

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 constitutes a prospectus dated 11 October 2024 (the "**Prospectus**") issued by Thames Ventures VCT 1 plc (the "**Company**"), prepared in accordance with Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK Prospectus Regulation**"). The Prospectus has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**") as competent authority for the purposes of the UK Prospectus Regulation, in accordance with the Prospectus Regulation Rules of the FCA made under section 73A of the Financial Services and Markets Act 2000 ("**FSMA**"). The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. 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 and investors should make their own assessment as to the suitability of investing in these securities. The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of UK Prospectus Regulation.

A brief summary written in non-technical language and conveying the essential characteristics and risks associated with the Company and the Consideration Shares and the Offer Shares is contained in a summary on pages 3 to 9 of this document. The Prospectus has been filed with the FCA in accordance with the UK Prospectus Regulation and you are advised to read it in full.

The Company, the Directors and the Proposed Director (whose names are set out on page 103) accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Company, the Directors and the Proposed Director, the information contained in the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

The Existing Shares issued by the Company are listed on the Official List of the FCA and traded on the London Stock Exchange's market for listed securities. Application will be made to the FCA for all of the Consideration Shares and the Offer Shares (together the "**New Shares**") each to be issued pursuant to the Prospectus to be listed on the Official List and will be made to the London Stock Exchange for the New Shares to be admitted to trading on its main market for listed securities. It is expected that Admission to the Official List will become effective and that dealings in the New Shares will commence three Business Days following allotment. The New Shares will rank pari passu with the Existing Shares from the date of issue.

The Merger is conditional, inter alia, upon the approval of the Shareholders of the Company at the general meeting of the Company to be held on 8 November 2024 (the "**General Meeting**").

Prospectus related to

THAMES VENTURES VCT 1 PLC

proposed to be renamed FORESIGHT VENTURES VCT PLC

Registered in England and Wales under company number 03150868

Proposed Merger with Thames Ventures VCT 2 plc

and

Offer for Subscription to raise up to £5 million (with an over-allotment facility of up to a further £5 million) by way of issues of Ordinary Shares of 1p each in the capital of the Company

Dickson Minto Advisers LLP (the "**Sponsor**"), which is authorised and regulated in the UK by the FCA, is acting as sponsor for the Company and no-one else and will not be responsible to any other person for providing the protections afforded to customers of the Sponsor or for providing advice (subject to those responsibilities and liabilities arising under the Financial Services and Markets Act 2000 ("**FSMA**") and the regulatory regime established thereunder).

In connection with the Offer, Foresight Group Promoter LLP ("**Promoter**") is acting for the Company as the promoter of the Offer and no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Foresight or for providing advice in relation to the Offer (subject to those responsibilities and liabilities arising under FSMA and the regulatory regime established thereunder). The Promoter is an appointed representative of Foresight Group LLP ("**Foresight**", the "**Investment Adviser**"), the investment adviser to the Company, which is authorised and regulated by the FCA with firm reference number 198020. The Promoter is registered with the FCA with firm reference number 806061.

Copies of this document are available (and any supplementary prospectus published by the Company will be available) free of charge from the Company's registered office c/o Foresight Group LLP at The Shard, 32 London Bridge Street, London SE1 9SG; from the Foresight website at <https://www.foresight.group/products/thames-ventures-vct-1-plc> and from the offices of the Sponsor, at Level 4 Dashwood House, 69 Old Broad Street, London, United Kingdom, EC2M 1QS.

The procedure for, and the terms and conditions of, application under this Offer are set out at the end of this document. Applications must be submitted to the Receiving Agent, The City Partnership (UK) Limited. The Offer opens at 3.00 p.m. on 15 November 2024 and will close at 4.00 p.m. on 30 April 2025 (or earlier at the discretion of the directors or if full subscription is reached or later if extended at the Board's discretion). Applicants who wish to have some or all of their New Shares allotted in the tax year 2024/25 must return their completed Application Form, with cleared funds received by the Receiving Agent, by 10.00 a.m. on 3 April 2025.

Your attention is drawn to the risk factors set out on page 10 to 13 of this document. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which might arise. If you are in doubt as to the action you should take, you should consult an independent financial intermediary authorised under FSMA.

CONTENTS

	Page
SUMMARY	3
RISK FACTORS	10
EXPECTED MERGER TIMETABLE	14
EXPECTED OFFER TIMETABLE, STATISTICS AND COSTS	15
PART ONE: THE MERGER	17
PART TWO: THE SCHEME	25
PART THREE: THE OFFER	29
PART FOUR: THE INVESTMENT ADVISER	44
PART FIVE: TAXATION	51
PART SIX: INVESTMENT PORTFOLIO OF THE COMPANY	55
PART SEVEN: FINANCIAL INFORMATION	65
PART EIGHT: GENERAL INFORMATION ON THE COMPANY	69
PART NINE: DEFINITIONS	86
PART TEN: ADDITIONAL INFORMATION	91
PART ELEVEN: TERMS AND CONDITIONS OF APPLICATION	95
DIRECTORS AND ADVISERS	103

SUMMARY

SECTION 1: INTRODUCTION

This summary forms part of a prospectus dated 11 October 2024 (the “**Prospectus**”) issued by Thames Ventures VCT 1 plc and which has been approved, on that date, by the Financial Conduct Authority (the “**FCA**”), the competent authority for the United Kingdom under Part IV of the Financial Services and Markets Act 2000.

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

The Prospectus describes a proposed merger of the Company with Thames Ventures VCT 2 plc, and an issue of Ordinary Shares of 1 penny each in the capital of the Company in consideration for the transfer of assets and liabilities of Thames Ventures VCT 2 plc (“**TV2**”) to the Company, and a subsequent public offer by the Company to raise up to £5 million (with an over-allotment facility for up to a further £5 million). The securities being issued as consideration in the Merger and offered pursuant to the Offer are Ordinary Shares of 1 penny each (ISIN: GB00BFRSVQ41).

The Company’s contact details are:

Address c/o Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG
Email investorrelations@foresightgroup.eu
Website <https://www.foresight.group/products/thames-ventures-vct-1-plc>
Telephone 020 3667 8181
LEI 213800R88MRC4Y3OIW86

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 investor. Investors could lose all or part of the invested capital. Civil liability attaches 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 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 such securities.

SECTION 2: KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

The issuer of the securities which are the subject of this Prospectus is Thames Ventures VCT 1 plc (the “**Company**”).

The Company is a public limited liability company which is registered in England and Wales with registered number 03150868. Its Legal Entity Identifier is: 213800R88MRC4Y3OIW86. 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 is proposing to acquire the assets and liabilities of Thames Ventures VCT 2 plc (“**TV2**”) in exchange for the issue of Consideration Shares to TV2’s shareholders (the “**Merger**”). The Company and TV2 share a common investment manager, Foresight Group LLP (“**Foresight**”). Following the Merger, the Company as enlarged by the Merger (the “**Enlarged Company**”) is expected to have net assets of approximately £121 million (assuming the Merger had been completed based on the audited NAVs of both the Company and TV2 (the “**Companies**”) as at 30 June 2024, adjusted, inter alia, for estimated merger costs of £495,000 (“**Merger Costs**”) which will be borne as to 50% by TV2, 30% by the Company and 20% by Foresight through a one-time reduction in its annual management fee post Merger.

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 no subsidiaries. As at the date of this Prospectus, the Company has three non-executive directors – Atul Devani (Chair), Chris Allner, and Barry Dean. It is proposed that current TV2 director Dr Andrew Mackintosh will join the board of the Enlarged Company following implementation of the Merger.

The Company’s auditors are BDO LLP of 55 Baker Street, London W1U 7EU.

What is the key financial information regarding the Company and TV2?

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

	Audited as at year ended 31 March 2024	Audited as at year ended 31 March 2023	Audited as at year ended 31 March 2022
Net Assets	£81,916,000	£91,983,000	£109,473,000
Number of shares in issue	177,546,529	177,441,775	177,567,399
Net asset value per Share	46.1p	51.8p	61.6p
Dividends paid per Share in respect of the period	2.1p	2.5p	3.0p

Income statement

	Audited as at year ended 31 March 2024 (£'000)	Audited year ended 31 March 2023 (£'000)	Audited year ended 31 March 2022 (£'000)
Income	906	3,031	4,584
(Losses)/gains on investments	(4,550)	(12,351)	8,619
Investment management fees	(1,726)	(1,598)	(2,102)
Other expenses	(1,346)	(812)	(705)
(Loss)/return on ordinary activities before tax	(6,716)	(11,730)	10,396
(Loss)/return per Share (pence)	(3.8)	(6.5)	5.9

Balance Sheet

	Audited year ended 31 March 2024 (£'000)	Audited year ended 31 March 2023 (£'000)	Audited year ended 31 March 2022 (£'000)
Fixed assets	67,393	71,227	85,954
Investments			
Current assets	7,570	6,828	3,300
Debtors			
Cash at bank and in hand	7,559	15,282	20,856
Creditors: amounts falling due within one year	(606)	(1,354)	(637)
Net current assets	14,523	20,756	23,519
Net assets	81,916	91,983	109,473
Capital and reserves			
Called up share capital	1,775	1,774	1,776
Capital redemption reserve	71	32	1,697
Share premium account	2,522	428	79,035
Funds held in respect of shares not yet allotted	-	-	78
Special reserve	86,901	88,813	16,328
Capital reserve - realised	(10,791)	-	-
Revaluation reserve	6,057	2,592	11,303
Revenue reserve	(4,619)	(1,656)	(744)
Total equity shareholders' funds	81,916	91,983	109,473
Basic and diluted net asset value per share	46.1p	51.8p	61.6p

Certain key historical information of TV2 is set out below:

Balance Sheet	Audited year ended 31 March 2024 (£'000)	Audited year ended 31 March 2023 (£'000)	Audited year ended 31 March 2022 (£'000)
Fixed assets	28,420	43,157	49,141
Investments			
Current assets	2,126	2,510	4,317
Debtors			
Cash at bank and in hand	10,456	6,082	8,384
Creditors: amounts falling due within one year	(615)	(1,214)	(965)
Net current assets	11,967	7,378	11,736
Net assets	40,387	50,535	60,877
Capital and reserves			
Called up share capital	110	117	113
Capital redemption reserve	4	4	58
Special reserve	49,101	50,483	24,063
Share premium account	1,396	-	29,284
Funds held in respect of shares not yet allotted	-	-	7
Revaluation reserve	(2,665)	93	6,995
Capital reserve - realised	(2,311)	4,127	3,769
Revenue reserve	(5,248)	(4,289)	(3,412)
Total equity shareholders' funds	40,387	50,535	60,877
Basic and diluted net asset value per share			
DSO D Share	-	2.6p	2.6p
DP67 Share	26.3p	24.8p	26.8p
Ventures Share	46.8p	59.4p	68.2p
Healthcare Share	41.5p	61.6p	84.4p
AIM Share	101.8p	101.1p	99.9p

Income statement

	Audited year ended 31 March 2024 (£'000)	Audited year ended 31 March 2023 (£'000)	Audited year ended 31 March 2022 (£'000)
Income	50	284	1,296
(Losses)/gains on investments	(8,717)	(6,307)	6,599
Investment management fees	(960)	(944)	(1,062)
Other expenses	(528)	(689)	(409)
(Loss)/return on ordinary activities before tax	(10,155)	(7,656)	6,424
Return/(loss) per share (pence)			
Return/(loss) per DSO D Share (pence)	2.9	(0.1)	0.0
Return/(loss) per DP67 Share (pence)	1.5	(2.0)	8.3
(Loss)/return per Ventures Share (pence)	(11.3)	(6.5)	3.8
(Loss)/return per Healthcare Share (pence)	(19.3)	(21.4)	18.3
Return/(loss) per AIM Share (pence)	0.7	3.9	(2.3)

On 4 September 2024, the Company announced an unaudited NAV of 45.9p per Ordinary Share as at 30 June 2024 and on 27 June 2024, the Company announced an interim dividend of 1.1p per Ordinary Share, which was paid on 26 July 2024.

On 25 September 2024, TV2 announced unaudited NAVs of 46.1p per Ventures Share, 40.9p per Healthcare Share, 103.1p per AIM Share and 27.3p per DP67 Share each as at 30 June 2024 and on 24 September 2024 TV2 Shareholders approved final dividends of 0.25p per Ventures Share and 0.25p per Healthcare Share.

Save for the above movements in NAV, there has been no significant change in the financial position or financial performance of the Company or TV2 since the end of the last financial period for which financial information has been published to the date of this Prospectus (being the audited financial information of each company for their respective financial years to 31 March 2024).

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

- There can be no assurances that the Enlarged Company will meet its objectives, identify suitable investment opportunities or be able to diversify its portfolio. The past performance of Foresight, Downing and other funds managed or advised by Foresight and/or Downing (and including TV2) is no guide to future performance and the value of an investment. The Shares may fall as well as rise and an investor may not receive back the full amount invested.
- The Scheme may not be approved by the TV2 Shareholders. If the Scheme is not approved, the Merger will not go ahead.
- There can be no guarantee that the Enlarged 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.
- The tax rules, or their interpretation, in relation to an investment in the Enlarged Company and/or the rates of tax may change during the life of the Company and/or the Enlarged Company and may apply retrospectively which could affect tax reliefs obtained by shareholders and the VCT status of the Company and/or Enlarged Company.
- Investments made by the Company and the Enlarged 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.
- Although the Company and/or the Enlarged 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 Merger (“**Consideration Shares**”) and the Offer (“**Offer Shares**”) are Ordinary Shares of 1 penny each (ISIN: GB00BFRSVQ41) (together, the “**New Shares**”). They are denominated in sterling. The New Shares will be created pursuant to resolutions passed at the general meeting of the Company to be held on 8 November 2024.

The New Shares will rank equally in all respects with each other and with the existing Ordinary Shares. Shareholders will be entitled to receive certificates in respect of their New Shares and will also be eligible for electronic settlement.

The New Shares will be listed on the closed-ended investment funds segment of the Official List and, as a result, will be freely transferable.

What are the rights attaching to the securities?

Voting rights - Shareholders have the right to receive notice of and to attend and vote at general meetings of the Company.

Dividend rights - Shareholders are entitled to receive such dividends as the Directors may resolve to pay to them out of the assets attributable to their shares.

Return of capital - Shareholders are entitled to participate (in accordance with the rights specified in the Articles) in the assets of the Company attributable to Shares in a winding up of the Company.

Dividend policy

The Company’s dividend policy is to seek to pay annual dividends (by way of either interim and/or final dividends) of at least 4.0 per cent. of the Company’s net asset per annum subject to the availability of sufficient distributable profits, capital resources and compliance with the VCT regulations. Dividends are usually paid twice each year in February/March and August/September.

There are no assurances that this level of dividends will be paid or that the Company will pay any dividends.

Where will the securities be traded?

Applications will be made to the FCA for the New Shares to be admitted to the Official List of the FCA. Application will also be made to the London Stock Exchange for the New 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 New Shares will commence on 18 November 2024 in respect of the Merger and three business days following allotment in respect of the Offer.

Is there a guarantee attached to the securities?

There is no guarantee attached to the New Shares.

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

- If a qualifying investor disposes of his or her shares within five years of issue, he or she will be subject to clawback by HMRC of any income tax reliefs originally claimed.
- Although the Company’s existing Ordinary Shares have been (and it is anticipated that the New Shares will be) admitted to the Official List of the FCA and to trading on the London Stock exchange’s market for listed securities, there may not be a liquid market and investors may find it difficult to realise their investments or do so at a price which fully reflects the net asset value per share of the Company.
- Completion of the Merger is dependent on a number of conditions precedent being fulfilled, including the approval of shareholders both in the Company and TV2. Whilst the Board has identified a number of potential benefits to the Enlarged Company, there is no certainty that these benefits will lead to improved prospects for the Enlarged Company.

SECTION 4: KEY INFORMATION ON THE MERGER, THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

General terms and conditions of the Merger

If effected, the Merger will result in an Enlarged Company with total net assets of approximately £121 million (after expected merger costs to be borne by the Companies of approximately £396,000). The Merger will not, however, result in any new money being raised by the Company.

The Merger, the implementation of which is conditional, inter alia, on the passing of resolutions at the General Meeting, will be effected by:

- TV2 being placed into members' voluntary liquidation pursuant to a scheme of reconstruction under section 110 of the IA 1986; and
- the assets and liabilities of TV2 being transferred to the Company in consideration for the issue of Consideration Shares directly to TV2 shareholders.

The Merger should result in the following benefits for shareholders:

- a reduction in the forecast combined annual running costs and costs per share;
- a larger fund with greater portfolio diversification; and
- based on the above, the Enlarged Company is expected to be more attractive to potential investors and enjoy an enhanced ability to achieve future capital raisings.

Application has been made to the FCA for the Consideration Shares to be admitted to the Official List of the FCA. Application will also be made to the London Stock Exchange for such Consideration 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 Consideration Shares will commence on 18 November 2024.

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

The Offer opens at 3.00 p.m. on 15 November 2024 and will close at 4:00 p.m. on 30 April 2025 (or earlier at the discretion of the directors or if full subscription is reached or later if extended). Applicants who wish to have some or all of their New Shares allotted in the tax year 2024/25 must return their completed Application Form, with cleared funds received by the receiving agent, by 10.00 a.m. on 3 April 2025. Investors must be over 18 years old.

Application has been made to the FCA for the Offer Shares to be admitted to the Official List of the FCA. Application will also be made to the London Stock Exchange for such Offer 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 Offer Shares will commence three Business Days following allotment.

The number of Shares to be issued to each Applicant will be calculated based on the following Pricing Formula (rounded down to the nearest whole Share):

$$\text{Number of Offer Shares} = \left[\begin{array}{l} \text{Amount subscribed, less:} \\ \text{(i) initial Promoter's Fee and} \\ \text{(ii) Initial Adviser Charge (if any)} \end{array} \right] \div \left[\begin{array}{l} \text{Latest published NAV} \\ \text{per Offer Share} \end{array} \right]$$

The estimated expenses of the Offer will be 5.5% of the funds raised (assuming investment solely by investors who invest directly without an intermediary and where no Promoter's Fee waiver is applicable). If the Offer is fully subscribed (ignoring the over-allotment facility) the net proceeds of the Offer in those circumstances would be approximately £4.725 million.

An existing holder of Ordinary Shares who does not subscribe for Offer Shares pursuant to the Offer would experience no immediate dilution in terms of NAV per share (as the assets of the Enlarged Company will be increased by the proceeds of the Offer and the upfront costs of the Offer are borne by subscribers) but will experience dilution in terms of voting power. The Enlarged Company will pay an annual fee of 0.5% of the net asset value of the New Shares (for a maximum of six years) to the Promoter who will be responsible for paying trail commission to eligible intermediaries. This is not borne by subscribers through the application of the above Pricing Formula. All others incidental costs of the Offer will be borne by the Promoter from its fee.

The Offer is not underwritten.

Why is this prospectus being produced?

The Prospectus is being published to enable the Consideration Shares to be issued pursuant to the Merger and to enable the launch of the Offer.

The Offer is being launched to provide additional capital for the Enlarged Company to continue its investment programme with the goal of increasing the Enlarged Company's NAV and earnings.

The Company is and the Enlarged Company will be a generalist VCT with an increasing focus on technology companies and generally investing in companies from late seed to Series A stage. It is intended that the funds raised under 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 VCT qualifying companies with 30% of such funds so invested within the first 12 months. It is intended that the remainder of such funds raised will be held in cash or other permitted non-qualifying investments.

RISK FACTORS

Although the tax benefits available to investors in Ordinary 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.

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 Ordinary 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 Ordinary 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.

MERGER RISKS

- Completion of the Scheme is dependent upon a number of conditions precedent being fulfilled, including the approval of Shareholders and TV2 Shareholders. Whilst the Board has identified a number of potential benefits of the Merger for the Enlarged Company, there is no certainty that these benefits will lead to improved prospects for the Enlarged Company. The Scheme is conditional on approval by the TV2 Shareholders at a general meeting and notice of dissent not being received from TV2 Shareholders holding more than 10% in nominal value of the issued share capital of TV2, neither of which can be guaranteed. If the Merger is not approved or does not for any reason proceed to completion, the benefits described in this document will not be realised but many of the costs of the Merger will still be borne by the Companies.
- Pursuant to the Merger, the Company will indemnify the liquidators of TV2 against any costs or losses arising from its liquidation and so may incur costs if creditors, or other liabilities of TV2, come to light following the completion of the Merger.
- Shareholders may be adversely affected by the performance of the investments, whether acquired from TV2 or made by the Company. The portfolio to be acquired from TV2 will include a mixture of investments at different stages, including some more mature investments whose potential for further growth in value may be limited. Despite having a significant number of common investments, the full board of the Company do not have detailed knowledge of all the investments that will be acquired from TV2. The performance of the investments in TV2, as well as the investments of the Company, may restrict the ability of the Enlarged Company following the Merger to distribute any capital and revenue gains achieved on the investments transferred from TV2 to the Company (as well as the investments of the Company).
- If former TV Shareholders dispose of the Consideration Shares they receive pursuant to the Merger within five years of their original subscription for their TV2 Shares, they are likely to be subject to clawback by HM Revenue & Customs of any income tax relief obtained on their original subscription. This also applies where the disposal is made pursuant to a share buyback undertaken by the Company following the completion of the Merger.

OFFER RISKS

- The Offer is conditional on the implementation of the merger. If the Merger is not implemented, the Offer will be withdrawn. Further, if Resolution 5 to be proposed at the General Meeting of the Company is not passed, the amount available under the Offer may be restricted. If the Offer does not proceed, the Company is not exposed to the costs of the Offer already incurred as these are underwritten by the Promoter.
- The price at which Offer Shares will be allotted is variable and may move. The price at which Offer Shares will be issued is calculated by a formula linked to the latest published NAV of Ordinary Shares. Investors should be aware that the Company publishes NAVs quarterly and may publish additional NAVs more frequently for the purposes of the Offer. If revised NAVs are published during the course of the Offer, investors may receive a different number of Offer Shares from that anticipated.

ENLARGED COMPANY RISKS

- The Company and TV2, particularly in its TV2 Ventures Share class portfolio, have investments in a number of the same companies and where the aggregation of these shareholdings pursuant to the Merger means that the Enlarged Company would hold more than 50% of the share capital of that investee company (as is certainly the case for one investment with a combined value of £3.0 million representing 2.4% of the expected NAV of the Enlarged Company) it will be necessary for the Enlarged Company to dispose of some or all of its investment within the 12 months following the Effective Date otherwise such investments will cease to be qualifying investments under the VCT Rules. The timing constraint on such disposals may mean, in a worst-case scenario, they are not achievable on favourable commercial terms and this could result in a diminution in the value of Shares in the Enlarged Company.

INVESTMENT RISKS

- The value of the Ordinary Shares and the income from them can fluctuate and investors may not get back the amount they invested. In addition, there is no certainty that the market price of the Ordinary Shares will fully reflect their underlying net asset value or that Ordinary Shareholders will be able to realise their shareholding. Investment in the Enlarged Company should be seen as a long-term investment.
- There can be no guarantee that dividends will be paid in respect of the Ordinary Shares. If dividends are paid in respect of the Ordinary Shares, the timing of such payments and the amount of the dividends cannot be guaranteed, particularly as the Company's portfolio becomes increasingly weighted towards growth investments which rarely pay regular dividends and where returns to the Company are generated primarily by more irregular realisations.
- The past performance of the Company and other Foresight funds (including TV2) is not a reliable indication of the future performance of the Ordinary Shares class.
- The net asset value of the Ordinary Shares and the return received by investors will be dependent on the values and performance of the underlying investments in the Ordinary Shares fund portfolio, whether acquired from TV2 or made by the Company or the Enlarged Company. The value of the investments and income derived from them can rise and fall. The valuation of AIM-quoted investments may be influenced by the general performance of the AIM market, in addition to the performance of the underlying companies. It should be noted that the Company has particular exposure to the technology sector which has seen significant falling valuations during the past 18 months. 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 investee companies will be small, unquoted companies and companies quoted on AIM and/or the AQSE Growth Market. Realisation of investments in smaller 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 shares of larger companies quoted on regulated stock exchanges.
- 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 Enlarged Company's objectives.
- The performance of the Ordinary Shares class is dependent on the ability of Foresight 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.

- Although it is anticipated that the Consideration Shares and the Offer 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 unavailability of up-front income tax reliefs on shares purchased in the market, and investors may accordingly find it difficult to realise their investment.
- The Shares may trade at a discount. At any given point in time, the price for a Share which a Shareholder could achieve on the stock market may be significantly less than the net asset value of the Share or the price paid by the Shareholder to acquire the Shares. The Shares may trade at a discount to their underlying net asset value for a variety of reasons, including as a consequence of general market conditions, concerns regarding the general liquidity or marketability of the Shares or the actual or expected performance of the Company.
- The Company is a closed-ended investment fund. Although the Company operates and intends to continue to operate a share buyback policy with the objective of maintaining the discount to NAV at which its Shares trade at approximately 5.0% (proposed to fall to 2.5% if the Merger is completed) or less, Shareholders will have no formal right to have their Shares redeemed or repurchased by the Company at any time. Shareholders should not rely on any buyback policy and, if wishing to realise their investment, may be required to dispose of their Shares on the stock market. Accordingly, the ability of Shareholders to sell their Shares will depend on the Company's ability to operate its buyback policy or the existence of a liquid market in the Shares and the market price of the Shares (which in each case, will likely be at a discount to the NAV per Share).
- Where more than one Foresight fund wishes to participate in an investment opportunity, allocations will generally be made in proportion to the cash available to each 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. 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 Enlarged Company's portfolio of VCT-qualifying companies. This might mean that the Ordinary Shares class could receive a greater or lesser allocation, for instance when co-investing with another Foresight fund, than would otherwise be the case.
- Economic and global political uncertainty stemming from: persistent inflation and low growth; volatile commodity prices; the conflicts in Ukraine and the Middle East; political regime change across the UK, US and Europe; and potential tariffs or government policies which hinder international trade continue to present significant challenges and are adversely affecting, and will continue to adversely affect, the performance of companies in which the Company and TV2 has invested or in which the Company 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 and TV2 has invested or in which the Company may invest which in turn may adversely affect the performance of the Company.

VCT AND TAXATION RISKS

- If an investor who subscribes for Ordinary Shares disposes of those Ordinary Shares within five years, including by way of a share buyback, the investor is likely to be subject to clawback by HM Revenue & Customs of any income tax relief originally obtained on subscription.
- 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 VCT irrespective of whether the return takes the form of income, capital growth, fees, other payments or anything else. This requirement inherently increases the risk profile of companies in which the Enlarged Company can invest and stands in contrast to some of those in which the Company and/or TV2 has historically invested, 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. Loan capital held by the Enlarged 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 materially increases the risk profile of new investments made by the Enlarged Company.
- VCTs are 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 Foresight believe this investment time horizon is achievable based on Foresight’s existing pipeline of investment opportunities without impacting the quality of potential investments, this added pressure on the Enlarged Company to complete investments in a timely fashion could result in the less attractive investments being prioritised in order to meet the statutory requirement.
- VCTs are 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 rules is the loss of VCT status, so the Company, TV2 and their investors may face a risk of the loss of tax benefits if breaches were to occur. Qualifying investee companies are also subject to a lifetime risk finance investment limit of £12 million (£20 million for ‘knowledge intensive’ companies), which may restrict the Enlarged Company’s ability to make follow on investments.
- VCT status will similarly be withdrawn if 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 Enlarged Company to fund dividends and share buybacks.
- On 4 July 2024, a new Labour government was elected. Although the Labour party have previously expressed support for the VCT scheme, and recently confirmed the extension of the VCT scheme to April 2035 in a measure finalised in September 2024, the newly elected government may still yet make significant changes to the VCT Rules or VCT tax reliefs available and furthermore may make changes to the tax treatment of shares listed on AIM to which the Company is exposed. If VCT tax reliefs were to be restricted in future, this could impact the Company’s ability to successfully raise further funds with which to support its portfolio of investee companies and this could ultimately negatively impact its value, as could changes to the treatment of AIM shares as these form part of the Company’s portfolio.
- 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 Enlarged Company and/or the rates of tax, or other statutory provisions to which the Enlarged Company is subject, may change during the life of the Enlarged Company and such changes could be retrospective.
- Shareholders may be adversely affected by a change in the VCT status of the Company if a number of the investments acquired from TV2, or the investments of the Company, are or become unable to meet VCT requirements.

