024 tax year and is expected to be £200,000 in the 2024/2025 tax year.

4. Claiming Income Tax Relief

The Company will send you share certificates and a tax certificate as quickly as possible after Shares are allotted to you. You then have two options on how to reclaim the tax relief: You can write to your HMRC office to ask them to change your tax coding under the PAYE system (this is the system that calculates how much tax you pay each month), so you will receive your income tax relief on a monthly basis through your pay cheques. Alternatively, you can claim income tax relief as part of your annual tax return.

5. Launch Costs

The Company, through the mechanism of the Pricing Formula, will pay to the Promoter a fee of:

- (a) up to 2.5% of the NAV per FWT Share issued to investors who subscribe through authorised intermediaries; or
- (b) 5.5% of the NAV per FWT Share issued to investors who subscribe directly in the Company,

in consideration of its acting as Promoter of the Offer. Other than commission and agreed adviser charges, all costs, charges and expenses of or incidental to the Offer including the fees of BDO shall be paid by the Promoter from these fees. The Company will be responsible for paying initial and on-going commission and facilitating up-front adviser charges with these costs borne by the Investor through the application of the Pricing Formula.

Additional Information continued

6. Category of Potential Investors

A typical investor for whom the Offer is designed is a UK higher-rate income taxpayer over 18 years of age with an investment range of between £3,000 and £200,000 who, having regard to the risk factors set out at the front of this document, considers the investment policy as detailed on page 74 of this document to be attractive. Investment in a VCT may not be suitable for all investors and should be considered as a long-term investment.

Before deciding whether to apply for FWT Shares under the terms of the Offer you are recommended to consult an independent financial adviser.

7. Investor Communications

The Directors recognise the importance of maintaining regular communications with Shareholders. In addition to the announcement and publication of the annual report and accounts and the interim results for the Company as detailed below, the Company will also publish quarterly statements of Net Asset Value. Foresight will also publish information on new investments and the progress of companies within the Company's portfolio from time to time.

8. Reporting Dates

Year end	31 March
Announcement and publication of annual report and accounts to shareholders	July
Announcement and publication of interim results	December

9. Working Capital

In the opinion of the Company, the working capital available to the Company is sufficient for the Company's present requirements being at least the 12 months following the date of this document.

10. Net Assets

The Offer will have a positive impact on the net assets of the Company by increasing its net assets by the same amount as the net funds raised and is expected to have a positive impact on earnings in the medium to long term.

11. Capitalisation and Indebtedness

The tables below show the capitalisation and indebtedness of the Company as at 30 June 2023, extracted from unaudited internal management accounting records to that date.

	£'000
Total Current Debt	0
Guaranteed	0
Secured	0
Unguaranteed/unsecured	0
Total Non-Current Debt	0
Guaranteed	0
Secured	0
Unguaranteed/unsecured	0

The capitalisation of the Company as at 30 June 2023, extracted from unaudited internal management accounting records to that date:

Shareholders' Equity	£'000
Share Capital	592
Other Reserves	26,763
Total	27,355

Save in respect of the Ordinary Share Redesignations, there has been no material change to the Company's capitalisation between 30 June 2023 and 5 September 2023 (being the latest practicable date prior to the publication of the Prospectus).

Additional Information continued

12. Notifiable Interests

As at 5 September 2023, being the latest practicable date prior to the publication of this document, the Company is not aware of any person who, directly or indirectly, has or will have an interest in the capital of the Company or voting rights which is notifiable under UK law (under which, pursuant to the CA 2006 and the Listing Rules and Disclosure Guidance and Transparency Rules of the FCA, a holding of 3% or more will be notified to the Company).

13. Intermediary Consent

The Company and the Directors consent to the use of this Prospectus by financial intermediaries and accepts responsibility for the information contained in this document in respect of any final placement of FWT Shares by any financial intermediary which was given consent to use this document. The offer period within which subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use this prospectus is given commences 6 September 2023 and closes on 30 April 2024. Information on the terms and conditions of the Offer by any financial intermediary is to be provided at the time of the Offer by that financial intermediary. Financial intermediaries may use this Prospectus in the UK.

Any financial intermediary that uses the Prospectus must state on its website that it uses the Prospectus in accordance with the consent and conditions attached thereto. Financial intermediaries are required to provide the terms and conditions of the Offer to any prospective investor who has expressed an interest in participating in the Offer to such financial intermediary. No financial intermediary will act as principal in relation to the Offer.

Part Seven:

Taxation Considerations for Investors

Taxation Considerations for Investors

1. Tax Reliefs

The following is only a summary of the law concerning the tax position of individual investors in VCTs. Potential investors are recommended to consult a professional adviser as to the taxation consequences of an investment in a VCT. The tax reliefs set out below are those currently available to individuals aged 18 or over who subscribe for Shares on their own behalf under the Offer. Whilst there is no specific limit on the amount of an individual's acquisition of shares in a VCT, tax reliefs will only be given to the extent that the total of an individual's subscriptions or other acquisitions of shares in VCTs in any tax year do not exceed £200,000. Investors who intend to invest more than £200,000 in VCTs in any one tax year should consult their professional advisers.

(a) Income Tax

(i) Relief from Income Tax on Investment

An investor subscribing up to £200,000 in the 2023/24 and/or 2024/25 tax years for eligible shares in a VCT will be entitled to claim income tax relief, at the rate of 30%, although this relief will be withdrawn if either the shares are sold within five years or the investor takes out a loan which would not have been made, or would not have been made on the same terms, save for the acquisition of such shares. If an Investor has sold, or if they sell, any shares in Foresight Technology VCT plc within six months either side of the subscription for the FWT Shares, then for the purposes of calculating income tax relief on the FWT Shares the subscribed amount must be reduced by the amount received from the sale. Relief is also restricted to the amount which reduces the investor's income tax liability to nil.

(ii) Dividend Relief

An investor who subscribes for or acquires eligible shares in a VCT (up to a maximum of £200,000 in each of the 2023/24 and/or 2024/25 tax year) will not be liable for UK income tax on dividends paid by the VCT. The income received by the VCT will usually constitute either interest (on which the VCT may be subject to tax) or a dividend from a UK company (on which the VCT would not be subject to tax). The VCT's income, reduced by the payment of tax (if applicable), can then be distributed tax-free to investors who benefit from this dividend relief. There is no withholding tax on dividends paid by a UK company and, consequently, the Company does not assume responsibility for the withholding of tax at source.

(iii) Purchasers in the Market

An individual purchaser of existing VCT shares in the market will be entitled to claim dividend relief (as described in paragraph (ii) above) but not relief from income tax on investment (as described in paragraph (i) above).

(b) Capital Gains Tax

(i) Relief from Capital Gains Tax on the Disposal of FWT Shares

A disposal by an investor of FWT Shares will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax provided that the approval of the company as a VCT has not been withdrawn by HMRC prior to the time of disposal. This relief is limited to the disposal of VCT shares acquired within the limit of £200,000 for any tax year.

(ii) Purchasers in the Market

An individual purchaser of existing VCT shares in the market will be entitled to claim relief from capital gains tax on disposal (as described in paragraph (i) above). If a company which has been granted approval as a VCT subsequently fails to comply with the conditions for approval, approval as a VCT may be withdrawn or treated as never having been given. In these circumstances, relief from income tax on the initial investment is repayable unless loss of approval occurs more than five years after the issue of the relevant VCT shares. In addition, relief ceases to be available on any dividend paid in respect of profits or gains in any accounting period ending when VCT status has been lost and any gains on the VCT shares up to the date from which loss of VCT status is treated as taking effect will be exempt, but gains thereafter will be taxable.

Taxation Considerations for Investors continued

2. Illustration of Effect of Tax Relief for Investors

The table below has been prepared for illustrative purposes only and does not form part of the summary of the tax reliefs contained in this section. The table shows how the initial tax reliefs available can reduce the effective cost of an investment of £10,000 in a VCT by a qualifying investor subscribing for VCT shares to only £7,000:

	Effective cost	Tax relief
Investor unable to claim any tax reliefs	£10,000	Nil
VCT investor able to claim full 30% income tax relief	£7,000	£3,000

The combined effect of the initial income tax relief, tax free dividends and tax-free capital growth can substantially improve the net returns of an investment in a VCT. For example, after the costs of the Offer (5.5p per Share assuming subscription by direct investors) an investment of £10,000 would show an immediate return of 35% over the base cost of £7,000 after 30% income tax relief, which is only available if the shares are held for the minimum holding period of five years. Although there is no maximum size of investment. VCT tax reliefs are available on investments in VCTs up to a maximum per individual of £200,000 in any one tax year.

3. Obtaining Tax Reliefs

The Company will provide to each investor certificates which the investor may use to claim income tax relief, either by obtaining from HM Revenue & Customs an adjustment to his tax coding under the PAYE system or by waiting until the end of the tax year and using his tax return to claim relief.

4. Investors Not Resident in the UK

Investors not resident in the UK should seek their own professional advice as to the consequences of making an investment in a VCT as they may be subject to tax in other jurisdictions as well as in the UK. Tax legislation in an investor's home country may have an impact on the income received from the FWT Shares.

Part Eight:

Conditions to be met by Venture Capital Trusts

Conditions to be met by Venture Capital Trusts

The Company must satisfy a number of tests to qualify as a VCT.

A summary of these tests is set out on this page.

1. Qualification as a VCT

To qualify as a VCT, a company must be approved as such by HMRC. To obtain approval:

- (a) it must not be a close company;
- (b) it must have each class of its ordinary share capital listed on a European regulated market throughout the accounting period following that in which the application for approval is made;
- (c) it must derive its income wholly or mainly from shares or securities;
- (d) at least 80% by value of its investments must be represented by shares and securities comprising Qualifying Investments; and
- (e) at least 30% of new monies raised must be invested in qualifying holdings within 12 months of the end of accounting period in which the relevant VCT shares are issued;
 - (i) at least 70% by value of its Qualifying Investments must be represented by holdings of 'eligible shares'. Eligible shares are shares which carry no present or future preferential rights to a portfolio company's assets on its winding-up, and no present or future right to be redeemed, but which may have certain preferential rights to dividends (investments made before 6 April 2018 from funds raised before 6 April 2011 are excluded from this requirement);
- (f) at least 10% of its total investment in any Qualifying Company must consist of eligible shares;
- (g) loan investments made by the Company after 14 March 2018 must be made on an unsecured basis at a commercial rate of interest;
- (h) not more than 15% by value of its investments may be in a single company or group (other than a VCT or a company which would, if its shares were listed, qualify as a VCT);
- (i) not more than 15% of its income derived from shares and securities in any accounting period may be retained;
- (j) the VCT must only make Qualifying Investments, or certain non-qualifying investments permitted by section 274 ITA 2007;
- (k) no investment by a VCT can cause a company to receive more than a total of £5 million in any period of twelve months (£10 million for "knowledge intensive" companies), nor than £12 million (£20 million for "knowledge intensive" companies) over its lifetime;
- (l) a VCT cannot invest in a company whose first commercial sale was more than seven years ago (ten years for a "knowledge intensive" company) unless the company had previously received State Aid risk finance within that period or it is seeking to break into a new product or geographic market and a turnover test is met. In the case of "knowledge intensive" companies, the company may elect for the ten year period to commence from the end of the accounting period in which its annual turnover exceeds £200,000; and
- (m) an investment by a VCT cannot be used by an investee company to acquire a trade, business or shares in a company.

For the purpose of condition (j) above, permitted investments include ordinary shares or securities listed on a regulated market (such as the London Stock Exchange) and shares or units in alternative investment funds and UCITS which may be repurchased or redeemed on seven days' notice.

Conditions to be met by Venture Capital Trusts continued

2. Qualifying Investments

To be a Qualifying Investment, an investment must consist of shares or securities first issued to the VCT (and held by it ever since) by an unquoted company satisfying certain conditions.

The conditions are complex but include conditions that any investment must be in a qualifying company which must:

- (a) meet a principles-based “risk to capital” gateway test to requiring the company to have genuine plans to grow and develop over the long term and for there to be a significant risk to the VCT that invested capital of an amount greater than its net investment return will be lost;
- (b) have gross assets not exceeding £15 million immediately before and £16 million immediately after the VCT’s investment (these tests are applied on a group basis if applicable);
- (c) have fewer than 250 full-time employees (or their equivalents) at the date on which the VCT investment is made (this test is applied on a group basis if applicable) (fewer than 500 for a “knowledge intensive” company);
- (d) not have raised more than £5 million in the 12 month period ending on the date of the VCT’s investment (£10 million for a “knowledge intensive” company), nor more than a lifetime total of £12 million (£20 million for a “knowledge intensive” company), from State aid sources including from VCTs and under the Enterprise Investment Scheme;

- (e) have made its first commercial sale less than seven years ago (ten years for a “knowledge intensive” company which can also elect to start this ten year period from the last day of the accounting period in which it first reaches a turnover of £200,000) unless one or more of the exemptions set out at paragraph 1(l) above applies;
- (f) apply the money raised for the purposes of a qualifying trade carried on by the company or its qualifying 90% subsidiary within certain time periods and more generally for the purpose of growth and development of its business;
- (g) must at all times have a permanent establishment in the United Kingdom; and
- (h) not be controlled by another company nor control another company save where this is a qualifying 51% subsidiary.

Companies whose shares are traded on AIM are treated as unquoted companies for the purposes of eligibility as a Qualifying Investment. Unquoted company shares that subsequently become listed may still be regarded as a Qualifying Investment for a further five years following listing, provided all other conditions are met.

Conditions to be met by Venture Capital Trusts continued

3. Qualifying Companies

A qualifying company must exist wholly or mainly for the purpose of carrying on a qualifying trade or be the parent company of a qualifying trading group. For this purpose, certain activities are prohibited such as dealing in land or shares or providing financial, legal or accountancy services, managing nursing homes or hotels (where the manager is in occupation or owns an interest in the land), property development, leasing or farming, shipbuilding, and coal and steel production. The trade must either be carried on by, or be intended to be carried on by, the qualifying company or by a qualifying subsidiary at the time of the issue of its shares or securities to the VCT (and by such company or its qualifying subsidiary at all times thereafter). A qualifying subsidiary for these purposes is at least 90% directly owned by the qualifying company, or is a 100% subsidiary of at least a 90% subsidiary of the qualifying company, or is at least a 90% subsidiary of a 100% subsidiary of the qualifying company.

A company intending to carry on a qualifying trade must begin to trade within two years of the issue of shares or securities to the VCT.

A qualifying company can be the parent company of a trading group. If this is the case, the group, when taken together as one business, must carry on activities which constitute a qualifying trade. Any subsidiary must be more than 50% owned. However, if a subsidiary is one which carries on the trade by reference to which the investment is to qualify as a Qualifying Investment, that subsidiary must be a 90% qualifying subsidiary as described above.

4. Approval as a VCT

A VCT must be approved at all times by HMRC. Approval has effect from the time specified in the approval. A VCT cannot be approved unless the tests are met throughout the most recent complete accounting period of the VCT and HMRC is satisfied that they will be met in relation to the accounting period of the VCT which is current when the application is made. However, in order to facilitate the launch of a VCT, HMRC may provisionally approve a VCT notwithstanding that certain of the tests are not met at the time of application, provided that HMRC is satisfied that the tests will be met within certain time limits. In particular, in the case of the test described at 1(d) and (f) above, approval may be given if HMRC is satisfied that this will be met throughout an accounting period of the VCT beginning no more than three years after the date when approval takes effect.

5. Definition of “Knowledge Intensive” Company

In order to meet the definition of a knowledge intensive company, a company must meet one or both of the two “operating costs conditions” set out below and one or both of the “innovation condition” and the “skilled employee condition”.

The first “operating costs condition” is that in at least one of the relevant three preceding years at least 15% of the relevant operating costs constituted expenditure on research and development or innovation.

The second “operating costs condition” is that in each of the relevant three preceding years at least 10% of the relevant operating costs constituted such expenditure.

The “innovation condition” is met where the relevant company is engaged in intellectual property creation and it is reasonable to assume that, within ten years of the applicable time, one or a combination of the exploitation of relevant intellectual property held by the company and business which results from new or improved products, processes or services utilising relevant intellectual property held by the company.

The “skilled employee condition” is met if at least 20% of a company’s full time employees hold a relevant higher education qualification and are engaged directly in research and development.

The above is only a summary of the conditions to be satisfied for a company to be treated as a VCT.