EXPECTED MERGER TIMETABLE

EXPECTED TIMETABLE FOR THE COMPANY

Latest time for the receipt of forms of proxy for the General Meeting	10.30 a.m. on 6 November 2024
General Meeting	10.30 a.m. on 8 November 2024
Calculation Date	14 November 2024
Effective Date for the transfer of the assets and liabilities of TV2 to the Company and the issue of Consideration Shares	15 November 2024
Announcement of the results of the General Meeting and completion of the Scheme	15 November 2024
Admission and dealings in the Consideration Shares to commence	18 November 2024
CREST accounts credited with the Consideration Shares issued pursuant to the Schemes	18 November 2024
Certificates for Consideration Shares dispatched by	28 November 2024

EXPECTED TIMETABLE FOR TV2

Date from which it is advised that dealings in TV2 Shares should only be for cash settlement and immediate delivery of documents of title	1 November 2024
Latest time for receipt of forms of proxy for the First TV2 Meeting	4:00 p.m. on 6 November 2024
First TV2 General Meeting	4:00 p.m. on 8 November 2024
Latest time for receipt of forms of proxy for the Second TV2 Meeting	11.00 a.m. on 13 November 2024
TV2 register of members closed	5.00 p.m. 14 November 2024
Record Date for TV2 Shareholders' entitlements	5.00 p.m. 14 November 2024
Calculation Date 2024	after 5.00 p.m. on 14 November
Dealings in TV2 Shares suspended	7.30 a.m. on 15 November 2024
Second TV2 Meeting	11.00 a.m. on 15 November 2024
Effective Date for the transfer of the assets and liabilities of TV2 to the Company and the issue of Consideration Shares pursuant to the Scheme	15 November 2024
Cancellation of the listing of the TV2 Shares	7.30 a.m. on 6 December 2024

EXPECTED OFFER TIMETABLE, STATISTICS AND COSTS

INDICATIVE OFFER TIMETABLE

Offer opens	15 November 2024
Closing Date, tax year 2024/25	10:00 a.m. on 3 April 2025
Closing Date, tax year 2025/26	4:00 p.m. on 30 April 2025 ¹
Allotments	Monthly ²
Effective date for the listing following allotment of the Offer Shares and commencement of dealings	Three Business Days following allotment
Allotment confirmations and tax certificates	Within ten Business Days of allotment
Share certificates dispatched allotment	Within ten Business Days of

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

² Or otherwise at the discretion of the Board.

OFFER STATISTICS

Unaudited NAV per Share (as at 30 June 2024 ¹)	45.9p
NAV per Share following the Redesignation	100.0p
Maximum number of Ordinary Shares in issue following the Offer (and the Merger and subsequent Redesignation) ²	approximately 126 million
Estimated net proceeds of the Offer, after issue costs, at full subscription ³	£4,725,000

¹ The Company announced a NAV per share of 44.6p as at 22 July 2024 in relation to an issue of shares pursuant to the Dividend Reinvestment Scheme but as this was based on the unquoted valuations to 31 March 2024 adjusted for movements in the quoted portfolio, the more recently announced unaudited NAV as at 30 June 2024 is used throughout this Prospectus.

² Based on the prior issue of 87 million Consideration Shares, the subsequent conversion of 143 million shares into Deferred Shares pursuant to the Redesignation and an aggregate amount subscribed for Offer Shares of £4.725 million; number is approximate due to, inter alia, the operation of the Pricing Formula.

³ Based on an aggregate amount subscribed for Shares of £5 million less approximate expenses of the Offer of 5.5%.

OFFER COSTS

Investors with an agreed Adviser Charge

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

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	Up to 3.0%
Annual commission to Intermediaries ³	0.5%

Direct Investors

Promoter's Fee¹ 5.5%

¹ The Promoter's Fee may be reduced at the sole discretion of the Promoter and will be reduced by any applicable 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 Ordinary Share and included in the Pricing Formula to determine the number of Ordinary 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.

DISCOUNTS¹

Promoter's Fee waiver for existing investors in Foresight VCTs (including the Company and TV2)

The Promoter will waive its fee entirely in respect of applications by Existing Shareholders (including former TV2 shareholders) and existing shareholders in any of the following funds: Foresight VCT plc, Foresight Enterprise VCT plc and Foresight Technology VCT plc.

Accordingly, investors who are already invested in one or more of the above funds will be able to participate in the Offer at no additional cost to NAV other than any charges they agree with their own advisers (or applicable commission in rare cases).

Early Applications

Investors who do not already benefit from the Promoter's fee waiver for existing investors in the VCTs named above, and who submit valid Application Forms that are received and accepted by 3.00 p.m. on 20 December 2024 will benefit from the offer costs being reduced by 1.0% of the amount subscribed under the Offer.

Where such Investors submit valid Application Forms that are received and accepted between 21 December 2024 and 28 February 2025 will benefit from their offer costs being reduced by 0.5% of the amount subscribed under the Offer.

These reduced offer costs will be met by the Promoter through an equivalent reduction in its Promoter's Fee.

¹ Expressed as a percentage of an Investor's subscription.

PART ONE: THE MERGER

The Board is proposing to acquire the assets and liabilities of Thames Ventures VCT 2 plc (“**TV2**”) in exchange for the issue of Consideration Shares to TV2 Shareholders (the “**Merger**”). To complete the Merger process, TV2 will then be put into liquidation. The Board considers that this structure is likely to be most cost-effective way of creating an enlarged VCT by combining the assets of the Company and TV2, and it is the structure that has been used in all recent VCT mergers in the market of which the Companies are aware. The Merger, structured in this way, will be outside the provisions of the City Code on Takeovers and Mergers.

This document has been published in connection with the issue by the Company of Consideration Shares pursuant to a proposed Merger and the Offer.

It is further proposed that the Enlarged Company will be renamed **FORESIGHT VENTURES VCT PLC**, subject to approval by Shareholders at the General Meeting.

The Boards consider that the interests of shareholders in both Companies will be better served by an enlarged single company with reduced annual running costs per share. The Companies are each currently primarily managed by Foresight and so the continuity of the management will be preserved by the Merger.

The Consideration Shares are not being offered to the Existing Shareholders or the public (though the Company proposes to launch a public share offer following the completion of the Merger, as set out in this Prospectus). A total of approximately 87 million Consideration Shares are expected to be allotted pursuant to the Merger (assuming no dissenting shareholders).

In connection with the Merger, the Company has also published the Circular, which is being dispatched to Existing Shareholders. The Circular contains proposals relating to the Merger. TV2 has also published a similar circular.

REASONS FOR THE MERGER

In recommending that the Company participates in a merger, which will result in an Enlarged Company with a net asset base of approximately £121 million, the Board expects to bring a number of benefits to the Existing Shareholders and to TV2 Shareholders whilst maintaining or enhancing existing aspects of the Company.

In summary the Enlarged Company would have:

- a net asset base of approximately £121 million and so greater market scale to raise capital in the future;
- with more capital to deploy, the Enlarged Company will have greater capacity to support its portfolio companies as well as the ability to make meaningful investments in new opportunities, critical to protect and enhance shareholder value;
- although the Companies have co-invested in a significant number of the same businesses, their portfolios are not identical and so the Merger will create some limited additional diversification, and a wider spread of overall risk;
- a simplified strategy and product offering (including greater simplicity of administration and performance monitoring for those Shareholders who currently hold shares in both VCTs);
- lower running costs per share due to the spreading of fixed costs over a larger asset base;
- an enhanced ability to maintain regular and consistent dividend payments to shareholders; and
- enhanced liquidity and reserves to buy shares back in the market from those Shareholders who want or need to sell their investment, subject always to Shareholder authority and the availability, at the Board’s discretion, of sufficient cash and distributable reserves.

Conversely, it is the opinion of the Companies’ mutual manager, Foresight, that without action being taken to improve the outlook for both VCTs, it would be more of a challenge to raise meaningful funds and therefore scale in a competitive market.

THE EXPECTED BENEFITS IN MORE DETAIL

Greater market scale

A larger VCT is more likely to raise fresh capital with greater ease.

Other things being equal, market scale matters when raising new capital. An Enlarged Company will find it much easier to raise capital than either of the VCTs can do on their own. Additional capital is required so that we can confidently plan to support the Company's portfolio of investments as required.

In the opinion of the Board, it makes sense to take this opportunity to create an Enlarged Company which can benefit from enhanced prospects of fundraising under the existing VCT rules in what is expected to be a highly competitive market, particularly over the next two years.

Lower costs

A larger VCT is more likely to have a lower ongoing costs ratio as its running costs are spread over a larger asset base.

The Board reviews the costs of managing the Company on a regular basis. Some costs are necessarily incurred by every VCT and cannot easily be reduced. For instance, VCTs are required to be listed on a recognised exchange, such as the FCA's Official List, which involves a significant level of costs associated with the listing as well as related fees to ensure compliance with all relevant legislation and regulations. Some costs are linked to net assets and others are fixed or have a fixed element.

A larger VCT is able to spread the fixed elements of its running costs across a wider asset base and, as a result, the percentage of net assets that these costs represent is reduced. Through these economic and administrative efficiencies, there is likely to be a significant reduction in the costs per share for all shareholders of the Enlarged Company.

The Enlarged Company will also continue to enjoy an annual running costs cap of 2.6% of NAV; one of the lowest (if not the lowest) in the VCT market.

The expected overall cost savings to be gained by spreading each VCT's fixed costs over a greater capital base is estimated to be approximately £260,000 per annum compared to the aggregate of the costs which would be incurred if each VCT were to maintain an independent existence.

Enhanced liquidity for buybacks

The Enlarged Company is also likely to have more cash to buy shares back in the market from those shareholders who want or need to sell their investment, both thanks to combining the cash assets of the two VCTs and from further fundraisings. The Company currently operates a buyback policy targeting a 5.0% discount to NAV which is competitive in the VCT market.

If the Merger is approved, the Enlarged Company will further reduce this target discount to 2.5% below NAV. As at the date of this document, this is one of the slimmest discounts in the market.

It should be noted that the Company's buyback policy is a target only and is subject always to Shareholder authority and the availability of sufficient cash and distributable reserves. The making and timing of any buyback will be at the absolute discretion of the Board.

More regular and consistent dividends

A VCT with a larger capital base also enhances prospects for the maintenance of regular and consistent dividend payments to shareholders.

PORTFOLIO AND SHARE CLASSES OF TV2

TV2 has total net assets of approximately £40.0 million and it has four separate classes of shares, by far the largest of which are the "Ventures" Share class and the "Healthcare" Share class.

The TV2 Ventures Share class, with net assets of approximately £24.6 million and a portfolio of 32 venture capital investments, has a very similar investment mandate to the Company's Ordinary Share class, including a number of common investments. This class has performed comparably with the Company's Ordinary Share class, suffering from similar headwinds in the most recent financial year, partially due to macro-economic factors. The Board believes that the combining of this class, in particular, with the Company's Ordinary Share class will visibly reinforce the presence of the

combined portfolio of these two VCTs in the market as the Enlarged Company will have a net asset base of approximately £121 million. A larger VCT is more likely to raise fresh capital more easily and additional capital which can be raised and deployed under the same rules that govern the investment of our existing capital is required so that we can confidently plan to support the Company's portfolio of investments as required.

The Healthcare Share class of TV2, currently with net assets of £9.6 million, was founded with a specific mandate to invest in early and mid-stage healthcare investments, including life sciences and bioscience companies. Its portfolio of 11 venture capital investments includes a number of promising companies starting to make commercial progress and which are becoming attractive targets, as evidenced by the recent agreement to sell DiA to Philips following TV2's most recent year end. Early-stage healthcare investments can be a high performing sector with a resilience in downturns, provided the investee companies can continue to raise growth and development capital ahead of a liquidity event or until sustainable operations can be funded from trading profits. As such, the Board considers TV2's portfolio of healthcare investments to be attractive, providing further diversification to the wider generalist investment pool of the Company's Ordinary Share class.

The remaining two classes of TV2 are comprised of one historical planned exit class with approximately £3.1 million of net assets and which is in the later stages of run off and a class raised with a view to investing solely in qualifying AIM shares which launched in 2022, raising approximately £2.8 million, but has yet to make its first venture capital investment.

Management Arrangements with Foresight Group LLP

In addition to the Merger, certain changes to the arrangements between Foresight and the Company are proposed, with certain of these required to be put to Shareholders for their approval. The changes include an increase in the level of discretion granted to Foresight in respect of the management of the Company's portfolio and changes to the structure of the existing performance incentive arrangements. The headline economic terms of the Company's Investment Services Agreement with Foresight are remaining unchanged.

In summary:

Investment Management Fees

Investment management fees of 2.0% of NAV per annum, which are currently charged in respect of the Ordinary Share class, will not be amended and will continue to be charged to the Enlarged Company if the Merger is approved.

Secretarial Fee

Secretarial fees of £40,000 per annum (increased in line with RPI and accordingly at a 2024 rate of approximately £60,000), plus 0.125% of NAV in excess of £10 million which are currently charged in respect of the Ordinary Share class, will not be amended as part of the Merger and will continue to be charged to the Enlarged Company.

Arrangement fees

When the Enlarged Company makes qualifying investments, Foresight will typically charge investee companies an arrangement fee of up to 3.0% of amounts invested.

Monitoring/directors fees

Foresight will be entitled to charge the Company's underlying investee companies annual fees up to a maximum of the higher of £10,000 and 1.0% of the amounts invested in respect of monitoring services and/or the provision of a non-executive director.

Running Costs Cap

As noted above, shareholders in the Enlarged Company will enjoy one of the lowest costs caps in the VCT market of 2.6% of NAV per annum. The costs included in the running costs cap include the investment management fees and secretarial fees payable to Foresight, fees payable to the Directors' and the Company's audit and accountancy costs. Excluded from the running costs cap are performance incentive fees which may be payable to Foresight (as explained in more detail below) and accountancy, legal and other professional fees incurred in connection with the corporate and financial structure of the Company.

Increased discretion for Foresight Group in terms of investment decision-making

The current Investment Services Agreement requires the Board to approve investment decisions in a far wider range of circumstances than is typical for VCTs and which makes it an outlier among the other VCTs advised or managed by Foresight. It is the current Board's view that Foresight should have wider discretion to manage the Enlarged Company's investments going forward than is currently the case. Foresight's appointment was approved by the Board with a view to leveraging its expertise and experience for the Company's benefit. The Board also considers that granting increased discretion to Foresight would provide a clearer demarcation between the roles of the Board, to provide non-executive oversight, independence and governance, and Foresight, to provide a full-service investment management service on a day-to-day basis. Going forward therefore, Foresight will, other than in cases where a conflict of interest may be present, have the discretion to invest in underlying companies and manage the Enlarged Company's portfolio subject to only the Company's investment policy (which is not materially changing as a result of the Merger) and the VCT Rules.

Performance Incentive Scheme

Since the management mandate for the Companies was acquired by Foresight in 2022, the performance incentive schemes for both Companies, inherited from the former manager Downing, have been under review as they do not add any additional incentive to the new management teams to deliver returns for shareholders as they remain significantly "out of the money".

The Company's existing performance incentive scheme entitles the Investment Adviser to a performance incentive fee equal to 20% of realised gains from investments made since 1 April 2019, subject to the achievement of an IRR hurdle and a total return per share hurdle. The IRR hurdle requires all such investments at the year-end to exceed a hurdle of 5% per annum (based on audited valuations and including realised and unrealised gains and losses and all investment income) measured from 1 April 2019. The total return per share hurdle requires the overall return to Shareholders (NAV plus dividends) to exceed 109.8p – a figure set by reference to a merger of a number of Downing-managed VCTs in 2013.

As there is no realistic prospect of these hurdles being met in light of the performance of the Company and the market generally in the intervening years since it was introduced, the performance incentive scheme as it stands provides no additional motivation for Foresight, as the Company's new investment adviser, to drive shareholder value.

Accordingly, it is proposed that the existing scheme should be reset on a basis that a Performance Fee would be payable to Foresight Group at the end of each Performance Period, subject to the Hurdle being satisfied at the end of the relevant Performance Period, equal to the lesser of: (i) 20% of the Distributions per Share paid from available distributable profits of the Company attributable to the relevant Performance Period; or (ii) 20% of the Excess Annual Return per Ordinary Share, in each case, multiplied by the weighted average number of Ordinary Shares in issue during the relevant Performance Period. The Performance Fee would be payable by the 15th day following the expiry of the Performance Period in respect of which it has been calculated.

For these purposes:

"Distributions" means:	all payments of whatsoever nature including all income and capital distributions (whether in cash or in specie) made by the Company after the Effective Date to holders of its Ordinary Shares in issue at any time and remaining in issue, stated on a per Ordinary Share in issue basis as at the date on which, from time to time, the Performance Fee is calculated;
"Excess Annual Return Per Ordinary Share" means:	an annual increase in the Total Return Per Ordinary Share which is higher than the Hurdle;
"Hurdle" means:	the greater of (i) a Total Return of 110p Per Ordinary Share, as increased in line with the average Bank of England Bank Rate over the relevant Performance Period; and (ii) the highest previously recorded Total Return per Share;

“Performance Period” means:

the first Performance Period would begin on the Effective Date for the Merger with TV2, if this is approved by Shareholders, and would end on 31 March 2025 and each subsequent Performance Period would be a period commencing on the date immediately following the expiry of the previous Performance Period and ending 12 months later or, as the case may be, on the termination of the Investment Services Agreement; and

“Total Return” means:

at any particular time, the sum of the Net Asset Value of the Ordinary Shares; the aggregate of all Distributions paid or made at any time to Ordinary Shareholders after the Effective Date; and the aggregate of all Performance Fees previously paid to Foresight after the Effective Date.

An illustrative worked example of the proposed revised performance incentive arrangements, showing how performance incentive fees might become payable following strong performance by the Company over a five-year period, is set out below. All figures used are illustrative only.

	Year 1	Year 2	Year 3	Year 4	Year 5
Closing NAV per Share	104.6p	107.5p	100.9p	91.8p	89.0p
Dividends paid (per Share)	4.0p	4.2p	19.3p (special dividend)	3.9p	3.7p
Illustrative Total Return in percentage increase / (decrease) ¹	8.6%	6.7%	12.3%	(2.9)%	1.0%
Illustrative Total Return in cash terms ^{1, 2}	£10,454,400	£8,508,488	£15,923,244	£(3,434,600)	£1,066,100
Illustrative Total Return in pence per Share terms ^{1, 2}	108.6p	115.7p	128.4p	123.2p	124.1p
Hurdle ³	110.0p	113.3p	116.7p	128.4p ⁴	128.4p ⁴
Performance Fee payable in respect of the year?	No	Yes	Yes	No	No
20% of Distributions	£968,000	£1,012,915	£665,875	£954,055	£888,416
20% of Excess Annual Return ⁵	-	£573,978	£2,821,273	-	-
Performance Fee payable	-	£573,978	£22,821,273	-	-

¹ Total Return is calculated by adding dividends paid in the year to the NAV and any performance incentive fees paid. The illustrative figures in the above example have been chosen to show a range of performance throughout the five years.

² The illustrative Total Return in cash terms shows increases / decreases in the Total Return from a starting 'Company as a whole' NAV of £121 million following the Merger.

³ The Hurdle is the higher of (i) a NAV total return 110p per Share, increased each year in accordance with the base rate and (ii) the highest previous Total Return per Share.

⁴ The Hurdle in Years 4 and 5 is higher due to the 'high water mark' following the outperformance in Year 3 in respect of which a performance fee has already been paid.

⁵ The Excess Annual Return is the increase in the Total Return per Ordinary Share which is higher than the Hurdle.

The proposal to replace the performance incentive scheme as described above constitutes a relevant related party transaction under the UK Listing Rules and, as such, is subject to the approval of Shareholders at the General Meeting. If Shareholders approve of these new performance incentive arrangements they will become effective regardless of whether the Merger completes successfully. If the new performance incentive arrangements are not approved by Shareholders at the General Meeting, the existing performance incentive arrangements described above will continue in force.

DIRECTORS OF ENLARGED COMPANY

The Board is currently comprised of three directors: Atul Devani, as Chair, Barry Dean and Chris Allner.

The TV2 Board comprises of Sir Aubrey Brocklebank as Chair, Dr Andrew Mackintosh, Steven Clarke and Chris Allner.

It is proposed that the Enlarged Company Board post-Merger will initially consist of Atul Devani as Chair, Chris Allner and Barry Dean (as is currently the case) with Dr Andrew Mackintosh joining from the board of TV2.

The decision on the size and composition of the Board of the Enlarged Company has been considered by both Boards. It was concluded that a Board of four non-executives is appropriate for a Company of this size in the longer term.

If the Merger is not approved, the Board will remain as it is currently constituted.

CHANGES TO POLICIES OF ENLARGED COMPANY

It is not proposed that either the investment policy or dividend policy of the Company is materially amended in response to the Merger. The Company will remain a generalist VCT with an increasing focus on technology companies and which is in the process of completing the orderly realisation of its legacy yield-focussed and asset-backed investments in line with the VCT regulations. The Company's dividend policy will remain as described on page 32.

As noted above, if the Merger is approved, the Enlarged Company will reduce its target discount for share buybacks to 2.5% below the most recently announced Net Asset Value, subject to applicable regulations, market conditions at the time and the Company having both the necessary funds and distributable reserves available for the purpose. The making and timing of any share buybacks will remain at the absolute discretion of the Board.

As part of discussions with the TV2 Board, the Board has also agreed that, following the Merger, the former shareholders of TV2 DP67 Shares will be offered an opportunity to have their shares bought back at a nil discount to NAV, where they indicate their wish to do so within six months of the completion of the Merger. This is reflective of the fact that the DP67 shares were nearing the end of their life cycle and those shareholders may therefore be more likely to prefer to have their residual capital returned than to remain invested in the Company's generalist Ordinary Share class. Due to the small size of the TV2 DP67 class, the impact on the Enlarged Company of offering this goodwill benefit is considered by the Board to be non-material.

NAV RESETTING TO 100P PER SHARE BY WAY OF REDESIGNATION

An additional resolution being proposed at the General Meeting is that the Board be authorised to convert a number of the Company's ordinary shares, up to 150,000,000, into Deferred Shares (carrying no substantive rights and capable of being bought back by the Company for nominal consideration in due course).

The purpose of this measure is simply to increase the value *per share* of the remaining Ordinary Shares to a round £1.00 per share. This action does not affect in any way the value of each investor's shareholding, but it does simplify the arithmetic, enhances future marketing and contributes to the sense of a fresh start for the Enlarged Company under the new management of Foresight.

COSTS OF THE MERGER

The estimated total costs of the Merger are £495,000. Merger costs will comprise legal, liquidator, and other professional fees, FCA vetting fees, LSE listing fees, stamp duty, the costs of winding up the Company and VAT where applicable.

Foresight Group LLP, the Companies' mutual manager, has agreed to bear 20% of the costs through a one-time reduction in its annual management fee, with the Company and TV2 bearing 30% and 50% respectively.

<i>Entity</i>	<i>Costs Contribution</i>
Foresight Group LLP	£99,000 of the estimated remaining costs, these would be borne as follows:
The Company	£148,500
TV2	£247,500 (pro rata to the net asset values of the different share classes of TV2)
	£396,000
Total estimated costs	£495,000

The pre-Merger and projected post-Merger normal annual running costs (these being normal expenses excluding exceptional items, performance incentive fees and trail commission) are set out below:

	Pre-Merger annual running costs*	% of pre- Merger net assets**	Estimated post- Merger annual running costs ***	% of post- Merger net assets****	Expected annual cost saving
The Company	£2,310,000	2.8%			
TV2	£1,350,000	3.3%	£3,400,000	2.8%	£260,000
Total	£3,660,000	3.0%			

* Based on actual running costs for the year ended 31 March 2024, including certain costs deductible under the cost cap definition in the investment services agreement.

** As at 31 March 2024.

*** Including certain costs deductible under the cost cap definition in the investment services agreement.

**** Based on the aggregated net assets of the Company and TV2 as at 31 March 2024.

Based on the amount of estimated Merger costs to be borne by the Company and TV2 of approximately £396,000 and the expected aggregate annual costs savings of £260,000, such Merger costs would be recovered in approximately 18 months.

TAXATION

The implementation of the Merger should not affect the status of the Company as a VCT or the tax reliefs obtained by Shareholders on subscription of existing Ordinary Shares. It is the intention of the Board to continue to comply with the requirements of the Income Tax Act 2007 following implementation of the Scheme so that the Enlarged Company continues to qualify as a VCT.

The information contained in this document is based on current UK law and practice, is subject to changes therein, is given by way of general summary and does not constitute legal or tax advice. If you are in any doubt about your position, or if you may be subject to tax in a jurisdiction other than the UK, you should consult your independent financial adviser.

IMPLEMENTATION OF THE MERGER

The Merger of the Companies will be implemented in the following way:

- TV2 will be placed into members' voluntary liquidation pursuant to a scheme of reconstruction under section 110 IA 1986; and
- the TV2 Assets will be transferred to the Company in consideration for the issue of the Consideration Shares to the TV2 Shareholders.

Following the transfer of the TV2 Assets to the Company pursuant to the Merger, it is proposed that the listing of the TV2 Shares will be cancelled and TV2 will be wound up.

Prior to the allotment of the Consideration Shares pursuant to the Scheme, the Company will provide to the TV2 Shareholders who participate in the Merger, and upload onto the Company's website, a report under section 593 CA 2006, which will be prepared by Azets Holdings Limited as Independent Valuers (the "Section 593 Report"). The section 593 Report will confirm that the value of TV2's assets and liabilities which are being transferred to the Company as part of the Scheme is not less than

the aggregate amount treated as being paid up on the Consideration Shares being issued to TV2 Shareholders.

TV2 Shareholders who do not vote in favour of the Merger and express their dissent in writing may require the Liquidators to purchase their shares at break-value price, this being an estimate of the amount they would receive in an ordinary winding up of TV2 if all of the assets had to be realised.

CONDITIONALITY

In addition to the approval by Existing Shareholders of the Merger (which is sought pursuant to the resolution to be proposed at the General Meeting approving the Scheme) the Merger is also dependent on:

- notice of dissent not having been received from TV2 Shareholders who hold more than 10% in nominal value of TV2's issued share capital;
- the Company confirming to TV2 and TV2 confirming to the Company that, in each case, it has not received any notice of any claims, or actions of whatever nature threatened or commenced, as relevant, against the Company which the TV2 Board regard as material or against TV2 which the Board regard as material; and
- the Company and TV2 maintaining VCT status,

and would become effective immediately after the passing of the special resolution for the winding up of TV2 at the Second TV2 Meeting.

PART TWO: THE SCHEME

Provision of Information

On the Effective Date, the Liquidators of TV2 shall receive all the cash, undertakings and other assets and liabilities of TV2 and shall deliver to the Company:

- particulars of all of the assets and liabilities of TV2;
- a list certified by the registrars of the names and addresses of, and the number of TV2 Shares held by, each TV2 Shareholder on the register at 5.30 p.m. on the Record Date;
- an estimate of the winding-up costs of TV2; and
- the amount estimated to be required to purchase the holdings of any dissenting TV2 Shareholders.

Transfer Agreement

On the Effective Date, the Company and the Liquidators (on behalf of TV2) will enter into the Transfer Agreement (subject to such modifications as may be agreed between the parties thereto) pursuant to which the Liquidators will procure the transfer of all of the assets and liabilities of TV2 to the Company in exchange for the issue of Consideration Shares (credited as fully paid up) to the TV2 Shareholders on the basis set out below.

In further consideration of such transfer of assets and liabilities of TV2 to the Company, the Company will, pursuant to the Transfer Agreement, undertake to pay all liabilities incurred by the Liquidators including, but not limited to, the implementation of the Scheme, the winding up of TV2 and the purchase for cash of any holdings of dissenting TV2 Shareholders.

The Scheme Calculations

The number of Consideration Shares to be issued to the holders of TV2 Shares (save for any dissenting TV2 Shareholders) will be calculated as follows:

The Roll-Over Value of each share class of TV2 will be calculated as:

$$\frac{A - (B + C)}{D}$$

where:

- A = the most recent available net asset value of the relevant class of TV2 Shares prior to the Calculation Date calculated in accordance with TV2's normal accounting policies (including any adjustment that the Board and the TV2 Board (acting jointly) consider appropriate to reflect any other actual or contingent benefit or liability of TV2 attributable to each Shareholder as at the Calculation Date, or to reflect any changes since the Calculation Date)
- B = the Due Share of Merger Costs attributable to TV2 (to the extent not already paid by TV2 as reflected in "A" above)
- C = the amount estimated to be required to purchase the holdings of the relevant class of TV2 Shares from dissenting TV2 Shareholders (if any); and
- D = the number of TV2 Shares of the relevant class in issue following close of business on the Record Date (save for any held by dissenting TV2 Shareholders).

The Company - Merger Value

The Merger Value per Ordinary Share will be calculated as follows:

$$\frac{E - F}{G}$$

where:

- E = the most recent available unaudited net asset value of the Company prior to the Calculation Date, calculated in accordance with the Company's normal accounting policies (including any adjustment that the Board and the TV2 Board (acting jointly) consider appropriate to

reflect any other actual or contingent benefit or liability of the Company attributable to each Shareholder as at the Calculation Date, or to reflect any changes since the Calculation Date);

F = the Due Share of Merger Costs attributable to the Company (to the extent not already paid by the Company as reflected in "E" above); and

G = the number of the Shares in issue following close of business on the Calculation Date.

Number of Consideration Shares to be issued

The number of Consideration Shares to be issued to TV2 Shareholders (save for any dissenting shareholders) will be calculated as follows:

$$\frac{H}{I} \times J$$

Where:

H = the Roll-Over Value;

I = the Merger Value; and

J = the number of TV2 Shares in issue as at close of business on the Record Date (save for any such shares held by dissenting TV2 Shareholders).

The number of Consideration Shares to be issued pursuant to the Scheme will not be greater than 100 million (and is expected to be closer to 87 million) and will be issued directly to TV2 Shareholders pro rata to their existing holdings (disregarding TV2 Shares held by dissenting TV2 Shareholders) on the instruction of the Liquidators by applying the Merger Ratio to TV2 Shareholders' holdings of TV2 Shares.

The Merger Ratio will be rounded down to four decimal places and entitlements will be rounded down to the nearest whole number of Consideration Shares. Any fractional entitlements of Consideration Shares in respect of each holding of TV2 Shares (which, in each case, will not exceed £1) will be retained for the benefit of the Enlarged Company.

Scheme Illustration

TV2 Ventures Shares

As at 30 June 2024, the unaudited NAV of a TV2 Ventures Share was 46.1p. The Roll-Over Value for the TV2 Ventures Shares, had the Scheme been completed on that date and calculated as set out above, would have been 45.8p (taking into account the TV2 Ventures Shares share of Merger costs and assuming no holders of TV2 Ventures Shares dissented).

The number of Consideration Shares that would have been issued to holders of TV2 Ventures Shares, had the Scheme been completed on 30 June 2024 and calculated as set out above, would have been approximately 53,250,187 (1.00 Consideration Shares for every TV2 Ventures Share held). This number is approximate because it is calculated on a 'class as a whole' basis whereas in the final calculation it will be necessary for each individual shareholder to hold only an integer number of shares, with fractions of shares rounded down to the nearest whole share.

TV2 Healthcare Shares

As at 30 June 2024, the unaudited NAV of a TV2 Healthcare Share was 40.9p. The Roll-Over Value for the TV2 Healthcare Shares, had the Scheme been completed on that date and calculated as set out above, would have been 40.6p (taking into account the TV2 Ventures Shares share of Merger costs and assuming no holders of TV2 Healthcare Shares dissented).

The number of Consideration Shares that would have been issued to holders of TV2 Healthcare Shares, had the Scheme been completed on 30 June 2024 and calculated as set out above, would have been approximately 20,874,090 (0.89 Consideration Shares for every TV2 Healthcare Share held). This number is approximate because it is calculated on a 'class as a whole' basis whereas in the final calculation it will be necessary for each individual shareholder to hold only an integer number of shares, with fractions of shares rounded down to the nearest whole share.

TV2 DP67 Shares

As at 30 June 2024, the unaudited NAV of a TV2 DP67 Share was 27.3p. The Roll-Over Value for the TV2 DP67 Shares, had the Scheme been completed on that date and calculated as set out above, would have been 27.2p (taking into account the TV2 DP67 Shares share of Merger costs and assuming no holders of TV2 DP67 Shares dissented).

The number of Consideration Shares that would have been issued to holders of TV2 DP67 Shares, had the Scheme been completed on 30 June 2024 and calculated as set out above, would have been approximately 6,632,685 (0.59 Consideration Shares for every TV2 DP67 Share held). This number is approximate because it is calculated on a 'class as a whole' basis whereas in the final calculation it will be necessary for each individual shareholder to hold only an integer number of shares, with fractions of shares rounded down to the nearest whole share.

TV2 AIM Shares

As at 30 June 2024, the unaudited NAV of a TV2 AIM Share was 103.1p. The Roll-Over Value for the TV2 AIM Shares, had the Scheme been completed on that date and calculated as set out above, would have been 102.5p (taking into account the TV2 AIM Shares share of Merger costs and assuming no holders of TV2 AIM Shares dissented).

The number of Consideration Shares that would have been issued to holders of TV2 AIM Shares, had the Scheme been completed on 30 June 2024 and calculated as set out above, would have been approximately 6,029,714 (2.24 Consideration Shares for every TV2 AIM Share held). This number is approximate because it is calculated on a 'class as a whole' basis whereas in the final calculation it will be necessary for each individual shareholder to hold only an integer number of shares, with fractions of shares rounded down to the nearest whole share.

Share certificates, mandates and listing

Where TV2 Shareholders hold their TV2 Shares in certificated form, they will receive a new certificate for the Consideration Shares issued. Certificates will be dispatched to a TV2 Shareholders' registered address at their own risk. Where TV2 Shareholders hold their TV2 Shares in uncertificated form, their CREST accounts will be automatically credited with their new holding in Consideration Shares.

If a TV2 Shareholder is also a Company Shareholder, and this can be identified by City Partnership (at its discretion) the Consideration Shares will be added to their existing shareholding account in the Company (unless the dividend payment or dividend investment scheme participation mandates differ).

An application has been made to the Financial Conduct Authority for the Consideration Shares to be listed on the closed-ended investment funds segment of the Official List and will be made to the London Stock Exchange for such Consideration Shares to be admitted to trading on its market for listed securities. The Consideration Shares will rank *pari passu* with the existing issued Ordinary Shares from the date of issue.

Conditionality

The Scheme is dependent on:

- the relevant resolutions approving the Scheme being passed at the General Meeting, the First TV2 Meeting and the Second TV2 Meeting;
- notice of dissent not being received from shareholders who hold more than 10% in nominal value of the issued share capital of TV2;
- each of the Company and TV2 confirming that it has received no notice of any claims, proceedings or actions of whatever nature threatened or commenced against the other which the relevant board of directors regard as material; and
- the Company and TV2 maintaining their VCT status,

and so will proceed and become effective, subject to the above, immediately after the passing of the special resolution for the winding up of TV2 at the Second TV2 Meeting.

Dissenting Shareholders

Provided that a TV2 Shareholder does not vote in favour of the first resolution to be proposed at the First TV2 Meeting, such TV2 Shareholder may, within seven days following the First TV2 Meeting, express his/her dissent to the Liquidators in writing at the registered office of the Company and require the Liquidators to purchase that TV2 Shareholder's holding.

The Liquidators will offer to purchase the holdings of dissenting TV2 Shareholders at the break value price of a TV2 Share, this being an estimate of the amount a TV2 Shareholder would receive per TV2 Share in an ordinary winding-up of TV2 if all of the assets of TV2 had to be realised. The break value of a TV2 Share is expected to be significantly below the unaudited NAV per TV2 Share due to the nature of the underlying assets. TV2 Shareholders should also be aware that a purchase by the Liquidators will be regarded as a disposal for HMRC purposes, thereby triggering the repayment of up-front income tax relief received on the original subscription if the TV2 Shares have not been held for the requisite holding period to maintain such relief.

Modifications

The provisions of the Scheme shall have effect subject to such non-material modifications or additions, which may include changes to the timetable, as the parties to the Transfer Agreement may from time to time approve in writing.

Reliance On Information

The Liquidators and the Company shall be entitled to act and rely, without enquiry, on any information furnished or made available to them or any of them, as the case may be, in connection with the Scheme and the Transfer Agreement including, for the avoidance of doubt, any certificate, opinion, advice, valuation, evidence or other information furnished or made available to them by the Companies, the Boards, any individual director of the Companies, Foresight, the Registrar or the custodians or bankers of the Companies or its or their other professional advisers and the Liquidators shall not be liable or responsible for any loss suffered as a result thereof.

Liquidators' Liability

Nothing in the Scheme or in any document executed under or in connection with the Scheme shall impose any personal liability on the Liquidators or either of them save for any liability arising out of any negligence, breach of duty or wilful default by the Liquidators in the performance of their duties and this shall, for the avoidance of doubt, exclude any such liability for any action taken by the Liquidators in accordance with the Scheme or the Transfer Agreement.

Valuation Report

Prior to the allotment of the Consideration Shares pursuant to the Scheme, the Company will provide to TV2 Shareholders (via their appointed receiving agent) who participate in the Merger, and will upload onto its website, the Section 593 Report prepared by an Independent Valuer. The Section 593 Report will confirm that the value of the assets and liabilities being transferred by TV2 to the Company as part of the Merger is not less than the aggregate amount treated as being paid up on the Consideration Shares being issued to TV2 Shareholders pursuant to the Scheme.

Governing law

The Scheme shall, in all respects, be governed by and construed in accordance with the laws of England and Wales.

PART THREE: THE OFFER

The Company had net assets of approximately £82 million as at 30 June 2024 (unaudited) and an existing portfolio of around 73 companies. Following the Merger, the Enlarged Company is expected to have net assets of approximately £121 million.

The Directors believe that the availability of further funds will allow the Company to take advantage of new investment opportunities and provide support for existing portfolio companies.

REASONS FOR THE OFFER AND USE OF PROCEEDS

The Offer has been designed for Investors seeking a portfolio of young growth investments, whilst taking advantage of the VCT tax reliefs. The Company is seeking to raise additional gross proceeds of £5 million, together with an over-allotment facility of up to a further £5 million.

The new funds raised will allow new and Existing Shareholders to benefit from the Company being able to participate in attractive investment opportunities in well managed businesses that need capital to expand and also support existing portfolio companies as they develop. By raising more capital, the running costs per Share in the Company for Existing Shareholders will be reduced as the fixed costs are spread over a larger asset base.

For further details on how Foresight sources deal flow in order to deploy invested capital, please see Part Four of this Prospectus (headed "The Investment Adviser").

Some key features of the Company's offering are set out below:

1. Lower running costs per share

The annual running costs for the shareholders of a larger VCT are usually lower as the VCT's fixed costs are spread over a larger asset base. Additionally, the Company's annual running costs are capped at 2.6% of Net Assets, above which Foresight Group LLP bears any further costs. This is one of the lowest caps in the VCT sector.

2. Diversification

As a result of its history with six VCTs merging together in 2013 and its past strategy, the Company's portfolio includes a wide range of sectors and around 73 companies. Currently, no single investment accounts for more than 7.4% of the portfolio (by value) as at 30 June 2024. Following completion of the Merger, no single investment will account for more than 7.5% of the portfolio of the Enlarged Company (by value). Individual investments or sectors which underperform will therefore have a less detrimental effect on the net asset position of the Company than would be the case in a smaller and less diversified VCT. Strategically, Foresight aims to meet investor demand for diversification in their VCT portfolios by actively seeking investment opportunities in all parts of the UK (rather than just the London and the South East which still account for 65% of tax advantaged funding received).

3. Clear buyback policy

Shareholders may, from time to time, wish to sell some of their shares to assist with personal financial and estate planning. Conditional on the approval of the Merger, it is the Company's intention to revise its buyback policy to offer regular share buybacks at a discount of 2.5% to the most recently announced net asset value, subject to applicable regulations, market conditions at the time and the Company having both the necessary funds and distributable reserves available for the purpose. The making and timing of any share buybacks will remain at the absolute discretion of the Board.

4. Dividend policy

The Board has a stated objective of paying an annual dividend of at least 4.0% per annum based on its NAV, subject to the availability of sufficient distributable profits, capital resources and compliance with the VCT regulations. There are no proposed changes to this policy as a result of the Merger. The Company also operates a Dividend Reinvestment Scheme the terms and conditions are available at <https://www.foresight.group/products/thames-ventures-vct-1-plc> (although the information on that website does not form part of the Prospectus and is not incorporated by reference herein).

5. Foresight's track record

Foresight Group, originally founded in 1984, now has assets under management of c.£12.1 billion. The Foresight private equity team has managed in excess of 400 investments and completed more than 80 full or partial exits.

6. Deal flow

With offices across the UK, Foresight Group has a large origination network that covers the whole country, generating deal flow from a broad range of sources. Foresight Group also enjoy access to international deal flow from the world's leading technology hubs, predominantly Silicon Valley, USA. This differentiated deal flow is facilitated by an established network of international introducers and Venture Partners with a focus on technology businesses that are expanding operations to the UK and are eligible to receive VCT investment.

7. Co-investment alongside top tier VC firms

Foresight aims to provide VCT investors with the opportunity to coinvest alongside leading names in venture capital and gain exposure to investments typically only available to large institutional investors. Foresight's informal network of Silicon Valley venture capital firms includes leading names such as Founders Fund (which co-invested in Ayar Labs).

Co-investing alongside these top tier venture capital firms evidences the quality of these portfolio companies whilst also providing the potential for supplementary capital and strong networks for company exits.

8. Quality of the investment team

The investment team responsible for building and managing the Company's portfolio have a successful investment track record in the technology sector having backed a number of technology companies which have gone on to be multi-billion-dollar businesses. Working alongside the Private Equity Partners and wider team of investment professionals, the Foresight Ventures team is led by two key individuals, Richard Lewis and Andrew Bloxam, both Managing Directors, with Richard joining Foresight as part of the acquisition from Downing in July 2022.

Richard was previously a Partner at Downing where he completed 30+ investments in 15 technology businesses. Before that he was Head of Investment at Radius Equity and Investment Director at Mitsui's venture capital business. Mitsui was one of Japan's most active venture capital investors focussing on enterprise software and deep technology in the UK, Israel and US. Richard has delivered multiple successful exits in the deep tech and enterprise software sectors delivering multiples on invested capital. Noticeable investments include Valens Semiconductor and Proterra which both grew significantly to achieve unicorn status (valued at >\$1 billion).

Andrew Bloxam has over 20 years of experience working across private equity and venture capital. During his time at Foresight, Andrew has completed 15+ investments across a number of deep tech and engineering businesses. Previous to this, Andrew spent 15 years at JP Morgan and Committed Capital. Andrew holds an MBA from Surrey Business School and a Degree in Economics from the University of Cambridge.

THE INVESTMENT STRATEGY

Objectives

In accordance with the Company's investment policy and increasing focus on technology companies, the Company intends to invest the net proceeds of the Offer into companies developing innovative and disruptive technologies which address the large market opportunity presented by some of the world's greatest current challenges. The Company will adopt a technology and sector agnostic investment strategy and is seeking to invest in both software and hardware companies. The Company will continue to focus on businesses looking to solve large, global problems with commensurately large addressable markets, ideally where the market is growing and is not dominated by incumbents and with target company growth rates ideally in excess of 50% year on year. In most cases, and where possible, investments will be made into companies which meet both of these criteria.

The investment strategy is therefore broadly split across two focus areas:

The first, termed 'deep technology,' holds immense potential for start-ups and investors. These companies are developing technologies that solve large, valuable problems with global demand potential i.e. they are targeting very large market opportunities. Their core technologies are safeguarded by defensible intellectual property including patents, trade secrets and software code, making them difficult to replicate and hence more valuable and they therefore often become attractive acquisition targets for large industry incumbents due to the difficulty in copying their technologies.

In addition, the Company will look to target more generalist investments in enterprise software businesses and other SME growth businesses with a preference for those which can demonstrate annual recurring revenues of £500,000 or more from predictable, contracted sources and repeat customers.

Investment stage and size

The Company targets companies at the late seed or "Series A" stage. The Company usually invests between £0.5m and £3.0m, aiming for a minority stake in the company, co-investing with other Foresight VCTs when possible. The investment is intended to provide the company with enough cash to operate for 24 to 36 months, with fundraising for the next investment round beginning at least six months before funds run out.

International deal origination

Where applicable, the Company aims to invest in companies looking to expand internationally and is supported by Venture Partners based in the United States, Israel and UAE for both deal origination and expanding Foresight's international network. More details on Venture Partners Joe Raffa and Gideon Shmuel are set out in the Investment Adviser section on page 38.

It has become evident from a number of the Company's recent exits that to generate significant returns for UK-based technology businesses, the target acquirers are generally to be found in the United States. Connections in US technology hubs is accordingly an important additional benefit which Foresight bring as manager of the Company.

Deal terms

The Company aims to achieve significant returns from a few high-growth investments. Therefore, investments will be structured to support the long-term success of the business.

In early rounds, the Company prefers market-standard equity terms to avoid complications in future funding rounds. To protect its investment, the Company will negotiate terms which ensures the original investment is returned before ordinary shareholders in a sale or other exit.

All investments will include standard information and consent rights, allowing Foresight access to key management information. The management team will need Foresight's approval for actions outside the pre-approved business plan. Additionally, Foresight will seek the right to appoint an Investor Director to monitor performance, influence strategy, and guide necessary changes for success.

Syndicated rounds

Early-stage, IP-rich start-ups commonly rely on investment rounds composed of a syndicate of investors. This is because the funding needs of a company often exceeds the amount that a single fund can invest, and it is preferable from a board governance perspective to have several smaller shareholders, rather than a single, dominant shareholder. The Company is open to leading a funding round but is also comfortable following another lead investor, especially in competitive rounds. Foresight already has a strong network, having co-invested with over 80 investors on its Technology funds.

Follow-on investments

Start-ups typically need multiple funding rounds to reach profitability or exit, meaning the timing, size, and valuation of each funding round is to ensure good returns for shareholders.

While the Company often leads the initial round, it prefers having a new investor lead and set the terms for later rounds. Foresight adds value by introducing companies to potential new investors, as recommendations from existing investors can increase a company's credibility. Foresight's involvement can also reassure new investors during their screening process.

The Company has options for follow-on investments. If the company is performing well, Foresight can use its pre-emption rights to maintain or 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.

Exits and return cash flows

Foresight has developed a deep understanding of exiting investments, having managed more than 80 exit processes across its Private Equity Team since 2010. The timing and process of an exit can be uncertain, but a successful exit can happen at any stage if a company is making good progress.

For companies developing innovative technologies, there are two main exit opportunities. The first is based on the technology's "promise value," where a trade buyer acquires the company to use its technology or remove competition. This strategy was successful in the \$165 million sale of Codeplay in 2022, which generated a 16.0x return for Foresight. This "promise value" exit typically occurs 4-8 years after the initial investment.

The second exit opportunity, called the "financial value," happens when the company has grown significantly in non-technical areas and achieved commercial success. Buyers at this stage are interested in both the technology and the company's financial performance. The company might be sold to another business, a Private Equity fund, or go public through an IPO. Market conditions will influence the timing and price.

Foresight usually targets "promise value" exits to generate returns within a 4-8 year timeframe, targeting a 10x money multiple return. The Company manages the exit process carefully, working with top advisors to attract interest and create competition among buyers.

It's important to note that the Company invests in high-risk, high-reward companies, so not all investments will succeed, and some may return less than the initial investment.

Exits

Evidence of the effectiveness of the international focus of the strategy is coming through with a number of exits over the last 24 months to North American buyers. These include the Company and TV2's investments in e-Fundamentals sale to CommerceIQ (2.5x for VCT investors) and the sale of Imagen to Thomson Reuters (1.9x return for VCT investors).

Recent exits across other strategies managed by the same investment team include Codeplay which was sold to Intel generating a 16x return, Flusso, a compact semiconductor flow sensor company, which generated a 3x return and WeTrack, a software platform that helps organisations plan, manage and operate events, which sold to US-based Momentus Technologies generating a 2.8x return.

DIVIDEND POLICY AND DIVIDEND REINVESTMENT SCHEME

The Board has a stated objective of paying an annual dividend of at least 4.0% per annum based on its NAV, subject to the availability of sufficient distributable profits, capital resources and compliance with the VCT regulations. There is no guarantee that this objective will be met. This return equates to a tax-free yield of 5.7% p. a. on the current offer price net of 30% income tax relief. In respect of the last financial year, the Company has declared dividends of 2.1p per share (equal to 4.1% based on the opening net asset value). In the previous two financial years, dividends of 2.5p per share and 3.0p per share were paid (equal to 4.1% and 5.2% based on the opening net asset value).

Dividends are usually paid twice each year in February/March and August/September. The last dividend was paid on 26 July 2024. Any dividends declared which are ex-dividend since the last NAV date but remain unpaid will be factored into the Offer Price.

The Company operates a Dividend Reinvestment Scheme under which Shareholders are given the opportunity to reinvest future dividend payments by way of subscription for new shares. Subject to a Shareholder's personal circumstances, Shares subscribed for under the Dividend Reinvestment Scheme should obtain the usual VCT tax advantages as set out below.

Investors under the Offer may elect to participate in the Dividend Reinvestment Scheme by completing the dividend reinvestment section of the Application Form and should be aware that it will apply to their entire holding of new Shares and any Existing Shares. Participation in the Dividend Reinvestment Scheme by a Shareholder can be cancelled at any time with written authority from the Shareholder.

TAXATION BENEFITS TO INVESTORS (SEE PART FIVE FOR FURTHER DETAILS)

The principal VCT tax reliefs, which are available on a maximum investment of £200,000 per individual in each of the 2024/25 and 2025/26 tax years, are set out below:

- **Income tax relief at 30%** of the amount subscribed provided the VCT shares are held for at least five years and provided the Investor has not sold any shares in the Company six months either side of the issue of the new Shares. Relief is restricted to the amount which reduces the Investor's income tax liability to nil.
- **Tax-free dividends and capital distributions** from a VCT.
- **Capital gains tax exemption** on any gains arising on the disposal of VCT shares.

The table below shows the effect of the initial 30% income tax relief (based on a notional investment of £10,000):

Effect of initial 30% VCT income tax relief

Cost of investment	£
Gross subscription by Investor	10,000
30% VCT income tax relief	(3,000)
Net of tax cost of investment	7,000
Initial value of investment	
Gross subscription by Investor	10,000
Example issue costs of 2.5%	(250)
Initial Net Asset Value	9,750
Initial "uplift" (pounds)	+2,750
Initial "uplift" (%)	+39.3%

The above table shows that, based on an illustrative investment of £10,000 and income tax relief at 30%, an Investor's net of tax cost of investment is £7,000 and the net assets initially attributable to the investment are £9,750, an "uplift" of £2,750 or +39.3%. The table ignores the effect of Adviser Charges paid or early application discounts received. **Investors should note that they are required to hold the Shares for at least five years in order to retain the full amount of income tax relief and, as such, this initial uplift cannot be immediately realised.**

This is only a very brief summary of the UK tax position of investors in VCTs, based on the Company's understanding of current law and practice. Further details are set out in Part Five of this document. Potential Investors are recommended to consult their own appropriate professional advisers as to the taxation consequences of their investing in a VCT. In addition, the availability of tax reliefs depends on the Company maintaining its VCT qualifying status.

INVESTMENT OBJECTIVE AND POLICY

The current investment objective and policy are shown below.

Investment Objective

The investment objective of the Company is to provide private investors with attractive returns from a portfolio of investments including unquoted companies, existing AIM and AQSE Growth Market quoted companies in the United Kingdom. It is the intention to maximise tax-free income available to investors from a combination of dividends and interest received on investments and the distribution of capital gains arising from trade sales or flotation.

It is not proposed that the investment policy of the Company is amended in response to the Merger. The generalist policy, with an increasing focus on technology companies, of the Ordinary Shares pool is equivalent to that of the Ventures Shares class in TV2, the largest of the merging classes, and shares similarities with the other classes in TV2.

It should be noted that the current portfolio contains less than 30% yield focused investments (as described below) and this percentage will continue to fall as no more such investments will be made.

Investment Policy

Asset allocation

The Company will seek to maintain a minimum of 80% of its funds invested in VCT qualifying investments, with the balance held in non-qualifying investments. New funds raised will initially be held in non-qualifying investments and cash and will gradually be invested in VCT qualifying investments over a one to three year period.

VCT qualifying investments

The Company seeks to hold a portfolio of VCT qualifying investments as follows:

Investment type	Target	Maximum	Target IRR
Growth	40%-100%	100%	15% and above
Yield focused	0%-60%	100%	10%

Growth investments will be in companies with prospects for high capital growth reflecting higher risk, predominantly focusing on:

- investments in unquoted companies where there are reasonable prospects of a trade sale or clear exit strategy over a five to seven year time horizon and the prospects of a reasonable level of capital growth. Start-ups will not generally be considered although the fund may consider investments in early-stage companies offering higher risk and higher potential returns; and
- companies already quoted on AIM, the AQSE Growth Market or the Main Market of the London Stock Exchange, or being admitted to AIM, the AQSE Growth Market or the Main Market of the London Stock Exchange.

Yield focused investments are generally in unquoted businesses (although this may include some quoted businesses), with a preference for companies which, subject to prevailing VCT rules, own substantial assets or have predictable revenue streams. These investments may be structured such that they comprise of loan stock and/or preference shares. Under the current VCT regulations, it is unlikely that any new yield focused investments will be added to the portfolio or further funds invested into such existing portfolio companies.

Some investments may exhibit features of both of the above categories.

Non-Qualifying Investments

Non-qualifying investments invested after 5 April 2016 will only be made in the following categories:

- Shares or units in an AIF (alternative investment fund) e.g. an investment trust or in a UCITS (undertakings for the collective investment in transferable securities) e.g. an OEIC (open ended investment company) which may be repurchased or redeemed by the investor on no more than seven days' notice; and

- Ordinary shares or securities in a company which are acquired on a European regulated market e.g. in companies with shares listed on the main market of the London Stock Exchange.

The existing non-qualifying portfolio includes investments made before 5 April 2016 within the following categories:

- Non-qualifying listed investments which are in quoted companies where the holdings can be traded and in companies in which the Investment Adviser has detailed knowledge as a result of VCT qualifying investments made previously;
- Secured loans which are secured on assets held by the borrower; and
- Non-qualifying unquoted investments which will generally not exceed 5% of the overall fund.

In addition to the above, the Company may hold non-qualifying funds in cash or bank deposits, which fall within the VCT rules.

The allocation between asset types in the non qualifying portfolio will vary depending upon opportunities that arise, with any one asset class having a maximum exposure of 100% of the non qualifying portfolio.

Risk diversification

The Directors will control the overall risk of the Company. The Investment Adviser will ensure the Company has exposure to a diversified range of VCT qualifying investments from different sectors with no more than 15% (calculated as at the time of investment) of the Company's investments being concentrated in any one company or any one issue of fixed income securities (except UK Government gilts or deposit accounts with UK clearing banks).

Venture Capital Trust Regulations

In continuing to maintain its VCT status, the Company complies with a number of regulations as set out in Part 6 of the Income Tax Act 2007 VCT Rules.

Borrowing policy

It is not the Company's intention to have any borrowings. The Company does, however, have the ability to borrow a sum equal to no more than 10% of the aggregate amount paid up on the issued share capital of the Company plus the amounts standing to the credit of the consolidated reserves of the Company. There are no plans to utilise this ability at the current time.

Variation of Investment Policy

Any material change to the investment policy of the Company will require the approval of Shareholders pursuant to the UK Listing Rules. Any material change to the investment policy is also subject to the FCA's approval.