Part Nine:

Definitions

Definitions

The following definitions apply throughout this document unless the context requires otherwise:

Admission	the date on which FWT Shares allotted pursuant to the Offer are listed on the Official List of the FCA and admitted to trading on the London Stock Exchange's market for listed securities
AIM	the Alternative Investment Market
Applicant	a person who makes an Application
Application	an application for FWT Shares pursuant to the Offer
Application Form	the form pursuant to which an Application may be made and which will be made available in connection with the Offer by the Company on its website
Articles	the articles of association of the Company (as amended from time to time)
BDO	BDO LLP, the Company's sponsor, which is authorised and regulated by the FCA with firm number 229378 '
Board or Directors	the Board of Directors of the Company
Business Days	any day (other than a Saturday or Sunday) on which clearing banks are open for normal banking business in sterling
CA 2006	the Companies Act 2006 (as amended)
Closing Date	3 April 2024 (12 noon) in respect of the 2023/2024 tax year and 30 April 2024 (12 noon) in respect of the 2024/25 tax year, or as soon as full subscription is reached (unless closed earlier at the Board's discretion)

Company	Foresight Technology VCT plc (company number 07289280) (formerly Foresight Solar & Technology VCT plc)
Companies Acts	the Companies Act 1985 and CA 2006
CREST	the computerised settlement system to facilitate the transfer of title to securities in uncertified form operated by Euroclear UK & Ireland Limited
Deferred Convertible Preference Shares	means the separate unlisted class of shares of 1p each in the capital of the Company entitled "Deferred Convertible Preference Shares" which have the rights and are subject to the restrictions attributed to Deferred Convertible Preference Shares in the Articles and which do not form part of the Company's ordinary share capital
Deferred Shares	means the separate, unlisted class of shares of 1p each in the capital of the Company entitled "Deferred Shares" which have the rights and are subject to the restrictions attributed to Deferred Shares in the Articles and which do not form part of the Company's ordinary share capital
Direct Investor	an Investor who makes an application with reference to an intermediary

Distributions	amounts paid by way of dividends, tender offers, share buy-backs, proceeds on a sale or liquidation of the Company and any other proceeds or value received, or deemed to be received, by Shareholders in the Company in respect of Shares, excluding any income tax relief on subscription
Early Bird Discount	the discount of 1.0% applicable to Applications received by 12 noon on 1 December 2023
Eligible Shares	in relation to a company which is a Qualifying Company, means shares which may carry a non-cumulative and non-discretionary preferential right to dividends but not to the assets of the company on its winding up, and which may carry no present or future right to be redeemed
FCA	the Financial Conduct Authority
Foresight	references to "Foresight" in this document refer to the Manager and/or the Adviser and to the historical activities of Foresight Group more generally
Foresight Entities	the Manager and/or the Adviser and/or the Promoter (as the context dictates) (and each a "Foresight Entity")
Foresight Funds	funds managed or advised by a Foresight Entity
Foresight Group	a collective term for all of the entities owned by Foresight Group Holdings Limited, Foresight Group CI Limited and/or Foresight Group LLP, indirectly and indirectly

Definitions continued

Foresight VCTs	venture capital trusts managed or advised by a Foresight Entity
FSMA	the Financial Services and Markets Act 2000 (as amended)
FWT EIS Fund	the Foresight WAE Technology EIS Fund, sister fund to the FWT Share class and also managed by Foresight Group LLP
FWT Funds	the FWT Share class and the FWT EIS Fund
FWT Share Class	the aggregate of the capital raised by subscriptions for FWT Shares issued by the Company, all income and assets derived therefrom and all expenses and liabilities attributable thereto
FWT Shares	the FWT Shares of 1p each in the capital of the Company
HMRC	HM Revenue & Customs
Initial NAV	NAV as at the date of first admission of FWT Shares to the Official List
Inside Information	as defined in section 118C of FSMA
Investee Companies	a company in which the FWT Share class has made, or intends to make, a Qualifying Investment (and each an "Investee Company")
Investment Adviser or Adviser	Foresight Group CI Limited, a Guernsey company with registered number 51471, licensed by the Guernsey Financial Services Commission with reference number 2006518

Investment Manager or Manager	Foresight Group LLP, a limited liability partnership registered in England and Wales with registration number OC300878, authorised and regulated by the FCA with firm reference number 198020
Listing Rules	the listing rules of the FCA
London Stock Exchange	London Stock Exchange plc
Loyalty Discount	the discount of 0.5% applicable to Applications received from an existing shareholder in any of the Foresight VCTs
Memorandum	the memorandum of association of the Company
Money Laundering Regulations	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulation 2017 (as amended)
NAV or Net Asset Value	the net asset value attributable to the FWT Shares calculated in accordance with the Company's normal accounting policies in force at the date of calculation
Offer or FWT Share Offer	the offer for subscription to raise in aggregate up to £15 million (with an over-allotment facility of up to an additional £10 million) by issues of FWT Shares by the Company pursuant to the Prospectus
Offer Shares	the FWT Shares proposed to be issued pursuant to the Prospectus

Official List	the official list of the FCA maintained in accordance with section 74(1) of FSMA
Ordinary Shares	ordinary shares of 1p each in the capital of the Company, of which there are currently none in issue
Ordinary Shares Fund	the aggregate of the capital raised by subscriptions for Ordinary Shares issued by the Company (and those share historically converted into Ordinary Shares), all income and assets derived therefrom and all expenses and liabilities attributable thereto
Overseas Claims	claims brought by the Company against the Spanish and Italian governments in connection with the availability of subsidies for solar installation projects in which the Ordinary Shares fund had invested
Pricing Formula	the formula applied in calculating the number of FWT Shares to be issued to each Applicant as set out on page 70 of this document
Promoter	Foresight Group Promoter LLP, a limited liability partnership registered in England and Wales with registered number OC421343 which is an appointed representative of Foresight Group LLP with FCA reference number 806061

Definitions continued

Prospectus	together this Securities Note, the Registration Document and the Summary
Prospectus Regulation	Regulation (EU) 2017/1129 as it forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018
Qualifying Company	an unquoted (including an AIM-listed) company which satisfies the requirements of Part 4 of Chapter 6 of the Tax Act
Qualifying Investments	shares in, or securities of, a Qualifying Company held by a venture capital trust which meets the requirements described in Parts 3 and 4 of Chapter 6 of the Tax Act
Receiving Agent	Woodside Corporate Services Limited (registered number 06171085)
Registrar	Computershare Investor Services plc (registered number 03498808)
Registration Document	the registration document issued by the Company dated 6 September 2023 in connection with the Offer
Securities Note	this document
Shareholder	a holder of Shares in the Company
Shares	FWT Shares, Deferred Convertible Preference Shares and/or Deferred Shares as the context dictates

Summary	the summary issued by the Company dated 6 September 2023 in connection with the Offer
Tax Act	the Income Tax Act 2007 (as amended)
UK	the United Kingdom
VCT Rules	the legislation, rules and HMRC interpretation and practice regulating the establishment and operation of venture capital trusts
VCT Value	the value of an investment calculated in accordance with Section 278 of the Tax Act
Venture Capital Trust or VCT	a venture capital trust as defined in Section 259 of the Tax Act
WAE	WAE Technologies Limited

Part Ten:

Applications for FWT Shares

Terms and Conditions of Application

1. The contract created by the acceptance of Applications in the manner herein set out will be conditional upon the Admission of the FWT Shares to the Official List of the FCA and to trading on the London Stock Exchange's market for listed securities unless otherwise so resolved by the Board. If any Application is not accepted or if any Application is accepted for a lesser sum than that remitted, or if there is a surplus of funds from the Application amount, the Application monies or the balance of the amount paid on Application will be returned without interest to the account from which it was received or by post at the risk of the applicant (save where the amount is less than £1, in which case you authorise such amount to be paid to the Receiving Agent and used for its own purposes). In the meantime, Application monies will be retained by the Receiving Agent in a separate client account.
2. The Company reserves the right to present all cheques and banker's drafts for payment on receipt and to retain documents of title and surplus Application monies pending clearance of the successful applicants' cheques and banker's drafts. The Company may treat Applications as valid and binding even if not made in all respects in accordance with the prescribed instructions and the Company may, at its discretion, accept an Application in respect of which payment is not received by the closing date of the Offer.
3. By completing and delivering an Application Form, you (as the Applicant) acknowledge that your Application is addressed to the Company, the Promoter and the Receiving Agent for the purposes of acceptance of these terms and conditions, and further you (as the Applicant):
 - (a) irrevocably offer to subscribe for the amount of money specified in your Application Form which will be applied to purchase FWT Shares, subject to the provisions of (i) the Prospectus, (ii) these Terms and Conditions (iii) the Memorandum and Articles; and (iv) any document mentioned in paragraph (h) below;
 - (b) authorise the Company's Registrars to send definitive documents of title for the number of FWT Shares for which your Application is accepted and to procure that your name is placed on the register of members of the Company in respect of such FWT Shares and authorise the Receiving Agent to send you any monies returnable from the account from which it was received or by way of a crossed cheque by post to your address as set out in your Application Form;
 - (c) in consideration of the Company agreeing that it will not, prior to the closing date of the Offer, offer any FWT Shares to any persons other than by means of the procedures set out or referred to in the Prospectus, agree that your Application may not be revoked until the closing date of the Offer, and that this paragraph constitutes a collateral contract between you and the Company which will become binding upon despatch by post or delivery by hand of your Application Form duly completed to the Receiving Agent;
 - (d) understand that your cheque or banker's draft will be presented for payment on receipt, and agree and warrant that it will be honoured on first presentation and agree that, if it is not so honoured, you will not be entitled to receive certificates for the FWT Shares applied for or to enjoy or receive any rights or Distributions in respect of such FWT Shares unless and until you make payment in cleared funds for such FWT Shares and such payment is accepted by the Company (which acceptance shall be in its absolute discretion and may be on the basis that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and that at any time prior to unconditional acceptance by the Company of such late payment in respect of such FWT Shares, the Company may (without prejudice to their other rights) treat the agreement to allot such FWT Shares as void and may allot such FWT Shares to some other person in which case you will not be entitled to any refund or payment in respect of such FWT Shares (other than return of such late payment);
 - (e) agree that any Application monies for FWT Shares, together with other monies received from other Applicants for FWT Shares, will be held by the Receiving Agent in a client account for the purposes of either (a) the payment in respect of FWT Shares for which your Application is accepted and FWT Shares are allotted (which may not take place until several weeks after cleared funds have been received) and/ or (b) the return to you in circumstances where such payment as referred to in (a) are not made. In all circumstances, you acknowledge that interest earned on such monies will be paid to the Receiving Agent and used for its own purposes;

Terms and Conditions of Application continued

- (f) agree that any monies refundable to you may be retained by the Receiving Agent, as may be applicable, pending clearance of your remittance and any verification of identity which is, or which the Company and/or the Receiving Agent may consider to be, required for the purposes of the Money Laundering Regulations and that such monies will be paid without interest;
- (g) agree that all Applications, acceptances of Applications, instructions to facilitate initial adviser charges, payments of commission and contracts resulting therefrom will be governed by, and construed in accordance with, English law and that you submit to the exclusive jurisdiction of the English courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (h) agree that, in respect of those FWT Shares for which your Application has been received and processed and not refused, acceptance of your Application shall be constituted by inclusion in an allotment of FWT Shares to you pursuant to the Offer;
- (i) agree that, having had the opportunity to read the Prospectus and any supplementary prospectus issued by the Company and filed with the FCA, you shall be deemed to have had notice of all information and representations concerning the Company contained herein and in any announcement made by the Company on an appropriate Regulatory Information Service (whether or not so read);
- (j) agree that all documents in connection with the Offer and any returned monies will be sent at your risk and may be sent by post to you at your address as set out in the Application Form;
- (k) confirm that in making such Application you are not relying on any information or representation in relation to the Company other than those contained in the Prospectus and any supplementary prospectus filed with the FCA and you accordingly agree that no person responsible solely or jointly for this document and/or any supplementary prospectus or any part thereof or involved in the preparation thereof shall have any liability for any such information or representation;
- (l) confirm and warrant that the information provided on the Application Form is true and accurate and that any instructions thereon in relation to the facilitation of initial adviser charges are confirmed and that you irrevocably authorise the Company (as required) to make such payments from remitted funds;
- (m) confirm that you have reviewed the restrictions contained in this paragraph 3 and paragraph 4 below and warrant as provided therein;
- (n) warrant that you are not under the age of 18 years;
- (o) agree that these warranties are made, and the Application Form is addressed to the Company, the Promoter and the Receiving Agent;
- (p) agree to provide the Company, the Promoter and/or the Receiving Agent with any information which they may request in connection with your Application and/ or in order to comply with the Venture Capital Trust or other relevant legislation and/or the Money Laundering Regulations;
- (q) warrant that, in connection with your Application, you have observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will or may result in the Company, the Receiving Agent or any Foresight Entity acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your Application;
- (r) confirm that you are not a US person as defined under the United States Securities Act of 1933, as amended, or a resident of Canada and that you are not applying for any FWT Shares with a view to their offer, sale, delivery to or for the benefit of any US person or a resident of Canada, and that you have reviewed the restrictions contained in paragraph 5 below and warrant compliance therewith;
- (s) agree that neither the Receiving Agent nor any Foresight Entity will regard you as its customer by virtue of you having made an Application for FWT Shares or by virtue of such Application being accepted;

Terms and Conditions of Application continued

- (t) declare that a loan has not been made to you or any associate, which would not have been made or not have been made on the same terms, but for you offering to subscribe for, or acquiring FWT Shares and that the FWT Shares are being acquired for bona fide commercial purposes and not as part of a scheme of arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax;
 - (u) warrant that, if you sign the Application Form on behalf of somebody else, you have due authority to do so on behalf of that other person, and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties, undertakings and authority contained herein and undertake to enclose your power of attorney or a copy thereof duly certified by a solicitor or bank with the Application Form; and
 - (v) consent to the information provided on the Application Form being provided to the Registrars to process shareholding details and send notifications to you.
4. No action has been or will be taken in any jurisdiction by, or on behalf of, the Company which would permit a public offer of FWT Shares in any jurisdiction where action for that purpose is required, other than the United Kingdom, nor has any such action been taken with respect to the possession or distribution of the Prospectus other than in the United Kingdom. No person receiving a copy of this document or any supplementary prospectus filed with the FCA or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to them nor should they in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to them or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application for FWT Shares to satisfy themselves as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
 5. The FWT Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States. In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. Neither Foresight Group CI Limited nor Foresight Group LLP is, nor will be, registered under the United States Investment Advisers Act of 1940, as amended. No subscription will be accepted if it bears an address in the USA.
 6. The basis of allocation will be determined by the Company (after consultation with BDO, the Promoter and the Receiving Agent) in its absolute discretion. It is intended that Applications will be accepted in the order in which they are received. The Offer will be closed on 30 April 2024 or as soon as full subscription is reached (unless closed earlier at the Board's discretion). The right is reserved, notwithstanding the basis so determined, to reject in whole or in part and/ or scale down any Application, in particular multiple and suspected multiple Applications which may otherwise be accepted, and to allot FWT Shares notwithstanding that the Offer is not fully subscribed. Application monies not accepted or if the Offer is withdrawn will be returned to the Applicant in full by means of a transfer back to the account from which it was received or by cheque, posted at the applicant's risk. The right is also reserved to treat as valid any Application not complying fully with these terms and conditions of Application or not in all respects complying with the application procedures set out in Part Ten. In particular, but without limitation, the Company (after consultation with BDO, the Promoter and the Receiving Agent) may accept Applications made otherwise than by completion of an Application Form where the Applicant has agreed in some other manner to apply in accordance with these terms and conditions. The Offer is not underwritten. The Offer will be suspended if at any time the Company is prohibited by statute or other regulations from issuing FWT Shares.
 7. Save where the context requires otherwise, terms defined in the Prospectus and any supplementary prospectus filed with the FCA bear the same meaning when used in these terms and conditions of Application and in the Application Form.

Terms and Conditions of Application continued

8. Authorised financial intermediaries who, acting on behalf of their clients, return valid Application Forms (in each case bearing their stamp and FCA number) following the provision of restricted advice to their professional clients or in respect of execution-only transactions where they can demonstrate and confirm to the Company that their duty to act honestly, fairly and professionally in the best interest of the client is not impaired and that they provide an enhanced value service in accordance with COBS 2.3A.6 to 2.3A.9, will normally be paid 3% commission on the amount payable in respect of the FWT Shares allocated for each such Application Form. In addition, provided they continue to act for their client and the client continues to hold such FWT Shares, such intermediaries will be paid an annual trail commission of 0.5% of the net asset base value for each such FWT Share. For this purpose, “net asset base value” means the net assets attributable to the FWT Share in question as determined from the audited annual accounts of the Company as at the end of the preceding financial year. It is expected that annual trail commission will be paid five months after the year end of the Company in each year. The administration of annual trail commission will be managed on behalf of the Promoter by Foresight Group LLP which will maintain a register of intermediaries entitled to trail commission. The Company and Foresight Group LLP shall be entitled to rely on a notification from a client that they have changed their adviser, in which case, the trail commission will cease to be payable to the original adviser and will be payable to the new adviser if one is appointed. No payment of trail commission shall be made to the extent that the cumulative trail commission would exceed 3% of the Offer price of each such FWT Share or in respect of any period commencing after the sixth anniversary of the closing date of the Offer. Financial intermediaries should keep a record of Application Forms submitted bearing their stamp or substantiate any claim for commission. The Promoter (or Foresight Group LLP on its behalf) will collate the Application Forms bearing the financial intermediaries’ stamps and calculate the initial commission payable which will be paid within one month of the allotment.
9. Financial intermediaries may agree to waive initial commission in respect of your application. If this is the case, the Pricing Formula will operate to increase your allocation by an amount equivalent to the amount of commission waived.
10. Where Application Forms are returned by you or on your behalf by an authorised financial intermediary and on which an adviser charge figure is specified, your agreement to this charge being validated by your completion of the relevant section of the Application Form, the Company will facilitate the payment of this adviser charge up to a maximum of 4.5% of your subscription amount. The amount of the agreed Adviser Charge will be facilitated by the Company through the application of the Pricing Formula and a payment made on your behalf to your intermediary and the number of FWT Shares which are issued to you will be commensurately reduced.
11. There has been no material disparity in the past year (from the date of this document), nor shall there be under the Offer in the effective cash cost of FWT Shares to members of the public as compared with the effective cash cost of FWT Shares to members of the Company’s management (including its administrative and supervisory bodies) or their affiliates.
12. Where Application Forms are returned on your behalf by an authorised financial intermediary, the Promoter at its sole discretion will determine the Promoter’s Fee applicable to your application for FWT Shares, subject to a maximum of 2.5% of the amount subscribed.
13. The Company may publish revised Application Forms from time to time. Applicants and financial intermediaries should, therefore, check when completing an Application Form that no subsequent version has been published or made available by the Company (which will be downloadable from <https://www.foresightgroup.eu/products/foresight-technology-vct-plc-fw-shares>
14. The Company and Foresight Group LLP respect your privacy and are committed to protecting your personal information. If you would like to find out more about how the Company and Foresight Group LLP use and look after your personal information, please refer to their privacy notices, which can be found at <https://www.foresightgroup.eu/privacy-policy/> and <https://www.foresightgroup.eu/cookie-policy/>.

The Receiving Agent respects your privacy and is committed to protecting your personal information. If you would like to find out more about how the Receiving Agent uses and looks after your personal information, please refer to its privacy notices, which is available on request from the Receiving Agent.

You have certain rights in relation to your personal information, including the right to receive a copy of the information that is held about you. For more details, please see the privacy notice referred to above.
15. Certain information may be shared with the Company’s and/or Foresight Group’s delegates, Foresight Entities, and/or the Registrars for the purposes of processing an Application Form and in relation to an investor’s ongoing investment in the Company. Information may also be shared with regulatory bodies to the extent any of the above entities or the Receiving Agent are required, or consider obliged, to do so in accordance with any statute or regulation or if governmental, judicial and law enforcement bodies require.

Terms and Conditions of Application continued

16. You authorise the Company, Foresight Group LLP and their delegates to provide any information as provided by or to you in connection with your Application, and any information in relation to your ongoing investment in the Company, to your authorised financial intermediary detailed on your Application Form or other authorised financial intermediary notified to Foresight Group and/or the Company from time to time. You acknowledge that any such communication may be sent to your authorised financial intermediary prior to or, where requested, in place of, being sent to you in such form as may be agreed with your authorised financial intermediary. You also authorise the Company, Foresight Group LLP and its delegates to accept instructions relating to your investment in the Company and changes to your personal details as provided by such authorised financial intermediary (subject to such evidence and/or verification as the Company, Foresight Group and/or their delegates may request).
17. The Company may, in its absolute discretion, make non-material amendments to these terms and conditions without giving notice to investors.

Lodging of Application Forms and Dealing Arrangements

Completed Application Forms with the appropriate remittance must be posted or delivered by hand on a Business Day between 9.00am and 5.30pm to the Receiving Agent. Applications can also be submitted electronically to clientonboarding@foresightgroup.eu.