UK Listing Rules

In accordance with the UK Listing Rules: (i) the Company may not invest more than 10%, in aggregate, of the value of its total assets at the time an investment is made in other listed closed-ended investment funds except listed closed-ended investment funds that have published investment policies which permit them to invest no more than 15% of their total assets in other listed closed-ended investment funds; (ii) the Company must not conduct any trading activity which is significant in the context of its group as a whole; and (iii) the Company must, 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 as set out in this document. This investment policy is in line with Chapter 11 of the UK Listing Rules and Part 6 of the ITA.

SHARE BUYBACK POLICY

The Company's policy is to ensure that there is liquidity in its Shares and, accordingly, it intends to pursue an active Share buyback policy. The Company currently seeks to buy back in the market those Shares which Shareholders wish to sell, at a discount of 5.0% to the latest published Net Asset Value, subject to applicable regulations, market conditions at the time and the Company having both the necessary funds and distributable reserves available for the purpose. This buyback policy aims to provide some liquidity and limit the discount to Net Asset Value at which Shares trade. It is proposed

that, conditional on approval of the Merger, the Company will revise its share buyback policy to target a discount of 2.5% to the latest published Net Asset Value, subject to applicable regulations, market conditions at the time and the Company having both the necessary funds and distributable reserves available for the purpose. The making and timing of any share buybacks will remain at the absolute discretion of the Board and will be subject to applicable regulations, market conditions at the time and the Company having both the necessary funds and distributable reserves available for the purpose.

Under the UK Listing Rules, the price paid for the Shares cannot be more than the higher of: (i) the amount equal to 105% of the average of the middle market quotations for the five Business Days immediately preceding the date on which the Shares are purchased; (ii) the price of the last independent trade; and (iii) the highest then current independent bid on the London Stock Exchange.

CO-INVESTMENT POLICY

Foresight currently manages other funds which may invest alongside the Company, including other VCT and EIS funds ("**Foresight Funds**"). Investment opportunities will normally be offered initially to the Company on a basis which is pro rata to the net cash available for investment by each of the 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 other portfolio considerations, such as portfolio diversity and the need to maintain VCT status.

Where the Company 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, Foresight Group (as investment adviser) will apply its 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.

As at the date of this Prospectus, Board consent is required when making certain investments, including those in existing investee companies (both of the Company and Foresight more generally) and for new investments those which are over £500,000 in size, in respect of quoted investments, or £2 million in size, in respect of unquoted investments. However, the Board has recently approved some revisions to the Company's investment management agreement with Foresight, granting Foresight greater discretion and removing the above specific restrictions, to bring it more into line with other VCTs which are managed by Foresight. These changes are expected to be formally implemented on completion of the Merger.

Save for the above and the potential conflicts in respect of the calculation of the Company's NAV discussed further on page 82, there are no material potential conflicts of interest which Foresight may have as between its duty to the Company and duties owed by them to third parties and their interests.

DIRECTORS

Existing Directors

The Company has a Board, currently comprising three Directors, all of whom are non-executive and two of whom, the exception being Chris Allner who is a director of TV2 of which Foresight is an investment manager, are independent of Foresight Group. None of the Directors are otherwise related to Foresight personnel, other funds managed by Foresight Group, any investment manager of Foresight Group or any company in which Foresight has invested.

Atul Devani (Chair) has held a number of senior positions in software technology companies operating in various sectors including finance, mobile, telecommunications, food and drink, health, and pharmaceuticals. Previously he was the founder and CEO of AIM listed United Clearing plc, which was sold in 2006 to BSG. Most recently, Atul was appointed as a Civil Service Commissioner to the Cabinet. Atul was, until recently, the chair of Maven Income and Growth VCT 3 plc.

Barry Dean is a chartered accountant and has over 30 years' experience in the private equity industry including 14 years as managing director of Dresdner Kleinwort Benson Private Equity Limited. He is currently a non-executive director of ProVen VCT plc. He was formerly a non-executive director of Downing Absolute Income VCT 2 plc.

Chris Allner has over 35 years' venture capital and private equity experience and is currently a partner of Downing LLP and chairs their investment committee. Prior to joining Downing, he was the head of private equity at Octopus Investments as well as a director at Beringea and Bridgepoint with previous experience at 3i and Charterhouse. He sits on the board of Pembroke VCT plc and has previously sat on the boards of a number of unquoted and quoted companies, across a variety of commercial sectors.

Proposed Director

It is proposed that a new director, Dr Andrew Mackintosh, will join the board of the Enlarged Company, subject to approval of the Merger.

Dr Andrew Mackintosh has had a distinguished career in industry and investment as a former CEO of FTSE 250 listed Oxford Instruments before later leading the creation of the Royal Society Enterprise Fund, a pioneering initiative in bringing together scientific expertise and early-stage investment. He has been a board member of the Intellectual Property Office, a trustee of the Design Council and chair of Sphere Fluidics, a high-growth biotechnology tools company. He is also chair of the UK Innovation and Science Seed Fund, a £100m government-backed venture capital fund supporting companies from the UK's scientific research base. He was the author in 2021 of the Mackintosh Report, commissioned by HM Treasury, which led to the creation of the new Government Office for Technology Transfer. He is a Fellow of the Royal Academy of Engineering and of the Institute of Physics and was awarded a CBE in the 2024 New Years Honours for services to Science and Technology, and to Enterprise Development.

CHARGES

Offer costs

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 investment or loyalty discount (as referred to on page 16) 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 40.

The total initial expenses of the Offer (assuming full subscription by Investors in respect of whom intermediary commission is payable and where no Promoter's Fee discounts are applicable) will be a maximum of 5.5% of the gross proceeds and the maximum total net proceeds are therefore estimated to be £4.725 million (assuming no use of the over-allotment facility).

Annual management and administration fees

Foresight receives an annual investment management fee of 2.0% of the net assets of the Company.

In respect of administration fees, Foresight is paid a formula-based fee comprising three elements: (i) a basic fee of £40,000 (subject to increase in line with RPI and accordingly at a 2024 rate of approximately £60,000); (ii) a fee of 0.125% per annum on funds in excess of £10 million; and (iii) £10,000 per additional share pool (none currently).

Assuming full subscription by Investors in respect of whose applications on which commission is payable and no Promoter's Fee discounts applicable, and assuming the Merger is approved, the Company's assets would be approximately £121 million, resulting in an annual administration fee of around £199,000.

Annual Running Costs in respect of the Ordinary Shares are capped at 2.6% of net assets per annum.

Any excess will be paid by Foresight or refunded by way of a reduction in its fees. Annual Running Costs include, inter alia, Directors' fees, fees for audit and taxation advice, registrar's fees, costs of communicating with Shareholders, irrecoverable VAT and investment management fees but exclude performance incentive fees.

Where the Company invests in other Foresight managed funds, Foresight will arrange for one of the fees to be rebated to the Company to ensure that there is no "double charging".

The Company shall also be responsible for paying 0.5% per annum of the Net Asset Value of the Shares to Foresight Promoter for a maximum of six years, from which Foresight Promoter will pay annual trail commission to those Intermediaries who remain eligible to receive it.

It is proposed that, at the General Meeting, amendments to the investment management agreement with Foresight Group LLP (which includes amendments to the performance incentive arrangements with Foresight Group LLP) will be proposed for approval by the shareholders.

Costs payable by investee companies

Foresight will be entitled to receive and retain (i) arrangement fees, capped at 3.0% of the sums invested by the Company and (ii) investor director and monitoring fees, capped at the higher of £10,000 and 1.0% per annum of the sums invested by the Company. Costs incurred on abortive investment proposals will be borne by Foresight.

Performance Incentive

Since the management mandate for the Companies was acquired by Foresight in 2022, the performance incentive schemes for both Companies have been under review as they are currently proving ineffective at incentivising the management teams to deliver returns for shareholders being "out of the money".

The Company's existing performance incentive scheme entitles the Investment Adviser to a performance incentive fee equal to 20% of realised gains from investments made since 1 April 2019, subject to the achievement of an IRR hurdle and a total return per share hurdle. The IRR hurdle requires all such investments at the year-end to exceed a hurdle of 5% per annum (based on audited valuations and including realised and unrealised gains and losses and all investment income) measured from 1 April 2019. The total return per share hurdle requires the overall return to Shareholders (NAV plus dividends) to exceed 109.8p – a figure set by reference to a merger of a number of Downing-managed VCTs in 2013. As there is no realistic prospect of these hurdles being met, the performance incentive scheme provides no motivation for Foresight Group, as the Company's new investment manager, to drive enhanced shareholder value.

Accordingly, it is proposed that the existing scheme should be reset on a basis that a Performance Fee would be payable to Foresight Group at the end of each Performance Period, subject to the Hurdle being satisfied at the end of the relevant Performance Period, equal to the lesser of: (i) 20% of the Distributions per Share paid from available distributable profits of the Company attributable to the relevant Performance Period; or (ii) 20% of the Excess Annual Return per Ordinary Share, in each case, multiplied by the weighted average number of TV1 Ordinary Shares in issue during the relevant Performance Period. The Performance Fee would be payable by the 15th day following the expiry of the Performance Period in respect of which it has been calculated.

For these purposes:

"Distributions" means:	all payments of whatsoever nature including all income and capital distributions (whether in cash or in specie) made by TV1 after the Effective Date to holders of its TV1 Ordinary Shares in issue at any time and remaining in issue, stated on a per TV1 Ordinary Share in issue basis as at the date on which, from time to time, the Performance Fee is calculated;
"Excess Annual Return Per Ordinary Share" means:	an annual increase in the Total Return Per TV1 Ordinary Share which is higher than the Hurdle;
"Hurdle" means:	the greater of (i) a Total Return of 110p Per TV1 Ordinary Share, as increased in line with the average Bank of England Bank Rate over the relevant Performance Period; and (ii) the highest previously recorded Total Return per Share;
"Performance Period" means:	the first Performance Period would begin on the Effective Date for the Merger with TV1, if this is approved by Shareholders, and would end on 31st March 2025 and each subsequent Performance Period would be a period commencing on the date immediately following the expiry of the previous Performance Period and ending 12 months later or, as the case may be, on the termination of the Investment Services Agreement;

The proposal to replace the performance incentive scheme as described above constitutes a relevant related party transaction under the UK Listing Rules and, as such, is subject to the approval of Shareholders at the General Meeting. If Shareholders approve of these new performance incentive arrangements they will become effective regardless of whether the Merger completes successfully. If the new performance incentive arrangements are not approved by Shareholders at the General Meeting, the existing performance incentive arrangements described above will continue in force

VAT

VAT (if applicable) will be payable in addition to each of the fees payable to Foresight Group LLP described above.

PRICING OF THE OFFER

Pricing of the Offer

The number of Shares to be issued to each Applicant will be calculated based on the following Pricing Formula (rounded down to the nearest whole Share):

$$\text{Number of Offer Shares} = \left[\begin{array}{l} \text{Amount subscribed, less:} \\ \text{(i) initial Promoter's Fee}^1 \text{ and} \\ \text{(ii) Initial Adviser Charge (if any)} \end{array} \right] \div \left[\begin{array}{l} \text{Latest published NAV} \\ \text{per Offer Share}^2 \end{array} \right]$$

¹ less any reduction for early applications and/or commission waived by Intermediaries (where applicable)

² adjusted for any dividends declared and ex-dividend since the NAV date, as appropriate.

The Shares under the Offer will be issued at the Offer Price determined by reference to the Pricing Formula and announced on a regulatory information service at the point of each allotment. Offer Shares will only be issued at a premium to the net asset value per share.

Unless the Promoter's Fee is discounted or waived, applications made directly (not through an Intermediary) will attract a Promoter's Fee of 5.5%. In all other cases, a Promoter Fee of 2.5% will be charged. The Promoter will waive the Promoter Fee for investments from Existing Shareholders (which includes former TV2 Shareholders) and existing shareholders in Foresight VCT plc, Foresight Enterprise VCT plc and Foresight Technology VCT plc.

Income tax relief should be available on the total amount subscribed (including any Initial Adviser Charges and Promoter's Fee), subject to VCT Rules and personal circumstances.

The number of Shares issued under the Offer will be affected by a "blended" Issue Price, because Applicants will have a different Issue Price attributable to their application for Offer Shares depending upon whether their Application is received directly, through an Intermediary where commission is payable or through an Intermediary who is remunerated by way of an Initial Adviser Charge.

The Company's Net Asset Value is announced at least every three months through a regulatory information service provider.

OTHER INFORMATION

Taxation and HMRC approval

The Directors intend to conduct the affairs of the Company so that it continues to satisfy the conditions for approval as a VCT and that such approval will be maintained. HMRC has granted the Company provisional approval under the ITA. The Company intends to continue complying with the ITA and has retained Philip Hare & Associates LLP to advise it on VCT taxation matters.

AIFM

The Company is registered with the FCA as a Small Registered Alternative Investment Fund Manager.

The Offer and minimum and maximum subscription

Assuming the Offer is fully subscribed, ignoring the over-allotment facility, maximum net proceeds of approximately £4.725 million will be raised under the Offer. If the Offer is over-subscribed, it may be increased at the discretion of the Board to no more than £10 million in total. This facility may be utilised whilst the Offer remains open. In the event that applications are received in excess of the prescribed maximum, the Directors and the Sponsor reserve the right to use their absolute discretion in the allocation of successful applications. Applicants are encouraged to submit their Application Form early in order to be confident that their applications will be successful.

The minimum investment per Applicant is £5,000 including any Initial Adviser Charges for facilitation (or such lower amount at the Board's discretion). The maximum investment, on which tax reliefs in VCTs are available, is £200,000 per Applicant in each of the 2024/25 and 2025/26 tax years. Spouses can each invest up to £200,000 in each tax year. The Offer opens at 3.00 p.m. on 15 November 2024 and will close at 4:00 p.m. on 30 April 2025 (or earlier at the discretion of the directors or if full subscription is reached or later if extended at the Board's discretion). Applicants who wish to have some or all of their New Shares allotted in the tax year 2024/25 must return their completed Application Form, with cleared funds received by the receiving agent, by 10.00 a.m. on 3 April 2025. The Offer is not underwritten.

Shares are expected to be allotted and issued in respect of valid applications on or before 3 April 2025, 30 April 2025 and on any other dates on which the Directors decide.

Application will be made to the FCA on behalf of the Company for the Admission of all of the Offer Shares. The Offer Shares will be issued in registered form and be transferable in both certificated and uncertificated form and will rank for all dividends and other distributions declared, paid or made by the Company in respect of the Offer Shares thereafter. It is anticipated that dealings in the Offer Shares will commence within 20 Business Days of allotment. Dealings may not begin before notification of allotments is made.

Settlement of transactions in the Offer Shares may take place within the CREST system if Shareholders wish. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. Share certificates (where applicable) and certificates to enable a claim for income tax relief to be made in respect of Offer Shares will be posted to Shareholders within 30 days of each allotment. No notification will be made to successful applicants prior to dispatch of definitive share certificates.

Prior to dispatch of definitive share certificates (where applicable), transfers (if any) will be certified against the register. No temporary documents of title will be issued.

The result of the Offer will be announced through a regulatory information service provider authorised by the FCA.

No convertible securities, exchangeable securities or securities with warrants will be issued with the Offer and there exist no acquisition rights and/or obligations over authorised but unissued capital of the Company or any undertakings to increase the Company's capital.

Operation of the Company and Board Practices

(a) *Board of Directors*

The Company complies with the provisions of the AIC Code of Corporate Governance, with the exception of the following, for the reasons set out below:

- a) The Company has no major Shareholders, so Shareholders are not given the opportunity to meet any new non-executive Directors at a specific meeting other than the Annual General Meeting. (5.2.3)
- b) Due to the size of the Board and nature of the VCT's business, the Board considers it appropriate for the entire Board, including the chair, to fulfil the role of the nomination, audit and the remuneration committee. (7.2.22, 9.2.37, 8.2.29)
- c) Due to the size of the Board, a Senior Independent Director has not been appointed. (6.2.14)

The Board comprises three members, all of whom are non-executive directors and, with the exception of Chris Allner who is a director of TV2 of which Foresight is an investment manager, are considered to be independent of Foresight.

The Board meets regularly throughout the year (normally at least quarterly) and all necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively. Additionally, special meetings take place or other arrangements are made when Board decisions are required in advance of regular meetings. The Board is responsible for controlling the Company. The Board is responsible for the approval of the Company's Net Asset Value, which will be undertaken in accordance with the Company's accounting policies (the Company's current accounting policies are set out on pages 58 to 60 of its report and accounts for the year ended 31 March 2024) and published on an appropriate regulatory information service (including in the announcement of annual and half yearly results of the Company). The Board does not envisage any circumstances in which such calculations would be suspended but, were this to occur, such suspension would be communicated to shareholders in a similar manner.

The Board delegates specific responsibilities to the committees described below.

(b) *Audit Committee*

All Directors sit on the audit committee which is chaired by Barry Dean. The audit committee meets not less than once a year. The Company's auditors and the senior executives of the Investment Adviser may attend and speak at audit committee meetings.

A summary of the terms of reference of the audit committee is as follows: the committee has responsibility for, among other things, the planning and reviewing of the Company's annual and half yearly reports and the supervision of its auditors in the review of such financial statements. The audit committee focuses particularly on the Company's compliance with legal requirements, accounting standards, financial and regulatory reporting requirements, the UK Listing Rules and the UK Prospectus Regulation and ensuring that effective systems for internal financial control and for reporting non-financial operating data are maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and half yearly financial reports remain with the Board.

(c) *Remuneration Committee*

The remuneration committee, which meets as and when required, is chaired by Barry Dean. All Directors sit on the Remuneration Committee.

A summary of the terms of reference of the remuneration committee is as follows: this committee has responsibility for determining the Company's policy on the remuneration of the Directors, and the committee refers to standard industry practice as well as comparative remuneration levels and structures prevalent in companies of a similar profile and size, and in similar industry sectors, to the Company, taking account of any special circumstances that may be relevant in terms of the Directors' responsibilities and duties. The maximum Directors' remuneration will also be determined by reference to the Company's Articles and/or ordinary resolutions of shareholders from time to time.

(d) *Nomination Committee*

All directors sit on the nomination committee, which meets as and when required, and is chaired by Barry Dean. The committee has responsibility for considering the size, structure and composition of the Board, the retirement and appointment of Directors, and will make appropriate recommendations to the Board in relation to these matters.

Availability of the Prospectus

Copies of the Prospectus relating to the Offer and any related supplementary prospectus published by the Company are available for download at the National Storage Mechanism (www.morningstar.co.uk/uk/NSM) and may be obtained, free of charge, from the Company's registered office, where they are also on display, and from Foresight Group Promoter LLP and the Sponsor.

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

telephone: 020 3667 8181
download: <https://www.foresight.group/products/thames-ventures-vct-1-plc>
email: investorrelations@foresightgroup.eu

Financial Calendar

Financial year end	31 March
Final results announcement	June/July
Annual general meeting	August/September
Bi-annual dividends paid	January/February and August/September
Half-yearly results announcement	November/December

Forward-Looking Statements

You should not place undue reliance on forward-looking statements. This Prospectus includes statements that are (or may be deemed to be) "forward-looking statements", which can be identified by the use of forward-looking terminology including the terms "believes", "continues", "expects", "intends", "may", "will", "would", "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements contained in this Prospectus or based on past trends or activities, should not be taken as a representation that such trends or activities will continue in the future. Any such statements do not, nor are intended to qualify the Company's working capital statement.

The information contained in this document will be updated if required by the UK Prospectus Regulation, the UK Listing Rules, the Disclosure Guidance and Transparency Rules and Market Abuse Regulation, as appropriate.

PART FOUR: THE INVESTMENT ADVISER

The Company's investment adviser is Foresight Group LLP, which is authorised and regulated by the Financial Conduct Authority and specialises in structuring, promoting, managing and administering tax efficient products. In June 2022, it was announced that Downing LLP ("**Downing**"), the previous investment adviser, had agreed to sell its non-healthcare ventures division to Foresight. As part of this transaction, the Board consented to a novation of the investment advisory agreement from Downing to Foresight. The Downing non-healthcare ventures team moved to Foresight when the deal completed on 4 July 2022.

On 20 September 2024, a second transaction completed also selling the TV2 Healthcare share class, still managed by Downing, to Foresight. This has triggered a period of handover of the healthcare portfolio to the investment team at Foresight.

On 2 October 2024, Foresight's Public Equities team took over management responsibility for the Company's quoted growth portfolio from Downing. As at the date of publication of this Prospectus, Downing's sole remaining responsibility is to provide sub-contracted investment advisory services in respect of the Company's yield-focused portfolio which is being gradually realised.

As Foresight is a substantial and well-respected fund manager, the Board continues to believe that the Merger is in the best interests of Shareholders who will continue to benefit from the substantial resources of Foresight.

Foresight Group

Foresight Group is a leading listed infrastructure and private equity investment manager.

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, 27 years later. The Thames Ventures VCTs and Foresight Technology VCT heralds a return to technology investing which is a core part of the firm's DNA.

Awards

2024	Insider South East Dealmaker Awards	Private Equity/Venture Capital Deal of the Year (Winner)
	Business and Finance ESG Awards	ESG Investment Award (Finalist)
	Sprint Electric - Private Equity Deal of the Year	South East Dealmakers Awards
2023	Growth Investor Awards	Growth Investor of the Year and Best Investor Return for Codeplay
	Unquote British Private Equity Awards	Small Buyout House of the Year
	Real Deals ESG Awards	ESG - Small-Cap House of the Year
	EISA Awards	Best EIS Investment Manager
2022	Growth Investor Awards	Best VCT Investment Manager
	North West Rainmaker Awards	VC/Private Equity Team of the Year
2021	Growth Investor Awards	ESG Champion of the Year
	Unquote British Private Equity Awards	Venture/Growth Cap House of the Year
	Insider South East Dealmakers Awards	Emerging Dealmaker of the Year for Chris Wiles

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.

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 renewable fuel. Foresight has its principal offices in London and Guernsey, as well as throughout the UK, and has overseas operations in countries including Italy, Spain, Luxembourg, Ireland and Australia.

With assets under management of c.£12.1 billion, 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 ten years, Foresight Group has raised a number of Regional Growth Funds based out of Foresight offices in Nottingham, Manchester, Edinburgh, Cambridge, Dublin, Newcastle, Leeds and Cardiff. These funds, cornerstoned by various local government pension funds, the British Business Bank, AIB, British Business Investments and the Scottish Government, are targeting growth capital deals across these regions, investing typically between £100,000 and £5 million into technology-related and more traditional management-led businesses.



£12.1 billion assets under management as at 31 March 2024



Avg. 3.5x SME returns on full or partial exits since 2010



21 new investments and 55 follow-ons in 2023



Current portfolio of 250+ investments

Foresight Private Equity Division

To date, the Foresight private equity team has:

- Managed in excess of 400 investments and over 50 additional quoted holdings
- Completed more than 80 full or partial exits

The Foresight private equity team comprises over 50 investment professionals with support from finance, marketing, and investor relations professionals. This collegiate team has developed and grown significantly over the last ten years to combine skill sets and experience from different backgrounds including corporate finance, strategy consulting, accounting, private equity and industry. The Investment Committee, which is a sub-committee of the Executive Committee, is responsible for investment decisions.

In July 2022, Foresight strengthened its venture capital capabilities by acquiring the technology ventures division of Downing LLP, increasing its venture capital assets under management to over £400m and broadening the strategy of investing in early-stage hardware technology and industrial software by adding early-stage venture investments with a thematic focus on enterprise software and deep technology.

The Company's portfolio is managed by Foresight's Ventures Team, a subset of 12 members of the wider Foresight private equity team. While the team tailors its investment strategy and portfolio management style to the earlier-stage nature of venture investments, it is co-located with the wider Foresight private equity team and actively seeks to collaborate on transactions and portfolio management. This approach means the team can leverage both best-practice from managing venture and growth investments, alongside the extensive knowledge and experience of the wider team.

Foresight Ventures Investment Team

Richard Lewis

Managing Director



Richard joined Foresight in 2022 and is a Managing Director based in the London office. Prior to Foresight Richard worked at Downing Ventures as a Partner. Prior to Downing, Richard was Head of Investment at Radius Equity, and previously spent nine years at Mitsui & Co, completing growth and venture capital investments in the UK, USA and Israel. Richard holds a BA class degree in Economics and Politics from Durham University and an MBA from Manchester Business School.

Andrew Bloxam

Managing Director



Andrew joined Foresight in 2018 and has led the Foresight technology funds over the last five years. He has over 20 years of experience. Prior to joining Foresight, Andrew was a Director at Committed Capital, a technology-focused early-stage private equity and advisory firm. Previously, Andrew also worked at Strata Partners and JPMorgan focusing on M&A transactions and capital raisings for small to mid-cap UK technology companies. Andrew has a degree in Economics from Cambridge University and an MBA from Surrey Business School.

Chris Wiles

Director



Chris joined Foresight in 2019 to focus on the Foresight technology funds. He has over 15 years of experience. Prior to joining Foresight, Chris worked at Centrica as a Venture Principal in Centrica Innovations, the £100m corporate venturing and innovation team of Centrica Plc. Prior to Centrica, Chris worked as a Strategy Consultant at PwC, having started his career as an Engineer at McLaren Automotive. Chris holds an MBA with Distinction from Warwick Business School and a Masters degree in Mechanical Engineering from the University of Southampton.

Danielle Gubbay

Senior Investment Manager



Danielle sources, executes and manages investments for Foresight's various technology and ventures funds, and sits on the board of a number of portfolio companies. Danielle has been investing in early-stage deep tech and enterprise software business for the past 7 years. Prior to joining Foresight in 2022, Danielle was an investor for a London based family office, focused on Seed to Series A enterprise software. Danielle brings extensive operating experience having founded a B2B2C platform.

Danielle holds a BA in Economics and Law from University of Sydney, and BA in Int. Business and Trade Law from University of Technology, Sydney.

Anastasia Sagaidachna

Senior Investment Manager



Anastasia has been responsible for sourcing and executing investments for the Foresight technology funds and working with existing portfolio companies for the last two years. Prior to joining Foresight in early 2022, Anastasia worked at the Private Equity arm of EBRD focusing on technology enabled and generalist mid-market investments. Before that, she worked at a lower mid-market private equity fund focusing on enterprise software and generalist investments. Anastasia holds a BA in Business Administration from the University of Economics in Prague and MSc in Corporate Finance from Bayes (former Cass) Business School.

Tania Rahman*Investment Manager*

Tania recently joined the Foresight Ventures Team after specialising in Seed-Series A Enterprise SaaS investment at Praetura Ventures. Prior to her VC experience she was an early team member at high growth start ups Stack Overflow and Reward Gateway, both of which achieved Unicorn status. She was awarded Entrepreneur of the Year title in 2018 through founding and exiting a multi-site restaurant group across London. She now serves as a Trustee at Hatch Enterprise, the UK's largest startup accelerator for underrepresented entrepreneurs. Tania holds an MBA from Alliance Manchester Business School and a BSc in Psychology from the University of Birmingham.

Rubina Singh*Senior Investment Manager*

Rubina sources, executes and manages investments for Foresight's venture funds. Previously Rubina was a Principal at Octopus Ventures where she led deeptech investments, co-managed the new deeptech fund strategy and fundraising, and led the Octopus Springboard deeptech accelerator. Prior to Octopus, Rubina established and led the innovation division at British Gas before which she spent 8 years funding, commercialising and scaling deeptech & cleantech startups in her roles at Centrica Ventures and Fraunhofer TechBridge. Rubina started her career as an engineer at Fraunhofer and holds a B.Eng. from Australian National University and a M.Eng. from University of Michigan, Ann Arbor.

Desmond Cheung*Senior Associate*

Desmond joined Foresight in July 2024 as a Senior Associate. Prior to joining Foresight, Desmond worked at Cambridge Enterprise for 2 years as an Investment Manager for the £50m University of Cambridge Venture Fund, focusing on opportunities within the physical sciences domain. Prior to Cambridge Enterprise, Desmond worked as a technical and product development consultant within healthcare at TTP plc for 4 years, and is a co-inventor of 3 patents (1 granted, 2 pending). Desmond holds a Masters degree in Aeronautical Engineering from Imperial College London.

Rekha Mehr*Consultant*

Rekha joined Foresight in July 2022 as a Consultant based in Dubai. Rekha has spent her career working alongside and within scaling companies, learning first-hand what really counts for growth and success. Rekha has held executive director roles, answerable to boards and major stakeholders. Rekha is a former founder and now spends her time as board director, advisor and angel investor.

Izi Petri*Senior Portfolio Manager*

Izi has been responsible for portfolio management and fund operations for Foresight's venture funds, across both EIS and VCT strategies, since joining Foresight in January 2023. Prior to joining Foresight, Izi worked for a fund focused on investing early-stage capital into companies in Sub-Saharan Africa, across tech, mobility and renewable energy. Izi trained as a Chartered Accountant at BDO LLP whilst working in the External Audit team, and holds a BSc in Economics and Politics from the University of Bristol.

Joe Raffa

Venture Partner



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 \$800m 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



Gideon joined Foresight as part of the Downing Ventures acquisition. 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 \$70m in funding. Gideon successfully exited Eyesight Technology delivering a c.10x return for early investors and delivered a successful outcome at ClayAir, a deep tech business sold to Qualcomm.

The Investment Process

The investment process for a new company typically takes three to six months. Once an opportunity is identified, the team conducts initial fact-finding calls, meetings, and visits. The opportunity is then assessed and must meet specific criteria to move forward. This process helps pinpoint areas needing further review during due diligence.

If the opportunity passes, the team drafts a non-binding offer letter detailing the investment structure. After agreement, the company presents to the Company's investment committee. For investments needing technical due diligence, the Technical Adviser's recommendation must also be approved. Following initial approval, a detailed due diligence process takes about eight weeks, covering legal, financial, commercial, technical, intellectual property, and leadership aspects. The investment team then submits a final proposal for investment committee approval. This thorough process ensures a high level of scrutiny by experts with diverse backgrounds, reducing risks.

Initial investments range from £0.5 million to £3.0 million, with some funds reserved for follow-on investments. The team also considers co-investing with other funds and investors to provide additional capital and spread risk.

Governance

Foresight ensures each investee company has a well-structured board, including an independent chair, senior leadership, non-executives, and an investor director from Foresight. This board provides guidance and support through regular meetings and helps shape the company's strategy.

About 100 days post-investment, each new investee company presents its progress to the Foresight Investment Committee. This check-in confirms that the company is following through on its 100-day plan and maintains a solid governance and operating structure.

Growth update meetings occur around 18 months after investment, allowing the investment team to review growth plans and advise on future fundraising, including participation decisions.

Value-add

Foresight Ventures uses its experience to guide investee companies on overall strategy, market positioning, product development, sales, marketing, and business models. The team also taps into the broader Foresight network, which includes industry experts, former strategy consultants, and ex-investment bankers. Foresight's three Venture Partners in North America, Israel, and Dubai provide additional support by helping with commercial introductions and identifying new investment opportunities.

Post-investment, with regards to portfolio management, Foresight takes a particularly active, hands-on approach and, on its unquoted investments, typically has board representation whether as a director or observer and is able to introduce respected non-executive and financial directors. Foresight works particularly closely with the investee companies in the following areas:

- definition and review of strategy and its implementation;
- recruitment and incentivisation of key management and board members;
- planning for growth, international expansion and new product/service introduction;
- fundraising from banks and other external sources;
- mergers, acquisitions and exit planning; and
- environmental, social and governance factors.

Strong Regional Presence

The Company will benefit from the extensive network of Foresight's Private Equity division, which reviews over 3,000 investment opportunities yearly in the UK and Ireland. This is made possible by a well-organised deal sourcing process, with each team member covering specific regions and building strong relationships with local management teams.

Foresight is committed to developing a strong regional presence across the UK and Ireland and in the last five years alone Foresight has been appointed the equity fund manager for ten new regional funds covering Northwest and Northeast England, West Yorkshire, the East of England, Scotland, Northern Ireland, Wales 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, Cardiff, Belfast and Milton Keynes regional offices, and its head office in London. That network now numbers more than 1,300 advisers.

Approach to Environmental, Social and Governance (ESG)

While the Company aims to invest in deep technology businesses with transformative technologies, Foresight believes that innovations in hardware and industrial software can also offer significant Environmental, Social, and Governance (ESG) benefits. However, monitoring and reporting on ESG aspects can be challenging for early-stage companies already focused on product development and market entry. Despite this, Foresight is committed to identifying and monitoring areas where ESG improvements can be achieved, as they can lead to better returns, increased employee motivation, and enhanced appeal to investors.

The Company's investee companies can achieve positive ESG outcomes in two main ways:

1. **Direct Positive Impact:** Investing in companies that provide direct ESG benefits through their core business activities, such as addressing major market opportunities related to energy, climate, and social challenges.
2. **Improving ESG Performance:** Enhancing ESG performance through organisational and operational choices. Foresight has developed a five-principle ESG framework to help companies evaluate, monitor and seek to improve their ESG performance.

At the initial investment stage, Foresight assesses each company's ESG maturity using this framework to identify and monitor areas for improvement.

Foresight takes pride in its own ESG practices, being a Living Wage Employer, a founding member of the Place-Based Impact Investing Network, a signatory of the HM Treasury Women in Finance Charter, and a member of several key sustainability organizations. It has been a signatory to the UN Principles for Responsible Investment since 2013 and received a 5-star rating in 2023.

PART FIVE: TAXATION

VCTs: Summary of the applicable legislation in respect of Investors

1. Taxation of a VCT

VCTs are exempt from corporation tax on chargeable gains. There is no restriction on the distribution of realised capital gains by a VCT, subject to the requirements of company law. The Company will be subject to corporation tax on its income (excluding dividends received from UK companies) after deduction of attributable expenses.

2. Tax reliefs for individual investors

Individuals who subscribe for Offer Shares must be aged 18 or over to qualify for the tax reliefs outlined below.

Relief from income tax

An Investor subscribing up to £200,000 in either or both of the 2024/25 and 2025/26 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 the Company (or any VCT that merges with the Company if that merger was known about at that time) within six months either side of the subscription for the Offer Shares, then for the purposes of calculating income tax relief on the Offer 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.

Dividend relief

An investor who subscribes for or acquires eligible shares in a VCT (up to a maximum of £200,000 in either or both of the 2024/25 and 2025/26 tax years) 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.

Capital gains tax relief

A disposal by an individual Investor of his/her shares in a VCT will neither give rise to a chargeable gain nor an allowable loss for the purposes of UK capital gains tax. This relief is also limited to disposals of shares acquired within the £200,000 limit described above.

Loss of tax reliefs

- (a) If a company which has been granted approval or provisional approval as a VCT subsequently fails to comply with the conditions for approval, VCT status may be withdrawn or treated as never having been given. The exemptions from corporation tax on capital gains will not apply to any gain realised after the start of the accounting period in which VCT status is lost (and on any gain realised by the VCT if approval is deemed never to have been given).
- (b) For investors, the withdrawal of VCT status may (depending upon the timing of such withdrawal) result in:
 - repayment of the 30% income tax relief on subscription for new VCT shares;
 - income tax becoming payable on subsequent payments of dividends by the company; and
 - a liability to tax on capital gains being suffered in the normal way on the disposal of shares in the company, except that any part of the gain attributable to the period for which the VCT was approved would be exempt.

(c) The consequences for investors in a company which never obtains approval as a VCT are as follows:

- repayment of the 30% income tax relief on subscriptions for new VCT shares and interest on overdue tax may arise;
- income tax becoming payable on all payments of dividends by the company; and
- any gain arising on a disposal of the shares would be liable to capital gains tax and losses on the shares would be allowable losses for capital gains tax purposes.

The Offer Shares are eligible VCT shares for the purposes of this section.

3. Consequences of an Investor dying or a transfer of shares between spouses

Initial income tax

If an Investor dies at any time after making an investment in a VCT, the transfer of shares on death is not treated as a disposal and, therefore, the initial income tax relief is not withdrawn. However, the shares will become part of the deceased's estate for inheritance tax purposes.

Tax implications for the beneficiary

Provided a number of conditions are met, the beneficiary of any VCT shares will be entitled to tax-free dividends and will not pay capital gains tax on any disposal, but will not be entitled to any initial income tax relief.

Transfer of shares between spouses

Transfers of shares in a VCT between spouses is not deemed to be a disposal and, therefore, there is no loss of income tax relief on a transfer. Relief from tax on dividends and on disposals of shares are subject to the investor's annual £200,000 allowance.

4. General

Investors who are not resident in the UK

Non-resident Investors, or Investors who may become non-resident, should seek their own professional advice as to the consequences of making an investment in a VCT, because they may be subject to tax in other jurisdictions.

Stamp duty and stamp duty reserve tax

No stamp duty or (unless shares in a VCT are issued to a nominee for a clearing system or a provider of depository receipts) stamp duty reserve tax will be payable on the issue of VCT shares. The transfer on the sale of shares would normally be subject to ad valorem stamp duty or (if an unconditional agreement to transfer such shares is not completed by a duly stamped transfer within two months) stamp duty reserve tax generally, in each case at the rate of 50p for every £100 or part of £100 of the consideration paid where the total consideration exceeds £1,000 or if it forms part of a series of transactions where the total consideration exceeds £1,000. Such duties would be payable by a person who purchases such shares from the original subscriber.

Purchases in the market after listing

Any subsequent purchaser of existing VCT shares, as opposed to a subscriber for new VCT shares, will not qualify for income tax relief on investment but may benefit from dividend relief and from capital gains tax relief on the disposal of his/her VCT shares.

The VCT Regulations 2004

Under the VCT Regulations, monies raised by any further issue of shares by an existing VCT are subject to a grace period of three years before they must be applied in making investments which meet the VCT qualifying thresholds. However, to the extent any of the money raised (save for an insignificant amount in the context of the whole issued ordinary share capital of the VCT) is used by the VCT to purchase its own shares then this grace period shall not apply.

5. Tax Position of the Company

To obtain VCT status a company must be approved by HMRC as a VCT. HMRC has granted the Company approval under Section 274 ITA as a VCT and the Company intends to continue complying with the requirements of such section.

For a VCT to obtain full unconditional approval, the conditions summarised below must be satisfied in relation to the accounting period of the company which is current when the application for approval is made, or in any event must be satisfied by no later than the beginning of the VCT's next accounting period and must continue to be satisfied throughout the life of the VCT:

- (i) the VCT's income must have been derived wholly or mainly from shares and securities (in the case of securities issued by a company, meaning unsecured loans with a five-year or greater maturity period);
- (ii) no holding in a company (other than a VCT or a company which would, if its shares were listed, qualify as a VCT) by the VCT may represent more than 15% by value of the VCT's total investments at the time of investment;
- (iii) the VCT must not have retained more than 15% of the income derived from shares or securities in any accounting period;
- (iv) the VCT must not make an investment into a company which causes that company to have received more than £5 million of state aided risk finance in a rolling 12 month period (£10 million for a 'knowledge intensive' company), or more than £12 million in total (£20 million for a 'knowledge intensive' company);
- (v) no investment can be made by the VCT in a company whose first commercial sale was more than seven years prior to date of investment, except where previous State aid Risk Finance was received by the company within that seven years (10 years for a 'knowledge intensive' company) or where a turnover test is satisfied and the investment is used to enter a new product or geographical market;
- (vi) no funds received from an investment by the VCT into a company can be used to acquire another existing business or trade; and
- (vii) the VCT must not make any investments other than qualifying investments or certain non-qualifying investments specified in section 274 ITA 2007.

The VCT must not be a close company. Its ordinary share capital must be quoted on any regulated market in the EU or European Economic Area.

The VCT must not, in respect of any share capital created on or after 6 April 2014 and any reserves created from the cancellation thereof, make any payment or distribution out of such share capital and reserves to shareholders within three years from the end of the accounting period in which that share capital was created.

Under current legislation, the following conditions also have to be satisfied by no later than the beginning of the VCT's accounting period which commences no later than three years after provisional approval takes effect and must continue to be satisfied throughout the life of the VCT:

- (i) at least 80% by value of its investments is represented by shares or securities comprising qualifying investments; and
- (ii) at least 70% by value of its qualifying investments are represented by "eligible shares" which are ordinary shares which carry no present or future preferential rights to a return or capital on a winding up or any redemption rights but may have certain preferential rights to dividends.

Furthermore, VCTs are required to invest 30% of funds raised in any accounting period in qualifying investments within 12 months from the end of that accounting period.

Disposals of Qualifying Companies, which have been a qualifying holding throughout the six months prior to disposal, are disregarded for the purposes of the 80% test for a period of twelve months.

"Qualifying investments" comprise shares or securities issued by unquoted trading companies which exist wholly or mainly for the purpose of carrying on one or more qualifying trades (or are the holding company of a trading group which does not carry on non-qualifying activities to a

substantial extent) and which meet a principles based 'risk to capital' gateway test. 'Securities' for these purposes include unsecured loans with a five year or greater maturity period but excludes loans or other debt securities which are secured, or which generate a return in excess of 10% per annum or 50% of the amount of the loan over five years). This test requires the company to have genuine plans to grow and develop in the long term and that there be a significant risk that the capital invested could be lost as to an amount greater than the net investment return. The trade must be carried on by, or be intended to be carried on by, the investee company or a 90% held qualifying subsidiary (directly held or in the third tier within the group) at the time of the issue of the shares or securities to the VCT and at all times thereafter. The Qualifying Company must have a permanent establishment in the UK. The Qualifying Company must not be 'in difficulty' within the meaning of Community Guidelines on State Aid for Rescuing and Restructuring Firms in Difficulty.

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 and continue it thereafter. The definition of a qualifying trade excludes certain activities, including dealing in property, shares, securities, commodities or futures. It also excludes banking, insurance, receiving royalties or licence fees in certain circumstances, leasing, the provision of legal and accounting services, farming and market gardening, forestry and timber production, property development and operating or managing hotels, guest houses, nursing and residential care homes, coal production, steel production, ship building or the generation of electricity. The funds raised by the investment must be used for the purposes of the qualifying trade within certain time limits.

A qualifying investment can be made in a company which is a parent company of a trading group where the activities of the group, taken as a whole, consist of carrying on one or more qualifying trades. The subsidiary carrying on the qualifying trade in question must be at least 90% owned by the parent company. The investee company's gross assets, or those of the group if it is a parent company, must not exceed £15 million immediately prior to the investment and £16 million thereafter. Neither the VCT nor any other company may control the investee company. At least 10% of the VCT's total investment in the investee company must be in "eligible shares" as defined above. Qualifying Companies or groups must have fewer than 250 employees (500 for a "knowledge intensive company"). Companies are permitted to receive a maximum of £5 million from investments made under the European Commission's Risk Finance Guidelines in the 12 months ending on the date of the VCT's investment, and a total maximum of £12 million of such investment (£10 million and £20 million respectively for a "knowledge intensive company"). The company's first commercial sale must be no more than seven years before the date of the VCT's investment (10 years for a "knowledge intensive company"), except where previous State Aided risk finance investment was received by the company in that seven or 10 year period, or where a turnover test is satisfied and the money is used to enter a new product or geographic market. There is also a disqualifying purpose test designed to exclude companies set up for the purpose of accessing the tax reliefs. There is an exclusion on the use of VCT funds for the acquisition of a trade, business or of shares in another company.

Companies whose shares are traded on AIM or NEX Growth Market are treated as unquoted companies for the purposes of calculating qualifying investments. Shares in an unquoted company which subsequently become listed may still be regarded as a qualifying investment for a further five years following listing, provided all other conditions are met.

VCTs may only use the non-qualifying portion of their portfolio to make a limited range of investments for the purposes of liquidity management, specifically in listed shares, shares or units in alternative investment funds and UCITS (each of which must be redeemable on seven days' notice by the investor) and short term cash deposits.

The Company will notify through an RIS as to any action that the Investment Adviser takes in the event of a breach of any of the conditions to remaining a VCT.

The above is only a summary of the tax position of individual investors in VCTs based on the Company's understanding of current law and practice. Investors are recommended to consult a professional adviser as to the taxation consequences of investing in a VCT. Tax reliefs referred to in this document are UK tax reliefs and are dependent on the Company maintaining its VCT qualifying status.

PART SIX: INVESTMENT PORTFOLIO OF THE COMPANY AND TV2

The following information is a summary of the main investments of the Company and TV2 as at the date of this document. Information, including as to valuation, has been sourced from the Company's audited annual report and accounts prepared to 31 March 2024 and TV2's audited annual report and accounts prepared to 31 March 2024.

Investment Portfolio

	Valuation (The Company) £'000	Valuation (TV2) £'000	Total Valuation £'000	% of net assets by value
18 largest investments (by value)				
1 Tracsis Plc*	5,956	-	5,956	4.9%
2 Cambridge Touch Technologies Limited	4,078	921	4,999	4.1%
3 Ayar Labs, Inc.	2,903	1,708	4,611	3.8%
4 Carbice Corporation Inc	3,522	758	4,280	3.5%
5 Virtual Class Limited	2,019	1,824	3,843	3.1%
6 Doneloans Limited	3,657	-	3,657	3.0%
7 Maestro Media Limited (t/a BBC Maestro)	2,972	679	3,651	3.0%
8 Downing Strategic Micro-cap Investment Trust Plc**	3,499	-	3,499	2.9%
9 Rated People Limited	1,585	1,585	3,170	2.6%
10 Trinny London Limited	2,095	1,036	3,131	2.6%
11 Cadbury House Holdings Ltd	2,162	791	2,953	2.4%
12 Hackajob Limited	1,883	1,014	2,897	2.4%
13 Baron House Developments LLP	2,695	-	2,695	2.2%
14 CommerceIQ, Inc.	1,314	1,314	2,628	2.1%
15 FVRVS Limited (t/a Fundamental VR)	678	1,847	2,525	2.1%
16 Masters of Pie Limited	1,245	1,245	2,490	2.0%
17 Data Centre Response Limited	2,423	-	2,423	2.0%
18 FundingXchange Limited	1,473	867	2,340	1.9%
Other investments (69 companies)	21,234	12,831	34,065	27.9%
Total investments	67,393	28,420	95,813	78.3%
Cash at bank and in hand	7,559	10,456	18,015	14.7%
Other net current assets	6,964	1,511	8,475	6.9%
Net Assets	81,916	40,387	122,303	100%

* Quoted on AIM

** Listed and traded on the Main Market of the London Stock Exchange
All other investments unquoted.

Top 18 investments (by value)

1 Tracsis plc

Tracsis specialises in solving a variety of data capture, reporting and resource optimisation problems along with the provision of a range of associated professional services. Tracsis' products and services are used to increase efficiency, reduce cost and improve the operational performance and decision-making capabilities for clients and customers.

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/07/23	Equity shares	5,956	2.19%
Turnover	£82.0m	Loan stock	-	
Profit/(loss) before tax	£7.1m			
Net assets/(liabilities)	£67.8m		5,956	

2 Cambridge Touch Technologies Limited

Employing Piezo electric sensor design with sophisticated algorithms, Cambridge Touch Technologies is developing best-in-class pressure sensitive touch technology known as UltraTouch.

			Valuation £'000	Percentage of equity held
Unaudited accounts date:	30/09/23	Equity shares	4,999	7.66%
Turnover	n/a	Loan stock	-	
Profit/(loss) before tax	n/a			
Net assets/(liabilities)	£5.7m		4,999	

3 Ayar Labs, Inc

Ayar Labs, Inc is developing a solution to overcome the power/performance scaling challenges of semiconductors as well as the interconnect bandwidth bottleneck between those devices, through the use of its Optical I/O technology.

			Valuation £'000	Percentage of equity held
Audited accounts date:	Not publicly available	Equity shares	4,611	1.06%
		Loan stock	-	
			4,611	

4 Carbice Corporation

Carbice Corporation has developed a unique and IP protected process and suite of products based on carbon nanotubes to provide a solution to solve thermal management needs. Carbon nanotubes (CNT) are a unique material which have extremely high thermal conductivity in combination with superior strength and formability relative to existing solutions.

			Valuation £'000	Percentage of equity held
Audited accounts date:	Not publicly available	Equity shares	4,280	5.78%
		Loan stock	-	
			4,280	

5 Virtual Class Limited (Third Space Learning)

Third Space Learning has developed an online educational platform that provides mathematics tuition to pupils studying for their exams, offering online 1-to-1 maths intervention and high-quality resources that help develop the building blocks to success in maths.

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/07/23	Equity shares	3,643	9.17%
Turnover	n/a	Loan stock	200	
Profit/(Loss) before tax	n/a			
Net assets/(liabilities)	£0.4m		<u>3,843</u>	

6 Doneloans Limited

Doneloans Limited is a non-VCT-qualifying investment company which holds a portfolio of secured loans from which it generates a steady income with limited capital risk.

			Valuation £'000	Percentage of equity held
Unaudited accounts date:	31/03/23	Equity shares	-	50.0%
Turnover	n/a	Loan stock	3,657	
Profit/(loss) before tax	n/a			
Net assets/(liabilities)	£0.5m		<u>3,657</u>	

7 Maestro Media Limited (trading as BBC Maestro)

BBC Maestro has developed a video streaming platform to distribute celebrity led educational courses, sold directly to consumers via the company's proprietary desktop and 'mobile native' platform. The company's objective is to transform the digital learning experience by making it possible to learn from world leading experts in their respective craft..

			Valuation £'000	Percentage of equity held
Unaudited accounts date:	31/12/22	Equity shares	2,901	6.25%
Turnover	n/a	Loan stock	750	
Profit/(loss) before tax	n/a			
Net assets/(liabilities)	£7.0m		<u>3,651</u>	

8 Downing Strategic Micro-Cap Investment Trust plc

Downing Strategic Micro-Cap Investment Trust plc is a non-qualifying investment which seeks to provide investors with long term growth through a concentrated portfolio of UK listed companies that typically have a market capitalisation of below £150 million.

			Valuation £'000	Percentage of equity held
Unaudited accounts date:	29/02/2024	Equity shares	3,499	11.66%
Turnover	£0.7m	Loan stock	-	
Profit/(loss) before tax	(£6.1m)			
Net assets/(liabilities)	£30.6m		<u>3,499</u>	

9 Rated People Limited

Rated People Limited an online home services marketplace that aims to connect homeowners with high quality local tradespeople. The company offers access to more than 50,000 tradespeople, representing over 30 trades, and covering the whole of the UK.

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/12/22	Equity shares	2,770	5.08%
Turnover	£10.4m	Loan stock	400	
Profit/(loss) before tax	(£2.6m)			
Net assets/(liabilities)	(£4.1m)		<u>3,170</u>	

10 Trinny London Limited

Trinny Woodall founded Trinny London in 2017, developing a portable, versatile range of makeup, with colours to suit every woman.

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/03/23	Equity shares	3,131	1.38%
Turnover	£56.2m	Loan stock	-	
Profit/(loss) before tax	£1.5m			
Net assets/(liabilities)	£10.1m		<u>3,131</u>	

11 Cadbury House Holdings Limited

Cadbury House Holdings Limited owns and operates a health club, restaurant and conference centre at Cadbury House, near Bristol.

			Valuation £'000	Percentage of equity held
Audited accounts date:	30/09/22	Equity shares	-	55.94%
Turnover	£9.0m	Loan stock	2,953	
Profit/(loss) before tax	£0.0m			
Net assets/(liabilities)	£3.0m		<u>2,953</u>	

12 Hackajob Limited

Hackajob provides an online, automated recruitment platform for software engineers that leverages software, rather than people, to source, screen and hire candidates .

			Valuation £'000	Percentage of equity held
Unaudited accounts date:	31/01/24	Equity shares	2,897	7.31%
Turnover	n/a	Loan stock	-	
Profit/(loss) before tax	n/a			
Net assets/(liabilities)	(£14.7m)		<u>2,897</u>	

13 Baron House Developments LLP

Baron House Developments was created to fund the purchase of a property opposite Newcastle station, which qualifies under the Business Premises Renovation Allowance (BPRAs) scheme.

			Valuation £'000	Percentage of equity held
Unaudited accounts date:	31/03/23	Equity shares	-	0.0%
Turnover	£0.8m	Loan stock	2,695	
Profit/(loss) before tax	£0.4m			
Net assets/(liabilities)	£4.7m		<u>2,695</u>	

14 CommercelQ Inc

CommercelQ supports brands on retail ecommerce channels such as Amazon. Its unified platform applies machine learning and automation across marketing, supply chain, and sales operations to help brands gain market share profitably.

			Valuation £'000	Percentage of equity held
Audited accounts date:	Not publicly available	Equity shares	2,628	0.41%
		Loan stock	-	
			<u>2,628</u>	

15 FVRVS Limited (trading as Fundamental VR)

Fundamental VR supply virtual reality enabled surgery simulation software into hospitals, medical schools and pharmaceutical companies. The software has proprietary in-built haptics functionality (i.e. touch sensations closely mimicking real life textures) and connects seamlessly into off-the-shelf hardware that many hospitals already have on site.

			Valuation £'000	Percentage of equity held
Unaudited accounts date:	31/12/23	Equity shares	2,525	7.14%
Turnover	£3.9m	Loan stock	-	
Profit/(loss) before tax	(£8.8m)			
Net assets/(liabilities)	£5.7m		<u>2,525</u>	

16 Masters of Pie Limited

Masters of Pie Limited is the software author of a collaborative virtual reality software package for Computer Aided Design ("CAD") systems. The company has developed "Radical", a software solution that enables remote sharing and collaboration on large data sets.

			Valuation £'000	Percentage of equity held
Unaudited accounts date:	31/03/23	Equity shares	1,000	8.96%
Turnover	n/a	Loan stock	1,490	
Profit/(loss) before tax	n/a			
Net assets/(liabilities)	£0.4m		<u>2,490</u>	

17 Data Centre Response Limited

Data Centre Response Limited is a reseller, installer, and maintenance business in the uninterruptible power supplies ("UPS") market as well as having expertise in the datacentre design and build, formed from a former VCT-backed business in 2012.

			Valuation £'000	Percentage of equity held
Audited accounts date:	30/06/23	Equity shares	2,423	49.60%
Turnover	£9.6m	Loan stock	-	
Profit/(loss) before tax	£0.5m			
Net assets/(liabilities)	£2.3m		<u>2,423</u>	

18 Funding Xchange Limited

Funding Xchange's mission is to transform access to lending by allowing banks and lenders to access an instant, personalised, business credit assessment.

			Valuation £'000	Percentage of equity held
Unaudited accounts date:	30/09/23	Equity shares	2,340	9.76%
Turnover	n/a	Loan stock	-	
Profit/(loss) before tax	n/a			
Net assets/(liabilities)	£3.9m		<u>2,340</u>	

Case Studies

Ayar Labs



Sector	DeepTech / High Performance Computing
Investment type	Venture Capital
Initial investment date	August 2020
Aggregate investment by Foresight funds	£3.1m
Aggregate amount returned to all Foresight funds	n/a
Aggregate valuation of remaining investment by all Foresight funds	£6.8m (31 March 2024)

Company Background

Ayar Labs, based out of California and London, has developed a novel component for the next generation of semiconductors, to improve speed and increase bandwidth in new products. Ayar Labs can improve bandwidth over the existing technology by 1000x whilst only using 10% of the energy. The company is seeking to overcome the significant bottle necks that are emerging as we continue to drive innovation within semiconductors, legacy technologies such as copper wire are not able to provide the next generation interconnect.

The company was founded in 2015 out of MIT, developed by globally renowned leaders in optical interconnect computing. The team has been further strengthened over time with a senior commercial team from Intel and Penguin Computing. The company expanded into the UK in 2020 setting up Ayar Labs UK Ltd and opening a London office.

Investment

The Company, alongside TV2 and the Thames Ventures EIS Fund, first invested into the business in August 2020, co-leading the Series B financing with Blu-Sky Labs. In aggregate, Foresight has invested £3.1m into the company. In addition to this investment, the team have also introduced further investors to Ayar Labs to help provide further funding to the business. The deal was first sourced through the investment team's thematic research into the High-Performance Computing ("HPC") sector. Ayar Labs is backed by some of the best VC funds globally including Playground Global, Intel Capital and Founders Fund. Ayar Labs continues to scale and has benefitted from the rise of generative Artificial Intelligence and HPC which has increased new engagements from new customers, including Microsoft, and has led the Company to accelerate plans.

More recently, one of Foresight's Venture Partners based in the US has been working closely with the company to provide advisory services on the strategic direction of the business and introduce the company to significant players in the semiconductor space.