The Offer opens on 6 September 2023 and will close on 30 April 2024, or earlier at the discretion of the Directors. If you post your Application Form, you are recommended to use first class post and to allow at least two Business Days for delivery. In order that cleared funds are available for allotment prior to the 2023/2024 tax year end on 5 April 2024, Applicants submitting Applications with a cheque should allow seven working days for their funds to clear. It is expected that dealings in the FWT Shares will commence three Business Days following allotment and that share certificates will be despatched within ten business days of the allotment of the FWT Shares. Allotments will be announced on an appropriate Regulatory Information Service. Temporary documents of title will not be issued. Dealings prior to receipt of share certificates will be at the risk of applicants. A person so dealing must recognise the risk that an application may not have been accepted to the extent anticipated or at all. To the extent that any application is not accepted any excess payment will be returned without interest by returning the applicant's cheque or banker's draft or by sending a crossed cheque in favour of the applicant through the post, at the risk of the person entitled thereto.

Application Procedure

Application Procedure

Before making any application to acquire FWT Shares you are strongly recommended to consult an independent financial adviser authorised under the Financial Services and Markets Act 2000. To fill out the Application Form:

Section 1

Insert your full name and address in BLOCK CAPITALS. Individuals can only apply on their own behalf and in their own name. You must also give your own address, full postcode, date of birth and National Insurance Number. Telephone numbers will only be used in case of a query with regard to your application. Please tick the relevant box in this Section if you are an existing shareholder in one or more of the Foresight VCTs.

The Registrar will use your personal details on the Application Form to identify whether you are an existing Shareholder in the Company, and, where identifiable, add your new Offer Shares to your existing holding account designation. Please tick the relevant box in this Section if you are an existing shareholder in one or more of the Foresight VCTs. If you are a beneficial shareholder you may be asked for additional supporting information to qualify for the Existing Foresight Shareholder Loyalty Discount (which shall be applied at the discretion of the Promoter).

Section 2

If you wish to hold your FWT Shares through a nominee or in CREST, please complete the relevant details in section 2. Please note that if the details are not accurate and/or cannot be verified, Offer Shares will be issued in your name in certificated form.

Please ensure that you validate the CREST Participant ID and CREST Member ID with your nominee and provide the nominee contact details.

Section 3

Insert (in figures rounded to £100s) the total amount you wish to invest. Your application must be for a minimum of £3,000 and thereafter in multiples of £1,000. You can also specify in Section 3 how you would like your subscription monies split between tax years 2023/24 and 2024/25, allowing for more efficient tax planning.

If you are paying by cheque please make it payable to "WCSL FWT Shares Client Acc". Cheques must be honoured on first presentation. A separate cheque must accompany each application. No receipt for your payment will be issued. The cheque or banker's draft must be drawn in sterling on an account at a bank branch or building society in the United Kingdom and bear a bank sort code number in the top right hand corner. Additionally, if you use a building society cheque or banker's draft, you should write the name, address and date of birth of the person named in Section 1 of the Application Form on the back of the cheque or banker's draft. You may pay by direct transfer. For details please see page 99. Cheques and transfers from corporate accounts are not permitted. Any monies not accepted will be returned by the applicant's cheque or banker's draft or by sending a cheque crossed "Account Payee Only" in favour of the applicant. Please tick the box to confirm that the cheque/transfer is being made from a bank account in your own name. If this is not the case, please tick the box and state where/who the monies are being sent from and the connection to you.

Section 4

The Company would like to communicate with you electronically in respect of your shareholding in the Company. This means that you will receive notification by email (where you have provided an email address) that information and/or documents published by the Company are available on the Company's website. If no email address is provided, then the Company will make notifications by way of letter. This will apply unless you elect to receive hard copy documents via post.

Section 5

Please complete this section with your bank details for future dividends to be paid into your nominated bank account. Please note, the Company only pays dividends by way of bank transfers.

Section 6

Please confirm in section 6, by ticking the relevant box, whether your application is direct or through a financial intermediary, and, if the latter, whether you have agreed an adviser charge with that intermediary.

Application Procedure continued

Section 7

If you have an authorised financial intermediary whom you have agreed a fee and you would like the payment of that agreed fee to be facilitated through your subscription for FWT Shares, please specify in Section 7 the amount of the initial adviser fee agreed between you in relation to this product up to a maximum of 4.5% of the amount subscribed. Charges may be described in pounds or as a percentage of funds invested, as agreed between you and your intermediary.

Any adviser charge in excess of the maximum amount will need to be settled directly to your adviser. For the avoidance of doubt, any adviser charge payable to a financial intermediary in connection with an Application for Offer Shares will be expressed, for the purposes of calculating a bespoke issue price to an investor under the Pricing Formula, as a percentage of the investment amount. This will however not affect the amount of commission payable to a financial intermediary. Ongoing adviser charges will need to be settled directly by the investor.

Section 8

Sign and date the form. If the form is signed on your behalf by an attorney or other agent, that person should state on the form the capacity in which they are signing and the original power(s) of attorney or a copy thereof duly certified by a solicitor must be enclosed for inspection and will be returned in due course.

Section 9 – 13

These sections are to be completed by your authorised financial intermediary

Money Laundering Notice – Important

The identity of the Applicant will need to be verified. The personal information that you provide on the Application Form will be used to verify your, or third party account holder's, identity with a third party agency. In some circumstances you may also be required to provide the following documents before your Application is accepted.

1. a certified copy of either the passport or the driving licence of the applicant; and
2. an original bank or building society statement or utility bill (no more than three months old), or recent tax bill, in the name of the Applicant.

Copies should be certified by your financial adviser, a solicitor or bank. Original documents will be returned by post at your risk.

Please send the entire Application Form and a cheque made payable to 'WCSL FWT SHARES CLIENT ACC' (unless you have made the payment by electronic bank transfer using the details set out below) by post to the Receiving Agent at the address specified in the Application Form.

Bank transfers

Sort code: 80-20-00 A/c no: 10375564
A/c Name: WCSL FWT SHARES CLIENT ACC
Bank: Bank of Scotland
BIC/IBAN: GB39 BOFS 8020 0010 3755 64

Please reference bank transfers with your surname, initials and postcode (if space permits). This will help us identify your transfer easily.

Should your bank branch require the full account name when making a transfer, it is Woodside Corporate Services Limited (WCSL).

Corporate Information

Corporate Information

Directors (Non-executive)

Ernie Richardson (Chairman)
Tim Dowlen
Carol Thompson

Registered Office and Head Office

Foresight Group LLP
The Shard
32 London Bridge Street
London SE1 9SG

Company Registration Number

07289280

Website

foresight.group

Telephone Number

020 3667 8100

Investment Manager and Company Secretary

Foresight Group LLP
The Shard
32 London Bridge Street
London SE1 9SG

Registrars

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

Investment Adviser

Foresight Group CI Limited
PO Box 650
1st Floor Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey GY1 3JX

Promoter

Foresight Group Promoter LLP
The Shard
32 London Bridge Street
London SE1 9SG

Solicitors and VCT Status Adviser

RW Blears LLP
6 Kinghorn Street
London EC1A 7HT

Broker

Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF

Sponsor

BDO LLP
55 Baker Street
London W1U 7EU

Receiving Agent

Woodside Corporate Services Limited
4th Floor, 50 Mark Lane
London EC3R 7QR

Bankers

Barclays Bank plc
54 Lombard Street
London EC3P 3AH

Auditors

Deloitte LLP
20 Castle Terrace
Edinburgh EH1 2DB



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Foresight
FOR A SMARTER FUTURE

WAE
A Fortescue Company

Foresight Technology VCT plc
The Shard
32 London Bridge Street
London
SE1 9SG

fwt.foresight.group

FORESIGHT TECHNOLOGY VCT PLC

SUMMARY

SECTION 1: INTRODUCTION

This summary document forms part of a prospectus dated 6 September 2023 (the "**Prospectus**") issued by Foresight Technology VCT plc (the "**Company**") and which has been approved, on that date, by the Financial Conduct Authority (the "**FCA**"), the competent authority under Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018. The Prospectus is constituted of this summary, a registration document and securities note published by the Company.

The Prospectus describes a public offer by the Company to raise up to £15 million (with an over-allotment facility for up to a further £10 million) (the "**Offer**"). The securities being offered pursuant to the Offer are FWT Shares of 1 penny each (ISIN: GB00BKF2JH04) ("**FWT Shares**").

The FCA may be contacted at:
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

The Issuer's contact details are:

Address: The Shard, 32 London Bridge Street, London SE1 9SG
Email: investorrelations@foresightgroup.eu
Website: <https://www.foresightgroup.eu/products/foresight-technology-vct-plc>
Telephone: 020 3667 8181
LEI: 21380013CXOR8N6OD977

Warning: This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities described herein should be based on a consideration of the prospectus as a whole by the prospective investor. Investors could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus or where it does not provide, when read together with other parts of the Prospectus, key information in order to aid Investors when considering whether to invest in the FWT Shares.

SECTION 2: KEY INFORMATION ON THE ISSUER

Who is the Issuer of the securities?

The issuer of the securities which are the subject of the Prospectus is Foresight Technology VCT plc (the "**Company**").

The Company is a public limited liability company which is registered in England and Wales with registered number 07289280. Its Legal Entity Identifier is 21380013CXOR8N6OD977. The Company is approved by HMRC as a venture capital trust (VCT) in accordance with the VCT Rules. It is intended that the business of the Company be carried on so as to maintain its VCT status.

The Company has no parent company and is owned by individuals, none of whom owns more than 3% of its ordinary share capital. The Company has three non-executive Directors – Ernie Richardson, Tim Dowlen and Carol Thompson.

The Company has two wholly owned subsidiaries, Youtan Limited (company number 09834432) with a registered office same as the Company and Foresight VCT (Lux) 1 Sarl whose registered office is 17 Boulevard F.W. Raiffeisen, 2411 Luxembourg.

The Company’s auditors are Deloitte LLP of 20 Castle Terrace, Edinburgh EH1 2DB.

What is the key financial information regarding the Issuer?

Certain key historical information of the Company is set out below:

	Audited year ended 31 March 2023	Audited year ended 31 March 2022	Audited year ended 31 March 2021
Net Assets	£25,295,000	£53,733,000	£33,996,000
Number of shares in issue	34,593,623 Ordinary Shares 22,200,316 FWT Shares	34,593,623 Ordinary Shares 17,058,716 FWT Shares	35,109,032 Ordinary Shares 10,021,408 FWT Shares
Net asset value per Share	7.2p per Ordinary Share 102.8p per FWT Share	107.3p per Ordinary Share 97.4p per FWT Share	68.9p per Ordinary Share 98.0p per FWT Share
Dividends paid per Share in the period	132.0p per Ordinary Share	Nil	2.0p per Ordinary Share

Income statement

	Audited year ended 31 March 2023 (£ '000)	Audited year ended 31 March 2022 (£ '000)	Audited year ended 31 March 2021 (£ '000)
Investment holding gains/(losses)	(12,096)	14,966	(17,500)
Realised losses on investments	27,917	(1,121)	-
Net Profit / (Loss) after taxation	12,098	13,594	(836)
Investment management fees	(3,820)	(692)	(454)
Other expenses	(559)	(461)	(478)
Profit / (Loss) per Share	31.9p per Ordinary Share 5.5p per FWT Share	38.3p per Ordinary Share 1.8p per FWT Share	(1.8)p per Ordinary Share (5.0)p per FWT Share

Balance Sheet

	Audited year ended 31 March 2023 (£ '000)	Audited year ended 31 March 2022 (£ '000)	Audited year ended 31 March 2021 (£ '000)
Fixed assets			
Investments held at fair value through profit or loss	19,951	46,231	25,352
Current assets			
Debtors	183	442	1,057
Cash	5,437	7,214	8,076
Creditors			
Amounts falling due within one year	(276)	(154)	(489)
Capital and reserves			
Called up share capital	568	517	451
Share premium account	19,079	13,998	7,515
Capital redemption reserve	208	208	203
Distributable reserve	1,828	38,112	38,255
Capital reserve	603	(14,207)	(12,567)
Revaluation reserve	3,009	15,105	139
Equity Shareholders' Funds (Ordinary Shares)	2,477	37,111	24,178
Equity Shareholders' Funds (FWT Shares)	22,818	16,622	9,818
Net asset value per Ordinary Share	7.2p	107.3p	68.9p
Net asset value per FWT Share	102.8p	97.4p	98.0p

The Company's NAV per FWT Share as at 31 March 2023 was 102.8p. No dividends have been paid to date in respect of the FWT Shares.

The Company's NAV per Ordinary Share as at 31 March 2023 was 7.2p. Pursuant to a special resolution passed at a general meeting held on 5 July 2023, the Company resolved to pay a final special dividend of 5.5p per Ordinary Share (which dividend was paid on 25 July 2023) and close the Ordinary Shares fund. This closure was achieved by the redesignation of the 34,593,623 Ordinary Shares then in issue as 547,034 FWT Shares (representing the residual value of the Ordinary Shares fund after the payment of the final dividend) and 34,046,589 Deferred Convertible Preference Shares. The Deferred Convertible Preference Shares held by the former Ordinary Shareholders carry the right to be converted into further FWT Shares (at their then value) in the event that the Company receives future payments from claims the Company has made against the Spanish

and Italian Governments in respect of misrepresentations around the availability of tax subsidies related to solar installations, which are currently in progress but without a clear timeline for their conclusion. In the absence of such a payment, the only rights attributable to the Deferred Convertible Preference Shares is to receive the income and capital from a set aside fund of £2 and, in like manner to the Deferred Shares in issue following a previous reorganisation undertaken by the Company, the Deferred Convertible Preference Shares do not form part of the Company's ordinary share capital and therefore will not be listed and no trading in these shares is expected to occur.

As at the date of the Prospectus, the Company's entire issued share capital consists of 25,419,835 FWT Shares, 1,222,778 Deferred Shares and 34,046,589 Deferred Convertible Preference Shares.

What are the key risks that are specific to the Issuer?

- The value of FWT Shares may fall as well as rise and an investor may not receive back the full amount invested. The past performance of investments made by the Company, Foresight Group and other funds managed or advised by Foresight Group and its related entities is not a reliable guide to future performance and the value of an investment in the Company.
- Investments made by the Company will be in companies which have a higher risk profile than larger "blue chip" companies and whose securities are not readily marketable and therefore may be difficult to realise.
- VCT legislation now requires VCTs to invest in younger, higher risk companies than has historically been the case and requires invested capital to be at risk to an extent greater than the post-tax relief return.
- The tax rules, or their interpretation, in relation to an investment in the Company and/or the rates of tax may change during the life of the Company and may apply retrospectively which could affect tax reliefs obtained by Shareholders and the VCT status of the Company.
- There can be no guarantee that the Company will retain its status as a VCT, the loss of which could lead to adverse tax consequences for investors, including a requirement to repay the 30% income tax relief.
- Although the Company may receive customary venture capital rights in connection with its investments, as a minority investor it will not be in a position to protect its interests fully.

SECTION 3: KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

The securities being offered pursuant to the Offer are FWT Shares of 1 penny each (ISIN: GB00BKF2JH04).

As at the date of this document there are 25,419,835 FWT Shares in issue (all fully paid up). The maximum number of FWT Shares to be issued pursuant to the Offer is 30 million. The FWT Shares will rank equally in all respects with each other and with the existing FWT Shares.

Returns from profitable exits will be paid to investors in the form of tax free dividends, at a targeted average rate of 5% per annum of the NAV of the FWT Shares. Investors should note that this is an estimated average target over a number of years and in any given year the 5% target may not be met (or may be exceeded). Due to the nature and returns profile of the underlying investments, the Board anticipates irregular dividends, paid as and when exits occur, to be a significant factor in the Company's ability to achieve or exceed the average 5% annual target. The Board is committed to initiate dividend payments as soon as possible and conducts regular portfolio reviews of potential exits with the manager's investment team.

FWT Shareholders will be entitled to receive certificates in respect of their FWT Shares and will also be eligible for electronic settlement.

The FWT Shares will be listed on the premium segment of the Official List and will be freely transferable.

Where will the securities be traded?

Applications will be made to the FCA for the FWT Shares offered for subscription pursuant to the Prospectus to be admitted to the premium segment of the Official List of the FCA. Application will also be made to the London Stock Exchange for such FWT Shares to be admitted to trading on its main market for listed securities. It is expected that admission will become effective and that trading in the FWT Shares will commence three business days following allotment.

Is there a guarantee attached to the securities?

There is no guarantee attached to the FWT Shares.

What are the key risks that are specific to the securities?

- Investors may find it difficult to realise their investment and the price at which Shares are traded may not reflect their net asset value.
- If an investor who subscribes for Shares disposes of those Shares within five years, the investor is likely to be subject to clawback by HMRC of any income tax relief originally obtained on subscription.
- Although the existing FWT Shares issued by the Company have been admitted to the Official List of the FCA and traded on the London Stock Exchange's main market for listed securities and it is expected that the FWT Shares issued pursuant to the Offer will likewise be so listed and admitted to trading, it is unlikely that there will be a liquid market as there is a limited secondary market for VCT shares and investors may find it difficult to realise their investments. The market price of the Shares may not fully reflect, and will tend to be at a discount to, their underlying net asset value.
- VCTs are prohibited from returning capital to investors within three years of the end of the accounting period in which the relevant shares were issued and this, as well as other factors, may affect the availability of dividends.

SECTION 4: KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC

Under which conditions and timetable can I invest in this security?

The Offer opens on the date of the Prospectus and will close on 30 April 2024 (or earlier at the discretion of the Directors or if full subscription is reached). Investors must be over 18 years old.

Application has been made to the FCA for the FWT Shares offered for subscription pursuant to the Prospectus to be admitted to the Official List of the FCA. Application will also be made to the London Stock Exchange for such FWT Shares to be admitted to trading on its market for listed securities. It is expected that Admission will become effective and that trading in the FWT Shares will commence three business days following allotment.

FWT Shares issued under the Offer will be at an offer price determined by the following pricing formula (rounded down to the nearest whole Share):

Price = NAV/X

where:

NAV = the latest announced net asset value per FWT Share

$X = 1 - \text{Total Net Fees}$

Total Net Fees = Promoter's fee plus up-front adviser charge or commission; less early bird and/or loyalty discount as applicable to each Investor.

The costs of the Promoter's fees and any applicable up-front intermediary commissions and adviser charges applicable to a particular investor will be borne by that Investor through the application of the Pricing Formula. The number of Offer Shares to be allotted will be determined by dividing the amount subscribed by an Investor by the price given by the above formula.

The Company and the Directors consent to the use of the Prospectus by financial intermediaries and accept responsibility for the information contained in this document in respect of any final placement of FWT Shares by any financial intermediary which has been given consent to use this document. The offer period within which subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use the Prospectus is given commences 6 September 2023 and closes on 30 April 2024. Information on the terms and conditions of the Offer by any financial intermediary is to be provided at the time of the Offer by that financial intermediary. Financial intermediaries may use the Prospectus in the UK.