Exit Options

Ayar Labs has significant potential to exit in the near term, however appetite from the market indicates an additional fundraise will be pursued to allow the company to reach its next commercial milestones, which is underway. This funding round has valued the business significantly higher than the previous funding round. A future exit is most likely to be by way of acquisition from a strategic partner in the sector as their technology could provide a superior semiconductor technology long term, which would be a significant differentiator.

**Maestro Media Limited (t/a BBC Maestro)**

Sector	EdTech
Investment type	Venture Capital
Initial investment date	January 2021
Aggregate investment by Foresight funds	£4.9m
Aggregate amount returned to all Foresight funds	n/a
Aggregate valuation of remaining investment by all Foresight funds	£8.0m (31 March 2024)

Company Background

BBC Maestro has developed an online platform to sell celebrity endorsed online courses directly to consumers (B2C Platform - 90% of sales) and more recently, nascent sales via Content Licensing (B2B2C) (e.g. Amazon Prime, Spotify) and direct Enterprise sales.

BBC Maestro has provided unequivocal evidence that it can sign talent, produce high quality content and sell directly to consumers via a robust and scalable online platform. Confidence in progress has been strengthened by solid revenue growth and an increasing amount of courses available, now at 40 in total from four when the Company first invested.

Subscription and consumer businesses achieved rapid growth in sales and valuations in the covid era, as evidenced by Masterclass (a direct US competitor) raising funds at a \$2.5bn valuation (on an estimated \$50m of sales) in 2021.

Investment

The Company, alongside TV2, first invested into the business in January 2021, alongside a strong syndicate of investors including the Business Growth Fund ("BGF") and Guinness VCT. In aggregate, Foresight has invested £4.9m into the company, which also includes £2.5m from one of Foresight's EIS Funds.

The original investment thesis was underpinned by the exclusive worldwide six-year deal (to May-27) to use the BBC brand in this application. This has enabled the business to benefit from the BBC's global brand recognition (500m daily users across all platforms). In addition, the company's access to world class talent has been significantly enhanced by the relationships of co-founder Brian Klein, a well-known figure in media having previously produced Top Gear, This is Your Life and A League of Their Own. The original assertion that these factors provided the company with an unfair advantage has proven to be the case, with no credible competitors emerging in period since investment.

Foresight has played a valuable role in the growth story of this business providing general advisory services, as a director of the business, introducing the company to other investors, supporting follow-on funding rounds and providing networking opportunities across the Ventures ecosystem.

Exit Options

The most likely exit option for BBC Maestro is an acquisition and, in Foresight's view, there are a number of reputable players in the media space which might look to acquire the business in due course, which could be in the next year. This includes existing ed-tech MOOC platforms, media publishers and commercial broadcasters. The content alone has been valued which supports the view that a number of parties would be interested in acquiring the company or licensing the content, and it is anticipated an exit would generate an impressive return for the Company and Foresight Funds invested.

Bulbshare Limited

Sector	SaaS marketing platform
Investment type	Venture Capital
Initial investment date	November 2021
Aggregate investment by Foresight funds	£2.5m
Aggregate amount returned to all Foresight funds	n/a
Aggregate valuation of remaining investment by all Foresight funds	£4.3m (31 March 2024)

Company Background

Bulbshare Limited is a UK-based technology company which provides a SaaS platform for brands and organisations to connect with and engage their communities, including customers, fans, and stakeholders. The platform enables businesses to co-create content, gather insights, and run campaigns directly with their audience. Bulbshare focuses on fostering authentic and meaningful relationships between brands and their communities by involving them in decision-making processes and content creation.

The company has proven its differentiated product approach in the market, which sits across multiple functions, through growing revenue c.50% year-on-year since investment and converting a number of blue-chip logos including Coca-Cola, Lego, Nestle and Cereals.

Bulbshare's approach is grounded in the idea that by involving customers more directly in brand processes, businesses can build stronger relationships, create more relevant products, and achieve better marketing outcomes.

Investment

The Company, alongside TV2 and the Thames Ventures EIS Fund, invested £2.5m in total into the business in November 2021, as a co-lead alongside Blossom Street Ventures, a Texas-based Ventures fund specialising in B2B SaaS. As part of this round, Foresight (then Downing) secured a board seat facilitating its ability to advise and steer the company in the period since.

The original investment thesis was centred around the growing User-Generated Content ("UGC") Trend and the company's scalability through data-driven insights and a shift towards ethical marketing. UGC has become a powerful marketing tool, as consumers tend to trust content created by their peers more than traditional advertising. Bulbshare's focus on co-creation and UGC aligns with this trend, giving it a competitive edge in the marketing technology space.

Foresight's value-add through introductions in the market, networking events and advisory services has complemented a strong management team to grow the business c. 350% in the period since investment.

Exit Options

The most likely acquirer of Bulbshare is expected to be a strategic buyer or software business, based in the UK or US. Recent market trends, however, suggest M&A for software businesses in the US is more favourable, as the Company has experienced following multiple recent exits to US and North American acquirers.

On the back of significant revenue growth in the period since investment, and some inbound acquisition interest, Bulbshare is actively considering launching an M&A process in the near-term.

Audioscenic Limited**AUDIOSCENIC**

Sector	3D audio
Investment type	Venture Capital
Initial investment date	December 2022
Aggregate investment by Foresight funds	£3.6m
Aggregate amount returned to all Foresight funds	n/a
Aggregate valuation of remaining investment by all Foresight funds	£5.8m (31 March 2024)

Company Background

Audioscenic is a spin-out from the University of Southampton's Institute of Sound and Vibration Research (ISVR) and specialises in immersive 3D audio technology for loudspeaker systems. Founded in 2017 by Dr. Marcos Simón and Prof. Filippo Fazi, the company has developed a unique method using head-tracking technology and patented audio signal processing to create a 3D audio experience that directs sound waves separately to each ear, enhancing immersion.

In 2019, serial entrepreneur David Monteith joined as CEO, combining academic expertise with commercial leadership. Audioscenic aims to revolutionise 3D sound in consumer electronics, overcoming the limitations of traditional systems that confine users to a fixed "sweet spot". The company's technology is being applied in various areas, including soundbars, laptops and in-car audio.

Investment

This is a co-investment with one of Foresight's other funds, Foresight Technology VCT plc. In December 2022, the Company, alongside TV2 and the Ventures EIS Fund, invested £1.0m in total into Audioscenic.

The audio industry has developed several formats to accurately record the intensity, depth and direction of a sound, offering the listener the sensation of being in the middle of the original "sound field". Such 3D sound formats are now widely adopted by content providers including Netflix and Amazon Prime. 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 soundbars, laptops, mobile devices and in-car audio entertainment.

Foresight supported Audioscenic by assisting with commercial strategy, fundraising, and M&A advice, helping the company secure its first design win with Razer. This partnership led to the launch of a gaming soundbar at the Consumer Electronics Show in Las Vegas in January 2023, earning 12 industry awards.

Exit Options

The company is now expanding its presence in the computer and gaming markets, particularly in laptops, and is also developing in-car audio technology that creates separate audio zones for vehicle occupants.

The exit route for this investment is likely to be an audio engineering business looking to strengthen its 3D audio IP portfolio (e.g. Dolby, DTS or THX), or a consumer electronics company seeking to gain a competitive advantage by bringing the technology in-house.

PART SEVEN: FINANCIAL INFORMATION ON THE COMPANY AND TV2

1. Introduction

Audited statutory accounts of the Company and TV2 for the periods ended 31 March 2022, 31 March 2023 and 31 March 2024 in respect of which the Company's and TV2's auditors, BDO LLP, 55 Baker Street, London W1U 7EU, registered auditors under the Statutory Audit Directive (2006/43/EC) and members of the Institute of Chartered Accountants in England and Wales, made unqualified reports under section 495 of the CA 2006, have been delivered to the Registrar of Companies and such reports did not contain any statements under section 498(2) or (3) of the CA 2006. Copies of these audited statutory accounts are available at The Shard, 32 London Bridge Street, London, SE1 9SG.

The Company's and TV2's audited statutory accounts for the periods ended 31 March 2022, 31 March 2023 and 31 March 2024, were prepared in accordance with Financial Reporting Standard 102 ("**FRS 102**") and in accordance with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" issued November 2014, and as subsequently updated from time to time.

These financial statements also contain a description of the Company's and TV2's financial condition, changes in financial condition and results of operations for each financial period.

In respect of the Company, the most recently announced NAV was the unaudited NAV of 45.9p per Ordinary Share as at 30 June 2024.

In respect of TV2, the most recent announced NAVs were the following unaudited NAVs to 30 June 2024: 46.1p per Ventures Share, 40.9p per Healthcare Share, 103.1p per AIM Share and 27.3p per DP67 Share.

2. Historical Financial Information

The Company

Historical financial information relating to the Company on the matters referred to below is included in the published annual reports and audited statutory accounts of the Company for the periods stated (which are each hereby incorporated by reference) as follows:

	Report and Accounts (Audited) for Year Ended 31 March 2024	Report and Accounts (Audited) for Year Ended 31 March 2023	Report and Accounts (Audited) for Year Ended 31 March 2022
<i>Nature of information</i>	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>
Income statement	54	54	54
Dividend per share	62	62	62
Balance sheet	56	56	56
Cash flow statement	57	57	57
Notes to the financial statements	58	58	58
Accounting policies	58	58	58
Independent auditors' report	47	47	47

TV2

Historical financial information relating to TV2 on the matters referred to below is included in the published annual reports and audited statutory accounts of the Company for the periods stated (which are each hereby incorporated by reference) as follows:

	Report and Accounts (Audited) for Year Ended 31 Mar 2024	Report and Accounts (Audited) for Year Ended 31 Mar 2023	Report and Accounts (Audited) for Year Ended 31 Mar 2022
<i>Nature of information</i>	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>
Income statement	76	80	71
Dividend per share	85	96	86
Balance sheet	77	84	75
Cash flow statement	79	89	80
Notes to the financial statements	80	91	82
Accounting policies	80	91	82
Independent auditors' report	69	73	64

3. Operating and Financial Review

The Company

A description of the changes in the performance of the Company, both capital and revenue, and changes to the Company's portfolio of investments is set out in the sections headed "Chair's Statement", "Investment Adviser's Report" and "Review of Investments" in the published audited statutory accounts of the Company for the periods stated.

	Report and Accounts (Audited) for Year Ended 31 Mar 2024	Report and Accounts (Audited) for Year Ended 31 Mar 2023	Report and Accounts (Audited) for Year Ended 31 Mar 2022
<i>Nature of Information</i>	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>
Chair's statement	3	3	3
Investment Adviser's report	7	6	6
Review of Investments	13	14	16

The only information incorporated by reference in this document is that set out in this paragraph 3 and in paragraph 2 above.

TV2

A description of the changes in the performance of the Company, both capital and revenue, and changes to the Company's portfolio of investments is set out in the sections headed "Chair's Statement", "Investment Manager's Report - Ventures Share Pool", "Investment Manager's Report - Healthcare Share Pool", "Investment Manager's Report - AIM Share Pool", "Investment Manager's Report - DSO D Share Pool", "Investment Manager's Report - DP67 Share Pool", "Review of Investments - Ventures Share Pool", "Review of Investments - Healthcare Share Pool", "Review of Investments - AIM Share Pool", "Review of Investments - DSO D Share Pool" and "Review of Investments - DP67 Share Pool" in the published audited statutory accounts of the Company for the periods stated.

	Report and Accounts (Audited) for Year Ended 31 Mar 2024	Report and Accounts (Audited) for Year Ended 31 Mar 2023	Report and Accounts (Audited) for Year Ended 31 Mar 2022
<i>Nature of Information</i>	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>
Chair's statement	4	4	4
Investment Manager's report - Ventures Share Pool	10	9	9
Investment Manager's report - Healthcare Share Pool	21	21	21
Investment Manager's report - AIM Share Pool	28	33	n/a
Investment Manager's report - DSO D Share Pool	31	36	33
Investment Manager's report - DP67 Share Pool	33	41	37
Review of Investments - Ventures Share Pool	14	12	13
Review of Investments - Healthcare Share Pool	23	24	24
Review of Investments - AIM Share Pool	29	34	n/a
Review of Investments - DSO D Share Pool	-	37	34
Review of Investments - DP67 Share Pool	34	42	38

The only information incorporated by reference in this document is that set out in this paragraph 3 and in paragraph 2 above.

4. Capital Resources

As at 10 October 2024, the last practicable date prior to the publication of this document, the issued share capital of the Company was 172,715,260 Ordinary Shares. The Company does not hold any ordinary shares in treasury. As at 30 June 2024, the Company had cash available of £8.6 million. The Company's source of funds is its dividend income it receives from its underlying investments and sale proceeds from the sale of those investments and its principal expenditure is the fees it pays to the Investment Adviser, Directors and its other advisers and service providers. Its total expenditure for the year ended to 31 March 2024 was £3.1 million. The Company has working capital and investment commitments of £6.3 million. After taking into account its ongoing working capital and corporate requirements together with the Company's cash reserves the Company has approximately £2.3 million available for investment.

5. Significant Change

On 4 September 2024, the Company announced an unaudited NAV of 45.9p per Ordinary Share as at 30 June 2024 and on 27 June 2024 announced an interim dividend of 1.1p per Ordinary Share, which was paid on 26 July 2024.

On 25 September 2024, TV2 announced an unaudited NAVs of 46.1p per Ventures Share, 40.9p per Healthcare Share, 103.1p per AIM Share and 27.3p per DP67 Share each as at 30 June 2024 and on 24 September 2024 TV2 Shareholders approved final dividends of 0.25p per Ventures Share and 0.25p per Healthcare Share.

Save for the above movements in NAV, there has been no significant change in the financial position or financial performance of the Company or TV2 since the end of the last financial period for which financial information has been published to the date of this Prospectus (being the audited financial information of each company for their respective financial years ended 31 March 2024).

6. Historical Financial Information Incorporated by Reference

The audited statutory accounts for the Company and TV2, for the years ended 31 March 2024, 31 March 2023 and 31 March 2022, are being incorporated by reference in this Prospectus and are available at the addresses set out in paragraph 8 of Part Eight. Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. Those parts of the annual statutory accounts referred to above which are not being incorporated into this Prospectus by reference are either not relevant for investors or are covered elsewhere in this Prospectus.

PART EIGHT: GENERAL INFORMATION ON THE COMPANY

1. Incorporation and Administration

The Company was incorporated and registered in England and Wales as a public company with limited liability on 19 January 1996 with registered number 03150868, under the name AIM Distribution Trust plc. The Company's name was changed to Legg Mason Investors AIM Distribution Trust plc on 23 January 2002, The AIM Distribution Trust plc on 22 January 2004, Downing Distribution VCT 1 plc on 25 March 2010, Downing ONE VCT plc on 13 November 2013 and to Thames Ventures VCT 1 plc on 2 September 2022. It is proposed that the Company, following the Merger, be renamed "Foresight Ventures VCT plc".

The principal legislation under which the Company operates is the CA 2006. The Registrar of Companies issued the Company with a certificate under Section 117 of the Companies Act 1985 entitling it to commence business on 19 February 1996. The principal activity of the Company since that date has been to operate as a VCT. The Company gave notice to the Registrar of Companies pursuant to section 266 of the Companies Act 1985 of its intention to carry on business as an investment company on 27 February 1996. The Company is domiciled in the UK. The Company has no subsidiaries and is not part of a group. The Company's website is at <https://www.foresight.group/products/thames-ventures-vct-1-plc> (although the information on that website does not form part of the Prospectus and is not incorporated by reference herein).

2. Share Capital

2.1 As at 10 October 2024, the last practicable date prior to the publication of this document, the issued share capital of the Company was 172,715,260 Ordinary Shares.

2.2 The following resolutions are proposed to be passed at the general meeting of the Company scheduled for 8 November 2024:

1. THAT, subject to the Scheme becoming unconditional:
 - (i) *the acquisition of the assets and liabilities of Thames Ventures VCT 2 plc on the terms set out in the Circular be and hereby is approved; and*
 - (ii) *the directors of the Company be and hereby are, in addition to all existing authorities, generally authorised in accordance with section 551 of the Companies Act 2006 (the "CA 2006") to exercise all of the powers of the Company to allot up to 100 million Consideration Shares in the capital of the Company in connection with the Scheme provided that the authority conferred by this paragraph 1.2 shall expire on the fifth anniversary of the date of the passing of this resolution unless renewed, varied or revoked by the Company in a general meeting.*
2. THAT the Company's name be changed to "Foresight Ventures VCT plc".
3. THAT the deed of amendment and restatement to the performance incentive agreement with Foresight Group LLP referred to in paragraph 6.4 of Part 5 of the Circular be approved and that the Company be authorised to execute the same.
4. THAT
 - (i) *in order to give effect to the NAV re-basing described on page 12 of the Circular, if the Merger Value per Ordinary Share as at the Calculation Date is less than 100 pence per Ordinary Share, then immediately following the allotment of Consideration Shares in connection with the Scheme a number of Ordinary Shares in issue as is represented by "DS" in the following formula (fractional entitlements being rounded down) shall be redesignated as Deferred Shares of 1 pence each ("Deferred Shares") such shares having the rights and restrictions set out in the Articles:*

$$\begin{array}{llll} & DS & = & N-X \\ \text{where} & N & = & \text{the number of Ordinary Shares in issue} \\ & & & \text{immediately following the allotment of} \\ & & & \text{Consideration Shares in connection} \\ & & & \text{with the Scheme} \end{array}$$

X	=	N/Y
Y	=	100/Z
Z	=	the Merger Value in pence per Ordinary Shares

and such Deferred Shares so created shall then be immediately repurchased by the Company as set out in paragraph 4(ii) below

- (ii) the Company, acting by its Directors, be and hereby is authorised to enter into a contract to purchase all the issued Deferred Shares for an aggregate amount of 1p in accordance with the Articles (in the form of the contract tabled as the meeting and initialled by the Chair for the purposes of identification and which as at the date of the meeting will have been on display at the Company's registered office and available for inspection by members for not less than 15 days);
- (iii) in accordance with article 3.3 of the Articles, the Company shall not be obliged to issue share certificates in respect of the Deferred Shares; give any prior notice to the holders of Deferred Shares that such shares are to be purchased in accordance with article 3.2 of the Articles; or account to any holder of Deferred Shares for the purchase moneys in respect of such shares.

5. THAT, (i) the Directors be generally and unconditionally authorised pursuant to section 551 of CA 2006 to allot Ordinary Shares having the rights and being subject to the restrictions set out in the Articles and to grant rights to subscribe for or to convert any security into Ordinary Shares in the Company up to an aggregate nominal amount of £110,000 provided that this authority shall expire on the fifth anniversary of the date of the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require Ordinary Shares to be allotted or rights to subscribe for or to convert securities into Ordinary Shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or to convert securities into Ordinary Shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired; and (ii) the Directors be and hereby are given the general power to allot equity securities (as defined by section 560 of CA 2006) for cash pursuant to the authority conferred this Resolution as if section 561(1) of CA 2006 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 not exceeding £110,000 in connection with

- (a) a public offer for subscription for Ordinary Shares (the "Offer");
- (b) an offer of securities by way of rights;
- (c) the allotment of Ordinary Shares with an aggregate nominal value not exceeding £10,000 pursuant to any dividend investment scheme operated from time to time by the Company;
- (d) the allotment of Ordinary Shares with an aggregate nominal value of up to 14.99% of the issued C Share capital of the Company immediately following the close of the Offer where the proceeds of the allotment are to be used in whole or in part to purchase the Company's Ordinary Shares in the market; and
- (e) the allotment of equity securities from time to time with an aggregate nominal value of up to 5% of the issued Ordinary Shares capital of the Company immediately following close of the Offer;

and (iii) the Company generally and unconditionally be authorised to make market purchases (within the meaning of section 693(4) of CA 2006) of Ordinary Shares of one penny each provided that:

- (a) the aggregate nominal amount of the Ordinary Shares to be purchased shall not exceed the lesser of £258,900 and 14.99% of the issued Ordinary Shares following the close of the Offer;
- (b) the minimum price (excluding expenses) which may be paid for each Ordinary Share is one penny;

- (c) the maximum price (excluding expenses) which may be paid for each Ordinary Share is the higher of: (i) 105% of the average of the middle market quotation for Ordinary Shares taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Shares are purchased; and (ii) the value of an Ordinary Share calculated on the basis of the higher of the price quoted for: the last independent trade of, and the highest current independent bid for, any number of the Company's Ordinary Shares on the trading venue where the purchase is carried out;
- (d) the authority conferred by this resolution shall expire on the conclusion of the next annual general meeting of the Company unless such authority is renewed prior to such time; and
- (e) the Company may make a contract to purchase Ordinary Shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to such contract.

2.3 The following resolutions, inter alia, were passed at the annual general meeting held on 4 September 2024:

- (a) *That, in addition to existing authorities, the Directors of the Company be and hereby are generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 ("CA 2006") to exercise all the powers of the Company to allot and issue shares in the capital of the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £1,000,000 (representing approximately 56% of the share capital in issue at today's date), provided that the authority conferred by this resolution shall expire on the conclusion of the next Annual General Meeting of the Company held after the passing of this resolution (unless renewed, varied or revoked by the Company in a general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry.*
- (b) *That, the Directors of the Company be and hereby are empowered pursuant to Sections 570(1) of the CA 2006 to allot or make offers to or agreements to allot equity securities (which expression shall have the meaning ascribed to it in Section 560(1) of the CA 2006) for cash pursuant to the authority given pursuant to resolution 8 above, as if Section 561(1) of the CA 2006 (pre-emption rights) did not apply to such allotment, provided that the power provided by this resolution shall expire on the conclusion of the next Annual General Meeting of the Company held after the passing of this resolution (unless renewed, varied or revoked by the Company in general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require equity securities to be allotted after such expiry.*
- (c) *That, the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the CA 2006 to make one or more market purchases (as defined in section 693(4) of CA 2006) of shares provided that:*
 - (i) *the maximum number of shares hereby authorised to be purchased is 26,557,438 representing approximately 14.9% of the present issued share capital of the Company;*
 - (ii) *the minimum price (exclusive of expenses) which may be paid for such shares is 1p, the nominal amount thereof;*
 - (iii) *the maximum price (exclusive of expenses) which may be paid for such shares shall be an amount equal to 5% above the average of the middle market quotations for such class of the Company's shares, as derived from the Daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase was made;*
 - (iv) *the Company may make a contract to purchase its own shares under this authority prior to the expiry of this authority, and such contract will or may be executed wholly or partly after the expiry of this authority, and the Company may make a purchase of its own shares in pursuance of any such contract;*

and this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of this resolution.

- 2.4 The Company will be subject to the continuing obligations of the UK Listing Rules with regard to the issue of securities for cash and the provisions of section 561 of CA 2006 (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 balance of the share capital of the Company which is not subject to the disapplication referred to in paragraphs 2.2 and 2.3 above. The Company and its Shareholders are subject to the provisions of the Takeover Code and CA 2006, which require shares to be acquired/transferred in certain circumstances.
- 2.5 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option. No shares of the Company represent anything other than capital. No shares of the Company are held by or on behalf of the Company itself. There are no convertible securities, exchangeable securities or securities with warrants attached to them currently in issue by the Company.
- 2.6 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.
- 2.7 There has not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) in the 12 months prior to the date of this Prospectus which may have or have had in the recent past significant effects on the Company's financial position or profitability, save in respect of the governmental actions taken in response to macro-economic factor such as the COVID-19 pandemic and fiscal policy more generally.
- 2.8 The Company is not regulated to conduct investment business under the Financial Services and Markets Act 2000.
- 2.9 Other than pursuant to the Offer and the authorities referred to above in sub-paragraph 2.2 and 2.3 above, no material issue of shares (other than where offered to Shareholders pro rata to existing holdings) will be made within one year without the prior approval of Shareholders in general meeting.
- 2.10 The Ordinary Shares will be in registered form. The Company's share register will be kept by The City Partnership (UK) Limited, Orchard Brae House Suite 2, Ground Floor, 30 Queensferry Road, Edinburgh EH4 2HS. Evidence of title to Shares will be through possession of a Share certificate in the Shareholder's name; alternatively, Shares may be held in an account through the CREST system.
- 2.11 The Company is subject to the continuing obligations of the UK Listing Rules with regard to the issue of securities for cash and the provisions of section 561 of the CA 2006 (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 balance of the authorised but unissued share capital of the Company which is not subject to the disapplications referred to in sub-paragraph 2.2 and 2.3 above.
- 2.12 The Company's capital resources are restricted insofar as they may be used only in putting into effect the investment policy described on pages 34 and 35 and in accordance with the VCT rules.

3. Memorandum of Association and Articles

The Company's principal object is to carry on the business of an investment company and a VCT. The Memorandum of Association and the Articles of Association are available for inspection at the address specified in paragraph 8 below.

A. Share capital

The share capital of the Company is comprised of Ordinary Shares and Deferred Shares.

(a) Rights attaching to shares

The Deferred Shares:

- (i) confer no right to any dividend or any other distribution (other than on a winding up);
- (ii) confer no right to receive notice of, or to attend or vote at general meetings;
- (iii) on a winding up confer the rights to be paid out of the assets of the Company available for distribution an amount equal to 1p for all the Deferred Shares prior to the surplus being distributed to the holders of Ordinary Shares, but do not confer any right to participate in any surplus assets of the Company; and
- (iv) may be purchased by the Company at any time for an aggregate consideration of 1p and each Deferred Share so purchased shall thereafter be cancelled.

No shares that confer rights that are subordinated to those of the Ordinary Shares as to dividends or on a winding up of the Company shall be issued or created at any time.

(b) Variation of rights

Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to CA 2006, be varied either:

- (a) in such a manner as may be provided by such rights; or
- (b) in the absence of any such provision, by the passing of a special resolution at a general meeting of such holders or, the written consent of holders of three quarters in nominal value of the issued shares of the affected class. At such a meeting the necessary quorum shall be at least two members of the class holding (or representing by proxy) not less than one third in nominal value of the capital paid up on the issued shares of that class and at an adjourned meeting one person (whether present in person or by proxy) holding shares of that class in question.

(c) Alteration of share capital

The Company may by ordinary resolution:

- (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (ii) cancel any shares which, at the date of the passing of the resolution, have not been taken, or been agreed to be taken by any person, and diminish the amount of its share capital to reflect this cancellation; and
- (iii) sub-divide its shares into shares of smaller amount. Such a resolution may determine that one or more of the shares resulting from such sub-division may have any such preferred or other special rights, or may have such deferred rights, or be subject to any restrictions as compared with the others, as the Company has power to attach to unissued or new Shares.

The Company may by special resolution reduce its share capital and any capital redemption reserve or share premium or other undistributable reserve in any manner which is in accordance with and subject to any method and/or consent authorised or required by law.

(d) Issue of shares

Subject to the provisions of the CA 2006 relating to authority, pre-emption rights and otherwise, and to any resolution of the Company in general meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors, and they may allot or otherwise dispose of them to such persons, at such times and on such terms as they think fit.

(e) Transfer of shares

A member may transfer any or all of his shares by instrument of transfer in writing in any usual or common form or in any other form acceptable to the Directors. The Directors may in their absolute discretion and without assigning any reason therefore refuse to register any transfer of shares where the shares in question are not fully paid up (in respect of

which the Company has a lien) where such refusal does not restrict dealings on an open and proper basis. The Directors may refuse to recognise an instrument of transfer unless the instrument of transfer is (a) in respect of only one class of share; (b) is in favour of not more than four transferees; and (c) is lodged at the transfer office accompanied by the relevant share certificates and any other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The Board may also refuse to register a transfer if in their opinion (and with the concurrence of the London Stock Exchange) exceptional circumstances so warrant.