Any financial intermediary which uses the Prospectus must state on its website that it uses the Prospectus in accordance with the consent and conditions attached thereto. Financial intermediaries are required to provide the terms and conditions of the Offer to any prospective investor who has expressed an interest in participating in the Offer to such financial intermediary. No financial intermediary will act as principal in relation to the Offer.

Why is this prospectus being produced?

The Offer is being made, and its proceeds will be used, to enable the Company to invest in a portfolio of qualifying companies selected by the Company's manager, Foresight Group LLP, in accordance with its investment policy. The FWT Share class invests principally in early stage UK technology companies and funds raised by the Offer will, no later than three years following the end of the accounting period in which those shares are issued, be invested as to at least 80% in unquoted disruptive UK technology companies with 30% of such funds so invested within the first 12 months. The remainder of such funds raised will be held in cash or other permitted non-qualifying investments. Funds raised in the future will be invested in accordance with prevailing VCT rules at the time of investment.

The Offer is not underwritten.

As far as the Issuer is aware, no person involved in the issue of the FWT Shares has an interest material to the Offer and there are no conflicts of interest which are material to the Offer.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FSMA").

This document is a registration document (the "**Registration Document**") issued by Foresight Technology VCT plc (the "**Company**") dated 6 September 2023 and has been prepared in compliance with Regulation (EU) 2017/1129 as it forms part of domestic UK law by virtue of the European Union (Withdrawal) Act 2018 (the "**Prospectus Regulation**"). The Company has also published additional information in a securities note (the "**Securities Note**") and a separate summary (the "**Summary**") written in non-technical language briefly setting out the essential characteristics and risks associated with the Company and the FWT Shares of 1p each in the capital of the Company (the "**FWT Shares**") which are being offered for subscription and which, together with this Registration Document, comprise a prospectus (the "**Prospectus**") and you are advised to read the Prospectus in full.

The Prospectus has been approved by the Financial Conduct Authority (the "**FCA**"), as competent authority under the Prospectus Regulation. The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Company or the quality of the securities that are the subject of the Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

Offer for Subscription by

Foresight Technology VCT plc

Registered in England and Wales under company number 07289280

to raise up to £15 million (with an over-allotment facility to raise up to a further £10 million) by way of issues of FWT Shares of 1p each in the capital of the Company

The Company and the Directors (whose names are set out on page 10) accept responsibility for the information contained in this Registration Document. To the best of the knowledge of the Company and the Directors, this Registration Document is in accordance with the facts and makes no omission likely to affect its import.

In connection with the Prospectus, BDO LLP ("**BDO**") is acting as sponsor to the Company and for no-one else and (subject to the responsibilities and liabilities imposed by FSMA and the regulatory regime established thereunder) will not be responsible to anyone other than the Company for providing the protections afforded to customers of BDO nor for providing advice in relation to the Offer. BDO is authorised and regulated in the UK by the FCA with firm reference number 229378.

In connection with the Prospectus, Foresight Group Promoter LLP (the "**Promoter**"), which is an appointed representative of Foresight Group LLP (which is registered with the FCA with firm reference 198020), is acting for the Company as the promoter of the Offer and no-one else and (subject to the responsibilities and liabilities imposed by FSMA and the regulatory regime established thereunder) will not be responsible to anyone other than the Company in relation to the Offer. The Promoter is an appointed representative of Foresight Group LLP and is registered with the FCA with firm reference number 806061.

Copies of this Registration Document, the Securities Note and the Summary are available (and any supplementary prospectus published by the Company will be available) free of charge from the Foresight website at <https://www.foresightgroup.eu/products/foresight-technology-vct-plc>.

Your attention is drawn to the Risk Factors on pages 3 to 5. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that might result from such investment.

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RISK FACTORS

Although the tax benefits available to investors in FWT Shares are significant, there are a number of risks which investors should consider carefully in addition to the other information presented in the Prospectus as a whole. The risks related specifically to the FWT Shares, as opposed to the Company more generally, are set out in the Securities Note.

If any of the risks described below were to occur, it could have a material effect on the Company's business, financial condition or results of operations. The risks and uncertainties described below are not the only ones the Company, the Board or investors in the Company will face. Additional risks not currently known to the Company or the Board, or that the Company or the Board currently believe are not material, may also adversely affect the Company's business, financial condition and results of operations. The value of Shares could decline due to any of these risk factors, and investors could lose part or all of their investment. Investors who are in doubt should consult their independent financial adviser. The attention of prospective investors is drawn to the following risks.

General unquoted investment risk factors

- The net asset value of the FWT Shares and the return received by investors will be dependent on the values and performance of the underlying investments in the FWT Shares fund portfolio. The value of the investments and income derived from them can rise and fall and an investor may not receive back the full amount invested. It should be noted that the Company has particular exposure to the technology sector, which has seen significantly falling valuations since early 2022. While this can afford opportunities for investors such as the Company to make new investments at attractive valuations, there is also the risk that, in the event this trend continues, the Company's own portfolio may fall in value.
- The past performance of investments made by the Company or other funds managed or advised by Foresight Entities should not be regarded as a reliable indication of the performance of investments to be made by the Company.
- Although the Company may receive conventional venture capital rights in connection with its investments, as a minority investor it will not be in a position fully to protect its interests.
- Investment in smaller and unquoted companies is likely to involve a higher degree of risk than investment in larger companies and those traded on the main market of the London Stock Exchange. Smaller companies generally may have limited product lines, markets or financial resources and may be more dependent on their management or key individuals than larger companies. Markets for smaller companies may not be regulated and are often less liquid, and this may cause difficulties in valuing and disposing of equity investments in such companies.
- Investments made by the Company will be in companies which have a higher risk profile than larger "blue chip" companies and whose securities are not readily marketable and therefore may be difficult to realise.
- Realisation of investments in unquoted companies can be difficult and may take considerable time. There may also be constraints imposed on the realisation of investments in order to maintain the VCT status of the companies which may restrict the Company's ability to obtain maximum value from its investments or to achieve the intended timing of distributions.
- Although the Company's Shares will be listed, it is unlikely that a liquid market for these Shares will develop as the initial VCT income tax relief is only available to those subscribing for new shares and there may never be two competitive market makers. It may, therefore, prove difficult for Shareholders to sell their Shares. In addition, there is no guarantee that the market price of the Shares will fully reflect their underlying net asset value or the ability to buy and sell at that price. It should be noted that shares held in VCTs usually trade at a discount to the VCT's net asset value.

VCT and taxation risk factors

- Changes to the VCT Rules in respect of investments made on or after 15 March 2018 have meant that VCTs may only invest in companies which pass a "risk to capital" gateway test requiring the Investee Company to have long term growth and development objectives and for the investment to carry a significant risk that invested capital will be lost over and above the net return to the Company irrespective of whether the return takes the form of income, capital growth, fees, other payments or anything else. This new test inherently increases the risk profile of companies in which the Company can invest.

- The VCT Rules also prohibit the making of secured loans by VCTs. Any loan capital held by the Company will therefore be unsecured and will rank behind secured creditors of the Investee Company in question. As loan capital investments by a VCT are separately restricted to a maximum of 30% of any new investment, and Investee Companies which meet the above noted "risk to capital" test tend not to be able to provide significant assets against which to secure loans in any case, the Board does not consider that this restriction materially increases the risk profile of investments made by the Company.
- Venture capital trusts are now required to invest 30% of new funds raised within 12 months of the end of the accounting period in which they were raised. While the Company and the Manager believe this investment time horizon is achievable based on the Manager's existing pipeline of investment opportunities without impacting the quality of potential investments, this added pressure on the Company to complete investments in a timely fashion could result in less attractive investments being prioritized in order to meet the statutory requirement.
- The Finance (No.2) Act 2015 introduced changes to the VCT Rules which have placed greater restrictions on the range of investments into which the Company can deploy funds. As a result, the Company is required to invest in businesses which are less than seven years old (less than 10 years for 'knowledge intensive' companies) and VCT funds cannot be used to finance acquisitions by Investee Companies. The penalty for breaching these new rules is the loss of VCT status, so the Company and its investors may face a higher risk of the loss of tax benefits than under the previous rules. Qualifying Investee Companies are also now subject to a lifetime risk finance investment limit of £12 million (£20 million for 'knowledge intensive' companies), which may restrict the Company's ability to make follow on investments.
- The Finance Act 2014 amended the VCT Rules, such that VCT status will be withdrawn if, in respect of shares issued on or after 6 April 2014, a dividend is paid (or other forms of distribution or payments are made to investors) from the capital received by the VCT from that issue within three years of the end of the accounting period in which shares were issued to investors. This may reduce the amount of distributable reserves available to the Company to fund dividends and share buybacks.
- The information, including tax rules, contained in this document is based on existing legislation. The tax rules or their interpretation in relation to an investment in the Company and/or the rates of tax, or other statutory provisions to which the Company is subject, may change during the life of the Company and such changes could be retrospective.
- While it is the intention of the Directors that the Company will be managed so as to continue to qualify as a Venture Capital Trust, there can be no guarantee that this status will be maintained. A failure to meet the qualifying requirements could result in the loss of tax reliefs previously obtained, resulting in adverse tax consequences for investors, including a requirement to repay the income tax relief obtained, and could also cause the Company to lose its exemption from corporation tax on capital gains.
- Pursuant to a 'sunset' clause agreed to by the UK government in order to secure State aid approval for the VCT and EIS schemes from the EU, VCT tax reliefs will only be available for shares issued before 6 April 2025 as things currently stand. While the 2022 Autumn Statement confirmed the current Government's continuing support for the VCT and EIS schemes, the outcome of any further government deliberations as to whether to repeal, amend or renew the scheme is inherently uncertain and if the scheme is not renewed, or renewed on unfavourable terms, this could impact the Company's ability to raise funds in the future and accordingly its ability to make follow on investments into portfolio companies may be severely restricted. Despite calls on ministers to provide certainty as to whether the VCT scheme will indeed be renewed before the relevant date in order that VCTs can continue to operate as they are currently, notably from the Treasury Select Committee but in recent meetings and its follow up Report of Session 2022-23 published on 18 July 2023, the Government is yet to announce a final decision.

Risks relating to Investee Companies

- Investee Companies of the FWT Share class will be high risk in nature. In accordance with a refocusing of the VCT rules to encourage investment in higher risk, asset-poor, knowledge-intensive companies, the FWT Shares may not be suitable for all investors.
- Investee Companies will be small, unquoted companies which have a higher risk profile than larger "blue chip" companies. Realisation of investments in unquoted companies can be difficult and may take considerable time. Proper information for determining their value or the risks to which they are exposed may also not be available.

Investment in such companies by its nature is illiquid and uncertain and consequently involves a higher degree of risk than investment into quoted shares.

- Economic and global political uncertainty stemming from unprecedented energy prices, the continuing impact of Brexit, the COVID-19 pandemic and, most recently, the war in Ukraine continue to present significant challenges and are adversely affecting, and will continue to adversely affect, the performance of companies in which the Company has invested or may invest, which in turn may adversely affect the performance of the Company. This may also negatively impact the number or quality of investment opportunities available to the Company. It is possible that currently unknown and unanticipated events, either domestic or international, may occur and have a negative effect on economic activity and adversely affect the future viability of the Company and/or the performance of companies in which the Company has invested or may invest which in turn may adversely affect the performance of the Company.
- On 4 January 2022, the National Security and Investment Act 2021 ("**NSI Act**") came into force. Pursuant to the NSI Act, the Government has taken wide ranging powers to force the disclosure of, to call-in for review and to make orders to block or reverse investments in, or acquisitions of, entities or assets of specified descriptions, of which it becomes aware and which it reasonably suspects may give rise to a risk to national security. The new legislation is widely drafted and includes in its list of sensitive areas of the economy to which the NSI Act may apply: advanced materials, advanced robotics and artificial intelligence – all areas of focus for the FWT Shares class. Consideration of the application of this legislation going forward in respect of investments made by the Company, and attendant additional delays and costs, may slow the Company's deployment programme and impact or prevent certain investments which might otherwise have been completed in a timely fashion. Certain investments which are ruled to require Government approval under the NSI Act but do not receive it may not go ahead and where the Government rules that the correct approval process was not followed, transactions may also be voided after the fact. The confluence of any of these factors may negatively impact the Company's portfolio and ultimately its performance and returns to Shareholders.

Fund related risk factors

- If the Company lacks sufficient cash reserves to support its buyback policy, and during Prohibited Periods when the Company is unable to purchase its own shares, the market price of such Shares may not fully reflect, and will tend to be at a discount to, their underlying net asset value. Such a discount may be exacerbated by the availability of income tax relief on the issue of new VCT shares.
- Where more than one Foresight Fund wishes to participate in an investment opportunity, allocations will generally be made in proportion to the cash available for each such fund, other than where investments are proposed to be made in a company where one or more Foresight Funds has a pre-existing investment where the incumbent investor will have priority. Where an investment has been sourced from or introduced by WAE Technologies Limited, the FWT EIS Fund and the FWT Share class will always have priority over any other Foresight Fund. Implementation of this policy will also be subject to the availability of monies in each Foresight Fund to make the investment and other portfolio considerations such as portfolio diversity and regulatory or legislative requirements with respect to the Company's portfolio of Qualifying Companies. This might mean that the FWT Share class could receive a greater or lesser allocation, for instance when co-investing with the FWT EIS Fund, than would otherwise be the case.

CORPORATE INFORMATION

Directors (Non-executive)

Ernie Richardson (Chairman)
Tim Dowlen
Carol Thompson

Registered Office and Head Office

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The Shard
32 London Bridge Street
London SE1 9SG

Company Registration Number

07289280

Website

www.foresightgroup.eu

Telephone Number

020 3667 8100

Investment Manager and Company Secretary

Foresight Group LLP
The Shard
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London SE1 9SG

Investment Adviser

Foresight Group CI Limited
PO Box 650
1st Floor Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey GY1 3JX

Promoter

Foresight Group Promoter LLP
c/o Foresight Group LLP
The Shard
32 London Bridge Street
London SE1 9SG

Registrars

Computershare Investor Services PLC
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Bristol BS99 6ZZ

Solicitors & VCT Status Adviser

RW Blears LLP
6 Kinghorn Street
London EC1A 7HT

Broker

Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF

Sponsor

BDO LLP
55 Baker Street
London W1U 8EW

Receiving Agent

Woodside Corporate Services Limited
4th Floor, 50 Mark Lane
London EC3R 7QR

Bankers

Barclays Bank plc
54 Lombard Street
London EC3P 3AH

Auditors

Deloitte LLP
20 Castle Terrace
Edinburgh EH1 2DB

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

2020 Offer	the offering by the Company of FWT Shares to the public made pursuant to a prospectus dated 30 December 2020
2022 Offer	the offering by the Company of FWT Shares to the public made pursuant to a prospectus dated 5 January 2022
2023 1st Offer	the offering by the Company of FWT Shares to the public made pursuant to a prospectus dated 10 January 2023
Admission	the date on which FWT Shares allotted pursuant to the Offer are listed on the Official List of the FCA and admitted to trading on the London Stock Exchange's market for listed securities
AIM	the Alternative Investment Market
Articles	the current articles of association of the Company (as amended from time to time)
BDO	BDO LLP, the Company's sponsor, which is authorised and regulated by the FCA with firm reference number 229378
Board or Directors	the board of directors of the Company
Business Days	any day (other than a Saturday or Sunday) on which clearing banks are open for normal banking business in sterling
CA 2006 or the Act	the Companies Act 2006 (as amended)
Closing Date	3 April 2024 (12 noon) in respect of the tax year 2023/2024 and 30 April 2024 in respect of the tax year 2024/2025, or as soon as full subscription is reached (unless closed earlier at the Board's discretion)
Company	Foresight Technology VCT plc (company number 07289280) (formerly Foresight Solar & Technology VCT plc)
Companies Acts	the Companies Act 1985 and CA 2006
Deferred Shares	means the separate, unlisted class of shares of 1p each in the capital of the Company entitled "Deferred Shares" which have the rights and are subject to the restrictions attributed to Deferred Shares in the Articles and which do not form part of the Company's ordinary share capital
Deferred Convertible Preference Shares	means the separate, unlisted class of shares of 1p each in the capital of the Company entitled "Deferred Convertible Preference Shares" which have the rights and are subject to the restrictions attributed to Deferred Convertible Preference Shares in the Articles and which do not form part of the Company's ordinary share capital
Distributions	amounts paid by way of dividends, tender offers, share buy-backs, proceeds on a sale or liquidation of the Company and any other proceeds or value received, or deemed to be received, by Shareholders in the Company in respect of Shares, excluding any income tax relief on subscription
Eligible Shares	in relation to a company which is a Qualifying Company, means shares which may carry a non-cumulative and non-discretionary preferential right to dividends but not to the assets of the company on its winding up, and which may carry no present or future right to be redeemed
FCA	the Financial Conduct Authority
Foresight	references to "Foresight" in this document refer to the Manager, the Investment Adviser and the historical activities of Foresight Group more generally

Foresight Entities	Foresight Group CI Limited and/or Foresight Group LLP and/or the Promoter (as the context dictates) (and each a " Foresight Entity ")
Foresight Funds	funds managed or advised by a Foresight Entity
Foresight Group	a collective term for all of the entities owned by Foresight Group Holdings Limited, Foresight Group CI Limited and/or Foresight Group LLP, indirectly and indirectly
FSMA	the Financial Services and Markets Act 2000 (as amended)
FWT Shares	the FWT shares of 1p each in the capital of the Company proposed to be issued pursuant to the Prospectus
FWT Share class	the aggregate of the capital raised by subscriptions for FWT Shares issued by the Company, all income and assets derived therefrom and all expenses and liabilities attributable thereto
Group	the Company and its subsidiaries from time to time
HMRC	His Majesty's Revenue and Customs
Inside Information	as defined in section 118C of FSMA
Investee Companies	companies in which the Company makes an investment (and each an Investee Company)
Investment Adviser	Foresight Group CI Limited, a Guernsey company with registered number 51471, licensed by the Guernsey Financial Services Commission with reference number 2006518
Investment Manager or Manager	Foresight Group LLP, a limited liability partnership registered in England and Wales with registration number OC300878 and which is authorised and regulated in the UK by the FCA with firm reference number 198020
Listing Rules	the listing rules of the FCA
London Stock Exchange	London Stock Exchange plc
Memorandum	the memorandum of association of the Company
NAV or Net Asset Value	the net asset value attributable to the FWT Shares calculated in accordance with the Company's normal accounting policies in force at the date of calculation
Offer or FWT Share Offer	the offer for subscription to raise in aggregate up to £15 million (with an over-allotment facility for up to an additional £10 million) by issues of FWT Shares by the Company pursuant to the Prospectus
Offer Shares	the FWT Shares proposed to be issued pursuant to the Prospectus
Official List	the official list of the FCA maintained in accordance with section 74(1) of FSMA
Ordinary Shares fund	the aggregate of the capital raised by subscriptions for Ordinary Shares issued by the Company (and for those other historical classes of shares converted into Ordinary Shares), all income and assets derived therefrom and all expenses and liabilities attributable thereto
Ordinary Shares	ordinary shares of 1p each in the capital of the Company, of which there are currently none in issue
Overseas Claim	claims brought by the Company against the Spanish and Italian governments in connection with the availability of subsidies for solar installation projects in which the Ordinary Shares fund had invested
Promoter	Foresight Group Promoter LLP, a limited liability partnership registered in England and Wales with registration number OC421343 which is an appointed representative of Foresight Group LLP with FCA reference number 806061

Prospectus	together this Registration Document, the Securities Note and the Summary
Prospectus Regulation	Regulation (EU) 2017/1129 as it forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018
Qualifying Company	an unquoted (including an AIM-listed) company which satisfies the requirements of Part 4 of Chapter 6 of the Tax Act
Qualifying Investments	shares in, or securities of, a Qualifying Company held by a venture capital trust which meets the requirements described in Parts 3 and 4 of Chapter 6 of the Tax Act
Receiving Agent	Woodside Corporate Services Limited
Registrar	Computershare Investor Services plc
Registration Document	this document
Securities Note	the securities note issued by the Company dated 6 September 2023 in connection with the Offer
Shareholder	a holder of Shares in the Company
Shares	FWT Shares, Deferred Shares and/or Deferred Convertible Preference Shares as the context dictates
Summary	the summary issued by the Company dated 6 September 2023 in connection with the Offer
Tax Act	the Income Tax Act 2007 (as amended)
UK	the United Kingdom
VCT Rules	the legislation, rules and HMRC interpretation and practice regulating the establishment and operation of venture capital trusts
VCT Value	the value of an investment calculated in accordance with Section 278 of the Tax Act
Venture Capital Trust or VCT	a venture capital trust as defined in Section 259 of the Tax Act

THE DIRECTORS AND FORESIGHT GROUP

As required by the Listing Rules, the Directors are independent of Foresight.

(A) THE DIRECTORS

1. Directors of Foresight Technology VCT plc

Ernie Richardson (73) (Chairman)

Ernie Richardson has over 30 years' experience in the venture capital sector and was until 2009 chief executive of venture capital investment firm MTI Partners. He is a graduate chemical engineer and Fellow of the Chartered Institute of Management Accountants and has served as a member of the Council of the British Venture Capital Association and also served as Chair of the investment committee of the National Endowment for Science, Technology and the Arts. He also has over 20 years' operational management experience gained within businesses including British Steel Chemicals Division and chemicals company Laporte Industries and is chairman of several smaller companies. He has also served as Financial Controller of the European Division of the Royal Bank of Canada.

Tim Dowlen (76)

A director of insurance broking companies from 1973 to 2016, Tim was most recently a divisional director of City-based Lloyd's broking firm Tasker & Partners where he was responsible for developing the retail insurance broking activities of the firm. Tim has specialized in the venture capital sector since starting his own insurance firm in 1974. He currently acts as a director and trustee of registered charity Woking Street Angels.

Carol Thompson (61)

Carol has over 25 years' experience in governance and strategic financial management and has spent large parts of her career as a board member in technology and regulated businesses. She has held senior positions at Hellman & Friedman, a leading private equity investment firm, and JP Morgan. She has also held non-executive and advisory roles at a number of firms including Livingbridge, DWF and JP Morgan. Carol serves as a non-executive director and also chairs the Company's audit committee.

2. Current and Past Directorships

The Directors are currently or have been within the last 5 years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below:

Ernie Richardson	Current	Past 5 Years
	The Company Zeti Limited	Thermentum Limited Thomas Swan Holdings Limited Thomas Swan & Co. Limited Eastwood Langley Limited
Tim Dowlen	Current	Past 5 Years
	The Company Woking Street Angels	-
Carol Thompson	Current	Past 5 Years
	The Company AAA Rated Limited Maintel Holdings plc Nexteq plc	-

(B) FORESIGHT GROUP CI LIMITED, FORESIGHT GROUP LLP AND FORESIGHT GROUP PROMOTER LLP

Foresight Group CI Limited is a private company registered in Guernsey with registered entity number 51471 and which was incorporated on 12 February 2010. Its registered office is PO Box 650, St Julian's Avenue, St Peter Port, Guernsey GY1 3JX and its legal entity identifier number is 213800DLIOEGME1LYV31. Foresight Group CI Limited is licensed by the Guernsey Financial Services Commission with reference number 2006518 to undertake controlled investment business as defined in The Protection of Investors (Bailiwick of Guernsey) Law 1987. Foresight Group CI Limited is the investment adviser to the Company and to the Manager.

Foresight Group LLP is a limited liability partnership registered in England and Wales under number OC300878 pursuant to the Limited Liability Partnerships Act 2000 and was formed on 25 October 2001. Its registered office is The Shard, 32 London Bridge Street, London SE1 9SG and its legal identifier number is 213800WOK59EEP4B4Q11. Foresight Group LLP is authorised and regulated by the FCA to, amongst other things, advise on investments, arrange deals in investments and to make arrangements with a view to transactions in investments. Foresight Group LLP provides investment management and administration services to the Company.

Foresight Group Promoter LLP is a limited liability partnership registered in England and Wales under number OC421343 pursuant to the Limited Liability Partnerships Act 2000 and was formed on 7 March 2018. Its registered office is The Shard, 32 London Bridge Street, London SE1 9SG). Foresight Group Promoter LLP, with FCA reference number 806061, is an appointed representative of Foresight Group LLP. Foresight Group Promoter LLP is the promoter of the Offer.

MEMORANDUM AND ARTICLES OF ASSOCIATION

The Companies Act 2006 ("CA 2006") significantly reduced the constitutional significance of a company's memorandum, providing that a memorandum will record only the names of subscribers and the number of shares each subscriber agreed to take in the company.

The material provisions of the Articles are as detailed below.

(a) Share rights

i. Defined terms

"**DCP Shares**" or "**Deferred Convertible Preference Shares**" means the separate class of shares of one penny each in the capital of the Company entitled "DCP Shares" or "Deferred Convertible Preference Shares" which have the rights and are subject to the restrictions attributed to "DCP Shares" or "Deferred Convertible Preference Shares" in the Articles"

"**DCP Share Set Aside Fund**" means the aggregate of:

- (i) the sum of £2; and
- (ii) any Overseas Claim

attributable to the Ordinary Shares prior to the first FWT Calculation Date and since the first FWT Calculation Date attributed to a set aside pool in which all holders of DCP Shares in common will hold an interest corresponding to the proportionate nominal value of their respective holdings of DCP Shares which set aside pool shall be described as the "DCP Share Set Aside Fund" in accordance with a special resolution contained in a notice of general meeting of the Company dated 8th June 2023 provided however that if no asset of value has been received pursuant to the Overseas Claims before a long stop date of 31 March 2043 (or such earlier date as the Board shall announce that they have received legal advice that the prospect of receiving any asset of value pursuant to the Overseas Claims is highly improbable) (the "**Long Stop Date**") then any asset of value received after the Long Stop Date pursuant to the Overseas Claims shall be attributable to the FWT Shares;

"**FWT Calculation Date**" means:

- (i) the date on which the Board determined that all shares designated as "Ordinary Shares" under any previous articles of association of the Company be redesignated as "FWT" Shares or Deferred Convertible Preference Shares; and
- (ii) any subsequent date on which the Board determines that Deferred Convertible Preference Shares should be redesignated as "FWT" Shares following the receipt of any asset of value pursuant to an Overseas Claim;

"**FWT Share Surplus**" means:

- (i) all the net assets of the Company;
- (ii) except and excluding all of the assets which are attributed to the Preference Share Set Aside Funds in accordance with the special resolution contained in the Notice of General Meeting dated 8th June 2023; save for
- (iii) including any assets attributed to the DCP Share Set Aside Fund which are automatically reattributed to the FWT Shares in accordance with Article 6 (H) with effect from the date of that automatic reattribution; and
- (iv) less such proportion of the Company's liabilities including the fees and expenses of liquidation or return of capital (as the case may be) as the Directors or the liquidator (as the case may be) shall reasonably allocate to the assets of the Company attributable to the holders of FWT Shares;

"**Manager**" means the investment adviser or manager appointed by the Company from time to time.

"**FWT Share Conversion Formula**" means the formula set out in a special resolution contained in a notice of general meeting of the Company dated 8th June 2023.

"**Overseas Claims**" the claims originally brought by the Company against the governments of Spain and Italy prior to the first FWT Calculation Date in connection with what were regarded as state misrepresentations regarding the availability of subsidies for solar installations in which the Ordinary Share Fund had invested; and any asset of value that may in the future be received directly or indirectly in connection with such claims.

"**Preference Share Set Aside Funds**" means the DCP Share Set Aside Fund and the Set Aside Fund.

"**Quarter Date**" means 31st March, 30th June, 30th September and 31st December.

"**Set Aside Fund**" means the sum of £2 attributed to the Deferred Shares in order to create a set aside pool in which all holders of Deferred Shares in common will hold an interest corresponding to the proportionate value of their respective holdings of Deferred Shares which set aside pool shall be described as the 'Set Aside Fund' in accordance with a special resolution contained in a notice of general meeting of the Company dated 5 June 2018.

"**Statutes**" means the Act as amended and supplemented by the CA 2006 and every other statute for the time being in force affecting the Company.

ii. Deferred Shares

Subject to any special rights which are or may be attached to any other class of shares (i) 1% of the cumulative profits of the Company within and derived solely from the assets attributable to the Set Aside Fund which are available (if any) to be paid as a dividend amongst the holders of the Deferred Shares (but no other profits of the Company) and (ii) on a winding up or liquidation, voluntary or otherwise, the assets of the Company within and attributable to the Set Aside Fund shall belong, in each case, to the holders of the Deferred Shares and shall be divided amongst them in proportion to the amounts paid up or credited as paid up on the Deferred Shares held by them respectively.

The Deferred Shares may be repurchased by the Company for an aggregate purchase price of 1p at any time after the date falling five years from the date of their issue or the date of issue of any Share which has been converted into such a Deferred Shares and the Company shall not be obliged in any circumstances to account to any holder of Deferred Shares for such repurchase monies in respect of those Deferred Shares nor to issue shares certificates in respect of the Deferred Shares.

iii. Undertakings

The Company shall, without prejudice to its obligations under the Statutes (i) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the holders of the Deferred Shares, the DCP Shares and FWT Shares can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that a separate income and expenditure account (or if applicable, profit and loss account) balance sheet and cash flow account and such other separate accounts as may, in the opinion of the Directors, be desirable to ensure compliance by the Company with the provisions of section 259 of Part 6 of the Income Tax Act 2007 as amended, shall be created and maintained in the books of the Company for the assets attributable to the holders of the Deferred Shares, the DCP Shares and FWT Shares, (ii) allocate to the assets attributable to the holders of the Deferred Shares, the DCP Shares and FWT Shares such proportion of the expenses and liabilities of the Company incurred or accrued as the Directors fairly consider to be allocable to the Deferred Shares, the DCP Shares and FWT Shares and (iii) give appropriate instructions to the Company's investment managers and advisers to manage the Company's assets so that such undertakings can be complied with by the Company.

iv. Voting rights

The FWT Shares shall rank *pari passu* as to rights to attend and vote at any general meeting of the Company. The Deferred Shares and the DCP Shares shall carry no rights to attend and vote at any general meeting of the Company.

v. Dividends

The rights of the Company's members to receive dividends are as follows:

- i. the holders of FWT Shares shall be entitled to receive, in that capacity, any dividends paid out of the net income or capital derived from the assets attributable to the FWT Shares; and
- ii. the holders of Deferred Shares and the DCP Shares shall not be entitled to receive, in that capacity, any dividends save as set out in (ii) above and (viii) below.

vi. Distribution of assets on liquidation

The capital and assets of the Company shall on a winding up or on a return of capital shall be applied as follows:

- i. first, in distributing to the holders of the Deferred Shares and the DCP Shares respectively (pro rata according to their holdings of Deferred Shares and of DCP Shares) amounts equal to the assets of the Set Aside Fund and the DCP Share Set Aside Fund; and
- ii. subject thereto, the balance shall be divided amongst the holders of the FWT Shares pro rata according to their holdings of FWT Shares.

vii. Class consents and variation of rights

The holders of the FWT Shares, as a class, shall be required to approve any variation or derogation of the rights attaching to those Shares.

viii. Deferred Convertible Preference Shares

- (i) Subject to any special rights which are or may be attached to any other class of shares:
 - (a) 1% of the cumulative profits of the Company within and derived solely from the assets attributable to the DCP Share Set Aside Fund which are available (if any) to be paid as a dividend amongst the holders of the DCP Shares (but no other profits of the Company); and
 - (b) on a winding up or liquidation, voluntary or otherwise, the assets of the Company within and attributable to the DCP Share Set Aside Fund

shall belong, in each case, to the holders of the Deferred Convertible Preference Shares and shall be divided amongst them in proportion to the amounts paid up or credited as paid up on the Deferred Convertible Preference Shares held by them respectively.

- (ii) If, before the Long Stop Date, the Company shall receive any asset of value in connection with an Overseas Claim then as soon as practicable following the Quarter Date next following that receipt a number of shares in each holding of DCP Shares shall be automatically redesignated as FWT Shares in accordance with the FWT Share Conversion Formula with effect from the date on which the Board announces its calculation of the number of DCP Shares which are to be so redesignated as FWT Shares.
- (iii) Any asset of value received in connection with an Overseas Claim shall automatically be reattributed in the books of the Company from the DCP Share Set Aside Fund to the FWT Shares and pooled with the other assets attributed to the FWT Shares with effect from (aa) if the asset is received before the Long Stop Date, the FWT Calculation Date by reference to which the Board announces its calculation of the number of DCP Shares which are to be redesignated as FWT Shares in respect of that receipt pursuant to the immediately preceding paragraph of this Article; and otherwise (bb) on the date of its receipt.
- (iv) The DCP Shares may be repurchased by the Company for an aggregate purchase price of 1p at any time after the Long Stop Date and the Company shall not be obliged in any circumstances to account to any holder of DCP Shares for such repurchase monies in respect of those DCP Shares.

(b) Issue and transfer of Shares

- i. The Board has general and unconditional authority to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the section 551 amount, for each prescribed period. The prescribed period means any period for which the authority conferred by the Articles is given by ordinary or special resolution stating the section 551 amount and/or the power conferred by the Articles is given by special resolution stating the section 561 amount. The section 551 amount means, for any prescribed period, the amount stated in the relevant special resolution. Under the CA 2006, the section 561 amount means, for any prescribed period, the amount stated in the relevant special resolution. The authority so given may at any time (subject to the said section 551) be renewed or further renewed for a further period not exceeding five years, revoked or varied by ordinary resolution of the Company in general meeting.
- ii. The Board is empowered for each prescribed period to allot equity securities for cash pursuant to an authority conferred under the Articles as if section 561(1) of the CA 2006 did not apply to any such allotment provided that its power is limited to the allotment or deemed allotment of equity securities in connection with a preemptive issue and otherwise, the allotment of equity securities up to the section 561 amount.
- iii. Subject to such of the restrictions of the Companies Acts as may be applicable, any member may transfer all or any of his Shares by an instrument of transfer in writing in any usual form or in any other form approved by the Board. Such instruments shall be signed by or on behalf of the transferor and (except in the case of a fully paid share) the

transferee.

- iv. The Board may decline to register any transfer unless the instrument of transfer, duly stamped, is lodged with the Company accompanied by the certificate for the Shares to which it relates together with such other evidence as the Board may reasonably require, and the transfer is in respect of only one class of share and, in the case of a transfer to joint holders, the number of joint holders does not exceed four.
- v. The Shares of the Company are in registered form. All transfers of Shares in certificated form may be effected by a transfer in writing in any usual form or any other form approved by the Board. The instrument of transfer of any such certificated Shares shall be executed by or on behalf of the transferor and, in the case of partly paid Shares, by or on behalf of the transferee. The Board may refuse to register any transfer of a partly paid Share, provided that such refusal does not prevent dealings taking place on an open and proper basis. The Board may also refuse to register the transfer of a certificated share unless the instrument of transfer: (a) is lodged, duly stamped (if stampable), at the office or at another place appointed by the Board accompanied by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; (b) is in respect of only one class of shares; and (c) is in favour of not more than four transferees. The Board may refuse to register the transfer of an uncertificated share in the circumstances set out in the uncertificated securities rules or in the event that the proposed transfer is in favour of more than four joint holders.

(c) Directors

- i. Unless and until otherwise determined by ordinary resolution of the Company, the Directors of the Company (disregarding alternate Directors) shall be not more than seven nor less than three in number.
- ii. Subject to the Articles and to any directions given by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company, including, without limitation, the power to dispose of all or any part of the undertaking of the Company.
- iii. The Board may authorise any matter which would otherwise involve a director breaching his duty under the Companies Acts to avoid conflicts of interest ("**Conflict or Conflicts**").
- iv. A director seeking authorisation in respect of a Conflict shall declare to the Board the nature and extent of his interest in a Conflict as soon as is reasonably practicable. The director shall provide the Board with such details of the relevant matter as is necessary for the Board to decide how to address the Conflict together with such additional information as may be requested by the Board. Any director (including the relevant director) may propose that the relevant director be authorised in relation to any matter the subject of a Conflict. Such proposal may be proposed to and resolved upon by the Board save that: the relevant director and any other director with a similar interest shall not count towards the quorum nor vote on any resolution giving such authority; and the relevant director and any other director with a similar interest may, if the other members of the Board so decide, be excluded from any Board meeting while the Conflict is under consideration.
- v. Where the Board gives authority in relation to a Conflict: the Board may (whether at the time of giving the authority or subsequently): (A) require that the relevant director is excluded from the receipt of information, participation in discussion and/or the making of decisions (whether at meetings of the Board or otherwise) related to the Conflict; and (B) impose upon the relevant director such other terms for the purpose of dealing with the Conflict as it may determine; the relevant director will be obliged to conduct himself in accordance with any terms imposed by the Board in relation to the Conflict; the Board may provide that where the relevant director obtains (otherwise than through his position as a director of the Company) information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence; the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and the Board may revoke or vary such authority at any time but this will not affect anything done by the relevant director prior to such revocation in accordance with the terms of such authority.
- vi. Where a director is or becomes a director of one or more other venture capital trust(s) managed by the same manager appointed by the Company and seeks Board approval for his other office(s) and a general authorisation in respect of the Conflict which might arise, if the Board gives its approval and authority, the Board may not subsequently require that the relevant director is excluded from the receipt of information, participation in discussion and/or the making of decisions (whether at meetings of the Board or otherwise) related to such Conflicts,

nor impose upon the relevant director other terms for the purpose of dealing with the Conflicts.