B. General meetings

- (a) An annual general meeting must be called by at least 21 days' notice in writing and all other general meetings by at least 14 days' notice in writing unless it is proposed to pass a resolution of which special notice is required in which case 28 days' notice is required. The period of notice must in each case be exclusive of the day in which the notice is served or deemed to be served and of the day in which the meeting is to be held provided that a general meeting shall, notwithstanding that it may have been called by a shorter notice than that specified above, be deemed to have been duly called if it is so agreed in accordance with CA 2006; provided also that the accidental omission to give notice to, or the non-receipt of notice by, any person entitled thereto shall not invalidate the proceedings at any general meeting.
- (b) Every notice calling a general meeting shall specify the place and the day and hour of the meeting and the general nature of the business to be transacted. There shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and that a proxy need not be a member. In the case of an annual general meeting, the notice shall also specify the meeting as such.
- (c) Each member is entitled to attend and vote and to appoint one or more proxies to attend and vote on a poll vote. A proxy need not be a member.
- (d) The accidental omission to give or send a notice of any meeting, or in cases where it is intended that it be sent out with the notice, an instrument of proxy, to, or the non-receipt of either by, any person entitled to receive the same, shall not invalidate the proceedings at the meeting.
- (e) No business shall be transacted at any general meeting unless a quorum is present. Two members present in person (or by representative) or by proxy and entitled to vote shall be a quorum.
- (f) If a quorum is not present or if during a meeting a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved and in any other case shall stand adjourned to such day and to such time and place as may be determined by the chair (which, in the case of the Company must be not less than 10 clear days thereafter). At such adjourned meeting a quorum shall be those persons present. It shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.

C. Voting rights

- (a) Subject to any special rights which may apply to any class of shares that may have been issued or may from time to time be held, every member who is present in person, including any corporation present by its duly authorised representative, or by proxy, at a general meeting of the Company shall, on a show of hands, have one vote only in each company. On a poll every member present in person or by proxy shall have one vote for each share of which he is a holder.
- (b) Where shares are held jointly, the vote of the senior who has tendered a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members of each company in respect of the holding.
- (c) A member will lose his right to vote at a general meeting or at any separate meeting of the holders of any class of share, whether in person or by proxy, unless all calls presently payable by him in respect of those shares, together with interest and expenses (if any)

have been paid in full to the Company, even where those shares are jointly held. The right to vote, together with all other rights and benefits of membership, will also be lost where the member (or any other person claiming to have an interest in such shares) has been issued with a notice pursuant to section 793 of the CA 2006 (which requires the member or such other person to declare his interest in the shares) and has failed to give the required information to the Company within the prescribed period of 14 days.

D. Borrowing power

- (a) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and 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.
- (b) The Directors 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 subsidiaries and subsidiary undertakings so as to secure (but as regards subsidiaries and subsidiary undertakings only insofar as by the exercise of such rights or powers of the Directors can secure) that the aggregate principal amount at any one time outstanding of all monies borrowed or secured by the Company and/or any of its subsidiaries or subsidiary undertakings shall not at any time without the previous sanction of an ordinary resolution of the Company in general meeting exceed an amount equal to the Adjusted Capital and Reserves (as defined in (c) below) provided that prior to the publication of an audited balance sheet of the Company 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.
- (c) The expression “**Adjusted Capital and Reserves**” means at any material time a sum equal to the aggregate of (a) the amount paid up on the issued share capital of the Company; and (b) the amount standing to the credit of the reserves (including without limitation any share premium account, capital redemption reserve and any credit balance on profit and loss account) of the Company and their subsidiaries.

E. Directors' and other interests

- (a) A Director may be interested directly or indirectly in any contract or arrangement or in any proposed contract or arrangement with the Company or with any other company in which the Company may be interested provided that he declares the nature of his interest at a meeting of the Directors.
- (b) A Director shall not vote or be counted in the quorum in relation to any resolution concerning any contracts, arrangements, transactions or any other proposal whatsoever to which the Company is to be a party and in which he has an interest which is, to his knowledge, a material interest unless the resolution concerns any of the following matters:
 - (i) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of their subsidiary undertakings;
 - (ii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or any underwriting or sub-writing of which he is to participate;
 - (iv) any proposal concerning any other body corporate in which he is interested directly, or indirectly and whether as an officer or shareholder or otherwise howsoever provided that he does not hold an interest (as the term is used in Part VI of the CA 2006) representing 1% or more of the issued equity share capital of any class of such body corporate or of the voting rights available to members of such body corporate;

- (v) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
 - (vi) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include the Directors.
- (c) Provided that a Director has disclosed to the Directors the nature and extent of any material interest (i) he may be party to or otherwise interested in any transaction or arrangement with the Company (or in which the Company has invested), (ii) he may be a member or director or other officer of, or employed by or a party to any transaction with, any company in which the Company is interested, (iii) he shall not be accountable to the Company for any benefit which he derives from any such transaction, arrangement, office, employment or interest and (iv) he may by himself or his firm act in a professional capacity for the Company for which he or his firm shall be entitled to receive remuneration.
- (d) There shall be no less than three and not more than eight Directors in the Company.
- (e) The Directors shall not be required to hold any shares in the Company by way of qualification.
- (f) The ordinary remuneration of the Directors shall not in aggregate exceed £150,000 per annum (or such sum as may be determined by an ordinary resolution). This shall be divided between the Directors as they may agree, or failing agreement, equally, except that any Director who has held office for only part of the period in which remuneration is payable shall only be entitled to a proportion of the remuneration related to the period during which he held office. The Directors are entitled to be repaid all such reasonable expenses as they may incur in attending or returning from any meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise in connection with the discharge of their duties as Directors.
- (g) Every Director or other officer and Auditor of the Company, in so far as is consistent with the CA 2006, shall be entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may incur in relation to the exercise of his duties, power or offices.
- (h) Each of the Directors has access to the advice and services of the company secretary, Foresight Group LLP. The Company Secretary provides the Board with full information on the Company's assets and liabilities and other relevant information requested by the Chair in advance of each Board meeting.

F. Untraced shareholders

- (a) The Company shall be entitled to sell at the best price reasonably obtainable the shares of a member or the shares to which a person is entitled by virtue of transmission if and provided that:
- (i) during a period of 12 years at least three dividends (whether interim or final) have been paid in relation to such shares and no such dividends have been claimed and no cheque, order or warrant in respect of such shares has been cashed or claimed;
 - (ii) the Company has on or before the expiry of the said period of 12 years inserted advertisements in a national newspaper and a local newspaper circulated in the area of the member or former member's last known address giving notice of its intention to sell the shares; and
 - (iii) during the same period of 12 years and the period of 3 months following the publication of such advertisements the Company has received no communication from such member or person.
- (b) The net proceeds of sale will belong to the Company which shall account without interest to the former member or other person entitled to the proceeds for the amount received. The Company shall be deemed to be his debtor however no trust shall be created in respect of the debt and no interest is payable on the amount of the debt.

G. Capitalisation, reserves and dividends

- (a) The Directors may, with the sanction of an ordinary resolution, decide to capitalise any sum in the profits and reserves of the Company by appropriating such sums to the holders of Ordinary Shares on the register of members at the close of business on the date of the resolution in proportion to their then holdings of Ordinary Shares. The Directors may then apply such sums on their behalf in paying up in full unissued Ordinary Shares for allotment and distribution credited as fully paid to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary to give effect to any such capitalisation.
- (b) 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.
- (c) The profits of the Company available for dividend and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities, provided that no dividend shall exceed the amount recommended by the Directors.
- (d) The Directors may pay interim dividends and also any fixed rate if it appears to them that they are justified in so doing by the profits of the Company available for distribution.
- (e) The Directors may with the prior authority of an ordinary resolution of the Company, subject to such terms and conditions as the Directors may determine, offer to holders of shares the right to elect to receive shares credited as fully paid, instead of the whole (or some part, to be determined by the Directors) of any dividend specified by the ordinary resolution.
- (f) The Directors may, before recommending any dividend, whether preferential or otherwise, set aside out of the profits of the Company and carry to reserve such sums as they think proper as a reserve or reserves. The Directors may, at their discretion, apply such sums for any purpose to which the profits of the Company may properly be applied.

H. Distribution of realised profits

As long as the Company has given notice in the prescribed form to the Registrar of Companies of its intention to carry on business as an investment company ("a relevant period") the Company shall be prohibited from distributing any capital profits (within the meaning of section 833 of the CA 2006), otherwise than by way of the redemption or purchase of any of the Company's own shares. The Directors will establish a reserve to be called the capital reserve and 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 of that asset and all other monies which are considered by the Directors to be in the nature of the accretion of capital shall be credited to the capital reserves. Subject to 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 other dealing with any investments or other capital asset and subject to the CA 2006 any expenses, liability, loss or provision therefor which the Directors consider to relate to a capital item or which they 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 that no part of the capital reserve or any other money in the nature of a creditor of capital shall be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution 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 or be applied in paying dividends of any shares of the Company.

I. Winding-up

- (a) The liquidator may, with the sanction of a special resolution and any other sanctions required by the CA 2006, divide amongst the members in specie the whole or any part of the assets of the Company in such manner as he may determine.
- (b) The Company may, subject to the provisions of CA 2006, issue warrants or grant options to subscribe for shares in the Company. The board may resolve to issue such warrants or options upon terms and conditions which may provide that, on a winding up of the Company a holder of warrants or grantee options may be entitled to receive out of the assets of the Company available in the liquidation, such a sum as he would have received had he exercised the subscription rights conferred by his warrants or the options prior to the winding up but after deduction of the price payable on exercise of such subscriptions rights.

J. Nomination notices

- (a) A Member may send the Company notice in writing that another person is entitled to enjoy or exercise all or any specified rights of that Member in relation to the Company. In receipt of such a notice the Company must give effect to that notice in accordance with its terms.
- (b) The Company must keep a copy of all such notices which are in force or have been in force within the preceding 12 months.

K. Change of control

There are no provisions in the Company's Articles, or in any other statutes, charter or bylaws, which would have the effect of delaying, deferring or preventing a change of control of the Company.

4. Directors' and Others' Interests in the Company

- (a) The Company is not aware of any person, not being a member of its administrative, management or supervisory bodies, who, as at the date of this document, is directly or indirectly interested in 3% or more of the issued share capital of the Company and is required to notify such interest in accordance with the DTR.
- (b) As at 10 October 2024 (being the latest practicable date prior to the publication of this document), the interests (all of which are beneficial) of the Directors and their immediate families in the share capital of the Company which: (i) have been notified by each Director to the Company; (ii) are required pursuant to section 809 of the CA 2006 to be entered in the register referred to therein; or (iii) are interests of a connected person of the Director which would, if the connected person, within the meaning of section 252 of the CA 2006, were a Director, be required to be disclosed under (i) or (ii) above, and the existence of which is known to or could with reasonable diligence be ascertained by that Director, were as follows:

Director	Number of Shares	Percentage of issued share capital
Barry Dean	7,129	0.004%
Atul Devani	27,624	0.016%
Chris Allner	16,736	0.010%

The Proposed Director currently holds no shares in the capital of the Company or TV2.

Chris Allner holds 8,000 TV2 Ventures Shares and 2,000 TV2 Healthcare Shares, representing 0.01% of the overall issued share capital in TV2.

Save as disclosed in this paragraph, no Director nor any person (to the extent the same is known to, or could with reasonable diligence be ascertained by, that Director) connected with any Director (within the meaning of the DTR) has any interest in the share capital of the Company which is required to be notified pursuant to the DTR or which is required to be entered in the register maintained under section 809 of the CA 2006.

- (c) None of the Directors has a service contract. Directors' appointments are subject to 3 months' notice and all Directors are subject to retirement by rotation. Their appointment does not confer any right to hold office for any period or any right to compensation if they cease to be directors. The office of non-executive director is also not pensionable. Aggregate Directors' emoluments for the year ended 31 March 2024 amounted to £136,000 (excluding applicable VAT and employer's National Insurance Contributions). Each Director is currently entitled to receive annual fees as listed below.

Name	Current Annual Remuneration (£)
Barry Dean	30,000
Atul Devani	40,000
Chris Allner*	20,000
	<hr/> 90,000 <hr/>

* Chris Allner's directors fees were being recharged to Downing until 30 June 2024

- (d) No loan or guarantee has been granted or provided by the Company to any Director

No Director has an interest in any transaction effected by the Company since its incorporation which is or was unusual in its nature or conditions or significant to the business of the Company.

The Company has taken out directors' and officers' liability insurance for the benefit of its Directors and the Company Secretary.

The following are directorships and partnerships held by the Directors in the five years prior to the date of this document, in addition to the Company itself, and the principal activities of the Directors outside the Company where these are significant with respect to the Company:

Atul Devani	Current Afon Technology Ltd IHybrid Limited VSN International Limited Menai Science Park Limited Metropol Communications Limited Equity Plus Partners Limited	Past 5 Years Maven Income and Growth VCT 3 plc The GP Service (UK) Ltd
Barry Dean	Current Proven VCT plc	Past 5 Years Molten Ventures VCT plc St James II LP* St James LP*
Chris Allner	Downing LLP Downing Group LLP Pembroke VCT plc Thames Ventures VCT 2 PLC	Curo Compensation Limited Firefly Learning Limited Xupes Handbags & Jewellery Ltd
Dr Andrew Mackintosh (Proposed Director)	Thames Ventures VCT 2 PLC Academy of St Martin in the Fields	

* Company has been dissolved

None of the Directors nor the Proposed Director nor any member of the Investment Adviser has for at least the previous five years:

- (i) had any convictions in relation to fraudulent offences; or
- (ii) been associated with bankruptcies, receiverships or liquidations (save for members' voluntary liquidations) in relation to an entity for which they have been acting as members of the administrative, management or supervisory bodies or senior

management who was relevant to establishing that the entity had the appropriate expertise and experience for the management of its business; or

- (iii) been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including designated professional bodies) or been disqualified by a Court from acting as a director or member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any issuer.
- (iv) The Company is not aware of any persons who, directly or indirectly, exercises or could exercise control over the Company.
- (e) There are no conflicts of interest, actual or potential, between any Director, the Proposed Director or any member of the Company's administrative, management or supervisory bodies and his duties to the Company and the private interests and/or duties he may also have. All of the Company's Directors, save for Chris Allner by reason of his directorship of TV2 which is also managed by the Investment Adviser, will be independent of the Investment Adviser throughout its life.
- (f) There are no conflicts of interest, actual or potential, which any service providers to the Company have between their duty to the Company and their duties owed by them to third parties and their other interests.
- (g) None of the Company's major holders of Shares have voting rights different from other holders of Shares.
- (h) No amounts have been set aside by the Company or Investment Adviser for pensions, retirement or similar benefits.
- (i) Other than in respect to the shareholdings in the Company held by the Directors as set out on page 78 and the agreements referred to in paragraph 5(a), (b), (c) and (e) below, the Company has not entered into any related party transactions in the two years prior to the date of this document.
- (j) There are no service contracts with the Company providing for benefits upon termination of employment.
- (k) DTR5 requires a Shareholder to notify the Company of the percentage of its Shares he holds if such percentage reaches, exceeds or falls below 3% or subsequent 1% thresholds.

5. Material Contracts

The following are the only contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company within the two years immediately preceding publication of this document and which are or may be material to the Company which contains any provision under which the Company has any obligation or entitlement which is material to the Company as at the date of this document:

- (a) An Investment Services Agreement ("ISA") originally dated 19 September 2019 and between (1) the Company and (2) Downing LLP, as novated and amended pursuant to a deed of novation and amendment dated 4 July 2022 between (1) the Company (2) Downing LLP and (3) Foresight Group LLP, pursuant to which Foresight has been appointed as the investment adviser to the Company.

The appointment is not for a fixed term and may be terminated by either side giving not less than 12 months' notice in writing. Foresight receives an annual management fee of an amount equivalent to 2.0% of the Company's net assets calculated by reference to the NAV at the previous half year (i.e. 31 March and 30 September).

The annual running costs of the Company are expected to be capped at 2.6% (including irrecoverable VAT of its NAV (calculated on a semi-annual basis) with Foresight paying any excess running costs above the cap.

Foresight also provides administration services to the Company for a formula-based fee comprising three elements: (i) a basic fee of £40,000 (increased in line with RPI and accordingly at a 2024 rate of approximately £60,000), (ii) a fee of 0.125% of NAV per annum on funds in excess of £10 million; (iii) £10,000 per additional share pool (none currently).

The agreement contains usual provisions indemnifying Foresight against any liability not due to its default, gross negligence, fraud or breach of FSMA.

It is proposed that certain amendments will shortly be made to the ISA as described on page 20, extending Foresight's discretion in relation to investment decisions, other than in situations where there is a potential conflict of interest.

- (b) A sub-management and administration agreement dated 4 July 2022 between (1) the Company (2) Downing LLP and (3) Foresight Group LLP pursuant to which Downing were appointed by Foresight to provide investment advisory services related to certain investments within the Company's asset-based, AIM and healthcare portfolios and also to provide administration services.
- (c) A promoter agreement dated 11 October 2024 between the Company (1) the Promoter (2) the Investment Adviser (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 initial NAV per share 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 Investment Adviser has provided a guarantee to the Company in respect of the obligations of the Promoter under this agreement.
- (d) A letter of engagement dated 23 September 2024 from Dickson Minto Advisers LLP (the "**Sponsor**") pursuant to which the Sponsor has been appointed as sponsor to the Company in connection with the Offer. The Company has agreed to indemnify the Sponsor for any loss suffered in respect of its role as sponsor to the Offer (save for when such loss has arisen out of the Sponsor's breach, wilful default, misconduct or gross negligence). The Company's liability under this indemnity is unlimited.
- (e) A performance incentive agreement, originally between the Company (1) and Downing (2) dated 19 September 2019 (as novated and amended pursuant to a deed of novation and amendment dated 4 July 2022 between (1) the Company (2) Downing LLP and (3) Foresight Group LLP) pursuant to which Foresight will be paid a performance incentive fee equal to 20% of the realised gains on any exit from new investments made since 1 April 2019 ("**New Investments**") when the following conditions are met:
 - (i) The Internal Rate of Return ("**IRR**") of the pool group of all New Investments at the year end exceeds the hurdle rate of 5% p.a. (based on audited valuations and including realised and unrealised gains) ("**IRR Hurdle**"); and
 - (ii) Total Return per Share at the year end exceeds Base Value per share ("**Base Value Hurdle**"). The Base Value per Share is set at Total Return per share (NAV plus dividends paid based from the date of the merger), as at 31 March 2019, being 109.8p per Share.

If any amount is not paid in a year when an investment is realised because the IRR Hurdle and/or Base Value Hurdle are not met, such amounts are deferred and can be paid in a future year if and when the IRR Hurdle and Base Value are both met again. Additionally, the amounts payable under this proposed scheme are only paid to the extent that the IRR Hurdle and Base Value are exceeded.

The appointment is not for a fixed term and will terminate at any time when the Investment Services Agreement described in 5(a) above is terminated.

Documents conditional on Shareholders' approval

- (f) The following contracts will be entered into, subject, inter alia, to the approval by Shareholders of the Resolution 1 at the General Meeting and the Scheme becoming effective:
 - (i) A transfer agreement between the Company and TV2 (acting through the Liquidators) pursuant to which all of the assets and liabilities of TV2 will be transferred to the Company (subject only to the consent required to transfer such assets and liabilities) in

consideration for Consideration Shares in accordance with Part Two of this document. The Liquidators will further agree under this agreement that all sale proceeds and/or dividends received in respect of the underlying assets and/or other rights of TV2 will be transferred on receipt to the Company as part of the Scheme. This agreement will be entered into as part of the Scheme;

- (ii) A deed of indemnity from the Company to the Liquidators pursuant to which the Company will indemnify the Liquidators for expenses and costs incurred by them in connection with the Merger; and
- (g) The following contract will be entered into, subject, inter alia, to the approval by Shareholders of the Resolution 3 at the General Meeting:

A deed of amendment and restatement to the performance incentive agreement described at paragraph 4(e), which resets the existing performance fee incentive scheme so that a Performance Fee would be payable to Foresight Group LLP, subject to the achievement of performance hurdles, at the end of each Performance Period, equal to 20% of the Excess Annual Return per Share multiplied by the weighted average number of Ordinary Shares in issue during the relevant Performance Period. The Performance Fee would be payable by the 15th day following the expiry of the Performance Period in respect of which it has been calculated. Capitalised terms used in this paragraph are as defined in Section Nine of this Prospectus.

- (h) The following contract will be entered into, subject, inter alia, to the approval by Shareholders of the Resolution 4 at the General Meeting:

A contract to purchase Ordinary Shares off-market following the redesignation of a number of Ordinary Shares as Deferred Shares, such number to be determined by reference to the formula set out on pages 69 and 70 of this Prospectus.

6. General

- (a) The legal and commercial name of the Company is Thames Ventures VCT 1 plc, registered in the UK at Companies House under number 03150868, and with LEI code 213800R88MRC4Y30IW86. The Company's principal place of business and registered office is at The Shard, 32 London Bridge Street, London SE1 9SG (telephone no: 020 7416 7780). The Company has not, nor has had since incorporation, any employees other than its Directors. The Company does not have any subsidiaries or associated companies other than the Investment Adviser. The Company is not authorised or regulated by the FCA.
- (b) The legal and commercial name of the Investment Adviser is Foresight Group LLP, registered in the UK at Companies House under number OC300878, and with LEI code 213800WOK59EEP4B4Q11. The Investment Adviser's principal place of business and registered office is at The Shard, 32 London Bridge Street, London, SE1 9SG (telephone no: 020 3667 8181). The Investment Adviser is UK domiciled and was incorporated in England and Wales under the 2000 Limited Liability Partnerships Act on 25 October 2001. The Investment Adviser's website is at <https://www.foresight.group/> (although the information on that website does not form part of the Prospectus and is not incorporated by reference herein).
- (c) BDO LLP, 55 Baker Street, London W1U 7EU are the registered auditors of the Company and are registered in accordance with the Statutory Audit Directive (2006/43/EC) and are a member of the Institute of Chartered Accountants in England and Wales.
- (d) The Investment Adviser is responsible for the calculation of the Company's net asset value which is then approved by the Board and announced at least half yearly, through a regulatory information service. The Board believes that, by announcing their Company's financial results on a regular basis, it should help to provide a fairer market price for its Shares.
- (e) As the Investment Adviser is responsible for the first instance calculation of (i) the net asset value of the Company and (ii) its own investment management fees which are based on the net asset value of the Company, this can give rise to a conflict of interest as the higher the net asset value of the Company, the higher the Investment Adviser's fees. In terms of how this conflict, and the wider process, is managed, the Foresight Ventures Team

prepares quarterly valuations that are proposed to the valuation committee, made up of Foresight's Group finance director, chief financial officer and chief investment officer (the "**Valuation Committee**"). The Valuation Committee reviews and challenges the investment team's valuations, and once approved, these valuations are proposed to the Board. The Board review, challenge and may request adjustments to valuations, and have the final say on their approval. As required by the UK Listing Rules, the Board is majority independent of Foresight as is chaired by an independent director. The approved valuations are used to calculate the Company's net asset value, which is further reviewed internally and approved by the Board. Annually, the valuations are audited by a third-party auditor, currently BDO LLP, who verify that the investment team's methodology is in line with expectations and flags to the Board if they consider any investments to be over or under valued. In terms of the management fee, this is calculated by Foresight's corporate finance team by reference to the terms of the management agreement only once the Board have approved the net asset value. The Company's auditor independently recalculates the management fees as part of the annual audit and reports its findings (if any) to the audit committee.

- (f) With effect from 23 May 2024, the Company uses Third Platform Services Limited ("**TPS**") as custodian for its quoted investments. TPS is registered in the UK at Companies House under number 09588254. TPS registered office is located at Birchin Court, Birchin Lane, London, England, EC3V 9DU. TPS is UK domiciled and was incorporated in England and Wales under the Companies Act 2006 on 13 May 2015. TPS's website is at <https://www.thirdfin.com/> (although the information on that website does not form part of the Prospectus and is not incorporated by reference herein). TPS is authorised by the FCA under firm reference number 717915. The obligations of TPS under the custody agreement with Foresight Group LLP include regular reporting, reconciliation and processing of dividends and interest in respect of the Company's quoted investments.

The Company previously utilised IBP Markets Limited ("**IBP**") as custodian for its quoted investments. As reported in the Company's previous annual report and accounts, IBP was put into a special administration process which, at the time of writing, has now substantially concluded with c.80% of the Company's AIM quoted portfolio now transferred into the custody of TPS and the remaining 20% expected to follow within the next 12 months.

Unquoted investments are held by the Company in certificated form.

- (g) Valuation of investments

All investments are designated as "fair value through profit or loss" assets and are measured at fair value.

Listed fixed income investments are measured using bid prices in accordance with the IPEV Guidelines.

In respect of unquoted instruments, fair value is established by using the IPEV Guidelines. The valuation methodologies used by the Company to ascertain the fair value of an investment in an unquoted entity are as follows: Price of recent investment; Earnings multiple; Net assets; Discounted cash flows or earnings (of underlying business); Discounted cash flows (from the investment); and Industry valuation benchmarks.

Gains and losses arising from changes in fair value are included in the Income Statement for the year as a capital item and transaction costs on acquisition or disposal of the investment expensed.

In the event of any suspension of listing, valuations are held at the suspended price and the view is taken with consideration to best market practice and information from advisers. The Directors do not anticipate any circumstances arising under which the calculation of the net asset value may be suspended. Should the determination of the 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.

- (g) Reporting to Shareholders - the Company's annual report and accounts are made up to 31 March in each year and are normally sent to Shareholders in July. The Company's next accounting period will end on 31 March 2025. The Company's unaudited half yearly reports are made up to 30 September each year and are normally sent to Shareholders in December.

- (h) All material contracts of the Company will be in English and the Company and/or its Investment Adviser will communicate with Investors and/or Shareholders in English.
- (i) Complaints about the Company or the Investment Adviser should be referred to the chair of the Board of Directors of the Company at The Shard, 32 London Bridge Street, London SE1 9SG or the chair of the Investment Adviser at the same address. Any such complaint may subsequently be referred to the Financial Ombudsman Service. Compensation will not be available from the Financial Services Compensation Scheme in the event of default by the Investment Adviser.
- (j) A typical investor will be a retail client (not a corporate) who is aged 18 or over, and pays UK income tax at a higher rate and who already owns a portfolio of non-VCT investments such as unit trusts/OEICs, investment trusts and/or direct shareholdings in listed companies and has sufficient income and capital so that his investment in the Company can be held for over five years. The individual will be professionally advised and/or a sophisticated investor, will make an investment of between £5,000 including any Initial Adviser Charges for facilitation (or such lower amount at the Board's discretion) and £200,000 and will be capable of understanding and be comfortable with the risks of VCT investment.
- (k) The Company has to satisfy a number of tests to qualify as a VCT and will be subject to various rules and regulations in order to continue to qualify as a VCT, as set out under paragraph 5 in Part Five of this document ("Taxation"). In addition, under the rules relating to Admission, the Company must manage and invest its assets in accordance with the investment policy set out in the section headed "Investment Objective and Policy" on pages 34 and 35, which contains information about the policies which it will follow relating to asset allocation, risk diversification and gearing and which includes a maximum exposure. Investors will be informed through a regulatory information service of the action that the Board proposes to take in the event that any of these investment restrictions is breached.
- (l) All third-party information in this document has been identified as such by reference to its source and has been accurately reproduced and, so far as the Company is aware, and is able to ascertain from information published by the relevant party, no facts have been omitted which would render such information inaccurate or misleading.

7. Stamp Duty, Stamp Duty Reserve Tax and Close Company Status

The Company has been advised that no stamp duty or stamp duty reserve tax ("SDRT") will be payable on the issue of the Shares issued under the Offer.

The transfer on sale of any Shares will be liable to ad valorem stamp duty normally at the rate of 0.5% of the amount or value of the consideration (rounded up to the nearest £5). An unconditional agreement to transfer Shares also gives rise to an obligation to account for SDRT, which is payable within seven days of the start of the month following that in which the agreement was entered into. The payment of stamp duty gives rise to a right to repayment of any SDRT paid. There will be no stamp duty or SDRT on the transfer of the Shares into CREST unless such a transfer is made for consideration in money or money's worth, in which case a liability to SDRT will arise usually at a rate of 0.5%. A transfer of Shares effected on a paperless basis through CREST will generally be subject to SDRT at a rate of 0.5% of the value of the consideration. Following the issue of the Shares pursuant to the Offer, the Company is not likely to be a close company for tax purposes.