- vii. If a director is in any way directly or indirectly interested in a proposed contract with the Company or a contract that has been entered into by the Company, he must declare the nature and extent of that interest to the directors in accordance with the Companies Acts.

Provided he has declared his interest, a director may: be party to, or otherwise interested in, any contract with the Company or in which the Company has a direct or indirect interest; hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period and upon such terms, including as to remuneration, as the Board may decide; act by himself or through a firm with which he is associated in a professional capacity for the Company or any other company in which the Company may be interested (otherwise than as an auditor); be or become a director or other officer of, or employed by or otherwise be interested in any subsidiary company of the Company or any other company in which the Company may be interested; and be or become a director of any other company in which the Company does not have an interest and which cannot reasonably be regarded as giving rise to a Conflict at the time of his appointment as a director of that other company.

- viii. A director shall not, by reason of his office or of the fiduciary relationship thereby established, be liable to account to the Company for any remuneration, profit or other benefit: which he derives from any matter which involves a Conflict if that Conflict has been authorised by the Board; or realised by reason of his having any type of interest authorised or permitted and no contract shall be liable to be avoided on the grounds of a director having any type of interest authorised or permitted.

- ix. The ordinary remuneration of the directors who do not hold executive office for their services shall be such amount as the Board may from time to time determine and shall be divided among the non-executive directors in such proportion or manner as the Board may determine. The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board, general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

- x. The Board may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any person who is or was: a director, officer, or employee of the Company, or anybody which is or was the holding company or subsidiary undertaking of the Company, or in which the Company or such holding company or subsidiary undertaking has or had any interest (whether direct or indirect) or with which the Company or such holding company or subsidiary undertaking is or was in any way allied or associated; including without limitation insurance against any liability incurred by such person in respect of any act or omission in the actual or purported execution or discharge of his duties or in the exercise or purported exercise of his powers or otherwise in relation to his duties, powers or offices in relation to the relevant body or fund.

- xi. The Company may indemnify any director, officer or employee of the Company or of any associated company against any liability and may purchase and maintain for any director, officer or employee of the Company or of any associated company insurance against any liability. No director of the Company or of any associated company shall be accountable to the Company or the members for any such benefit and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.

(d) Borrowing Powers

- i. The Board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- ii. The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (but as regards subsidiary undertakings, only so far as by the exercise of such rights or powers of control the Board can secure) that, save with the previous sanction of an ordinary resolution and subject as provided below, no money shall be borrowed if the principal amount outstanding of all borrowings by the Company and its subsidiary undertakings (if any), then exceeds, or would as a result of such borrowing exceed, a principal amount equal to the aggregate of the share capital and consolidated reserves of the Company and each of its subsidiary undertakings as shown in the audited

consolidated balance sheet provided that prior to their publication such aggregate principal amount shall be limited to 90% of the amount paid up or credited as paid up (whether in respect of nominal value or premium) on the allotted or issued share capital of the Company.

(e) Dividends

- i. The members of the Company may declare a final dividend in accordance with the respective rights of the members by passing an ordinary resolution at a general meeting of the Company. No such dividend may exceed the amount recommended by the directors.

The directors may at any time and in accordance with the Companies Acts:

- a. recommend to the shareholders that a final dividend be declared and recommend the amount of any such dividend; and
- b. pay a distribution by way of an interim dividend out of the profits of the Company.

However, no such recommendation shall be made or interim dividend paid unless it appears to the directors to be justified by the position of the Company in accordance with the respective rights of the members.

- ii. The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a member if those instruments have been returned undelivered to, or left uncashed by, that member on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the member's new address. Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the Board so resolves and directs, be paid by the Company into an account separate from the Company's own account where it will be held on trust for and from time to time donated to such charitable causes as the Board may, in its absolute discretion, determine having regard, in particular, to the duties of directors under section 172(1) of the CA 2006. Alternatively, the Board may resolve that any dividend which has remained unclaimed for 12 years from the date when it became due for payment may be forfeited, shall cease to remain due for payment by the Company and shall constitute a windfall appropriated for the benefit of the Company.

(f) Distribution of Realised Capital Profits

At any time when the Company has given notice in the prescribed form (which has not been revoked) to the Registrar of Companies of its intention to carry on business as an investment company under section 833 of the CA 2006 (a "**Relevant Period**") distribution of the Company's capital profits shall be prohibited otherwise than by way of the redemption or purchase of any of the Company's own shares in accordance with Chapter 3 or 4 of Part 18 of the CA 2006. The directors shall establish a reserve to be called the capital reserve. During a Relevant Period, all surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, payment of or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the directors to be in the nature of accretion to capital shall be credited to the capital reserve. Subject to the provisions of the CA 2006, the directors may determine whether any amount received by the Company is to be dealt with as income or capital or partly one way and partly the other. During a Relevant Period, any loss realised on the realisation or payment off of or other dealing with any investments or other capital assets and, subject to the provisions of the CA 2006, any expenses, loss, liability (or provision therefor) which the directors consider to relate to a capital item or which the directors otherwise consider appropriate to be debited to the capital reserve, shall be carried to the debit of the capital reserve.

During a Relevant Period, all sums carried and standing to the credit of the capital reserve may be applied for any of the purposes for which sums standing to the credit of any revenue reserves are applicable except and provided that notwithstanding any other provision of these Articles, during a Relevant Period no part of the capital reserve or any other money in the nature of accretion to capital shall be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 830 (2) of the CA 2006) or be applied in paying dividends on any shares of the Company. In any other period other than a Relevant Period any amount standing to the credit of the capital reserve may be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (subject to and as defined in section 830 (2) of the CA 2006) or be applied in paying dividends on any shares of the Company.

(g) Reduction of Share Premium Account of the Company

Under the CA 2006 the Company may by special resolution confirmed by the court reduce the amount standing to the credit of the share premium account at the time of such application.

(h) General Meetings

- i. Subject to the provisions of the Companies Acts, annual general meetings shall be held at such time and place as the Board may determine. General meetings may be convened by the Board whenever it thinks fit and by Shareholders in accordance with section 303 of the CA 2006.
- ii. An annual general meeting shall be convened by not less than 21 clear days' notice in writing. All other general meetings shall also be convened by not less than 21 days' notice in writing unless conditions A to C of section 307A of the CA 2006 are complied with.

(i) Miscellaneous

- i. There are no provisions in the Articles that would have the effect of delaying, deferring or preventing a change of control of the Company.
- ii. Failure by any Shareholder to provide the Company with the information as requested by any notice served in accordance with section 793 of the CA 2006 (notice by company requiring information about interests in its shares) may result in that Shareholder being disenfranchised in respect of his shareholdings and, inter alia, the withholding of any dividends payable to him.

PART TWO

FORESIGHT TECHNOLOGY VCT PLC

(A) GENERAL INFORMATION

1 Incorporation and registered office

- 1.1 The legal and commercial name of the Company is Foresight Technology VCT plc.
- 1.2 The Company was incorporated and registered in England and Wales as a public company with limited liability on 18 June 2010 with registered number 07289280 under the name Foresight Solar VCT plc. The Company was issued with a trading certificate under section 761 of CA 2006 on 20 July 2010. The Company changed its name to Foresight Solar & Infrastructure VCT plc by a resolution of the Board on 1 February 2016. The Company changed its name to Foresight Solar & Technology VCT plc by a resolution of the Board on 18 December 2019 with effect from 19 December 2019 and finally, changed its name to its current name by a resolution of the Board on 1 September 2023 which took effect on 4 September 2023.
- 1.3 The principal legislation under which the Company operates is the CA 2006 and regulations made thereunder.
- 1.4 The Company's registered office and principal place of business is at The Shard, 32 London Bridge Street, London SE1 9SG. The Company is domiciled in England.
- 1.5 The Company has two wholly owned subsidiaries, Youtan Limited (company number 09834432), which is registered at the same address as the Company and Foresight VCT (Lux) 1 Sarl, whose registered office is 17 Boulevard F.W. Raiffeisen, 2411 Luxembourg. The Company does not hold, nor has it since its incorporation held, any shares in itself.
- 1.6 The Company does not have nor has it had since incorporation any employees.
- 1.7 HM Customs & Revenue has approved the Company as a VCT under section 274 of the Tax Act and it is intended that the business of the Company be carried on so as to comply with that section.
- 1.8 The Company has previously given notice to the Registrar of Companies pursuant to section 833 of CA 2006 of its intention to carry on business as an investment company. This notice was revoked in accordance with section 833(4) of the CA 2006 on 16 January 2013.
- 1.9 The Company's audited accounts for the period ended 31 March 2023 were published on 28 July 2023. In addition, the Company published unaudited interim accounts in respect of the 11-month period to 28 February 2023 on 16 March 2023, which were prepared in relation to a special dividend that was paid to holders of Ordinary Shares on 22 March 2023.
- 1.10 The Company's FWT Shares are admitted to the official list of the FCA and to trading on the main market of the London Stock Exchange. The Company has not and does not intend to apply to have the Deferred Convertible Preference Shares or Deferred Shares admitted to the official list of the FCA.
- 1.11 The Company is a "small registered UK AIFM" for the purposes of the Alternative Investment Fund Managers Regulations 2013 but is not otherwise regulated. As a venture capital trust and an entity with a premium listing on the London Stock Exchange the Company is required to comply with the Listing Rules, the Disclosure Guidance and Transparency Rules and the relevant sections of Part 6 of Income Tax Act 2007.

2. Share capital

- 2.1 The issued share capital of the Company as at 1 April 2020 was 35,460,961 Ordinary Shares, 1,145,927 FWT Shares and 1,222,778 Deferred Shares. The share capital history of the Company from that date is as set out below.
- 2.2 The following Shares have been bought back by the Company for cancellation during the period from 1 April 2020 to the date of this document:

Class	Number	Date
Ordinary Shares	351,929	12 February 2021
Ordinary Shares	515,409	30 September 2021

- 2.3 Since 1 April 2020, 23,726,874 FWT Shares have been issued pursuant to offers for subscription.
- 2.4 On 24 February 2023, the Company completed the sale of its entire portfolio of solar assets, previously held in the Ordinary Shares fund. A first special dividend of 132p per Ordinary Share was paid on 22 March 2023 and a second special dividend of 5.5p per Ordinary Share was paid on 25 July 2023, which distributions represented the majority of the proceeds of the disposal. This final closure of the Ordinary Shares fund was achieved by the redesignation of the 34,593,623 Ordinary Shares as 547,034 FWT Shares (representing the residual value of the Ordinary Shares fund after the payment of the above dividends) and 34,046,589 Deferred Convertible Preference Shares. The Deferred Convertible Preference Shares now held by the former Ordinary Shareholders carry the right to be converted into further FWT Shares (at their then value) in the event that the Company receives future payments from claims the Company has made against the Spanish and Italian Governments in respect of misrepresentations around the availability of tax subsidies related to solar installations ("**Overseas Claims**"). The total value of the Overseas Claims is approximately £2 million. The Overseas Claims are currently in progress but without a clear timeline for their conclusion. In the absence of any payment pursuant to an Overseas Claim, the only rights attributable to the Deferred Convertible Preference Shares are to receive the income and capital from a set aside fund of £2 and, in like manner to the Deferred Shares in issue following a previous reorganisation undertaken by the Company, the Deferred Convertible Preference Shares do not form part of the Company's ordinary share capital and therefore will not be listed and no trading in these shares is expected to occur
- 2.5 As at 5 September 2023, being the latest practicable date prior to the publication of this document, the issued share capital of the Company was 25,419,835 FWT Shares, 34,046,589 Deferred Convertible Preference Shares and 1,222,778 Deferred Shares, none of which were held in treasury.
- 2.6 Save for the conditional right of the Manager and the Investment Adviser to receive Shares pursuant to their carried interest agreement with the Company, no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 2.7 No shares of the Company represent anything other than capital. As at the date of this document, save for Deferred Convertible Preference Shares which, as noted above, carry the right to be converted into FWT Shares in the event the Company receives payments pursuant to an Overseas Claim, there are no convertible securities, exchangeable securities or securities with warrants attached to them currently in issue by the Company.
- 2.8 The Company will be subject to the continuing obligations of the Listing Rules with regard to the issue of securities for cash and the provisions of Section 561 of the Act (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) will apply to the capital of the Company which is not subject to the disapplication referred to in paragraph 2.10 below.
- 2.9 Following the issue of FWT Shares pursuant to the Offer, assuming full take up of the Offer at a price of 108.8p per FWT Share (being the most recently announced NAV per FWT Share as at the date of the publication of the Prospectus increased by 5.5% in respect of assumed Offer costs in accordance with the Pricing Formula) and no utilisation of the over-allotment facility, the issued share capital of the Company is expected to be approximately as follows:

	Number	Nominal value (£)
FWT Shares	39,206,599	392,065.99
Deferred Shares	1,222,778	12,227.78
Deferred Convertible Preference Shares	34,046,589	340,465.89

- 2.10 The maximum number of FWT Shares to be issued pursuant to the Offer is 30 million.
- 2.11 Other than as disclosed in this document, there have been no changes in the share capital of the Company during the period.

2.12 The following resolutions, inter alia, are proposed to be passed at the annual general meeting of the Company to be held on 20 September 2023 as ordinary and special resolutions as indicated.

Authority to allot shares (Ordinary Resolution)

THAT, in addition to all existing authorities, the directors be and they are hereby authorised to allot relevant securities generally, in accordance with Section 551 of the Companies Act 2006, up to a nominal amount of £300,000 (representing approximately 121% of the current issued ordinary share capital) provided that the authority and power conferred by this Resolution [8] will expire on the fifth anniversary of the passing of this resolution.

Disapplication of pre-emption rights (Special Resolution)

THAT, in addition to all existing authorities, the directors be and they are empowered pursuant to section 570 and 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) pursuant to the authority conferred by Resolution [8] as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to:

- *the allotment of equity securities with an aggregate nominal value of up to £300,000 by way of issues of Foresight WAE Technology shares ("FWT Shares"), in each case pursuant to offer(s) for subscription.*
- *the allotment of equity securities with an aggregate nominal value of up to 10% of the issued share capital of the Company by way of an issue of FWT Shares pursuant to the performance incentive arrangements with Foresight Group LLP; and*
- *the allotment of equity securities with an aggregate nominal value of an amount up to or equal to 10% of the issued FWT Share capital of the Company from time to time,*

in each case, where the proceeds of such issue may in whole or part be used to purchase the Company's shares. This authority will expire at the conclusion of the Annual General Meeting to be held in 2024.

2.13 Save in connection with the Offer, no material issue of FWT Shares (other than pro rata to existing holdings) will be made within one year from the date of this document without the approval of the FWT Shareholders in a general meeting.

2.14 Subject to any special rights or restrictions attaching to any shares or any class of shares issued by the Company in the future, the holders of fully paid FWT Shares will be entitled *pari passu* amongst themselves in proportion to the number of FWT Shares held by them to share in the whole of the profits of the Company attributable to the FWT Share Fund which are paid out as dividends and in the whole of any surplus attributable to the FWT Shares in the event of a liquidation of the Company.

2.15 The FWT Shares are separate from the Company's existing Deferred Convertible Preference Share class and Deferred Share class. All investments and cash attributable to existing share classes will be kept separate from the FWT Share fund.

2.16 The FWT Shares are in registered form and no temporary documents of title will be issued. The Company is registered with CREST, a paperless settlement system and those Shareholders who wish to hold their FWT Shares in electronic form may do so. The FWT Shares are freely transferable.

2.17 Save as mentioned in paragraph 2.12 above, the provisions of section 561 of the 2006 Act (which, to the extent not disappplied, confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are or are to be paid in cash) apply to the issue of shares in the capital of the Company.

2.18 The Directors are not aware of any person who directly or indirectly is interested in 3% or more of the capital of the Company or who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

3. Directors' and other interests

3.1 The Board comprises three non-executive directors, all of whom are independent of Foresight. The Board has substantial experience of venture capital and technology-based businesses and has overall responsibility for the Company's affairs, including its investment policy.

3.2 The Directors' interests in the share capital of the Company as at the date of this document was as follows:

Director	FWT Shares	DCP Shares
Ernie Richardson	40,000	-
Tim Dowlen	29,090	26,374
Carol Thompson	3,053	-

3.3 Biographical details for each of the Directors are set out on page 10 of this document.

3.4 Tim Dowlen was appointed on 6 July 2010 as a director of the Company. Ernie Richardson was appointed as a director of the Company on 1 January 2019 and became chairman on the retirement of David Hurst-Brown on 19 September 2019. Carol Thompson was appointed on 22 March 2021.

3.5 None of the Directors has a service contract and may resign at any time by giving six months' notice in writing to the Board or by mutual consent. All Directors are subject to retirement by rotation. Their appointment does not confer any right to hold office for any period nor any right to compensation if they cease to be directors. The total annual remuneration receivable by Ernie Richardson as chairman of the Company is £28,250. The total annual remuneration receivable by each of Tim Dowlen and Carol Thompson is £22,500. The office of non-executive director of the Company is not pensionable. Directors' emoluments in respect of qualifying services for the year ended 31 March 2023 amounted to £73,250 (plus applicable VAT). The Directors estimate that the total amount payable to them by the Company for the year ended 31 March 2024 will be £73,250 (plus applicable VAT).

3.6 No Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company in the period since its incorporation and remains in any respect outstanding or unperformed.

3.7 No loan or guarantee has been granted or provided by the Company to or for the benefit of any of the Directors.

3.8 The Company has taken out directors' and officers' liability insurance for the benefit of its directors, which is renewable on an annual basis. There is no cover against fraudulent or dishonest activities.

3.9 The Directors are currently or have been within the last five years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships as set out on page 10 of this document.

3.10 No Director has any convictions in relation to fraudulent offences during the previous five years.

3.11 None of the Directors has, during the previous five years, been associated with any bankruptcies, receiverships or liquidations in relation to an entity for which they have been acting as members of the administrative, management or supervisory bodies or as a senior manager who was relevant to establishing that that entity had the appropriate expertise and experience for the management of its business, nor were they a founder or partner with unlimited liability (in the case of a limited partnership with share capital) in any such entities.

3.12 There has been no official public incrimination and/or sanction of any Director by statutory or regulatory authorities (including designated professional bodies) and no Director has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years.

4. **Management, administration and regulatory environment**

- 4.1 The Company will, at all times, invest and manage its assets in a way which is consistent with its objective of spreading investment risk and in accordance with its published investment policy. The Company's investment policy is in line with Chapter 15 of the Listing Rules and Part 6 of the Tax Act, which are the two central components of the regulatory environment in which the Company operates, as a premium listed venture capital trust. The Company will not make material changes to its investment policy without shareholder approval. The Company will be subject to and will comply with the restrictions regarding investments for closed ended investment funds that are contained in the Listing Rules.
- 4.2 The Company is not required to be, and is therefore not, regulated by the FCA. In order to obtain venture capital trust status, the Company must, however, be approved by HMRC. The conditions which must be satisfied to obtain and retain such status are summarised in the Securities Note and they include the following:
- (i) at least 80% by value of the Company's investments (including any uninvested funds held) must be represented by shares or securities in Qualifying Holdings, of which at least 70% by value must be represented by holdings of ordinary shares; additionally at least 10% by value of investments in single companies or groups must be in ordinary shares which carry no preferential rights on a return of capital but may carry preferential rights to dividends which are neither cumulative nor discretionary; and
- (ii) not more than 15% by value of the Company's investments can (at the time of investment) be held in a single company or group (other than a VCT) and the Company must not control the VCT-qualifying Investee Companies in which it invests in such a way as to render them subsidiary undertakings.
- 4.3 The Company has no borrowings and no present intention of incurring any borrowings.
- 4.4 The Company is regulated by Part 6 of the Tax Act in respect of the investments it makes. The appointed VCT Status Adviser will report twice yearly to the Company in its annual and interim reporting obligations. In respect of any breach of the VCT rules, the Company will report the matter immediately to HMRC.
- 4.5 The Company will not invest more than 15% in any single company or other listed closed-ended investment fund nor will the Company control the companies in which it invests in such a way as to render them subsidiary undertakings until it has obtained approval as a VCT from HMRC.
- 4.6 Foresight is responsible for the determination and calculation of the net asset value of the Company. The net asset value of the Company will be determined quarterly and published on a regulatory information service. In accordance with the International Private Equity and Venture Capital Association ("IPEVC") valuation guidelines, the value of investments will be determined according to their listing status. Quoted securities will be valued at bid price unless the investment is subject to restrictions or the holding is significant in relation to the share capital of a small quoted company, in which case a discount may be appropriate as per the IPEVC guidelines. Unquoted investments will normally be valued on a cost basis in the first year and reviewed subsequently on the basis of the progression of the business. The net asset value of the Company will be communicated to investors through a Regulatory Information Service provider at the same frequency as the determinations. In the event of any suspension valuations are held at the suspended price and a view is taken with consideration to best market practice and information from advisers.
- 4.7 Foresight may retain for its own benefit and without liability to account to the Company (subject to full disclosure having been made to the Board) any arrangement fees and directors' or monitoring fees which it receives in connection with any investments made by the Company. The Company will not be liable for legal, accounting and any other fees incurred on potential investments which do not proceed to completion.
- 4.8 The Company does not intend to appoint an external custodian and its assets (other than the non-Qualifying Investments) will be held in certificated form.
- 4.9 The Directors do not anticipate any circumstances arising under which the calculation of the net asset value may be suspended. Should the determination of net asset value differ from that set out above then this will be communicated to investors in the Company through a Regulatory Information Service provider.
- 4.10 The Company will not conduct any significant trading activity.

- 4.11 The Company has and will continue to have custody of its own assets:
- the Company's monetary assets will be held in bank accounts and/or money market accounts in the Company's own name; and
 - the Company's investments in both quoted and unquoted investments and the corresponding share certificates will also be held in the Company's own name.
- 4.12 Where the circumstances are appropriate, the Directors propose that an appropriate and reasonable proportion of the management expenses of the Company, to be determined after consultation with the Company's auditors, but not to exceed 75%, will be charged to capital.
- 4.13 At the date of this document, the Company complies with the principles of the UK Code of Corporate Governance (the "**Code**") save that:
- there is no formal induction programme for directors; and
 - the Company has not appointed a chief executive officer, deputy chairman or a senior independent non-executive director as recommended by Code and the provisions which relate to the division of responsibilities between a chairman and a chief executive officer are, accordingly, not applicable to the Company.
- 4.15 The Company has no employees (other than the Directors). The Company has an Audit Committee, composed of the Directors who are independent of Foresight Group, which meets at least twice each year and is responsible for making recommendations to the Board on the appointment of the auditors and the audit fee, for reviewing the conduct and control of the annual audit and for reviewing the operation of the internal financial controls. It also has responsibility for the proper reporting of the financial performance of the Company and for reviewing financial statements prior to publication.
- 4.16 The Company has a Nomination Committee, comprising Carol Thompson, Tim Dowlen and Ernie Richardson which intends to meet at least annually to consider the composition and balance of skills, knowledge and experience of the Board and to make nominations to the Board in the event of a vacancy. New Directors are required to resign at the annual general meeting following appointment and then every three years by rotation.
- 4.17 The Company's Management Engagement & Remuneration Committee (which has responsibility for reviewing the remuneration of the Directors) comprises Carol Thompson, Tim Dowlen and Ernie Richardson and meets at least annually to consider the levels of remuneration of the Directors, specifically reflecting the time commitment and responsibilities of the role. The Management Engagement & Remuneration Committee also undertakes external comparisons and reviews to ensure that the levels of remuneration paid are broadly in line with industry standards. The Management Engagement & Remuneration Committee also reviews the appointment and terms of engagement of the Manager.
- 4.18 The Board must be able to demonstrate that it will act independently of the Manager. In particular, a majority of the Board (including the Chairman) must not be:
- (a) directors, employees, partners, officers or professional advisers of or to Foresight Group or any other company in the Foresight Group;
 - (b) directors, employees or professional advisers of or to any other VCT managed by Foresight Group or any other company in the Foresight Group. Any Director who falls within (a) above or (b) is subject to annual re-election by Shareholders.
- 4.19 The Company does not assume responsibility for the withholding of tax at source.
- 4.20 The Company confirms that it has taken all reasonable steps to ensure that its auditors, Deloitte LLP, being a member firm of the Institute of Chartered Accountants in England & Wales, are independent of it and has obtained written confirmation from the auditors that they comply with the guidelines on independence issued by their national accounting and auditing bodies.
- 4.21 Definitive share certificates for the FWT Shares to be allotted under the FWT Share Offer will be issued in

registered form and are to be dispatched to Shareholders within ten Business Days of allotment. FWT Shares may also be held in CREST as a participating security. Shareholders who are direct or sponsored members of Euroclear will be able to dematerialise their FWT Shares in accordance with the rules and practices instituted by Euroclear. The Company will not issue temporary documents of title.

- 4.22 The results of the Offer will be announced through a regulatory information service.
- 4.23 Save as mentioned above, as at the date of this document, there are believed to be no governmental, economic, monetary, political or fiscal policies and factors which have or could materially affect the Company's operations.
- 4.24 For the period covered by the financial information set out in Part Two (C) and up to the date of this document, save as mentioned in paragraph 7 below, there have been no related party transactions.

5 Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, are all of the contracts which have been entered into by the Company in the last two years and/or which are, or may be, material, or have been entered into by the Company and contain provisions under which the Company has obligations or entitlements which are material to it at the date of this document.

- 5.1 An investment management agreement dated 27 January 2020 between the Company (1) the Manager (2) and the Investment Adviser (3) whereby the Manager is appointed to act as the investment manager on a discretionary basis and the Investment Adviser as investment adviser for an initial five year period and thereafter on 12 months' notice by either side in return for an annual management fee (payable quarterly in advance) of 1.5% of the net assets of the Ordinary Share fund and 2.0% of the net assets of the FWT Share class (plus VAT in each case, if any, at the applicable rate). The Company has agreed to indemnify the Manager and the Investment Adviser against all or any actions, proceedings, losses, claims, demands and liabilities whatsoever arising out of the proper performance of the investment manager's duties. There are no value or time limits attached to the indemnity other than the statutory time limit of twelve years which applies to agreements signed as deeds. The Manager retains the right to charge arrangement, exit and syndication fees to Investee Companies, and will be responsible for all costs of an investment that does not proceed. The Manager will receive an annual fee equal to 0.3% of Net Asset Value the FWT Shares (subject to a minimum of £60,000 per annum) index-linked for the secretarial and accounting requirements of the Company.
- 5.2 A carried interest agreement dated 27 January 2020 between the Company (1) the Manager (2) and the Investment Adviser (3) pursuant to which the Manager and the Investment Adviser (in such proportions as shall be determined by the Investment Adviser) will be entitled to performance incentive payments (in cash or new Shares in the Company issued at par) to a value equal to 20% of Distributions in excess of 110p per FWT Share, subject to adjustment of the hurdle in line with the retail price index. In each case, 'Distributions' shall include the offer of such a Distribution which Shareholders elect not to accept in favour of remaining invested.
- 5.3 A promoter agreement dated 5 January 2022 between the Company (1) the Promoter (2) the Manager (3). The agreement contains warranties and indemnities given by the Company to the Promoter. The Promoter will receive a fee of either 2.5% or 5.5% of the amount subscribed dependent on the type of investor. The amount that may be received by the Promoter pursuant to this agreement is capped at £1.35 million. All other costs, charges and expenses of or incidental to the Offer shall be paid by the Promoter from its fees save for trail commission (where permissible) which shall be paid by the Company and initial commission and the facilitation of up-front adviser charges each of which shall be paid by the Company through the application of a pricing formula. In respect of each investor, the Promoter's fee will be reduced by loyalty and early investment discounts. The Manager has provided a guarantee to the Company in respect of the obligations of the Promoter under this agreement.
- 5.4 A promoter agreement dated 10 January 2023 between the Company (1) the Promoter (2) the Manager (3). The agreement contains warranties and indemnities given by the Company to the Promoter. The Promoter will receive a fee of either 2.5% or 5.5% of the amount subscribed dependent on the type of investor. All other costs, charges and expenses of or incidental to the Offer shall be paid by the Promoter from its fees save for trail commission (where permissible) which shall be paid by the Company and initial commission and the facilitation of up-front adviser charges each of which shall be paid by the Company through the application of

a pricing formula. In respect of each investor, the Promoter's fee will be reduced by loyalty and early investment discounts. The Manager has provided a guarantee to the Company in respect of the obligations of the Promoter under this agreement.

5.5 A promoter agreement dated 6 September 2023 between the Company (1) the Promoter (2) the Manager (3). The agreement contains warranties and indemnities given by the Company to the Promoter. The Promoter will receive a fee of either 2.5% or 5.5% of the amount subscribed dependent on the type of investor. The amount that may be received by the Promoter pursuant to this agreement is capped at £1.14 million. All other costs, charges and expenses of or incidental to the Offer shall be paid by the Promoter from its fees save for trail commission (where permissible) which shall be paid by the Company and initial commission and the facilitation of up-front adviser charges each of which shall be paid by the Company through the application of a pricing formula. In respect of each investor, the Promoter's fee will be reduced by loyalty and early investment discounts. The Manager has provided a guarantee to the Company in respect of the obligations of the Promoter under this agreement.

6.1 Investment policy

The Company will target unquoted companies which it believes will achieve the objective of producing attractive returns for Shareholders.

INVESTMENT POLICY

The Company will target unquoted companies which it believes will achieve the objective of producing attractive returns for Shareholders.

INVESTMENT SECURITIES

The Company invests in a range of securities including, but not limited to, ordinary and preference shares, loan stock, convertible securities, and fixed-interest securities as well as cash. Unquoted investments are usually structured as a combination of ordinary shares, preference shares and loan stock. Pending investment in unquoted and AIM listed securities, cash will be primarily held in a range of interest-bearing accounts as well as a range of permitted non-qualifying investments including alternative investment funds and listed shares. The Company may invest in other funds managed by Foresight (or its associates).

UK COMPANIES

The companies in which investments are made must satisfy a number of tests set out in Part 6 of the Income Tax Act 2007 to be classed as VCT qualifying holdings, including that they have a permanent establishment in the UK.

ASSET MIX

The FWT Share class invests principally in early stage UK technology companies and funds raised by FWT Share offers will, no later than three years following the end of the accounting period in which those shares are issued, be invested as to at least 80% in unquoted disruptive UK technology companies with 30% of such funds so invested within the first 12 months. The remainder of such funds raised will be held in cash or other permitted non-qualifying investments. Funds raised in the future will be invested in accordance with prevailing VCT rules at the time of investment.

RISK DIVERSIFICATION AND MAXIMUM EXPOSURES

Risk in the FWT Share class will be spread by investing in a number of different companies developing different technologies which are applicable to different target markets and at different levels of the value chains within those markets and with a targeted minimum of five investments.

The maximum amount invested by the Company in any one company is limited to 15% of the portfolio at the time of investment.

BORROWING POWERS

The Company's Articles permit borrowing, to give a degree of investment flexibility. Under the Company's Articles no money may be borrowed without the sanction of an ordinary resolution if the principal amount outstanding of all borrowings by the Company and its subsidiary undertakings (if any), then exceeds, or would as a result of such borrowing exceed, a principal amount equal to the aggregate of the share capital and consolidated reserves of the Company and each of its subsidiary undertakings as shown in the latest available audited consolidated balance sheet. The underlying portfolio companies in which the Company invests may utilise bank borrowing or other debt arrangements to finance asset purchases but such borrowing would be non-recourse to the Company.

6.2 Co-investment policy

Foresight Group currently manages other funds which may invest alongside the FWT Share class, including the FWT EIS Fund. Investment opportunities will normally be offered initially to the FWT Share class on a basis which is pro rata to the net cash raised pursuant to the Offer and any future FWT Share offer compared to the net cash raised by the other Foresight Funds, other than where investments are proposed to be made in a company where one or more Foresight Funds has a pre-existing investment, where the incumbent investor will have priority. Implementation of this policy will be subject to the availability of monies to make the investment and other portfolio considerations, such as portfolio diversity and the need to maintain VCT status.

Where the FWT Share class invests in companies in which Foresight Funds have invested or subsequently invest, conflicts of interest may arise and the Board will exercise its independent judgement to manage any such conflicts. In such circumstances, the Manager will apply Foresight Group's conflicts policy in order to reconcile the conflict in the first instance and thereafter, if required, the Board will exercise its independent judgement, so far as it is able, to protect the interests of the Company. It may not, in such circumstances, be possible to fully protect the interests of the Company.

6.3 Dividend Policy

The returns from profitable exits will be paid to investors in the form of tax free dividends, at a targeted average rate of 5% per annum of the NAV of the FWT Shares. Investors should note that this is an estimated average target over a number of years and in any given year the 5% target may not be met (or may be exceeded). Due to the nature and returns profile of the underlying investments, the Board anticipates irregular dividends, paid as and when exits occur, to be a significant factor in the Company's ability to achieve or exceed the average 5% annual target. The Board is committed to initiate dividend payments as soon as possible and conducts regular portfolio reviews of potential exits with the Investment Team.

6.4 Company undertakings

- i. The Company's income is intended to be derived wholly or mainly from shares or other securities, as this phrase is interpreted by HMRC.
- ii. The Company will not conduct trading activity which is significant in the context of its group as a whole.
- iii. Not more than 10% in aggregate of the value of the total assets of the Company at the time of Admission will be invested in other closed-ended investment funds.
- iv. It is the intention of the Directors that the Company will pay dividends or make distributions from revenue profits and profits realised from the sale of investments.
- v. The Company intends to direct its affairs in respect of each of its accounting periods so as to qualify as a venture capital trust. Accordingly:
 - it will not control the companies in which it invests in such a way as render them subsidiary undertakings;
 - none of the investments will represent more than 15% by VCT Value of the Company's investments; and

- not more than 20% of the Company's gross assets will at any time be invested in the securities of property companies.
- vi Foresight Group personnel have and will have sufficient and satisfactory relevant experience in advising on investments of the size and type in which the Company proposes to make. The Directors will also ensure that the board of the Company and any additional or replacement investment advisers have and will have sufficient and satisfactory experience in advising on such investments.
- vii In the event of a breach of the investment restrictions which apply to the Company as described in paragraph 6.1 above, shareholders will be informed by means of the interim and/or the annual report or through a public announcement.
- viii The Directors act and will continue to act independently of the Foresight Entities. No majority of the Directors will be directors or employees of, or former directors or employees of, or professional advisers to Foresight Entities or any other company in the same group as a Foresight Entity.
- ix. The investment policy set out above, in the absence of unforeseen circumstances, will be adhered to by the Company for at least three years following the date of close of the Offer. Any material change to the Company's investment policy in any event will only be made with the approval of the Shareholders, and separately of the relevant class of Shareholders, of the Company by ordinary resolution.

7 Related Party Disclosure

- 7.1 Foresight Entities received management and administration fees, in each case plus VAT where appropriate, of £623,000 in the year ended 31 March 2021, £861,000 in the year ended 31 March 2022, £1,226,000 in the year ended 31 March 2023 and £143,000 in the year to date.

No performance incentive payments were made during the years ended 31 March 2021 or 31 March 2022 or in the current financial year to date. A performance fee of £2,767,000 was paid during the year ended 31 March 2023.

- 7.2 Save for the fees paid to Directors (set out in 3.5 above), the fees paid to the Manager and the Investment Adviser (as set out in 7.1 above) and promotion fees paid to the Manager and the Promoter of £185,000 in respect of the 2020 Offer, £112,000 in respect of the 2022 Offer and £69,000 in respect of the 2023 1st Offer, there have been no related party transactions or fees paid to related parties by the Company during the years ended 31 March 2021, 31 March 2022 or 31 March 2023 or to date in the current financial year to date.

8 Conflicts

- 8.1 The Manager's fees are based on a percentage of net assets and, therefore, there is a conflict in the valuations it proposes in relation to investments. This conflict is managed by the valuation of investments being reviewed and approved by the Board and reviewed annually by the external auditors.
- 8.2 The Manager's co-investment policy is set out on page 27 of this document.
- 8.3 Travel and other expenses that are recoverable from the Company may be considered benefits to the Directors. Where applicable, any associated tax liability will be settled by the Company.

Save as set out above, there are no material potential conflicts of interest which any of the Directors, the Manager, Foresight Entities or any other of the service providers to the Company may have as between their duty to the Company and the duties owed to third parties and/or their other interests.

9 Overseas investors

- 9.1 No person receiving a copy of the Prospectus or accompanying application form in any territory other than the UK may treat it as constituting an offer or invitation to him to subscribe for or purchase FWT Shares in the Company.
- 9.2 No action has been taken to permit the distribution of this document in any jurisdiction outside the UK where such action is required to be taken. All applicants under the Offer will be required to warrant that they have observed all the laws of their relevant territory in connection with the Offer.

10 Taxation

The following paragraphs, which are intended as a general guide only and are based on current legislation and HMRC practice, summarise advice received by the Directors as to the position of the Company's Shareholders who hold FWT Shares other than for trading purposes. Any person who is in any doubt as to his taxation position or is subject to taxation in any jurisdiction other than the UK should consult his professional advisers.