8. Documents for Inspection

Copies of the following documents are available for inspection at the offices of the Sponsor at Dashwood House, 69 Old Broad Street, London EC2M 1QS and at the registered office of the Company at The Shard, 32 London Bridge Street, London SE1 9SG, during normal business hours on any weekday (public holidays excepted) from the date of this document until the closing date of the Offer:

- (a) the Memorandum of Association and Articles of the Company;
- (b) the material contracts referred to in paragraph 4 above;
- (c) the Prospectus; and

- (d) the Company's audited annual accounts for the years ended 31 March 2024, 31 March 2023 and 31 March 2022 which are incorporated by reference herein.

9. Regulatory Disclosures

The Company has made the following disclosures as required by the Market Abuse Regulation 596/2014 (as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018):

Date	Title of Announcement	Disclosure
18 October 2023	Special administration of the Company's custodian of quoted assets	The Company announced that the custodian for its quoted assets, IBP Markets Limited, had been put into special administration following the publication by the FCA of a supervisory notice under section 55L(3)(a) of FSMA.
26 July 2024	Discussions regarding possible combination of Thames Ventures VCT 1 plc and Thames Ventures VCT 2 plc	The Board and the TV2 Board jointly announced that they have entered into discussions regarding a possible combination of their assets.

PART NINE: DEFINITIONS

Admission	date on which the New Shares allotted are listed on the Official List of the FCA and admitted to trading on the London Stock Exchange's main market for listed securities
Adviser Charge	a fee, payable to an Intermediary, agreed with the Investor for the provision of a personal recommendation and/or related services in relation to an investment in Offer Shares, and detailed on the Application Form
AIM	a market operated by the London Stock Exchange established in 1995 to provide a market for small, growing companies with greater regulatory flexibility than applies to the main market
Annual Running Costs	annual running costs incurred by the Company in the ordinary course of its business (including irrecoverable VAT but excluding any amount payable in respect of the Performance Incentive)
Applicant	person who applies for Offer Shares under the Offer through means of completing an Application Form
Application Form(s)	form(s) of application (either paper or electronic) for Offer Shares (each submission of such Application Form by an Applicant being an " Application ")
Articles	articles of association of the Company as at the date of this document
Board or Directors	board of directors of the Company or the Enlarged Company (as the context dictates)
Boards	the Board and the TV2 Board
Business Days	any day (other than a Saturday or Sunday) on which clearing banks in London are open for normal banking business in sterling
CA 2006	Companies Act 2006 (as amended)
Calculation Date	the date on which the number of Consideration Shares to be issued is determined, this being after the close of business on 14 November 2024
Closing Date	3.00 p.m. on 30 April 2025 unless extended at the discretion of the Directors
Companies	the Company and TV2
Company	Thames Ventures VCT 1 plc (registered number 03150868)
Consideration Shares	the new shares to be issued by the Company to the shareholders of TV2 in accordance with the Merger (and each a Consideration Share)
CREST	relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)) for the paperless settlement of transfers and the holding of Shares in uncertificated form which is administered by Euroclear UK & Ireland Limited (registered number 02878738)

Deferred Shares	the deferred shares of 1p each in the capital of the Company have the rights and restriction set out in the Articles
Direct Investor	an investor with no adviser or other financial intermediary acting on their behalf in respect of their Application
Dividend Reinvestment Scheme or DRIS	the Company's dividend reinvestment scheme
Downing	Downing LLP
DTR	the Disclosure Guidance and Transparency Rules, made by the FCA under Part VI of FSMA and relating to the disclosure of information in respect of financial instruments
Due Share of Merger Costs	the proportions of the total Merger Costs to be borne by each class of shares respectively in the Company and TV2
Effective Date	the date on which the Merger will be completed, anticipated as being 15 November 2024
Enlarged Company	the Company, following implementation of the Merger
Existing Shareholders	the holders of Existing Shares
Existing Shares	the Ordinary Shares in issue at the date of this Prospectus
First TV2 Meeting	the general meeting of TV2 to be held on 8 November 2024
Fixed Income Securities	investments made by the Company which do not comprise Qualifying Investments, such as bank deposits, loan stock, bonds, preference shares and other debt instruments
Foresight Group	a collective term for Foresight Group Holdings Limited and all the entities owned by Foresight Group Holdings Limited, Foresight Group CI Limited and/ the Investment Adviser, directly or indirectly
FSMA	Financial Services and Markets Act 2000, as amended, supplemented or replaced from time to time
General Meeting	the general meeting of the Company to be held on 8 November 2024
HMRC	His Majesty's Revenue and Customs
IA 1986	Insolvency Act 1986, as amended
Independent Valuer	Azets Holdings Limited of 2nd Floor Regis House, 45 King William Street, London, England, EC4R 9AN
Initial Adviser Charge	a one-off Adviser Charge to be paid at the time of or shortly after an investment for Offer Shares is made by an Investor
Intermediary	financial intermediary or adviser, authorised under FSMA, who signs the Application Form and whose details are set out on the Application Form
Investment Adviser or Foresight	Foresight Group LLP

Investor	individual who subscribes for Offer Shares pursuant to the Offer
IRR	internal rate of return, which, when applied to the relevant cash flows, produces a net present value of zero (expressed as a percentage)
ITA	Income Tax Act 2007, as amended from time to time
Liquidators	David Rubin and Stephen Katz of Begbies Traynor (London) LLP of 340 Deansgate, Manchester, M3 4LY being the proposed liquidators for TV2
Listed	admitted to the Official List and to trading on the London Stock Exchange
London Stock Exchange or LSE	London Stock Exchange plc
Management	individuals engaged in the business of the Company and/or the Investment Adviser
Merger	the arrangements for merging the Company and TV2 being, primarily, the Scheme and the revised management arrangements applying to the Enlarged Company
Merger Costs	the costs of the Merger which are estimated to be £495,000, with approximately £396,000 to be borne by the Company and TV2 in aggregate
Merger Regulations	Venture Capital Trusts (Winding-up and Mergers) (Tax) Regulations 2004 (as amended)
Merger Value	the value of an Ordinary Share, calculated in accordance with Part 2 of this document
ML Regulations	Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended, supplemented or replaced from time to time
Net Assets	gross assets less all liabilities (excluding contingent liabilities) of the Company calculated in accordance with the Company's normal accounting policies in force at the date of circulation
NAV or Net Asset Value	net asset value per share
New Shares	the Consideration Shares and/or the Offer Shares (as the context dictates)
Offer	offer for subscription to raise in aggregate up to £5 million (subject to the Directors' discretion to increase the maximum size of the Offer by up to an additional £5 million) by issues of Ordinary Shares by the Company pursuant to the Prospectus
Offer Price	the latest published NAV per Offer Share adjusted for any dividends declared and ex-dividend since the NAV date, as appropriate, and determined for each Investor by the application of the Pricing Formula to their personal circumstances and rounded up to the nearest 0.1p

Offer Shares	those Ordinary Shares being made available for subscription pursuant to the Offer
Official List	official list of the FCA maintained in accordance with section 74(1) FSMA
Ordinary Shares or Shares	ordinary shares of 1p each in the capital of the Company (ISIN: GB00BFRSVQ41)
Ordinary Shareholders or Shareholders	holders of Ordinary Shares
Pricing Formula	the pricing formula by which the number of Offer Shares issued under the Offer is determined for each Investor
Promoter	Foresight Group Promoter LLP, the promoter of the Offer
Promoter's Agreement	agreement on or around the date of this Prospectus between the Company (1), the Directors (2), the Sponsor (3) the Promoter (4) and (5) Foresight, a summary of which is set out in paragraph 5(c) of Part Six of this document
Prospectus	this document
Qualifying Company	unquoted (including an AIM-quoted) company which satisfies the requirements of Part 4 of Chapter 6 of the ITA
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 ITA
Receiving Agent	The City Partnership (UK) Limited
Record Date	the record date by reference to which entitlements will be allocated pursuant to the Merger, anticipated as being 14 November 2024
Redesignation	the proposed resetting of the NAV per Ordinary Share to £1.00 by the redesignation of a number of the Ordinary Shares as Deferred Shares
Registrar	The City Partnership (UK) Limited
Roll-Over Value	the value of a TV2 Share, calculated in accordance with Part 2 of this document
RPI	inflation measured by the Retail Price Index
Second TV2 Meeting	the general meeting of TV2 to be held on 15 November 2024
Scheme	the proposed merger of the Company with TV2 by means of placing TV2 into members' voluntary liquidation pursuant to Section 110 of IA 1986 and the acquisition by the Company of the TV2 Assets in consideration for the issue of Consideration Shares
the Sponsor	Dickson Minto Advisers LLP
Spouse	spouse or civil partner
TCGA 1992	Taxation of Chargeable Gains Act 1992, as amended

Transfer Agreement	the agreement between the Company and TV2 (acting through the Liquidators) for the transfer of the TV2 Assets by the Liquidators to the Company pursuant to the Scheme
Total Return	NAV, together with cumulative dividends paid since the merger in November 2013
TV2	Thames Ventures VCT 2 plc (registered number 06789187)
TV2 Assets	the assets and liabilities of TV2 which are transferred to the Company by the Liquidators pursuant to the Scheme, being all the assets and liabilities of TV2
TV2 Board	the board of directors of TV2
TV2 Circular	the circular to the TV2 Shareholders published on 11 October 2024
TV2 DP67 Share(s)	the AIM shares of 0.1p each in the capital of TV2
TV2 Healthcare Share(s)	the healthcare ordinary shares of 0.1p each in the capital of TV2
TV2 Meetings	the First TV2 Meeting and the Second TV2 Meeting
TV2 Shareholders	holders of TV2 Shares (and each a TV2 Shareholder)
TV2 Share(s)	TV2 AIM Shares, TV2 DP67 Shares, TV2 Healthcare Shares and TV2 Ventures Shares
TV2 Ventures Share(s)	the ventures ordinary shares of 0.1p each in the capital of TV2
UK Listing Rules	the UK listing rules of the FCA
UK Prospectus Regulation	Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018
VCT Regulations 2004	Venture Capital Trust (Winding Up and Mergers) (Tax) Regulations SI 2004 No. 2199
VCT Rules	legislation, rules and HMRC interpretation and practice regulating the establishment and operation of venture capital trusts
Venture Capital Trust or VCT	venture capital trust as defined in section 259 of the ITA

PART TEN: ADDITIONAL INFORMATION

The Company

1.1 Borrowing policy

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital. The Directors 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 subsidiaries (if any) so as to secure (so far, as regards the subsidiaries, as by such exercise they can secure) that the aggregate amount at any one time owing or deemed to be owing by the Company and/or any subsidiaries, determined as hereinafter mentioned, in respect of moneys borrowed by it or them or any of them shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to 10% of the aggregate amount paid up on the issued share capital of the Company and the amounts standing to the credit of the consolidated reserves of the Company as shown in the latest audited balance sheet, adjusted where appropriate to take account of movements since that date.

1.2 Cancellation of the share premium account

The Directors are aware of the possibility that the Company's Shares may trade at a discount to their net asset value at some point. The Directors consider that the Company should have the ability to purchase its Shares in the market (such Shares to be automatically cancelled) with the aim of reducing any discount and increasing the NAV of the remaining Shares. In the view of the Directors, the awareness of Investors that the Company has such a capability may tend to moderate the scale of any discount which may emerge and the action of buying in shares should enable any such discount to be narrowed.

The CA 2006 provides that a public company may only purchase its own shares out of distributable profits or out of the proceeds of a fresh issue of Shares made for the purpose of the purchase. Subject to Shareholder and Court approval, the Company may decide to reduce and/or cancel the share premium account (created on the issue of the new shares) and to transfer the balance of the special reserve, which is established by the cancellation of a previous share premium account, which may be treated as a distributable profit, out of which purchases of Shares can be made, subject to regulations, VCT Rules and company legislation. Distributions will not be made from such a reserve to the extent it is attributable to shares capital raised after 5 April 2014 for a minimum of three years following the end of the accounting period in which the relevant shares are issued.

1.3 Material interests

Foresight are paid an annual investment adviser fee of 2.0% of the Net Asset Value of the Company. Foresight will also be entitled to receive the Performance Incentive. Further details of these arrangements are set out in Part One of this document.

1.4 Results of the Offer

The results of the Offer, together with the relevant information regarding the offer price will be announced through a Regulatory Information Service provider.

1.5 Major Shareholders

As far as the Company is aware, there are no, and as a result of the Offer will be no, major Shareholders holding more than 3% of the Company's Share capital or who intend to subscribe for more than 5% of the available Offer Shares. No shareholders have different voting rights.

1.6 The Offer Shares

Shareholders' authority to create, allot and issue Offer Shares up to an aggregate maximum nominal value of £1,000,000 were passed at the annual general meeting of the Company held on 4 September 2024. All Shareholders will have the same voting rights in respect of the existing share capital of the Company. An existing holder of Ordinary Shares who does not subscribe for Offer Shares pursuant to the Offer would experience no material dilution in terms of NAV per share (as the assets of the Company will be increase by the proceeds of the Offer and the upfront

costs of the Offer are borne by subscribers) but will experience dilution in terms of voting. The Offer Shares are ordinary shares of one penny each (ISIN: GB00BFRSVQ41) created under the CA 2006 and are freely transferable. The number of shares to be issued in each allotment of shares depends on the NAV at the time of allotment. However, the maximum number of Ordinary Shares to be issued pursuant to the Prospectus is 150 million.

1.7 Consent to use Prospectus

The Company and the Directors consent to the use of the Prospectus by financial intermediaries and accept responsibility for the information contained in the Prospectus in respect of any subsequent resale or final placement of Offer Shares by any financial intermediary which was given consent to use this document. There are no conditions attaching to this consent. 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 on 11 October 2024 and closes on 30 April 2025 (subject to the extension of the Offer at the discretion of the Directors). In the event of an offer being made by a financial intermediary, the financial intermediary will provide information to investors on the terms and conditions of the Offer at the time the offer is made. Financial intermediaries may use this Prospectus in the UK.

Any financial intermediary that uses this Prospectus must state on its website that it uses this Prospectus in accordance with the consent and the 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.

2. Working capital and capitalisation and indebtedness statements

2.1 Working capital

In the opinion of the Company, the working capital available to the Company is sufficient for its present requirements, that is, for at least 12 months from the date of this document.

2.2 Statement of capitalisation and indebtedness of the Company and TV2

The table below shows the capitalisation of the Company as at 30 September 2024, taken from the Company's unaudited management accounts:

	£'000
Total current debt	
Guaranteed	-
Secured	-
Unguaranteed/secured	-
Total non-current debt	
Guaranteed	-
Secured	-
Unguaranteed/secured	-
Shareholders' equity	
Share capital	1,727
Other reserves	74,443
	<hr/>
	76,170

There has been no material change in the capitalisation of the Company, total debt or shareholder equity since 30 September 2024.

The following table shows the Company's net indebtedness as at 30 September 2024, taken from the Company's unaudited management accounts.

	£'000
A Cash	7,097
B Cash equivalent	-
C Trading Securities	13,362
D Liquidity (A+B+C)	20,459
E Current financial receivables	8,140
F Current bank debt	-
G Current position of non-current debt	-
H Other current financial debt	-
I Current financial debt (F+G+H)	-
J Net current financial indebtedness (I-E-D)	(28,599)
K Non-current bank loans	-
L Bonds issued	-
M Other non-current loans	-
N Non-current financial indebtedness (K+L+M)	-
O Net financial indebtedness (J+N)	(28,599)

The Company does not have any contingent or indirect indebtedness.

The table below shows the capitalisation of TV2 as at 30 September 2024, taken from TV2's unaudited management accounts:

	£'000
Total current debt	-
Guaranteed	-
Secured	-
Unguaranteed/secured	-
Total non-current debt	-
Guaranteed	-
Secured	-
Unguaranteed/secured	-
Shareholders' equity	-
Share capital	91
Other reserves	38,761
	<u>38,852</u>

There has been no material change in the capitalisation of TV2, total debt or shareholder equity since 30 September 2024.

The following table shows TV2's net indebtedness as at 30 September 2024, taken from TV2's unaudited management accounts:

	£'000
A Cash	9,528
B Cash equivalent	-
C Trading Securities	3,372
D Liquidity (A+B+C)	12,900
E Current financial receivables	1,560
F Current bank debt	-
G Current position of non-current debt	-
H Other current financial debt	-
I Current financial debt (F+G+H)	-
J Net current financial indebtedness (I-E-D)	(14,460)
K Non-current bank loans	-
L Bonds issued	-
M Other non-current loans	-
N Non-current financial indebtedness (K+L+M)	-
O Net financial indebtedness (J+N)	(14,460)

TV2 does not have any contingent or indirect indebtedness.

4. Overseas Investors

- (a) No person receiving a copy of this document or an Application Form in any territory other than the UK may treat the same as constituting an offer or invitation to him/her to subscribe for or purchase Shares unless, in such territory, such offer or invitation could lawfully be made.
- (b) 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 will be required to warrant that they are not a US person as defined in paragraph 3(r) of Part Eleven of this document or a resident of Canada.

5. Information sourced from third parties

Where information set out in this document has been sourced from third parties the source has been identified at the relevant place in the document and the Company confirms that this information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published, no facts have been omitted which would render the reproduced information inaccurate or misleading.

11 October 2024

PART ELEVEN: TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER

1. The contract created by the acceptance of Applications in the manner herein set out will be conditional upon the Admission of the Offer 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 Offer 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 Offer 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 Offer Shares and authorise the Receiving Agent to send you any monies returnable as set out in section 4 of your Application Form;
 - (c) in consideration of the Company agreeing that it will not, prior to the closing date of the Offer, offer any Offer 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 dispatch by post or delivery by hand of your Application Form duly completed to the Receiving Agent;
 - (d) understand that applications under an Offer will be accepted on a 'first-come, first-served' basis, subject always to the discretion of the relevant Board. For these purposes 'first-come, first-served' shall be assessed based on the date and time of receipt of a fully completed Application, subject to receipt of Application monies (in full, including those making multiple payments) in cleared funds within five Business Days thereafter (or, if earlier, before an Offer deadline or close of the Offer) to retain the Applicant's position of priority. If Application monies are not received within such time, the relevant date and time shall be when the Applicant's actual Application monies (in full) are received in cleared funds. An Application may not be considered as 'complete' until identity verification is completed and/or, where relevant, information or supporting evidence required for the Application remains outstanding;
 - (e) agree that any Application monies for Offer Shares, together with other monies received from other Applicants for Offer Shares, will be held by the Receiving Agent in a client account for the purposes of either (a) the payment in respect of Offer Shares for which your Application is accepted and Offer 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) is not made. In all circumstances, you acknowledge that any interest earned on such monies will be retained by the Company;

- (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 Offer 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 Offer 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 Offer 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 Offer Shares or by virtue of such Application being accepted;
 - (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 Offer Shares and that the Offer 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 in wet ink 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 Offer 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 Offer 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 Offer 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. 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 the Sponsor, 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 2025 or as soon as full subscription is reached (unless closed earlier or extended 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 Offer 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 bank transfer. 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 on pages 100 to 103. In particular, but without limitation, the Company (after consultation with the Sponsor, 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 Offer 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.

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 Offer Shares allotted pursuant to each such Application Form. In addition, provided they continue to act for their client and the client continues to hold such Offer Shares, such intermediaries will be paid an annual trail commission of 0.5% of the net asset base value for each such Offer Share. For this purpose, "net asset base value" means the net assets attributable to the Offer 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 quarterly 12 months in arrears. 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 Offer 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 to 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 Offer 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 Offer Shares to members of the public as compared with the effective cash cost of Offer 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 Offer 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.foresight.group/products/thames-ventures-vct-1-plc>).
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://foresight.group/privacy-policy/> and <https://foresight.group/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.
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

Applications to invest in Offer Shares can now be submitted through Foresight's online portal for advisers at portal.foresightgroup.eu/LoginPortal or via email to applications@foresightgroup.eu. 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, The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH.

The Offer opens on 15 November 2024 and will close on 30 April 2025, save where closed earlier or extended 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 2024/2025 tax year end on 5 April 2025, Applicants submitting Applications with a cheque should allow seven working days for their funds to clear.

It is expected that dealings in the Offer Shares will commence three Business Days following allotment and that share certificates will be dispatched within ten business days of the allotment of the Offer 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, usually by bank transfer.

APPLICATION PROCEDURES

Before making an Application, investors should consider whether to (i) consult an independent financial adviser authorised under FSMA, (ii) submit their Application through an 'execution only' intermediary or (iii) apply directly.

The Offer will open to Applications at 3.00 p.m. on 15 November 2024 and may close at any time thereafter, but, in any event, not later than 10.00 a.m. on 3 April 2025 in the case of the 2024/2025 offer, and 4.00 p.m. on 30 April 2025, in the case of the 2025/2026 offer (unless, in either case, the Offer has been fully subscribed by an earlier date). The closing date of the Offer, and the deadline for receipt of Applications for the final allotments with respect to the 2025/2026 offer, may be extended by the Directors at their absolute discretion.

Applications under an Offer will be accepted on a 'first-come, first-served' basis, subject always to the discretion of the relevant Board. For these purposes **'first-come, first-served' shall be assessed based on the date and time of receipt of a fully completed Application, subject to receipt of Application monies (in full, including those making multiple payments) in cleared funds within five Business Days thereafter (or, if earlier, before an Offer deadline or close of the Offer) to retain the Applicant's position of priority.** If Application monies are not received within such time, the relevant date and time shall be when the Applicant's actual Application monies (in full) are received in cleared funds. An Application may not be considered as 'complete' until identity verification is completed and/or, where relevant, information or supporting evidence required for the Application remains outstanding.

You may complete and submit your Application Form online via www.foresight.group/products/thames-ventures-vct-1-plc once the offer opens to applications on 15 November 2024.

From a speed of processing perspective and to reduce the Offer's carbon footprint, the Company recommends the use of the online Application Form and to remit monies (in full) via bank transfer.

Offline Applications

You may also download an editable PDF copy of the Application Form at www.foresight.group/products/thames-ventures-vct-1-plc. Please complete and send your PDF Application Form via email to thamesventuresvct1@city.uk.com or via post/hand delivery to the Receiving Agent:

Thames Ventures VCT 1 plc Offer
The City Partnership (UK) Ltd
The Mending Rooms, Park Valley Mills
Meltham Road
Huddersfield
HD4 7BH

It is recommended that you use Royal Mail Special Delivery or Tracked mail and allow at least two Business Days for delivery.

If you send a soft copy of your Application Form to the Receiving Agent, please do not send a hard copy in the post.

If you or your financial intermediary submit a hard copy, scanned, or PDF Application, the Receiving Agent will manually enter your Application into the online facility and send you a copy of the online submission by email or post for your review and written confirmation. Please note that only upon receipt of your written confirmation of the content of the online submission will the Receiving Agent process your Application. For confirmed Applications, the associated date and time of receipt shall be determined in accordance with the 'first-come, first-served' basis detailed above.

Nominee Applications

If you are a nominee applying on behalf of beneficial owners, you must complete and submit an Application Form for each beneficial owner with the relevant nominee details (CREST or otherwise) in Section 5. Subject to the number of beneficial owners within the nominee, the Receiving Agent may configure an online Application Form pre-filled with the nominee's details to expedite the subscription process. Nominees should contact the Receiving Agent regarding the remittance of the associated subscription monies to ensure compliance with the Money Laundering Regulations.

Payment Instructions

Payment can be made by bank transfer or cheque, and the associated instructions can be found in the Application Form and in the Notes on the Application Form, both of which will be published and available at www.foresight.group/products/thames-ventures-vct-1-plc when the Offer opens to Applications on 15 November 2024.

Tracking the Status of Your Application Form & Application Monies

In addition to email/post communications from the Receiving Agent concerning receipt of your Application and associated monies, you may use the Receiving Agent's online tracking service to track the status of your Application Form and download a PDF copy of your Application Form.

For any new shares for which your application is accepted, the Receiving Agent will issue an email notification concerning the availability of the associated allotment letter and income tax relief certificate for download via the online tracking service within 3 Business Days following the allotment. The Receiving Agent will issue the associated allotment correspondence by post within 10 Business Days following the allotment for applicants who do not provide an email address. The Registrar will issue the related share certificate (where applicable) by post within 10 Business Days following the allotment.

The Receiving Agent's online tracking service is at <https://city-ora.uk/offers/tven1-2425/tracking>.

To access the service, you need to provide (i) your unique Application reference number (starting "TVEN1-2425"), which will be noted on the Receiving Agent's correspondence to you, (ii) your date of birth, and (iii) your National Insurance number or Unique Taxpayer Reference, as provided in your Application Form.

MONEY LAUNDERING NOTICE

Per the Money Laundering Regulations, an Applicant's identity must be verified before allotting New Shares under the Offer. Verification of identity is a routine step associated with the Application process. It ensures that Applicants (i) are who they say they are, (ii) that they have not acquired the application monies illegally, and (iii) that they are not attempting to use the Company or the Receiving Agent as part of criminal activity.

Please note that the Company cannot allot New Shares to an Applicant whose identity cannot be verified.

For Applications made via a financial intermediary, the intermediary should complete verification of the Applicant's identity. By signing the Application Form, the financial intermediary confirms that they have verified the identity of the Applicant to the standard required by the Money Laundering Regulations within the guidance for the UK financial sector issued by the Joint Money Laundering Steering Group, and that if the Company, Manager and/or the Receiving Agent request additional information in connection with that verification, they will provide it within two Business Days of receiving the request.

For direct Applications the Receiving Agent will use the Applicant's personal information from the Application Form to verify their identity through Veriphy, a specialist anti-money laundering ("AML") compliance solution provider. Veriphy's AML checks include identity and UK address validation as well as integral mortality, departure, sanction, and politically exposed person searches. **Veriphy's checks have no impact on an Applicant's credit score or their ability to obtain credit.**

In the small number of cases where Veriphy is unable to verify the Applicant's identity sufficiently, the Receiving Agent will need the Applicant to supply evidence of their identity and will contact the Applicant (or their financial intermediary if applicable) to request copies of the relevant documents (typically, an original or certified copy of a passport or driving licence, as well as a recent bank statement or utility bill) and explain how they should be provided. Please note that failure to provide satisfactory evidence following such a request may result in a delay in processing an Application or, at the point of the Offer closing to Applications, the Application being treated as invalid. The Company will return monies associated with an invalid Application upon satisfactory completion of any associated verification of identity checks.

Note: The Company and the Receiving Agent may, in their absolute discretion, and regardless of the Application amount and/or the involvement of a financial intermediary, require identity verification.

Administrative Queries

If you have any administrative questions regarding the completion and return of the Application Form, please contact the Receiving Agent, The City Partnership (UK) Limited, on 01484 240 910 (Monday to Friday, excluding English public holidays, 9.00 am - 5.30 pm) or at thamesventuresvct1@city.uk.com.

DIRECTORS AND ADVISERS

Directors (all non-executive)	Atul Devani (Chair) Barry Dean Chris Allner
Proposed Director	Dr Andrew Mackintosh
Company Secretary	Foresight Group LLP The Shard 32 London Bridge Street London SE1 9SG
Investment Adviser	Foresight Group LLP The Shard 32 London Bridge Street London SE1 9SG
Administrator	Foresight Group LLP The Shard 32 London Bridge Street London SE1 9SG
Sponsor	Dickson Minto Advisers LLP Level 4, Dashwood House 69 Old Broad Street London EC2M 1QS
Solicitors to the Company and Arranger of the Offer	RW Blears LLP 6 Kinghorn Street London EC1A 7HT
Promoter	Foresight Group Promoter LLP The Shard 32 London Bridge Street London SE1 9SG
Auditors	BDO LLP 55 Baker Street London W1U 7EU
Bankers	Royal Bank of Scotland London Victoria Branch 119/121 Victoria Street London SW1E 6RA
Registrar	The City Partnership (UK) Limited The Mending Rooms Park Valley Mills Meltham Road Huddersfield HD4 7BH
VCT Taxation Advisers	Philip Hare & Associates LLP Hamilton House 1 Temple Avenue London EC4Y 0AH

Foresight Group LLP

The Shard
32 London Bridge Street
London SE1 9SG

Tel: 020 3667 8181

Email: investorrelations@foresightgroup.eu

Web: <https://www.foresight.group/products/thames-ventures-vct-1-plc>

Foresight Group LLP is authorised and regulated by the Financial Conduct Authority