- 10.1 Taxation of dividends - under current law, no tax will be withheld by the Company when dividend is paid.
- 10.2 Stamp duty and stamp duty reserve tax – the Company has been advised that no stamp duty or stamp duty reserve tax will be payable on the issue of the FWT Shares. The Company has been advised that the transfer of FWT Shares will, subject to any applicable exemptions, be liable to ad valorem stamp duty at the rate of 0.5% of the consideration paid. An unconditional agreement to transfer such shares if not completed by a duly stamped stock transfer will be subject to stamp duty reserve tax generally at the rate of 0.5% of the consideration paid.
- 10.3 Close company - the Directors believe that the Company is not and expect that following completion of the Offer will not be a close company within the meaning of the Tax Act. If the Company were a close company in any accounting period, approval as a venture capital trust would be withdrawn.

11 Miscellaneous

- 11.1 On 24 February 2023, the Company announced the completion of the sale of the portfolio of solar assets held in its Ordinary Shares fund. This has resulted in a significant change in the Company's financial position to the extent that the proceeds have been returned to Ordinary Shareholders (by way of dividends, FWT Shares and Deferred Convertible Preference Shares) and has the effect of commensurately reducing the overall size of the Company's asset base.
- 11.2 There has been no significant change in the financial position of the Company since 31 March 2023, the end of the last financial period for which audited financial statements of the Company have been published.
- 11.3 The Board believes that the Offer will result in a significant change to the Company, including an increase in its earnings and in the net assets of an amount equivalent to the net proceeds received under the Offer, expected to be approximately £14.2 million assuming full subscription, no use of the over-allotment facility, early investment or loyalty discounts and subscription entirely by investors in respect of whom commission is payable to an intermediary.
- 11.4 Foresight Group Promoter LLP is the promoter of the Offer and Foresight Group LLP is the investment manager to the Company and, save as disclosed in paragraph 7 above, no amount of cash, securities or benefits has been paid by the Company, issued or given to the promoter or the investment manager and none is intended to be paid, issued or given by the Company.
- 11.5 The Company has made claims against the Spanish and Italian Governments in respect of misrepresentations around the availability of tax subsidies related to solar installations ("**Overseas Claims**"). The total value of the Overseas Claims is approximately £2 million. The Overseas Claims are currently in progress but without a clear timeline for their conclusion. Other than the Overseas Claims, there are no governmental, legal or arbitration proceedings (including any such proceedings which are or were pending or threatened of which the Company is aware) during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Company's financial position or profitability.
- 11.6 The issue costs payable by the Company under the Offer (including irrecoverable VAT and sales commissions) have been fixed by the Directors at 5.5% of total funds subscribed (but excluding annual trail commission in respect of applications where this is permissible and payable). The Promoter and the Manager have agreed to indemnify the Company in respect of any excess costs of the Offer over 5.5% of the gross proceeds of the issue of FWT Shares under the Offer. The net proceeds for the Company from the Offer, with the assumptions set out in 11.3 above, will therefore amount to approximately £14.2 million.
- 11.7 The issue premium for the FWT Shares will be the difference between the issue price of the FWT Shares under the Offer and their nominal value of 1 penny. The Offer is not underwritten.

- 11.8 The Company paid a dividend of 2.0p per Ordinary Share during the year ended 31 March 2021. No dividends were paid during the year ended 31 March 2022. Following the sale of the Company's solar portfolio, a first special dividend of 132p per Ordinary Share was paid in the year ended 31 March 2023 to holders of Ordinary Shares and the second special dividend of 5.5p per Ordinary Share was paid on 25 July 2023 to holders of Ordinary Shares. No dividends have yet been paid in respect of the FWT Shares.
- 11.8 The Company's capital resources are restricted insofar as they may be used only in putting into effect the investment policies described in paragraph 6 above.
- 11.10 The Company does not have any major shareholders and no shareholders have different voting rights. To the best of the knowledge and belief of the Directors, the Company is not directly controlled by any other party and at the date of the Prospectus, there are no arrangements in place that may, at a subsequent date, result in a change of control of the Company.
- 11.11 The typical investor for whom investment in the Company is designed is a retail investor who is an individual higher rate tax payer aged 18 or over, with an investment range of £5,000 and £200,000, who is capable of understanding and is comfortable with the risks of VCT investment, and who is resident in the UK.
- 11.12 Foresight Group is responsible for the determination and calculation of the Company's net asset value, which will be prepared quarterly for approval by the Directors.
- 11.13 Deloitte LLP of 20 Castle Terrace, Edinburgh EH1 2DB were appointed as auditors to the Company following a tender process which completed in December 2020. Deloitte LLP are registered to carry on audit work and is authorised to carry on investment business by the Institute of Chartered Accountants in England and Wales.

(B) ANALYSIS OF THE INVESTMENT PORTFOLIO

Since the launch of the FWT Share class on 20 December 2019, it has raised approximately £20 million. The FWT Share class provides investors with the opportunity to invest in a portfolio of early-stage companies with high growth-potential, developing innovative and occasionally transformational technologies across a range of different sectors.

Information on the current FWT Shares portfolio as at the date of this document is detailed below. Information on investments held and valuations in respect of investments made have been extracted from the audited yearly financial report of the Company for the year ended on 31 March 2023. Where additional information below has been taken from the latest financial year end accounts published by the named Investee Companies, such information is, for the purpose of this section (B), "Third Party Information". The Third Party Information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Top 10 Investments (by value)

1. Audioscenic Limited

<p>Audioscenic is developing immersive 3D audio technology for loudspeaker systems that will revolutionise the way users experience sound. The system monitors the location of a listener's head using head tracking technology and then beams a separate sound wave to their left and right ears, creating an immersive 3D audio experience far beyond what a conventional surround sound system can offer.</p> <p>The Company invested £359,995 into Audioscenic in October 2020 and £1,391,437 in December 2022 as part of a £5.0m funding round.</p> <p>Audioscenic has modified its software for commercial adoption and secured its first design win into a gaming soundbar produced by Razer, one of the world's leading computer and gaming peripherals companies. This product was launched at the Consumer Electronics Show in Las Vegas in January 2023 and received 12 industry awards. The product is now commercially available. Audioscenic is now working on other design-wins in the soundbar, computer monitor, video conferencing and laptop market.</p>	
Sector	Software and Services
Development Stage	Post-revenue, Pre-Profit
Valuation of Holding	£2,304,242

2. Forefront RF Limited

<p>Forefront RF is developing signal cancellation technology to reduce the size and number of components used to receive cellular signals in mobile phones. The company has developed patent-protected technology for a universal filter module that is ten times smaller than existing modules, enabling a simplified supply chain and more space within the handset, unlocking additional functionality and design flexibility.</p> <p>The Company invested £270,461 into Forefront RF Limited in August 2021 as part of a £1.4m round led by Bristol-based Science Creates Ventures, including Foresight WAE EIS, The Business Growth Fund and Cambridge Angels, and a £849,749 follow-on investment in February 2023 as part of a £6.7m funding round alongside the existing investors.</p> <p>Since the initial investment, Forefront RF has achieved significant milestones in developing its Adaptive Passive Cancellation (APC) technology and extending its intellectual property portfolio. The company has shifted its focus from being a component supplier to becoming a supplier of entire radio frequency modules, selling directly to mobile handset manufacturers. R&D efforts continue to show promise and receive a good level of interest from large customers in the sector.</p>	
Sector	Semiconductors and Semiconductor Equipment
Development Stage	Pre-revenue
Valuation of Holding	£1,558,966

3. Cambridge GaN Devices Limited

Cambridge GaN Devices (“CGD”) is a University of Cambridge spin out founded in 2016. The company has developed a new generation of gallium nitride (“GaN”) semiconductor power devices. GaN power devices are smaller, more efficient and up to 100 times faster than silicon alternatives. Target sectors include consumer electronics, industrial lighting, data centres and automotive.

The Company invested £360,807 into CGD in January 2021 as part of a £6.9m funding round alongside Foresight WAE EIS, the Business Growth Fund and IQ Capital, and a £623,332 follow-on investment in August 2022 as part of a £15 million oversubscribed round, alongside the existing investors.

CGD's product development efforts continue and both its first and second generation chips are beginning to generate revenues. The patent portfolio is expanding as CGD iterates its designs to cover different resistances. The Gallium Nitride (“GaN”) market is growing even quicker than anticipated at investment and commercial opportunities are accelerating across all target sectors.

Sector	Semiconductors and Semiconductor Equipment
Development Stage	Post-revenue, Pre-Profit
Valuation of Holding	£1,327,265

4. Living Optics

Living Optics is a University of Oxford spin-out commercialising next generation hyperspectral imaging technology. The company's hyperspectral camera system promises to capture higher resolution images, faster, at lower cost and in a more compact form factor than incumbent camera systems.

The Company invested £1,247,663 into Living Optics in August 2022 as part of a £20m funding round alongside Oxford Science Enterprise, Octopus Ventures and existing investors. The investment round will be used to continue product development and grow sales and marketing capability.

Living Optics continues to focus on technology development and remains on track for a planned launch of its first commercial product in late 2023. The technology is attracting strong interest from potential customers in defence and industrial applications and prototype cameras have been successfully deployed in paid trials.

Sector	Technology and Hardware Equipment
Development Stage	Pre-revenue
Valuation of Holding	£1,247,663

5. Previsico Limited

Previsico was spun-out of Loughborough University in 2019 to develop a more accurate flood forecasting system. Previsico's FloodMap Live platform uses sophisticated modelling and data feeds to predict flood impacts, including surface water flooding, and provides automated alerts to enable users to protect assets and minimise damage.

The Company invested £647,993 into Previsico in August 2021 alongside Foresight WAE EIS and Foresight MEIF.

Previsico has demonstrated strong commercial progress, having attracted several recurring revenue contracts from major insurers and asset owners. Previsico has also now launched a range of smart sensors that can be placed into watercourses near premises to complement its flood modelling platform. It is selling to insurers and their clients, with live, actionable warnings for surface water flooding. Previsico has attracted interest from new investors and will seek further funding soon to support sales growth and expansion into the US.

Sector	Software and Services
Development Stage	Post-revenue, Pre-Profit
Valuation of Holding	£1,174,459

6. Opsydia Limited

Opsydia has developed a laser-based technology that rapidly and accurately performs sub-surface marking of diamonds and other gemstones. Opsydia's sub-surface inscription marks cannot be tampered with or removed without destroying the value of the stone, providing diamond producers with a robust and immutable method of connecting a physical stone with its certificate of origin, and offering high-end brands the means to differentiate their products. The technology has now been commercialised and the company has already sold the marking systems to several international diamond producers.

The Company invested £1,145,156 into Opsydia in June 2022 as part of a £3.5m funding round alongside existing investors.

The investment round will support Opsydia through its growth phase. In addition to its core product, Opsydia plans to develop a lower-cost variant of the machine for customers with a lower throughput, and a variant of the machine which can mark very small 'melee stones'. Opsydia is also developing a 'Diamond Viewer', which will be sold to retailers to enable customers to view the markings inside the stone. Opsydia finished 2022 ahead of budget from the sale of its core product to major industry participants. Opsydia has also developed a strategy of increasing the installed base of machines and the number of stones marked and expanding its customer base in the diamond industry.

Sector	Technology and Hardware and Equipment
Development Stage	Post-revenue, Pre-Profit
Valuation of Holding	£1,145,155

7. Kognitiv Spark Inc

Kognitiv Spark is commercialising software that provides 3D data to support field service workers in remote locations. The company's product offers three significant advantages over the competition: it is the only commercially available solution that allows the real-time sharing of 3D data sets, can maintain a stable video connection even in low bandwidth environments and defence-grade security.

The Company invested £1,255,579 into Kognitiv Spark in February 2022 as part of a £4.5m funding round alongside existing investors and Foresight WAE EIS.

Kognitiv Spark finished 2022 with strong results. The sales pipeline continues to grow and applications outside defence and aerospace remain areas for expansion, while generating a good level of interest from large customers in the sector.

Sector	Technology and Hardware and Equipment
Development Stage	Post-revenue, Pre-Profit
Valuation of Holding	£1,144,657

8. VividQ Limited

VividQ is enabling the next generation of holographic displays by developing proprietary algorithms which significantly reduce the computing power required to generate a holographic image. The company is working to embed its technology into AR headsets, Automotive Head Up Displays ("HUDs"), smart glasses and display screens.

The Company invested £1,068,697 into VividQ Limited in May 2021 as part of a £9.0m funding round alongside Foresight WAE EIS, Sure Valley Ventures and other investors.

VividQ is continuing to execute its focused strategy of targeting the Augmented Reality ("AR") headset market. The company finished development of its latest AR headset demo, which represents a World first and has received very positive feedback from technical partners. VividQ has signed three Memorandums of Understanding ("MOUs") with electronics companies, which are keen to trial VividQ's technology and potentially co-develop a headset. VividQ has seen increasing interest following Apple's announcement of its Vision Pro headset.

Sector	Software and Services
Development Stage	Pre-revenue
Valuation of Holding	£1,068,697

9. Zero Point Motion Limited

Zero Point Motion (“ZPM”) is developing a chip-scale Inertial Measurement Unit (IMU) which combines the cost benefits of conventional micro-electro-mechanical sensors (MEMS) with the accuracy of photonic integrated circuits (PICs). ZPM aims to develop an IMU which brings the accuracy of a military grade IMU into a form factor and price point which is suitable for consumer applications, including drones, camera image stabilisation systems and ultimately smart phones.

The Company invested £813,750 into ZPM in November 2021 as part of a £2.5m funding round alongside u-blox, Verve Ventures and Foresight WAE EIS.

ZPM continues to make progress in developing its innovative IMU technology in line with the plan. ZPM has had its first prototype sensors assembled ready for testing and started to build commercial interest in its technology.

Sector	Semiconductors and Semiconductor Equipment
Development Stage	Pre-revenue
Valuation of Holding	£961,536

10. Refeyn Limited

Refeyn is commercialising a new generation of scientific instrumentation for the detection, imaging and accurate mass determination of single biomolecules in solution using light scattering. Its instrumentation is significantly faster, easier to use and lower cost than other existing high accuracy techniques. The company was spun out from the Chemistry Department at the University of Oxford in early 2018.

The Company invested £360,000 into Refeyn in November 2020 in a round led by new investor Northpond Ventures, a US-based life-sciences focused fund, alongside Oxford Science Enterprises (“OSE”) and the University of Oxford, as well as Foresight WAE EIS. In 2022, the Company raised a further significant round of funding led by Northpond Ventures, which did not qualify for VCT or EIS.

Refeyn continues to grow strongly and new products have been well received by the market. These include the TwoMP, the second generation of its flagship mass photometer product; the SamuxMP, a specialist version of the TwoMP tuned for the adeno-associated virus analysis market; and the AutoMP, an industrial version of the TwoMP that offers rapid measurement of multiple samples. The first installations of the AutoMP have received positive customer feedback.

Sector	Pharmaceuticals, Biotechnology, and Life Sciences
Development Stage	Post-revenue, Pre-Profit
Valuation of Holding	£795,769

(C) FINANCIAL INFORMATION

Audited financial information on the Company published in its annual report and accounts for the last three financial years as set out below.

The annual report and accounts were all prepared in accordance with UK generally accepted accounting practice (GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the fair value rules of the CA 2006 and in accordance with the Statement of Recommended Practice (SORP) "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued in November 2014 and updated in February 2018.

Deloitte LLP, whose registered office is 1 New Street Square, London, United Kingdom, EC4A 3BZ has reported without qualification and without statements under section 498 of the CA 2006 in respect of the statutory accounts for the years ended 31 March 2021 (2021 Annual Report), 31 March 2022 (2022 Annual Report) and 31 March 2023 (2023 Annual Report).

The annual report and accounts include the information set out below on the pages specified in the tables below, which are being incorporated into the document by reference can be accessed at the Foresight website at <https://www.foresightgroup.eu/products/foresight-technology-vct-plc> and are also available for inspection at the National Storage Mechanism which can be accessed at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. It should be noted that other sections of such documents that are not incorporated herein by reference are either not relevant to investors and others or are covered elsewhere in the Prospectus.

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of the Prospectus.

Description	2023 Audited Annual Report (page number)	2022 Audited Annual Report (page number)	2021 Audited Annual Report (page number)
Balance Sheet	62	72	66
Income Statement (or equivalent)	60	70	64
Statement showing all changes in equity (or equivalent)	61	71	65
Cash Flow Statement	63	73	67
Accounting Policies and Notes	64	74	68
Auditor's Report	52	62	56

This information has been prepared in a form consistent with that which will be adopted in the Company's next published annual financial statements having regard to accounting standards and policies and legislation applicable to those financial statements.

Such information also includes operating/financial reviews as follows:

Description	2023 Audited Annual Report (page number)	2022 Audited Annual Report (page number)	2021 Audited Annual Report (page number)
Financial Highlights	2	2	2
Results & Dividend	3	3	3
Portfolio review	10	9	12
Valuation Policy	32	42	36
Outlook	5	6, 10	6, 11
Investment Summary	10	9 – 34	18, 22

Certain financial information on the Company is also set out below:

	2023 Audited Annual Report	2022 Audited Annual Report	2021 Audited Annual Report
Investment income	£656,000	£902,000	£17,667,000
Profit/(loss) before taxation	£12,098,000	£13,594,000	£(836,000)
Profit/(loss) per Ordinary Share	31.9p	38.3p	(1.8)p
Profit/(loss) per FWT Share	5.5p	1.8p	(5.0)p
Dividends per Ordinary Share	132p	-	2.0p
Dividends per FWT Share	-	-	-
Total net assets	£25,295,000	£53,733,000	£33,996,000
NAV per Ordinary Share	7.2p	107.3p	68.9p
NAV per FWT Share	102.8p	97.4p	98.0p

As at 31 March 2023, the audited net asset value per FWT Share was 102.8p.

Effect of the Offer

As at 31 March 2023, the date to which the most recent audited yearly report and accounts of the Company have been drawn up, the Company had net assets of approximately £25.3 million. The Company is now seeking to raise up to £15 million (with an over-allotment facility of up to an additional £10 million) through the Offer for which the associated expenses will not exceed 5.5% of the gross proceeds. The impact of the Offer on the Company's earnings should be accretive in the medium term. The net assets of the Company will be increased by the net proceeds of the Offer.

PART THREE
DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during usual business hours on weekdays (Saturdays and public holidays excepted), at the offices of Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG and at <https://www.foresightgroup.eu/products/foresight-technology-vct-plc> while the Offer is open:

- the Memorandum and Articles of the Company;
- the annual reports and accounts of the Company for the years ended 31 March 2023, 31 March 2022 and 31 March 2021;
- this Registration Document;
- the Securities Note; and
- the Summary.

6 September 2023